Looney Labs' Online Sales Policy for Pyramid Arcade

At Looney Labs we create innovative, attractive, and above all, really fun tabletop card games and board games that can be enjoyed by adults and children alike. We are a small business, and thus rely on the revenue we earn from sales of our games to enable us develop wonderful new products such as Pyramid Arcade. We are excited to work with our retailers for years to come to promote and sell Pyramid Arcade as an evergreen product in our small line of games.

To protect brand equity and help build consumer demand for Pyramid Arcade, we have unilaterally decided to focus our sales efforts (for this single SKU: LOO-074) through physical retail locations (including conventions), and thus only offer Pyramid Arcade ONLINE through a small set of Chosen Online Retailers.

Under this Online Sales Policy for Pyramid Arcade:

- You may not sell Pyramid Arcade online. This includes third-party sales on Amazon.com.
- You may not sell Pyramid Arcade to other retailers; i.e., you can only sell it to end-consumers.

We reserve the right to take the following actions in the event we determine, in our unilateral and sole discretion, that (i) you have offered Pyramid Arcade for sale online; and/or (ii) you have failed to provide us with sufficient proof that you did not supply Pyramid Arcade to another retailer who offered the game for sale online:

- If we learn that you are offering the game online, we will notify you in writing that your conduct is inconsistent with our Online Sales Policy for Pyramid Arcade. We want to be sure that you are aware of our policy when making your own business decisions!
- If we conclude that you continued to offer the game online 48 hours after you received the notice, your store will be added to the Unauthorized Retailers list which is sent to all our distributors, and neither Looney Labs nor any of our distributors will sell you copies of Pyramid Arcade. Your name will remain on this list for a minimum of two (2) months.
- If we remove you from the Unauthorized Retailer list and you engage in this conduct again in the future, your store will be added to the Unauthorized Retailers list for a minimum of six (6) months.
- If we suspect you have re-sold Pyramid Arcade to another retailer who is offering the game for sale online, and you fail to provide us sufficient proof that you did not supply Pyramid Arcade to that retailer, your store will go onto the Unauthorized Retailers list for a minimum of six (6) months.

This is a unilateral Policy of Looney Labs and therefore is not subject to negotiation. Looney Labs will implement this Policy based on information deemed sufficient by us, and all such determinations are final. We reserve the right at any time to modify this Policy, to establish new or different policies, or discontinue any or all such policies. This Policy shall remain in effect until modified or terminated by us. The current policy, Chosen Online Retailers, and Unauthorized Retailers are here: <u>http://looneylabs.com/OnlinePolicy</u>.

Thank you for promoting/selling Pyramid Arcade at your B&M Retail location!