

2007 SCHOLASTIC INC. ON-SALE DATE POLICY

Scholastic is committed to providing a fair and equitable distribution of its titles to all of its customers. Some titles (“Restricted Titles”) are subject to an “on-sale date” to which all distributors and retailers must abide. Scholastic will notify you, either directly or through trade publication notices, of which titles will be treated as Restricted Titles and the related on-sale dates. In order for you to receive copies of Restricted Titles before the on-sale date to facilitate distribution and re-sale to your customers and to ensure fair distribution for all booksellers, Restricted Titles will be subject to the following:

1. All releases of Restricted Title cartons will be clearly marked with the on-sale date. Please call 800-242-7737 to report violations.
2. Your receipt of Restricted Titles in advance of the on-sale date will be permitted solely to allow you to process your shipment for redistribution/resale in accordance with the terms hereof.
3. You must ensure that Restricted Titles are kept secure and not placed on any selling floor and/or in any display areas, and are not sold or otherwise distributed (including without limitation to your staff) and do not leave your secure environment prior to their on-sale date. All resellers must ensure that their accounts/retail locations are aware of and abide by the on-sale dates. Distributors, as well as retailers redistributing to their retail locations, must provide to their accounts/retail locations clear, explicit written instructions appropriate for both full carton and less than full carton quantities.

4. **Retailers**

- A. Any retail location that sells, displays or otherwise distributes a Restricted Title prior to its on-sale date for the **first time** will be required immediately to take the Restricted Title off sale until the on-sale date and will be placed on a watch list for 12 months following this first violation.
- B. Any retail location that sells, displays or otherwise distributes a Restricted Title prior to its on-sale date a **second time** while on the watch list will not be shipped Restricted Titles until the on-sale date for the duration of the 12 month period (i.e., Scholastic will not ship from its warehouse or other facility until the on-sale date).
- C. No retail customers, including on-line retailers, may allow Restricted Titles to arrive at their customer’s address ahead of the on-sale date. Retailers may ship copies the day before the on-sale date to arrive on the on-sale date (but not before) provided that they obtain Scholastic’s prior written approval no less than thirty (30) days prior to the on-sale date.

5. **Distributors/Retail Distribution Centers**

- A. Any distributor/retail distribution center that ships a Restricted Title to a retail location that violates the On-Sale Date Policy for the **first time**, will be responsible for calling and instructing the retail location to take the title off sale and secure all copies until the on-sale date. In addition, the distributor/retail distribution center and all violating retail locations will be placed on a watch list for the 12 months following this first violation.
 - B. Should a retail location on the 12 month watch list violate the On-Sale Date Policy a **second time**, the distributor/retail distribution center will be required to not ship Restricted Titles to the violating retail location until the on-sale date (i.e., the distributor/retail distribution center will not ship from its warehouse or other facility until the on-sale date).
 - C. Distributors/Retail Distribution Centers will be responsible for ensuring their accounts/retail locations comply with this On-Sale Date Policy. Any distributor/retail distribution center that fails to cooperate with Scholastic in enforcing the above terms with its accounts/retail locations, or that violates the On-Sale Date Policy itself, may itself be subject to penalties as Scholastic deems appropriate.
6. Notwithstanding the terms of this policy, Scholastic reserves the right to review any account's compliance record with this policy, and to take appropriate action if necessary. Certain Restricted Titles may warrant variation from or supplements to this policy and you will be notified in advance of any such situations. These terms are subject to change upon notice.

2007
SCHOLASTIC INC.
ON-SALE DATE POLICY
CONTRACT

Please complete and return to: Helen Boltson
Scholastic Inc.
557 Broadway - 9th Floor
New York, NY 10012
Fax #: 212/389-3126

"By completing and submitting this form, I agree to the terms and conditions set forth in the 2007 Scholastic Inc. On-Sale Date Policy"

ACCOUNT #*: _____

ACCOUNT NAME: _____

STATEMENT ADDRESS: _____

OF SHIP-TO LOCATIONS: _____

PRINTED NAME OF THE SIGNER: _____

TITLE OF THE SIGNER: _____

PHONE # OF THE SIGNER: _____

SIGNATURE: _____

DATE: _____

*IF YOU ARE SUBMITTING THIS CONTRACT AS THE CUSTOMER OF A DISTRIBUTOR,
DISTRIBUTOR'S NAME:

ALL CONTRACTS MUST BE SIGNED AND RETURNED NO LATER THAN
March 30, 2007.