



Perseus Books Group & PGW Retail Terms of Sale (Returnable)

Effective August 1, 2007



<p>Participating Publishers Basic Books, Basic Civitas, Da Capo Press, Perseus Books, PublicAffairs, Westview Press, Running Press, Running Press Mini Editions, Running Press Kids, Courage Books, Avalon Travel, Seal Press, Nation Books and all the PGW client publishers. For a list of the PGW client publisher list, please visit www.pgw.com.</p> <p>How To Order Phone: Perseus (800) 343-4499 / PGW (800) 788-3123 Fax: (800) 351-5073 Email: orderentry@perseusbooks.com Mail: 1094 Flex Drive, Jackson, TN 38301 Hours: Monday-Friday 7:30 AM – 4:00 PM CST</p> <p>EDI Perseus supports EDI ordering and is a PUBNET partner. We offer an additional 1% discount point above these stated terms for all electronic placement of orders, where applicable. Contact the Customer Service Department for more information about EDI ordering.</p> <p>Order Minimum You will need to order 20 combined units per order to achieve full discounts. An order less than 20 combined units will receive a 30% discount. All active titles from the publishers listed on this document combine. Short discount titles will receive their applicable discount, but will also combine to meet minimums.</p> <p>Freight Policy All formats and publishers listed on this document ship free freight on outgoing orders, with the carrier and standard routing controlled by Perseus. Those customers who request orders ship via any other delivery method will pay the full freight charges.</p> <p>Payment Terms Net 30 Days, based on date of shipment. Title passes at point of shipment.</p> <p>Claims All claims involving a shipment must be filed within 60 days of receipt of that shipment.</p> <p>Credit Shipments will be made to all accounts in good credit standing, as determined by the Accounts Receivable Department.</p> <p>Return Address, Conditions All returns should be sent to: Perseus Distribution, 193 Edwards Drive, Jackson, TN 38301. Returns must include a packing list with full title and ISBN for each shipment. Returns must be in clean, saleable condition (e.g. no stickers, tears, bent jackets, scuffs, discolorations, etc.). For books returned in an unsaleable condition, Perseus reserves the right to refuse credit for the returned product, send back at the customer's expense, or Perseus may, at its discretion, issue credit subject to a \$.50 per unit chargeback. Perseus is not responsible for items returned in error. Active titles are returnable 90 days after publication date, or 90 days after the invoice date. Once titles are declared out of print by public notice, accounts have 180 days to return. Out of print returns will not be accepted.</p> <p>Complete Returns Policy To learn more about the Perseus Return Policy, contact our Customer Service Department.</p>	<p>Retail Discounts All discounts are off the invoiced list price. We offer an additional 1% discount point above these stated terms for the electronic placement of orders, where applicable.</p> <p>General Trade Discount Retail accounts in good credit standing earn a base discount for Adult and Children's Hardcover, Trade Paperbacks on annual net purchases from all participating publishers. Discounts below:</p> <table border="0"> <tr> <td>Less Than \$100K Annual Net Sales</td> <td>44%</td> </tr> <tr> <td>Greater Than \$100K Annual Net Sales</td> <td>45%</td> </tr> </table> <p>Accounts are reviewed at year end for adjustments to the following year.</p> <p>Other Formats</p> <table border="0"> <tr> <td>Mass Market</td> <td>43%</td> </tr> <tr> <td>Computer Titles</td> <td>47%</td> </tr> <tr> <td>Children's Merch</td> <td>48%</td> </tr> <tr> <td>Mini Editions</td> <td>49%</td> </tr> <tr> <td>Audiobooks</td> <td>49%</td> </tr> <tr> <td>Courage</td> <td>49%</td> </tr> <tr> <td>Video</td> <td>49%</td> </tr> <tr> <td>Journal</td> <td>49%</td> </tr> <tr> <td>Test Prep</td> <td>52%</td> </tr> </table> <p>Blank Book/Notecards</p> <table border="0"> <tr> <td>1-9 Units</td> <td>General Trade</td> </tr> <tr> <td>10-99 Units</td> <td>48%</td> </tr> <tr> <td>100-249 Units</td> <td>50%</td> </tr> <tr> <td>250 Units or More</td> <td>53%</td> </tr> </table> <p>Calendar</p> <table border="0"> <tr> <td>1-99 Units</td> <td>53%</td> </tr> <tr> <td>100 Units or More</td> <td>58%</td> </tr> </table> <p>Promotional</p> <table border="0"> <tr> <td>1-11 Units</td> <td>General Trade</td> </tr> <tr> <td>12-99 Units</td> <td>50%</td> </tr> <tr> <td>100 Units or More</td> <td>52%</td> </tr> </table> <p>Formats listed below are NOT eligible to receive the additional 1% discount point for electronic orders:</p> <table border="0"> <tr> <td>Library Editions</td> <td>20%</td> </tr> <tr> <td>Short Discount</td> <td>20%</td> </tr> <tr> <td>Professional</td> <td>35%</td> </tr> <tr> <td>Limited Editions</td> <td>40%</td> </tr> <tr> <td>Maps</td> <td>55%</td> </tr> <tr> <td>Christmas Cards</td> <td>60%</td> </tr> </table> <p>Agency</p> <table border="0"> <tr> <td>1-4 Units</td> <td>40%</td> </tr> <tr> <td>5 Units or More</td> <td>20%</td> </tr> </table> <p>(The overall order minimum of 20 units must still be met)</p> <p>Coop Advertising Perseus and PGW offer coop advertising. Contact your Perseus-PGW Account Manager for details.</p> <p>Nonreturnable Terms Perseus and PGW offer a nonreturnable retail discount. Contact your Perseus-PGW Account Manager for details.</p> <p>Vendor Compliance Chargebacks Perseus will not pay nor accept vendor non compliance fee's, assessments, allowances, etc. related to fulfillment processing, returns processing or shipping, etc. All purchase orders are accepted and shipped subject to the terms and conditions of the Terms of Sale.</p>	Less Than \$100K Annual Net Sales	44%	Greater Than \$100K Annual Net Sales	45%	Mass Market	43%	Computer Titles	47%	Children's Merch	48%	Mini Editions	49%	Audiobooks	49%	Courage	49%	Video	49%	Journal	49%	Test Prep	52%	1-9 Units	General Trade	10-99 Units	48%	100-249 Units	50%	250 Units or More	53%	1-99 Units	53%	100 Units or More	58%	1-11 Units	General Trade	12-99 Units	50%	100 Units or More	52%	Library Editions	20%	Short Discount	20%	Professional	35%	Limited Editions	40%	Maps	55%	Christmas Cards	60%	1-4 Units	40%	5 Units or More	20%	<p>Retail Distribution Center (RDC) Policy To qualify for Retail Distribution Center (RDC) terms, the following criteria must be met:</p> <ol style="list-style-type: none"> 1. RDC must function as a pack and re-ship agent to multiple locations. 2. RDC must have a separate Ship To account. 3. RDC must carry at least 500 titles from Perseus-PGW. 4. RDC must have loading dock facilities capable of receiving full skids of merchandise. 5. Status as an RDC is contingent upon adherence to the Perseus credit terms. 6. Minimum is 150 units per order, per Ship To. No shipments or separate invoicing within the larger order are allowed. 7. All orders must be placed by EDI. 8. Our system can automatically round split case orders to the carton quantity, if so instructed. <p>RDC Discounts Qualified RDC accounts will receive either of the following for eligible titles (note that the additional 1% EDI discount does NOT apply):</p> <p>47% for titles ordered in Split Case quantities 48% for titles ordered in Full Case quantities</p> <p>Discount Exceptions</p> <table border="0"> <tr> <td>Library Editions</td> <td>20%</td> </tr> <tr> <td>Short Discount</td> <td>20%</td> </tr> <tr> <td>Professional</td> <td>35%</td> </tr> <tr> <td>Limited Editions</td> <td>40%</td> </tr> <tr> <td>Agency</td> <td>40%</td> </tr> <tr> <td>Computer Titles</td> <td>49% (50% Full Carton)</td> </tr> <tr> <td>Children's Merch</td> <td>50% (51% Full Carton)</td> </tr> <tr> <td>Audiobooks</td> <td>50%</td> </tr> <tr> <td>Video</td> <td>50%</td> </tr> <tr> <td>Courage Books</td> <td>51% (52% Full Carton)</td> </tr> <tr> <td>Mini Editions</td> <td>53% (54% Full Carton)</td> </tr> <tr> <td>Test Prep</td> <td>54% (55% Full Carton)</td> </tr> <tr> <td>Maps</td> <td>55%</td> </tr> <tr> <td>Christmas Cards</td> <td>60%</td> </tr> </table> <p>Blank Book/Notecards</p> <table border="0"> <tr> <td>1-9 Units</td> <td>46%</td> </tr> <tr> <td>10-99 Units</td> <td>49%</td> </tr> <tr> <td>100-249 Units</td> <td>51%</td> </tr> <tr> <td>250 Units or More</td> <td>54%</td> </tr> </table> <p>Calendar</p> <table border="0"> <tr> <td>1-99 Units</td> <td>55%</td> </tr> <tr> <td>100 Units or More</td> <td>60%</td> </tr> </table> <p>Promotional</p> <table border="0"> <tr> <td>1-11 Units</td> <td>47% (48% Full Carton)</td> </tr> <tr> <td>12-99 Units</td> <td>52% (53% Full Carton)</td> </tr> <tr> <td>100 Units or More</td> <td>54% (55% Full Carton)</td> </tr> </table> <p>(The overall order minimum of 20 units must still be met)</p> <p>RDC Return Policy Average discount calculations for returns will be based on total sales volume, both direct to stores and via distribution centers. All other return conditions apply.</p> <p>RDC Backlist Warehouse Policy Perseus and PGW offer an RDC Backlist Warehouse Discount. Contact your Perseus-PGW Account Manager for details.</p>	Library Editions	20%	Short Discount	20%	Professional	35%	Limited Editions	40%	Agency	40%	Computer Titles	49% (50% Full Carton)	Children's Merch	50% (51% Full Carton)	Audiobooks	50%	Video	50%	Courage Books	51% (52% Full Carton)	Mini Editions	53% (54% Full Carton)	Test Prep	54% (55% Full Carton)	Maps	55%	Christmas Cards	60%	1-9 Units	46%	10-99 Units	49%	100-249 Units	51%	250 Units or More	54%	1-99 Units	55%	100 Units or More	60%	1-11 Units	47% (48% Full Carton)	12-99 Units	52% (53% Full Carton)	100 Units or More	54% (55% Full Carton)
Less Than \$100K Annual Net Sales	44%																																																																																																							
Greater Than \$100K Annual Net Sales	45%																																																																																																							
Mass Market	43%																																																																																																							
Computer Titles	47%																																																																																																							
Children's Merch	48%																																																																																																							
Mini Editions	49%																																																																																																							
Audiobooks	49%																																																																																																							
Courage	49%																																																																																																							
Video	49%																																																																																																							
Journal	49%																																																																																																							
Test Prep	52%																																																																																																							
1-9 Units	General Trade																																																																																																							
10-99 Units	48%																																																																																																							
100-249 Units	50%																																																																																																							
250 Units or More	53%																																																																																																							
1-99 Units	53%																																																																																																							
100 Units or More	58%																																																																																																							
1-11 Units	General Trade																																																																																																							
12-99 Units	50%																																																																																																							
100 Units or More	52%																																																																																																							
Library Editions	20%																																																																																																							
Short Discount	20%																																																																																																							
Professional	35%																																																																																																							
Limited Editions	40%																																																																																																							
Maps	55%																																																																																																							
Christmas Cards	60%																																																																																																							
1-4 Units	40%																																																																																																							
5 Units or More	20%																																																																																																							
Library Editions	20%																																																																																																							
Short Discount	20%																																																																																																							
Professional	35%																																																																																																							
Limited Editions	40%																																																																																																							
Agency	40%																																																																																																							
Computer Titles	49% (50% Full Carton)																																																																																																							
Children's Merch	50% (51% Full Carton)																																																																																																							
Audiobooks	50%																																																																																																							
Video	50%																																																																																																							
Courage Books	51% (52% Full Carton)																																																																																																							
Mini Editions	53% (54% Full Carton)																																																																																																							
Test Prep	54% (55% Full Carton)																																																																																																							
Maps	55%																																																																																																							
Christmas Cards	60%																																																																																																							
1-9 Units	46%																																																																																																							
10-99 Units	49%																																																																																																							
100-249 Units	51%																																																																																																							
250 Units or More	54%																																																																																																							
1-99 Units	55%																																																																																																							
100 Units or More	60%																																																																																																							
1-11 Units	47% (48% Full Carton)																																																																																																							
12-99 Units	52% (53% Full Carton)																																																																																																							
100 Units or More	54% (55% Full Carton)																																																																																																							