

EBOOK AGENCY/COMMISSIONAIRE
DISTRIBUTION AGREEMENT FOR INGRAMSPARK

This Agreement is between, on the one hand, Lightning Source LLC (“LS”), having its principal place of business at 1246 Heil Quaker Boulevard, La Vergne, TN 37086, and, on the other hand, _____ (“Publisher”), and is effective as of _____ (the “Effective Date”).

LS desires to be appointed and to appoint the Apple entities as agent or commissionaire on Exhibit A hereto (collectively and individually, as the context requires, “Apple”) as Publisher’s agent or commissionaire, as set forth herein, for the distribution of digital books under certain conditions as set out in this Agreement, and Publisher is willing to appoint LS and allow LS to appoint Apple as its agent or commissionaire, as the case may be, under such conditions.

In consideration of mutual promises, LS and Publisher (each a “Party” and collectively, the “Parties”) hereby agree as follows:

A. Paid or Free Distribution in Specified Countries.

For the distribution of Publisher’s digital books in the countries listed below, the terms contained in **Schedule 1** attached hereto shall set forth the conditions under which Apple is authorized to distribute Publisher’s digital books:

| | | | |
|----------------|--------------------|--------------------|----------------|
| Australia | Denmark | Italy | Poland |
| Austria | Dominican Republic | Japan | Portugal |
| Argentina | Ecuador | Latvia | Romania |
| Belgium | El Salvador | Lithuania | Slovakia |
| Belize | Estonia | Luxembourg | Slovenia |
| Bolivia | Finland | Malta, Republic of | Spain |
| Brazil | France | Mexico | Sweden |
| Bulgaria | Germany | Netherlands | Switzerland |
| Canada | Greece | New Zealand | Suriname |
| Chile | Guatemala | Nicaragua | United Kingdom |
| Colombia | Guyana | Norway | United States |
| Costa Rica | Honduras | Panama | Uruguay |
| Cyprus | Hungary | Paraguay | Venezuela |
| Czech Republic | Ireland | Peru | |

B. Free Distribution Only.

For the distribution of Publisher’s digital books in all countries other than those listed in Section A above, the terms contained in **Schedule 2** attached hereto shall set forth the conditions under which Apple is authorized to distribute Publisher’s digital books in such countries.

C. Confidentiality.

Each Party acknowledges that by reason of this Agreement it may have access to certain information and materials concerning the other Party's business plans, customers, technology, and products that are confidential and of substantial value to such Party,

which value would be impaired if such information were disclosed to third parties or used for purposes other than as expressly permitted by this Agreement (referred to in this Agreement as “Confidential Information”). Each Party agrees to maintain any and all Confidential Information received from the other, in confidence, and agrees not to disclose or otherwise make available such Confidential Information to any third party without the prior written consent of the disclosing Party. Each Party agrees that Confidential Information shall be disclosed to its employees and other personnel under its control and supervision for purposes of performing under this Agreement solely on a need-to-know basis in furtherance of this Agreement, and solely to those individuals who are bound by a written non-disclosure agreement having terms no less restrictive than the non-disclosure terms of this Section, unless required by law, or court or governmental order. To the extent Publisher’s disclosure of Confidential Information is required by law, Publisher shall take reasonable steps to notify LS and Apple of such requirement before disclosing said Confidential Information and shall take reasonable steps to obtain protective treatment of said Confidential Information. Confidential Information shall be deemed to include (i) information marked confidential, if conveyed in writing, and (ii) information identified orally as confidential, if conveyed orally. Confidential Information shall not be deemed to include any information which (a) is publicly known at the time of the disclosure, (b) becomes publicly known other than by breach of the terms of this Section, (c) becomes known to the receiving Party, without restriction, from a source free of any obligation of confidentiality and without breach of this Section, or (d) is independently developed by the receiving Party.

D. Press Release.

Neither Party shall make or issue any public statement or press release regarding this Agreement or its subject matter without prior written approval from the other Party.

E. Term and Termination.

1. The Term shall be the period beginning on the Effective Date, and continuing for one year (the “Initial Term”) followed by automatic monthly renewal periods, unless terminated by either Party pursuant to Section E.2. or, after the Initial Term, for any reason or no reason by either Party upon advance written notice of not less than thirty (30) days.
2. Subject to mandatory local law, either Party shall have the right to terminate this Agreement prior to the expiration of the Term if the other Party or Apple (i) becomes insolvent, (ii) files a petition in bankruptcy, (iii) makes an assignment for the benefit of creditors, or (iv) breaches a material term of this Agreement, unless such breach is cured within thirty (30) days from notice, or if not able to be so cured, then resolved to the other Party’s reasonable satisfaction.
3. Sections A - J of this Agreement, and any sections as specified in any of the attached Schedules, shall remain in full force and effect following the termination or expiration of this Agreement.

F. Additional Representations and Warranties of the Parties.

1. The Parties agree that the nature of their relationship is that of Publisher as principal and Apple as agent, or Publisher as principal and Apple as commissionaire, as the case may be.
2. Pursuant to the Agreement between LS and Apple, Apple shall not pledge, mortgage, or otherwise encumber any part of the materials furnished by, or on behalf of, Publisher to Apple in furtherance of Apple's appointment.
3. Each Party agrees that it has full authority to enter into this Agreement, and it shall fully perform in a professional and competent manner.
4. Each Party agrees that it owns or controls the necessary rights in order to make the grant of rights herein, and that the exercising of such rights shall not violate or infringe the rights of any third party.
5. Each Party agrees to perform in compliance with any applicable laws, rules, and regulations.

G. General Provisions.

1. *Contractors.* Apple may contract with third parties in furtherance of Apple's appointment, provided such third parties are subject to terms no less restrictive than the terms to which Apple is subject under this Agreement. Apple shall be responsible for the performance of such third parties while under Apple's control and supervision.
2. *Entire Agreement; Modification; Waiver.* This Agreement, including any schedules and exhibits, contains the entire understanding of the Parties relating to its subject matter, and supersedes all previous understandings between the Parties relating to the subject matter hereof. This Agreement cannot be changed or modified except by a writing signed by the Parties. A waiver by either Party of any term or condition of this Agreement in any instance shall not be deemed or construed as a waiver of such term or condition for the future, or of any subsequent breach thereof. If any provision of this Agreement is determined by a court of competent jurisdiction to be unenforceable, such determination shall not affect any other provision hereof, and the unenforceable provision shall be replaced by an enforceable provision that most closely meets the commercial intent of the Parties.
3. *Binding on Successors.* This Agreement shall be binding on the assigns, heirs, executors, administrators, and successors (whether through merger, operation of law, or otherwise) of the Parties. LS may assign or transfer any part of this Agreement to an entity controlled by, in common control with, or in control of LS without Publisher's consent.
4. *Notices.* Any notice under this Agreement shall be given in writing and shall be deemed to have been delivered and given: (i) on the delivery date if delivered personally; (ii) upon delivery by confirmed-receipt facsimile; (iii) one (1) business day after deposit with a commercial overnight carrier, with written verification of receipt; or (iv) five (5) business days after the mailing date, whether or not actually received, if sent by certified mail, return receipt requested, postage and charges

prepaid.

If to Publisher, to the contact specified by Publisher for its IngramSpark account, with a courtesy copy by email or facsimile, which copy shall not constitute notice, to the Legal contact specified by Publisher via iTunes Connect.

If to LS, to:
Lightning Source LLC
Attn: Legal Department
One Ingram Boulevard, Mail Stop #529
LaVergne, TN 37086-1986
Fax: 615-213-5080

5. *Governing Law.* This Agreement shall be governed and interpreted in accordance with the laws of the State of California, without regard to principles of conflict of laws. The Parties agree that any proceeding relating to this Agreement will take place in the Middle District of Tennessee and both Parties hereby waive the right to object to that choice of law, personal jurisdiction, or venue. Notwithstanding the foregoing, if Publisher (as an entity entering into this Agreement) is a United States public and accredited educational institution, then (i) this Agreement will be governed and construed in accordance with the laws of the state (within the United States) in which Publisher's educational institution is domiciled, except that body of state law concerning conflicts of law; (ii) Publisher's indemnification obligations in this Agreement apply to the extent permitted by such state law; and (iii) any litigation or other dispute resolution between Publisher and Apple arising out of or relating to this Agreement or Publisher's relationship with Apple will take place in federal court within the Northern District of California, and Publisher and Apple hereby consent to the personal jurisdiction of and exclusive venue of such District unless such consent is expressly prohibited by the laws of the state in which Publisher's educational institution is domiciled; and (iv) any litigation or other dispute resolution between Publisher and LS arising out of or relating to this Agreement or Publisher's relationship with LS will take place in federal court within the Middle District of Tennessee, and Publisher and LS hereby consent to the personal jurisdiction of and exclusive venue of such District unless such consent is expressly prohibited by the laws of the state in which Publisher's educational institution is domiciled.
6. *Counterparts.* This Agreement may be executed in counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same document.
7. *Remedies.* To the extent permitted by applicable law, the rights and remedies of the Parties provided under this Agreement are cumulative and in addition to any other rights and remedies of the Parties at law or equity.
8. *Headings.* The titles used in this Agreement are for convenience only and are not to be considered in construing or interpreting the Agreement.

9. *No Third-Party Beneficiaries.* This Agreement is for the sole benefit of the Publisher and its authorized successors and permitted assigns. Nothing is intended to confer upon any person or entity, other than the Publisher and its authorized successors and permitted assigns, any legal or equitable right, benefit, or remedy of any nature whatsoever under or by reason of this Agreement.

H. Legal Consequences.

The relationship among Publisher, Apple and LS established by this Agreement may have important legal and/or tax consequences for Publisher. Publisher acknowledges that it is Publisher's responsibility to consult with Publisher's legal and tax advisors with respect to Publisher's legal and tax obligations hereunder.

I. Termination of Any Prior Agreements.

If the Parties have previously entered into any eBook Distribution Agreement that is in effect as of the Effective Date and the territory of which includes any part of the Territory (each, if any, a "Prior Agreement"), the Parties hereby terminate each such Prior Agreement as of the Effective Date.

Lightning Source LLC

Publisher

By: _____

By: _____

Print Name: _____

Print Name: _____

Print Title: _____

Print Title: _____

Date: _____

Date: _____

Schedule 1

EBOOK AGENCY/COMMISSIONAIRE DISTRIBUTION SCHEDULE

UNITED STATES/CANADA/EUROPE/AUSTRALIA/NEW ZEALAND/ LATIN AMERICA/JAPAN

LS desires to be appointed and to appoint Apple as Publisher's agent (in those countries listed in Exhibit A, Section 1, of this Schedule 1) or Commissionaire (as defined hereunder) (in those countries listed in Exhibit A, Section 2, of this Schedule 1) for the sale and delivery of digital books under certain conditions as set out in this Schedule, and Publisher desires LS to appoint Apple as its agent or Commissionaire, as the case may be, under such conditions.

In consideration of mutual promises, LS and Publisher (each a "Party" and collectively, "Parties") hereby agree as follows:

Definitions.

The following terms shall have the following meanings for purposes of this Schedule:

- a. "Apple Affiliate" means an entity controlled by, in common control with, or in control of Apple.
- b. "Artwork" means book covers, photos, drawings, and illustrations associated with Publisher Content, including any artwork that is included in copies of Publisher Content in digital format, and which has been provided by or on behalf of Publisher to LS. All Artwork provided to LS shall have been cleared for LS's use for the purposes of performing its functions under this Schedule.
- c. "Commissionaire" means a non-risk bearing agent that acts in its own name but on the account of a principal.
- d. "Content File" means a digital file comprising at least an item of Publisher Content, associated Artwork, metadata and/or Insert Content and Extras.
- e. "Customer Price" means the actual customer-facing retail price displayed to the end-user on the Online Store, as set and designated by Publisher for each eBook in accordance with Exhibit C. For avoidance of doubt, this Customer Price is not synonymous with "digital list price" or "publisher list price" as such terms may customarily be used in the book publishing industry.
- f. "eBook" means an individual Content File containing Publisher Content, Artwork, Insert Content (if any), Extras (if any) and metadata in a form authorized by Publisher for download on the Online Store. Each eBook available for sale hereunder will be designated by its International Standard Book Number (ISBN) in the metadata. If Publisher makes eTextbooks available under this Schedule, then eTextbooks are also considered eBooks for the purposes of this Schedule except

as otherwise set forth in Exhibit H.

- g. “eBook Proceeds” means the amounts payable by customers for the purchase of eBooks (which amounts shall be net of taxes with respect to sales to customers in any country listed in Exhibit B, Section 1).
- h. “eTextbook” means a digital book that is used for learning and studying a particular subject that meets the criteria set forth herein and which has been accepted by Apple for distribution on the Textbook section of the Online Store. Each eTextbook shall contain an individual Content File containing Publisher Content, Artwork, Insert Content (if any), Extras (if any) and metadata in a form authorized by Publisher for download on the Online Store. Each eTextbook available for sale hereunder will be designated by its International Standard Book Number (ISBN) in the metadata.
- i. “Enhanced eBook” means an eBook that contains additional interactive/multimedia material (e.g. video, audio, interactive maps, PDFs, etc) or functionality (e.g. voting, quizzes, links, etc) beyond the text and images found in the book. Although this content is primarily multimedia in nature, it may also include supplemental text (e.g. author notes, additional chapters) or photographs/illustrations.
- j. “Insert Content” means promotional content provided by or on behalf of Publisher and associated with Publisher Content, such as book reviews, author bios, forewords and similar content.
- k. “iTunes Connect” means the proprietary content and account management tool known as iTunes Connect, made available by Apple to Publisher during the Term.
- l. “New Release” means any adult trade fiction or adult trade nonfiction book during the seven (7) month period following its first publication, regardless of format (e.g. physical or digital).
- m. “Online Store” means the electronic eBook store owned or controlled by Apple or an Apple Affiliate. For the avoidance of doubt, any electronic site that hosts the Volume Purchase Program as defined hereunder shall also constitute the Online Store for the purposes of this Schedule.
- n. “Preview” means an excerpt from each item of Publisher Content (e.g., no more than 10% of the book or as provided by Publisher as long as it is at least 5% of the book) used to promote the corresponding Publisher Content, as selected by Publisher in the metadata. The Parties agree that Previews need not be protected using the Security Solution or be subject to any content usage rules other than limited for personal, non-commercial use.
- o. “Publisher Content” means publishable textual and graphical book content owned or controlled by Publisher that has been cleared for distribution in digital form.

- p. “Publisher Materials” means, collectively, all materials furnished by or on behalf of Publisher to LS in furtherance of its appointment, including any Publisher Content, Artwork, metadata, Insert Content, Previews and any extra bonus-type text, audio, video or audio-visual content (“Extras”).
- q. “Security Solution” means Apple’s proprietary digital rights management solution marketed as “FairPlay.”
- r. “Territory” means those countries set forth in Exhibit A. For the sake of clarity, Publisher shall select the particular countries in which Apple may make eBooks available, on a title-by-title basis, using iTunes Connect or via other technical means provided and approved by Apple.
- s. “Trade” means those books published for, and marketed to, the general public, rather than books directed at a professional and/or academic audience.
- t. “Volume Purchase Program” or “VPP” means the program through which institutions may make bulk purchases of Publisher’s eBooks through an Apple branded site, subject to such institutions agreeing to terms substantially similar to those attached as Exhibit G hereto (terms for the United States used as an example).

2. Agency / Commissionaire Appointment.

- a. Publisher hereby appoints LS and LS shall appoint Apple (i) in those countries listed in Exhibit A, Section 1, as its non-exclusive agent for the sale and delivery of eBooks through the Online Store, on Publisher’s behalf, to end-users for their personal, non-commercial use; and (ii) in those countries listed in Exhibit A, Section 2 as its non-exclusive Commissionaire for the sale and delivery of eBooks through the Online Store, on Publisher’s behalf but in Apple’s own name, to end-users for their personal, non-commercial use.
- b. In furtherance of such appointment, Publisher hereby authorizes and instructs LS to cause Apple through its agreement with Apple to:
 - (i) Market and sell (i.e. solicit to, and obtain and fulfill orders from, end-users) for eBooks on Publisher’s behalf, including delivery of copies of Previews for free to potential eBook customers, in those countries listed in Exhibit A, Section 1;
 - (ii) Market and sell (i.e. solicit to, and obtain and fulfill orders from, end-users) for eBooks in Apple’s own name but on Publisher’s behalf, including delivery of copies of Previews for free to potential eBook customers, in those countries listed in Exhibit A, Section 2;
 - (iii) Make copies of, format, store in databases and data networks and otherwise prepare Content Files as necessary to make them publicly available for download by end-users as eBooks, including book cover Artwork, via any transmission method, system or network;

- (iv) Provide storage, searching, and hosting services so end-users may search for, obtain recommendations for, and acquire eBooks by electronic download through the Online Store;
 - (v) Provide receipts for the purchase price and any applicable sales, use, goods and services, value added or similar taxes payable by end-users for eBooks;
 - (vi) Provide customer support to end-users, including providing “re-downloads” to end-users in the event that an eBook previously purchased by the end-user is lost or becomes unusable;
 - (vii) Use and modify, such modification to be limited to resizing or cropping but only for the purpose of fitting the Artwork into the space allotted in any promotional materials, Artwork, Insert Content and metadata, and trademarks and logos associated with eBooks, as well as other images and materials provided by Publisher to LS, for promotional purposes in marketing materials (e.g. promotion on the Online Store and through directed marketing emails to Online Store customers); and
 - (viii) Do all other things reasonably necessary for Apple and LS to fulfill obligations to Publisher under this appointment, such as modify metadata as reasonably necessary to correct errors therein.
- c. During the Term, Publisher hereby authorizes Apple and LS to allow institutions to make bulk purchases of Publisher’s eBooks through the Online Store via the Volume Purchase Program. Any institution that has agreed to the VPP terms shall also be considered an “end-user” for the purposes of this Schedule.

3. Publisher Obligations.

- a. Publisher acknowledges that the breadth of eBook offerings on the Online Store is of the essence of this Schedule and the successful appointment. Publisher shall endeavor to make Publisher Content (including revisions, re-printings, updates etc.) available to LS and Apple under its appointment, and, subject to the terms of this appointment, in no event less than the Publisher Content it provides to any other electronic distributor, agent, commissionaire, or other representative of Publisher’s content in digital form. To the extent that Publisher has an eBook title for which it only has a PDF or other non-ePub digital version (“PDF Title”), and Publisher has made such eBook title available to any other electronic distributor, agent, commissionaire, or other representative of Publisher’s content in digital form, Publisher will make the corresponding PDF Title available to LS in the alternative digital format (e.g. PDF) and Apple or LS shall have the discretion to determine whether it will convert such PDF Title into ePub at its expense. In the event that Apple or LS elects to convert such PDF Title into ePub, Publisher will

subsequently make such converted title available on the Online Store and Apple or LS shall be under no obligation to return such ePub file to Publisher, provided Apple or LS shall only use the ePub file to make such eBook title available on the Online Store in accordance with this Schedule (including, e.g., making copies of, formatting, and storing such file on Apple or LS's servers). Notwithstanding the foregoing, to the extent that such PDF Title is highly formatted, Apple or LS shall consult with Publisher as to the look and feel of such title in ePub format before such title is made available for sale on the Online Store.

- b. Publisher shall not discriminate against LS or Apple with respect to the permitted usage rules, functionality, and quality of any Publisher Content, as compared to the terms under which such Publisher Content is supplied to any other electronic distributor, agent, commissionaire, or other representative of Publisher's content in digital form.
- c. Publisher shall work with Apple and LS in good faith to promote Publisher Content's availability on the Online Store.
- d. Except for a limited-time, one-off promotion for a particular item of Publisher Content, or in the event of a specific objection by an author as to a specific New Release, Publisher shall provide and make available any New Releases (or pre-orders of such New Releases) to LS under its appointment no later than the same day and date as Publisher makes any such New Release otherwise available to end-users in any format, including physical copies. For avoidance of doubt, at the time that Publisher delivers metadata to LS for a New Release title, such New Release title will be automatically enabled for pre-order on the Online Store. Notwithstanding the foregoing, any failure by Publisher to make available any New Releases on the same day and date as the physical release due to technical or operational reasons shall not be deemed a breach hereof, provided that (i) Publisher uses commercially reasonable efforts to make such New Releases available on the same day and date as the physical release; and (ii) Publisher does not make available such New Releases to any other electronic distributor, agent, commissionaire, or other representative of Publisher's content in digital form before such time as it is made available to LS.
- e. Publisher shall deliver Content Files to LS, at Publisher's expense, in the delivery format and using the delivery method reasonably specified by Apple on iTunes Connect, e.g., ePub, ibooks, or PDF format. Publisher Content will be delivered to a server in California by means of telecommunications or via "load & leave" per California State Board of Equalization Regulation 1502.
- f. Publisher shall not include any digital watermark or similar technologies in the Content File without LS's approval, which approval shall not be unreasonably withheld.

- g. Publisher shall deliver an Enhanced eBook only if it delivers the standard version, to the extent such standard version exists, of such Enhanced eBook no later than the delivery of such Enhanced eBook provided that Publisher has digital distribution rights for such standard edition.
- h. Publisher shall promptly notify LS in writing of any potential copyright infringements with respect to Publisher's eBooks of which Publisher becomes aware, including any Clearance Issues as defined under Section 6 below.

4. Royalties.

Publisher shall be responsible for and timely pay any royalties or license fees owed to authors, illustrators, artists, talent and other rights holders or contributors (if any) arising from the use of any Publisher Materials in furtherance of LS's and Apple's appointment as provided herein, including any payments required under collective bargaining agreements. For the sake of clarity, Publisher acknowledges and agrees that no royalty, fees, or other compensation is payable by Apple or LS to Publisher or any third party for the rights described in Sections 2(b)(vii) and 8(a). Publisher shall indemnify and hold harmless Apple and LS for any claims of authors, illustrators, artists, talent and other rightsholders or contributors (if any) against Apple or LS for additional remuneration or participation in the exploitation of the eBooks under applicable law.

5. Commission; Tax; and Reporting.

- a. For sales of eBooks to those customers located in any country listed in Exhibit B, Section 1 or Section 2 of this Schedule, Apple under its appointment shall be entitled to a commission of 30% percent of the Customer Price payable by eBook purchasers net of any and all taxes collected ("Apple Commission"). For sales of eBooks to those customers located in any country listed in Exhibit B, Section 1 or Section 2 of this Schedule, LS under its appointment shall be entitled to a commission equal to 15% of Net Sales (defined below) that occur through this Agreement ("LS Commission"). LS shall remit Net Sales less the LS Commission to Publisher. Except for the taxes to be collected by Apple as set forth in Section 5(f) hereunder, LS shall be entitled to the LS Commission without reduction for any taxes or other government levies, including any and all taxes or other similar obligations of Publisher, Apple, LS or any eBook purchaser relating to the delivery or use of the eBook. Publisher hereby acknowledges and agrees that LS shall be entitled to the LS Commission, in accordance with this Section 5(a) on the delivery of any eBook to any eBook purchaser, even if Apple or LS is unable to collect the Customer Price for that eBook from that eBook purchaser. The "sale" of an eBook shall occur when an eBook is first delivered to an end-user. "Net Sales" shall mean an amount equal to the Customer Price payable by eBook purchasers (net of any and all taxes collected) and received by LS, less the Apple Commission for all sales of eBooks to those customers located in any country listed in Exhibit B, Section 1 or Section 2 of this Schedule.

- b. For any eBook New Release published in a Major Market Country in any of its Primary Language(s), if the then-current Customer Price in a particular country in the Territory is materially higher than its customer price offered by any other eBook distributor to consumers in such country (“Other Customer Price”), then, Publisher shall, within two days following Publisher becoming aware of such Other Customer Price, set a new Customer Price for such country not to exceed the lowest known Other Customer Price. The Primary Language(s) for each Major Market Country is specified in the attached Exhibit F, which may be updated from time to time by the mutual consent of both Parties. Publisher shall not be required to set a new lower Customer Price for a particular country more than once in any fifteen (15) day period. For Australia, and Canada, Publisher shall use commercially reasonable efforts to comply with the foregoing requirement as of the Effective Date, but iTunes agrees that Publisher may have up to a ninety-day (90) phase-in period from the First Effective Date towards full compliance with such obligation. For the purposes of this section 5(b), the “First Effective Date” shall be the effective date of the first eBook Distribution Agency/Commissionaire Agreement entered into by Publisher with LS for a particular country in the Territory, regardless of whether that eBook Distribution Agency/Commissionaire Agreement has been terminated, renewed or restated per Section 19 hereunder, or any similar clause in previous eBook Distribution Agency/Commissionaire Agreements. Notwithstanding the foregoing, (i) this Section 5(b) does not apply to eBooks sold to customers in the United States; and (ii) until January 20, 2020, this Section 5(b) does not apply to eBooks sold in Canada; and (iii) until December 18, 2017, this Section 5(b) does not apply to eBooks sold in countries within the jurisdiction of the European Commission in the then current European Economic Area (e.g. Austria, Belgium, Bulgaria, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Italy, Latvia, Liechtenstein, Lithuania, Luxembourg, Malta, Netherlands, Norway, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden, and the United Kingdom).
- c. After deducting LS’s commission from eBook Proceeds, LS shall either remit to Publisher, or issue a credit in Publisher’s favor, subject to LS’s standard business practices, including minimum monthly remittance amount thresholds determined by LS, the remaining balance by electronic funds transfer (“EFT”) no later than ninety (90) days following the close of the previous monthly sales period. With respect to any payments owed by Publisher to LS, LS reserves the right to set-off or deduct amounts owed by LS to Publisher.
- d. LS will make available to Publisher a monthly sales report in sufficient detail to permit Publisher to identify the eBooks sold in that monthly period and the total amount to be remitted to Publisher by LS. Sales will be reported to Publisher in the currencies authorized for each market by the Publisher. Amounts reported in currencies that are not the Publisher’s preferred payment currency will be converted to Publisher’s preferred payment currency using conversion rates provided by LS’s independent third party exchange rate information service. Provided, however, that

the sales and payment currencies are among the standard currencies that are supported by LS for reporting and payment. All amounts are converted to Publisher's preferred payment currency on the last day of the LS accounting month of the then current sales reporting period.

- e. Publisher is responsible for any fees (e.g., wire transfer and EFT fees) charged by Publisher's bank or any intermediary banks.
- f. Subject to the specific provisions of Exhibit D applicable to particular countries in the Territory, in the event that the sale or delivery of any of the eBooks to any end-user is subject to any sales, use, goods and services, value added, or other similar tax, under applicable law, responsibility for the collection and remittance of that tax for sales of the eBooks to end-users will be determined in accordance with Exhibit B of this Schedule. Upon Publisher's request, LS will cause Apple to provide confirmation, using means reasonably designated by Apple, that Apple has collected and remitted any taxes required under this Section 5(f) to the appropriate tax authorities.
- g. If a purchase is subject to withholding or similar tax, or any sales, use, goods and services, value added, or other tax or levy not collected by Apple hereunder or any other tax or other government levy of whatever nature, the full amount of that tax or levy shall be solely for Publisher's account, and shall not reduce the commission to which LS is entitled.
- h. Apple may withhold any taxes, duties, charges or levies on payments and services by Apple that Apple, in its discretion, determines are required by applicable law, rule or regulation, and Apple shall remit any such withholding and/or taxes to the appropriate tax authority. The full amount of any such withholding by Apple for any taxes, duties, charges or levies on payments by Apple shall be solely for Publisher's account, and shall not reduce the commission to which LS is entitled.
- i. Upon timely request to Apple in writing, using means reasonably designated by Apple, Apple will use commercially practical efforts to report the amount of Apple's payment of withholding or similar taxes to the competent tax authorities. Publisher will indemnify and hold LS and Apple harmless against any and all claims by any competent tax authority for any underpayment of any such withholding or similar taxes, and any penalties and/or interest thereon, including, but not limited to, underpayments attributable to any erroneous claim or representation by Publisher.
- j. Publisher shall indemnify and hold LS and Apple harmless against any and all claims by any tax authority for any underpayment of any sales, use, goods and services, value added or other tax or levy, and any penalties and/or interest thereon.
- k. In furtherance of the Parties' respective tax compliance obligations, Publisher agrees to comply with the requirements listed on Exhibit D and the countries

designated by Publisher in which Publisher wishes Apple to allow access to eBooks hereunder.

6. Apple and LS Obligations.

- a. LS shall cause Apple to condition use of eBooks on an end-user's acknowledgement of terms of use, which terms shall state that any use of eBooks is for personal and non-commercial use only, and that the sale of eBooks does not provide any commercial or promotional use rights in any eBook. Notwithstanding the foregoing, in the event that the end-user is an institution that purchases books through VPP as provided for in Section 2(c), such institution's terms of use shall be guided by the terms substantially similar to those set forth in the attached Exhibit G, or, for enterprise, substantially similar to those available at <http://www.apple.com/legal/itunes/vppbusiness/us/terms.html> and the usage rules set forth in Exhibit E shall not apply to such institution.
- b. The commission provided for in Section 5(a) above shall constitute LS's reimbursement for all marketing, storage, hosting, and delivery costs associated with LS's appointment activities, except as otherwise agreed by the Parties in writing.
- c. If Publisher notifies LS that, for reasons beyond its control, it is no longer able to authorize LS to use certain rights permitted under its appointment, if LS's exercise of its rights will cause Publisher to violate the rights of a third party, or if an author or heirs object to LS's exercise of its authorization under its appointment (each a "Clearance Issue"), then Publisher may withhold or withdraw such authorization, in which case LS shall cause Apple to cease promotion and sales of eBooks using such withdrawn rights within four (4) business days of such notice (for the avoidance of doubt, Apple may continue to provide re-downloads of previously purchased eBooks). Publisher shall not discriminate against Apple regarding any withdrawal requests.

7. Parental Advisory.

In furtherance of enabling end-users to make informed purchasing decisions, Publisher may provide LS with appropriate content ratings for corresponding Publisher Content.

8. Names and Likenesses; Promotional Use and Opportunities.

- a. LS shall authorize Apple to use the names and authorized likenesses of, and biographical material for, any eBook author, illustrator or other talent, as well as Previews, Insert Content, or Artwork, in furtherance of promoting Publisher Content on the Online Store. Further written approval from Publisher shall be required if any name, likeness or identifying material is otherwise used as an endorsement of Apple, the Online Store, or other products.

- b. For the avoidance of doubt, generally, LS may allow Apple to promote the Online Store and content on the Online Store in its sole discretion.

9. Copyright Notices; Ownership.

- a. Publisher shall provide an appropriate copyright notice in the Content File, or as reasonably requested by LS, which LS shall cause Apple to display for each eBook.
- b. As between the Parties, subject to any pre-existing rights of LS, all right, title and interest in and to (i) Publisher Content, (ii) Artwork, (iii) Previews, (iv) Insert Content, (v) all copyrights and equivalent rights embodied therein, and (vi) any other materials furnished by Publisher, shall remain the property of Publisher; nonetheless, LS shall not have any lesser rights than it would otherwise have as a member of the public.

10. Content Protection.

- a. LS shall cause Apple to protect materials furnished by Publisher in a manner no less restrictive than LS and Apple protect materials furnished by any other book publisher, including the use of the Security Solution, and the implementation and enforcement of Content Usage Rules, as set forth in Exhibit E, except as otherwise agreed by Publisher and LS. Notwithstanding the foregoing, on a title-by-title and country-by-country basis, using technical means provided and approved by LS, Publisher may instruct LS and Apple to make eBooks available hereunder without the Security Solution. If the Security Solution is compromised such that eBooks are being made widely available without restriction, having a material adverse effect on the commercial purpose of the appointment and this Schedule, then LS shall cause Apple to use commercially reasonable efforts to cure such compromise. If the breach is not substantially cured within thirty (30) days, then Publisher may stop providing additional New Releases to LS, and if the breach is not substantially cured within sixty (60) days, then Publisher may suspend LS's appointment until cured.
- b. In the event of a security breach of the Online Store servers such that unauthorized access to Publisher Content becomes available, then LS shall cause Apple to disable all access to such servers or destroy content on such servers within twenty-four (24) hours.
- c. Publisher Materials in Apple's control or possession shall reside only on secure network servers or equivalent devices owned or controlled by Apple or its contractors with restricted access.

11. Record-Keeping and Audit.

- a. LS shall cause Apple to maintain complete records regarding sales of eBooks and proceeds payable to Publisher for at least three (3) years following the applicable monthly sales period.
- b. Unless Publisher provides a detailed objection within two (2) years following the applicable monthly sales period, Publisher shall be deemed to consent to all reports, and reports shall not be subject to objection by Publisher for any reason. Publisher agrees that LS's books and records contain "Confidential Information" (as defined below).

12. Termination and Effect of Termination.

- a. Sections 1, 4, 5, 6(b), 9(b), 10, 12, and 13 shall remain in full force and effect following the termination or expiration of this Agreement.
- b. If this Agreement terminates or expires, then Publisher Materials in LS's possession or control shall be promptly destroyed, excluding copies necessary for Apple and LS's standard customer support practices, e.g., re-downloads (subject to applicable terms in this Agreement), or required to be maintained by applicable law, rule or regulation.

13. Indemnification and Limitation of Liability.

- a. LS shall have no product liability for any eBook. Publisher shall be solely responsible for any and all product warranties.
- b. Publisher shall be solely responsible for, and Apple and LS shall have no responsibility or liability whatsoever with respect to, any and all claims, suits, liabilities, losses, damages, costs and expenses arising from, or attributable to, Publisher Materials and/or use by any end-user, including, but not limited to: (i) claims of breach of warranty; (ii) product liability claims; and (iii) claims that any of the Publisher Materials and/or the end-user's possession or use of those materials infringes the copyright or other intellectual property rights of any third party.
- c. In the event that Apple or LS receives any notice or claim from any end-user arising from a product liability issue for Publisher Content, Apple or LS may refund the end-user the full amount of the price paid by the end-user. In the event that Apple or LS refunds any such price to an end-user, Publisher shall reimburse, or grant LS a credit for, an amount equal to the price for that eBook. LS will nonetheless have the right to retain its earned commission on the eBook, notwithstanding the refund of the price to the end-user.
- d. To the extent permitted by applicable law, Publisher will indemnify and hold harmless, and upon LS's request, defend, Apple or LS and its affiliates (and their

respective directors, officers and employees) from and against any and all losses, liabilities, damages, costs and expenses (including reasonable attorneys' fees and costs) arising out of a claim by a third party by reason of a breach of any warranty, representation, covenant or obligation of Publisher under this Agreement; or any claim that Publisher Materials infringe the intellectual property rights of another party. LS shall promptly notify Publisher of any such claim, and Publisher may assume control of the defense or settlement of such claim, provided that Publisher shall not take any position adverse to LS's interests, and shall meaningfully consult with LS, with respect to such defense or settlement. Apple or LS shall have the right, at its expense and with its chosen counsel, to participate in the defense of any such claim and/or, at its discretion, to settle any such claim at its expense.

- e. EXCEPT PURSUANT TO AN EXPRESS INDEMNITY OBLIGATION, IN NO EVENT SHALL EITHER PARTY BE LIABLE TO THE OTHER FOR SPECIAL, INDIRECT, INCIDENTAL, OR CONSEQUENTIAL DAMAGES, SUCH AS LOSS OF PROFITS OR PUNITIVE DAMAGES, EVEN IF ADVISED OF THEIR POSSIBILITY.
- f. NO WARRANTY OR TERM, EXPRESS OR IMPLIED, STATUTORY OR OTHERWISE, AS TO THE CONDITION, QUALITY, DURABILITY, PERFORMANCE, MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OF THE ONLINE STORE OR ANY ELEMENTS THEREOF IS GIVEN TO, OR SHOULD BE ASSUMED BY, PUBLISHER, AND ANY SUCH WARRANTIES AND TERMS ARE HEREBY EXCLUDED.

EXHIBIT A

Apple Appointment by Country

Publisher hereby authorizes LS, as its agent, to appoint Apple as follows:

1. Apple as Agent.

Publisher appoints Apple Inc. as Publisher's agent pursuant to California Civil Code §§ 2295 *et seq.* for the sale and delivery of eBooks to end-users located in the following countries:

| | | | |
|---------------|--------------------|-----------|-----------|
| United States | Colombia | Guyana | Peru |
| Argentina | Costa Rica | Honduras | Suriname |
| Belize | Dominican Republic | Mexico | Uruguay |
| Bolivia | Ecuador | Nicaragua | Venezuela |
| Brazil | El Salvador | Panama | |
| Chile | Guatemala | Paraguay | |

Publisher appoints Apple Pty Limited ("Apple Australia") as Publisher's agent for the sale and delivery of eBooks to end-users located in the following countries:

Australia New Zealand

Publisher appoints Apple Canada, Inc. ("Apple Canada") as Publisher's agent for the sale and delivery of eBooks to end-users located in the following country:

Canada

Publisher appoints iTunes K.K. ("iTunes Japan") as Publisher's agent pursuant to Article 643 of the Japanese Civil Code for the sale and delivery of eBooks to end-users located in the following country:

Japan

2. Apple as Commissionaire.

Publisher appoints Apple Distribution International as Publisher's commissionaire for the sale and delivery of eBooks to end-users located in the countries set forth below. For the purposes of this agreement, "commissionaire" means an agent who purports to act on its own behalf and concludes agreements in its own name, but acts on behalf of others, as generally recognized in many civil law legal systems.

| | | | |
|----------------|-----------|--------------------|----------------|
| Austria | France | Luxembourg | Slovenia |
| Belgium | Germany | Malta, Republic of | Spain |
| Bulgaria | Greece | Netherlands | Sweden |
| Cyprus | Hungary | Norway | Switzerland |
| Czech Republic | Ireland | Poland | United Kingdom |
| Denmark | Italy | Portugal | |
| Estonia | Latvia | Romania | |
| Finland | Lithuania | Slovakia | |

EXHIBIT B

Tax Collection and Remittance

1. Apple shall collect and remit to the competent tax authorities the taxes described in Section 5(f) of this Schedule for sales of eBooks to end-users located in the following countries:

| | | |
|----------------|--------------------|----------------|
| Australia | Germany | Norway |
| Austria | Greece | Poland |
| Belgium | Hungary | Portugal |
| Bulgaria | Ireland | Romania |
| Canada | Italy | Slovakia |
| Cyprus | Latvia | Slovenia |
| Czech Republic | Lithuania | Spain |
| Denmark | Luxembourg | Sweden |
| Estonia | Malta, Republic of | Switzerland |
| Finland | Netherlands | United Kingdom |
| France | New Zealand | United States |

2. Apple shall not collect and remit to the competent tax authorities the taxes described in Section 5(f) of this Schedule for sales of eBooks to end-users located in the countries below. Publisher shall be solely responsible for the collection and remittance of such taxes as may be required by local law.

| | | |
|--------------------|-------------|-----------|
| Argentina | Ecuador | Nicaragua |
| Belize | El Salvador | Panama |
| Bolivia | Guatemala | Paraguay |
| Brazil | Guyana | Peru |
| Chile | Honduras | Suriname |
| Colombia | Japan | Uruguay |
| Costa Rica | Mexico | Venezuela |
| Dominican Republic | | |

EXHIBIT C

1. United States (all prices in US dollars, excluding any applicable sales tax).

For New Release (as defined in Section 1(l)) titles with list prices of \$40 or less, Publisher shall determine in its discretion a Customer Price not greater than the Maximum Customer Price from among the following corresponding price bands:

| Publisher Hardcover List Price | Maximum Customer Price |
|--------------------------------|--|
| | |
| \$0.01-9.99 | \$100% of Publisher Hardcover List Price |
| \$10.00-21.00 | \$9.99 |
| \$21.01-\$22.50 | \$10.99 |
| \$22.51-\$25.00 | \$11.99 |
| \$25.01-\$27.50 | \$12.99 |
| \$27.51-\$30.00 | \$14.99 |
| \$30.01-\$35.00 | \$16.99 |
| \$35.01-\$40.00 | \$19.99 |

“Maximum Customer Price” means the highest Customer Price permitted for the corresponding range of list prices in a given band above, provided that Publisher can set a lower Customer Price in its discretion.

For books then-currently on the NYT Bestseller List that list for \$30 or less, the Customer Price will be no greater than \$12.99; and that list between \$30.01-\$35.00, the Customer Price will be no greater than \$14.99. “NYT Bestseller List” means the Hardcover Adult Fiction, Hardcover Adult Nonfiction and Hardcover Advice bestseller lists as published on the New York Times website, excluding the below-the-line “Also Selling” titles also known as the “Expanded List.”

For all books published in mass market or trade paperback with a list price of \$22.00 or less, the Customer Price set by Publisher shall not be greater than the lesser of (i) \$9.99 or (ii) one hundred percent (100%) of the list price, during the first twelve (12) months after publication in those formats. Thereafter, Publisher may set whatever Customer Price it deems appropriate in its discretion, provided that Apple does not have to make such eBooks available if Apple determines the price is unrealistic.

For eBooks for which there is no corresponding physical product, and eBooks that are (i) not primarily text for reading, (ii) Enhanced eBooks (provided Publisher provides Apple with the standard version), (iii) New Release books that list for more than \$40, (iv) eBooks published in a language other than a language commonly spoken in the United States, or (v) not New Release books, Publisher may set whatever Customer Price it deems appropriate in its discretion, provided that Apple does not have to make such eBooks available if Apple determines the price is unrealistic.

All prices set by Publisher hereunder for any eBooks must be in dollar increments that end in “--.99,” and in accordance with the price increments made available by Apple, except if Publisher sets the price for a particular eBook at \$0 (i.e., free).

2. Canada – All titles except French-Language Titles (all prices in Canadian dollars, excluding GST, QST, or PST).

For New Release (as defined in Section 1(l)) titles with List Prices of \$42.00 or less, Publisher may designate a Customer Price from among the following price bands for the corresponding eBook:

| Publisher List Price (CAD\$) | Maximum Customer Price (CAD\$) |
|------------------------------|--------------------------------|
| | |
| \$0.01 - \$24.00 | \$11.99 |
| \$24.01 - \$27.00 | \$13.99 |
| \$27.01 - \$30.00 | \$14.99 |
| \$30.01 - \$32.00 | \$15.99 |
| \$32.01 - \$33.50 | \$16.99 |
| \$33.51 - \$37.00 | \$17.99 |
| \$37.01 - \$42.00 | \$20.99 |

“Maximum Customer Price” means the highest permitted Customer Price for the range of Publisher List Prices in a given price band above, provided that Publisher can set a lower Customer Price in its discretion. “Publisher List Price” means Publisher’s suggested retail price for the corresponding physical book.

For all mass market or trade paperback editions of adult fiction or nonfiction books consisting primarily of text for reading with a Publisher List Price of \$24.00 or less, the Customer Price for the corresponding eBook shall be no greater than the lesser of (i) one hundred percent (100%) of the Publisher List Price, or (ii) \$11.99, during the first twelve

(12) months after the generally available commercial publication of the applicable title in such format.

Subject to Section 5(b), for (i) all other eBooks (i.e., except as set forth above), (ii) eBooks that are published in a language other than a language commonly spoken in Canada, or (iii) any books with a list price greater than \$42.00, Publisher may set whatever Customer Price it deems appropriate in its discretion, provided that Apple does not have to make such eBooks available if Apple determines that the price is unrealistic.

All prices set by Publisher hereunder for any eBooks must be in dollar increments that end in “--.99,” and are in accordance with the price increments made available by Apple, except if Publisher sets the price for a particular eBook at \$0 (i.e., free).

3.Canada – French-Language Titles (all prices in Canadian dollars, excluding GST, QST, or PST).

This Section 3 of Exhibit C applies only to French-language titles being distributed in Canada.

For New Release (as defined in Section 1(l)) titles, Publisher agrees that the Maximum Customer Price shall be a price that does not exceed seventy-five percent (75%) of the lowest available print format list price (“Publisher List Price”), provided that if the resulting seventy-five percent (75%) of the Publisher List Price ends in “--.50” or above, Publisher shall round the Maximum Customer Price up to the nearest “--.99” cent increment, and that if the resulting seventy-five percent (75%) of the Publisher List Price ends in “--.49” or below, Publisher shall round the Maximum Customer Price down to the nearest “--.99” cent increment.

“Maximum Customer Price” means the highest permitted Customer Price; for avoidance of doubt, Publisher is free to set a lower Customer Price in its discretion.

For all mass market or trade paperback editions of adult fiction or nonfiction books consisting primarily of text for reading with a List Price of \$18.00 or less, the Customer Price for the corresponding eBook shall be no greater than the lesser of (i) one hundred percent (100%) of the Publisher List Price, or (ii) \$13.99, during the first twelve (12) months after the generally available commercial publication of the applicable title in such format.

Subject to Section 5(b), for all other French-language eBooks (i.e., except as set forth above), Publisher may set whatever Customer Price it deems appropriate in its discretion, provided that such Customer Price will not exceed the Publisher List Price, and Apple does not have to make such eBooks available if Apple determines the price is unrealistic.

All prices set by Publisher hereunder for any eBooks must be in dollar increments that end in “--.99,” and are in accordance with the price increments made available by Apple, except if Publisher sets the price for a particular eBook at \$0 (i.e., free).

4.United Kingdom (all prices in Pounds Sterling, inclusive of VAT).

For New Release (as defined in Section 1(l)) titles, Publisher shall determine in its discretion a Customer Price not greater than the Maximum Customer Price (as defined below) from among the following corresponding price bands:

| Publisher List Price | Maximum Customer Price |
|----------------------|------------------------------|
| | |
| £0.01-5.49 | 100% of Publisher List Price |
| £5.50-7.00 | £5.49 |
| £7.01-8.00 | £6.49 |
| £8.01-9.00 | £6.99 |
| £9.01-11.00 | £7.49 |

| | |
|--------------|--------|
| £11.01-13.00 | £8.99 |
| £13.01-15.00 | £9.99 |
| £15.01-17.00 | £10.99 |
| £17.01-19.00 | £11.99 |
| £19.01-21.00 | £12.99 |
| £21.01-25.00 | £15.99 |

The foregoing Maximum Customer Price does not apply to New Release titles (w) with Publisher List Prices of £25.01 or higher, (x) for which there is no corresponding physical product, (y) that are Enhanced eBooks (for avoidance of doubt this does not apply to the standard version of such Enhanced eBook), or (z) published in a language other than a language commonly spoken in the United Kingdom.

Subject to Section 5(b), Publisher may set whatever Customer Price it deems appropriate in its discretion for all other eBooks to which the Maximum Customer Price does not apply, provided Apple does not have to make such eBooks available if Apple determines that the price is unrealistic.

“Maximum Customer Price” means the highest permitted Customer Price for the range of Publisher List Prices in a given price band above, provided that (i) the Customer Price must end in “--.99” in relation to Customer Prices greater than £10.00 and / or “-.49” in relation to Customer Prices lower than £10.00, and are in accordance with the price increments made available by Apple, except if Publisher sets the price for a particular eBook at £0 (i.e., free), and (ii) Publisher can set a lower Customer Price in its discretion.

“Publisher List Price” means the lowest retail price recommended by Publisher for any currently available print edition of the eBook.

5. Austria, Belgium, Cyprus, Estonia, Finland, France, Germany, Greece, Ireland, Italy, Latvia, Lithuania, Luxembourg, Republic of Malta, Netherlands, Portugal, Slovakia, Slovenia, Spain (all prices in Euros, inclusive of VAT).

Subject to Section 5(b), Publisher may set whatever Customer Price it deems appropriate in its discretion for all eBooks, provided that Apple shall have no obligation to make such eBooks available if Apple determines the price is unrealistic.

The Customer Price must end in “--.99” in relation to Customer Prices greater than €10.00 and / or “-.49” in relation to Customer Prices lower than €10.00, and are in accordance with the price increments made available by Apple, except if Publisher sets the price for a particular eBook at €0 (i.e., free).

For the avoidance of doubt, the Parties acknowledge and agree that the Publisher is solely responsible for ensuring compliance with and warrants that it will comply with any resale price fixing legislation (e.g., the German Book Resale Price Fixing Act (“Buchpreisbindungsgesetz” - BRPFA)), applicable in the respective country in the Territory, when setting the Customer Price.

6. Bulgaria, Czech Republic, Hungary, Poland, Romania (all prices in Bulgarian lev, Czech koruna, Hungarian Forint, Polish zloty, and Romanian New Leu, respectively, each inclusive of VAT).

Subject to Section 5(b), Publisher may set whatever Customer Price it deems appropriate in its discretion for all eBooks, provided that Apple shall have no obligation to make such eBooks available if Apple determines the price is unrealistic.

The Customer Price must end in “--.00” for the lev, koruna, Forint, zloty, and New Leu in relation to Customer Prices, and be in accordance with the price increments made available by Apple for each respective country, except if Publisher sets the price for a particular eBook at 0 in such relevant country (i.e., free).

If Publisher had submitted prices for these countries in Euros, and has not yet supplied local currency pricing, then Publisher authorizes Apple to do a one-time conversion of Publisher’s Customer Prices supplied in connection with the sale of eBooks to customers in Bulgaria, Czech Republic, Hungary, Poland, Romania into the respective local currencies set forth in this Section 6 of Exhibit C for each country. To do such conversion, Apple shall first convert the Customer Prices supplied by Publisher in Euros into the respective local currency using the currency conversion rate in effect at the time that Apple began the process in May 2017 to change the currency in the iBooks Store for such country from Euros to local currency. Apple will then set the Customer Price in local currency by selecting the nearest available increment in Apple’s systems (the “Converted Price”). Notwithstanding the foregoing, if the price is higher than the highest increment available in Apple’s systems after the price has been converted into the respective local currency, then the title so affected will not be available for sale on the iBooks Store in the applicable country unless Publisher selects an available price increment for such title. If Publisher has delivered pricing in local currency, such pricing will be the Customer Price and shall replace any converted prices that may have been attributed to such books under the foregoing procedure. For the avoidance of doubt, Publisher shall be able to change its Customer Prices at any time subject to this Exhibit C.

For the avoidance of doubt, the Parties acknowledge and agree that the Publisher is solely responsible for ensuring compliance with and warrants that it will comply with any resale price fixing legislation (e.g., the German Book Resale Price Fixing Act (“Buchpreisbindungsgesetz” - BRPFA)), applicable in the respective country in the Territory, when setting the Customer Price.

7. Denmark, Sweden, Norway, and Switzerland (Kroner, Kрона, Krone, and the Swiss Franc, respectively, inclusive of VAT).

Subject to Section 5(b), Publisher may set whatever Customer Price it deems appropriate in its discretion for all eBooks, provided that Apple shall have no obligation to make such eBooks available if Apple determines the price is unrealistic.

All prices set by Publisher hereunder for any eBooks must be in increments that end in “--.00” for the Danish Kroner, Norwegian Krone, and Swedish Kрона or, for the Swiss Franc, in increments that end in “--.00” in relation to Customer Prices greater than 8.00

CHF and / or “--.50” in relation to Customer Prices lower than 8.00 CHF, and in accordance with the price increments made available by Apple, except if Publisher sets the price for a particular eBook at 0 in the relevant currency (i.e., free).

For the avoidance of doubt, the parties acknowledge and agree that the Publisher is solely responsible for ensuring compliance with and warrants that it will comply with any resale price fixing legislation (e.g. the German Book Resale Price Fixing Act (“Buchpreisbindungsgesetz” - BRPFA)), applicable in the respective country in the Territory, when setting the Customer Price.

8. Australia (all prices in Australian dollars, inclusive of GST).

For New Release (as defined in Section 1(l)) titles, Publisher shall determine in its discretion a Customer Price not greater than the “Maximum Customer Price” as defined below:

For New Release titles, Publisher agrees that the Maximum Customer Price shall be a price that does not exceed sixty percent (60%) of the lowest available print format list price (“Publisher List Price”), provided that if the resulting sixty percent (60%) of the Publisher List Price ends in “--.50” or above, Publisher shall round the Maximum Customer Price up to the nearest “--.99” cent increment, and that if the resulting sixty percent (60%) of the Publisher List Price ends in “--.49” or below, Publisher shall round the Maximum Customer Price down to the nearest “--.99” cent increment.

“Maximum Customer Price” means the highest permitted Customer Price, provided that Publisher can set a lower Customer Price in its discretion.

Subject to Section 5(b), for all other eBooks (i.e., except as set forth above), and eBooks that are published in a language other than a language commonly spoken in Australia, Publisher may set whatever Customer Price it deems appropriate in its discretion, provided that such Customer Price will not exceed the Publisher List Price, and Apple does not have to make such eBooks available if Apple determines the price is unrealistic.

All prices set by Publisher hereunder for any eBooks must be in dollar increments that end in “--.99,” and are in accordance with the price increments made available by Apple, except if Publisher sets the price for a particular eBook at \$0 (i.e., free).

9. New Zealand (all prices in New Zealand dollars inclusive of GST).

For New Release (as defined in Section 1(l)) titles, Publisher shall determine in its discretion a Customer Price not greater than the “Maximum Customer Price” as defined below:

For New Release titles with a List Price of \$14.99 and under, Publisher agrees that the Maximum Customer Price shall be one hundred percent (100%) of the lowest available print format list price (“Publisher List Price”), provided that if one hundred percent (100%) of the Publisher List Price ends in “--.50” or above, Publisher shall round the Maximum Customer Price up to the nearest “--.99” cent increment, and that if the

resulting one hundred percent (100%) of the Publisher List Price ends in “--.49” or below, Publisher shall round the Maximum Customer Price down to the nearest “--.99” cent increment. For New Release titles with a Publisher List Price of \$15.00 or more, Publisher agrees that the Maximum Customer Price shall be a price that does not exceed sixty percent (60%) of the Publisher List Price, provided that if the resulting sixty percent (60%) of the Publisher List Price ends in “--.50” or above, Publisher shall round the Maximum Customer Price up to the nearest “--.99” cent increment, and that if the resulting sixty percent (60%) of the Publisher List Price ends in “--.49” or below, Publisher shall round the Maximum Customer Price down to the nearest “--.99” cent increment.

“Maximum Customer Price” means the highest permitted Customer Price, provided that Publisher can set a lower Customer Price in its discretion.

Subject to Section 5(b), for all other eBooks (i.e., except as set forth above), and eBooks that are published in a language other than a language commonly spoken in New Zealand, Publisher may set whatever Customer Price it deems appropriate in its discretion, provided that such Customer Price will not exceed the Publisher List Price, and Apple does not have to make such eBooks available if Apple determines the price is unrealistic.

All prices set by Publisher hereunder for any eBooks must be in dollar increments that end in “--.99,” and are in accordance with the price increments made available by Apple, except if Publisher sets the price for a particular eBook at \$0 (i.e., free).

10. Mexico (all prices in Mexican Pesos, excluding any applicable sales tax).

Subject to Section 5(b), Publisher may set whatever Customer Price it deems appropriate in its discretion for all eBooks, provided that Apple shall have no obligation to make such eBooks available if Apple determines the price is unrealistic.

All prices set by Publisher hereunder for any eBooks must be in peso increments that end in “--.00,” and are in accordance with the price increments made available by Apple, except if Publisher sets the price for a particular eBook at \$0 (i.e., free).

For the avoidance of doubt, the parties acknowledge and agree that the Publisher is solely responsible for ensuring compliance with and warrants that it will comply with any resale price fixing legislation (e.g., Ley de Fomento para la Lectura y el Libro), applicable in the respective country in the Territory, when setting the Customer Price.

11. Argentina, Belize, Bolivia, Brazil, Costa Rica, Dominican Republic, Ecuador, El Salvador, Guatemala, Guyana, Honduras, Nicaragua, Panama, Paraguay, Suriname, Uruguay, and Venezuela (collectively, “Pan Latin America”) (all prices in United States Dollars, excluding any applicable sales tax).

For all New Release (as defined in Section 1(l)) titles, Publisher shall determine in its discretion a Customer Price not greater than the “Maximum Customer Price” as defined below:

Publisher agrees that the Maximum Customer Price for each country in Pan Latin America shall be a price that does not exceed seventy percent (70%) of the lowest available print format list price (“Publisher List Price”) in such country, provided that if the resulting seventy percent (70%) of the Publisher List Price ends in “--.50” or above, Publisher shall round the Maximum Customer Price up to the nearest “--.99” cent increment, and that if the resulting seventy percent (70%) of the Publisher List Price ends in “--.49” or below, Publisher shall round the Maximum Customer Price down to the nearest “--.99” cent increment. If Publisher does not have a Publisher List Price that is in United States Dollars for a country in Pan Latin America, then the Maximum Customer Price for such country shall be determined by taking seventy percent (70%) of the Publisher List Price available in the local currency of that country (“Local Maximum Customer Price”) and converting such Local Maximum Customer Price to United States Dollars, provided that if the resulting converted seventy percent (70%) of the Publisher List Price ends in “--.50” or above, Publisher shall round the Maximum Customer Price up to the nearest “--.99” cent increment, and that if the resulting converted seventy percent (70%) of the Publisher List Price ends in “--.49” or below, Publisher shall round the Maximum Customer Price down to the nearest “--.99” cent increment. Nothing herein shall prevent Publisher from modifying its Customer List Prices to reflect fluctuating exchange rates, but Publisher shall adjust its prices at least once a quarter to reflect any change in the exchange rate.

“Maximum Customer Price” means the highest permitted Customer Price, provided that Publisher can set a lower Customer Price in its discretion.

Subject to Section 5(b), for all other eBooks (i.e., except as set forth above), and eBooks that are published in a language other than a language commonly spoken in Pan Latin America, Publisher may set whatever Customer Price it deems appropriate in its discretion, provided that such Customer Price will not exceed the lowest available print edition price, and Apple does not have to make such eBooks available if Apple determines the price is unrealistic.

Notwithstanding the foregoing, Publisher agrees that upon notification in writing (which maybe by email, or similar means) to Publisher, as of a date to be specified by Apple (the “Currency Crossover Date”), Exhibit C1 shall apply with respect to Customer Pricing in the countries set forth in this Section 11 of Exhibit C.

As of the Currency Crossover Date, Publisher authorizes Apple to do a one-time conversion of Publisher’s Customer Prices supplied in connection with the sale of eBooks to customers in Brazil into the currency set forth on Exhibit C1 for such country, with the understanding that Apple shall convert the Customer Prices supplied by Publisher into the local currency and then shall set the Customer Price in local currency by selecting the nearest available increment in Apple’s systems (the “Converted Price”). Notwithstanding the foregoing, if the resulting currency conversion results in a price that is higher than the highest increment available in Apple’s systems after the price has been converted into the respective local currency, then the title so affected will not be available for sale on the iBooks Store in the applicable country unless Publisher selects an available price increment for such title. For the avoidance of doubt, Publisher shall be able to change its Customer Prices at any time subject to Exhibit C1.

For the avoidance of doubt, the parties acknowledge and agree that the Publisher is solely responsible for ensuring compliance with and warrants that it will comply with any resale price fixing legislation applicable in the respective country in the Territory, when setting the Customer Price.

All prices set by Publisher hereunder for any eBooks must be in dollar increments that end in "--.99," and are in accordance with the price increments made available by Apple, except if Publisher sets the price for a particular eBook at \$0 (i.e., free).

12. Chile, Colombia, Peru (all prices in Pesos, Pesos, and Sol, respectively, excluding any applicable sales tax).

For New Release (as defined in Section 1(l)) titles, Publisher agrees that the Maximum Customer Price shall be seventy percent (70%) of the lowest available print format list price ("Publisher List Price"), rounded to the nearest "--.00".

"Maximum Customer Price" means the highest permitted Customer Price, provided that Publisher can set a lower Customer Price in its discretion.

Subject to Section 5(b), for all other eBooks (i.e., except as set forth above), eBooks for which Publisher does not control the Publisher List Price, and eBooks that are published in a language other than a language commonly spoken in Chile, Publisher may set whatever Customer Price it deems appropriate in its discretion, provided that Apple does not have to make such eBooks available if Apple determines the price is unrealistic.

All prices set by Publisher hereunder for any eBooks must be in peso increments that end in "--.00" for Chile and Colombia, and in sol increments that end in "--.00" for Peru, and are in accordance with the price increments made available by Apple, except if Publisher sets the price for a particular eBook at 0 in the relevant currency (i.e., free).

If Publisher had submitted prices for these countries in United States Dollars, and has not yet supplied local currency pricing, then Publisher authorizes Apple to do a one-time conversion of Publisher's Customer Prices supplied in connection with the sale of eBooks to customers in Colombia, Chile, and Peru into the respective local currencies set forth in this Section 12 of Exhibit C for each country. To do such conversion, Apple shall first convert the Customer Prices supplied by Publisher in United States Dollars into the respective local currency using the currency conversion rate in effect at the time that Apple began the process in May 2017 to change the currency in the iBooks Store for such country from dollars to local currency. Apple will then set the Customer Price in local currency by selecting the nearest available increment in Apple's systems (the "Converted Price"). Notwithstanding the foregoing, if the price is higher than the highest increment available in Apple's systems after the price has been converted into the respective local currency, then the title so affected will not be available for sale on the iBooks Store in the applicable country unless Publisher selects an available price increment for such title. If Publisher has delivered pricing in local currency, such pricing will be the Customer Price and shall replace any converted prices that may have been attributed to such books under the foregoing procedure. For the avoidance of doubt, Publisher shall be able to change its Customer Prices at any time subject to this Exhibit C.

For the avoidance of doubt, the parties acknowledge and agree that the Publisher is solely responsible for ensuring compliance with and warrants that it will comply with any resale price fixing legislation that may be applicable in the respective country in the Territory, when setting the Customer Price.

13. Japan (all prices in Japanese Yen, excluding any applicable sales tax).

For New Release (as defined in Section 1(l)) titles that are not available in bunko or shinsho formats, Publisher shall determine in its discretion a Customer Price not greater than the “Maximum Customer Price” as defined below:

Publisher agrees that the Maximum Customer Price shall be eighty percent (80%) of the lowest available print format list price (“Publisher List Price”), provided that if 80% of the Publisher List Price ends in “--.50” or above, Publisher shall round the Maximum Customer Price up to the nearest yen increment, and that if the resulting eighty percent (80%) of the Publisher List Price ends in “--.49” or below, Publisher shall round the Maximum Customer Price down to the nearest yen increment.

“Maximum Customer Price” means the highest permitted Customer Price, provided that Publisher can set a lower Customer Price in its discretion.

For books available in bunko or shinsho formats, Publisher may set whatever Customer Price it deems appropriate in its discretion, provided that such Customer Price will not exceed the Publisher List Price in such format, and Apple does not have to make such eBooks available if Apple determines that the price is unrealistic.

For all other eBooks (i.e., except as set forth above), and eBooks that are published in a language other than a language commonly spoken in Japan, Publisher may set whatever Customer Price it deems appropriate in its discretion, provided that such Customer Price will not exceed the Publisher List Price, and Apple does not have to make such eBooks available if Apple determines the price is unrealistic.

All prices set by Publisher hereunder for any eBooks must be in yen increments that are in accordance with the price increments made available by Apple, except if Publisher sets the price for a particular eBook at ¥0 (i.e., free).

14. In the event Apple elects to convert USD pricing to local currency in other countries, LS shall provide notice to Publisher (which maybe by email, or similar means) of such conversion and the countries where it shall be applied. Publisher agrees that upon notification in writing (which maybe by email, or similar means) to Publisher, as of the date specified by Apple, Publisher authorizes Apple to do a one-time conversion of Publisher's Customer Prices supplied in connection with the sale of eBooks to customers in the countries where such conversion shall occur. Apple shall convert the Customer Prices supplied by Publisher into the local currency and then shall set the Customer Price in local currency by selecting the nearest available increment in Apple's systems. Notwithstanding the foregoing, if the resulting currency conversion results in a price that is higher than the highest increment available in Apple's systems after the price has been converted into the respective local currency, then the title so affected will not be available for sale on the iBooks Store in the applicable country unless Publisher selects an available price increment for such title.

EXHIBIT C1

New Customer Pricing in Latin America

1. Argentina, Belize, Bolivia, Costa Rica, Dominican Republic, Ecuador, El Salvador, Guatemala, Guyana, Honduras, Nicaragua, Panama, Paraguay, Suriname, Uruguay, and Venezuela (collectively, “Pan Latin America”) (all prices in United States Dollars, excluding any applicable sales tax).

For all New Release (as defined in Section 1(l)) titles, Publisher shall determine in its discretion a Customer Price not greater than the “Maximum Customer Price” as defined below:

Publisher agrees that the Maximum Customer Price for each country in Pan Latin America shall be a price that does not exceed seventy percent (70%) of the lowest available print format list price (“Publisher List Price”) in such country, provided that if the resulting seventy percent (70%) of the Publisher List Price ends in “--.50” or above, Publisher shall round the Maximum Customer Price up to the nearest “--.99” cent increment, and that if the resulting seventy percent (70%) of the Publisher List Price ends in “--.49” or below, Publisher shall round the Maximum Customer Price down to the nearest “--.99” cent increment. If Publisher does not have a Publisher List Price that is in United States Dollars for a country in Pan Latin America, then the Maximum Customer Price for such country shall be determined by taking seventy percent (70%) of the Publisher List Price available in the local currency of that country (“Local Maximum Customer Price”) and converting such Local Maximum Customer Price to United States Dollars, provided that if the resulting converted seventy percent (70%) of the Publisher List Price ends in “--.50” or above, Publisher shall round the Maximum Customer Price up to the nearest “--.99” cent increment, and that if the resulting converted seventy percent (70%) of the Publisher List Price ends in “--.49” or below, Publisher shall round the Maximum Customer Price down to the nearest “--.99” cent increment. Nothing herein shall prevent Publisher from modifying its Customer List Prices to reflect fluctuating exchange rates, but Publisher shall adjust its prices at least once a quarter to reflect any change in the exchange rate.

“Maximum Customer Price” means the highest permitted Customer Price, provided that Publisher can set a lower Customer Price in its discretion.

Subject to Section 5(b), for all other eBooks (i.e., except as set forth above), and eBooks that are published in a language other than a language commonly spoken in Pan Latin America, Publisher may set whatever Customer Price it deems appropriate in its discretion, provided that such Customer Price will not exceed the lowest available print edition price, and Apple does not have to make such eBooks available if Apple determines the price is unrealistic.

For the avoidance of doubt, the parties acknowledge and agree that the Publisher is solely responsible for ensuring compliance with and warrants that it will comply with any resale price fixing legislation applicable in the respective country in the Territory, when setting the Customer Price.

All prices set by Publisher hereunder for any eBooks must be in dollar increments that end in “--.99,” and are in accordance with the price increments made available by Apple, except if Publisher sets the price for a particular eBook at \$0 (i.e., free).

2. Brazil (all prices in Brazilian reais, excluding applicable sales tax).

For New Release (as defined in Section 1(l)) titles, Publisher agrees that the Maximum Customer Price shall be seventy percent (70%) of the lowest available print format list price (“Publisher List Price”), rounded to the nearest “--.90”.

“Maximum Customer Price” means the highest permitted Customer Price, provided that Publisher can set a lower Customer Price in its discretion.

Subject to Section 5(b), for all other eBooks (i.e., except as set forth above), eBooks for which Publisher does not control the Publisher List Price, and eBooks that are published in a language other than a language commonly spoken in Brazil, Publisher may set whatever Customer Price it deems appropriate in its discretion, provided that Apple does not have to make such eBooks available if Apple determines the price is unrealistic.

All prices set by Publisher hereunder for any eBooks must be in reais increments that end in “--.90”, and are in accordance with the price increments made available by Apple, except if Publisher sets the price for a particular eBook at 0 in the relevant currency (i.e., free).

For the avoidance of doubt, the parties acknowledge and agree that the Publisher is solely responsible for ensuring compliance with and warrants that it will comply with any resale price fixing legislation that may be applicable in the respective country in the Territory, when setting the Customer Price.

EXHIBIT D

Country-Specific Tax Provisions

1. Delivery of eBooks to end-users in Canada.

Where Publisher designates LS to cause Apple Canada to allow access to eBooks to end-users in Canada, the following provisions shall apply:

(a) GST/HST. Terms defined in the Excise Tax Act (Canada) (the “ETA”) have the same meaning when used in this section.

(b) LS shall cause Apple to collect, account for and remit GST/HST, Quebec sales tax, and PST as required on sales of eBooks made to end-users in Canada on Publisher’s behalf.

2. Delivery of eBooks to end-users in Australia.

Where Publisher designates LS to cause Apple Australia to allow access to eBooks to end-users in Australia, the following provisions shall apply:

(a) Publisher shall indemnify and hold LS and Apple harmless against any and all claims by the Commissioner of Taxation (“Commissioner”) for nonpayment or underpayment of GST under the *A New Tax System (Goods and Services Tax) Act 1999* (“GST Act”) and for any penalties and/or interest thereon. In addition, Publisher shall indemnify and hold LS and Apple harmless against any penalties imposed by the Commissioner for failing to register for GST in Australia.

(b) Goods and Services Tax (GST).

(i) This Section 2(b) of Exhibit D applies to supplies made by Publisher, through Apple and LS, as agent, that are connected with Australia. Terms defined in the GST Act have the same meaning when used in this section 2(b).

(ii) Unless expressly stated otherwise, any sum payable or amount used in the calculation of a sum payable under this Agreement has been determined without regard to GST and must be increased on account of any GST payable under this Section 2(b).

(iii) If any GST is payable on any taxable supply made under this Agreement by a supplier to a recipient, the recipient must pay the GST to the supplier at the same time and in the same manner as providing any monetary consideration. For the avoidance of doubt, this includes any monetary consideration that is deducted by LS as commission in accordance with Section 5 of this Agreement.

(iv) The amount recoverable on account of GST under this clause by LS will include any fines, penalties, interest or other charges.

(v) This Exhibit D survives termination of the Agreement.

(c) Non-resident, Non-GST-registered Publishers.

LS, as Publisher's agent is a non-resident and is not registered for GST, and thus:

(i) Apple will issue to any end-user, in Apple's own name, all tax invoices and adjustment notes relating to taxable supplies made by Publisher through Apple as agent; and

(ii) LS nor Publisher will not issue to any end-user tax invoices or adjustment notes relating to taxable supplies made by Publisher through LS and Apple as agent.

3. Delivery of eBooks to end-users in Japan.

Where Publisher designates LS to cause iTunes K.K. to allow access to eBooks to end-users in Japan, the following provisions shall apply:

(a) Publisher acknowledges and agrees that it has the sole responsibility for: (i) consumption tax output liability, if any, with respect to delivery on Publisher's behalf of eBooks to end-users by iTunes K.K.; (ii) filing of consumption tax returns and payment of consumption tax to the Japanese government, if applicable; and (iii) determining independently, in consultation with Publisher's own tax advisor, Publisher's taxpayer status and tax payment obligations for consumption tax purposes.

4. Delivery of eBooks to end-users in countries listed in Exhibit B, Section 2 (except Japan).

Publisher acknowledges that in the event that Apple is subject to any sales, use, goods and services, value added, or other tax or levy with respect to any remittance by Publisher, the full amount of such tax or levy shall be solely for Publisher's account. For the avoidance of doubt, any invoice issued to Publisher by LS and/or Apple will be limited to amounts actually due to Publisher, which amounts shall be inclusive of any value added or other tax or levy as set forth above. Publisher will indemnify and hold Apple harmless against any and all claims by any competent tax authorities for any underpayment of any such sales, use, goods and services, value added, or other tax or levy, and any penalties and/or interest thereon.

5. Delivery of eBooks to end-users in New Zealand.

Where Publisher designates LS to cause Apple Australia to allow access to eBooks to end-users in New Zealand, the following provisions shall apply:

(a) General.

- i. Publisher shall indemnify and hold LS and Apple harmless against any and all claims by the Inland Revenue for nonpayment or underpayment of GST under the Goods and Services Tax Act 1985 (“GST Act 1985”) and for any penalties and/or interest thereon.
- ii. This Section 5 of Exhibit D applies to supplies made by Publisher, through Apple Australia and LS as agent, to any end-user who is resident in New Zealand, except for those supplies made to institutions via the Volume Purchase Program.
- iii. Terms defined in GST Act 1985 have the same meaning when used in this Section 5 of Exhibit D.
- iv. This Section 5 of Exhibit D survives termination of the Agreement.
- v. Publisher, LS, and Apple Australia agree that Apple Australia is the operator of the electronic marketplace in respect of supplies made by Publisher, through Apple Australia as agent, to any end-user who is resident in New Zealand, and is treated as the supplier of those supplies under s. 60C of the GST Act 1985 for GST purposes.

(b) Non Resident Publishers.

- a. LS, as Publisher’s agent is a non-resident of New Zealand and is not registered for GST, and thus :
- b. Publisher, LS, and Apple agree under section 60(1B) of the GST Act 1985 that supplies of services made by Publisher through LS to Apple Australia as agent to any end-user resident in New Zealand, are treated as 2 separate supplies for GST purposes, being –
 - i. a supply of services from Publisher to Apple Australia through LS as Publisher’s agent and
 - ii. a supply of those services from Apple Australia to the end-user resident in New Zealand.
- c. Publisher, LS and Apple Australia acknowledge that the supply of services from Publisher to Apple Australia through LS as Publisher’s agent, for GST purposes under this section 5(c)a. of Exhibit D is not subject to GST under the GST Act 1985.

- (c) Apple Australia will issue to any end-user, in Apple Australia's own name, the required documentation relating to taxable supplies made under this Section 5 of Exhibit D.
- (d) Publisher and LS will not issue to any end-user any documentation relating to taxable supplies made under this Section 5 of Exhibit D.

6. Purchases of e-Books by New Zealand institutions via the Volume Purchase Program.

Where Publisher designates LS to cause Apple Australia to allow New Zealand institutions to make bulk purchases of Publisher's eBooks via the Volume Purchase Program, the following provisions shall apply:

(a) General.

- a. Publisher shall indemnify and hold LS and Apple harmless against any and all claims by the Inland Revenue for nonpayment or underpayment of GST under the Goods and Services Tax Act 1985 ("GST Act 1985") and for any penalties and/or interest thereon.
- b. This Section 6 of Exhibit D applies to supplies made by Publisher, through Apple Australia and LS as agent, to any institution who is resident in New Zealand under the Volume Purchase Program ("NZ VPP Customer").
- c. Terms defined in the Goods and Services Tax Act 1985 ("GST Act 1985") have the same meaning when used in this Section 6 of Exhibit D.
- d. This Section 6 of Exhibit D survives termination of the Agreement.
- e. Publisher, LS, and Apple Australia agree that Apple Australia is the operator of the electronic marketplace in respect of supplies made by Publisher, through Apple Australia as agent, to any NZ VPP Customer, and is treated as the supplier of those supplies under s. 60C of the GST Act 1985 for GST purposes.

(b) Non Resident Publishers.

- a. LS, as Publisher's agent is a non-resident of New Zealand and is not registered for GST, and thus:
- b. Publisher, LS, and Apple Australia agree under s. 60(1B) of the GST Act 1985 that supplies of services made by Publisher through LS to Apple Australia as agent to any NZ VPP Customer, are treated as 2 separate supplies for GST purposes, being:

- i. a supply of services from Publisher to Apple Australia through LS as Publisher's agent; and
 - ii. a supply of those services from Apple Australia to the NZ VPP Customer.
- c. Publisher, LS, and Apple Australia acknowledge that the supply of services from Publisher to Apple Australia through LS as Publishers agent for GST purposes under this section 6(c)a. of Exhibit D is not subject to GST under the GST Act 1985.
- d. Apple Australia will issue to any NZ VPP Customer, in Apple Australia's own name, the required documentation relating to supplies made under this Section 6 of Exhibit D.
- e. Publisher and LS, will not issue to any NZ VPP Customer any documentation relating to supplies made under this Section 6 of Exhibit D.

EXHIBIT E

Content Usage Rules

1. Definitions.

(a) “Non-Transfer Device” means a device (including, without limitation, a digital content rendering device or mobile phone) that uses the Security Solution, but cannot transfer an eBook along with their usage rights keys to any other device, except if that other device is already authorized for the Online Store account used to acquire that eBook.

(b) “Transfer Device” means a computer that uses the Security Solution, and can transfer eBooks along with their usage rights keys to any other device.

2. Usage Rules.

End-users acquiring eBooks may:

- Use eBooks on up to five (5) Transfer Devices and an unlimited number of Non-Transfer Devices at the same time;
- Use eBooks solely for end-user’s personal and non-commercial use;
- Re-download previously acquired eBooks from the Online Store; and
- Copy/paste and print no more than two (2) pages at a time (no burning to disk)**

** Provided that, Apple shall not require Publisher to authorize more permissive copy/paste and print usage rules for Publisher Content than Apple allows for Publisher Content from any other provider of similar Publisher Content on the Online Store.

EXHIBIT F

Primary Languages

| Major Market Country | Primary language(s) |
|--|----------------------------|
| Argentina, Belize, Bolivia, Chile, Colombia, Costa Rica, Dominican Republic, Ecuador, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, Panama, Paraguay, Peru, Spain, Uruguay, Venezuela | Spanish |
| Australia, Guyana, Ireland, New Zealand, United Kingdom | English |
| Austria, Germany | German |
| Belgium | French and Flemish/Dutch |
| Brazil, Portugal | Portuguese |
| Canada | English, French |
| Denmark | Danish |
| Finland | Finnish |
| France | French |
| Italy | Italian |
| Japan | Japanese |
| Netherlands, Suriname | Dutch |
| Norway | Norwegian |
| Sweden | Swedish |
| Switzerland | German, French |

For avoidance of doubt, Section 5(b) of this Agreement shall not apply to such any New Release that is published in a language other than one of the above Primary Languages.

EXHIBIT G

Sample VPP Terms

VOLUME PURCHASE PROGRAM TERMS

THE LEGAL AGREEMENT SET OUT BELOW GOVERNS YOUR PURCHASE OF CONTENT IN BULK FOR USE IN CONNECTION WITH THE VOLUME PURCHASE PROGRAM. TO AGREE TO THESE TERMS, CLICK “AGREE”. IF YOU DO NOT AGREE TO THESE TERMS, DO NOT CLICK “AGREE”, AND DO NOT USE THE VOLUME PURCHASE PROGRAM.

A. THE VOLUME PURCHASE PROGRAM TERMS OF SALE

Apple Inc. (“Apple”) is the provider of the Volume Purchase Program (the “Service”), which (a) for the App Store and Mac App Store (collectively, “App Store”), permits approved institutions to purchase App Store Products in bulk solely for distribution to, and use by, persons employed by or affiliated with the institution, such as contractors, employees, agents, and students authorized by you in accordance with the App Store Terms and Conditions, or (b) for the iBooks Store, permits either (i) approved educational institutions that are schools or school districts (excluding without limitation libraries) to purchase iBooks Store Products in bulk, solely for distribution to, and use by, persons who are either employees, faculty or teacher’s aides (regardless of whether they are directly employed by the institution) at the institution or registered as students at the institution, or (ii) institutions solely for distribution to, and use by, persons employed by or affiliated with the institution, such as contractors, employees and agents, in accordance with the iBooks Store Terms and Conditions, as applicable. Such App Store Products and iBooks Store Products purchased in bulk are collectively defined as “Volume Content”. The end users affiliated with your institution to which you distribute the Volume Content are collectively defined as “Authorized End Users”. You agree that your use of the Service and the Volume Content will be subject to these terms (“VPP Terms”) as well as the terms and conditions and usage rules applicable to iTunes, the App Store, and the iBooks Store (<http://www.apple.com/legal/internet-services/itunes/ww/>) which are hereby incorporated by reference (collectively, “Terms”). In the event of any conflict or inconsistency, the VPP Terms shall control.

VOLUME PURCHASE PROGRAM APPLE ID

You agree that you will only use the Service-specific Volume Purchase Program Apple ID (“VPP Apple ID”) that you establish for the purpose of purchasing Volume Content from the Service. You agree to provide accurate information in order to set up your VPP Apple ID and account as requested by Apple, such as company name, physical address, D-U-N-S number, corporate payment information or other information as requested. For more information about the enrollment process, please visit (<http://www.apple.com/business/vpp>) or (<http://www.apple.com/education/vpp>), as applicable.

Your VPP Apple ID (as opposed to your password, which you should not disclose to anyone) will be used by content providers to verify your account for custom content distribution through the Service. For more information, please visit (<http://www.apple.com/business/vpp>).

U.S. SALES ONLY

The Service is available to you only in the United States, its territories, and possessions, and Volume Content may only be distributed to your Authorized End Users in the United States.

PAYMENTS, TAXES, AND REFUND POLICY

You agree that you will pay for all Volume Content you purchase through the Service, and that Apple may charge your payment method for any products purchased and for any additional amounts (including any taxes and late fees, as applicable) that may be accrued by or in connection with your Account. You are responsible for the timely payment of all fees and for providing Apple with a valid payment method for payment of all fees. All fees will be billed to the payment method you designate during the registration process.

Your total price will include the price of the Volume Content plus any applicable sales tax; such sales tax is based on the bill-to address and the sales tax rate in effect at the time of purchase. We will charge tax only in states where digital goods are taxable.

If your order is being placed on behalf of a tax-exempt organization or individual, please contact iTunes Store Support at (<http://www.apple.com/support/itunes/vpp>). Please be prepared to provide proof of state tax-exempt status for the state where the product is purchased.

All sales are final.

Prices for Volume Content offered via the Service may change at any time, and the Service does not provide price protection or refunds in the event of a price reduction or promotional offering.

If an App Store Product or iBooks Store Product becomes unavailable following a transaction but prior to initial download, your sole remedy is a refund. Should such refund be granted, Apple reserves the right to disable unused Content Codes and also the ability to assign Volume Content via Managed Distribution. If technical problems prevent or unreasonably delay delivery of your Volume Content, your exclusive and sole remedy is either replacement or refund of the price paid, as determined by Apple.

VOLUME PURCHASE PROGRAM CREDIT

Volume Purchase Program Credit is issued and managed by Apple Value Services, LLC

(“Issuer”).

Volume Purchase Program Credit and unused balances are not redeemable for cash and cannot be returned for a cash refund (except as required by law); exchanged; resold; used to purchase Gifts, Gift Certificates, or iTunes Cards; used to provide Allowances; used for purchases on the Apple Online Store; or used in Apple Retail Stores. Unused balances are not transferable.

Volume Purchase Program Credit purchased in the United States may be redeemed through the Service only in the United States.

Volume Purchase Program Credit cash value is 1/10 of one cent.

Neither Issuer nor Apple is responsible for lost or stolen Volume Purchase Program Credit.

Apple reserves the right to close accounts and request alternative forms of payment if a Volume Purchase Program Credit is fraudulently obtained or used on the Service.

APPLE, ISSUER, AND THEIR LICENSEES, AFFILIATES, AND LICENSORS MAKE NO WARRANTIES, EXPRESS OR IMPLIED, WITH RESPECT TO VOLUME PURCHASE PROGRAM CREDIT, THE VOLUME PURCHASE PROGRAM, THE APP STORE, THE IBOOKS STORE, OR THE ITUNES STORE, INCLUDING, WITHOUT LIMITATION, ANY EXPRESS OR IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. IN THE EVENT THAT SUCH VOLUME PURCHASE PROGRAM CREDIT IS NONFUNCTIONAL, YOUR SOLE REMEDY, AND OUR SOLE LIABILITY, SHALL BE THE REPLACEMENT OF SUCH VOLUME PURCHASE PROGRAM CREDIT. THESE LIMITATIONS MAY NOT APPLY TO YOU. CERTAIN STATE LAWS DO NOT ALLOW LIMITATIONS ON IMPLIED WARRANTIES OR THE EXCLUSION OR LIMITATION OF CERTAIN DAMAGES. IF THESE LAWS APPLY TO YOU, SOME OR ALL OF THE ABOVE DISCLAIMERS, EXCLUSIONS, OR LIMITATIONS MAY NOT APPLY TO YOU, AND YOU MAY ALSO HAVE ADDITIONAL RIGHTS.

Risk of loss and title for Volume Purchase Program Credit transmitted electronically pass to the purchaser in Virginia upon electronic transmission to the recipient.

CONTENT AVAILABILITY

Apple reserves the right to change content options (including eligibility for particular features) without notice.

AUDIT RIGHTS

As Apple may audit the purchases of customers through the Service to ensure that only eligible purchases have been ordered and that all purchase conditions and usage rules have

been observed, you agree to keep complete and accurate records of all uses of the Volume Content you purchased. Should an audit disclose after delivery (or should Apple otherwise discover) that you were not an eligible purchaser at the time you placed your order or that you have not observed all of the conditions applicable to your purchase, Apple may:

- Disable your VPP Apple ID;
- If you placed your order by credit card, to charge to your credit card the difference between the amount you paid for the delivered goods and the price that Apple charged the general public for the same goods via the Service, in effect on the date that you placed your order; and
- If you paid by a means other than credit card, to (a) invoice you for the difference between the amount that you paid for the delivered goods and the price that Apple charged the general public for the same goods via the Service, payable in fifteen days from the date of the invoice, and (b), should you fail to pay the invoice when due, institute legal action against you in a court of competent jurisdiction, with the prevailing party entitled to attorneys' fees.

Should Apple not offer the specific products that you purchased through the Service, your credit card will be charged or you will be invoiced the difference between the amount you paid for the delivered goods and the price that Apple charged the general public for the closest equivalent goods via the Service, in effect on the date that you placed your order.

Apple shall have the right to request supplementary information and audit relevant records to confirm your compliance with the Terms.

CONTENT DISTRIBUTION

Each App Store Product or iBooks Store Product purchased as Volume Content via the Service may be provided to your Authorized End Users either (i) via direct transmission to the iTunes account of each Authorized End User (“Managed Distribution”), or (ii) via distribution of alphanumeric codes generated by Apple (“Content Codes”) which are redeemable on the App Store for specific application content, or on the iBooks Store for specific book content.

MANAGED DISTRIBUTION

Upon completion of your purchase of Volume Content, you will be entitled to assign the specific iBooks Store Products or App Store Products that you have purchased in the quantity selected, each of which may be assigned to an iTunes account owned or controlled by one of your Authorized End Users. This entitlement will not expire, subject to availability of the specific products. Using a mobile device management system (“MDM”), you will be able to invite your Authorized End Users to associate their iTunes account with your VPP Apple ID and, upon the Authorized End User’s acceptance, you may assign

iBooks Store Products and App Store Products to your Authorized End Users' iTunes accounts. In order to receive a product, your Authorized End Users must have valid iTunes accounts (subject to acceptance of the Terms), and compatible hardware, software and Internet access.

For iBooks Store Products: You may not use the iBooks Store Product in a library-type lending scenario. YOU UNDERSTAND AND AGREE THAT THE OWNER OF THE ITUNES ACCOUNT TO WHICH AN IBOOKS STORE PRODUCT IS ASSIGNED WILL BECOME THE OWNER OF THAT PRODUCT AND SHALL BE ENTITLED TO ALL ASSOCIATED RIGHTS, SUBJECT TO THE TERMS. SUCH PRODUCTS ARE NON-TRANSFERABLE.

For App Store Products: You will retain ownership of each App Store Product regardless of whether it has been assigned to an Authorized End User's iTunes Account. You may revoke the assignment and re-assign the App Store Product to another Authorized End User subject to certain program limitations. Once you have revoked an assignment from a particular user, that user will no longer be authorized to use the App Store Product.

CONTENT CODES

Apple will provide you with Content Codes in the quantity you specify when making your purchase, each of which may be redeemed (i) on the App Store for a specific App Store Product purchased; or (ii) on the iBooks Store for a specific iBooks Store Product purchased. The Content Codes shall be provided to you electronically via email upon execution of your purchase and such Content Codes shall immediately become active for redemption by your Authorized End Users and shall not expire, subject to availability. You and/or your Authorized End Users may redeem the Content Code only in accordance with the Terms. Each Content Code for an App Store Product must be redeemed to an iTunes account owned and controlled by your organization or by one of your Authorized End Users. Each Content Code for an iBooks Store Product must be redeemed to an account owned or controlled by the Authorized End User. YOU UNDERSTAND AND AGREE THAT THE OWNER OF THE REDEEMING ITUNES ACCOUNT WILL BECOME (i) FOR AN APP STORE PRODUCT, THE LICENSEE OF THAT COPY OF THE PRODUCT; AND (ii) FOR AN IBOOKS STORE PRODUCT, THE OWNER OF THAT COPY OF THE PRODUCT, AND SHALL BE ENTITLED TO ALL ASSOCIATED RIGHTS. SUCH LICENSES OR PRODUCTS ARE NON-TRANSFERABLE.

You may distribute the Content Codes only to your Authorized End Users and you agree to make the following Authorized End User Terms and Conditions as applicable for the purchased content type readily available on the instrument used to distribute the Content Codes (e.g. certificate, card, email):

For apps:

“Code is redeemable only on the App Store for the United States. Requires an iTunes account, subject to prior acceptance of license and usage terms. To open an account you

must be above the age of 13 and in United States. Compatible software and hardware, and internet access (fees may apply) required. Not for resale. Full terms apply; see www.apple.com/legal/internet-services/itunes/ww/. For more information, see www.apple.com/support/."

For books:

"Code is redeemable only on the iBooks Store for the United States. Requires an iTunes account, subject to prior acceptance of license and usage terms. To open an account you must be above the age of 13 and in the United States. Compatible software and hardware, and internet access (fees may apply) required. Not for resale. Full terms apply; see www.apple.com/legal/itunes/ww/. For more information, see www.apple.com/support/."

VOLUME CONTENT RESTRICTIONS

You may not resell or accept any form of compensation in exchange for Volume Content nor may you distribute or authorize distribution of the Volume Content to anyone other than your Authorized End Users. You shall be solely responsible for your use of the Volume Content, and for any loss or liability to the content provider or Apple therefrom. You may not export the Volume Content for use outside the United States, nor represent that you have the right or ability to do so. Risk of loss and title for the Volume Content pass to you in California upon electronic transmission to you. Apple reserves the right to close any and all applicable iTunes accounts and request alternative forms of payment if Volume Content is fraudulently obtained or used.

Volume Content and unused balances are not redeemable for cash and cannot be returned for a cash refund (except as required by law); exchanged; resold; used to purchase Gifts, Gift Certificates, or iTunes Cards; used to provide Allowances; used for purchases on the Apple Online Store; or used in Apple Retail Stores. Unused balances are not transferable.

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Exhibit H

eTextbooks

If Publisher makes eTextbooks available on the Online Store, in addition to the terms set forth in this Agreement, the following provisions shall also govern the availability of such eTextbooks.

1. For the purposes of this Exhibit H, Section 3 of the Agreement shall be replaced in its entirety with the following:

- a. Publisher shall endeavor to make at least the eTextbook versions of Publisher Content (including revisions, re-printings, updates, etc.) that Publisher provides to any other electronic distributor, agent, commissionaire, or other representative of Publisher's content that makes the title available in a format similar to that of an eTextbook (e.g. dynamic rather than a PDF type format).
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- g. Except for a limited-time, one-off promotion for a particular item of Publisher Content, or in the event of a specific objection by an author as to a specific New Release, for that Publisher Content which Publisher is required to provide LS with content under Section 3(a) hereunder, Publisher shall use commercially

reasonable efforts to provide and make available such Publisher Content as soon as possible and shall not intentionally delay the availability of the Publisher Content on the Online Store.

- h. Publisher shall deliver Content Files to LS, at Publisher's expense, in the delivery format and using the delivery method reasonably specified by Apple on iTunes Connect, e.g. ibooks format. Publisher Content will be delivered to a server in California by means of telecommunications or via "load & leave" per California State Board of Equalization Regulation 1502.
- i. Publisher shall not include any digital watermark or similar technologies in the Content File without LS's approval, which approval shall not be unreasonably withheld.
- j. Publisher shall promptly notify LS in writing of any potential copyright infringements with respect to Publisher's eTextbooks of which Publisher becomes aware, including any Clearance Issues as defined under Section 6 below.

2. For the purposes of this Exhibit H, Section 6(c) of the Agreement shall be replaced in its entirety with the following:

If Publisher notifies LS that, for reasons beyond its control, it is no longer able to authorize LS to use certain rights permitted under its appointment, or if an author or heirs object to LS's exercise of its authorization under its appointment (each a "Clearance Issue"), or if Publisher needs to make edits and corrections in order to meet its customer or regulatory obligations, then Publisher may (a) for eTextbooks with a Clearance Issue, withhold or withdraw authorization for such eTextbook, in which case LS shall cause Apple to cease promotion and sales of the eTextbook using such withdrawn rights within three (3) business days of such notice, or (b) within three (3) days of notice, substitute a new version of the eTextbook provided by Publisher with the affected content impacted by the Clearance Issue or edits and corrections redacted and/or replaced. For the avoidance of doubt, LS may continue to provide re-downloads of previously purchased eTextbooks, although in no event shall LS continue to provide re-downloads of previously purchased uncorrected versions of eTextbooks. Publisher shall not discriminate against LS or Apple regarding any withdrawal requests.

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Notwithstanding any non-renewal, termination or expiration of this Agreement, Apple shall continue to make available the eTextbooks in the Online Store in accordance with the terms and conditions of this Agreement in order to fulfill the full term of the customer subscriptions sold prior to the effective date of termination or expiration, in order to fulfill any of Publisher's contract commitments or irrevocable bids (as determined by Publisher in its sole

discretion, taking into account regulatory and reputational concerns) to customers made prior to the effective date of termination or expiration. Publisher will promptly notify Apple of all such outstanding commitments and obligations as of the effective date of such non-renewal, termination or expiration of the Agreement, and the Publisher will provide sufficient reasonable detail in order to permit Apple to comply with such commitments and obligations. In addition, Apple shall be permitted to retain copies necessary for Apple's standard customer support practices, e.g., re-downloads (subject to applicable terms in this Agreement), or required to be maintained by applicable law, rule or regulation.

4. For the purposes of this Exhibit H, Exhibit C shall not be applicable to the sales of eTextbooks. The following pricing terms shall govern with respect to sales of eTextbooks under this Agreement:

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For eTextbooks targeted at the traditional K-12 or school market (and excluding any textbooks originating as higher education or university textbooks which are also used in high school or Advanced Placement courses) made available to end-users in the United States, Publisher shall determine in its discretion a Customer Price not exceeding **\$14.99**.

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All prices set by Publisher hereunder for any eTextbooks must be in dollar increments that end in "--.99," and in accordance with the price increments made available by Apple, except if Publisher sets the price for a particular eBook at \$0 (i.e., free).

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All prices set by Publisher hereunder for any eTextbooks must be in dollar increments that end in "--.99," and in accordance with the price increments made available by Apple, except if Publisher sets the price for a particular eBook at \$0 (i.e., free).

C. Australia (All prices in Australian Dollars, inclusive of GST).

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D. United Kingdom (All Prices in Pounds Sterling, inclusive of VAT).

For eTextbooks targeted at the traditional K-12 or school market (and excluding any textbooks originating as higher education or university textbooks which are also used in high school or Advanced Placement courses) made available to end-users in the United Kingdom, Publisher shall determine in its discretion a Customer Price not exceeding **£9.99**.

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Schedule 2

FREE ONLY eBook DISTRIBUTION SCHEDULE

WORLDWIDE

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