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ACCOUNT INFORMATION & SETTINGS

Authorized Seller Name

Each Authorized Seller's name must be unique and not currently in use among active Authorized Sellers listing on Barnes & noble BookQuest LLC ("BN BookQuest"). This name will be displayed to customers alongside the Authorized Seller's listings and with order information. Authorized Seller names can contain up to 30 characters and cannot contain a URL. Authorized Sellers must have the legal right to use any name that they choose for their account on BN BookQuest.

Email Address

Each Authorized Seller must provide and maintain a valid email address. Most communication with Authorized Sellers, both from BN BookQuest and from our customers, will occur via email – this includes order notifications, confirmations of actions taken on the site, customer inquiries, error messages, and program announcements. Authorized Sellers should ensure that the email addresses they provide do not have spam filters that will block communications from BN BookQuest or our customers.

Shipping Location, Contact Information, Packing Slip Address

Each Authorized Seller must provide and maintain a valid shipping location. The shipping location is the city and state from which the Authorized Seller's books will be shipped. This information will be displayed on BN.COM with each of the Authorized Seller's listings.

Each Authorized Seller must provide and maintain valid contact information – this includes a street address, city, state, ZIP code, and telephone number. Contact information will not be displayed to customers on BN BookQuest but will be available to our Seller Relations representatives, in case of an urgent issue regarding the Authorized Seller's account or an order.

Each Authorized Seller must also provide and maintain a valid packing slip address. This address will appear on the packing slips provided by BN BookQuest to be included with each order¹. Customers will be instructed to send returns to the address provided on their packing slips.

Account Closure

Authorized Sellers can contact BN BookQuest's Seller Relations to close their account at any time. Seller Relations can be contacted at sellerrelations@bookquest.com, or call toll-free 1-866-897-1763.

Once an account is closed, the Authorized Seller's listings will no longer display on BN.COM. All open orders will be canceled. All orders that have been accepted up until the account is closed must be shipped as normal.

COMMUNICATIONS

BN BookQuest will provide Authorized Sellers with customers' email addresses for the purpose of communicating about orders and refunds. BN BookQuest's customers and Customer Service may also contact Authorized Sellers with inquiries about listings, orders, refunds, or other account issues.

Communications Guidelines

- Authorized Sellers must respond to all inquiries from customers and from BN BookQuest's Customer Service within two (2) business days.

¹ Note that Barnes & Noble BQ will not provide Authorized Sellers with packing slips initially. This feature will be added in a future release.

- Customer information transmitted to Authorized Sellers in relation to inquiries or orders shall not be distributed by Authorized Sellers under any circumstance.
- Authorized Sellers may not solicit customers to view or purchase items through web sites or channels other than the BN.COM web site.
- Authorized Sellers may not include defamatory, offensive, or illegal remarks in any of their communications with customers.
- Authorized Sellers should direct any inquiry that they cannot address within two (2) business days to BN BookQuest's Customer Service. Customer Service can be contacted at usedbooks@bookquest.com, or call toll-free 1-800-THE-BOOK (1-800-843-2665).
- Authorized Sellers must refer any disputes that occur between themselves and customers to BN BookQuest's Seller Relations immediately. Seller Relations can be contacted at sellerrelations@bookquest.com, or at the toll-free number of 1-866-897-1763.

INVENTORY

An Authorized Seller's inventory is the complete set of all available listings that they upload to the BN.COM web site via BN BookQuest. Authorized Sellers must maintain an inventory of at least 250 listings at all times in order to be able to participate in the BN BookQuest Authorized Seller program. Authorized Sellers must be currently in possession of such listed inventory and have the legal right to sell each item thereof.

The following may not be listed on the BN.COM web site via BN BookQuest:

- items that are in the possession of other suppliers
- items that have been illegally printed or stolen
- items that have not yet been published or made available to the general public
- promotional items, including Advanced Reading Copies
- items that are not books and are not ephemera relating to books
- eBooks and other electronic editions, either transmitted digitally or copied to a CD or any other media format
- defamatory, offensive, or illegal books or materials

In addition, BN BookQuest may block the listing of any title or listed item in its sole discretion. BN BookQuest may also remove any listing in its sole discretion.

Listing Requirements

- All listings must be priced between \$1.99 and \$2,500.
- Any listing for a book that is also available new from BN.COM cannot be priced above the BN.COM price, unless the listing is for a book that is signed by its author or is a first edition.
- Authorized Sellers must assign a SKU, or Stock-Keeping Unit, to each listing transferred to BN BookQuest via file. A SKU is a unique, alpha-numerical identifier associated with each listing – similar to a Book ID or Book Number.
- Authorized Sellers may not use the same SKU for two different inventory items. Authorized Sellers may not re-use SKUs after the items associated with them have been sold.
- All listings must have a "condition" – a brief description of the overall state of the item. Valid conditions are: New; Like New; Very Good; Good; and Acceptable.
- All listings transferred to BN BookQuest via file must have a transaction code - either "A" for listings to be Added or Edited; or "D" for listings to be Deleted.
- All listings must have either a valid ISBN or a title.

Listing Guidelines

- Authorized Sellers can provide listings with or without ISBNs. If a listing does not have an ISBN, then the title must be provided. If a listing is for a book published with an ISBN, the Authorized Seller must provide the correct ISBN with such listing.
- The “Comments” field for each listing must contain a complete and accurate description of the item it represents. Items that are not-as-described may be returned to the respective Authorized Seller at its expense after purchase.
- International editions may not be listed with the ISBNs of their corresponding domestic editions and must clearly state “International Edition” in the notes in their “Comments” field.
- Listings for Print on Demand titles must clearly state “Print on Demand Edition” in the notes in their “Comments” field.
- Authorized Sellers may not make any reference to their terms or conditions of sale or their returns policy in any of their listing data, including the “Comments” field.
- Authorized Sellers may not include their contact information or web site in any of their listing data.
- Authorized Sellers may not solicit customers to view or purchase items through web sites or channels other than BN BookQuest in their listing data.
- For each physical item in their possession, Authorized Sellers may provide only one listing. Authorized Sellers may not provide duplicate listings for any item or open multiple accounts with identical inventory.

Adding and Maintaining Inventory

Inventory can be added, edited, or deleted via FTP. Authorized Sellers are required to keep their inventory up-to-date and to delete listings as soon as possible after they become unavailable. It is recommended that Authorized Sellers update their inventory at least once per day, adding items that are new to their inventory and deleting items that have been sold or are no longer available. Failure to maintain an accurate inventory will result in lost sales and will damage an Authorized Seller’s fulfillment rate. Authorized Sellers with fulfillment rates below 85% for any consecutive three-month period will be removed (see “Order Fulfillment Requirements” below).

BN BookQuest accepts inventory files in the following formats: tab-delimited (which can be produced by Microsoft Excel and most database and inventory software) and Homebase.

ORDERS

An order is a request by one of BN.COM’s users to purchase a listing from an Authorized Seller. BN BookQuest notifies all Authorized Sellers of orders for their listings via email. When an Authorized Seller receives an order, such Authorized Seller must accept that order if such Authorized Seller intends to fulfill it, so that the customer’s credit card will be charged and the Authorized Seller will be credited for the sale. Accepting an order also generates an email to the customer notifying him or her of shipment and of the estimated delivery date for the item. If an Authorized Seller does not intend to fulfill an order because the item ordered is no longer available, or for some other reason, the Authorized Seller must reject that order as soon as possible so that the customer can be notified. An order that has yet to be accepted or rejected is a pending order.

Order Processing Requirements

- Authorized Sellers must accept or reject pending orders by the end of the second (2nd) business day after such order was placed. (For instance, an order placed on Wednesday must be accepted or rejected by the end of the day on Friday. An order placed on Thursday must be accepted or rejected by the end of the day on Monday, since Saturday and Sunday are not business days). BN BookQuest will automatically reject orders not accepted or rejected by 10:00 p.m. Eastern Time of the second (2nd) business day.

- Business days include all days other than Saturdays, Sundays, or holidays recognized by the United States Postal Service.
- Once an order is accepted it cannot be rejected (but it can be refunded if it was accepted in error).
 - Once an order is rejected it cannot be accepted.

Order Processing Guidelines

- Authorized Sellers may not negotiate with customers over the item price or shipping amount for an order after the order has been placed.
- Orders that have been accepted by the Authorized Seller but cannot be fulfilled must be refunded immediately.
- If an item ordered is discovered to differ from its description on BN.COM, the Authorized Seller should contact the customer via email to determine whether the customer still wishes to purchase the book at the original price. If the customer does not wish to purchase the book, the order should be rejected or refunded immediately.

Order Fulfillment Requirements

Authorized Sellers must strive to accept and ship all orders that they receive from BN BookQuest. For each Authorized Seller, the percentage of the total orders received that such Authorized Seller accepts is referred to as that Authorized Seller's fulfillment rate. Any Authorized Seller found to have a fulfillment rate of less than 85% for any consecutive three-month period may have their Authorized Seller account closed by BN BookQuest at its discretion. Authorized Sellers whose accounts are closed due to poor fulfillment are eligible to reapply for the Authorized Seller program six (6) months after account closure.

SHIPPING

Shipping Requirements

- All orders must be shipped within two business (2) days of the date that they were placed.
- When a customer purchases an item from an Authorized Seller's inventory, the customer selects a level of shipping service offered by the Authorized Seller for that item. Authorized Sellers will be notified in their order notification emails and elsewhere of which level of shipping service the customer has selected for their purchase. Authorized Sellers must ensure that each customer receives his or her item within the timeframe associated with the level of shipping service selected.

Packing Slip Requirements

All orders must contain a packing slip. Authorized Sellers are expected to generate their own packing slips for BN BookQuest sourced orders, and these packing slips must contain the following information:

- Authorized Seller name and email address
- Return shipping address
- Item information, including: title, author, format, and SKU
- Order number
- Order date
- Customer name and ship-to address
- Level of shipping service

The packing slip must also contain the following text:

- "Purchased via Barnes & Noble BookQuest at www.barnesandnoble.com.

- “Used & Out of Print books purchased from Authorized Sellers are shipped separately from items you may have purchased directly from BN.COM. You can track the status of other items by clicking ORDER STATUS on www.bn.com.
- “To print a receipt of your purchase, visit ORDER STATUS on www.bn.com and click on “Check Status” for this order to see its details.
- “In order for you to receive a refund, this used book must be returned to the Authorized Seller at the address listed on this packing slip. The merchandise should be returned within 30 days of receipt in the same condition in which it was received. A copy of the packing slip must also be returned along with the book in order for the Authorized Seller to provide your refund. Your refund will be processed by Barnes & Noble BookQuest once the Authorized Seller has acknowledged receipt of your book. Shipping costs are non-refundable. Note: Used & Out of Print books are not returnable to Barnes & Noble retail stores or to BN.COM.”

Authorized Sellers should also provide space for customers to describe the reason for their returns.

Shipping Options and Levels of Shipping Service

All Authorized Sellers are expected to offer Standard Domestic shipping (receipt within 4 to 14 business days for addresses in the United States), the most basic level of shipping service, for every item listed. Shipping Options are additional levels of shipping service that can be made available to customers on the BN.COM web site for each Authorized Seller’s listings at the Authorized Seller’s discretion. There are three shipping options:

- Express Domestic (3 to 6 business days to addresses within the United States)
- Canadian (6 to 20 business days to addresses within Canada)
- International (4 to 6 weeks to addresses outside of the United States and Canada)

Each Authorized Seller can specify which of these three options will be available for all of their listings as a “default.”

Please note that the BN.COM web site does not specify which specific carriers or methods Authorized Sellers are expected to use when shipping items.

Authorized Sellers are responsible for ensuring that customers receive their items within the timeframes associated with the shipping options that they have agreed to provide and that the customers have selected with their purchases.

Shipping Allowances

Authorized Sellers will be reimbursed for the cost of shipping each item. For each order that is accepted by the Authorized Seller, BN BookQuest will provide the Authorized Seller with a shipping allowance that is determined by the level of shipping service selected by the customer:

<u>Level of Service</u>	<u>Allowance</u>
Standard Domestic	\$2.30
Express Domestic	\$5.05
Canadian	\$6.35
International	\$10.00

These allowances are based on an average cost of shipment using the various major carriers and an average weight of books sold. Authorized Sellers are expected to be able to provide any of the levels of service that they have offered for each listing using the allowances described above. Authorized Sellers may not request additional shipping funds from customers. BN BookQuest recognizes that these allowances can exceed or be insufficient for the actual cost of shipment, since they are based upon averages. It is recommended that Authorized Sellers raise the price of heavy items to cover any additional shipping costs associated with those items.

Lost Shipments

A shipment can be declared lost if the customer states that it has not been received after seven (7) business days beyond the latest estimated delivery date, according to the timeframe associated with the shipping method selected. It is the Authorized Sellers' responsibility to ensure that customers receive items ordered within the timeframe that they have selected. Customers who inquire about lost shipments should be given a refund immediately (see Refunds below). If the Authorized Seller chooses to purchase insurance or tracking for their shipment, it is that Authorized Seller's responsibility to file a claim for the lost shipment with the carrier involved in order to recover damages. Customers cannot be denied a refund for lost shipment if the item has not been received within the selected timeframe plus an additional seven (7) business days, even if the Authorized Seller has purchased tracking, insurance, or delivery confirmation.

The following calculations can be used to determine when a shipment should be considered lost, based on the level of shipping service selected:

- Standard Domestic: Order Date + 14 business days (max anticipated shipment time) + 7 business days = **21 business days** beyond the order date.
- Express Domestic: Order Date + 6 business days + 7 business days = **13 business days** beyond the order date.
- Canadian: Order Date + 20 business days + 7 business days = **27 business days** beyond the order date.
- International: Order Date + 6 weeks + 7 business days = **7 weeks** beyond the order date.

Shipping Guidelines

- Shipment tracking, insurance, and delivery confirmation are not required for any order and may be purchased at the Authorized Seller's discretion. Authorized Sellers are encouraged to purchase shipment tracking because it reduces customer inquiries and discourages requests for refunds due to items being lost in transit.
- It is recommended that Authorized Sellers purchase shipping insurance for items over \$75; however, Authorized Sellers will always be responsible for recouping their losses if an order is lost or damaged.
- Orders must be well packaged so as to avoid damage during shipment.
- Authorized Sellers may offer customers a partial refund of \$2 in the event that an order was mistakenly shipped Standard Domestic when the customer selected Express Domestic (\$2 is the difference in price between Express and Standard Domestic shipping service for the customer). This may allow the Authorized Seller to avoid processing a refund for a lost shipment while the shipment is in transit. See Refunds below. As stated above, Authorized Sellers must ensure that each customer receives his or her item within the timeframe associated with the level of shipping service selected. Authorized Sellers who repeatedly ship items using an incorrect level of shipping service or who do not regularly meet the expected delivery dates for their orders will be removed from the program.
- Authorized Sellers may offer customers a full refund for the cost of shipping in the event that the item is shipped late (more than two business days after the order was received). This may allow the Authorized Seller to avoid processing a refund for a lost shipment while the shipment is in transit. See Refunds below. As stated above, Authorized Sellers must ensure that each customer receives his or her item within the timeframe associated with the level of shipping service selected. Authorized Sellers who repeatedly ship items late or who do not regularly meet the expected delivery dates for their orders will be removed from the program.
- In the event that an Authorized Seller inadvertently ships an item to an incorrect address, that Authorized Seller should notify the customer immediately via email and process a full refund.
- In the event that an Authorized Seller inadvertently ships an incorrect item to the customer, the Authorized Seller should notify the customer immediately via email. If the

- customer chooses to wait for the correct item, the Authorized Seller should ship that item immediately. Otherwise, the customer should be given a full refund. See Refunds below.
- In the event that an item is returned to the Authorized Seller because the customer provided an invalid address, the Authorized Seller should contact BN BookQuest's Seller Relations immediately at sellerrelations@bookquest.com, or call toll-free 1-866-897-1763.
 - Customers who receive incorrect items or items that were declared "lost in transit" and refunded according to the timeframes above are not obliged to return these items to the Authorized Sellers who shipped them.

REFUNDS

All refunds result in a credit to the customer using their original method of payment; such amount shall be payable by such Authorized Seller and may be offset by BN BookQuest against such Authorized Seller's sales. Refunds can either be initiated by the Authorized Seller or by BN BookQuest, in its sole discretion.

Refunds Requirements

- Authorized Sellers must accept any return received within 120 days of the order date for refund. Authorized Sellers may process refunds received after 120 days of the order date at their discretion.
- If an item is returned to an Authorized Seller for refund, that Authorized Seller must initiate the refund within two (2) business days of receipt of the item.
- Authorized Sellers can refund the total cost of the item plus shipping or any partial amount up to that total cost.
- Authorized Sellers can process no more than five (5) partial refunds for a single order.

Refunds Guidelines

- The customer should be refunded the full cost of the item plus the full cost of shipping if:
 - The item is not received within the allotted timeframe (see Lost Shipment above).
 - The item received is not the correct item and the customer returns the item within the allotted timeframe (see Refund Requirements above).
 - The item received is not as described in the listing and the customer returns the item within the allotted timeframe (see Refund Requirements above).
 - The item is damaged in transit and the customer returns the item within the allotted timeframe (see Refund Requirements above).
 - The Authorized Seller accepts the order in error and cannot ship the item ordered.
 - The customer contacts the Authorized Seller requesting to cancel the order after the Authorized Seller has accepted the order but before the Authorized Seller has shipped the item.
- The customer should be refunded the full cost of the item but not the cost of shipping if:
 - The customer changes his or her mind about the purchase or does not want the item and returns it within the allotted timeframe (see Refund Requirements above).
- The customer should be refunded the cost of shipping but not the cost of the item if:
 - The item was shipped by the Authorized Seller more than two (2) business days after the order was received.
 - The item was received later than the last estimated delivery date.

- As stated above, Authorized Sellers must ensure that each customer receives his or her item within the timeframe associated with the level of shipping service selected. Authorized Sellers who repeatedly ship items late or who do not regularly meet the expected delivery dates for their orders will be removed from the program.
- The customer should be refunded \$2 if:
 - The customer selected Express Domestic shipping and the Authorized Seller shipped the item using a Standard Domestic method. (See Shipping Guidelines above).
 - As stated above, Authorized Sellers must ensure that each customer receives his or her item within the timeframe associated with the level of shipping service selected. Authorized Sellers who repeatedly ship items using an incorrect level of shipping service or who do not regularly meet the expected delivery dates for their orders will be removed from the program.
- Authorized Sellers should refer any disputes that occur between themselves and customers regarding refunds to Barnes & Noble Seller Relations immediately. Seller Relations can be contacted at sellerrelations@bookquest.com, or call toll-free 1-866-897-1763.

PAYMENTS

Terms of Sale

Each item sold by Authorized Sellers on BN.COM via BN BookQuest is subject to a 15% transaction fee based on the item's listing price. This transaction fee will automatically be subtracted from the listing price credited to the Authorized Seller's account for each order.

Refunds

For all refunds, Authorized Sellers' accounts will be offset for the full amount refunded to the buyer, up to the value of the item price plus shipping reimbursement, and credited for a portion of the transaction fee according to the following formula.

$$\text{Transaction fee credited to Authorized Seller} = \frac{(\text{total amount refunded to buyer})}{(\text{list price} + \text{shipping cost to buyer})} \times (\text{original transaction fee})$$

For example, if a buyer purchases a \$10 item and chooses Standard Domestic shipping at \$3.49 (for a total of \$13.49) but the Authorized Seller later agrees to issue a partial refund to the buyer for \$11, the following calculations are used to credit and debit the Authorized Seller:

Amount Charged/Refunded to Buyer	Amount Credited/Debited to Authorized Seller
INITIAL SALE	
Item price (\$10.00)	Item Price \$10.00
Shipping cost (Standard) (\$3.49)	Transaction fee of 15% (\$1.50)
	Shipping reimbursement \$2.30
<u>TOTAL charged to buyer (\$13.49)</u>	<u>TOTAL credited to Authorized Seller \$10.80</u>
PARTIAL REFUND	
Item price \$10.00	Item price (\$10.00)
Shipping cost (partial) \$1.00	Shipping reimbursement (\$1.00)
	Transaction fee credit \$1.23*
<u>TOTAL refunded to buyer \$11.00</u>	<u>TOTAL debited to Authorized Seller (\$9.77)</u>

*Calculation for the transaction fee credited to Authorized Seller:

Transaction fee credited to Authorized Seller = [(total amount refunded to buyer)/(list price + shipping cost to buyer)]*original transaction fee.

[(Total amount refunded to buyer)/(list price + shipping cost to buyer)] = [(\$11)/(\$10+\$3.49)] = \$11/\$13.49 = 82%.

82%*original transaction fee=82%*\$1.50 = \$1.23.

\$1.23 = Transaction fee credited to Authorized Seller.

Payment Schedule

BN BookQuest will initiate payment to an Authorized Seller every two weeks for the sum of its outstanding balance – if this sum is a positive number. Payment from BN BookQuest will be issued via direct deposit to each Authorized Seller’s bank account using the information that it provides. Authorized Sellers must provide and maintain valid banking information in order for them to receive payment. BN BookQuest is not responsible for any payment issued to an incorrect bank account due to invalid banking information provided by the Authorized Seller.

Negative Balances

Negative balances can occur when the value of all refunds processed by an Authorized Seller during a given payment period exceeds that value of orders fulfilled by that Authorized Seller. If the Authorized Seller has a negative balance on its payment date, the negative balance will be charged to the Authorized Seller’s credit card on that date. Note that if an Authorized Seller’s negative balance exceeds ten dollars (\$10) at any point, that balance will be charged to the Authorized Seller’s credit card immediately.