

A GUIDE TO Understanding Our Resale Policy

TRANSFORMING LIVES, TOGETHER



WE VALUE OUR HEALTH CARE PROFESSIONAL PARTNERS

This policy helps protect the integrity of your relationship with your patients as well as your partnership with Standard Process. Those relationships are what empower all of us to transform lives. Please make sure you understand our resale policy, as detailed on the next page.

Q&A

WHY DO WE SELL THROUGH HEALTH CARE PROFESSIONALS?

Standard Process founder Dr. Royal Lee was an engineer, inventor, and nutritional pioneer who believed the optimal health benefits of his supplements could be more fully realized through guidance from health care professionals.

Standard Process' long history of partnering with health care professionals began shortly after the company's inception in 1929, when its products were made available only through practitioners. That exclusivity remains to this day.

One of the main reasons we don't sell directly to consumers is because we value the professional and personal relationships you have with your patients. We have the utmost confidence that our products are being used in safe and effective ways when recommended by and purchased through a health care professional.

Together, we are changing lives every day.

WHY IS THE RESALE POLICY SO IMPORTANT?

You know the nutritional needs of your patients and understand Standard Process and MediHerb® products, enabling you to provide guidance, recommendations, and support.

We believe it is crucial to keep our supplements in the trusted hands of our health care professional partners, who can ensure their patients receive expert nutritional guidance.

The sale of our supplements through those who aren't health care professionals and through third-party channels like Amazon® and eBay® dilutes our philosophy and jeopardizes your relationships with your patients.

Per the resale policy, Standard Process does not authorize the sale of our products on sites like Amazon and eBay.

WHAT ARE THE IMPORTANT RESALE POLICY TAKEAWAYS?

We need your help in preventing Standard Process supplements from being sold online through third-party sites, which is a direct violation of the resale policy.

We are aware that individuals, and even patients, have approached health care professionals asking to purchase large amounts of our products that are then resold online. If this happens to you, please report the activity to your sales representative or Standard Process customer service representative immediately.

Keep in mind that you are responsible for your account. Please protect it from anyone who may wish to take advantage of you and your account.

HOW IS THE RESALE POLICY BEING ENFORCED?

We monitor the internet and customer account activity daily and invest in technology and resources to assist us in these efforts. Identifying resale policy violators is challenging, as their identities and websites can be changed quickly. Our legal counsel pursues actions against fraudulent accounts.

HOW EFFECTIVE HAVE MONITORING EFFORTS BEEN?

Our enforcement of the policy does come at a cost to the company. Since 2007, we have closed more than 350 accounts representing more than \$20 million in sales.

RESALE POLICY OF STANDARD PROCESS®, STANDARD PROCESS VETERINARY FORMULAS™, AND MEDIHERB® PRODUCTS

Standard Process Inc. and its subsidiaries and affiliated entities (referred to as “Standard Process”, “we” or “us”) only sell Products to licensed health care professionals for direct resale to their patients. Health care professionals agree to professionally promote the Products and assist their patients with information and use of the Products. Health care professionals shall sell the Products only to their patients in unit volumes appropriate for individual use only. Health care professionals and their patients are expressly prohibited from reselling the Products via any third-party-facilitated retail or auction website such as eBay, Amazon.com, NexTag.com, PriceGrabber.com, Shopzilla.com, Best-Price.com, or similar websites. Standard Process reserves the right to discontinue sales of the Products to health care professionals or their patient(s) by not accepting a purchase order placed on Patient Direct by Standard Process™ (“Patient Direct”) (may not be available in your area) or standardprocess.com at any time and for any reason.

Further, health care professionals (and each of their patients to the extent applicable) must:

1. Create and maintain a valid patient/provider relationship and evaluate the nutritional needs of each patient to whom the health care professional sells Standard Process Products.
2. Not resell Products to other health care professionals or businesses or individuals with whom no patient/provider relationship exists. This restriction applies to health care professionals and their patients.
3. Accept responsibility for the actions of all employees, administrators, agents, contractors, or consultants associated with the health care professional’s practice and assure that such personnel comply with this policy.
4. Not sell, solicit, or accept orders for Products via the internet or any e-commerce format, except through Patient Direct. This restriction applies to health care professionals and their patients.
5. Control the use of the unique individual health care professional code assigned to you upon your registration for an account with Patient Direct. It is each health care professional’s responsibility to limit use of his or her individual code to authorized personnel only, and each health care professional agrees to be held liable for any use of his or her code by third persons. The health care professional agrees to promptly inform Standard Process if his or her code has been compromised.
6. Not disclose, advertise, or promote the unique Patient Direct individual health care professional code on websites, through social media, including Facebook®, Twitter®, etc., or in any manner outside of the health care professional’s direct personal communication with a patient.
7. Not advertise pricing information (including discounts, price reductions, or special promotions that directly or indirectly infer the inclusion of Products) to the general public in any promotional material (including but not limited to marketing materials, advertisements, websites, sponsored web links, emails, Twitter, Facebook, banner ads, titles, file names, etc.). Any advertisements, discounts, rewards programs, coupons, special offers, sales, promotions, etc., must explicitly state “Not valid on Standard Process and MediHerb products,” and Products must check out at suggested retail pricing. Patients being treated by the practitioner may receive discount pricing only in the practitioner’s office. Sales to patients via Patient Direct may not be discounted. Standard Process recommends that all customers sell Standard Process Products at the suggested list price. This restriction applies to health care professionals and their patients.
8. Not sell Products in a retail setting direct to the general public in any manner. Licensed pharmacies, health food stores, or other retail establishments must meet each of the following requirements to maintain an account:
 - 1) There must be a face-to-face nutritional consultation by an in-house qualified health care professional; and
 - 2) Products must be behind the counter and/or in a nonretail designated professional only area. This restriction applies to health care professionals and their patients.

This version of the resale policy is effective as of 5/20/16. Anyone failing to comply with this policy will face immediate termination of their account and/or further legal action. Standard Process reserves the right to modify this policy at any time. It is at the discretion of Standard Process to sell to whomever it chooses.

Please report all violators or abusers of this resale policy, or any Standard Process policies, to your sales representative/distributor or the Standard Process corporate headquarters at 800-848-5061.

