

## 2003 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 are subject to an “on-sale date”(“Restricted Titles”) 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 not placed on the selling floor, sold or otherwise distributed (including without limitation to your staff) prior to their on-sale date. Distributors must ensure that their accounts are aware of and abide by the on-sale dates.

#### 4. **Retailers**

- A. Any retail location that sells 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 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(s)/retail distribution center(s), that ships a Restricted Title to a retail account/location prior to the on-sale date that violates the On-Sale Date Policy for the **first time**, will be responsible for calling and instructing the retailer/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 locations will be placed on a watch list for the 12 months following this first violation.
- B. Any distributor(s)/retail distribution center(s) that while it is on the 12 month violation list, violates the On-Sale Date Policy by shipping a Restricted Title to a retail account/location that violates the on-sale date for a **second time**, while it is on the 12 month violation list, will be required to not ship Restricted Titles to the violating retail account/location until the on-sale date (i.e., The distributor/location will not ship from its warehouse or other facility until the on-sale date).
- C. Distributors/Retail Distribution Centers will be responsible for insuring their customers comply with this On-Sale Date Policy. Any distributor(s)/retail distribution center(s) that fails to cooperate with Scholastic in enforcing the above terms with its retailers/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 this policy and you will be notified in advance of any such situations. These terms are subject to change upon notice.

**2003  
SCHOLASTIC INC.  
ON-SALE DATE POLICY  
CONTRACT**

Please complete and return to: Helen Boltson  
Scholastic Inc.  
557 Broadway - 8<sup>th</sup> Floor  
New York, NY 10012  
Fax #: 212/389-3065

*“By completing and submitting this form, I agree to the terms and conditions set forth in the 2003 Scholastic Inc. On-Sale Date Policy”*

ACCOUNT #: \_\_\_\_\_

ACCOUNT NAME: \_\_\_\_\_

STATEMENT ADDRESS: \_\_\_\_\_

NUMBER OF LOCATIONS: \_\_\_\_\_

CONTACT NAME: \_\_\_\_\_

CONTACT TITLE: \_\_\_\_\_

PHONE #: \_\_\_\_\_

CONTACT SIGNATURE: \_\_\_\_\_

DATE: \_\_\_\_\_

**ALL CONTRACTS MUST BE SIGNED AND RETURNED NO LATER THAN  
April 1, 2003.**