

Perseus Books Group, PGW & CBSD

U.S. Retail Terms of Sale (Returnable)

Effective August 1, 2008



<p>Participating Publishers Basic Books, Basic Civitas, Da Capo Press, Perseus Books, PublicAffairs, Westview Press, Running Press, Running Press Mini Editions, Running Press Kids, Avalon Travel, Seal Press, Nation Books, Vanguard Press, all PGW client publishers, all CBSD client publishers. For a list of the client publishers, please visit www.pgw.com and www.cbsd.com.</p> <p>How To Order Phone: (800) 343-4499 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 the electronic placement of orders for applicable titles. Contact your Sales Representative 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 of less than 20 combined units will receive a 30% discount. All active titles from the publishers listed on this document will be affected. 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, including collect, 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 30 days of receipt of that shipment.</p> <p>Credit Shipments will be made to all accounts in good credit standing, as determined by the Perseus 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.</p> <p>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 all titles returned in error.</p> <p>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. Returns past that date will not be accepted.</p> <p>Complete Returns Policy To learn more about the 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 on applicable titles.</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>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> <td></td> </tr> <tr> <td>10-99 Units</td> <td></td> <td>48%</td> </tr> <tr> <td>100-249 Units</td> <td></td> <td>50%</td> </tr> <tr> <td>250 Units or More</td> <td></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> <td></td> </tr> <tr> <td>12-99 Units</td> <td></td> <td>50%</td> </tr> <tr> <td>100 Units or More</td> <td></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 (NR)</td> <td>40%</td> </tr> <tr> <td>Maps</td> <td>55%</td> </tr> <tr> <td>Christmas Cards</td> <td>60%</td> </tr> <tr> <td>CBSD Short Paper</td> <td>35%</td> </tr> <tr> <td>CBSD Arthouse (NR)</td> <td>50%</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>NR = Non Returnable Titles</p> <p>Coop Advertising Perseus, PGW and CBSD offer coop advertising. Contact your Sales Representative for details.</p> <p>Nonreturnable Terms Perseus, PGW and CBSD offer a nonreturnable retail discount. Contact your Sales Representative for details.</p> <p>Supplemental RDC Purchase Discount Policy Perseus and PGW offers a supplemental RDC Warehousing Discount Policy. Contact your Perseus-PGW Account Manager for details.</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%	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 (NR)	40%	Maps	55%	Christmas Cards	60%	CBSD Short Paper	35%	CBSD Arthouse (NR)	50%	1-4 Units	40%	5 Units or More	20%	<p>Retail Distribution Center (RDC) Qualifications 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 PBG, PGW and CBSD. 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 next carton quantity, if so instructed. <p>RDC Purchase Discount Policy 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>RDC Purchase Discount Policy 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 (NR)</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%</td> </tr> <tr> <td>Audiobooks</td> <td>50%</td> </tr> <tr> <td>Video</td> <td>50%</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> <tr> <td>Journals</td> <td>53% (54% Full Carton)</td> </tr> <tr> <td>CBSD Short Paper</td> <td>35%</td> </tr> <tr> <td>CBSD Arthouse (NR)</td> <td>50%</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>RDC Return Discount Policy If you have an RDC, your returns will be credited at the average purchase discount between your RDC and Store Ship To accounts. All other return conditions apply.</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>	Library Editions	20%	Short Discount	20%	Professional	35%	Limited Editions (NR)	40%	Agency	40%	Computer Titles	49% (50% Full Carton)	Children's Merch	50%	Audiobooks	50%	Video	50%	Mini Editions	53% (54% Full Carton)	Test Prep	54% (55% Full Carton)	Maps	55%	Christmas Cards	60%	Journals	53% (54% Full Carton)	CBSD Short Paper	35%	CBSD Arthouse (NR)	50%	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%																																																																																																																				
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 (NR)	40%																																																																																																																				
Maps	55%																																																																																																																				
Christmas Cards	60%																																																																																																																				
CBSD Short Paper	35%																																																																																																																				
CBSD Arthouse (NR)	50%																																																																																																																				
1-4 Units	40%																																																																																																																				
5 Units or More	20%																																																																																																																				
Library Editions	20%																																																																																																																				
Short Discount	20%																																																																																																																				
Professional	35%																																																																																																																				
Limited Editions (NR)	40%																																																																																																																				
Agency	40%																																																																																																																				
Computer Titles	49% (50% Full Carton)																																																																																																																				
Children's Merch	50%																																																																																																																				
Audiobooks	50%																																																																																																																				
Video	50%																																																																																																																				
Mini Editions	53% (54% Full Carton)																																																																																																																				
Test Prep	54% (55% Full Carton)																																																																																																																				
Maps	55%																																																																																																																				
Christmas Cards	60%																																																																																																																				
Journals	53% (54% Full Carton)																																																																																																																				
CBSD Short Paper	35%																																																																																																																				
CBSD Arthouse (NR)	50%																																																																																																																				
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)																																																																																																																				