

DISCOUNT PLATEAUS & DISCOUNT CODES

Diamond sells products according to the Discount Plateaus set forth below. Diamond also represents Dark Horse Comics, DC Comics, Image Comics, and Marvel Comics as a Sales Agent, enabling each company to set their own discounts to retailers. Note that purchases of Dark Horse Comics, DC Comics, and Image Comics do count towards Diamond's Discount Plateaus.

Minimum Order: To order from Diamond, you must maintain a minimum monthly order of \$425. Net Cost items may be included in your total to meet this minimum.

To calculate your costs, simply use the Discount Codes outlined below for Diamond and each company Diamond represents. Each item has a discount code that can be calculated from your Standard Discount. When items ordered from our monthly Previews catalog ship, they are invoiced according to the Standard Discount earned for the month in which they were ordered.



DIAMOND DISCOUNT PLATEAUS & CODES

Diamond has set most retailers' Standard Diamond Discounts at the average earned discount achieved from February 2006 through July 2006.

Newer accounts receive a standard Diamond Discount based upon their monthly **PREVIEWS** orders.

Please contact your Diamond Customer Service Representative with any questions you may have.

Discount Codes

B	.....	70% All Accounts
D	.....	Standard Discount
V	.....	Lower of 52.5% or Standard Discount
E&W	.....	Lower of 50% or Standard Discount
T	.....	Lower of 50% or Standard Discount; does not count toward Diamond Plateaus
F	.....	Lower of 45% or Standard Discount
G	.....	Lower of 47.5% or Standard Discount
S	.....	Lower of 42.5% or Standard Discount
H	.....	Lower of 40% or Standard Discount
I	.....	35% All Accounts
J	.....	Net Cost —Does not count towards Diamond Plateaus
K	.....	30% All Accounts
L	.....	25% All Accounts
R	.....	35% All Accounts—Does not count towards Diamond Plateaus
U	.....	40% All Accounts
Z	.....	Net Cost —Does count towards Diamond Plateaus



DC COMICS DISCOUNT PLATEAUS & CODES

Your Standard DC Discount is calculated on the Tuesday following the online due date for each month's Order Form.

This discount is based on the average retail dollar value of your invoiced DC Comics orders for the previous 6 months and applies to your latest initial order and any reorders placed between that date and the date when your discount is calculated for the following month. Net cost items (Discount Code J1) and liquidation items are excluded.

Discount Codes

6 month Average Invoiced Orders	Standard Discount	B1.....	70% All Accounts
\$0-\$999	35%	D1.....	Standard Discount
\$1,000-\$2,999	50%	E1.....	Lower of 50% or Standard Discount
\$3,000-\$4,499	53%	S1.....	Lower of 42.5% or Standard Discount
\$4,500-\$16,999	55%	J1.....	Net Cost — Does not count towards DC Comics Plateaus
\$17,000-\$34,999	56%	X1.....	45% for accounts with standard DC Discount of 50% or more; 35% for other accounts
\$35,000+	57%	Y1.....	45% for accounts with standard DC Discount of 50% or more; 35% for other accounts. Does not count towards DC Comics Plateaus
		Z1.....	Net Cost — Does count towards DC Comics Plateaus



DARK HORSE DISCOUNT PLATEAUS & CODES

Dark Horse currently matches the discounts you qualify for under Diamond's Discount Plateaus.

Discount Codes

D3	.....	Standard Discount
V3	.....	Lower of 52.5% or Standard Discount
E3	.....	Lower of 50% or Standard Discount
F3	.....	Lower of 45% or Standard Discount
S3	.....	Lower of 42.5% or Standard Discount
H3	.....	Lower of 40% or Standard Discount
I3	.....	35% All Accounts
J3	.....	Net Cost —Does not count towards Dark Horse Plateaus
M3	.....	Lower of 55% or 2 1/2% above standard discount
U3	.....	40% All Accounts



IMAGE DISCOUNT PLATEAUS & CODES

Image currently matches the discounts you qualify for under Diamond's Discount Plateaus.

Discount Codes

B2	.....	70% All Accounts
D2	.....	Standard Discount
H2	.....	Lower of 40% or Standard Discount
F2	.....	Lower of 45% or Standard Discount
J2	.....	Net Cost —Does not count towards Image Plateaus
U2	.....	40% All Accounts
Z2	.....	Net Cost —Does count towards Image Plateaus

MULTI-STORE DISCOUNTS

The retail totals of **PREVIEWS** Order Forms placed by individual stores which are part of a multi-store chain under common majority ownership are combined for purposes of discount calculation. Please call your Diamond Customer Service Representative for further information regarding multi-store discounts.



MARVEL DISCOUNT PLATEAUS & CODES

Your Standard Marvel Discount is calculated on the Tuesday following the online due date for each month's Previews Order Form. This discount is based on the average retail dollar value of your invoiced Marvel orders for the previous 12 months and applies to your latest Initial Order and any Reorders placed between that date and the date when your discount is calculated for the following month. Net cost items (Discount Code J4) are excluded.

12-Month Average Invoiced Orders	Standard Discount
\$0-\$799	35%
\$800-\$1,199	45%
\$1,200-\$2,499	50%
\$2,500-\$3,999	53%
\$4,000-\$6,999	54%
\$7,000-\$14,999	55%
\$15,000-\$29,999	56%
\$30,000-\$74,999	57%
\$75,000-\$124,999	58%
\$125,000+	59%

Discount Codes

A4	.....	80% All Accounts
B4	.....	70% All Accounts
D4	.....	Standard Discount
E4	.....	50% All Accounts
F4	.....	5% Lower Than Standard Discount
H4	.....	Lower of 40% or Standard Discount
J4	.....	Net Cost — Does not count towards Marvel Plateaus
N4	.....	5% Greater Than Standard Discount
O4	.....	10% Greater Than Standard Discount
P4	.....	Lower of 55% or Standard Discount
Z4	.....	Net Cost —Does count towards Marvel Plateaus

REORDER DISCOUNTS

Orders for products placed outside the monthly **PREVIEWS** Order Form or weekly FOC process may be subject to a 3% reorder charge (or will be invoiced at the lowest Standard Discount if a **PREVIEWS** Order was not placed on time in the previous month.) The minimum reorder discount for items with a Discount Code of D,V,E,F,G, or H is 35%. For reorders on most products from Dark Horse Comics, DC Comics, Image Comics, and Marvel Comics there is no reorder charge. For more complete details, see each company's Terms of Sale.



OPENING AN ACCOUNT

Anyone interested in ordering from Diamond Comic Distributors, Inc. ("DCD") must first return a completed Account Application (along with copies of a Resale Certificate, Business License, and a Driver's License or other photo I.D.) to DCD's Home Office on or before the 10th day of the month in which they intend to place their first order. An order form will not be processed until the application has been approved and an account opened, a process which generally takes one to two weeks. Submission of an Account Application does not guaranty that it will be approved or that an account will be opened.

ELIGIBILITY

By placing an order with DCD, the customer attests that he/she is of legal adult age and is legally authorized to open an account with DCD and to purchase the items which the customer is ordering.

DCD does not sell directly to hobbyists or consumer-buying cooperatives. Orders will not be accepted unless the customer is engaged in a legitimate business activity dealing with product lines carried by DCD and is purchasing products from DCD strictly for retail resale to the ultimate end user from locations it has registered with and have been approved by DCD. Subdistributing of any type is strictly prohibited without DCD's written consent. Customers selling via the Internet must possess a legitimate, operational, Registered Domain Name Website with Shopping Cart feature. Proof of eligibility may be required for each order form submitted.

AGENCY RELATIONSHIPS

In addition to selling product from its own inventory, DCD also acts as sales and distribution agent for several publishers/manufacturers including but not limited to Dark Horse Comics, DC Entertainment, Image Comics and Marvel Comics. These vendors each publish their own Terms of Sale which may be found online at http://retailer.diamondcomics.com/support/retailer_docs/newaccts/premieretos.pdf or obtained by contacting your Customer Service Representative.

ORDERING DEADLINES

PREVIEWS orders must be received on or before the deadlines listed on the Order Form each month, and should be uploaded electronically via DCD's Retailer Online Service, transmitted by email to previeworders@diamondcomics.com, or mailed or express-mailed to DCD's PREVIEWS Order Processing Center. PREVIEWS orders may also be faxed provided the original is forwarded to DCD, but PREVIEWS orders are not accepted over the phone.

PREVIEWS orders received after the due date will be subject to a processing charge of up to 3% of the total retail value of the order, and filled from extras, if available.

PAYMENT TERMS/CREDIT GUIDELINES

All new customers will be notified in writing of their payment terms and credit guidelines by DCD's Credit Department. Payment terms may be changed or reduced at any time and for any reason, at DCD's sole discretion.

Customer credit guidelines are reviewed on a case by case basis. Financial information as shown on Account Applications and other information are considered; however, decisions are made at DCD's sole and absolute discretion. If an existing customer exceeds their established credit guidelines, immediate cash payment may be required to reduce the account balance. DCD reserves the right to suspend the shipping of product if an account balance exceeds the established customer credit guideline.

Unless written authorization is granted, all domestic orders are shipped cash on delivery, and all international orders must be prepaid in full with the PREVIEWS Order Form. Notwithstanding the foregoing, in some instances prepayment of domestic orders may also be required.

COD customers receiving their shipments via UPS will have a COD tag attached to each box for a period of at least 3 months, or until a change in terms has been authorized by DCD.

Check writing privileges and extended terms are available, and may be obtained by submitting a written request, (an up-to-date Account Application, tax returns, financial statements, and other information as may be required by DCD) to DCD's Credit Department. Businesses lacking a significant credit history can earn check writing privileges and/or limited credit through a history of good payments to DCD and/or other suppliers, but should receive product from DCD for a minimum of 90 days before requesting a change in terms.

Customers are required to make payments within designated terms. Invoices not paid within terms will be subject to a late payment fee of 1.5% per month on the outstanding balance. Customers are also liable for an additional 33% of their balance owed should it become necessary for DCD to refer their account to a collection agency or attorney.

Checks returned to DCD for any reason are subject to a \$25.00 service charge, and returned checks or any other failure to pay in part or in full, may, at DCD's sole and absolute discretion, result in the suspension or cancellation of shipments, loss of check writing privileges and/or extended terms, and/or the termination of the customer's Account Application and DCD's agreement to ship product to the customer.

Upon the consent of DCD, arrangements can be made to pay for purchases via Wire Transfer to DCD's bank (the preferred method for international customers) or via credit card (VISA or MasterCard only) or Western Union. Both methods must be preapproved. Pricing is based on cash pay-

ments. Cash and check payments entitle the customer to the 2% higher discount published in the Order Form. Call DCD's Credit Department for additional details.

DCD reserves the right to reduce, reject or cancel orders from any customer due to insufficient credit history, delinquent payments, refusal to accept merchandise ordered, and other reasons as determined by DCD. Prepayment, deposit, and/or security for payment may also be required, at DCD's sole discretion.

SHIPPING

Domestic Shipments are made "F.O.B. Destination", meaning that title to the product and risk of loss and damage remain with DCD until the product reaches the customer's facility. The customer should always check for visible damage caused in shipping and note any apparent problems before signing for a shipment, as this will assist DCD in recovering the cost of damaged merchandise from the shipping company. Customers paying a common freight carrier directly must make damage claims with that carrier. Domestic shipments are generally available for pick-up or shipment once a week. Shipments normally will be held until either a wholesale value of \$35.00, including freight, has been reached, or two weeks have passed. An exception to this will be that if it happens to be a PREVIEWS Catalog ship week, all product will ship regardless of amount.

With DCD's approval, and cancelable at any time by DCD without liability, Customers may be allowed to pick up their shipments at a DCD Distribution Center and incur no shipping charges. A variety of options, including UPS, LTL (less than truckload via common carrier) and numerous drop points also may be available to the customer. A DCD Customer Service Representative will be happy to assist the customer in selecting a reliable and economical delivery method, but DCD does not guarantee the services of any particular shipping company and is not liable for any delays or subsequent loss of sales or profits resulting from the use of any particular shipping company or method. (See "Damages" section).

Customers may choose delivery on Tuesday or Wednesday. Please contact your DCD Customer Service Representative for details.

Except as expressly agreed otherwise, customers will be liable for all **shipping charges**. DCD may prepay shipping charges and pass these costs on to customers on their following week's invoice to be paid on the same terms as on a customer's product order.

International shipments are made "Ex Works". Though DCD will be happy to assist where possible, it is the customer's sole responsibility to satisfy all export and import requirements such as engaging a freight forwarder, submitting all required paperwork, clearing Customs, paying all Customs and license fees, duties, sales tax, V.A.T., etc., and any and all other associated import and export fees and expenses. The customer agrees to undertake all of the above-written requirements, and also agrees that DCD shall retain title to the merchandise until the merchandise travels beyond the territorial jurisdiction of the U.S., at which point title officially passes to the customer. In cases where DCD elects to be the Importer of Record (e.g., shipments made into Canada), shipments will be made "F.O.B. destination".

DAMAGES

DCD strives to deliver all merchandise in salable condition, but does not guarantee "mint condition" (see "Liability Disclaimer" Section). Merchandise perceived as damaged may be reported to DCD's Customer Service Department; a credit memo will be issued and replacement product will be shipped and invoiced, provided that such perceived damages are reported to DCD's Customer Service Department within 24 hours of the customer's receipt of the shipment (or within 7 days in the case of statues and toys). If no replacement product is available, a credit memo will be issued. From time to time and completely at DCD's discretion, DCD may request that merchandise be returned for inspection prior to shipment of replacement product and issuance of a credit memo for the damages claimed. At DCD's sole discretion, DCD may accept photographs of perceived damaged product as a means to expedite this process. In any case, customers shall not deduct the cost of damaged merchandise from their payments for the shipment containing the damaged merchandise.

DCD will provide each retailer with a monthly Damage Return Form instructing the retailer to either "PLEASE DESTROY" or "PLEASE RETURN within 7 days to avoid being billed" all items listed on the form. Forms requesting returns will include an ARS (Authorized Return Service) tag(s) which will enable the customer to ship the return to DCD's returns department. Merchandise must be returned in a timely manner, and packaged as efficiently as possible to minimize the number of ARS tags needed for the shipment. "Timely" shall be defined as within seven (7) days from customer's receipt of ARS tag(s). If merchandise is not returned in a timely manner, DCD will invoice the customer for any previously credited items. Returned merchandise will be inspected by DCD, and DCD shall render its judgment as to whether the merchandise is salable, or is damaged beyond salability. Such judgment shall be final. If in Diamond's sole opinion the merchandise is judged to be salable, such merchandise shall be returned to the customer at the customer's expense, and DCD will invoice the customer for any previously credited items.

Customers refusing any or all parcels when delivery is attempted, or otherwise intentionally delaying receipt of product shall, at DCD's full discretion, forfeit the right to make damages and shortages claims pertaining to any and all parcels related to that shipment.



SHORTAGES AND OVERRAGES

All shortages must be reported to DCD's Customer Service Department within 24 hours of the customer's receipt of a shipment. DCD will use all reasonable efforts to replace any shortages (if replacements are available) or will issue a credit memo for any unfilled amounts. Do not reorder shorted merchandise, as this may result in duplicate replacement. Also, DCD appreciates the customer's honesty in reporting the receipt of any merchandise for which the customer is not billed, and will reimburse the customer for the freight costs incurred when returning such overages. See 'Liability Disclaimer' Section. At Diamond's full discretion, customers refusing any or all parcels when delivery is attempted, or otherwise intentionally delaying receipt of product, forfeit the right to make damages and shortages claims pertaining to any and all parcels related to that shipment.

RETURNS/ORDER REDUCTIONS

The customer acknowledges and assumes the risk that due to the nature of the products purchased from DCD, variations in such products, including but not limited to, changes in scheduled ship date, creators, images, SRP, subject matter, availability (digital and otherwise), etc. may occur. Despite such variations, all merchandise is sold by DCD on a non-returnable basis unless otherwise authorized in writing by DCD. Returnable items must be accompanied by a Return Authorization Form, and must be received at the customer's Distribution Center before their designated deadline dates in order to be eligible for credit. DCD is not responsible for freight costs associated with returns.

In addition, upon submission to DCD, orders cannot be reduced or cancelled unless otherwise authorized in writing by DCD. Authorized order adjustments must be communicated to DCD by the due dates DCD establishes.

ALLOCATIONS

If orders from customers exceed the amount of product made available to DCD by its suppliers, DCD reserves the right to allocate the available merchandise, at its sole discretion.

CONDITIONS OF SALE

All orders by customers are binding upon acceptance by DCD and cannot thereafter be cancelled or reduced by the customer. By submitting an order as provided herein, the customer agrees to be bound by the Terms of Sale.

In the event there is any discrepancy between these Terms of Sale and any purchase order, acknowledgement, or other documentation issued by the customer, these Terms of Sale shall control.

By maintaining a retail account or otherwise entering into a business relationship with DCD and accepting DCD's Terms of Sale, you agree to receive mailings, email bulletins and other electronic communications in regards to products, data, shipping and product updates, or any other information relevant to your business operations with DCD.

Failure of customer to take immediate delivery of merchandise when made available by DCD, or failure to pay for merchandise when due, shall be deemed breach of contract which may, at DCD's sole discretion, result in legal action and/or held shipments and/or cancellation of outstanding orders and/or loss of check writing privileges and/or loss of credit terms and/or the exercise of any other rights of DCD under these Terms of Sale and/or any other available remedy at law or in equity. In addition to any other remedy available to DCD, any customer who refuses to accept ordered merchandise, or who, by his payment delinquency or any other cause, forces DCD to suspend shipments to the customer, shall be liable to DCD for a 50% cancellation charge for all merchandise the customer has ordered, regardless of its status. DCD shall restock all merchandise the customer has ordered, and the customer shall not be entitled to receive any of said merchandise unless payment in full is made to DCD within two (2) weeks of the customer default. Furthermore, any product ordered by the customer and shipped from DCD that may be confiscated or held by customs due to importing regulations is solely the responsibility of the customer. Additionally, the DCD customer shall be liable for freight costs (refused UPS shipments which DCD reshipped are subject to a \$10 per box service charge) and any other fees associated with all outstanding orders and/or the breach including, but not limited to, legal fees and court costs.

Customer further authorizes DCD, irrevocably, to appoint any attorney designated by DCD or clerk of any court of record to appear for the customer in said court, and confess judgment against the customer without process in favor of DCD for all sums owing including the value of all outstanding orders placed with DCD, costs of suit and reasonable attorneys' fees, hereby expressly waiving all benefit under the exemption laws of any state in which the customer operates and waives all errors in any said proceedings, and consents to immediate execution upon such judgment, hereby ratifying and confirming all that said attorney may do by virtue hereof. The authority and power to appear for and enter judgment against the customer shall not be exhausted by one or more exercise thereof, or by any imperfect exercise thereof, and shall not be extinguished by any judgment entered pursuant thereto.

DIAMOND SOFTWARE

WARRANTY: DCD expressly disclaims any warranty for software (including but not limited to websites, extensions, or stand-alone applications). Software and any related documentation is provided "as is" without warranty of any kind, either expressed or implied, including and without limitation, the implied warranties of merchantability, fitness for a particular purpose, or non infringement. The entire risk arising out of use or performance of DCD software remains with the user.

In no event shall DCD or its representatives or suppliers be liable for any damages whatsoever (including, without limitation, damages for loss of business profits, business interruption, loss of business information, or any other pecuniary loss) arising out of the use of or inability to use DCD software applications, websites, or products, even if DCD has been advised of the possibility of such damages.

PROHIBITIONS: User acknowledges and agrees that DCD software is to be used only in their original form as provided by DCD, and are not to be altered or used in a manner other than originally intended. Alteration, modification, or use of the software inconsistent with its design and intent (including but not limited to reverse engineering or creation of automated scripts to access online resources) are expressly prohibited and will be considered a violation which, at DCD's sole discretion, may result in immediate cancellation of the software licensing agreement or suspension of a user's website access account where applicable.

LIABILITY DISCLAIMER

The information contained in DCD paper or electronic publications, including but not limited to prices, content, availability, suitability for nonmature readers, product safety, and release or shipment dates, is based solely on information DCD receives from the suppliers of the product. DCD makes no representation or warranty as to the accuracy of this information, and is not liable for any claims or losses resulting from any inaccuracies contained therein or the customer's sale of the product. All warranties, conditions, representations, indemnities and guaranties, whether express or implied, arising by custom, prior oral or written statement by DCD or otherwise (including, but not limited to, any warranty of merchantability or fitness for a particular purpose) are expressly excluded and disclaimed.

DCD reserves the right to cancel orders, at any time and from time to time, for any merchandise, without responsibility therefore, in whole or in part, in its sole discretion including for such things as manufacturers' cancellation, unacceptable delays, poor quality, or insufficient orders. In the event that DCD is for any reason unable to ship product in a timely fashion, any orders for such merchandise may, at DCD's sole discretion, either be (i) cancelled by DCD (ii) shipped when the product becomes available or (iii) shipped to the customer subject to return privileges.

Occasionally, DCD may find it necessary to change pricing and/or discounts after customers' orders are received. In these instances, customers shall have the right to reduce or cancel orders on those items affected. Such reductions/cancellations must be requested by customers within 72 hours of notice of the change.

DCD shall not be liable for any incidental, consequential, special or indirect damages (including, without limitation, lost profits or business interruption losses) as a result of this agreement (or the breach thereof) or such damages suffered by customer or any purchaser, distributor, retailer or end user of any of the merchandise, whether arising in tort, contract or otherwise.

HOLD HARMLESS

The customer hereby agrees to indemnify and hold DCD, its agents, affiliates and subsidiaries harmless from and against any loss, damage or expense suffered by DCD, including reasonable attorneys' fees and costs, by reason of (i) breach by the customer of any warranties or agreements contained herein, (ii) any act or omission of the customer, (iii) any claim, cause of action or lawsuit arising from the sale, use, storage, transportation or handling of the merchandise sold hereunder, or (iv) any settlement, judgment or payment with respect to any of items (i), (ii) or (iii) hereof.

DCD relies on its manufacturing vendors to comply with applicable national, state and local product safety regulatory requirements, including without limitation the U.S. Consumer Product Safety Act as amended by the Consumer Product Safety Improvement Act of 2008. By ordering from DCD you agree that (i) you will look solely to DCD's vendors for any certificates and/or test results required by any such regulatory requirements; (ii) you will exercise any remedies you may have as a result of those regulatory requirements solely against such vendors; and (iii) you will indemnify and hold DCD harmless from any claims made against you arising out of, in connection with or with respect to any such regulatory requirements.

GOVERNING LAW

All legal disputes arising as a result of or with respect to these Terms of Sale will be governed and settled by the laws of the State of Maryland, excluding the conflict of law rules of that state and the customer agrees that jurisdiction and venue shall rest exclusively within the courts of the State of Maryland including the United States District Court for the District of Maryland.

ENTIRE AGREEMENT

These Terms of Sale are intended to be the final, exclusive and complete statement of the terms of the agreement between the customer and DCD. Neither trade usage nor any terms and conditions that may be contained in any acknowledgment, purchase order or other documentation of the customer, nor course of prior dealing between the parties shall affect or modify these Terms of Sale. Upon receipt by DCD of the customer's order, these Terms of Sale shall constitute the entire agreement between the parties and may not be modified or rescinded except by a writing signed by DCD. If any part, term, or provision of these Terms of Sale are held to be invalid or unenforceable, the validity of the remaining portions shall not be affected and the invalid provision shall be deemed excluded from these Terms of Sale.