

**FOR INTERNAL USE ONLY
FREQUENTLY ASKED QUESTIONS
MEDELA LLC
U.S. MINIMUM ADVERTISED PRICE POLICY**

1. REASONS FOR THE POLICY

Q: "What is the purpose of the U.S. Minimum Advertised Price Policy (Policy)?"

A: **To protect Medela's premium brand image, and to support Accounts' efforts to deliver an extraordinary customer experience through knowledgeable staff and company vendor presentation.**

Q: "Is this Policy a way for Medela to control prices?"

A: **Not at all. This Policy simply promotes Medela as a provider of the highest-quality Products, education and support to promote success of breastfeeding mothers and helps preserve Medela's premium quality image. The Policy also supports Accounts' efforts to deliver an extraordinary customer experience. All Accounts, of course, are free to conduct their businesses as they see fit, including the price they advertise and charge for Medela products.**

2. INTERPRETATION AND GUIDANCE

Q: "Does the Policy apply outside of the United States?"

A: **No. The Policy applies only to Medela LLC Accounts and Distributors within the United States.**

Q: "Does the Policy prohibit selling on the internet?"

A: **The Policy does not prohibit selling on the internet for any product, including those listed as MAP products on medela.com.**

Q: "What does the Policy prohibit?"

A: **The Policy does not prohibit anything. It simply states that Medela will not do business with any Account or with any Distributor that advertises prices lower than the MAP price for MAP Products listed on medela.com.**

Q: **What is meant by "advertise"?**

A: **Advertise means the public promotion through print or electronic means of Medela products for sales, and includes but is not limited to advertising via websites, social media, third party marketplaces (excluding after entering unique log in information), mobile applications, general discussion boards, blogs, auction sites, newsletters, catalogs, text messages, Email, newspapers, ad flyers, circulars, apps, television, radio, or facsimile or at shelf.**

Q: "I have a number of questions about Medela's policy that I'd like to discuss in detail. Who can I discuss this with at Medela?"

- A:** Let me provide you with the url for the Policy. The page contains downloadable pdf's of our Policy as well as our Frequently Asked Questions, more than likely any question you may have is covered within the list. This site also contains the MAP Products and prices. This is a site you may wish to save in your Favorites as the Policy, MAP Products and/or prices may change from time to time.
- Q: "Will my Medela representative be able to help me with questions on this Policy?"
- A:** No. According to Medela's Policy, no Medela sales representative, customer service representative, or other Medela employee is authorized to solicit or accept assurances of compliance with this Policy or grant exceptions to or make interpretations of this Policy. After reviewing the content of this url: MedelaUSPolicies.com which includes Frequently Asked Questions, if you still have questions, please contact Medela's General Counsel at the Medela LLC Corporate office.
- Q: "Am I able to advertise lower than MAP price for a MAP Product on another company's website?"
- A:** No. The policy applies whether you advertise on your own or another party's website or marketplace.
- Q: "Is there an easy way to ensure that I am following the requirements of the Policy?"
- A:** You are following the general intent of the Policy if you do not advertise (i.e., publicly promote) a price lower than the MAP price for a MAP covered product (please see the question entitled "What is meant by Advertise").
- Q: "May I transact at a price lower than MAP Price without violating the Policy?"
- A:** Yes, you may transact at a price less than MAP pricing for any MAP Product if the transaction price is not advertised (please see the question entitled "What is meant by Advertise") prior to final transaction consummation. With respect to brick and mortar businesses, it is not a violation of the Policy to merely state the actual, final transaction price in an inconspicuous manner at shelf (i.e., without promoting such price conspicuously elsewhere in store, electronically, in circular or otherwise or comparing the final transaction price to MAP Price or another higher, pre-sale price).
- Q: "The Medela Price List suggests a Manufacturer's Suggested Retail Price (MSRP) for Medela products. Is this the MAP price?"
- A:** The Manufacturer's Suggested Retail Price (MSRP) in the Medela Price List is displayed to provide a recommended price for products. Not all items in the Medela Price List are included in the Policy. The Products and MAP prices subject to the Policy are noted as such on medela.com. MSRP and MAP Price are separate and distinct concepts. Please remember, you determine your own advertised and transaction price for all Medela products.
- Q: "An Account thanks Medela for establishing the Policy, per previous discussions with a Medela employee."
- A:** While we appreciate you are in favor of the Policy, please remember this was an unsolicited, unilateral Medela business decision; we think it is the right thing to do in today's market.

Q: "Can I sell my inventory to third parties who then resell Medela products to consumers over their websites?"

A: The Policy does not address that issue, but your Distribution, Retail or Rental Agreement or the Medela U.S. Authorized Reseller and Distributor Purchase Terms and Conditions published on the medela.com might.

Q: "What if I see another third party that is advertising a price lower than MAP pricing? Who should I inform?"

A: It is Medela's policy not to discuss our relationship with any particular Account with any other Account. We would not discuss your Account or activities with Medela with anyone else and extend the same approach to all our Accounts, whether questions involve advertising or other business practices.

Q: "Who at Medela should an Account call to report violators of your Policy?"

A: Medela does not wish to, and will not accept complaints from, Accounts regarding the advertising or sales practices of other Medela Accounts or other parties. It is not Medela's policy to discuss the activities of an Account with any other Account.

Q: "Will an Account be able to discuss the situation with Medela before its account is terminated?"

A: No. Medela retains the right to unilaterally enforce the Policy. No further notice will be required before Medela begins enforcing this policy.

Q: "I see tons of ads on the internet or receive mailers advertising at prices lower than MAP. Why should I change my advertising practices when these other businesses are advertising lower than MAP?"

A: Irrespective of the actions of others, the Policy continues to apply to you. It is possible that the advertisers you see may be those of terminated Accounts who are simply selling out their inventory, unauthorized Accounts, or both.

Q: I am a DME or I sell pumps covered by insurance. Does the Policy apply to me?

A: Yes. If you are advertising a MAP Product, then the policy applies to your activity with respect to that product. You should consult the MAP Product list (including by referring to the item description and product numbers) and the definition of "Advertising" in the Policy. Generally, revealing a price only after an eligible customer has provided qualifying insurance information will not be considered "Advertising" since you have not advertised that price to the public.

3. EXAMPLES OF ADVERTISING IN VIOLATION OF THE POLICY

The list below depicts **examples of violations of** Medela's U.S. Minimum Advertised Price Policy. The list is not meant to be all inclusive of violations or compliances. In all cases, the examples pertain to Medela MAP Product(s).

ADVERTISING IN VIOLATION

- A Medela Account has a website of its own and allows another person or entity (whether a business or individual consumer) to publicly advertise on the Account's website a price lower than the MAP price for any MAP Product.
- A Medela Account includes in advertising for Medela MAP Product(s) the use of any additional discount, store-wide coupon, gift card, or incentive that provides an immediate price reduction *immediately next to the item*, where the cumulative effect would be to reduce the advertised price of a MAP Product below the MAP price.
- A Medela Account advertises a price lower than the applicable MAP price for a MAP product on its own or a third party marketplace or website.
- A Medela Account advertises a price lower than the applicable MAP price for a MAP product on the exterior windows of a store or on a large sign within the store or otherwise calls attention to lower-than-MAP transaction pricing shown at shelf.

4. CHANGES FROM MEDELA'S PRIOR INTERNET MINIMUM ADVERTISED PRICE POLICY

Q: What are some of the important differences between this Policy and the prior U.S. Internet Minimum Advertised Price Policy?

A: **While you should review this Policy in its entirety and understand it, the following are some of the most important differences between this new Policy and the prior policy:**

- **All advertising is now subject to this Policy, not just internet advertising**
- **We have clarified that third party marketplaces are considered public advertising**
- **A wider selection of Medela products are now covered by this Policy**
- **This Policy now has direct applicability to Distributors (i.e. B2B accounts) as well as retail Accounts and there is no longer a separate policy for distributors (formerly called the U.S. Reseller Policy)**

Q: What are the Medela U.S. Authorized Reseller and Distributor Purchase Terms and Conditions referenced in the FAQs above?

A: **These are new purchase terms and conditions that are binding on all of Medela's business accounts who re-sell products (including retail, rental and distributor/DME accounts). By purchasing products from Medela for purposes of resale, an account is bound by those terms and conditions. Note that this MAP Policy is separate from and is not a binding obligation under the terms and conditions.**

Q: Do the Medela U.S. Authorized Reseller and Distributor Purchase Terms and Conditions affect my ability to conduct internet sales in any way?

A: **While the terms and conditions have a number of requirements that apply to the type and quality of service you must provide in order to be an authorized reseller or distributor, you should specifically note that you are no longer allowed to sell Medela products on third party marketplaces or websites other than your own, unless Medela specifically authorizes you to do so. In addition, we have clarified that you may not re-SKU or create bundled offers on Medela products without prior permission.**