



January 1, 2015

Dear Customer:

As we move closer to the long-planned integration of Penguin and Random House's separate systems and fulfillment centers we want to provide you with new information in addition to what was shared with you last month. We hope this information will be helpful to you in preparation for our February 1 go-live date for our newly-combined systems.

To avoid delays in processing, it is critical that you continue to keep your ordering, returns, and payment to Penguin and to Random House separate, with business as usual, until the effective integration date of February 1, 2015.

Effective February 1, 2015:

We will cease distributing and billing Penguin and Random House titles separately, and begin distributing and billing **all** Penguin and Random House core and client titles as Penguin Random House LLC. Please ensure that your vendor of record for these titles is changed to Penguin Random House LLC on 2/1/15—but not before this date. Your existing legacy Random House account number will be used for all future purchases. If you do not have an existing legacy Random House account number, but have an active Penguin account, a new account number will be assigned to you.

Account Profile:

Effective 2/1, the profile for legacy Penguin/DK accounts will default to what is currently in SAP for Random House.

Please take this opportunity to contact Customer Service at 1-800-733-3000 to review your account profile. Examples of what is included in the account profile are listed below. Some of these items are indicators for the terms of sale that apply to your account:

- Account classification (retail drop ship, retail RDC, wholesale, premium, etc.)
- Returnable / Non-returnable Status
- Ordering instructions (rounding, backorder, early ship status, etc.)
- If the account is not in Random House's SAP, the legacy Random House default profile will apply (e.g. no rounding, no early ship, etc.)

Terms of Sale (TOS) Documents are available to accounts via the www.penguinrandomhouse.biz site or by contacting your sales, credit or customer service rep.

Terms of Sales Cutover Timing: DISCOUNT is applied at the time the order is placed; DATING is applied at the time the order ships.

- Orders placed and shipped after the system cutover will receive the Penguin Random House LLC discount and dating
- Orders placed prior, but shipped after the system cutover will receive the legacy discount and the Penguin Random House LLC dating
- Returns: Credits for returns issued after the system cutover will reflect the Penguin Random House LLC terms of sale

OASIS:

Pearson's OASIS (Order And Shipment Information System) will not be utilized by Penguin Random House. Information on shipments made by Penguin before Feb 2015 will continue to be available in OASIS on a read-only basis until March 31, 2015. Effective February 2, 2015 all Penguin Random House orders, shipments, invoices and many other helpful documents and tools will be available on www.penguinrandomhouse.biz. If you're already a registered user for randomhouse.biz, you do not need to re-register — you will log-in as you currently do and post-integration, you will have access to historical Random House information and Penguin information as of Feb 2, 2015. If you're not currently registered, visit the Business Self-Service page on www.penguinrandomhouse.biz.

Placing Orders:

EDI:

PRH SAN 2013975

Mail:

Penguin Random House LLC

Customer Service

400 Hahn Road

Westminster, MD 21157

Phone: 1-800-733-3000

Fax: 1-800-659-2436

Email: CSorders@penguinrandomhouse.com

Web: <http://www.randomhouse.biz/>

Customer Service:

All questions regarding shipments or returns of Penguin and Random House titles should be addressed to Penguin Random House Customer Service, 1-800-733-3000.

Co-op:

Claims for advertising should be sent to:

Penguin Random House LLC

400 Hahn Road

Westminster, MD 21157

Attn: Co-op Dept.

Returns:

After February 1st and not before all returns of Penguin and Random House product should be sent to:

Penguin Random House LLC, Returns Department

1019 N. State Road 47

Crawfordsville, IN 47933

Payments/Remittance:

Payments for shipments made either by Random House or Penguin should be included in your Penguin Random House remittance. You should send payments in the same method and to the same location as you are sending existing legacy Random House payments. If you do not have an existing legacy Random House account, the remittance address will appear on both your Penguin Random House invoices and monthly statements after 2/1/15. Please contact the Credit Department if you are interested in sending electronic payments and/or remittances. You can contact your existing legacy Random House Rep directly, fax 800-401-4401 or call 1-800-726-0600.

Statements:

You will receive a consolidated statement, which will include all open items from both your Penguin and legacy Random House accounts as of the end of January. Should you need to contact the Credit department, you can contact your existing legacy Random House Rep directly, fax 800-401-4401 or call 1-800-726-0600.

If you have any questions or concerns please contact Penguin Random House Customer Service or your Credit Representative. We look forward to working with you.