



GAMES WORKSHOP 2017 AUTHORIZED DISTRIBUTOR POLICY

EFFECTIVE: 3 May 2017

ISSUED BY: GAMES WORKSHOP RETAIL, INC. (hereinafter collectively "Games Workshop")

This 2017 Authorized Distributor Policy (the "**Policy**") applies to wholesale distributors located in the United States who are authorized to resell products from the Games Workshop Retail Range of products (such range as varied by Games Workshop without notice from time to time) ("**Product(s)**") to Retailers located in the United States ("**Authorized Distributors**"). For purposes of this Policy, the term "**Retailers**" includes: (i) trade accounts supplied directly by Games Workshop ("**Trade Accounts**") and (ii) indirectly-supplied retailers ("**Indirect Retailers**") in the United States who purchase Products from an Authorized Distributor.

This Policy is used by Games Workshop in its selection and retention of Authorized Distributors and in providing certain benefits to them in support of their resale of the Products. Authorized Distributors are non-exclusive in that: (i) Games Workshop, in its sole discretion, may authorize any number of distributors operating anywhere in the United States; and (ii) Authorized Distributors may carry and distribute similar products of other manufacturers.

This Policy reflects the unilateral decision of Games Workshop after a careful review designed to assess and pursue the best interests of Games Workshop's business and its brand. In issuing this new Policy, Games Workshop is not seeking your agreement to the requirements and policies outlined below. The decision to comply with this Policy is left to each individual Authorized Distributor. However, Games Workshop reserves the right, pursuant to this Policy, to suspend or terminate sales of the Products to any Authorized Distributor who chooses to violate this policy.

This Policy becomes effective 3 May 2017 and may be changed at any time by Games Workshop, in the exercise of its sole discretion.

I. General Requirements

These general requirements apply to all Authorized Distributors located in the United States regardless of mode of distribution or sale. All Authorized Distributors must comply with these general requirements. Games Workshop may conduct unannounced, anonymous surveys and/or spot checks to assess an Authorized Distributor's compliance with these requirements.

The Games Workshop brand is a unique and exclusive symbol of quality. The familiar Games Workshop trademarks, logos, and colors on the Products assure consumers of Games Workshop quality Products. This continuing quality assurance demands Games Workshop's vigilance to maintain consistent quality standards for the Products and the suppliers through which the Products are sold. Therefore, Games Workshop holds its Authorized Distributors to high standards of excellence, requiring that they consistently meet or exceed the expectations of all consumers or other end users ("**Consumers**"). Games Workshop's selective distribution strategy helps ensure that the Consumers of its Products are satisfied with the entire purchase experience.

Authorized Distributors perform a unique role in Games Workshop's vertical distribution network in the United States. By supplying their own Retailer customer base, Authorized Distributors indirectly provide

Games Workshop with access to retail channels for its Products that Games Workshop does not supply directly. Many of those Retailers are smaller accounts that can be more efficiently and effectively supplied by Authorized Distributors than by Games Workshop directly. Such accounts often provide an effective retail platform for the sale of introductory and best-selling lines of Products to Consumers, thereby introducing and growing the hobby they serve.

In light of this unique role, Games Workshop expressly reserves the right, in its sole discretion, to tailor its product offerings to Authorized Distributors to best suit the retail channels they serve and/or to otherwise limit the range of Products that it makes available for sale to Authorized Distributors. Games Workshop unilaterally reserves the right to decide upon the Product offerings and ranges of Products that it chooses to offer its Authorized Distributors and to change such Product offerings in the sole exercise of its discretion.

General criteria for inclusion as an Authorized Distributor are as follows:

- Authorized Distributors must be a company incorporated or organized in, and have a physical presence in, the United States.
- Authorized Distributors must operate their businesses in accordance with all applicable state and federal laws.
- Authorized Distributors must operate at least one distribution warehouse (or “hub”) in the United States capable of warehousing and stocking sufficient quantities of Products: (i) to meet Games Workshop’s minimum order value requirements as set forth in Games Workshop’s 2017 Conditions of Sale for Distributors (the “**2017 Distributor T&C’s**”) and (ii) to timely meet the purchasing demands of the Authorized Distributor’s Retailer customers. An Authorized Distributor cannot share its distribution warehouse or “hub” with a Retailer of Products or otherwise allow such distribution warehouse to operate as a retail location for the sale of the Products. Games Workshop may from time-to-time request such information from Authorized Distributor as is reasonable to evidence compliance with the requirements of this provision.
- Authorized Distributors must monitor their stocking levels and Product availability weekly and maintain sufficient stocks of each Product range supplied by Games Workshop as is reflective of their role with Games Workshop’s vertical distribution network. Continuous out-of-stock occurrences may result in temporary suspension or permanent termination as an Authorized Distributor.
- Authorized Distributors are authorized only for the wholesale distribution of Products to Retailers located in the United States. Authorized Distributors may not resell Products directly to Consumers. Authorized Distributors are required to take all commercially reasonable steps to ensure that their customers, in fact, are Retailers purchasing Products for purposes of resale only and are not Consumers. Upon request by Games Workshop, Authorized Distributors are required to provide documentation sufficient to demonstrate that their Retailer customers’ purchase of Products is for resale purposes only.
- Authorized Distributors are expected to sell the Products only to Retailers who comply with the terms of Games Workshop’s 2017 North American Retailer Policy effective 3 May 2017 (the “**2017 Retailer Policy**”) which is available on request from Games Workshop.
- Authorized Distributors are expected to comply with the specific Distributor Resale Policies set forth in Section II, below.

Games Workshop hereby incorporates by reference Games Workshop’s 2017 Conditions of Sale for Authorized Distributors and the Authorized Distributor Account Management Policy, and the Authorized Distributor Minimum Advertised Price Policy.

II. Distributor Resale Policies

A. POLICY REGARDING DOMESTIC SALES ONLY

Authorized Distributors are to restrict their sales only to Retailers located in and selling to Consumers located in the United States. Foreign sales of Products by distributors located in the United States can be disruptive to Games Workshop's vertical distribution networks in other countries. For these reasons, Authorized Distributors are not permitted to export the Products for resale (or for the avoidance of doubt, to Consumers located) outside of the United States.

B. POLICY REGARDING ORIGINAL PACKAGING AND LABELING

All Products (including all game kits, sprues, rulebooks, components and accessories) are only to be resold in their original packaging. The original packaging and labeling, which bears Games Workshop's trademarks, logos and copyrighted imagery, is specifically designed to appeal to the Consumer of the Product and to inform the Consumer as to the contents, quality and safety of the Product he or she is purchasing. Games Workshop's packaging and labeling typically contain important information about the proper use, quality, and safety of the Products.

For the reasons set forth below, Authorized Distributors are not permitted to remove Product from its original packaging or otherwise break such Products into components prior to resale. Games Workshop has observed a practice among some resellers in which Products are removed from their original packaging for the purpose of reselling separately individual, unmarked components. This practice is prohibited for the following business reasons:

- **Protection of Brand Image:** Games Workshop's original packaging, which bears Games Workshop's trademarks and copyrighted imagery, is specifically designed to be consistent with Games Workshop's established brand image. The resale of Products (or components thereof) in unmarked or generic packaging is inconsistent with that brand image and can serve to devalue the Product.
- **Protection of Games Workshop Intellectual Property:** Through its use of Games Workshop's trademarks and copyrighted imagery, the original packaging provides clear and reliable identification of the Product as a genuine Games Workshop Product. The sale of Products (or components thereof) in unmarked or generic packaging, if left unchecked, can be injurious to Games Workshop's intellectual property rights.
- **Avoidance of Confusion:** The resale of Products (or components thereof) in unmarked or generic packaging also can lead to confusion as to whether the Product being sold is a genuine Games Workshop Product or a generic imitation. Such confusion is detrimental to the Games Workshop brand and the intellectual property rights that protect it.
- **Ensuring Proper Labeling:** Games Workshop's packaging and labeling is specifically designed to inform the Consumer as to the contents, quality and safety of the Product he or she is purchasing. When Products (or components thereof) are sold separately in unmarked or generic packaging, the Consumer does not receive this valuable labeling information at the point of sale. Preservation of the original packaging and labeling prior to resale, therefore, ensures that the Consumer is receiving accurate and reliable Product information.
- **Uniformity in Product Configurations:** Products are packaged and sold in certain configurations designed to appeal to the Consumer and maximize the marketability of the Products. Such configurations are an integral part of Games Workshop's marketing strategies that drive consumer expectations. The resale of components in unmarked or generic packaging undermines those strategies and the ability of Games Workshop to offer a uniform line of Products to the marketplace.

To the extent Games Workshop, in its sole discretion, should manufacture, package and label individual Product components, Games Workshop may make available to its Authorized Distributors such individual components for resale only as originally packaged and labeled by Games Workshop. For the reasons explained above, Authorized Distributors are prohibited from removing any individually packaged and labeled components from their original packaging.

This same policy regarding original packaging and labeling applies to Retailers of Products under the 2017 Retailer Policy. Authorized Distributors are expected to sell Products only to Retailers who comply with the 2017 Retailer Policy.

C. POLICY REGARDING USE OF GAMES WORKSHOP INTELLECTUAL PROPERTY

Games Workshop grants to Authorized Distributors a non exclusive, non transferable (except as permitted below) right to use the specified text, imagery and posters as made available by Games Workshop at <https://trade.games-workshop.com> (**Authorized Text and Imagery and New Release Posters**) strictly for use in connection with the sale of Products, subject to:

- the terms of the Trade Intellectual Property Licence as available on request from Games Workshop. In the event of any conflict between this Policy and the terms of the Trade Intellectual Property Licence, the terms of this Policy shall prevail; and
- any further instructions or usage guidelines provided by Games Workshop from time to time.

The Authorized Text and Imagery and New Release Posters is the only text and imagery of Games Workshop that Authorized Distributors may use. No other images or text, including materials featured on the Games Workshop website, shall be used by Authorized Distributors.

Authorized Distributors are permitted to take their own photographs of Products for their own marketing purposes, but any photographs of Product or publication covers must include the entire cover. Authorized Distributors are not permitted to take photographs of the inside of any publications. Authorized Distributors are not permitted to extract/crop artwork from:

- photographs of Product or publication covers; or
- the Authorized Text and Imagery and New Release Posters, which must be used in the exact, and entire, form as provided by Games Workshop, and must not be modified, adapted or cropped in any way.

Games Workshop grants to Authorized Distributors the right to grant to its Indirect Retailers a sub-licence to use the Authorized Text and Imagery and New Release Posters in the sale of the Products on condition that any Indirect Retailer taking a sub-licence from the Authorized Distributor undertakes to comply at all times with the policy requirements set out above, and the terms of the Trade Intellectual Property Licence.

D. POLICY REGARDING NEW RELEASES

From time-to-time, Games Workshop will schedule new releases for its Products. The timing and disclosure of new releases is often accompanied by targeted advertising and marketing of the new releases designed to create excitement in the marketplace and to have a positive impact on sales of the new releases. To the extent that such new releases are made available to Authorized Distributors, such Authorized Distributors are not permitted to: (1) communicate information or make such Products available for advance order to Retailers prior to the “**Advance Order Date**” set by Games Workshop for the new release; or (2) sell the new releases prior to the “**Global Release Date**” set by Games Workshop for the new release. Games Workshop, in sole exercise of its discretion, may issue updates to this new releases policy from time-to-time.

E. POLICY REGARDING MINIMUM ADVERTISED PRICES

Games Workshop has implemented and adopted an Authorized Distributor Minimum Advertised Price Policy to support Games Workshop's goals of protecting its image and reputation, promoting its brand and providing excellent resources that are key to maintaining the hobby culture for game enthusiasts. Authorized Distributors are expected to sell Products only to Retailers who are not included on Games Workshop's Non-Approved Retailers List (as defined in the Authorized Distributor Minimum Advertised Price Policy).