

Penguin Random House 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 and indirect* net purchases of eligible¹ Penguin Random House 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.

Pools for allowances are calculated separately by publisher and are based on the following % of prior year direct and indirect net purchases:

Audio (including Listening Library):	2.00%
Children's & Young Reader's:	4.00%
Hardcover/Trade paper:	3.00%
Mass Market:	1.25%

***Indirect net purchases** from distributors are included in the pool calculation.

There are two options for calculating Indirect Coop Funds:

- (1) An account may submit proof of its prior year's net purchases through distributors to create its pool or to increase the direct pool. Funds will be calculated in the same manner as the Penguin Random House direct pool. Proof must be submitted by April 15th of the current year to coop@penguinrandomhouse.com in an Excel-compatible format (.xls, .xlsx, .csv, .txt, etc.). Please be sure to include: 1. ISBN detail, 2. net units, 3. net dollars. OR
- (2) Penguin Random House will automatically calculate 10% of the current year's co-op pool (not including dollars earned by title merchandising funds) to add to the existing direct pool.

Growth: Bookstores that anticipate an increase in market share or store expansion may be eligible to earn additional funds based upon an agreed growth percentage by publisher between the account and Penguin Random House. The account will be charged back if the anticipated growth does not occur to the expected level. Company Reps should submit growth requests to Christopher Zimpleman (czimpleman@penguinrandomhouse.com) by 7/30.

Order-Driven Coop / Title Merchandising Allowance: Retailers may earn additional co-op dollars on specific titles to be announced throughout the calendar year as eligible for additional supporting order co-op.

Claims for the current calendar year are due by **March 31st** of the next calendar year. **Send all co-op claims directly to:**

Independent Retail Field Accounts

Penguin Random House, LLC
400 Hahn Road, Westminster, MD 21157
ATTN: Sherri Drechsler
fieldcoop@penguinrandomhouse.com
Fax: 800.767.4465

All Other Accounts

Penguin Random House, LLC
400 Hahn Road, Westminster, MD 21157
ATTN: Co-op Administration Department
coop@penguinrandomhouse.com

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, Penguin Gear, Proprietary product, Potter Style, Remainders, Discontinued Operations. Other exceptions may apply.

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 has access to this proof. See your rep for affidavit and details.

Minimum Advertised Price: While booksellers are free to charge whatever price they wish for Penguin Random House titles, in no event may co-op advertising funds be used to advertise a retail price more than 45% below the manufacturer's stated cover price.