

Hyperion Shared Markdown Program for Store Closings

In order to reduce the cost of returns when a store location closes, Hyperion offers the following program to its direct retail customers:

Six weeks prior to the scheduled closing of a retail location, Hyperion product must be marked down to the consumer at least according to the following rate. At each of the below markdown levels, Hyperion will issue a credit equal to half the markdown percentage for each book sold to consumers and not returned to Hyperion.* Credits will be issued as follows, based on proof of sale:

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|---|------------------------------|
| ➤ 6 weeks prior to store closing: 10% or more off cover price | Credit: 5% of cover price |
| ➤ 5 weeks prior to store closing: 20% or more off cover price | Credit: 10% of cover price |
| ➤ 4 weeks prior to store closing: 30% or more off cover price | Credit: 15% of cover price |
| ➤ 3 weeks prior to store closing: 40% or more off cover price | Credit: 20% of cover price |
| ➤ 2 weeks prior to store closing: 45% or more off cover price | Credit: 22.5% of cover price |
| ➤ 1 week prior to store closing: 50% or more off cover price | Credit: 25% of cover price |

*If any portion of the markdown period is between Thanksgiving Day and Christmas Day, a maximum 10% markdown level will be supported by Hyperion. Retailer may sell books at greater discounts but Hyperion will share the markdown only to the extent set forth above.

In order to qualify, the retailer must:

- Provide, prior to the start of the markdown program, a written letter verifying the store is closing and the date of the closing
- Advise HarperCollins (Hyperion's distributor) at least 2 weeks before the sale starts that it wishes to participate in the program
- Furnish to a sales representative or to HarperCollins Distribution Center in Scranton, Pennsylvania, a complete inventory of all Hyperion product by ISBN prior to the initial markdown
- Discontinue all reorder activity for Hyperion titles
- Furnish to a sales representative or to HarperCollins Distribution Center in Scranton, Pennsylvania, proof of its retail sales for each markdown period. Such proof must consist of either computer printouts or cash register receipts detailing sales
- Promote the markdowns to consumers with in-store signage
- Furnish to a sales representative or to HarperCollins Distribution Center in Scranton, Pennsylvania, a complete inventory of all remaining Hyperion product by ISBN at the time of the final store closing

Bulk sales and books bought on a non-returnable basis are excluded from this program.

This program is available only for "brick and mortar" locations and not for on-line retailers.

If the store does not actually close during week 7, Hyperion may reverse the credits given to the retailer.

We reserve the right to exclude certain titles from this program at our discretion and/or cap the offered markdown credit for specific titles. Hyperion will notify the retailer of any such titles.

Exclusions/Exceptions

Credit for ISBN 9780786868728 HAVE A LITTLE FAITH is capped at 15% of cover price