



## Cerebelly, Inc.

### Minimum Advertised Price (“MAP”) Policy

*Cerebelly, Inc. (“CB”) has adopted this Minimum Advertised Price Policy for selected products to: (1) promote fair competition across CB’s dealer and online retailer channels; (2) guard against erosion of CB’s brands; and (3) protect CB’s customer loyalty, premium image, and reputation for quality products.*

Through a significant investment in research, design, technology, and personnel, Cerebelly has established a strong reputation for providing quality products. CB believes that its position in the marketplace is dependent upon a distribution network of dealers and online retailers that properly promotes, explains, and services CB’s products. CB believes in maintaining a well-regulated and fair marketplace for all its dealers and online retailers.

CB’s customer loyalty and brand name value are maximized when CB’s high quality products are marketed, sold, and supported by knowledgeable dealers and online retailers with the resources to provide quality service to CB customers. CB’s success is dependent in large part upon customer loyalty and high brand name value. CB believes that dealers and online retailers who advertise products at discounted prices often fail to provide adequate service both before and after the sale. This results in a reduction of customer satisfaction and brand name value, impedes the ability of quality dealers and online retailers to sell CB’s products, and harms CB’s ability to compete against other products. Such dealers and online retailers may also “free ride” on the efforts of other CB dealers and online retailers, who must charge higher prices to support quality service and the promotion of CB’s products.

As part of its ongoing efforts to develop and protect its brand, better position its high quality products in the market, and help protect the investment of those dealers and online retailers that are providing superior service to their customers, CB has established a Minimum Advertised Price Policy (“MAP Policy” or the “Policy”) for selected products, effective November 1, 2022 (the “Effective Date”). This Policy is applicable to all dealers and online retailers of CB products. This Policy has been unilaterally adopted and will be enforced strictly and uniformly. Please note that each dealer and online retailer is free to set its actual sales price for any product. The MAP Policy does not prohibit sales below manufacturer’s suggested retail price (“MSRP”) or below the MAP. Rather, the MAP Policy only prohibits advertising below the MAP.

#### **1. Definitions**

- a. ***Covered Advertising*** is any activity that pictures, names or otherwise describes a Covered Product, as further defined in Section 2 of this Policy.

- b. **Covered Product** means any product on the “MAP Covered Product Price List” or “MAP Price List,” as listed in Appendix A (“MAP Products”). CB may, in its sole discretion, modify this list from time to time.
- c. **MAP** means the Minimum Advertised Price as shown on the CB Covered Product Price List.

## **2. Covered Advertising**

- a. The types of advertising covered by this Policy are:
  - i. Print advertising, including but not limited to newspapers, magazines, or mail order catalogs;
  - ii. Broadcast advertising, including but not limited to television and radio;
  - iii. Direct advertising such as flyers, newsletters, direct mail pieces, broadcast faxes and public signage;
  - iv. Email advertising, including blast and broadcast emails and automatic emailed price lists;
  - v. Internet or similar electronic advertising such as social media, banner pop-ups, pop-under ads, destination pages, advertising on shopping engines or through a dealer’s or online retailer’s website, advertising on search engines, or advertising on third-party websites; and
  - vi. Website features such as automated “subscribe and save” or “click for price” or “bounce-back” pricing e-mails, preformatted e-mail responses, forms, automatic price display for any items prior to being placed in a customer’s shopping cart, and other similar features are considered to be communications initiated by the dealer or online retailer (rather than by the customer).
- b. The types of advertising not covered by this Policy are:
  - i. In-store merchandising, with “in-store” or “retail location” being defined as the physical place where end-users can physically buy and take immediate delivery of CB products. The final sales price remains totally at dealers’ discretion.”
  - ii. Statements such as “Email for price,” “Call for price” or similar, so long as no price is listed;
  - iii. A website shopping cart, as long as the product was placed by a customer who clicked or selected “Order,” “Add to Cart,” or a comparable command;

- iv. Direct mail, email, or websites that support employee or academic purchase programs, or other limited access programs such as “Friends & Family” or “Customer Loyalty,” provided that the programs are restricted by a customer-unique identification such as a username/password and are not accessible to the general public; and
- v. Prices negotiated between the dealer or online retailer and a unique customer.

### **3. Advertising Requirements**

- a. **Violations:** CB has unilaterally determined that, unless it has otherwise been specifically authorized or otherwise designated by CB, it will be a violation of this Program for dealers and online retailers to:
  - i. Advertise any Covered Product at a net price that is less than the established MAP;
  - ii. Advertise any Covered Product as a part of a bundle of products collectively offered for sale, unless the bundle is consistent with the “Bundling and Value-Added Offers” Convention set out below;
  - iii. Advertise “free gifts,” “give-aways,” “coupons,” “rebates,” “tax rebate sales,” or other similar wording which, when subtracting the coupon, give-away or rebate amount, would bring the advertised price below the established MAP;
- iv. Advertise or otherwise participate in a “Subscribe and Save,” “Auto-Ship,” or other program where the final price of the Covered Product below MAP.
  - v. Undermine or circumvent, or attempt to undermine or circumvent, this Policy or the intent of this Policy, including with advertising that makes direct statements about CB’s MAP Policy or solicitations for “group purchases” and the like; or
  - vi. Otherwise violate the terms hereof.

A determination as to whether a dealer or online retailer has violated the Program will be made by CB in its sole and absolute discretion. If a dealer or online retailer with multiple store locations violates this Policy at any one store location, or a dealer or online retailer on any associated website, then CB will consider this to be a violation by the dealer or online retailer.

- b. **Not Violations:** It will not be a violation of this Program for dealers and online retailers to:
  - i. Advertise free shipping/installation/training/services of Covered Products, unless the advertisement specifies a monetary value for the activity which nets the Covered Product price below MAP;

- ii. Advertise financing terms available with the sale of Covered Products, unless the advertisement specifies a monetary value for the financing which nets the Covered Product price below MAP;
- iii. Participate in any CB-authorized promotion, including but not limited to advertising below MAP, product bundles, and consumer rebates;
- iv. From time to time and only subject to CB’s prior review and written approval, engage in cooperative promotions with CB, including without limitation brick and mortar promotions with corresponding on-line sales, and other short-term promotions with respect to certain products and retailers. The foregoing does not include corresponding temporary reductions in price in collateral channels (e.g., Amazon) resulting from such promotions unless such corresponding reductions are part of the approved cooperative promotion plan;
- v. Advertise “global offer(s),” *i.e.*, store-wide/department-wide sales or discounts (a dollar amount off or a percentage off) for ALL brands of a product type similar to the Covered Products even where the offer, when applied to the Covered Product, would result in a net price in the advertisement that is less than the MAP Price;
- vi. Advertise that the reseller has “the lowest prices” or will match or beat its competitors’ prices, or to use similar phrases, IF the reseller does not include any advertised price below MAP and otherwise complies with this Policy; or
- vii. Subject to CB’s prior review and written approval, utilize a subscription-based or “continuity” program with CB products (also known as an “autoship” offer), to deviate from the MAP Policy of such dealer’s subscription discount program prior to the execution of any advertising below MAP.

#### **4. Conventions**

- a. **General Pricing Convention:** To conform to a dealer’s or online retailer’s pricing convention, the advertised price of a Covered Product may vary up to US\$ 0.05 above or below MAP for the product or bundle. This deviation is not cumulative “per product” on offers of two or more Covered Products.
- b. **Bundling and Value-Added Offers:** All bundles must be advertised at or above the cumulative MAP Policy price of the Covered Products. If a Covered Product is bundled with a non-CB product, the advertised bundle price must be at or above the MAP Policy price of the Covered Product plus the price of the non-CB product, if sold separately. If Covered Product is bundled with a gift card or similar item with a specific dollar value, the advertised bundle price must be at or above the MAP Price of the Covered Product, plus the value of the other item. The advertisement cannot state or imply that the Covered Product is free or discounted in any way. Bundling should not be used to “camouflage” discount advertising of Covered Products.

## **5. Program Violations and Penalties**

Penalties that may be imposed for violation of this Policy, which may be imposed by CB in its sole discretion, may include:

- a. Immediate suspension or termination of a dealer's or online retailer's authorized CB status, and/or cessation of all sales of CB products to a dealer or online retailer, without further discussion;
- b. Cancellation of any pending orders, restriction of future orders, or suspension of dealer's or online retailer's account if CB reasonably believes: (1) a dealer or retailer has violated the provisions of this Policy; or (2) a dealer or retailer intends to violate this Policy;
- c. Limited suspension or outright termination of all permissions and licenses granted to use CB intellectual property, including artwork, graphics and text relating to each dealer or online retailer-offered CB product;
- d. Removal of references or links to a dealer or online retailer from CB websites;
- e. Forfeiture of any or all available advertising benefits; and/or
- f. Any additional actions CB deems necessary to enforce this Policy.

## **6. Administration**

- a. CB alone is responsible for enforcing this MAP Policy and will do so unilaterally and without notice, in its sole discretion.
- b. CB will not accept complaints about MAP violations at any time or under any circumstances. Dealers, distributors, and resellers have no right to enforce the MAP Policy.
- c. Violations of this Policy may result in sanctions up to and including termination of our business relationship, at CB's discretion.
- d. CB will also exercise its right to make its own decisions regarding any new or revised CB dealer program, marketing materials, point-of-purchase displays, product allocation, new product availability, or future promotional, joint marketing, or sponsorship programs.
- e. CB's designated MAP Policy Manager Brandon Townsley is the only person authorized by CB to communicate on MAP Policy matters. CB representatives, including CB Sales representatives, are strictly prohibited from seeking or accepting any assurance of account compliance with the Policy or discussing any conditions of its acceptance, as the Policy is non-negotiable and cannot be altered by the dealer or online retailer. CB Sales representatives are instructed to limit their activities to informing the dealer or online

retailer of the MAP Policy's existence, the current list of the Covered Products, and CB's Minimum Advertised Prices for the Covered Products.

- f. CB will not communicate with any dealer or online retailer regarding another dealer's or online retailer's advertising practices and will not entertain complaints from its dealers and online retailers regarding another dealer's or online retailer's pricing practices.
- g. CB will monitor the advertised prices of dealers and online retailers, either directly or via the use of third-party agencies or tools. Dealers and online retailers are expected to provide reasonable cooperation in any CB investigations regarding possible MAP Policy violations. Hindering, obstructing, delaying, or otherwise failing to cooperate with a CB MAP Policy investigation is a violation of this Policy.
- g. CB may periodically discontinue products or engage in promotions with respect to Covered Products. CB has the right to change prices, alter or discontinue this Policy, and add or delete Covered Products at any time, and further reserves the right to permit exceptions to MAP from time to time. In such events, CB may, at its sole discretion, modify or suspend the MAP with respect to the affected products by timely notifying all dealers and online retailers of such change.

## **7. Not a Contract or Agreement**

It is not the purpose or intent of this Policy to restrict, coerce, or force any dealer or online retailer to charge a particular price for any CB product. The Policy is not a contract or agreement, or an offer to form a contract or agreement. CB does not ask for, and will not accept, any agreement about an account's compliance with this Policy. This Policy simply describes the manner in which CB chooses, in its sole discretion, to sell its products. This Policy addresses advertised pricing only, and dealers and online retailers must make their own decisions regarding what they will actually charge for the Covered Products.

## Appendix A: MAP Covered Products Price List

**Date: November 1, 2022**

**General Pricing Convention:** To conform to a dealer’s or online retailer’s pricing convention, the advertised price of a Covered Product may vary up to US\$ 0.05 above or below MAP for the product or bundle. This deviation is not cumulative “per product” on offers of two or more Covered Products.

MAP POLICY LIST							
PRICING							
ITEM DESCRIPTION	Size (oz)	Case Pack	Case GTIN-14	Case UPC	Inner Pack GTIN	Inner Pack UPC	MAP
Brand Segment: Veggie Pouches			Case		6 pk Inner-Caddy		
6Pack Ctn, Organic Spinach Apple Sweet Potato	24 oz / 4 oz	2	108-50003-89843-5	8-50003-89843-5	008-50003-89843-8	8-50003-89843-8	16.99 6Pk
6Pack Ctn, Organic Broccoli Pear	24 oz / 4 oz	2	108-50003-89842-8	8-50003-89842-8	008-50003-89842-1	8-50003-89842-1	16.99 6Pk
6Pack Ctn, Organic White Bean Pumpkin Apple	24 oz / 4 oz	2	108-50003-89840-4	8-50003-89840-4	008-50003-89840-7	8-50003-89840-7	16.99 6Pk
6Pack Ctn, Organic Sweet Potato Mango	24 oz / 4 oz	2	108-50003-89839-8	8-50003-89839-8	008-50003-89839-1	8-50003-89839-1	16.99 6Pk
6Pack Ctn, Organic Carrot Pumpkin	24 oz / 4 oz	2	108-50003-89844-2	8-50003-89844-2	008-50003-89844-5	8-50003-89844-5	16.99 6Pk
6Pack Ctn, Organic Carrot Chickpea w/Ginger	24 oz / 4 oz	2	108-50003-89845-9	8-50003-89845-9	008-50003-89845-2	8-50003-89845-2	16.99 6Pk
6Pack Ctn, Organic Kale Sweet Potato Apple with	24 oz / 4 oz	2	108-50003-89867-1	8-50003-89867-1	008-50003-89867-4	8-50003-89867-4	16.99 6Pk

sunflower seed butter							
6Pack Ctn, Organic Green Bean Pumpkin with shiitake mushroom	24 oz / 4 oz	2	108-50003-89864-0	8-50003-89864-0	008-50003-89864-3	8-50003-89864-3	16.99 6Pk
6Pack Ctn, Organic Beet Carrot Blueberry with Coconut Milk	24 oz / 4 oz	2	108-50003-89862-6	8-50003-89862-6	008-50003-89862-9	8-50003-89862-9	16.99 6Pk
<b>Brand Segment: Peppa Pouches</b>			<b>Case</b>		<b>6 pk Inner-Caddy</b>		
6Pack Ctn, Organic Purple Carrot Blueberry Banana Smoothie	24 oz / 4 oz	2	108-50003-89859-6	8-50003-89859-6	008-50003-89859-9	8-50003-89859-9	16.99 6Pk
6Pack Ctn, Organic Sweet Potato Peach Mango Smoothie	24 oz / 4 oz	2	108-50003-89860-2	8-50003-89860-2	008-50003-89860-5	8-50003-89860-5	16.99 6Pk
6Pack Ctn, Organic Celery Apple Kiwi Cucumber Smoothie	24 oz / 4 oz	2	108-50003-89858-9	8-50003-89858-9	008-50003-89858-2	8-50003-89858-2	16.99 6Pk
<b>Brand Segment: Bone Broth</b>			<b>Case</b>		<b>6 pk Inner-Caddy</b>		
6Pack Ctn, Organic Sweet Potato Pinto Bean with Cumin	24 oz / 4 oz	2	108-50003-89873-2	8-50003-89873-2	008-50003-89873-5	8-50003-89873-5	17.49 6pk
6Pack Ctn, Organic Butternut Squash Chicken Broth with Thyme	24 oz / 4 oz	2	108-50003-89869-5	8-50003-89869-5	008-50003-89869-8	8-50003-89869-8	17.49 6pk
6Pack Ctn, Organic Carrot Beef Bone Broth with Rosemary	24 oz / 4 oz	2	108-50003-89871-8	8-5000389871-8	008-50003-89871-1	8-50003-89871-1	17.49 6pk
<b>Brand Segment: Smart Bars</b>			<b>Case</b>		<b>5 pk Selling Unit</b>		



Bar, Crrt Raisin , 5Pack Ctn, Organic	4.2 oz	6	108-50003- 89851-0	8-50003- 89851-0	008-50003- 89851-3	8-50003-89851-3	\$5.99
Bar, StrawBeet, 5Pack Ctn, Organic	4.2 oz	6	108-50003- 89852-7	8-50003- 89852-7	008-50003- 89852-0	8-50003-89852-0	\$5.99
Bar, AppleKale, 5Pack Ctn, Organic	4.2 oz	6	108-50003- 89853-4	8-50003- 89853-4	008-50003- 89853-7	8-50003-89853-7	\$5.99
Bar, BlueBanana, 5Pack Ctn, Organic	4.2 oz	6	108-50003- 89854-1	8-50003- 89854-1	008-50003- 89854-4	8-50003-89854-4	\$5.99



## **Frequently Asked Questions**

### **How does CB's MAP Policy affect my actual price to consumers?**

- This Policy does not affect your actual retail price. You are free to charge whatever retail price you and the customer negotiate.

### **Would advertising that states "Too Low to Advertise," "Call for price" or "Email for price" or promises to beat any advertised price be a violation of the Policy?**

- No.

### **Would advertising that states "See shopping cart for price" violate the Policy?**

- No.

### **Can I advertise or list the actual sales price online in the shopping cart?**

- You can list the actual selling price at the time the customer goes to check out by showing it in the shopping cart. If a category-wide discount adhering to the rules stated within this policy is applied, you can list the actual sales price in the shopping cart. You CANNOT advertise an actual sales price below MAP anywhere on the site other than listing in the shopping cart.

### **What if an employee or media supplier makes a mistake that results in a violation?**

- It is the dealer's and online retailer's responsibility to monitor its own advertising. CB will not differentiate between intentional and accidental violations when enforcing the Policy.