

## PublishDrive Terms & Conditions

This Distribution Agreement (this "Agreement") is made and entered into by and between You ("Publisher") and PublishDrive Kft. (previously Content 2 Connect Kft.) branded as PublishDrive (official operator of PublishDrive.com and later called "PublishDrive" with company registered: Hungary, 1131 Budapest, Madarasz Viktor utca 13. II/32, registration number: 14-09-315199, EU VAT number: HU23878936, email: support@publishdrive.com). This Agreement contains the terms and conditions under which PublishDrive offers the services on its Site (www.publishdrive.com).

**THIS AGREEMENT, WHEN ACCEPTED BY YOU AFTER YOU ENTER YOUR FULL LEGAL NAME AND CLICK "I AGREE" WILL CREATE A BINDING AND LEGALLY ENFORCEABLE CONTRACT BETWEEN YOU AND US, WHETHER YOU ARE ACTING IN YOUR INDIVIDUAL CAPACITY OR AS THE AUTHORIZED REPRESENTATIVE FOR AN AUTHOR, WRITER, PUBLISHER, OR CORPORATION, IN WHICH CASE "YOU" SHALL REFER TO THE AUTHOR, WRITER, PUBLISHER, OR CORPORATION ON WHOSE BEHALF YOU ARE ACTING AND AUTHORIZED TO ACT. THEREFORE, PLEASE READ THIS AGREEMENT CAREFULLY AND CONSULT WITH YOUR OWN BUSINESS AND LEGAL ADVISORS BEFORE CLICKING "I AGREE." THE "EFFECTIVE DATE" OF THIS AGREEMENT IS THE DATE ON WHICH YOU CLICK THE "I AGREE" BUTTON BELOW.**

PublishDrive reserves the right to add, delete and/or modify any of the terms and conditions contained in this Agreement, at any time and in its sole discretion, by posting a change notice or a new agreement on the Site. In the event of substantive changes to the terms of this Agreement, You will be notified by email. If any modification is unacceptable to You, your only recourse is to discontinue use of the Literature Publishing Service.

**YOU ARE RESPONSIBLE FOR MAINTAINING A VALID E-MAIL ADDRESS ON FILE WITH PUBLISHDRIVE FOR SO LONG AS YOU AVAIL YOURSELF OF ANY SERVICES.**

Notice of any material change (e.g. new distribution channel included) will be sent to you by email at least fifteen (15) days prior to its effective date. If the e-mail you have provided to us is no longer functioning, then, in addition to any other remedies we may have with respect to your Account and use of the Services, we shall be authorized to communicate with you via any other reasonable manner we may choose in our sole discretion, including through notice on the web page through which you access your Account information or via any accounting statement. If the Publisher does not notify PublishDrive its objection in the given 15 days, the change will be effective after 15 days.

### **I. Subject of agreement:**

1. PublishDrive is engaged in distributing electronic publications, e.g., e-books, e-magazines, etc., as functional intermediary to third parties (e.g., Apple, Barnes & Noble, Kobo etc.) who will provide such publications to end customers for fee-based download or online access via Internet platforms.
2. Between parties this Agreement is non-exclusive (meaning you have the right to sell your books or media directly), the rights granted by you to us under this Agreement are exclusive with respect to serving as your authorized representative for distributing Your Content to given third party distributors for online redistribution, because online retailers (e.g., iTunes, Barnes & Noble, etc.) will refuse content that may be delivered by multiple parties.
3. Publisher is engaged in publishing the works of several authors by means of various media including, without limitation, in digital form. Publisher is the owner of all publication rights and to the works published by it and also possesses all rights of making such works available to the public. Publisher intends to have such works sold in digital form through PublishDrive in the future as well.
4. Publisher agrees that if PublishDrive launches a contract modification through its online Site, and Publisher may accept its terms, this modification is effective after the date of clicking on the „I agree” button. All modifications will be communicated to Publisher in written form regarding its technical and contentwise steps.

## **II. Rules of distribution:**

5. PublishDrive will maintain a secure hosting environment for the eBooks. Publisher shall work with PublishDrive in good faith to promote Publisher Content's availability on the Online Store.
6. **Digital rights management:** PublishDrive will stipulate within the metadata supplied to distribution outlets the level of DRM required. This will typically be hard DRM where it is possible, or watermarked where there is no option for DRM. If the Publisher does not supply a DRM statement, then the agreed default standard is distribution with DRM wherever it is possible.
7. **Ownership of rights:** As between the parties and subject to the grants under this Agreement: (a) Publisher owns all right, title and interest in and to the eBooks, Metadata, Cover or Other Images, Publisher's Marks and any and all Intellectual Property Rights embodied in the foregoing (collectively, the "Publisher IP"); Publisher represents and warrants that you have the full right, power, and authority to act on behalf of any and all owners of any right, title or interest in and to Your Authorized Content or Authorized Artwork, and metadata. For the avoidance of doubt, if you are acting on behalf of an author, writer, publisher, or corporation, you hereby represent and warrant to PublishDrive that you are fully authorized to enter into this Agreement on behalf of such author, writer, publisher, or corporation and to grant all of the rights and assume and fulfill all of the obligations, covenants, and representations and warranties set forth in this Agreement. and (b) PublishDrive owns all right, title and interest in and to the PublishDrive Service, PublishDrive's Marks and any and all Intellectual Property Rights embodied in the foregoing. Publisher shall provide an appropriate copyright notice in the Content File, or as reasonably requested by PublishDrive.
8. **Grant of rights:** Publisher grants PublishDrive the non-exclusive and perpetual rights, which shall be revocable in accordance with the present Agreement only, to make the Digital Products publicly available within the Sales Territory and to distribute and have them distributed to end customers. This grant of rights shall in particular include the following rights:
  - a. The right to reproduce the Digital Products, to feed all of them or any part thereof into electronic data bases and networks, and to store them there, and in particular, to make backup copies of them.
  - b. The right to format or convert or adjust the Digital Products – without changing any of their content – and in particular to make such adjustments as required for technical purposes, inclusive of the right to exploit the thus adapted Digital Products within the scope of all and any manner of use provided under this Agreement.
  - c. The right to enable end customers to permit third parties to borrow Digital Products for a specific period of time, i.e., to permit them to use such Products, whereas the original end customer shall not have access to the respective Digital Product during such period of time.
  - d. The right to enable end customers to "read in store" and "read at hotspot", i.e., Resellers shall be permitted to give end customers the opportunity to access the Digital Products in Resellers' shops or at other locations and within the related communication network, whereas such Products shall not be available on the end customer's terminal unit any longer when he/she leaves the communication network.
9. **Conversion services:** Publisher may order an ebook conversion service (output file: epub) with an upfront fee of 0.5 USD / page, but minimum 20 USD if the input file may be divided/converted into pages. PublishDrive requires an input file (doc, docx, print PDF, html, rtf, InDesign) to be uploaded to its site and Publisher may receive a proposal regarding the final prices of ebook conversion and its estimated time of arrival. Publisher agrees on the facts that PublishDrive may charge higher prices regarding the complexity of the input file and PublishDrive may reject the option of ebook conversion if the input file is inappropriate for conversion such as scanned print book files or any other file formats that may not be able to be converted. Publisher acknowledges the fact that no conversion service will be started until the upfront fee mentioned in proposal is already transferred to PublishDrive's bank account with the following details mentioned in the proposal as well: IBAN: SK37 5200 0000 0000 1637 7064. SWIFT: OTPVSKBX or PublishDrive PayPal address (support@publishdrive.com). Publisher may require any additional changes on the document related to conversion services errors free of charge, but no editing errors will be corrected by PublishDrive without any additional charges.

10. **“Most Favourable” Principle:** Publisher shall supply PublishDrive with all Digital Products/Content to be made available by Publisher to third-party dealers, agents, commissionaires, or any other third party entrusted with the dissemination of digital contents. Yet Publisher shall not subject PublishDrive to less favourable conditions than such third parties in respect to the rights of use granted for Digital Products, or to the functionalities, quality and/or usability of Digital Products, or any date to be scheduled for delivery thereof. In case Publisher notifies PublishDrive of a Date of First Publication for any individual Digital Product, such date shall not be scheduled for a point in time after the date from which on one of such third parties will be entitled to publish and distribute the respective Digital Product.
11. **New Digital Products:** Any new Digital Products released by Publisher after the effective date of this Reseller Agreement shall automatically be included in the subject matter hereof, and Publisher shall make such Products available to PublishDrive as of the Date of First Publication.
12. **Price maintenance:** By signing this Agreement, the parties acknowledge that e-books are also subject to the book retail price maintenance rules and regulations in certain countries, in particular Germany. For such countries, the maintained Retail Price shall be determined by Publisher. In countries where price maintenance is not applicable, the Retail Price shall be determined by PublishDrive or Reseller based on the suggested retail price given by Publisher.
13. **Pricing:** PublishDrive suggests that ebooks should be sold with an allowance of 30-50 % compared to the physical book version. Publisher may choose any currency on Distributor’s Site for pricing, however they should use that currency later on. Publisher acknowledges the fact that different stores may sell Publisher’s content on different prices, however PublishDrive always aims to apply the retail price suggested by Publisher. All costs arising during price promotions are borne by Publisher and PublishDrive equally. Price promotions are scheduled only via PublishDrive Site only by authorized person from Publisher at least 3 days before the effective date of the price promotion.
14. **Sales-Relevant Information:** Publisher shall make available sales-relevant information to PublishDrive as early as possible, yet by all means not later than to third-party distributors, agents, commissionaires or other third parties entrusted with the distribution of digital content. Sales-Relevant Information related to the Digital Products in accordance with the PublishDrive Delivery Guidelines, in particular cover image, title, author, publisher, item number (ISBN), maintained or recommended Retail Price, table of contents, and reading samples, all in the most recent version and in electronic form. All related Sales-Relevant Information shall be updated by Publisher immediately as required. PublishDrive and Resellers may use any Sales-Relevant Information for the purposes of describing and promoting the Digital Products. PublishDrive will not assign any ISBNs to Publisher, however there is the option to use PublishDrive’s Unique Identifier (PUI) which is accepted by most of the retailers. PUI helps Publisher to speed up the process of publishing their books to the stores. However, Publisher has to understand that some of the stores may still require ISBNs which can be required based on their country of origin here: <https://www.isbn-international.org/agencies>.
15. **Use of Site:** Publisher should give all data and files on the Site of PublishDrive on admin.PublishDrive.com . On the Site Publisher can add new works and books to their account and they can schedule price promotions (in three days advanced) as well. Publisher can change/update their book data when it is needed through the Site. Besides Site PublishDrive gives a two-sided communication option through the Help button which is an official way of communication.
16. **Bulk import policy:** Publishing Companies may use PublishDrive’s bulk import option. Publishing Company has to meet all bulk upload requirements, otherwise the function will not work. Any special treatment such as sending materials via email and waiting for manual upload by PublishDrive will be charged with 10 USD per ebook upload.
17. **Promotion campaigns:** The parties shall come to terms on any promotion campaign by separate agreement, in particular on the provision of free Digital Products to end customers.
18. **Marketing activity:** PublishDrive is allowed to schedule and implement any marketing actions for works/books in order to increase sales. This activity has to be supported by the Publisher as well with mutual effort for marketing ebooks on a long term partnership basis. Both parties aim to harmonize their marketing and PR activities in the future.
19. **Promotional codes:** If Publisher gives away free or promotional copies of eBooks for marketing, galleys, author giveaways or other uses, there will be no charge for redemption/promo codes. Publisher may require DRM protected review copies for bloggers or journalists or games (e.g. sweepstakes) for the following resellers: Apple iTunes – 50 promotional codes / title or Google Play Books – unlimited number of codes,

only a Gmail account is required. The price is 1\$/copy/store and the minimum amount requested is 5 copies/store.

20. **Service providers:** PublishDrive, Publisher, and Resellers are entitled to employ third parties as subcontractors and/or service providers for performance of their obligations and exercise of their rights under this Reseller Agreement, and further, to replace such third parties by others during the term of this Agreement.
20. **Master Copy:** Delivery of the Digital Products to PublishDrive be affected by Publisher or its service provider in the form of a Master Copy in the best possible format available or any other customary format specified by PublishDrive (e.g., epub) through the Site in compliance with the PublishDrive Delivery Guidelines. Publisher agrees that there is no advertising of any competitor organization included in the Master Copy of the Digital Products.
21. **Defects of the Digital Product:** In case of PublishDrive should notify Publisher, in particular due to end customers' complaints, that an individual Digital Product shows certain defects (e.g., poor legibility, incompleteness, or viruses), Publisher shall immediately produce a flawless Master Copy of such Digital Product and shall make such Master Copy available to PublishDrive via the Site.
22. **Warnings:** Prior to any delivery, Publisher shall warn PublishDrive of any contents permitted for distribution within closed user groups only pursuant. (e.g. adult content)
23. **Logos, trademarks:** Furthermore, Publisher shall grant PublishDrive the non-exclusive, perpetual and geographically unrestricted rights for the term of this Agreement to make use of Publisher's logo, company name, and trademarks (if any), to such extent as customary, for promotion of the Digital Products, and to grant Resellers all rights required for this purpose.
24. **Reading samples:** PublishDrive and Resellers shall be entitled to provide end customers with free reading samples of the Digital Products, even in individualized form (e.g., in accordance with specific search words selected by the end customers). In case Publisher should not provide PublishDrive with any reading sample of a Digital Product, PublishDrive or Resellers, respectively, is/are entitled to produce its/their own reading sample of such Digital Product and to make use thereof for promotion of the Digital Products, and further, to permit Resellers to use such reading sample for promotion purposes as above. These samples are usually up to a volume of 10 % of the related Digital Product, however some Resellers (such as Google Play) require a minimum amount of 20% reading sample. Publisher acknowledges that selling through Google Play Books means that works/books are in the Google Books partner program as well where consumers may search inside the book (<http://books.google.hu/>). Publisher shall also be entitled to provide reading samples which shall be obligatory for the purposes of PublishDrive. Publisher allows that 5% of the works/books may be cited for promotional aims, and PublishDrive and Resellers are entitled to make publicly available and distribute reading samples and Sales-Relevant Information online free of charge, in particular via Internet platforms and social networks, e.g., Facebook, Twitter, Google, and via blogs, etc., without any copy protection (also for download). These do not include paid advertisements by any parties.
25. **Sales stop:** If Publisher informs PublishDrive that a specific Digital Product is to be barred from distribution, PublishDrive will inform Reseller at the appointed time, or otherwise immediately. Such information shall – if possible – be communicated to PublishDrive via the Site by granting PublishDrive a reasonable lead time (at least 2 workdays). Publisher understands that some retailers may withdraw the titles in 90 days. Withdrawal of titles does mean that they are removed from sale, however some of the retailers may list the metadata about the books in their catalogue without the option of purchase or reading of the books. PublishDrive shall not be held liable for any delay occurring from any Reseller's or platform's side or resulting from any deadline scheduled by any Reseller or platform for sell-out, depletion, or expiry of a Digital Product. The right to enable end customers to obtain Reloads of the respective Digital Product even after a sales stop shall remain unaffected. Notwithstanding the foregoing, Distributor may maintain archival copies of such eBook solely to permit any authorized continuing access by any End Customer who has purchased a license to that eBook prior to its withdrawal from sale.
26. **Guarantee of sales of ebooks:** PublishDrive aims to distribute all titles of Publisher to all chosen ebook stores. However, there is a possibility that some stores may refuse the publication of a given ebook because

of their changing policy such as language or category constraints or any other reasoning. PublishDrive aims to communicate all constraints to Publisher in a timely and understandable manner.

- 27. Free ebooks policy:** Free ebooks are good for marketing purposes of ebooks - especially in case of series or debut authors, so PublishDrive encourages free ebooks as marketing tools. The best marketing for free when during a promotional campaign ebooks are offered for free for a limited time only or only the first part of a series is offered for free. However, based on the business model of PublishDrive, ebooks has to be priced above 0. That is why PublishDrive evaluates all Publishers on a quarterly basis how many free ebooks they uploaded compared to their whole ebook catalogue. If the number of free ebooks succeeds 20% of all ebooks, any extra free ebooks will be charged with a one-time fee of 20 USD per free ebook by PublishDrive. Publisher acknowledges the fact that some of the stores may not sell free ebooks or they give a very low price to free ebooks.
- 28. Choose of stores:** Publisher may change its chosen stores in PublishDrive's Web Site on the level of imprint anytime. PublishDrive suggests to Publisher to avoid the frequent change of the stores, so there are no operative issues caused or communicated to the retailers. If Publisher wants to have different stores on a title level, Publisher can add new imprints for the chosen titles.
- 29. Change of the possible available stores:** PublishDrive is constantly improving its partnerships with new retailers which are added on PublishDrive's platform. Publisher is informed about the new stores and its terms and they can opt-out for 15 days or anytime after the official announcement of the new stores added. PublishDrive reserve the right to terminate partnerships with stores. These decisions are communicated to Publisher in a written manner.
- 30. Unique terms from Google Play store:** In case of Google Play, Publisher considers to sign a direct contract with Google Irelands Ltd. (Address: Gordon House, Barrow Street, Dublin 4, Ireland) if the circumstances require about distribution of ebooks and afterall, PublishDrive will be a 'Service Provider' for Publisher's content. The account Publishers holds with Google Play will be managed only by PublishDrive, meaning PublishDrive will upload ebooks, schedule and manage promotions, send sales reports and other content management services for Publisher according to the Remuneration terms in this contract. If Publisher will change any of the data given in the Publisher's account without the written notification of PublishDrive, PublishDrive bills the double of the profit lost. The revenue amount after the ebook sales to the end customer will be transfered to PublishDrive's account and PublishDrive will transfer the royalty given in this contract to the Publisher's bank account.
- 31. Unique terms for Amazon Kindle store:** In case of Amazon Kindle's store Publisher grants that public domains with only unique content are distributed to the store. Otherwise, Publisher acknowledges the fact that according to Amazon's requirements about public domains (see more details: <https://kdp.amazon.com/help?topicId=A2OHLJURFVK57Q>), its ebook may be removed from the stores. Amazon accepts content only in the supported languages listed on this web page: <https://kdp.amazon.com/help?topicId=A9FDO0A3V0119> plus Russian and Chinese content. Publisher acknowledges the fact that content written in other languages than in the list before, its ebook may be removed from the stores. Amazon has localized stores worldwide, however their numbers are limited. PublishDrive sells titles only to the localized stores and to the countries where Publisher is able to receive higher amount of the net sales.
- 32. Unique terms for Kobo store:** Kobo has localized stores worldwide however their numbers are limited. In case of every book sold outside of their localized stores, customers may be charged with a higher price.
- 33. Unique terms for Gardners:** Gardners provide a pay per view single user access where end users may access a free time or content limited preview of ebooks. For pay per view rental end users will be charged:

7 days rental - 20% of Digital Library Price

14 days rental - 30% of Digital Library Price

21 days - 40% of Digital Library Price

For instance, original ebook price was \$40, for 1 week rental the loan price is 20%\*\$40=\$8 where publisher receives \$4 according to our terms and conditions with Gardners.

Collection and Bundles in Gardners: Publisher may from time to time wish to allow multiple items of Digital Content to be sold to institutional libraries as a collection or bundle at a reduced price. These may be a) Full bundles - fixed price/discount, b) Pic 'n' Mix - variable discount depending on quantity ordered.

Other pricing models and their calculations may be found here: <http://publishdrive.com/ebook-pricing-model/>

### **III. Remuneration and accounting**

34. **Remuneration:** For content resold through our distribution partner network (including iBooks, Kobo and other partners) we will pay you an amount based upon the level of service you have purchased from PublishDrive. The actual pricing may be found on <http://publishdrive.com/pricing> which means 10% after the net sales of each ebook. PublishDrive will receive the royalty listed on its site after the net sales price in PublishDrive. Publisher may request further information on how much royalties Publisher may earn in the different stores included in PublishDrive via email ([support@publishdrive.com](mailto:support@publishdrive.com)) or via the Web Site.
35. **Earning reports:** are sent to/visible for Publisher in every month which contain all transactions for end-customers in all countries and Resellers. The usual timing is around 25<sup>th</sup> of the following month.
36. **Sales data:** Sales data are collected for Publisher in almost realtime in PublishDrive's Web Site with interactive analytics and charts where Publisher is able to filter all information regarding their books. In case of some of the stores there is a possibility to track realtime sales data, meanwhile in case of other stores there is monthly reporting available only in PublishDrive's Web Site. Realtime sales data proceeds are estimated, the official earninging report contains all official data regarding ebook sales.
37. **General accounting terms:** The remuneration amount resulting from such accounting process shall be payable within 60 days from the respective reference date. A self-billed invoice will be issued after publishing sales reports in PublishDrive and the payment from royalties should be transferred to Publisher by the end of the next month. All bills are in EUR. PublishDrive does not send payments without any valid invoice. Parties agree on the fact that according to the different countries, different terms apply for payments. If the amount does not exceed the Threshold Amount, PublishDrive has the right to hold back the transaction until it exceeds. All payments due under this Agreement will be made by bank wire transfer or TransferWise transfer in the currency it is chosen in PublishDrive or Paypal. With TransferWise we support the countries listed on their site (see more: <https://transferwise.com/support/customer/portal/articles/1570071-supported-countries>) and these countries will be paid out in their local currency. Publisher is responsible for any fees (e.g., wire transfer and EFT fees) charged by Publisher's bank or any intermediary banks. PublishDrive aims to use a service where Publisher has no or very low fees for accepting any money transfer. Publisher shall provide PublishDrive with correct and actual banking information of Publisher using PublishDrive' Web Site, otherwise PublishDrive has the right to withhold its payment until the next payment circle based on the invoicing period. The handling fee of sending payments to wrong bank or Paypal accounts is EUR 70 which will be deducted from the royalties earned by Publisher or requested to pay by Paypal. As between the parties, Distributor is responsible for collecting and remitting all taxes imposed on its sale of eBooks to end customers, but Publisher is responsible for paying all relevant corporate, sales taxes or VAT or other income taxes based on their country of origin.
38. **Payment methods used for different countries:** Payment methods are chosen based on the Publisher's bank's country of origin.  
[Countries in SEPA scheme](#) will have a threshold of EUR 50 and will be paid out in EUR. All parts of a country are normally part of SEPA. However, the following countries have special territories which are not part of SEPA: Cyprus: Northern Cyprus is excluded. Denmark: the Faroe Islands and Greenland are excluded. France: the French Southern and Antarctic Lands, French Polynesia, New Caledonia and Wallis and Futuna are excluded. Nevertheless the 3 last are part of SEPA COM Pacifique. Netherlands: Aruba, the Caribbean Netherlands, Curaçao and Saint Maarten are excluded. Norway: Svalbard is excluded. United Kingdom: The British Overseas Territories (except Gibraltar) and the Crown dependencies are excluded. Jurisdictions using the euro that are not included: Akrotiri and Dhekelia, Kosovo, Montenegro and Vatican City.

The following countries will be paid out by Transferwise with a EUR 100 threshold in their local currency: Arab Emirates, Brazil, Canada, Chile, Georgia, Hong Kong, India, Japan, Morocco, Malaysia, Nigeria, New Zealand, Philippines, Pakistan, Singapore, Thailand, Turkey.

USA states will be paid out with a EUR 50 threshold by Transferwise.

Any other countries will be paid using Paypal (without Transferwise or SEPA) and the threshold is EUR 100 where banking costs will be covered by Publisher according to the terms of Paypal. With SEPA PublishDrive covers all banking fees, with Transferwise part of the fee is covered by PublishDrive and the other part by Publisher.

39. **Self-publishers: Self-publishers are welcome to use PublishDrive's Web Site if they are self-employed.** If Publisher is not a registered company or self-employed, PublishDrive cannot pay out royalties to the Publisher. As a self-employed Publisher is obliged to arrange and administer all their appropriate taxes, affixes etc. according to their home country's law. Further information may be received at the local tax agency houses.
40. **Self-billing:** Publisher confirms that PublishDrive is eligible to bill Publisher according to law. (self-billing) In this case Publisher exempt from any additional costs of billing (posting, tracking, fee of electronic billing etc.). PublishDrive bills Publisher according to the actual earning reports, which may be tracked through the Site of PublishDrive. However, Publisher acknowledges the fact that they will not issue any invoice related to ebook distribution to PublishDrive because of the self-billing method. In addition, Publisher agrees to give any formal data in PublishDrive which is required for self-billing such as they are allowed to issue invoices according to the law of their country of origin. Publisher may control the data with third party apps. If Publisher refuses to give such information in a timely manner or gives any fraud or pseudo information, PublishDrive owns the right to refuse the activity of self-billing for Publisher.
41. **Payments to PublishDrive:** In consideration of the Services rendered hereunder, you shall pay to PublishDrive any fees which are communicated on their website. Besides that there are no additional or hidden costs. PublishDrive holds the right that prices are amended from time to time by PublishDrive. It is your responsibility to notify PublishDrive if your payment method has changed by making the appropriate changes to your PublishDrive Account settings. If you do not provide a valid payment method your Services may be disconnected or interrupted. For a listing of PublishDrive's current fees and charges, click here: <http://publishdrive.com/pricing>.
42. **Correction of payments:** To the extent that you owe any amounts to PublishDrive as a consequence of this agreement, PublishDrive shall have the right to deduct all or a portion of such amounts from any Digital Fees otherwise then payable to you. In the event that PublishDrive overpays royalties, such as in cases when fraudulent or unauthorized purchases are charged back to PublishDrive after payments are made, then PublishDrive will deduct the funds owed from monies payable to you hereunder. If the amount owed exceeds your accrued monies, you agree to remit a payment back to PublishDrive within 20 days of notification to adjust the overpayment. In addition, in case of refunds or any other payable to PublishDrive, PublishDrive holds the right to list those titles in their catalogue for sale until the amounts payable are deducted from the royalties earned by Publisher.
43. **Fraudulent activities:** In the event that PublishDrive receives notice of any claim, demand, action or suit or other legal proceeding alleging facts inconsistent with your warranties and representations, or in the event that PublishDrive has reason to suspect that your Account has been subjected to and/or involved in fraudulent activities, PublishDrive reserves the right to discontinue posting of monies to your Account and block your ability to otherwise withdraw funds therefrom, until satisfactory resolution and/or explanation of the suspect activities is obtained. To the extent that any fraudulent activities are determined to be caused by your or your affiliates actions or omissions, any costs incurred by PublishDrive (including legal fees and costs) in connection therewith may, in addition to its other remedies, be deducted by PublishDrive from any monies otherwise payable to you hereunder. Certain of PublishDrive's licensees may also have policies related to fraud and suspected fraudulent activities and you agree that such policies shall be binding upon you hereunder

44. **Copyright infringement:** Publisher grants if there is a misuse of copyrights during distribution, or there is a copyright dispute with the author(s) of the ebooks, PublishDrive is notified immediately. In the event that PublishDrive is presented with a claim of breach of copyright, failure to comply with any third party license requirement or other breach of any of your warranties hereunder, and in its reasonable business judgment is compelled to engage an attorney to respond to such claim, PublishDrive shall - in its sole discretion - have the right to deduct from your Account or charge your credit card up to € 300 to offset the costs of associated legal fees. PublishDrive may decide to deactivate an account with many copyright infringement issues.
45. **Refund:** Publisher acknowledges that customers can withdraw from any purchase and they claim their money back. In that case Publisher can see these transactions as refund ('R') in PublishDrive's earning reports. Publisher is obligated in these cases to validate those cases as negative transactions. There is a "charge-back" refund option from banking institutions where a misuse of debit/credit card is reported (e.g. stolen debit/credit card). This refund is also demonstrated in earning reports as negative transactions. If refunds are more than 20% of the Publisher's overall sales, Publisher aims to improve the quality of the metadata and content of the refunded titles and in the meantime PublishDrive holds the right to withhold the payment with another 60 days, so all refunds may occur.
46. **Currency:** Publisher and PublishDrive agree on the fact that suggested retail price (suggested by Publisher) and the retail price at transactions may differ in terms of exchange rates of chosen currencies. PublishDrive aims to change given currencies of suggested retail prices depending on current exchange rates.
47. **Auditing:** In replacement of any other auditing rights, Publisher may request a certification from a chartered accountant, once a year at maximum, confirming that PublishDrive has completely and correctly accounted for Publisher's remuneration from time to time. In case of any deviation amounting to more than 5 % at Publisher's expense, PublishDrive shall be liable to pay the auditing fees; otherwise, Publisher shall be liable to pay such fees.

#### IV. Term and termination of Agreement

48. **Term:** PublishDrive aims to have a long term partnership with Publisher. That is why the term of the standard agreement between Publisher and PublishDrive is undetermined which can be terminated by either Party at least 90 days prior written notice.
49. **Termination for cause:** The rights of either party to terminate this Agreement for cause shall remain unaffected. Any termination of this Agreement shall be made in writing.
50. **Exit policy:** PublishDrive aims to have a long term partnership with Publisher. However, PublishDrive understands if Publisher wants to terminate the contract which has its process described here. The term of the standard agreement between Publisher and PublishDrive is undetermined. If the Publisher breaks or terminates this contract anytime and the publisher does not reach the payment threshold, PublishDrive holds the right to withhold the payment until it reaches the payment threshold (50 EUR and PublishDrive does not cover the transfer fees). If Publisher wants to terminate the contract with PublishDrive, Publisher has to write an email to [support@publishdrive.com](mailto:support@publishdrive.com) with the request at least 90 days prior written notice to the close of the then-current term.
51. **Confidentiality:** The parties agree to maintain secrecy towards third parties, during the term of this Reseller Agreement and for a period of 3 years following termination hereof, with respect to the contents of this Agreement and all information, Sales-Relevant Information, documentation, and data related thereto and not being in the public domain, and shall not make any of such information available to third parties. Either party will make use of any information obtained from the other party within the scope of cooperation for the intended purpose only and shall protect such information with the same care as it would protect its own business secrets.
52. **Liability:** Any liability of the parties for loss or damage caused by slight negligence shall be excluded, unless concerning any loss or damage the breaching party is to be held liable for in consequence of non-performance of any essential obligation the fulfilment of which is a basic prerequisite for this Agreement to be implemented duly and properly and on the adherence to which the parties may generally rely (so-called cardinal obligations). In such event, the breaching party shall be liable for those damages to property and

such financial losses which are attributable to the respective breach and which could reasonable be anticipated upon execution of this Agreement.

53. **Force Majeure:** Publisher will not be responsible for any failure to perform or delay attributable in whole or in part to any cause beyond its reasonable control, including but not limited to acts of God (fire, storm, floods, earthquakes, etc.), civil disturbances, disruption of telecommunications, disruption of power or other essential services, interruption or termination of service by any service providers being used by Distributor to link its servers to the Internet, labor disturbances, vandalism, cable cut, computer viruses or other similar occurrences, or any malicious or unlawful acts of any third party (each a "Force Majeure Event").
54. **Intellectual Property:** Publisher agrees that PublishDrive contains proprietary information and material that is owned by PublishDrive and/or its licensors, and is protected by applicable intellectual property and other laws, including but not limited to copyright, and that you will not use such proprietary information or materials in any way whatsoever except for use of PublishDrive in compliance with these Terms of Service. No portion of PublishDrive may be reproduced in any form or by any means.
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## **V. Account Information**

57. **Your Account Information:** In order to access some features of the Website, including your account information and periodic statements, you will have to create an online account ("Account"). You hereby represent and warrant that the information you provide to PublishDrive upon registration will be true, accurate, current, and complete. You also hereby represent and warrant that you will ensure that your Account information, including your e-mail address, is kept accurate and up to-date at all times during the Term of this Agreement.
58. **Password.** As a registered user of the Services you will have the login information, including a username and password. Your Account is personal and unique to the Publisher, you may add new users to your Account information for your colleagues of the Publisher. As you will be responsible for all activity that occurs under your Account, you should take care to preserve the confidentiality of your username and password, and any device that you use to access the Website. You agree to notify us immediately of any breach in secrecy of your login information. If you have any reason to believe that your Account information has been compromised or that your Account has been accessed by a third party not authorized by you, then you agree to immediately notify PublishDrive by e-mail to support@publishdrive.com. You will be solely responsible for the losses incurred by PublishDrive and others (including other users) due to any unauthorized use of your Account that takes place prior to notifying PublishDrive that your Account has been compromised.
59. **Disclosure of Information.** You acknowledge, consent, and agree that PublishDrive may access, preserve, and disclose your Account information and Your Authorized Content if required to do so by law or in a good faith belief that such access, preservation or disclosure is reasonably necessary to (i) comply with legal process; (ii) enforce this Agreement; (iii) respond to a claim that any of Your Authorized Content violates the rights of third parties; (iv) to respond to your requests for customer service; or (v) to protect the rights, business interests, property or personal safety of PublishDrive and its employees and users, and the public.
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## **VI. Final provisions**

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65. **Relationship of the Parties.** The parties hereto agree and acknowledge that the relationship between them is that of independent contractors. This Agreement shall not be deemed to create an agency, partnership or joint venture, and neither party is the other's agent, partner, or employee.
66. **Binding Effect.** This Agreement will be binding on the assigns, heirs, executors, affiliates, agents, personal representatives, administrators, and successors (whether through merger, operation of law, or otherwise) of each of the parties.

67. **Notice.** Any notice, approval, request, authorization, direction or other communication under this Agreement shall be given in writing and shall be deemed to have been delivered and given for all purposes on the delivery date if sent by electronic mail to the addresses provided to and by you upon registration with the PublishDrive Site, or as properly updated, or, in the absence of a valid electronic mail address.
68. **Place of performance and jurisdiction:** The agreed place of performance and exclusive jurisdiction for all disputes arising from or in connection with this Reseller Agreement shall be London.
69. **Governing law:** This Agreement shall be governed by the substantive law of UK.
70. **Written form:** This written Agreement shall solely be authoritative. Any amendment or supplement to this Agreement shall be subject to the approval of both parties hereto and shall be made in writing. The same applies to the present written-form clause.
63. **Severability:** In case any provision of this Agreement should be ineffective or unenforceable as a whole or in part, the remaining provisions shall not be affected. The parties agree beforehand to replace such ineffective or unenforceable provision by an effective and enforceable provision that is apt to accomplish the intended economic purpose of the replaced provision in the best possible manner. The same applies in the event of any loophole in this Agreement.