Penguin Random House LLC reserves the right to change terms of sale and prices at any time.

ELIGIBLE CUSTOMERS: Retail Only. A separate ship-to account will be set up and orders need to be verified as “Corporate Sales” by a Penguin Random House rep. EDI orders can not be accepted as part of this program. All sales are subject to applicable taxes. Books being reshipped across state lines will be subject to tax unless the bookseller provides a resale certificate for the state where the books are being shipped.

USE OF BOOKS: The B2B discounts are available for the purchases of books by a single corporate, community, or association customer who is purchasing as a giveaway, not for resale. This includes titles purchased as part of “Community Reads” or “FYE” program. These discounts do not apply to sales to schools or libraries as part of their academic curriculum or library circulation.

NON-RETURNABLE B2B DISCOUNT SCHEDULE (SINGLE TITLE):

<table>
<thead>
<tr>
<th>QUANTITY DISCOUNT</th>
<th>DISCOUNT (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>25-99</td>
<td>50%</td>
</tr>
<tr>
<td>100-999</td>
<td>55%</td>
</tr>
<tr>
<td>1000+</td>
<td>60%</td>
</tr>
</tbody>
</table>

FREIGHT: All formats will ship free freight on outgoing orders to established trade accounts. Customers requesting expedited freight will be responsible for any additional charges. No third party shipping charges allowed. Books can be either sent to the ordering store or drop shipped to the end customer. If the books are drop shipped, they ship with just a packing slip, the invoice is sent to the store.

SHIPMENT MINIMUM: $200 retail value for reorders, $100 retail value for initials. All publishers and formats will combine to meet the shipment minimum within each warehouse. Shipments that do not meet the minimum will not leave the warehouse and will backorder for up to 90 days, in order to combine with other orders. Once a combination of orders exceeds the minimum retail value, it will be shipped.

CREDIT: Shipments will be made to all accounts in good credit standing, as determined by the Penguin Random House Credit Department. In addition, accounts must also be in good credit standing to participate in any promotional offers and to receive any incentive payments, rebates or allowances, including without limitation, cooperative advertising allowances.

PAYMENT TERMS: 60 days End of Month from invoice date. Payments, in the form of checks, money orders, or wire transfers, are due at the Penguin Random House bank by the last banking day of the month due (excludes Sat & Sun). In the event of non-payment, the account is responsible for any late fees, finance charges, collection fees and/or legal fees incurred.

CREDIT CARDS: Penguin Random House accepts Visa, Mastercard, Discover, American Express only at the time the order is placed.

VENDOR COMPLIANCE: Penguin Random House will not pay or accept vendor non-compliance chargebacks. All purchase orders are accepted and shipped subject to the terms and conditions of Penguin Random House’s terms of sale.

CONFLICT WITH CUSTOMER TERMS: No modification or waiver of any of these Terms shall be enforceable, unless agreed to in writing by Penguin Random House. To the extent that any discrepancy exists between these Terms and those of any sales quotation, purchase order, or other document received from the customer, these Terms shall control.
LIMITATION ON WARRANTIES: Except as provided in any warranty expressly provided by Penguin Random House, Penguin Random House does not make or give, and expressly disclaims, all other warranties, representations, guarantees, or other conditions of any kind, express or implied, including warranties as to performance, merchantability, or fitness for a particular purpose, and warranties arising by statute or otherwise, or from a course of dealing or usage of trade.

LIMITATION OF DAMAGES AND OTHER LIABILITIES: The aggregate cumulative liability of Penguin Random House, and its affiliates under common control with it, directors, officers, employees, representatives and agents, for all claims by customer, notwithstanding the form in which any such action is brought, whether in contract, tort (including negligence), or otherwise, shall be limited in the aggregate to the total amounts paid by the customer to Penguin Random House under the applicable invoice. Penguin Random House shall not be liable for any consequential, incidental, indirect, special, exemplary or punitive damages, third party claims, loss of revenues, loss of profits or loss of savings even if advised of the possibility of such damages and regardless of the form in which any action is brought, whether in contract, tort (including negligence), or otherwise.

STATUTE OF LIMITATIONS: Any action for any breach of contract by Penguin Random House or other claim by Customer against Penguin Random House must be commenced by customer within one (1) year after delivery of product to customer.

GOVERNING LAW: These Terms of Sale shall be governed and construed in accordance with the laws of the State of New York, and any action, claim, litigation or dispute resolution process brought to enforce these Terms of Sale shall be commenced and adjudicated in the state or federal courts in New York County, New York.

NO ASSIGNMENT: The customer may not assign its rights or delegate its duties or obligations under these Terms of Sale without the prior written consent of Penguin Random House. Any attempt to make such an assignment or delegation without written consent will be void.

LIMITATION ON SETOFF BY CUSTOMER: All amounts owing by the customer to Penguin Random House shall be due without any setoff, counterclaim or recoupment or other similar rights the customer may have against Penguin Random House.

ATTORNEYS’ FEES: Should customer fail to make timely payment of any amount due to Penguin Random House and legal action becomes necessary to collect such amount, Penguin Random House shall be entitled to recover from customer all costs incurred in connection with such action, including Penguin Random House’s attorneys’ fees and expenses.

SHORTAGES/DAMAGES POLICY/CLAIMS: At time of order receipt, it is the customer’s responsibility to check for carton or pallet shortages or signs of damage. The Bill Of Lading will clearly indicate the number of cartons/pallets to be received. Penguin Random House will honor “subject to count,” damages only if the bill of lading is signed and dated and all claims are reported in writing to Penguin Random House Customer Service within 10 days of customer’s receipt of product. If a shortage/damage is discovered please call Penguin Random House Customer Service. All claims by customer with respect to Penguin Random House product purchased by customer, including, without limitation, shortage, damage and all other claims, are waived unless made in writing and received by Penguin Random House Customer Service within ten (10) days of customer’s receipt of product.