

SCHOLASTIC INC.
HARRY POTTER AND THE DEATHLY HALLOWS
AGREEMENT
(DISTRIBUTOR)
(supplement to the Scholastic 2007 On-Sale Date Policy Contract)

The undersigned account (“we”) hereby agrees to abide by the embargo of *Harry Potter and the Deathly Hallows* until the national on-sale date of **July 21, 2007** (the “On-Sale Date”). If we receive our copies prior to the On-Sale Date, we shall ensure that these books are kept secure and not placed on any selling floor and/or in any display areas, and are not sold or distributed by our accounts, and do not leave our secure environment prior to the On-Sale Date, except as permitted for distribution to our accounts in accordance with the terms of this Agreement. We acknowledge and agree that this embargo prohibits distribution to our staff and distribution of complimentary copies. We further agree not to allow any third parties, including without limitation members of the press and media, into our secure environment, unless we have provided Scholastic at least one week’s prior written notice, have delivered to Scholastic with such notice a signed copy of the enclosed Access Guidelines confirming our agreement to abide by such guidelines, and have obtained Scholastic’s prior written approval. Notice and written confirmation of our agreement to comply with the Access Guidelines shall be sent to: Scholastic Inc., Attn: Alan Smagler, 557 Broadway, New York, NY 10012, fax # 212-389-3060. We further agree to keep the number of our employees with access to the secure environment to the minimum number necessary for our operation.

We agree to send a blank copy of the Retailer version of this Agreement, as well as a copy of the 2007 Scholastic On-Sale Date Policy and blank copy of the On-Sale Date Policy Contract, to each account who will receive *Harry Potter and the Deathly Hallows* prior to the On-Sale Date, and shall require them to fill out and return both the Contract and Agreement to us and we will provide Scholastic with a copy of all signed forms by March 30, 2007. Copies of signed forms should be sent to: Helen Boltson, Scholastic Inc., 557 Broadway, 9th Floor, New York, New York 10012, Fax # 212-389-3126. Both forms are available at the Harry Potter Bookseller Desk at: www.scholastic.com/custsupport/booksellers/harrypotter.htm or an email request may be made to hboltson@scholastic.com. In no event will we ship copies of *Harry Potter and the Deathly Hallows* to any account prior to the On-Sale Date unless and until they have signed and returned to us and to Scholastic both forms. We agree (i) to resell to our accounts only in carton quantities, in Scholastic’s original cartons, unless we have Scholastic’s prior written approval to resell in less than carton quantities, and (ii) to review our communication and distribution plan with our accounts to insure compliance with the terms of this Agreement.

Scholastic will make available a Book Promotional Style Guide that contains materials and guidelines for the advertising and promotion of *Harry Potter and the Deathly Hallows* and all related communications. We acknowledge and agree that all communications relating to *Harry Potter and the Deathly Hallows* (including without limitation advertising and promotional materials, press releases, media alerts and all communications with the media) must comply with the Book Promotional Style Guide and be submitted to Scholastic for prior written approval.

In addition to the consequences which apply to violations of the 2007 Scholastic On-Sale Date Policy, and without limiting Scholastic’s rights and remedies, we acknowledge and agree that any store that violates the restrictions found in this Agreement (“Violations”) will be subject to the following: (i) the violating store will be liable for any and all attorney’s fees and damages, incurred as a result of such Violations, (ii) Scholastic may require that resupply, in whole or in part, to the violating store of *Harry Potter and the Deathly Hallows*, be withheld, and (iii) Scholastic will require that the distributor not early ship to the violating store any future Harry Potter or other embargoed titles until the corresponding on-sale date. Furthermore, we acknowledge and agree that any such Violation will cause irreparable harm to Scholastic and the author, J.K. Rowling, and that monetary damages will be inadequate to compensate for Violations and that, in addition to any other remedies that may be available, at law, in equity or otherwise, Scholastic and/or J.K. Rowling shall be entitled to obtain injunctive relief, without the necessity of proving actual damages or posting any bond.

In the event one of our accounts commits a Violation, we acknowledge and agree that we may be held jointly liable with the violating account for such Violation and subject to the foregoing.

All other terms and conditions of the 2007 Scholastic On-Sale Date Policy still apply and remain in full force and effect. Scholastic intends to monitor the *Harry Potter and the Deathly Hallows* laydown very closely and appreciates your complete cooperation.

On behalf of the undersigned account, I have read the On-Sale Date Announcement and this Agreement concerning the On-Sale Date for *Harry Potter and the Deathly Hallows* and agree to abide by the conditions set forth above. Furthermore, I will make sure all personnel involved with *Harry Potter and the Deathly Hallows* at our company are informed of, and comply with, this Agreement and its restrictions. I agree to ensure my accounts sign a copy of the Retailer version of this Agreement and the 2007 Scholastic On-Sale Date Policy Contract and will deliver a copy of each such Agreement and Contract to Scholastic by March 30, 2007.

Date: _____ Account number: _____

Signature: _____

Printed name of the signer: _____

Phone number of the signer: _____

Account name: _____

Statement address: _____(Street)

_____(City, State, Zip Code)

This Agreement must be signed and returned no later than March 30, 2007 to:

Helen Boltson, Scholastic Inc., 557 Broadway, 9th Floor, New York, NY 10012

Fax #: 212-389-3126

THIRD PARTY ACCESS GUIDELINES

1. Account shall not state the location(s) of warehouse(s), or otherwise reveal information that might indicate such location(s), where copies of *Harry Potter and the Deathly Hallows* are stored and shall require any and all third parties to do the same.
2. Account shall not disclose the date(s) it takes/has taken receipt of *Harry Potter and the Deathly Hallows*.
3. None of Account's employees should be identified by name or shown in photos, video, etc.
4. Account shall not discuss with or otherwise reveal to any third party its own security measures relating to *Harry Potter and the Deathly Hallows*.
5. Only closed cartons of *Harry Potter and the Deathly Hallows* may be shown.
6. Photographs and/or video footage may only be taken from outside of restricted areas (i.e., outside the secure environment where copies of *Harry Potter and the Deathly Hallows* are being maintained).
7. All third parties, including without limitation journalists, photographers, cameramen and any media representatives, must be accompanied by Account personnel and Account security to insure that no access to copies of *Harry Potter and the Deathly Hallows* is permitted.
8. No footage and/or stills of the foregoing shall be released, published, broadcast or otherwise distributed or shown prior to July 16, 2007.

On behalf of the Account identified below, I hereby confirm that the Account will (i) comply with the above guidelines, (ii) provide written notice to Scholastic at least one week prior to the date on which the Account wishes to grant such third party access, and (iii) proceed only upon receipt of a copy of these Access Guideline countersigned by Scholastic evidencing its approval.

Account Name

Signature

Name

Title

Date

APPROVED BY SCHOLASTIC:

Signature

Name

Title

Date