



Retail Concepts, Inc. ("RCI"), d/b/a Sun & Ski Sports, believes that fair competition among all retail distribution, whether it is through brick and mortar or online, benefits consumers and is healthy for our industry.

VENDOR COMPETITION POLICY (Rev 9-5-19)

RCI's view is that distribution to consumers, whether in store or online, is the business of the retailer. As success in our industry is predicated upon vendor and retailer working together to grow business for mutual benefit, it is fundamentally inconsistent for vendor to compete with retailer. The existence of any vendor direct-to-consumer selling needs to be disclosed by vendor in advance of the writing of orders or such orders shall be subject to resolution as indicated below.

During any time that we are competing with vendors, we expect that all distribution policies of vendor, including MAP or other policies, be equally applied to its own retail practices as it requires of retailers. Any distribution by vendor of product via channels that do not follow vendor's MAP policies shall automatically be a violation of RCI's Vendor Competition Policy and subject to resolution as stated below. For clarity, Vendor's own web sites may not break MAP for any reason whatsoever in season, even during 'allowable' promotional periods for retailers (such as Black Friday and Cyber Monday or other in-season holiday periods) as vendor's websites, top in search, set pricing for the entire market. Violation of MAP compounds showrooming issues as consumers check price via mobile apps while shopping.

Without exception, any online selling by vendor shall allow RCI to do the same. Additionally, if vendor cannot play by its own rules, RCI shall have the right to similarly deviate without risk of any sanction by vendor (including loss of co-op funds, etc.), return affected goods for full credit, and/or receive a credit commensurate with the violation for all affected goods purchased.

If Vendor believes Sun & Ski Sports has violated an agreed to MAP policy, Vendor needs to submit the issue to MAP@sunandski.com. This mailbox will be regularly monitored so that issues are resolved in an expedited manner.

VENDOR DISTRIBUTION POLICY (Rev 9-5-19)

Selling leading brands is integral to Sun & Ski Sports' position in the market. RCI acknowledges that brands' strategies sometimes incorporate limiting online and / or bricks and mortar distribution. RCI will honor such limiting strategies only if the brand does not sell online or allow any others to sell its products online and the brand manages its bricks and mortar distribution uniformly across all retailers of its goods.

In addition, RCI believes the brands that it carries should not be offered for distribution on any of the 'Flash' sites, such as The Clymb, LeftLane Sports and Zulily. It is RCI's view that the off-price liquidation nature of these sites degrades the value of the brand and thus devalues the inventory RCI owns.

If vendor has excess product that needs to be liquidated, vendor should look exclusively to its current customers, many of whom, like RCI, endeavor to buy close-outs to have some off-price goods to offer in their stores and/or online.



Without exception, vendor's liquidation of goods on 'Flash' sites shall allow RCI to do same in store and/or online. In such case, RCI shall act without risk of any sanction by vendor (including loss of co-op funds, etc.), be able to return goods for full credit, and/or receive a credit commensurate with the violation for purchased goods.

VENDOR PERFORMANCE POLICY (1-1-16)

RCI makes significant investments to be able to present vendor's goods in first class specialty store and website environments. Vendors desiring to have its product available in Sun & Ski stores shall be subject to vendor performance requirements including sales, sell-thru rates, ending inventory levels, and/or gross margins ("Vendor Requirements"). Vendor Requirements shall be established on a seasonal basis (as applicable for spring/summer and/or fall/winter) with vendor and RCI working together to establish the performance metrics appropriate for the lines of goods and representation in RCI assortments.

Upon completion of the applicable season, RCI shall provide reporting to vendor of performance results and any chargebacks and/or returns, if applicable, will be issued per the Vendor Requirements.

CALIFORNIA PROPOSITION 65 (New 9-5-19)

RCI is committed to compliance with the notification requirements of California's Proposition 65 ("CA Prop 65"). It is Vendor's responsibility to notify RCI if any of the products RCI buys from Vendor require notification under CA Prop 65. For ease of compliance, RCI requires that all notifications of CA Prop 65 product issues be submitted to CAProp65@sunandski.com.