

CANADIAN INDEPENDENT BOOKSTORE TERMS OF SALE

(effective April 16, 2018)

Client Publishers reserve the right to change terms of sale and prices at any time.

Penguin Random House Canada

Website: www.penguinrandomhouse.biz It's quick, easy, and available. You can place an order, look up a title, check order status, place claims for shortages/damages, obtain a listing of the current managed titles, and retrieve an invoice. Register your account today to learn more.

ELIGIBLE TITLES: Note that these terms of sale are for Distribution Client Publishers. Separate terms documents are available for Penguin Random House Canada Publishers.

FREIGHT: All formats will ship free freight on outgoing orders to established trade accounts. Initial shipments do not combine with reorders. Customers requesting expedited freight will be responsible for any additional charges.

SHIPMENT MINIMUM: \$100 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.

SHORTAGES/DAMAGES POLICY: 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" claims only if the bill of lading is signed, dated and all claims are reported to Penguin Random House Customer Service within 10 days of receipt of delivery. If a shortage/damage is discovered please call Customer Service.

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 or rebates.

PAYMENT TERMS: 60 days End of Month from invoice date. Payments, in the form of checks, money orders, or funds 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.

STOP ORDERS (Single Title Order Plan): 35% Discount on MM, TR and HC orders (CASH WITH ORDER - send orders to 320 Front Street West, Suite 1400, Toronto, Ontario, M5V 3B6. Attn: Customer Service.) Shipments will be made via Parcel Post, another service as indicated and paid for by the customer. Contact customer services for shipping and handling charges.

B2B: Penguin Random House offers a Corporate Business-to-Business (B2B) Discount for retailers selling to corporate or community third parties. Please ask your Penguin Random House rep for details.

EXPORT: Penguin Random House offers export terms for retailers selling to appropriate open market territories overseas provided certain conditions are met. For more information, contact Customer Service. **Base Discounts:** Unless indicated otherwise, all discounts are listed as returnable, off-invoice discounts. Large print titles follow the format discount. Some exceptions may apply to the discounts listed below. For discount confirmation, please refer to the discount codes that are provided in the ONIX metadata files, or contact Customer Service.

| Basic formats | |
|--|----------|
| Audio | 50% |
| Children's Digest | 46% |
| Children's Color & Activity | 46% |
| Hardcover (HC) & Trade Paperback (TR) | 46% |
| Mass Market (MM) | 44% |
| All Note Cards/Decks/Stationary | 52% |
| Signed Limited Editions | 40% NR** |
| Plush/Toy | 50% |
| Publisher Specific TOS for select Product Lines | |
| DC Classic Library | 35% NR** |
| DC & Dark Horse Nonreturnable | 45% NR** |
| IDW Artist's Edition | 40% NR** |
| Library Bindings | 35% |
| Beacon Academic Titles | 20% |
| LOA College Edition Paperbacks | 20% |
| Nat'l Geo Soc. Traveler | 48% |
| Calendars | 60% |
| Other Press Professional/Academic | 40% |
| Smithsonian Books Academic Titles | 40% |
| Shambhala HC Boxed Sets | 52% |
| Shambhala/7 Stories Academic Titles | 20% |
| Rizzoli Promotional (HC & TR) | 48% |
| Verso Library & POD Titles | 20% |
| Wiz of Coast Folio, Miniatures | 46% |
| Wizards of the Coast Board Games | 50% NR** |

SCHOOLS, LIBRARIES, INSTITUTIONS: Penguin Random House offers terms for schools, libraries & institutions. Base Discount = 25% (some exceptions may apply). Please contact your rep for details.

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

RETAIL DISTRIBUTION CENTER (RDC): Retailers who meet the following conditions are eligible for RDC discounts:

The distribution centre is a separate ship-to-account
The distribution centre is a free-standing operation with stock loading facilities capable of receiving full skids of merchandise.
The distribution centre sole function is warehousing and distribution with no direct physical public access for consumers.
No sub-shipments requiring separate packing or invoicing will be allowed.

-All product lines without specific RDC discounts, or those formats whose discount is already higher than 48%, will receive their base discounts for shipments into the RDC. -Any books ordered in less than carton quantities are subject to a quarterly chargeback to the appropriate retail base discount. (Accts will be notified prior to implementing.) -Returns from accounts with an RDC will be credited at the applicable RDC discount, and adjusted each quarter to the account's actual year-to-date average base/RDC discount. All customer claims & deductions must be made at the RDC discount. RETURN POLICY: A valid return claim covers Penguin Random House Canada product, which is eligible for return and has been shipped to the designated Penguin Random House Canada facility. Valid returns will only be processed as a credit against an account's current balance and /or can be used for future purchases. Penguin Random House Canada does not issue cash for returns. Penguin Random House Canada does not issue cash for returns. Penguin Random House Canada does not issue cash for returns. Penguin Andom House Canada reserves the right to review, destroy and disallow credit for returns in excess of what was purchased directly. An estimated or anticipated bulk returns claim is an invalid deduction and will not be allowed. With the exception of accounts with an RDC, returns are credited at the standard base discount at which the product was purchased. Returns from accounts with an RDC will be credited at the applicable RDC discount, and adjusted each quarter to the account's actual year-todate average base/ RDC discount. All RDC customer claims & deductions must be made at the RDC discount.

Titles that are active and bought on a returnable basis can be returned at any time.

Unless otherwise specified, full copy returns are required on all hardcover, trade paper, and audio titles. Component titles of box set (BX) format titles may not be returned individually, and credit will only be issued for the return of complete BX sets. All labels and stickers appearing on cover four (back cover) that contain bar coding or obstruct the pre-printed bar code located on cover four (back cover) must be completely removed prior to return.

Unless specifically designated as a full copy return, we require stripped front cover returns on all MM books, Yearling, Skylark, dated Princeton Review, dated Fodor's Guides and Fodor's Pocket Guides. Dated materials can be stripped only after the new edition has been shipped. Calendars are strippable only after March 31st of the current year. In submitting returns for credit, the retailer agrees that the bodies of books of which covers only are returned, will be shredded or destroyed in such a manner as to make them unusable after covers are returned for credit.

Accounts qualifying for returnable terms, stripped cover and full copy returns must be shipped separately to:

Penguin Random House Canada Attn: Returns Department 6971 Columbus Road Mississauga, ON L5T 1K1.

Retailers are responsible for: Returns until signed for by Penguin Random House; Return freight on all products or covers; insurance arrangements & payments - For customer's protection, particularly on MM covers, returns should be sent insured (e.g. insured parcel post).

Return authorization in advance is not required, however, all returns should be made with a claim copy or packing slip enclosed in each carton identifying the quantity by ISBN or description and cover price of what is being returned, your name, address, account #, claim # (if any) and # of cartons. Please limit each carton of returns to 35lbs. Accounts will be given 180 days after notification that a title has been declared Out of Print or Remaindered to return it for credit. Penguin Random House will return, at the customer's expense, and no credit will be issued for any titles received that are either not eligible for credit not Penguin Random House publications (NOP) or have labels or stickers applied to cover four (back cover) that either contain bar coding or obstruct any pre-printed bar codes. If the customer refuses and/or returns the product back to Penguin Random House, the product will be destroyed

For more information regarding packaging and shipping of returns please contact Customer Service or visit www.penguinrandomhouse.biz/booksellers/notices.

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