

Wholesale Account Information

as amended, January 2017

2017 Minimum Advertised Pricing Policy

Dear Distributor,

For more than fifty years The Critical Thinking Co.™ (TCTC) has been a publisher of premium books and software. In support of our distributors, we have adopted a strict distribution policy called the Minimum Advertised Pricing (MAP) Policy. This Policy will be unilaterally adopted and strictly enforced.

Your Physical Store and Websites

TCTC will only offer its premium discount pricing to Resellers it judges to be purveyors of premium books and software. Although our Resellers remain free to determine their own resale prices, as part of our MAP Policy, TCTC will adjust the discount rate of, and/or cease doing business with, any distributor TCTC determines has advertised, offered, or sold any TCTC product at a price below our MSRP minus any current sitewide sale advertised on the TCTC website. The only exception to this Policy will be when a distributor holds a rare storewide sale that extends for a short, specified period of time (no more than 14 days), and then ends. In such cases, TCTC products may be included in that sale and offered at the same discount as other products. TCTC will advertise sales via our website to our direct customers.

Online Advertising Outside Your Website

TCTC products may not be specified by product name or publisher in any online sales advertising.

Third Party Websites (e.g. Amazon, Ebay, Jet.com)

TCTC will cease to process product orders from any reseller who sells products in "New" or "Like New" condition through Amazon, Ebay, or Jet.com below TCTC's pricing shown in each of those sales channels. TCTC will also cease to process new orders for Resellers who advertise a price below the TCTC price shown in these channels before shipping charges.

Bundles and Bundled Pricing

TCTC will also cancel and indefinitely refuse any new orders from a distributor who bundles any of our products with another publisher's products and discounts the bundle. Nothing in our MAP Policy is intended to be, or shall be construed to be, an agreement to the minimum price at which the distributor will advertise or resell TCTC products. The pricing is the sole discretion of the distributor. Please understand that the consequences for violating our MAP Policy will be loss of authorization to purchase TCTC products.

TCTC will not discuss any conditions of acceptance related to the non-negotiable MAP Policy. TCTC does not solicit or accept any assurance of compliance with the MAP Policy. Nothing in this MAP Policy shall constitute an agreement between TCTC and a distributor that the distributor will comply with this MAP Policy.

Please direct any questions regarding the MAP Policy to:

Michael O. Baker, CEO
The Critical Thinking Co.™
1991 Sherman Avenue, Suite 200
North Bend, OR 97459
Phone: 800-458-4849 • Fax: 541-756-1758

No other TCTC employee or representative has permission or authority to discuss or modify this policy.



Michael O. Baker, CEO
The Critical Thinking Co.™

2017 Conference Policy

The Critical Thinking Co.™ (TCTC) maintains the following policies on Conference exhibits and sales:

- ▶ In 2017, TCTC will have a company booth at the two conferences listed on the 2017 Conference Schedule (below).
- ▶ Resellers may not exhibit or sell TCTC products at these conferences.
- ▶ Any resellers may exhibit and sell TCTC products at any other conference.
- ▶ Resellers may offer TCTC products up to 20% off at any conference where they are selling without being found in violation of the TCTC Minimum Advertising Pricing Policy.

Conference	Location	Date 2017
Mid-West	Cincinnati, OH	April 20-22

Conference	Location	Date 2017
FPEA	Orlando, FL	May 25-27

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Wholesale Ordering Requirements

Any company wishing to open a wholesale account with TCTC must have a state tax license and a Federal Identification Number (FIN). They must also prove reseller status with at least three (3) other publishers/producers in the educational publishing industry by providing company names and contact information, even if they do not wish to apply for credit status. Your first order must be prepaid.

Every company with a wholesale account with TCTC must have returned a completed and signed Reseller Questionnaire. It is the responsibility of the reseller to keep information up to date with us.

Regular Account discounts

- Accounts net \$250 or less = 40% discount
- Accounts net \$250.01 to \$499.99 = 45% discount
- Accounts net \$500.00 to \$10,000.00 = 50% discount

Discounts will automatically increase as the year's net sales increase to minimum requirements for the next level.

Volume Discount Policy

Based on previous calendar year net sales, resellers may be eligible for volume discounts if you carry 5 or more product titles and/or 25 distinct products; accounts over \$40,000 who accept volume discounts are not eligible for special offers throughout the year. Accounts must be kept in good standing (no invoices past due more than 15 days) to maintain the volume discount. Maximum discount for any account and on any product or order is 55%.

- \$10,000 - \$20,000 = +1%
- \$20,000 - \$30,000 = +2%
- \$30,000 - \$40,000 = +3%
- \$40,000 - \$50,000 = +4%
- \$50,000 and over = +5%

Freight Collect

Companies who ship freight collect will receive 1% less than what would have been their standard discount to cover handling and packing charges from our warehouse. These charges are normally included in our shipping & handling charges.

Small Orders

Orders with product totals less than \$100 must be prepaid.

Extended Dating/Discount Exchange Policy

Accounts that exceed \$500 net per year may choose to exchange discount for additional dating.

- 60-day dating = less 2% discount
- 90-day dating = less 4% discount

Foreign (Non-US) Accounts Policy

All Non-US accounts must be paid by bank transfer or by credit card. TCTC cannot accept checks in payment drawn on non-US banks, even if the account is in US funds.

- Initial orders must be prepaid regardless of the size of the order.
- All orders under \$300 net must be prepaid.
- Orders over \$300 net will be invoiced (OAC) and charged actual freight and processing.
- Net 60 with 50% discount (OAC)
- Net 30 with 52% discount (OAC)

Past-Due Accounts

Terms depend upon your honoring the payment period within the agreement. Account terms are reviewed each quarter. If payments average more than 15 days past the due date, your company's discount WILL be cut and your dating extended to reflect the actual days-to-pay, AND/OR orders will be held until the account is current and prepayment will be required on all future orders. This policy is implicit in all discount agreements.

TCTC reserves the right to submit any account to a commercial collection agency after good-faith attempts have been made to contact you and to resolve past-due invoices.

Catalog Allowance Policy

Companies requesting catalog advertising credits must have purchased at least \$2,500 (net) during the previous calendar year and carry a minimum of 15 titles. Advertising credit may be requested any time after March 1st of the following year. All accounts requesting catalog advertising allowance must be current in A/R and be in compliance with the MAP Policy.

Allowances are equal to 2% of net purchases and are given ONLY in the form of Credit Memos; they will not be given in cash. A copy of the qualifying paper catalog must be mailed to TCTC prior to requesting a catalog allowance. Accounts that accept volume discounts are not eligible for a catalog allowance.

Bundles, Manipulatives, eBooks, and Software

Bundles are not available to resellers at reduced bundle pricing. Resellers may choose to sell any bundle sold by TCTC for the same retail price as advertised by TCTC. Manipulatives are not discounted to resellers, you may purchase them at full price. eBooks and software are not currently available to resellers.

Return Policy

We want you to be satisfied with the performance of our products. If any of our products do not sell within 9 months, you may return those products in exchange for products of your choice. There is no restocking fee charged on such returns, but you must pay the freight on both the returned product and new replacement order. To receive a product credit, the product returned must be:

- Current product (not discontinued or out of print)
- Free of stickers and in resalable condition (no bent covers, marks, or shelf wear)
- Accompanied by a Return Authorization Form issued by TCTC obtained by sending us a list of products and the quantities you wish to return
- Received at the warehouse within 30 days of the Return Authorization Date

Product returned for credit only, rather than for exchange, must meet all of the above requirements and must have been purchased within the previous 6 months. Product returned without permission or a Return Authorization will not be credited to your account, nor will it be returned to you unless you pay the return shipping.

Drop Shipment Policy

We will do an occasional drop-ship for a customer who normally inventories our products and is simply out of stock. Orders drop-shipped directly from our warehouse to your customer receive 10% less than your standard discount and require prepayment.

2017 Freight & Shipping Schedule (Freight charges are based on the net product cost of the order)

Shipping Charges for Contiguous US

Less than \$500	12% of order total
Over \$500 Invoiced	10% of order total
Over \$500 Prepaid	3% of order total
All Collect Shipping	1% - This will show as a 1% discount reduction and not as a handling charge.
All Rush Orders	Actual freight charges plus 10% of the order total.

Shipping Charges for Non-Contiguous US, Canada, and International

All Regular Orders	Actual freight charges plus 1% of the order total.
All Rush Orders	Actual freight charges plus 10% of the order total.