



Dear Distributor,

At Bayer HealthCare LLC (“Bayer”), we are committed to you—the distribution partners that help our company satisfy customer needs and deliver best-in-class consumer health products. As you know, to protect our brands and the integrity of our authorized distribution channels, Bayer is announcing and implementing an Authorized Reseller Program, effective March 16, 2020. **Please be advised that Bayer is updating the terms of its Authorized Reseller Program, effective July 15, 2022.**

Your obligations under our Authorized Reseller Program are outlined in the **Bayer HealthCare LLC – Consumer Health Authorized Distributor Policy**, and the key features are noted below:

- **Where and to Whom You May Sell Bayer Products:**
 - Pursuant to the Authorized Distributor Policy, you may sell Bayer Consumer Health products only to customers who are classified as “Authorized Resellers.” Sales directly to end users are prohibited without Bayer’s prior written consent.
 - The Authorized Distributor Policy requires that you forward the Authorized Reseller Policy and any other materials requested by Bayer to your reseller customers. For your convenience, we have attached an **Authorized Reseller Packet**, which contains the updated Authorized Reseller Policy, a letter to your reseller customers describing the updated Authorized Reseller Policy and the purposes of our Authorized Reseller Program, and Authorized Reseller Policy Frequently Asked Questions. **Please forward a copy of the attached Authorized Reseller Packet to each of your reseller customers as soon as possible.**
 - In addition, you may not market for sale or ship Bayer Consumer Health products outside of the United States.
- **Restrictions on Online Sales:** The Authorized Distributor Policy prohibits you from selling Bayer Consumer Health products on any publicly accessible website without Bayer’s prior written consent. You may use an online order portal to facilitate orders from Authorized Resellers, so long as that portal requires Authorized Resellers to obtain an account and log in to view product listings and pricing information. **Our rules regarding online sales will be strictly enforced.**
- **Ensuring Product Quality and Customer Satisfaction:** To ensure that the customers who purchase Bayer Consumer Health products have the best experience possible, the Authorized Distributor Policy outlines our expectations for the service you will provide to your customers. The Authorized Distributor Policy also describes certain steps you must take to maintain the quality of Bayer Consumer Health products until they reach your customers.

Thank you for your careful attention to the attached documents and for your continued support of our brands. If you have any questions regarding the Authorized Reseller Program please reference the **Authorized Distributor Policy Frequently Asked Questions** document or contact your sales representative. Thank you in advance for your cooperation and assistance.

Sincerely,

Bayer HealthCare LLC



**BAYER HEALTHCARE LLC – CONSUMER HEALTH
AUTHORIZED DISTRIBUTOR POLICY
Effective Date: July 15, 2022**

This Bayer HealthCare LLC – Consumer Health Authorized Distributor Policy (this “Distributor Policy”) is issued by Bayer HealthCare LLC (“Bayer”) and applies to distributors of those products under the Bayer brands set forth in Exhibit A to this Distributor Policy (“Product(s)”) in the United States of America. This Distributor Policy supplements any existing wholesaler or distribution agreement between you and Bayer. By purchasing Products from Bayer for distribution to Authorized Resellers (as hereinafter defined), you (“Distributor,” “you” or “your”) agree to adhere to the following terms and conditions. Until such status is otherwise revoked by Bayer in Bayer’s sole and absolute discretion, Distributor shall be considered an “Authorized Distributor.” Bayer 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 purchased from Bayer to Authorized Resellers.

(a) An “Authorized Reseller” is an individual or business entity that:

- (i) purchases Products from Bayer or an Authorized Distributor and resells the Products as part of a commercial enterprise;
- (ii) has received and abides by the Bayer HealthCare LLC – Consumer Health Authorized Reseller Policy; and
- (iii) has not had its Authorized Reseller status revoked or suspended by Bayer.

(b) If any customer of Distributor that seeks to purchase Products for purposes of resale is not yet an Authorized Reseller, Distributor shall immediately provide the Bayer HealthCare LLC – Consumer Health Authorized Reseller Policy to such customer. If such customer accepts the terms in the Reseller Policy, Distributor may thereafter sell Products to such customer, unless and until Bayer revokes or suspends such status. Authorized Resellers are determined by Bayer in its sole discretion.

(c) Distributor shall distribute policies, updates to policies, product information, educational materials, and other information to its Authorized Reseller customers as requested by Bayer from time to time.

(d) Distributor shall make reasonable efforts to monitor compliance by its Authorized Reseller customers with the Bayer HealthCare LLC – Consumer Health Authorized Reseller Policy. If Distributor becomes aware that an Authorized Reseller is not in compliance with the Bayer HealthCare LLC – Consumer Health Authorized Reseller Policy, Distributor shall (i) promptly suspend all sales of Products to such Authorized Reseller, and may not restart Product sales to such Authorized Reseller without Bayer’s written approval; and (ii) promptly provide information to Bayer including the Authorized Reseller’s legal name, any fictitious names used by the Authorized Reseller, the Authorized Reseller’s contact information, and a brief description of the Authorized Reseller’s conduct in violation of the Bayer HealthCare LLC – Consumer Health Authorized Reseller Policy.

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

(f) Distributor shall not sell, ship, invoice, or promote the Products outside the United States of America or to any person or entity Distributor knows or has reason to know intends to ship the Products outside of the United States of America without Bayer’s prior written consent.

(g) Notwithstanding Section 1(a), Distributor shall not sell Products to any person or entity that operates a third party marketplace website, including, but not limited to Amazon.com, or Groupon.com, or any of their affiliates, without the prior written consent of Bayer.

2. **Online Sales.**

(a) Distributor shall not market or offer for sale the Products on or through any Publicly Accessible Website without Bayer's prior written consent. 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. All third party marketplace websites, including, but not limited to, Amazon, eBay, Jet, Walmart Marketplace, and Sears Marketplace, are Publicly Accessible Websites. The terms of this Distributor Policy supersede any prior agreement between Bayer and Distributor regarding the sale of the Products on Publicly Accessible Websites. Any authorization previously granted to Distributor by Bayer to sell the Products on a Publicly Accessible Website is hereby revoked.

(b) Notwithstanding the foregoing prohibition of marketing or offering for sale the Products on or through any Publicly Accessible Website without Bayer's prior written consent, Distributor is authorized to advertise and sell Products through Permissible Non-Public Websites in accordance with the terms herein. A "Permissible Non-Public Website" is a website or mobile application that:

- (i) is operated by Distributor in Distributor's legal name or registered fictitious name;
- (ii) conspicuously states Distributor's legal name or registered fictitious name, mailing address, telephone number, and email address;
- (iii) does not give the appearance that it is operated by Bayer or any third party;
- (iv) is primarily used to facilitate orders from Authorized Resellers; and
- (v) does not display Product pricing information in a manner that can be viewed without registering for an account and logging in.

(c) Bayer reserves the right to terminate, at any time and in its sole discretion, its approval for Distributor to market and sell Products on Permissible Non-Public Websites, and Distributor must cease all such marketing and sales on Permissible Non-Public Websites immediately upon notice of such termination.

3. **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 Bayer. Distributor shall comply with any and all applicable laws, rules, regulations, and policies related to the advertising, sale, and marketing 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 Bayer or the Products.

4. **Product Care, Customer Service, and Other Quality Controls.**

(a) Distributor shall comply with all instructions provided by Bayer regarding the storage, handling, shipping, disposal, and other aspects of the Products, including instructions provided on Product labels. Distributor shall store Products in a sanitary, climate-controlled, dry place, away from direct sunlight. The storage location should be designed and equipped to protect against the entry of insects or animals.

(b) Distributor must provide storage and transport conditions that meet Bayer specifications and verify and record temperature measurements at regular intervals. Unless otherwise advised by Bayer, Distributor shall store all non-cold-chain Products at 20-25°C (68-77° F) and away from excessive heat or humidity. Temperature excursions between 15° and 30° C (59° and 86° F) are permitted provided the Mean kinetic temperature does not exceed 25° C (77° F). If Distributor has reason to believe any non-cold-chain Products have been subject to prolonged excessive heat or excessive temperature, Distributor shall promptly contact Bayer in writing at bhcp.qa.release@bayer.com for further instructions.

(c) Distributor shall monitor and control access (through electronic or other means) to any storage facility in which Products in Distributor's possession are stored, and any such storage facility shall be equipped with appropriate technical and organizational measures to ensure security of the Products and protection against unauthorized access, theft, and burglary.

(d) Distributor shall 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. Distributor shall not remove, translate, or modify the contents of any label or literature on or accompanying the Products. Distributor shall not tamper with, deface, or otherwise alter any serial number, UPC code, batch or lot code, or other identifying information on Products or their packaging. Distributor shall not alter or dilute Products.

(e) Distributor shall not resell any Product that has been returned opened or repackaged.

(f) Promptly upon receipt of the Products, Distributor shall inspect the Products and their packaging for damage, broken seals, evidence of tampering, or other defects (a "Defect"). If any Defect is identified, Distributor must not offer the Product for sale and must promptly report the Defect to Bayer at ccproduct.complaint@bayer.com. Distributor shall destroy or dispose of defective Products in accordance with Bayer's instructions. Distributor shall establish appropriate procedures to ensure that Products destined for destruction are physically separated from other non-defective Products and that defective Products are protected from any unauthorized access or tampering prior to disposal or destruction.

(g) Distributor shall cooperate with any Bayer request to quarantine certain Products and shall have adequate storage space, processes, and procedures in place to execute any such quarantine.

(h) Before accepting incoming Products, delivery vehicles must be checked to verify that the quality and safety of the Products has been maintained during transit. Distributor is expected to take actions that include, but are not limited to:

- (i) Inspection of internal cleanliness, structural and door or hatch seal integrity;
- (ii) Measurement of internal temperature for temperature controlled materials and Products. If temperature profile chart is available with the delivery then this shall be verified to ensure the entire shipping period was within the required Product temperature; and
- (iii) Inspection for evidence of potential quality and security concerns such as torn or punctured cases, exposure to moisture or unusual odors.

(i) Distributor shall inspect its inventory regularly for expired or soon-to-be expired Products and shall remove those Products from its inventory. Distributor shall not sell any Products that are expired or within 90 days of expiration. Distributor shall destroy or dispose of expired or soon-to-be expired Products in accordance with instructions provided by Bayer.

(j) Distributor shall be familiar with the special features of all Products marketed for sale and must obtain sufficient Product knowledge to advise customers on the selection and safe use of the Products, as well as any applicable warranty, guarantee, or return policy. Distributor must be available to respond to customer questions and concerns both before and after sale of the Products and should endeavor to respond to customer inquiries promptly.

(k) Distributor shall cooperate with Bayer with respect to any Product tracking systems that may be implemented from time to time.

(l) Distributor shall cooperate with Bayer with respect to any Product recalls or other consumer-safety-information-dissemination efforts. If Distributor is the subject of a request, court order, or other directive of a court or other governmental or regulatory authority relating to any Products on the market, Distributor shall, as promptly as possible and in no event later than twenty-four (24) hours following its receipt of such request, court order, or other directive of a court or other governmental or regulatory authority, provide Bayer with a copy of such request. Unless required by law, Distributor may not undertake any recall or withdrawal of Products without the prior written permission of Bayer. In the event that Distributor is required by law to undertake a recall or withdrawal of Products,

or in the event that Bayer requests in writing that Distributor undertake a withdrawal even where not required by law, Distributor shall comply with Bayer's instructions on implementing such recall or withdrawal.

(m) Distributor shall immediately report to Bayer, to the extent permitted by applicable law, any customer complaint or adverse claim regarding the Products of which it becomes aware to ccproduct.complaint@bayer.com. Distributor shall, as applicable, assist Bayer in investigating any such complaints or adverse claims.

(n) Distributor shall cooperate with Bayer in the investigation and resolution of any quality or customer service issues related to Distributor's sale of the Products, including disclosing information regarding Product sources, shipment, and handling.

(o) Should Distributor become aware of, or have any suspicion of, any counterfeit Products or any illegal handling of Products, Distributor shall inform Bayer promptly to ccproduct.complaint@bayer.com.

5. **Intellectual Property.** Distributor acknowledges and agrees that Bayer or its licensors own all proprietary rights in and to the brands, names, logos, trademarks, service marks, trade dress, copyrights, patents, and other intellectual property related to the Products (the "**Bayer IP**"). Distributor is granted a limited, non-exclusive, non-transferable, revocable license to use the Bayer 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 Bayer IP shall inure solely to the benefit of Bayer or its licensors. Distributor's use of the Bayer IP shall be in accordance with any guidelines that may be provided by Bayer from time to time and must be commercially reasonable as to the size, placement, and other manners of use. Bayer reserves the right to review and approve, in its sole discretion, Distributor's use or intended use of the Bayer IP at any time, without limitation. Distributor shall not create, register, or use any domain name or any mobile application that contains any Bayer product name or any trademark owned by or licensed to Bayer, nor a misspelling or confusingly similar variation of any Bayer product name or any trademark owned by or licensed to Bayer.

6. **Termination.** If Distributor violates this Distributor Policy, Bayer 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 the Products or has any affiliation whatsoever with Bayer; and (iii) using all Bayer IP.

7. **Modification.** Bayer reserves the right to update, amend, or modify this Distributor Policy at any time. 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 Bayer IP, or use of any other information or materials provided by Bayer to Distributor will be deemed Distributor's acceptance of the amendments.

8. **Confidentiality.** This Distributor Policy, and its attachments, if any, constitute confidential, proprietary information of Bayer 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 Bayer.

EXHIBIT A

BAYER CONSUMER HEALTH BRANDS

- Claritin®
- Astepro®
- Alka Seltzer Plus®
- Afrin®
- Coricidin®
- Aleve®
- Bayer®
- Midol®
- One A Day®
- Flintstones™
- Citracal®
- Phillips®
- Berocca®
- Lotrimin®
- Tinactin®
- MiraLax®
- Alka Seltzer®
- Solarcaine®
- A+D®



**BAYER HEALTHCARE LLC – CONSUMER HEALTH
UNITED STATES AUTHORIZED RESELLER PROGRAM
AUTHORIZED DISTRIBUTOR POLICY FREQUENTLY ASKED QUESTIONS**

Q1. Why is Bayer implementing the Authorized Reseller Program?

A1. The Authorized Reseller Program is designed to protect the long-term integrity of the Bayer Consumer Health brands set forth in Exhibit A to the Authorized Distributor Policy and to support our relationships with our valued distribution channel partners, both in brick-and-mortar channels and online. The Program also aims to ensure that consumers receive the high-quality products and customer service they have come to expect from the Bayer Consumer Health brands.

Q2. How will the Authorized Reseller Program benefit me?

A2. Among other benefits, the Authorized Reseller Program will assist Bayer Consumer Health in identifying and taking action against unauthorized sellers who harm channel partners, like you, and consumers by selling damaged, expired, poor-quality, or even counterfeit products. The Program is critical to positioning the Bayer Consumer Health brands for long-term success in today's evolving, increasingly e-commerce driven retail environment.

Q3. What is covered by the Authorized Distributor Policy?

A3. The Authorized Distributor Policy describes our rules regarding where and to whom you may sell Bayer Consumer Health products. The Policy also explains our expectations for distributors and wholesalers related to product quality and customer service. These requirements are designed to ensure that customers receive the quality and service they have come to expect from the Bayer Consumer Health brands.

Q4. Do I have to sign the Authorized Distributor Policy?

A4. No. You are not required to sign the Policy. The Policy is an announcement by Bayer Consumer Health of the terms and conditions upon which it will do business with channel partners. By continuing to purchase and resell Bayer Consumer Health products, you agree to abide by the Policy.

Q5. The Authorized Distributor Policy states that Distributors may sell products only to “Authorized Resellers.” Does this mean that Resellers must be approved by Bayer Consumer Health before I can sell products to them?

A5. Authorized Distributors are required to provide the Bayer Consumer Health Authorized Reseller Policy to their customers. Pursuant to the Authorized Reseller Policy, your customers will be considered “Authorized Resellers” after they receive the Authorized Reseller Policy. The Authorized Reseller Program is not intended to circumvent Distributors with respect to the sale of Bayer Consumer Health products. Bayer Consumer Health reserves the right to revoke a seller's “Authorized Reseller” status due to a violation of the Authorized Reseller Policy or for any other reason. Distributors are not required to obtain pre-approval of customers but instead should provide the Authorized Reseller Policy to their customers and encourage them to comply.

There are some important exceptions to this general authorization procedure. First, Distributors are not permitted to sell Bayer Consumer Health products to entities that operate third-party marketplace websites, including, but not limited to, Amazon, Groupon, or Walmart, without Bayer Consumer Health's prior written consent. Second, Distributors are not permitted to sell Bayer Consumer Health products to any person or entity on Bayer's "Do-Not-Sell" List.

Q6. What documents am I expected to provide to my customers?

A6. Distributors are required to provide the "Authorized Reseller Packet" to their current customers and to any new customers wishing to purchase Bayer Consumer Health products moving forward. This Packet includes: (1) a cover letter regarding the Authorized Reseller Program; (2) the Authorized Reseller Policy; and (3) Authorized Reseller Policy Frequently Asked Questions. From time to time, Bayer Consumer Health may ask Distributors to share other policies or information with their customers. This process is not intended to be disruptive or burdensome to Distributors. If you have any questions about which materials to pass along to your customers, please contact your sales representative.

Q7. Does Bayer Consumer Health expect me to monitor or "police" my customers for compliance with the Authorized Reseller Policy?

A7. No. Bayer Consumer Health will handle all policy compliance matters independently. However, Distributors are expected to cooperate with Bayer Consumer Health's investigation if Bayer Consumer Health believes a customer has violated the Authorized Reseller Policy. Distributors are also required to cease sales to customers at the direction of Bayer Consumer Health, for example, if Bayer Consumer Health revokes a customer's "Authorized Reseller" status.

From time to time, Bayer Consumer Health will share its "Do Not Sell" List with Distributors. The persons and entities on this list are not Authorized Resellers and it is a violation of the Authorized Distributor Policy for a Distributor to sell Bayer Consumer Health products to anyone on the Do Not Sell List.

Q8. What happens if I violate the Authorized Distributor Policy?

A8. Bayer Consumer Health reserves the right to restrict a Distributor's ability to purchase products or to terminate its business relationship with a Distributor if the Authorized Distributor Policy is not followed. If you have any questions regarding whether particular conduct will violate the Authorized Distributor Policy, please contact your sales representative.

Q9. The Authorized Distributor Policy says I cannot sell Bayer Consumer Health products on Publicly Accessible Websites without Bayer Consumer Health's prior written consent. What is a "Publicly Accessible Website" and how can I obtain consent to sell on Publicly Accessible Websites?

A9. "Publicly Accessible Websites" are websites that are available to the general public and permit any customer to purchase a Bayer Consumer Health product. Websites that are used to facilitate orders from Authorized Resellers, which do not display product and pricing information publicly but instead require the Authorized Reseller to obtain an account and log in, are not considered "Publicly Accessible Websites." Bayer Consumer Health will consider requests from Distributors to sell on Publicly Accessible Websites on a case-by-case basis. Please contact your sales representative to discuss your request.

Q10. When is the updated Authorized Distributor Policy effective?

A10. The updated Authorized Distributor Policy is effective as of July 15, 2022.

Please direct other questions regarding the Authorized Reseller Program to your sales representative.