Mob Rules Games Annual Benefit Report for 2011

Mob Rules Games began operations as a Benefit Corporation late in the fourth quarter of 2011. We are committed to operating in a transparent and open manner and aim to serve as a model for transparent, employee-centric business practices. Our specific public benefit is providing individuals or communities with beneficial products or services and promoting the advancement of knowledge.

I. How We Have Provided a Specific and General Public Benefit in 2011

We began by holding a fundraising campaign through the web site Kickstarter, with the promise that everyone who pledged money would get to vote on which video game Mob Rules would make. The campaign failed to raise funds, but did raise enough interest that we were able to hold a public vote where those interested could register with our web site and vote on which game they wanted us to make. We had over 100 registered voters, and they picked Haunts. With investment from the Lewis Charitable Foundation, we were able to proceed with development.

The software for <u>Haunts</u> is being written using an open source programming language called Go. As part of our goal of providing a public benefit, all of our software is licensed under Go's modified version of the BSD license: http://code.google.com/p/go/source/browse/LICENSE. We plan to release the source code for the game after its release, allowing others to freely benefit from our work.

All of our non-code content is licensed under the Creative Commons Attribution, Non Commercial, Share Alike license, as part of our commitment to being as open and community friendly as possible. http://creativecommons.org/licenses/by-nc-sa/3.0/. This will allow anyone to share and build upon our creations for personal, non-commercial reasons.

By using these well-established and respected openness standards, Mob Rules Games has contributed cultural content and software innovation to the public in a way that others can build on and use for their own benefit, free of charge and with limited constraints.

II. Circumstances Hindering Our Creation of Public Benefits in 2011

Our main hindrance to the creation of any additional public benefit is simply the short time we have been in existence. With only three employees, we have been working hard to create our first product. In 2012 we will further expand our transparency reporting on budget, sales, and business practices as well as create more open and shareable code and content. We also plan to develop and test new, more democratic fund raising strategies that we hope other developers can adopt to create their own, open and transparent companies.

III. Mob Rules Games 2011 B Impact Assessment (B-Labs)

In order to assess the benefit that Mob Rules Games was able to provide in 2011, we used B-Labs and their "B Impact Assessment" to measure our own practices against the recognized best practices in corporate social and environmental performance for a company with a similar number of employees and annual revenue. B-Labs is a nonprofit organization dedicated to using the power of business to solve social problems and is completely independent and unrelated to Mob Rules Games. For more information about B-Labs, visit: http://www.bcorporation.net/The-Non-Profit-behind-B-Corps.

The B Impact Assessment is based on B-Labs' Impact Ratings System, which it uses to certify companies that are making a positive social impact. This certification is similar to a building or development project obtaining LEED certification or a grocery product obtaining a Certified Organic label. B-Lab's certification—called a B-Corps Certification—is provided to those companies who, among other requirements, obtain a rating of 80 out of 200 possible points on the Impact Ratings System. To get an overall rating, the B Impact Assessment identifies four major

categories to measure the impact of a company: Governance, Workers, Community, and Environment. These four major categories are further broken down into specific sub-categories.

Using the B Impact Ratings System, our 2011 B Impact Assessment total score was 66.5. Although that score isn't high enough to gain the B-Corps certification from B-Labs, we feel like we provided a respectable impact as a company given our small size and limited resources in 2011. The obvious hindrance to our impact score was, again, the short time that we've been in existence. For example, there is a total of 33.6 points under the Workers subcategory "Compensation, Benefits and Training," and Mob Rules Games received a score of 8.4 points. We did not score many points in this sub-category because we are currently unable to offer our employees significant compensation, benefits, and training. Given our revenues, we simply cannot offer benefits such as a health care plan to our employees. We are confident, however, that we will be able to offer increasing compensation, benefits, and training to our employees as Mob Rules Games grows.

We hope to continue to use the B Impact Assessment as an independent tool and baseline measurement to monitor our impact as we grow over 2012. In 2012 we hope to do much better than the total rating of 66.5!

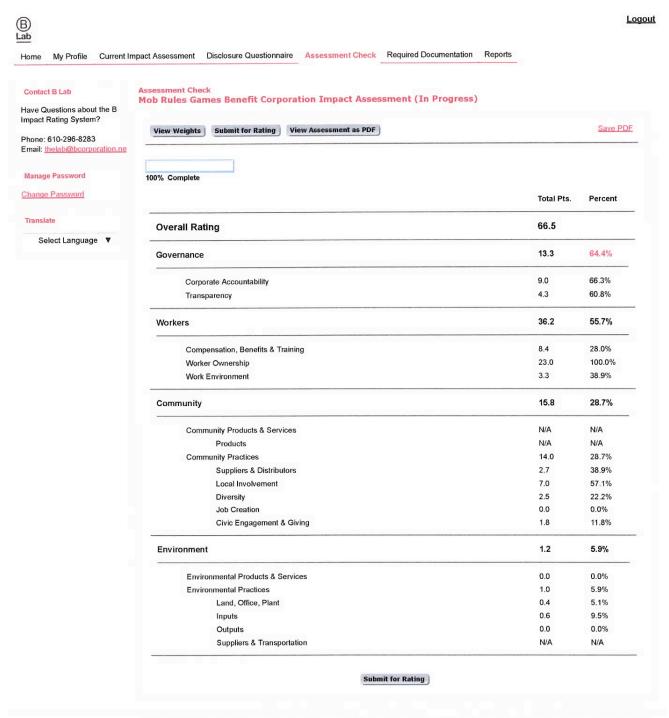
For the complete itemization of Mob Rules Games' 2011 assessment, please see **Attachment 1**. For a break down of the factors and weighting of these factors, please see **Attachment 2**.

The B Impact Ratings System is governed by an independent, nine person Standards Advisory Council (SAC). The SAC evaluated the collective feedback from beta testing, and incorporated the community's input to ensure the application of best thinking and practices for the B Impact Ratings System. For more information on the people who have created the B Impact Ratings and how they make changes to these ratings, please visit: http://www.bcorporation.net/become/BRS

Sincerely,

Rick Dakan Director

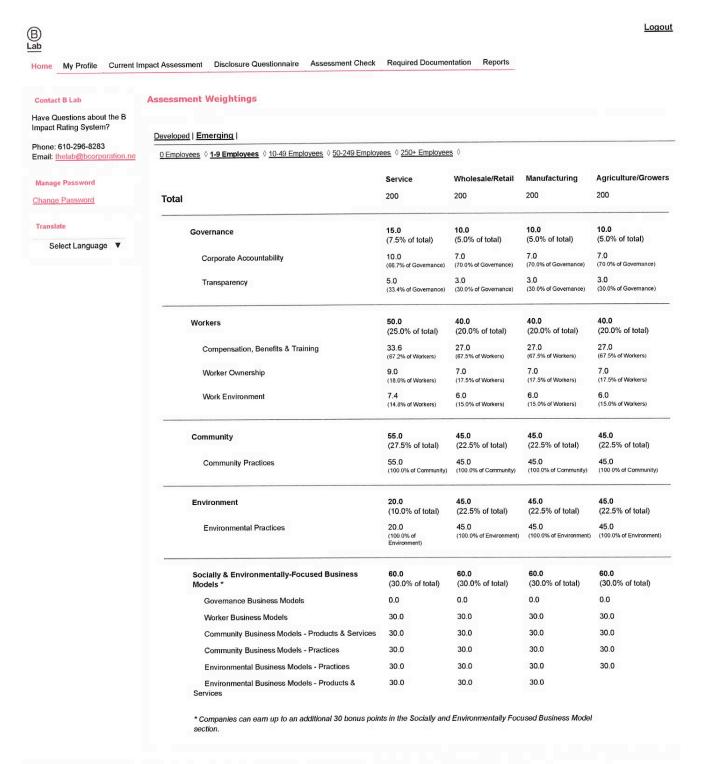
Attachment 1



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Attachment 2



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