



PRN PHARMACAL AUTHORIZED DISTRIBUTOR POLICY FOR THE UNITED STATES
Effective Date: January 1, 2022

This PRN Pharmacal Authorized Distributor Policy for the United States ("Distributor Policy") is issued by Pegasus Laboratories, Inc. d/b/a PRN Pharmacal ("PRN") and applies to Authorized Distributors of PRN products ("Product(s)") in the United States of America.¹ By purchasing Products from PRN or a PRN Authorized Wholesaler for distribution to Authorized Veterinary Practices (as defined below) and/or Authorized Retailers (as defined below), you ("Distributor") agree to adhere to the following terms. This Distributor Policy supplements any then-current wholesaler or distribution agreement between you and PRN. Until such status is otherwise revoked by PRN in PRN's sole and absolute discretion, Distributor shall be considered an "Authorized Distributor." PRN may review Distributor's activities for compliance with this Distributor Policy, and Distributor agrees to cooperate with any such investigation, including, but not limited to, permitting inspection of Distributor's facilities and records related to the sale of the Products.

1. **Authorized Customers.** Distributor is authorized to sell Products only to Authorized Veterinary Practices and Authorized Retailers (collectively, "Authorized Customers") in the United States.

(a) An "Authorized Veterinary Practice" is an individual or business entity that:

- (i) is a licensed veterinarian or veterinary practice that has veterinarian-client-patient relationships (VCPR) and is dedicated to providing veterinary medical services including, but not limited to, complete physical examinations, laboratory work and diagnostics (either in-house or via a third party), and medical record keeping;
- (ii) purchases Products from a PRN Authorized Distributor for purposes of use in the course of treatment on-site and/or resale to End Users (as defined below) as part of an ongoing treatment plan for their pet;
- (iii) has received and abides by the PRN Pharmacal Brand Protection Policy for the United States ("Brand Protection Policy"); and
- (iv) has not had its "Authorized Veterinary Practice" status revoked by PRN.

(b) An "Authorized Retailer" is an individual or business entity that:

- (i) purchases Products from a PRN Authorized Distributor and resells the Products to End Users (as defined below) as part of a commercial enterprise;
- (ii) has received and abides by the Brand Protection Policy;
- (iii) does not have a direct purchasing relationship with PRN; and
- (iv) has not had its "Authorized Retailer" status revoked by PRN.

(c) Notwithstanding anything to the contrary in this Distributor Policy, Distributor shall not sell Products to any entity that operates a third-party marketplace website, including, but not limited to, Amazon, Walmart, or Target.

(d) If any customer or prospective customer of Distributor is not yet an Authorized Retailer or Authorized Veterinary Practice, Distributor shall immediately provide the Brand Protection Policy to such customer/prospective customer. If such customer/prospective customer accepts the terms in the Brand Protection Policy, Distributor may thereafter sell Products to such customer, which shall thereafter be an Authorized Retailer or Authorized Veterinary Practice unless and until PRN revokes such status. Authorized Retailers and Authorized Veterinary Practices are determined by PRN in its sole discretion.

¹ This Distributor Policy shall apply to all PRN Products. A complete list of PRN Products is available at <https://www.prnpharmacial.com/products/>.

(e) Distributor shall cease or suspend sales to any customer promptly upon request of PRN.

(f) Distributor shall not sell, ship, or promote the Products outside of the United States of America or to anyone Distributor knows or has reason to know intends to sell, ship, or promote the Products outside of the United States of America without PRN's prior written consent.

(g) Distributor shall distribute policies, updates to policies, Product information, educational materials, and other information to its Authorized Customers as requested by PRN from time to time.

2. **Impermissible Customers.**

(a) Distributor shall not sell Products to End Users without PRN's prior written consent. An "End User" is any consumer purchaser of the Products who is purchasing the Products for consumption by their pet and who does not intend to resell the Products to any third party.

(b) As of January 1, 2022, Distributor shall not sell Products to Veterinary ePharmacies. A "Veterinary ePharmacy" is an individual or business entity that is engaged in dispensing veterinary prescription products to End Users and operates exclusively online. Veterinary ePharmacies include, but are not limited to, those identified by PRN on Exhibit A. If any existing or prospective Veterinary ePharmacy customer of Distributor seeks to source or purchase Products through Distributor on or after January 1, 2022, Distributor shall direct such Veterinary ePharmacy to contact PRN.

3. **Online Sales. Except as provided in this Section, Distributor shall not offer for sale or sell the Products on or through any Publicly Accessible Website without the prior written consent of PRN.**

(a) A "Publicly Accessible Website" is a website, online marketplace, mobile application, or other online forum that advertises Products or offers Products for sale and displays Product pricing information in a location that can be viewed by a prospective customer without creating an account and logging in.

(b) **All third-party online marketplace websites (including, but not limited to, Amazon, eBay, and Walmart Marketplace) are Publicly Accessible Websites. Sales on these websites are prohibited without PRN's prior written consent.**

(c) A website operated by Distributor to facilitate orders from Authorized Retailers and/or Authorized Veterinary Practices that requires the Authorized Retailer or Authorized Veterinary Practice to obtain an account and log in to view Product listings and pricing information is not considered a Publicly Accessible Website.

(d) Notwithstanding anything to the contrary in this Distributor Policy, Distributor is authorized to operate a Veterinary Home Delivery Platform on behalf of Authorized Veterinary Practices. A "Veterinary Home Delivery Platform" is a website, micro-site, or mobile application that:

- (i) is primarily used to facilitate Product orders from End Users on behalf of Authorized Veterinary Practices (as defined above);
- (ii) requires the prospective End User to create an account associated with the business of an Authorized Veterinary Practice and log in to purchase Products; and
- (iii) is operated in compliance with the terms and conditions set forth in the PRN Pharmacal Online Sales Guidelines, attached as Exhibit B, as PRN may amend from time to time.

(e) PRN reserves the right to terminate, at any time and in its sole discretion, its approval for Distributor to market and sell Products on the Veterinary Home Delivery Platform, and Distributor must cease all such marketing and sales on the Veterinary Home Delivery Platform immediately upon notice of such termination

(f) The terms of this Distributor Policy supersede any prior agreement between PRN and Distributor regarding the sale of the Products online. Any authorization previously granted to Distributor by PRN to sell the Products on or through a Publicly Accessible Website or other online forum other than a Veterinary Home Delivery Platform is hereby revoked.

4. **Sales Practices.** Distributor shall conduct its business in a reasonable and ethical manner at all times and shall not engage in any deceptive, misleading, or unethical practices or advertising at any time. Distributor shall not make any warranties or representations concerning the Products except as expressly authorized by PRN. Distributor shall comply with all applicable laws, rules, regulations, and policies (a) applicable to Distributor's business and/or (b) related to the marketing and sale of the Products. Distributor shall represent the Products in a professional manner and refrain from any conduct that is or could be detrimental to the reputation of PRN or the Products. Distributor shall not advertise Products not carried in inventory.

5. **Point-of-Sale Data Reports.** Distributor shall provide monthly point-of-sale data reports ("POS Data") to PRN and/or other designated third-party data management organization. Such reports shall be in a form and format reasonably approved by PRN. Distributor shall submit such POS Data no later than the 5th day of the following month and POS Data must be sufficiently detailed to permit PRN to determine the monthly sale volumes by item, ship-to Authorized Veterinary Practice or Authorized Retailer, and ship-to location. Other reports may be requested by PRN on an as-needed basis. Distributor is not required to disclose any data that would be prohibited by any applicable law.

6. **Product Care, Customer Service, and Other Quality Controls.** Distributor shall comply with the PRN Pharmacal Product Care, Customer Service, and Other Quality Controls, attached as Exhibit C, as PRN may amend from time to time.

7. **Intellectual Property.**

(a) Distributor acknowledges and agrees that PRN or its licensors own all proprietary rights in and to the PRN brands, names, logos, trademarks, service marks, trade dress, copyrights, and other intellectual property related to the Products (the "PRN IP"). Distributor is granted a limited, non-exclusive, non-transferable, revocable license to use the PRN IP solely for purposes of marketing and selling the Products as set forth herein. This license will cease upon termination of Distributor's status as an Authorized Distributor. All goodwill arising from Distributor's use of the PRN IP shall inure solely to the benefit of PRN or its licensors.

(b) Distributor's use of the PRN IP shall be in accordance with any guidelines that may be provided by PRN from time to time, including those available at www.prnpharmacal.com/brand-support, and must be commercially reasonable as to the size, placement, and other manners of use. PRN reserves the right to review and approve, in its sole discretion, Distributor's use or intended use of the PRN IP at any time, without limitation. In marketing the Products, Distributor shall only use images of Products either supplied by or authorized by PRN and shall ensure that all Product images and descriptions are accurate and up to date.

(c) Distributor shall not create, register, or use any domain name, social media screenname, or mobile application name that contains any PRN product name or any trademark owned by or licensed to PRN, nor a misspelling or confusingly similar variation of any PRN product name or any trademark owned by or licensed to PRN.

8. **Termination.** PRN reserves the right to terminate Distributor's status as an Authorized Distributor with written or electronic notice. Upon termination of a Distributor's status as an Authorized Distributor, Distributor shall immediately cease (i) selling the Products; (ii) acting in any manner that may reasonably give the impression that Distributor is an Authorized Distributor of PRN Products or has any affiliation whatsoever with PRN; and (iii) using all PRN IP.

9. **Modification.** PRN reserves the right to update, amend, or modify this Distributor Policy at any time, including the addition or removal of Impermissible Customers, as set forth on Exhibit A. Unless otherwise provided, such amendments will take effect immediately, and Distributor's continued use, advertising, offering for sale, or sale of the Products, use of the PRN IP, or use of any other information or materials provided by PRN to Distributor will be deemed Distributor's acceptance of the amendments.

10. **Confidentiality.** This Distributor Policy, and its attachments constitute confidential, proprietary information of PRN and shall not be used for any purpose other than the authorized advertising and sale of the Products nor disclosed to any third party without the prior written consent of PRN.

EXHIBIT A**IMPERMISSIBLE CUSTOMERS²**

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| 1. Agropec Trading LLC d/b/a Allivet | allivet.com;petsmart.com/pharmacy;
tractorsupplyrx.com;vetdepot.com;
walmartpetrx.com |
| 2. Amazon | amazon.com |
| 3. California Pet Pharmacy, Inc. | californiapetpharmacy.com; calpetrx.com |
| 4. Chewy, Inc. | chewy.com |
| 5. Farmvet.com, Inc. d/b/a Farmvet Com Inc. Pharmacy | farmvet.com |
| 6. HealthyPets, Inc. d/b/a Entirely Pets Pharmacy LLC | entirelypets.com;
entirelypetspharmacy.com |
| 7. HealthyPets, Inc. d/b/a Healthy Pets, Inc. | healthypets.com |
| 8. HeartlandVeterinary Pharmacy, L.L.C. d/b/a
Heartland Veterinary Services | heartlandvetsupply.com |
| 9. Jeffers, Inc. d/b/a Keith Jeffers DVM | jeffers.com; jefferspet.com |
| 10. Lambert Vet Supply, LLC d/b/a Lambert Vet Supply | lambertvetsupply.com;
petsupplies4less.com |
| 11. Medi-Vet Animal Health, L.L.C. d/b/a Abita Trace
Animal Clinic | medi-vet.com; pethealthmarket.com |
| 12. Mixlab, Inc. | mixlab.com |
| 13. PetCareRx, Inc. d/b/a PetCare | petcarerx.com |
| 14. Petmed Express, Inc. | 1800petmeds.com |
| 15. Strategic Pharmaceutical Solutions d/b/a VetSource | petco.com; vetsource.com |
| 16. Valley Veterinary Clinic, LTD d/b/a Valley Vet Outlet | valleyvetsupply.com |
| 17. Vetcove, Inc. | vetcove.com |
| 18. VetRxDirect, Inc. d/b/a Vet RX Direct | vetrxdirect.com |
| 19. VIP Pet Meds, Inc. d/b/a Vet Approved RX | vetapprovedrx.com;
vetapprovedrx.pharmacy |
| 20. Walmart | walmart.com |

² PRN may update, amend, or modify this list in its sole discretion at any time. Any updates will be made available at prnpharmacal.com/authorized-sellers or be provided directly to Authorized Distributors.

EXHIBIT B**PRN PHARMACAL ONLINE SALES GUIDELINES**

1. The Veterinary Home Delivery Platform must not give the appearance that it is operated by PRN or any third party.
2. Anonymous sales are prohibited. Distributor's full legal name or registered fictitious name, mailing address, email address, and telephone contact must be stated conspicuously on the Veterinary Home Delivery Platform and must be included with any shipment of Products from the Veterinary Home Delivery Platform or in an order confirmation email sent at the time of purchase.
3. At PRN's request, Distributor will reasonably cooperate in demonstrating and/or providing access to, and copies of, all web pages that comprise the Veterinary Home Delivery Platform.
4. The Veterinary Home Delivery Platform shall have a mechanism for receiving customer feedback, and Distributor shall use reasonable efforts to address all customer feedback and inquiries received in a timely manner. Distributor agrees to provide copies of any information related to customer feedback (including any responses to customers) to PRN for review upon request. Distributor agrees to cooperate with PRN in the investigation of any negative online review associated with Distributor's sale of the Products and to use reasonable efforts to resolve any such reviews. Distributor shall maintain all records related to customer feedback for a period of one (1) year following the creation or submission of such a record, to the extent legally permitted. Nothing in this paragraph shall be construed to require Distributor to disclose identifying information about its customers to PRN.
5. The Veterinary Home Delivery Platform shall be in compliance with all applicable privacy, accessibility, and data security laws, regulations, and industry standards.
6. **For any order for prescription Products placed through the Veterinary Home Delivery Platform, Distributor must verify the authorization of the Authorized Veterinary Practice in accordance with the following requirements:**
 - (a) Distributor must employ one or more licensed veterinarians, veterinary technicians, or pharmacists who oversee compliance with the verification process and associated recordkeeping.
 - (b) The verification process of the authorization of the Authorized Veterinary Practice must include:
 - (i) confirming, at a minimum, the name, address, and contact information of the Authorized Veterinary Practice;
 - (ii) confirming the End User name, address, pet name, and prescription Product(s) prescribed for the pet;
 - (iii) confirming the date of authorization by the Authorized Veterinary Practice;
 - (iv) confirming the number of refills authorized; and
 - (v) obtaining and recording the authorization of the Authorized Veterinary Practice via written form (e.g., mail, electronic mail, facsimile), recorded telephone conversation (accessible on a per call basis, matched to the transaction), and/or electronic prescription/health record application.
 - (c) Distributor is responsible for ensuring that adequate client and patient records are maintained and retrievable in the case of any health concerns.

7. Distributor shall be responsible for all fulfillment to its customers who order Products through the Veterinary Home Delivery Platform, any applicable taxes associated with such purchases of Products, and any returns of Products.

8. Distributor shall ensure that any third-party logistics provider engaged by Distributor to store inventory or fulfill orders for the Products is aware of and complies with all Product quality controls and customer service standards described herein or otherwise conveyed to Distributor by PRN. Distributor shall ensure that any such third-party logistics provider stores Distributor's inventory of Products separately from any Products owned by any third party. PRN reserves the right to request additional information regarding Distributor's use of third-party logistics providers, and Distributor shall promptly provide such information upon request. Distributor shall cooperate with PRN in investigating any concerns related to the Products that may relate to Distributor's use of a third-party logistics provider. Distributor shall not permit any third-party logistics provider to fulfill orders in any way that results in the shipped Product coming from stock other than Distributor's.

9. PRN reserves the right to require Distributor to adhere and agree to additional terms relating to the quality and sale of Products through the Veterinary Home Delivery Platform.

EXHIBIT C**PRN PHARMACAL
PRODUCT CARE, CUSTOMER SERVICE, AND OTHER QUALITY CONTROLS**

1. Comply with all instructions provided by PRN regarding the storage, handling, shipping, disposal, or other aspect of the Products, including instructions provided on Product labels and as set forth in PRN's Safety Data Sheets for the Products, as may be revised by PRN from time to time.
2. Manage Product inventory on a "first-in, first-out" (FIFO) basis, with older inventory being sold before newer inventory of the same Product.
3. Store Products in properly labeled containers, tightly closed, and in a cool, dry, and well-ventilated place where the Products and the Products' packaging are not susceptible to excessive heat, open flames, other sources of ignition, or freezing. Additionally, Products shall be stored away from direct sunlight and in a low humidity environment where the Products and Products' packaging are not susceptible to mold, mildew, or other physical damage. Products must be handled in accordance with good industrial hygiene and safety practices.
4. Sell Products in their original packaging. Relabeling, repackaging (including the separation of bundled Products or the bundling of Products), and other alterations to Products or their packaging are not permitted without PRN's separate written consent.
5. Do not remove, translate, or modify the contents of any label or literature on or accompanying the Products.
6. Do not tamper with, deface, or otherwise alter any serial number, batch or lot code, or other identifying information on Products or their packaging.
7. Do not dilute Products.
8. Do not resell any Product that has been returned opened or repackaged.
9. Promptly upon receipt of the Products, inspect the Products and their packaging for damage, defect, broken seals, spoilage (as applicable), evidence of tampering, or other nonconformance (a "Defect"). If any Defect is identified, do not offer the Product for sale and promptly contact PRN at customerservice@prnpharmacal.com.
10. Be familiar with the shelf life and/or expiration date for all Products. Inspect inventory regularly for Products past their shelf life and expired or soon-to-be expired Products and remove those Products from inventory. Do not sell any Products that are expired or within thirty (30) days of expiration without PRN's permission, and contact PRN with any questions. Destroy or dispose of any such Products in accordance with instructions provided by PRN.
11. Be familiar with the ingredients and intended use of all Products marketed for sale and obtain sufficient Product knowledge to advise customers on the selection and safe and proper use of the Products, as well as any applicable guarantee or return policy. Be available to respond to customer questions and concerns both before and after sale of the Products and endeavor to respond to customer inquiries promptly.
12. Cooperate with PRN with respect to any Product tracking systems that may be implemented from time to time.
13. Cooperate with PRN with respect to any Product recall or other Product safety dissemination efforts.

14. Report to PRN any customer complaint or adverse claim regarding the Products' quality of which you become aware and assist PRN in investigating any such complaints or adverse claims.
15. Cooperate with PRN in the investigation and resolution of any quality or customer service issues related to the sale of the Products, including disclosing information regarding Product sources, shipment, and handling.