

Disney PUBLISHING WORLDWIDE

2021 Retail Co-op Policy

General Terms & Requirements: This policy pertains to all frontlist and backlist titles published by Disney Publishing Worldwide and/or its affiliates, including Buena Vista Books, Inc. (which imprints include Disney•Hyperion, Rick Riordan Presents, Disney Press, Disney Editions, Kingswell, Marvel Press, Lucasfilm Press Nat Geo Adult, Nat Geo Kids and Freeform (collectively, “DPW”). Only retailers in good credit standing with DPW may participate. The retailer must have advance written authorization (email is sufficient) from a sales representative of DPW that the planned advertisement or promotion is approved and is eligible for co-op.

All requests for credit must be made within 90 days of the advertisement or promotion, accompanied by proper documentation. The co-op plan year runs January 1, 2021 through December 31, 2021. **All claims for calendar year 2021 must be submitted no later than March 31, 2022.** Any unspent monies cannot be carried over into the following calendar year. All policies are subject to change without prior notice.

Retail Co-op: Co-op is earned by first electing, by January 1, 2021, one of the following three options. If no election is made, DPW will calculate the funds under Option 1 below. The co-op pool is based on the applicable percentage, as specified below, of the prior co-op year’s Net Billings of DPW titles on a returnable basis directly from DPW and indirectly through any distributor. “Net Billings” means sales of DPW titles, less discounts and less returns. Non-returnable, customer specific, proprietary orders are not returnable and are not eligible for co-op.

Option 1 – Direct – 4% of the prior year’s Net Billings of DPW’s titles. All purchases must be made directly from DPW.

Option 2 – Indirect – 4% of the prior year’s Net Billings of DPW titles purchased from any authorized wholesaler of DPW’s books rather than purchased directly. Documentation must be provided by the wholesaler on behalf of the retailer by February 15, 2021.

Option 3 – Combined – 2.5% of the prior year’s combined direct and indirect Net Billings. Documentation of indirect purchases must be submitted by the retailer by February 15, 2021.

New Stores may earn 3% of Net Billings of their initial order combining frontlist & backlist titles purchased directly from DPW.

In addition, supplemental co-op may be earned on:

Author Appearances: Up to \$ 300 may be earned for each author appearance scheduled by DPW's Publicity Department. This money is to be used for actual expenses incurred in hosting and promoting the author appearance.

Newsletter Promotion: Retailer may earn up to \$25.00 per title, per bill-to, up to a maximum of \$1,000 per year on media programs approved by the DPW.

Designated Titles: From time to time DPW may supplement co-op with designated title co-op funds. The sales representatives, customer service representatives or industry publications will communicate such supplements. The maximum co-op allowed on any title is \$10,000 unless stated otherwise.

How Co-op Pool Allowances May Be Spent: DPW encourages retailers to spend co-op allowances on creative and reasonable promotions designed to reach consumers. Please work with your sales representative to develop and receive prior written authorization (email is sufficient) for these promotions.

Retailers earning total co-op monies of \$10,000 or less agree to comply in full with this co-op policy for the entire calendar year. Use of supplemental co-op money will require additional authorization (email is sufficient).

Minimum Advertised Price: While retailers are free to charge whatever price they wish for DPW titles, co-op advertising monies may not be used to advertise a retail price more than 45% below DPW's Suggested Retail Price.

How Claims are to be Submitted: Within 90 days of the advertisement or promotion date, send a copy of the approved authorization and supporting documentation (outlined below) by mail to: **Co-op Advertising Coordinator, Hachette Book Group, 1290 Avenue of the Americas, New York, NY 10104** or by email to **clientcoop@hbgusa.com**. Retailers must assign a specific claim number to the authorization and to the request for co-op reimbursement. Reimbursement of co-op claims will appear on the statements sent to retailers and will be identified as "co-op." A credit memo will not be sent to the retailer. **No deductions may be made from invoices or statements.** When a title is advertised with other publishers' books, DPW will issue a credit for the proportionate share of co-op attributable to the DPW title only. The proportionate share of co-op attributable to a DPW title is the percentage of the entire advertisement or promotion related to the DPW title in relation to the entire advertisement or promotion. DPW will issue credit of 100% of the actual documented costs of an advertisement or promotion not to exceed the authorized amount.

The following documentation is necessary for proof of performance: For in-store marketing, a copy of the paid bill must accompany the claim from the production source

or value of the promotion must be pre-approved (email is sufficient). For print ads, the claim must be accompanied by a full-page tear sheet of each ad and the publication's invoice showing the retailer's actual net space costs at the local rate, including rebates. For catalogs, etc., the claim must be accompanied by a copy of the actual catalog and the retailer's statement as to the number of catalogs and the actual net cost of the advertisement of the book within. For online advertising, a printed copy of the page view must be submitted with the claim. Credit for catalogs, brochures, newsletters, etc., will be for the proportionate share of the printing costs. For radio and TV advertisements, the station invoice must be enclosed, showing the length of each commercial, its cost, and the total cost at retailer's lowest contract rates less all discounts. Each script must be attached and must bear the ANA/RAB documentation for radio or the ANA/TVB documentation for television with, the signature of the station official.