

Random House, Inc. Terms Of Sale

U.S. RETAILERS – Updated 04/2011

RH WESTMINSTER, MD WAREHOUSE:

•Ballantine, Villard, One World, Del Rey, Spectra, Lucas Books, Presidio Press, ESPN Books •Bantam, Bantam Classics, Spectra •Broadway, Harlem Moon •Crown, Broadway, Crown Archetype, Harmony, Crown Forum, Crown Business, Clarkson Potter, Potter Style, Watson-Guptill, The Monacelli Press, Three Rivers Press, Doubleday Religion, Waterbrook Multnomah, Ten Speed Press [Material World; Achatz, LLC] •Dell, Delacorte, The Dial Press •Doubleday, Nan A. Talese •A.A. Knopf, Anchor Bks, Pantheon, Schocken, Vintage, EML •McClelland & Stewart, Inc. •RH Audio, RH Audible, •Random House, Random House Trade Paperbacks, Modern Library •Spiegel & Grau •RH Large Print •Fodor's, Living Language, Prima Games, Princeton Review, Reference, RH Puzzles & Games, Sylvan Learning •Discovery •Sierra Club

RH CRAWFORDSVILLE, IN WAREHOUSE:

•RH Children's Bks, BFYR, Disney, Golden Books, Laurel Leaf, Yearling •Listening Library •Tundra

HOW TO ORDER:

Customer Service: (800) 733-3000
 FAX Orders to: (800) 659-2436
 Telephone Sales Dept: (800) 724-7753

MAIL ORDERS TO: Random House, Inc.
 Distribution Center,
 400 Hahn Road
 Westminster, MD 21157
 Attn: Customer Service

Further information available at: www.randomhouse.biz: It's quick, easy, and available 24/7. You can place an order, look up a title, check on your 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.

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: **Westminster:** \$200 retail value for reorders, \$100 retail value for initials; **Crawfordsville:** \$100 retail value. 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. Random House will honor "subject to count" claims only if the bill of lading is signed, dated and all claims are reported to Random House Customer Service within 10 days of receipt of delivery. If a shortage/damage is discovered please call our Customer Service Department at 1-800-733-3000.

CREDIT: Shipments will be made to all accounts in good credit standing, as determined by the RH 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 wire transfers, are due at the RH 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.

VENDOR COMPLIANCE: RH will not pay or accept vendor non-compliance chargebacks. All purchase orders are accepted and shipped subject to the terms and conditions of 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 400 Hahn Road, Westminster, MD 21157 Attn: Customer Service. Shipments will be made via Parcel Post, UPS, or another service as indicated and paid for by the customer. Contact customer services for shipping and handling charges

RH offers a Corporate Sales Discount for retailers selling to corporate or community third parties. Please ask your RH representative for details.

BASE DISCOUNTS:

All discounts listed are off invoiced cover price. Large Print titles follow the format discounts.

Basic Formats:

Mass Market (MM):	44%
Hardcover (HC) & Trade Paperback (TR):	46%
Children's Digest (except Level Readers):	46%
Audio/Listening Library:	50%

Other Discounts:

Beginner Book Games:	Net Priced
Calendars:	60%
Children's Color & Activity, Level Readers ¹ , and Storybooks ² , Merrigold:	48%
Children's Step Ahead Series:	50%
Classics (Adult Mass Market):	48%
CodeNotes :	58%
Fodor's:	48%
Gibraltar Library Bindings:	30%
Knopf City Map Guides:	48%
Living Language Audio:	52%
Modern Library Paperback Classics :	52%
Potter Style:	52%
Princeton Review:	52%
Prima Games ³ :	48%
Shaw Bible Study:	50%
Signed Limited Editions:	25%NR
Sylvan Learning	52%
Vintage Educational Paperbacks:	Net Priced
Webster's Reference Titles:	50%

Note¹: Level Readers includes Step Into Reading (SIR), Road to Reading (RTR), Road to Writing (RTW).

Note²: Storybooks includes Little Golden Books, Little Golden Storybooks, Look-Look, Little Look-Look, 8x8, and Jellybeans.

Note³: All direct-to-store orders that require third-party processing (such as order processing, packing, labeling, meeting direct-to-store shipping requirements, advance shipping notifications, and shipping) in order to meet software release dates are subject to a 40% discount.

RETAIL DISTRIBUTION CENTER (RDC)

Retailers who meet the following conditions are eligible for RDC discounts:

- The distribution center is a separate ship-to account.
- The distribution center is a free-standing operation with dock loading facilities capable of receiving full skids of merchandise.
- The distribution center's 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.

RDC DISCOUNTS

Adult & Children's (all formats unless indicated):	48%
Children's Color & Activity, Level Readers ¹ , Storybooks ² , and Merrigold:	50%
Children's Step Ahead Series:	55%
Classics (Adult Mass Market):	52%
CodeNotes:	59%
Fodor's:	50%
Knopf City Map Guides:	50%
Prima Games:	50%
Sylvan Learning	55%

- 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.
- **Mass Market Warehouse Policy:** RDCs that meet additional criteria will be eligible to receive an additional discount of 2% on mass market. Contact your rep for details on how to qualify.

RETURN POLICY: A valid return claim covers RH product, which is eligible for return and has been shipped to the designated RH facility. Only returnable product purchased directly from RH can be returned for credit. RH reserves the right to review, destroy and disallow credit for returns in excess of what was purchased. An estimated or anticipated bulk returns claim is an invalid deduction and will not be allowed. Returns are credited at the standard base discount at which the product was purchased. 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 RH 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. Returns freight on all products is the responsibility of the retailer.

•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. For customer's protection, returns should be sent insured (e.g. insured parcel post).

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

Random House – Returns Department
1019 N State Road 47
Crawfordsville, IN 47933

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. 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 RH 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 Random House, the product will be destroyed.

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

NON-RETURNABLE (NR) OPTION

NOTE: An account is limited to either returnable or non-returnable terms. The option will remain in effect for the entire calendar year. For a change in status, an account must inform RH of any change for the following year, by **October 31st** of the current year. If no change in status is made, orders will be processed on the same basis as the prior year's orders.

- Base discount: 50% (All product types with returnable base discounts of higher than 50% will receive the higher discount).
- Does not qualify for Co-op and/or any other RH Merchandising programs.

•A NR account that chooses to revert to returnable terms will not be able to exceed a 1st quarter returns rate of 10% of prior year's gross volume; nor for that same year will returns be accepted, for all formats, beyond 30% of that year's gross volume. Should an account elect the NR option for a given fiscal year, RH will accept returns of prior year's purchases through January 31st.

RH offers export terms for retailers selling to appropriate open market territories overseas provided certain conditions are met. For more information, contact Random House International @ 212 572-6106.

RANDOM HOUSE, INC. RESERVES THE RIGHT TO CHANGE TERMS OF SALE AT ANY TIME.

<http://www.randomhouse.com/bookseller/terms.html>