

CODE OF PRACTICE

1. Preamble

Distripress firmly believes that consumers have the right to free access to press products. In addition, Distripress firmly believes in the freedom of the press and the freedom of distribution. These pre-conditions are essential for democratic debate and in developing national and cultural identity. The rules applied to press distribution and content provision must ensure that all publishers and publications have access to the market without discrimination against any product on grounds of content or origin.

To achieve these objectives DISTRIPRESS stands by this **Code of Practice** which, by and large, covers the guidelines and procedures existing to safeguard the distribution and sale of press products.

Where there is a mention of “press” or “press products” a broader term of media content across all platforms can be applied.

The members of DISTRIPRESS should adhere to these principles as long as they are not in conflict with national and international legislation.

2. Product liability

Accepting the freedom to publish, the publisher is solely responsible for the content of its press products

3. Distribution Rights

Publishers appoint distributors to work on their behalf to assure the most effective route to market for their products. The appointment is often defined by region, product category and / or distribution channel and, of course, trading terms. Together, the business partners assume the responsibility to achieve their agreed distribution goals.

4. Supply and demand

As a rule the publisher, after consultation with its distribution partners, sets the draw level for a title. The draw is generally based upon expected sales potential and sales efficiency and takes into account the product, the price, promotional mechanics and retail presence. Publishers and distributors exchange market and product information in order to achieve the optimum order level and sale. The publisher has to respect the distributors' neutrality.

Publishers will do everything within their power to avoid a flow of copies through channels other than their appointed business partners. Equally, business partners will not make press products available outside their defined region and/or distribution channels.

5. Product Pricing

In most cases the publisher determines the single copy price of a product to be applied by its business partners in the supply chain. The business partners commit themselves (where legally permitted) to enforce observation of the fixed price in the retail trade no matter what form the content takes (printed, digital etc).

When a product is distributed internationally, the local selling price of a product is either set by the publisher, distributor or the local distribution partner (regularly after discussion to agree price) having taken account of agreed terms with business partners in the supply chain, freight costs and local market conditions.

6. Right to Return Unsolds

Unless otherwise agreed, retailers and distributors have the right to return all unsold copies. The publisher will credit all unsold copies to their business partners in the supply chain who, in turn, credit unsolds to their retailers. There are exceptions to this procedure but they have to be agreed by all parties. A Firm Sale agreement (where no returns are claimed / accepted) is an example, of an alternative agreement.

Credit depends on a full, detailed and timely reporting of deliveries, sales and returns in accordance with previously agreed contracts. Unsold copies that are not returned physically must be destroyed by the retailer or distributor. The publisher may ask for documentation thereof. The business partners will do everything in their power to avoid an unauthorized recirculation of returns.

7. Right to Claim Shortages / Overs

Retailers and distributors have the right to claim shortages and overs when they do not receive the exact volume of magazines previously agreed with their supplier. Acceptance of the claim should be dependent on full, detailed and timely (as per the trading agreement) reporting.

8. Contracts between publishers and distributors... and further down the supply chain

Agreements concluded in written form may contain the elements as given in the attached check-list.

Contracts between publishers, distributors and ancillary service providers should be agreed in accordance with industry guidelines and standards.

Zurich, May 15, 1998

The Vice-President

Alfred Heintze

Updated March 23 2017

The Distripress Executive Committee

ANNEX TO CODE OF PRACTICE

Contracts between Publishers and Distributors

(Check-list of elements)

1. Name and Address of Contract Partners

2. Subjects of Contract

- Trading agreement / exclusivity
- Description of press products involved
- Territory / channels of distribution
- Duration

3. Rights and Responsibilities of the Distributor

- Timely distribution
- Timely confirmation of shortages / extras
- Timely claim of unsold copies
- Observation of payment terms
- Observation of on-sale-date
- Observation of copy-price by retailers (where applicable)
- Entry and exit of new titles
- Maintenance of sufficient retail network
- Sales promotion
- Retail interface and compliance checks
- Supply of market and sales statistics
- Provision of sales data in report format
- Provision of market information
- Print order guidance
- Use of draw-regulation systems
- VAT rules/payment/VAT representation

4. Rights and Duties of the Publisher

- Timely delivery
- Supply of product information
- Supply of publishing schedule changes
- Definition of draw (in agreement with business partners)
- Product liability

5. Handling of Unsolds

- Full return rights
- Deadline for credit
- Affidavit or full copy returns
- Form of unsolds report and timing

6. Conditions

- Delivery terms (CF/CIF/FOB)
- Payment terms
- Currency used
- Setting the cover price / local selling price
- Agreement about exchange rate fluctuations
- Commission for distributor or trading partner
- Payment for extraordinary services
- Payment of VAT at border

7. General Clauses

- Beginning and termination of contract period
- Cancellation clauses
- Period of notice
- Designating a court or jurisdiction to be addressed in case of contract disputes