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DOUGLAS ONLINE RESELLER DISTRIBUTION POLICY Effective January 1, 2023

As a leader in the quality plush toy market and online marketplaces, DOUGLAS COMPANY, INC. regulates the distribution of DOUGLAS products online for the community of our retailers.

All sales of DOUGLAS products online including, but not limited to, Amazon, eBay, and Walmart.com are subject to this Online Reseller Distribution Policy which will be unilaterally enforced. DOUGLAS requires permission for customers to sell on Amazon and Walmart, but we encourage you to sell on your own corporate website while adhering to the MAP prices. Although resellers remain free to establish their own resale prices in store, DOUGLAS will, without assuming any liability, cancel all orders and will indefinitely refuse to accept any new orders from any reseller immediately following verification that such reseller's business model is to advertise, offer, or sell any DOUGLAS product online (excluding discontinued products) at a net retail sales price less than the minimum online retail price established and announced by DOUGLAS.

This policy will NOT apply during the Friday, Saturday, Sunday, and Monday following Thanksgiving; between December 26 and January 1; Amazon Prime day and the proceeding 4 days. Although the pricing policy is suspended during sell off periods—hiding the price is still not permitted.

The Minimum Advertised Price is double the regular wholesale price, plus 1.95 for all items.

Advertisements and offers to sell that do not include a particular price, however require further action that implies a price that is lower than the Minimum Online Retail Price violate the Minimum Online Retail Price Policy. Examples of such unauthorized advertisements include "drop in cart" pricing, "add to cart" pricing, "click to see" pricing, and "call for" pricing. Also prohibited are advertisements that indicate that discounts may be available when a customer takes specific action that goes beyond buying the product, such as "special price option" or "name your price". Unapproved discounts, promotions, free gifts, credits, rebates or coupons or other inducements contrary to the spirit of this policy which would reduce the net sale price below the Minimum Online Retail Price are prohibited.

In an effort to prevent counterfeiting and maintain stronger, unified BSR's, online resellers are not permitted to create duplicate ASIN's for preexisting Amazon products. Duplicate listings violate Amazon's policy and sellers risk possible deletion or erroneous strikes on their account for copyright infringement. Such strikes can be difficult to remove and can irrevocably impact your ability to sell on Amazon. Retailers are permitted to create new Amazon listings or ASIN's for bundled product, i.e. a plush sold with a book.

This policy may be modified at any time by DOUGLAS. The Minimum Online Retail Price may be affected by promotions approved and announced by DOUGLAS. This policy may be waived during promotional periods designated solely by DOUGLAS.

DOUGLAS will not discuss any conditions of acceptance related to this Policy, as it is non-negotiable and will not be altered for an individual reseller. In addition, DOUGLAS neither solicits, nor will it accept any assurance of compliance with this Policy. Nothing in this Policy shall constitute an agreement between DOUGLAS and any reseller that they will comply with this Policy. This policy is subject to change. Should this policy change, such new policy will be unilaterally applied to all DOUGLAS online resellers. DOUGLAS sales and customer service representatives have no authority to modify or grant exceptions to this Policy. Questions regarding the interpretation of this policy should be e-mailed to: William Mitchell, VP of E-Commerce (wmitchell@douglastoys.com.).