



Games Workshop US Authorized Distributors: Account Management Policy

This document should be read in conjunction with Games Workshop's 2017 Authorized Distributor Policy (**Distributor Policy**) and is subject to the Conditions of Sale of Games Workshop Retail, Inc (Authorized Distributors - 2017) (**Terms and Conditions of Sale**). (Except as specified herein, any defined terms within this Account Management Policy are further detailed in the Distributor Policy.)

Games Workshop may refuse to supply any Authorized Distributor which fails to comply with this policy.

Background

Games Workshop works with Authorized Distributors in the United States for the following reasons;

1. **Reach** - larger network of outlets than Games Workshop can access through a Games Workshop direct to reseller network (including taking the cost of supplying such smaller resellers away from Games Workshop);
2. **Grow** - sales for best sellers/introductory Products, thereby developing the hobby; and
3. **Access** - to Games Workshops Products for small resellers who do not meet Games Workshop's requirements as a direct reseller (e.g. order values and stock holdings).

Games Workshop has recently reviewed and clarified certain aspects of how it operates with its Authorized Distributors in the United States, such process having given rise to the Distributor Policy.

In addition, as part of this process, Games Workshop has chosen to affirm/re-affirm the following within this Account Management document;

- (1) An ordering policy, to specify the regularity, value, delivery timescales and other issues for each order placed by an Authorized Distributor;
- (2) A credit policy, to describe the basis on which Games Workshop may extend credit to Authorized Distributors; and
- (3) A statement specifying the type of Products available to each Authorized Distributor to order.

Basis of this Account Management Policy

Each policy or statement (or cross referenced statement or policy) specified below;

- (a) shall at all times be subject to the Terms and Conditions of Sale; and
- (b) may, at any time, be reviewed and amended by Games Workshop without notice to any Authorized Distributor.

I. Ordering Policy

All orders placed by an Authorized Distributor must be placed in the format specified by Games Workshop from time to time.

Order Quantities, Values, Payment and Delivery

- Authorized Distributors can order no more than once per week to each of their approved warehouse locations (please see the Distributor Policy for information as to what qualifies as an approved warehouse location)
- If any invoices are paid other than by bank transfer, the Authorized Distributor will be responsible for any costs incurred by GW in processing the payment, such as credit card payment processing costs
- Each order must meet the minimum order value of ~~\$400~~2,500 (net invoice value and exclusive of back orders (**Value**))
- Each order over \$25,000 in value may take up to 10 days to deliver
- Each order over \$50,000 in value may take up to 30 days to deliver
- Delivery costs:
 - All orders received by Games Workshop valued in excess of \$5,000 shall be delivered carriage paid (*i.e.*, at no cost to the Authorized Distributor)
 - All orders received by Games Workshop valued between ~~\$2,500~~400 and \$5,000 shall not be delivered carriage paid and all delivery costs will therefore be paid by the Authorized Distributor (in addition, for the avoidance of doubt, to the Product cost)

II. Credit Policy

Games Workshop shall;

- (1) at all times, have complete discretion in respect of any decision to grant credit to any Authorized Distributor; and
- (2) at all times have complete discretion in respect of the level of credit granted (if any) to an Authorized Distributor from time to time.

Subject to the above, any credit levels set in respect of each Authorized Distributor may be based on a credit report run by Games Workshop. Credit shall only be extended on a per Distributor entity basis, and not by Distributor warehouse location. No correspondence will be entered in to in respect of any credit decision or credit limits granted and credit limits shall not be exceeded by any Authorized Distributor.

In addition to the above, and for the avoidance of doubt, any credit or credit limit provided to an Authorized Distributor will at all times be subject to Games Workshop's general credit policy (which is available on request) and the requisite authorisation and sign of procedures specified therein.

By way of example only, and not withstanding Games Workshop's general discretion in setting credit limits or the provision of credit generally, typically, where an Authorized Distributor has a poor or low credit rating but an established reliable and mutually beneficial history of trading with Games Workshop, a credit limit of no greater than \$25,000 may be put in place.

III. Distribution Range Statement

Authorized Distributors support Games Workshop's business by selling Games Workshop's core range of Products into Retailers currently beyond the direct reach of Games Workshop. The range offered to Authorized Distributors by Games Workshop is designed to represent the best stock turn and minimum stock risk (and, therefore, represent the best range offering for the benefit of both Games Workshop and any Authorized Distributor).

Full details of the range of Products available to Authorized Distributors is available from Games Workshop on request.

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