



### **Policy on Counterfeit Textbooks**

NBC does not knowingly purchase counterfeit textbooks. Throughout its history, NBC has been committed to protecting its customers from counterfeit products. In furtherance of this commitment, NBC has adopted the Educational Publishers Enforcement Group (EPEG) Anti-Counterfeit Best Practices, which can be found at [www.stopcounterfeitbooks.com/best-practices/](http://www.stopcounterfeitbooks.com/best-practices/). To help ensure the authenticity of the products it distributes, NBC implements thorough practices for inspecting all textbooks it purchases. NBC regularly reviews and updates this policy and the practices described below in order to address the latest challenges in the marketplace.

It is NBC's practice to review all incoming shipments of textbooks as follows:

- All incoming textbooks are inspected upon arrival for physical traits found among counterfeits, including:
    - Paper quality
    - Binding structure and quality
    - Print quality and ink inconsistencies
    - Publishing content pages
    - Variations in size and weight
  - All incoming textbooks are tagged with a bar code indicating where the textbook was purchased.
  - NBC maintains and regularly updates a list of known counterfeit titles that have either been previously identified or reported as counterfeit within the industry.
  - All textbooks identified through this process are directed to a quality control team with specific training in counterfeit detection for further inspection.
  - Upon inspection, any textbooks that are suspected to be counterfeit are quarantined in NBC's warehouse.
  - The publisher is notified of the suspected counterfeit to determine the publisher's process for verifying the authenticity of the quarantined textbooks.
  - If the publisher confirms that the quarantined textbooks are authentic, they will be returned to NBC for processing and NBC will remit payment to the sourcing partner.
  - If the publisher informs NBC that the quarantined textbooks are counterfeit, they will be disposed of according to the publisher's instructions.
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It is important to note that it may take several weeks for the publisher to confirm the authenticity of the quarantined textbooks. During this inspection period, the textbook remains quarantined and cannot be returned to the sourcing partner.

For shipments from buybacks funded by NBC and conducted by NBC personnel, NBC will bear the cost for textbooks that are verified to be counterfeit by the publisher.

For guide, rental, and third party supplier shipments, payment will not be issued in the normal course for any quarantined textbooks. NBC will notify the party sending the books regarding any quarantined textbooks and will process and remit payment for all other books received in the shipment. Payment will be processed for quarantined textbooks upon NBC's receipt of notice from the publisher that such textbooks are authentic. However, NBC will not remit payment for any textbooks identified as counterfeit, and they will be disposed of according to the publisher's instructions.

NBC requires all third party suppliers to: (i) affirm in writing or with valid electronic acknowledgement that the textbooks they sell to NBC are authentic and lawfully acquired; (ii) provide accurate identifying information, including their true name (individual), company (if applicable), and physical address; and (iii) update such information on a regular basis. NBC will verify the accuracy of such information prior to accepting any shipments directly from a third party supplier, and will also work with marketplace vendors to verify the contact information provided by their suppliers and sellers.

If NBC determines that any supplier of textbooks has supplied counterfeit textbooks to NBC, NBC reserves all rights against such supplier.