



U.S. RETAIL DISTRIBUTION CENTER DISCOUNT SCHEDULE (RETURNABLE) FOR TRADE AND MASS MARKET BOOKS AND PRODUCTS

**Farrar, Straus and Giroux (“FSG”), Henry Holt and Company (“Holt”), Macmillan Audio, Picador,
St. Martin’s Press (“SMP”), Tom Doherty Associates (“Tor/Forge”), Macmillan Children’s Publishing Group (“MCPG”)**

This discount schedule applies to shipments to retail distribution centers. To be entitled to the discounts in this schedule a retailer must first obtain approval of its status as a retail distribution center account. (Retailers with retail distribution center accounts may also retain a regular account for purchases that do not qualify at non-retail distribution center discounts.)

Requirements for retail distribution center account: (a) available only for shipments to a facility that can receive shipments of books or products from MPS delivered by long distance carrier (including on pallets), (b) each trade title in an order must be ordered in multiples of 20 (unless another quantity is designated as the “carton quantity” for the title), (c) mass market titles must be ordered in carton quantities only, (d) the minimum order quantity is 100, and (e) no sub-shipments (requiring separate packing within any order) are permitted. Retail distribution center orders must be separated from non-qualifying orders. A title master which includes carton quantities for individual titles is available electronically (contact our EDI department by calling (540) 672-7600).

I. IMPRINTS

FSG: Farrar, Straus & Giroux, North Point Press, Hill & Wang, Faber & Faber.

Holt: Henry Holt, Metropolitan Books, Owl Books, and Times Books.

Macmillan Audio

Picador.

SMP: St. Martin’s Press hardcover, St. Martin’s Griffin trade paperbacks, St. Martin’s Paperbacks mass market, St. Martin’s Minotaur, Let’s Go® travel guides. (These discounts also apply to Palgrave Macmillan scholarly and reference books when sold by SMP as trade books.)

Tor/Forge: Tor® hardcover, Forge® hardcover, Tor® trade paperbacks, Forge® trade paperbacks, Orb trade paperbacks, Tor® mass market, Forge® mass market, Tor® Seven Seas.

MCPG: Feiwel & Friends, FSG Books For Young Readers, First Second Books, Holt Books for Young Readers, Roaring Brook Press, Square Fish and Priddy Books.

All trade and mass market distribution lines (except College Board¹, Walker Library and Roaring Brook Library²).

II. DISCOUNTS

Trade Books These discounts apply to all trade books (except Priddy Books³, Let’s Go® travel guides⁴, short discount titles

and limited editions⁵). Orders of 100-499 units (assorted) will receive a 47% discount. Orders of 500 or more units (assorted) will receive the following discount:

Hardcover & Trade Paperback	48%
(see Additional Discount for Warehousing and Fulfillment of Backlist below)	

Mass Market Books These discounts apply to all books sold as mass market books.

Mass market books	48%
(other than Tor Classic)	

Tor Classics	55%
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Calendars

All calendar orders receive a 58% discount.

Audio

All orders of audio products receive a 52% discount.

Additional Discount for Warehousing and Fulfillment of Backlist (applicable to Trade Books only)

In addition, a retail distribution center account will receive an additional 2% discount over the above-stated discount for Trade Books on orders of 500 or more copies of Qualifying Backlist that meet the requirements for Additional Discount for Warehousing and Fulfillment of Backlist.

Retailers receiving Additional Discount for Warehousing and Fulfillment of Backlist will not be eligible for participation in any backlist stock offers, backlist incentive programs or other special backlist promotions that Macmillan may offer to retailers and, by accepting the Additional Discount for Warehousing and Fulfillment of Backlist, the retailer gives up its right to participate in those offers, programs and promotions. Receiving the Additional Discount for Warehousing and Fulfillment of Backlist does not affect a retailer’s right to participate in special promotional allowance (co-op) offers for backlist titles.

Qualifying Backlist means eligible trade titles whose publication date was more than one year prior to date of the order. The following categories of titles do not qualify: (a) distributed titles other than titles of designated distributees; and (b) titles designated as non-qualifying.

Requirements for Additional Discount for Warehousing and Fulfillment of Backlist: (a) available only for shipments to retail distribution centers that service 25 or more retail

three, the order quantity will be automatically rounded up to the nearest multiple of three.

⁴ Let’s Go® travel guides receive the following discount: 100-499 assorted 50%; 500 or more assorted 51%.

⁵ Short discount titles receive a 20% discount. FSG also offers an agency plan for short discount titles. Purchases under FSG’s agency plan receive a 40% discount. Limited editions receive a 40% discount and are not returnable.

¹ College Board titles receive the following discount: 53%

² Bloomsbury/Walker Library Binding titles and Roaring Brook Library Binding titles receive a 35% discount.

³ Priddy Books receive the following discount: 100-499 assorted 50%; 500 or more assorted 51%. Unless otherwise announced for a particular title, Priddy Books titles with a suggested retail price below \$8.95 must be ordered in multiples of three. If the order quantity of any title with a suggested retail price below \$8.95 is not a multiple of

locations and offer shipments to the retail locations at least once per week with a maximum delivery time of seven days from the date of the retail location's order; (b) available only for retailers that agree to process Advanced Ship Notices for receiving shipments and obtaining list price information of shipments; (c) account must permit MPS to consolidate multiple purchase orders as a single shipment on the same pallet; (d) the minimum order quantity is 500 of Qualifying Backlist; (e) all accounts of the retailer must be in good credit standing; (f) the retail distribution center must store and maintain an appropriate level of inventory for at least 95% of each Macmillan's and each participating distributee's available Qualifying Backlist titles and have the inventory readily available for replenishment to retail locations; (g) the inventory levels for titles must be consistent with the publisher's forecast and the publisher must be able to suggest adjustments to these levels with the publisher and account agreeing on levels for specific titles on a monthly basis; (h) the retail distribution center must achieve a minimum fill rate of 95% of orders from the retail locations of available Macmillan backlist titles; and (i) the retailer must make available to Macmillan monthly reports showing compliance with requirements (a), (f), (g) and (h) above and provide documentation upon request. (These requirements are in addition to the requirements for retail distribution center orders, which must also be met.)

To be entitled to the Additional Discount for Warehousing and Fulfillment of Backlist a retailer must first obtain approval of its eligibility. Orders for Qualifying Backlist do not combine with other orders for the purposes of determining whether the minimum quantity requirement has been met. If a retailer places a non-qualifying order claiming Additional Discount for Warehousing and Fulfillment of Backlist, Macmillan may, at its election, either cancel the order or fulfil the order at the discount that would otherwise apply without the Additional Discount for Warehousing and Fulfillment of Backlist; if Macmillan fulfills the order, the retailer must accept it at the lower discount.

III. TERMS

All trade products, calendars and audio products included in a retail distribution center order combine for trade, calendar and audio discounts (except Additional Discount for Warehousing and Fulfillment of Backlist). All mass market titles combine for mass market discount.

Macmillan reserves the right to ship loose copies of titles included in displays and prepacks if the displays and prepacks are not available.

Trade, mass market, audio and calendar products ship free freight on outgoing orders to established retailer accounts to destinations within the United States. (Macmillan controls carrier and routing and reserves the right to consolidate or ship orders in part). Books and other products remain the property of the publisher until delivered by the carrier. Retailers who request expedited shipping or shipping outside of Macmillan regular shipping cycles will be charged for freight.

Payments for books should be made to MPS; MPS payment terms apply.

Returns policies are available upon request.⁶

⁶ Returns made during February through December of a calendar year ("Year 1") and during January of the next calendar year will be credited at the average discount received by the customer on purchases of that class of books or products during the calendar year prior to Year 1.

Additional discount is available to retailers who waive their right to return books and products from FSG, Holt, Macmillan Audio, Picador, SMP, Tor/Forge and MCPG. A retailer may give the waiver at any time to receive the additional discount on purchases after the waiver. See returns policy for details.

Retailer eligibility for a particular discount is subject to verification. Retailer agrees to provide Macmillan with whatever documents or information it reasonably requests for the purposes of verification.

This discount schedule supersedes any earlier schedule. FSG, Holt, Macmillan Audio, Picador, SMP, Tor/Forge and MCPG reserve the right to change their discounts and other policies at any time.