



Penguin Random House Canada (PRHC) provides cooperative advertising allowances to reimburse retailers for advertising and promoting its titles. The allowance is based on the designated percentage of the previous calendar year's direct net purchases of eligible¹ Penguin Random House Canada titles, for use in the current calendar year. All co-op expenditures must be approved in advance in writing, by a company sales representative. The actual cost of the promotion and proof of ad must be furnished for reimbursement². Reimbursements for co-op claims will be made by credits issued to the account. Accounts must be in good credit standing to receive co-op reimbursement.

RETAILERS & DISTRIBUTORS

Audio	3.00%
Adult HC/Tradepaper/MassMarket	3.00%
Children's & Young Reader's	3.00%

Separate co-op advertising pools are set up for each publisher and program, and are calculated on that prior year's net purchases.

Cooperative funds can be used to advertise and promote PRHC titles through reasonable and practical methods including but not limited to:

- Print, radio, television or internet/www advertising
- Space in a retailer's brochures, catalogs, circulars or mailing pieces
- In-store placement
- In-store events (e.g., author appearances)
- Other – as approved by rep

PRHC reserves the right to approve all uses of funds and requires pre-submission of spending proposals.

Growth: Bookstores which anticipate an expansion in their business (e.g. new locations partnerships) should be in touch with their sales representative to discuss additional funds based upon their growth plans and expected growth percentage. The account will be charged back if their anticipated growth does not occur to the expected level. Bi-annual review with the account will be held to monitor their growth process

Order Driven Co-op/Title merchandising Allowance: Retailers can earn additional co-op dollars on specific titles to be announced through the calendar year as eligible for additional supporting order co-op-

All claims must be made within 90 days subsequent to the end of the calendar year.

Send all co-op claims directly to:

Sales Operations
c/o Penguin Random House Canada
320 Front St. Suite 1400
Toronto, ON M5V 3B6
Fax: 416-598-7764

¹ **Note:** The following products/lines are not included in any of these programs: Audio downloadable/digital, BOT, Business Development, Calendars, CodeNotes, Distribution Clients, E-Books, Net-priced product, Proprietary product, Potter Style, Remainders, Discontinued Operations. Other exceptions may apply. .PRHC Value does not participate in the growth plan. Instead, accounts are eligible for 5% of the net dollar value of one supporting order per quarter.

² **Proof of Ad** may be stored by the account provided that this proof is stored for at least 3 years and Penguin Random House Canada has access to this proof. See your rep for affidavit and details