

AUTHOR-PUBLISHER AGREEMENT

This agreement for publication (“**Agreement**”) is entered into on the day of .

BY AND BETWEEN:

Name of Author	<input style="width: 100%; height: 20px;" type="text" value="Author"/>
Citizenship	<input style="width: 100%; height: 20px;" type="text" value="Nationality"/>
Date of Birth	<input style="width: 100%; height: 20px;" type="text" value="DOB"/>
Residence Address	<input style="width: 100%; height: 20px;" type="text" value="Address"/>
Legal Id	<input style="width: 100%; height: 20px;" type="text" value="Legal_Id"/>
Tax Id	<input style="width: 100%; height: 20px;" type="text" value="Tax_Id"/>

hereinafter referred to as the “**Author**” which expression shall, unless it is repugnant to the context or meaning thereof, mean and include his/her legal representatives, executors, administrators, successors and permitted assigns

of **ONE PART**;

AND

One Point Six Technologies Private Limited, a company registered under the Indian Companies Act, 1956, bearing Corporate Identity Number: U22110MH2007PTC171902 and having a Permanent Account Number: AABCL3415G, having its corporate office at 123, J2 Building, Shram Seva Premises, Wadala Truck Terminal, Wadala (E), Mumbai, Maharashtra-400022, India (hereinafter referred to as the “**Publisher**”, which expression shall, unless it is repugnant

to the context or meaning thereof, mean and include its successors-in-interest, administrators and permitted assignees) of the **OTHER PART**.

The Author and the Publisher shall hereinafter be referred to individually as a “**Party**” and collectively as the “**Parties**”.

WHEREAS:

- A. The Author has written/intends to write a book titled Book_Title (which shall be considered to be a working title) intends to use Pencil (*as defined hereunder*) in accordance with the terms of this Agreement. The aforesaid book, including any of its versions and/or editions, shall hereinafter be referred to as the “**Work**”.
- B. The Author is the sole, exclusive, absolute and beneficial owner of the copyright in the Work.
- C. The Publisher operates an internet-based publishing platform called ‘Pencil’, vide website www.thepencilapp.com, which enables publishing, distribution and reading interface (“**Pencil**”).
- D. The Author desires to have the Work posted and/or published by the Publisher via the Pencil platform and further desires to avail services of the Publisher in this regard via Pencil on the terms and conditions set forth in this Agreement.
- E. The Parties are desirous of recording the terms and conditions that will govern their understanding in relation to the publication of the Work and other matters set forth hereinbelow by entering into this Agreement.

NOW, THEREFORE, IN CONSIDERATION OF THE FOREGOING, AND THE PREMISES, MUTUAL COVENANTS, PROMISES, AGREEMENTS AND PROVISIONS SET FORTH HEREINAFTER, AND FOR OTHER GOOD AND VALUABLE CONSIDERATION, THE RECEIPT AND SUFFICIENCY OF WHICH IS HEREBY ACKNOWLEDGED, THE PARTIES HEREBY AGREE AS FOLLOWS:

1. DEFINITIONS

1.1. “**Book**” shall mean the text of the Work including but not limited to Electronic Book, paperbound, hardcover and audiobook (as the case may be), in any and/or all distributable, marketable format(s) of the book created in conjunction with this Agreement.

1.2. “**Electronic Book**” shall mean the Book, in whole or in part, by any means of digital distribution or transmission, whether now known or hereafter known or developed, intended to make the text and any illustrations or photographs contained in the Work available in visual form for reading without enhancement or inclusion of any other material and shall include digital or electronic product or service that is related to the Work and its title, together with added sounds, illustrations, images, interactivity or graphics.

1.3. “**Audio Book**” shall mean a recording of the Book or the Work being read out / rendered via the audio medium. The same is generally done by a human being and/ or via text to speech technology, or other methods. Audiobooks may be sold and or distributed in various formats, while not limited to mp3, m4a, m4b, wav, flac, etc. The same can be streamed, or sold as a CD/ cassette and similar formats, downloaded and/or stored as per the retailer’s methods of sale/ distribution. A reading of the complete text is described as "unabridged", while readings of a shorter version are an abridgment.

1.4. “**Enhanced Electronic Book**” means the text of a Work in (i) complete, condensed, adapted, or abridged versions (in all cases using at least 50% of the text of the printed Work), whether sequentially or non-sequentially, distributed as a digital or electronic product for reading, (ii) together with added sounds, images, interactivity or graphics which supplement the text of the Work.

1.5. “**Intellectual Property Rights**” shall mean all forms of Intellectual Property (*defined below*) and all rights in respect of the Intellectual Property, subsisting under the laws of India and all analogous rights subsisting under the laws of each and every jurisdiction throughout the world. Intellectual Property includes all rights, title and interest in and to the content patents, trademarks, service marks, mask work, moral rights, trade names, trade secrets, registered designs, copyrights, format rights, rights of privacy and publicity, brands, computer programs, concepts, confidential information, databases, franchises, goodwill, ‘look and feel’, music (including songs, sheet music, lyrics and remixes), proprietary information and knowledge, scripts (and their sound recordings), segments, set designs, technology, titles, performances, performance right and all other allied, ancillary and subsidiary rights in any and all media whether now known or subsequently invented and other forms of intellectual or industrial property, know how, inventions, formulae, confidential or secret processes, trade secrets, any other protected rights or assets, and any licenses and permission in connection therewith, in each and any part of the world and whether or not registered or registrable and for the full period thereof, and all extensions and renewals thereof, and all applications for registration in connection with the foregoing.

1.6. “**License**” shall have the meaning ascribed to the term in Clause 2.2.

1.7. “**Work**” shall have the meaning ascribed to it in Recital A.

2. LICENSING TO THE PUBLISHER

2.1. All the Intellectual Property Rights over the Work shall remain with the Author.

2.2. The Author grants and transfers to the Publisher, its licensees, assignees, successors and its affiliates and group companies, an exclusive license in the Work including all the Intellectual Property Rights therein and assigns all rights, title, interest in and to the Work, to perform the acts as set out in this Agreement (“**License**”).

2.3. This exclusive License shall extend to the whole world and shall continue in perpetuity and for the entire term of the Intellectual Property Rights (including any and all extensions and renewals thereof). The License shall be applicable for any and all media and forms as may be agreed from time to time.

2.4. Subject to Author’s underlying Intellectual Property Rights in the Work as set out in Clause 2.1 above, the Publisher shall own all rights, titles and interest in and to the templates and other materials created, provided or used by Publisher (including source files, future-proof archive files and packaging materials and all the Intellectual Property Rights therein) in performance of the actions set out in this Agreement.

2.5 The Author hereby acknowledges that the Author has waived the benefits of any provision of law known as “moral rights” or any similar laws, including without limitation any of the Author’s special rights over the Work pursuant to the Copyright Act, 1957 for the purposes of this Agreement and agrees not to institute, support, maintain or authorize any lawsuit on the ground that the Work or Publisher’s exploitation of the Work in any way constitutes an infringement of any of Author’s “moral rights”, or defamation or mutilation of any part thereof, or contain unauthorized variations, alterations, modifications, changes or foreign versions or translations.

2.6. In the event the Author has published the Work through any other publisher other than the Publisher, the Author shall provide the Publisher with due permission in the form of a ‘return of publishing license’ provided by such third party publisher prior to or on the date of this Agreement stating that all the rights in relation to publishing of the Work granted to such third-party publisher have been terminated.

3. INFRINGEMENT OF COPYRIGHT

3.1. It is agreed between the Parties that if the Publisher considers the Intellectual Property Rights or any other rights in the Work has been infringed by any third party, the Publisher shall have the right to take such steps as it may consider necessary for dealing with such infringement and if it desires to initiate any proceedings in relation to the same, it shall, on informing the Author in writing, be entitled to use the Author's name as a party to such proceedings and such other details as may be required, and at the same time, to control the proceedings, settle and/or enter into a compromise as it thinks fit. Any profits or damages which may be recovered in respect of any infringement of the Intellectual Property Rights or any other rights in the Work shall, after deduction of all costs and expenses in relation to the infringement of the Intellectual Property Rights or any other rights in the Work, be equally divided between the Author and the Publisher.

3.2. It is further clarified that nothing set out in Clause 3.1 above shall be considered as an obligation on the Publisher to initiate any proceedings against infringement of any Intellectual Property Rights or any other rights in the Work and the Publisher shall not be held liable for any such inaction.

4. AUTHOR'S COVENANT, REPRESENTATIONS AND WARRANTIES

4.1. The Author covenants represent and warrants to the Publisher the following:

4.1.1. The Author has the full right and authority to enter into this Agreement and to perform [his/her] obligations under this Agreement.

4.1.2. The execution, delivery and performance of this Agreement to which the Author is a party constitutes valid and legally binding obligations of the Author, enforceable in accordance with its terms.

4.1.3. The Work has not been previously published, in whole or in part, in any form. In the event the Work has been previously published, in whole or in part, in any form, the Author has stopped/terminated any and all kinds of its distribution, delisted the Work in all formats from all retailing websites and applications prior to entering into this Agreement. If the Author has published the book using the platform of any publisher, other than the Author, the Publisher shall submit a no-objection certificate or a written approval in relation to the return of publishing license from the other publisher to authorize the Author to enter into this Agreement with the Publisher.

4.1.4. The Work contains no obscene and/or libelous statements and/or unlawful material or any statement defamatory to any religion or belief, contrary to public policy, or capable of stirring communal discontent/disharmony, infringing or violating any copyright, right of privacy, right of publicity, moral right, performer's right or any other rights whatsoever, of any person, whether living or dead.

4.1.5. The Work does not contain any material which violates any rights including and not limited to intellectual property rights of third parties or which is otherwise in contravention of the law.

4.1.6. The Work is his/her original Work, not plagiarised and no extract from any other work, except works that are well known to be in the public domain, has been quoted in a manner or context or for a purpose that is not permissible

fair dealing or not permissible under law in the course of a discussion of the relevant matter in the Work. Further, and by way of abundant caution, no passage of **50(fifty)** or more words has been/shall be quoted without the prior written permission from the copyright owner of such work, and the Author shall provide to the Publisher a copy of such permission on demand.

4.1.7. This Agreement does not violate or conflict with any other arrangements, understandings, or agreements between the Author and any third party.

4.1.8. The Author has not and shall not enter into any agreement or understanding with any third party which will be in conflict with the rights granted to the Publisher under this Agreement and other terms of this Agreement.

4.1.9. There is no lien, claim, right or interest of any kind whatsoever on the Work.

4.1.10. The Work is original, free from any encumbrances whatsoever and work of sole authorship of the Author and that no creative or other Intellectual Property Rights of any third party, in part or whole is contravened or infringed under any circumstances and exploitation of the Work by the Publisher shall not result into infringement of rights of any third party or result into any claims, monetary or otherwise against the Publisher and/or their assignees/sublicensees.

4.1.11. There has been no claims, demands, disputes, litigations, investigations, inquiry, proceeding, complaint, penalty, judgment, order, injunction, decree or award by or before any Governmental authority (hereinafter referred to as "**Action**") against the Author prior to the date of this Agreement. The Author is not a claimant or defendant in or otherwise a party to any Actions, which are in progress or pending or, threatened, by or against the Author or any of his/her Intellectual Property Rights.

4.1.12. The Author unconditionally and irrevocably acknowledges that during the term of this Agreement, the Author shall not, directly or indirectly, be entitled to assign/grant any right in the Work including but not limited to the right to make any audio-visual content based on the Work or to make a screenplay adaptation of the Work in any language or in any manner whatsoever without the prior written consent of the Publisher. The Author shall retain an original copy of the Work, and the Publisher shall not be responsible for the loss of or damage to the Work or any materials supplied by the Author.

5. INDEMNITY

5.1. The Author shall indemnify on demand and hold harmless the Publisher and its affiliates, distributors, assignees, officers, directors, employees, representatives and licensees from and against any and all liabilities, losses, damages, costs (including but not limited to reasonable legal costs, indirect, consequential, special or remote losses, liabilities or damages), whether or not involving a third party claim, arising directly or indirectly from or in connection with:

5.1.1. Any breach of representation or warranty made by the Author in this Agreement;

5.1.2. Any breach by the Author of his/her covenants and obligations under this Agreement;

5.1.3. Any violation of any third party right, including but not limited to any copyright, property or privacy right, trade name, trademark, service mark, literary or dramatic right, right of publicity or contractual right of any claimant or

violation of any law; and/or alleged infringement of Intellectual Property Rights or misappropriation of trade secrets of any third party.

6. PUBLISHING RIGHTS

6.1. The Publisher Shall have the exclusive right to print, publish, distribute and market the Work throughout the world, in book form (both physical and electronic) i.e. all hardcover and paperbound book form and Electronic Books and Enhanced Electronic Books and in all languages including the right to make and sell translations, abridgments, excerpts and other derivatives of the Work.

6.2. The Publisher shall also, according to its judgment, exploit the Work through all other means available now or which may become available in future, including but not limited to the exercise of the rights known in the industry as subsidiary rights and the right to make films or sound recordings in respect of the Work.

6.3. Notwithstanding anything contained in this Agreement, the Author agrees that the Publisher shall have the exclusive right to permit and to issue further licenses for any and all exploitations of the Work for the purpose of this Agreement, and to assign the Publisher's own exclusive License rights under this Agreement.

6.4. The Publisher shall have the privilege to exercise the subsidiary rights in the Works and shall have exclusive right to revise or update the titles and print, publish, distribute and sell such revised or updated titles in hardcover and paperbound book form and as Electronic Books and Enhanced Electronic Books provided that such revisions or updates shall be consistent with the format and premium brand image of the Publisher's reasonable business judgment.

7. SECONDARY AND OTHER RIGHTS WORLDWIDE

7.1. Any proceeds from the licensing of an anthology and/or quotation rights, one-shot or serialization newspaper/magazine rights and/or book club rights relating to the Work, translations or any other similar rights including rights pertaining to making the Work available on the internet, will be divided equally between the Publisher and the Author.

7.2. Any proceeds received from the assignment and/or licensing of film, television, and/or broadcasting rights related to the Work, including the making of a film and/or broadcast available on the internet pertaining to the Work shall be divided equally between the Publisher and the Author.

7.3. **Audio Books:** The Publisher may pitch the Work to audiobook studios, to convert the Work into an audiobook. In such an event, if a studio comes on board, the earnings from the sales of the Work shall be split between the retailer and the studio taking care of the audiobook creation before the Publisher receives its share. Thereafter, the net receipts, that is, the amount received by the Publisher post the deductions, shall be shared between the Author and the

Publisher equally. In the event the Publisher decides to convert the Work to an audiobook using its own resources and/or investment, then the distribution of the net receipts from the sale of such audiobooks shall be such that, 20% (twenty percent) of the net receipts is given to the Author and 80% (eighty percent) of the net receipts is given to the Publisher, to compensate the Publisher for its investment into the production of the Work into an audiobook.

7.4. In the event of any form of screen adaptation, that is, licensing of film, over-the-top (OTT), video on demand (VOD), television and/or broadcasting rights or any other similar rights as set out in this Clause 7 being directly negotiated by the Author, [he/she] shall disclose such contracts in their entirety to the Publisher and all proceeds from such licensing or any other similar arrangement shall be divided equally between the Publisher and the Author.

7.5. For the purposes of this Clause 7, it is clarified that the Publisher or Author (as the case may be) shall ensure that both, Publisher and Author are at all times made a party to any agreement, memorandum of understanding entered into with a third party in relation to the assignment or licensing of any rights as set out in this Clause 7 pertaining to the Work.

8. SERVICES ON PENCIL AND KEY STAGES IN RELATION TO CREATION OF BOOK

8.1. Account/ Login creation: The Author needs to create an account on the Pencil platform and verify his/her email ID and mobile number or use an O-Auth via social logins, like Facebook or Google login. This account shall be the interface for the Author to access all confidential details in relation to the Work including but not limited to the sales reports, legal details, payment details for royalty transfers. The Author is advised to be most careful about his/her login details of his/her account created on the Pencil platform and the Publisher shall not be held liable in any manner whatsoever for any data breach in this regard.

8.2. Book Creation Process (A):

8.1. Account/ Login creation: The Author needs to create an account on the Pencil platform and verify his/her email ID and mobile number or use an O-Auth via social logins, like Facebook or Google login. This account shall be the interface for the Author to access all confidential details in relation to the Work including but not limited to the sales reports, legal details, payment details for royalty transfers. The Author is advised to be most careful about his/her login details of his/her account created on the Pencil platform and the Publisher shall not be held liable in any manner whatsoever for any data breach in this regard.

8.2. Book Creation Process (A):

8.2.1 The Author shall add the text of the Work to the Pencil platform along with other details such as chapters, title, legal or a pen name.

8.2.2. If the Author purchases or gets the Work edited or proof-read by any person or entity, adding due credits to such person or entity which has contributed to the editing or proof-reading of the Work is the responsibility of the Author and there shall be no liability on the Publisher in this regard.

8.2.3. The Author shall follow the typesetting and page order guidelines as per the editorial policies of the Publisher,

as amended from time to time.

8.2.4. The credentials and details of the Publisher shall also be included by the Author at the beginning of the Book along with the credits of all the contributors of the Work. The Book will mention the credentials of the Publisher at all appropriate places inside the Book as well as on the cover page. These may include text material and/or Publisher's brand logos on all formats of the Book as communicated by the Publisher to the Author, including but not limited to Electronic Book, paperback, audiobook. The Book will mention details of the Publisher on all the relevant pages.

8.2.5. One or more pages of the Book may be used for promotional purposes by the Publisher and such pages may contain the names and other details of the other books published by the Publisher and/or any other communication the Publisher wishes to make a part of the Book. The same shall be completely at the discretion of the Publisher.

8.3. **Book Creation Process (B):**

8.3.1. The scope of this stage includes the designing of the front cover, back cover and the spine of the Book. The Author shall use [his/her] own cover art or use third-party integrations on the Pencil platform to design [his/her] own cover art or use any of the templates provided by the Publisher on the Pencil platform, or may buy the services of the Publisher to get the cover art designed.

8.3.2. It is imperative that if the Author uses [his/her] own cover art/images, all the Intellectual Property Rights of the same need to belong to the Author or the Author may use copyright/ royalty-free images from the internet from a reliable source. The Author agrees and warrants that the files used by the Author in the creation of such cover art shall not legally infringe upon any Intellectual Property Rights of any party. In the event the Author is using purchased services from any freelancer individual and/or a company, the contracts for the same shall be the responsibility of the Author and there shall be no liability whatsoever on the Publisher in this regard. Due credits for the design of the cover art may or may not be given to the artist/entity as per the contract the Author enters into with any such person and/or entity.

8.3.3. The other details in the design of the Book's cover shall include the name of the Author, the title of the Book and the back blurb which the Author has to add on the Pencil platform.

8.3.4. The Book will have the Publisher's logo and other information including but not limited to the price, ISBN, genre/sub-genre and barcode. If any parts or details provided by the Author does not fit the Publisher's design, editorial or legal guidelines or policy, the Publisher shall have the right to duly alter the cover or such other details to ensure that the same is in compliance with the Publisher's design, editorial or legal guidelines or policy.

8.4. **Paperback ISBN:** The Publisher will assign an ISBN to the Book and complete the required legal formalities for the same. This ISBN shall not be utilized by the Author for any other book or even for the publishing of the Work in any other way.

8.5. **Electronic Book ISBN:** The Publisher will assign an ISBN to the Electronic Book and complete the required legal formalities for the same. This ISBN shall not be utilized by the Author for any other book or even for publishing

of the Work in any other way

8.6. **Barcode:** The Publisher will provide the barcode required as per its policy and will feature on the cover and may be placed in such other places in the Book.

8.7. **Price setting:** The Author needs to choose the price of the Book as per the guidelines provided in the Pencil platform. However, the price of the Book may be changed as per the market conditions and the final decision regarding the same shall be that of the Publisher.

8.8. **Book Size:** The Pencil platform operates with some specific standard book sizes. If the Author requires any other size for [his/her] Book, the same shall be considered upon requirement by the Author and with the mutual consent of the Parties.

8.9. **Electronic -Book Creation:** The Pencil platform or the Publisher will get the Work converted to EBook, in any of the following formats – epub, mobi, pdf, or in any additional formats as well, if required, as per the Publisher's judgment.

8.10. **Electronic -Book Distribution:**

8.10.1. The Publisher shall make the Electronic-Book available for listing and sale to various e-commerce websites /online retailers globally. The e-commerce websites/online retailers shall have the right to refuse to list the Electronic Book of the Author of the Work on their website and the Publisher shall not be held liable for the same.

8.10.2. It may take between 15 (fifteen) days to 1 (one) month for the Electronic-Book to be made available for sale. The Pencil platform integrates with third-party ebook distributor(s) and /or e-book retailer(s), making the Electronic-Book available with multiple ebook retailers. The same implies that the Work in the form of the Electronic-Book is available on multiple servers globally which may make the Electronic-Book susceptible to the risks of getting on to a public domain by digital piracy. The E-Book files use digital rights management (“**DRM**”) which is a system for protecting the copyrights for digital media. The purpose of DRM is to prevent unauthorized redistribution of digital media and restrict the ways consumers can copy the content they have purchased. Typically, DRM is implemented by embedding code/digital watermark that prevents copying and specifies a time period in which the content can be accessed or limits the number of devices the media can be installed on. DRM products were developed in response to the rapid increase in online piracy of commercially marketed material, which proliferated through the widespread use of peer-to-peer file exchange programs such as torrents. The Author understands that although digital content is protected by copyright laws, policing the web and catching law-breakers is very difficult. The Author understands that the Electronic-Book will be loaded to servers of Amazon Kindle, Kobo, Sony Reader, Nook or other ebook applications or devices and the above-mentioned risks exist for the Electronic-Book and the Publisher shall not be

held liable for infringement of any Intellectual Property Rights or any other right pursuant to publication of the Electronic-Book.

8.11. Setting up the Work for Paperback sales via Print on Demand (“POD”):

8.11.1. The Publisher will set the Workup for sales across its partner POD service providers globally. Should there be any issues raised by the e-commerce retailers, generally basis the content of Work, the Publisher will communicate the same to the Author and the Author shall clear any issues if a resolution is possible. Once the Work is set with POD partners, within 15 (fifteen) working days’ time, the same shall be made available for purchase across various e-commerce retailers.

8.11.2. Process: The Publisher will send the Author the industry-standard BISAC codes (Book Industry Standards and Communications), which enables the Work to be defined in the correct category and be searchable globally and the Author shall help with the metadata to further enable search of the Book. The Author understands that the .pdf or similar format files of the Work shall be available on several servers of the Publisher’s POD partners. The Author hereby understands and agrees that any risks of infringement of Intellectual Property Right of the Work through such servers is a risk that lies in the scope of the work done by the Publisher or by its POD partners.

8.11.3. The Publisher will set the workup for the POD distribution of the book provided that the page count of the book is above 50 pages. In case the page count is less than 50 pages, then the Publisher will not proceed with the POD Distribution and will only facilitate eBook distribution of the book.

8.12. **Versioning:** The Author may change the content of the Work to create fresh editions/versions of the Work, using the Pencil platform as per the policies of the Pencil platform. The following events occur when a version of the Book is changed:

8.12.1. The E-Book version of the previous version of the Book is maintained on the servers of the Publisher and of distributors and e-book retailers. The same is maintained for the customers who have purchased the same version.

8.12.2. The Publisher makes a requisition to the distributors and retailers to stop sales of the prior version and upload the new version of the Book. There may be a time lag and inconsistency in the delisting of the E-Book (making the prior version non-available for further sales), as per the policy of the concerned distributor and/ or retailer and the Author understands and agrees to the same.

8.12.3. The Publisher then puts out the new version with the new details (if applicable) of the Book, that is, new ISBN, new price, new description and such other details as per applicable changes. The time taken for the publishing and availability of the new version of the Book, shall be dependent on the policies of the concerned retailer and/or distributor and the Publisher shall not have any liability in this regard.

8.12.4. The same process is applicable for the Work through POD. The only difference is that the Publisher requests its POD partners to delete the previous version of the Book, as the retailer is not obliged to support the sales of the older version of the Book.

8.13. **Reporting:** The sales reports of the Book shall be made available to the Author via the Pencil publishing platform dashboard or via email of the Author as set out in this Agreement. The sales report is broadly broken into the following parts:

8.13.1. E-Book sales: Some of the e-book retailers share the sales data on a real-time basis, while a few may share them on a monthly basis. As per the availability of the same, the Publisher shall make those available to the Author.

8.13.2. POD Sales: The POD sales are generally received with a lag time of 60 (sixty) days and the Publisher will use commercially reasonable efforts to make the same available to the Author. For example, sales data with respect to the POD sales for the month of March shall be made available by the end of May.

8.13.3. Audio Books (if applicable): The data shared in relation to audiobooks is mostly on a monthly basis. The Publisher shall make available the sales data in relation to audiobooks to the Author within 20 (twenty) working days of data being made available to the Publisher by the retailers.

8.14. All statements and other accountings shared with the Author shall be conclusive, final and binding unless the Author Gives written notice to the Publisher stating the specific basis for objection within 1 (one) month of receiving the reports. The Author Understands that the Publisher is dependent on its various partners, distributors, retailers and other stakeholders to share the sales data. In case of any inconsistent data reported, the Author Shall bring the same to the Publisher's notice, which the Publisher can take up with the relevant party/parties to get their response. If the same remains inconclusive or the party is not communicative, the Publisher Shall take a course of action, as per its policy framework. Notwithstanding any other provision of this Agreement, while the Publisher will share the information on "as is" basis received in from of the data/reports provided by partners, distributors, retailers and other stakeholders, the Publisher shall not, under any circumstance, be held liable for any inconsistent/inaccurate/inadequate data/reports received from such parties.

9. ROYALTY

9.1. The Publisher agrees to pay the Author 70% (seventy percent) of actual money received by the Publisher due to the sales/lending/part reading of the Book via the Pencil Reader and 50% (fifty percent) of actual money received by the Publisher due to the sales/lending/part reading of the Book via external retailers/distributors. It is most important to understand the possible parties involved whenever a Book sells and how they get compensated: (a)Retailer: The party which makes the sale of the Book and delivers it to the book buyer/customer, whether in paperback, Electronic-Book or audio format (such as Amazon.in, Kindle, Audible);(b)Distributor: The party which makes the Book reach various retailers for sales;(c) Printer: The party which prints the Book and hence gets compensated. In POD, the retailer or distributing partner may pay for the printing as per order/sales; (d)Logistics: Generally the cost of delivery is charged to the book buyer, but several times, the delivery is free and is added to retailer's margins; (e) Government bodies including but not limited to applicable local taxes.

9.2. In the event a Book sells in the United States of America, the retailer has to withhold 15% (fifteen percent) of the remittance to the Publisher. Apart from book sales, to enable revenue maximization from the Book, the Publisher may participate in various lending programs/part reading programs run via retailers such as Kindle Unlimited, Audible. The Publisher gets compensated when the Electronic-Book is lent or as many pages have been read by the consumer. Similarly, the Publisher also participates in various discounted sales promotional campaigns run by retailers, to maximize sales of the Book. Post the Book is sold/ rented/ part read, the retailer or the distributor remits the money to the Publisher. From the money received by the Publisher for the Work, the Publisher shall remit 30% (thirty percent) of all receipts to the Author. The same applies uniformly for all formats of the Work sold. For secondary rights, the

Author and the Publisher shares are set out in Clause 7 of this Agreement.

10. PAYMENTS

10.1. Post the sales are reflected into the Publisher's book of accounts and the Publisher receives the amount in its bank account, the Author can request a remittance via the Pencil platform or via an email, in accordance with Clause 11.2 below. The payments shall be duly made, subject to any government taxes and withholdings as per applicable law, on the occurrence of any of the following events: (i) upon a written request received from the Author in this regard; or (ii) once the royalty amount due to the Author is more than an amount equivalent to USD 100 (United States Dollars One Hundred). The remittances shall be made to a bank account of the Author or other payment custodians like PayPal or Payoneer or any other similar service. The Publisher shall make the full remittance to the Author less any mandatory tax withholdings as per applicable law. In the event the banks, payment custodians, or payment gateways charge a commission for the remittance to the Author's account, there shall be no liability on the Publisher in relation to such deductions. It is advisable that the Author refers to the information provided by the Publisher on the costs associated with the remittances, while requesting remittances, to save on those costs.

11. PRICING AND PROMOTIONS

11.1. To improve the sales of the Book and increase the readership of the Book or to allow sampling of the Book, the Publisher may at its discretion create promotional plans for the Book on its own channels/websites/reader applications or work with its retail and distribution partners to do the same and the Author gives [his/her] consent to the same. It is agreed by the Parties, that no royalties shall be paid on copies sold to any party (including, in the case of "remainders", affiliates of the Publisher) below or at cost (including direct expenses incurred) or given away for review, advertising, sample, sales promotions, or like purposes, or on portions of the Work appearing as previews in other books published by the Publisher or on portions of the Work used or sublicensed for advertising or publicity without compensation.

11.2. At any time after one year of the initial publication of the Work, if, in the opinion of the Publisher, the continued sale of the Work is no longer profitable, the Publisher may dispose of any copies remaining on hand as "remainders" at any price as it may see fit. There shall be no royalty payable on all copies sold as "remainders". The Publisher shall notify the Author before the Work is remaindered and shall offer the Author the opportunity to purchase copies of the Work at the remainder price; any inadvertent failure by the Publisher to do so, however, shall not be deemed a breach of this Agreement.

12. MARKETING AND PROMOTION

12.1. The Author shall provide the Publisher with biographical information, a photograph, and a description of the Author for use by the Publisher. The Author agrees to grant the Publisher the right to use the Author's name, likeness, the title of the Work and biographical material for publishing, advertising and promoting the Work. The Publisher reserves the right to edit or rewrite the description submitted by the Author on the Work or any other information in consultation with the Author.

12.2. The Author agrees to self-promote the Work to the best of [his/her] ability. If the Author has [his/her] own website, the Work shall be linked to the website of the Publisher and/or its group companies, reading app, social media and other appropriate places. In the event the Author generates any promotional material, the Author shall consult the brand guidelines provided on the publisher's website.

12.3. The Author may use up to 2 (two) chapters or 25% (twenty-five percent) of the content whichever is lesser from the Work to post on his/her website or to give away as teasers to promote the Work, provided it includes a link to the sites of the Publisher and that of the group companies/websites/applications of the Publisher. The Publisher as well as its retail and distribution partners are also permitted to use a similar part of the Work to sample the Book to readers so as to generate sales for the Book and the Author hereby agrees to the same.

12.4. The Author hereby acknowledges and understands that the Publisher may send out the Work for review to various media organizations.

13. DATA RISKS

13.1. While the Publisher shall take all efforts to conserve the Work and its associated versions, the Publisher shall not be held liable for lost/deleted/partially damaged Work, formatted Book, design covers and/ or any other material pertaining to the Work in case of any software malfunction or that of malfunctioned memory of databases/servers or defective disks or cloud storage issues or defects to electronic storage devices where the Work is stored. It shall be the duty of the Author to always keep a back-up copy.

13.2. Similarly, while the Publisher shall keep secure the data the Author shares such as his own data, login access, payment data, tax data to its best capability, the Author hereby agrees that the Publisher shall not be held liable for any breach of cybersecurity, software or database failures and other associated risks.

13.3. The copies of the Work shall be available with several of the partners that may work with the Publisher and its group companies. The Author understands that the Publisher is not in control of the data security measures undertaken by such partners and shall not be held liable for any breach of security and leakages/ damages that may occur with respect to the Work made available to such partners.

13.4. For any purchased services as set out in Clause 20 below wherein the Work is shared with freelancers or internal team members, while the Publisher makes sure the best practices of security are followed and the people the Publisher works with are contractually obligated, the Publisher shall not be held liable for any issues happening by design or malpractice or breach of security or data theft by such persons and the Author understands and agrees to the same.

14. AUTHOR AND OTHER CREDITS

14.1. The name of the Author shall appear on the cover, spine and title page of the copies of the Work.

14.2. Author credits shall appear appropriately in the case of exploitation of the Work for any other purposes by the Publisher.

15. REVISED EDITIONS

The exclusive license granted to the Publisher under this Agreement shall extend, in all other respects, to all revised editions of the Work.

16. COMPETING WORKS

In consideration of the Publisher's investment of time, money and resources in promoting the Work, the Author agrees that [he/she] shall not prepare in book, electronic or in any other form (now known or hereafter devised), any other works which are same or similar to the Work such that they would be likely to function as replacements or substitutes for the Work in the market during the term of copyright (including any and all extensions and renewals thereof) of the Work.

17. RIGHT OF FIRST REFUSAL

It is agreed between the Parties that the Publisher shall have a right of first refusal on the Author's new work, on the same conditions as set out in this Agreement or such other terms as may be mutually discussed and agreed upon between the Parties at that point in time. The Author may also be required to enter into an addendum agreement to this Agreement or a separate agreement as required by the Publisher in relation to any such new work and the Author agrees to the same.

18. ASSIGNMENT

The Publisher may, at any time, sell itself, or the majority of itself, its holdings, or licenses to any third party. In such an event, this Agreement and any of the rights and obligations of the Publisher under this Agreement shall be assigned to such third parties, subject to the consent of the Author. It is further clarified that the Author shall not assign his/her rights or obligations set out in this Agreement to any other party.

19. PURCHASED SERVICES

Purchased services are such services purchased by the Author from the Publisher which may include editing, designing, printing, publishing, marketing, distributing, selling, promoting and other services relating to the Work for which the Author and the Publisher or such other parties shall enter into a separate agreement. These services will terminate within a mentioned period as set out in such an agreement. The agreement or invoice for the same do not in any way affect this Agreement and this Agreement shall be treated separately. Any satisfaction/dissatisfaction pertaining to any of the purchased services shall be governed by the terms and conditions and/or agreement signed/agreed upon for that purchase between the Author and the Publisher or such other parties. The same shall have no implication on this Agreement.

20. SUPPORT SERVICES

These services may include customer support, reporting of royalties, payment of royalties, technology-based distribution services like POD, e-book distribution, audiobook distribution services provided by the Publisher to the Author. These services will last until this Agreement is terminated. However, these services and the policies applicable to such services may change periodically. The same shall be displayed on the Publisher's website or a copy of the same can be requested via email. It shall be the duty of the Author to be updated with such services and policies of the Publisher

21. NO GUARANTEE OF SALES OR POSITIVE FEEDBACK

The Publisher does not guarantee any kind of specific response to the Work/Book from any third party including the readers. The Publisher shall not be responsible for any negative feedback posted by any third party on public forums about the Work/Book.

22. BANKRUPTCY

22.1. If the Publisher is legally judged bankrupt or liquidates its business, this Agreement shall be terminated effectively and all rights granted to the Publisher shall be terminated.

22.2. In such an event, the Publisher shall be entitled to all the proceeds received/to be received from the sale of the copies of the Work already completed and the Author shall be entitled to royalties as set out in Clause 10 and in accordance with Clause 11 above.

23. NO JOINT VENTURE

This Agreement is on a principal to principal basis between the Parties hereto. Nothing contained in this Agreement nor any action taken by any Party shall be deemed to create any partnership, agency, joint venture or fiduciary relationship between the Publisher and the Author for any purpose.

24. CONFIDENTIALITY

24.1. This Agreement and its terms are confidential and any disclosure of its contents, whether in part or in full, may impact the Publisher and/or the Author. Hence, neither Party shall make any public announcement regarding the contents of this Agreement or share the Agreement via any other means or disclose or cause or knowingly permit to authorize the publication or disclosure of the financial terms and other conditions of this Agreement, at any time, without the other Party's prior approval, except as required under applicable law or by a non-appealable order of a regulatory authority.

24.2. Notwithstanding the above, the Parties may disclose the contents of this Agreement to their counsel or personal tax advisor.

25. IMPLEMENTATION

This Agreement shall take effect from the date of the signature by the Publisher's authorized representative and shall continue for such periods unless otherwise terminated in accordance with Clause 27 below.

26. TERMINATION

26.1. This agreement may be terminated by mutual consent of the Author and the Publisher without providing any notice.

26.2. The Publisher may terminate this Agreement without assigning any reason by providing the Author with written notice of 30 (thirty) days.

26.3. The Publisher may terminate this Agreement at any time without any notice in the event of breach or default by the Author of any of [his/her] obligations under this Agreement. The Author may terminate this Agreement in the event of a material breach of the terms of this Agreement by the Publisher, which material breach has not to be cured by the Publisher within a period of 60 (sixty) days of Publisher accepting the written material breach notice, served by the Author, giving all the necessary details to the Publisher in relation to such material breach.

26.4. In the event of termination of this Agreement, as set out in this Clause 27, the Publisher shall be entitled to all the proceeds received/to be received from the sale of the copies of the Work/Book already completed and the Author shall be entitled to royalties as set out in Clause 10 and in accordance with Clause 11 above.

27. PRIVACY POLICY

27.1. The privacy policy mentioned on the website of the Publisher is incorporated herein by reference and shall be applicable to all the personal information provided by the Author to the Publisher.

27.2. Unless otherwise authorized or consented, the Author agrees not to use any information regarding other participants that is accessible from the website of the Publisher or disclosed to the Author by the Publisher or its affiliates. By way of example and not limitation, the Author agrees not to use any such information for purposes of solicitation, advertising, unsolicited e-mail or spamming, harassment, invasion of privacy, or otherwise objectionable conduct.

28. GOVERNING LAW AND DISPUTE RESOLUTION

This Agreement shall be governed by the laws of India and the competent courts in Mumbai shall have the exclusive jurisdiction over the disputes, if any. In the event any dispute arises between the Parties due to any matter set out in this Agreement, the same shall be mutually resolved in good faith by the Parties, and in the event the same is not resolved within 30 (thirty) days, then the same shall be referred to a sole arbitrator who is mutually appointed by the Parties, and the dispute shall be subject to the process of arbitration under and in accordance with the provisions of the Indian Arbitration and Conciliation Act, 1996 (“**the Act**”). The seat and venue of arbitration shall be Mumbai, and the language of the arbitration shall be English. In the event the Parties are unable to appoint the sole arbitrator within a period of 45 (forty-five) days from the date of the occurrence of the dispute, then each Party shall appoint 1 (one) arbitrator and the 2 (two) arbitrators so appointed shall appoint the third arbitrator as the presiding arbitrator to form a tribunal for the purposes of dealing with the dispute, in accordance with and under the provisions of the Act.

29. ENTIRE AGREEMENT

This Agreement comprises the final understanding of the Parties relating to the subject matter hereof and cancels all prior discussion or agreements, whether written or oral, between the Parties.

30. SEVERABILITY

If any provision of this Agreement is determined to be unenforceable in whole or in part thereof for any reason, then such provision or part thereof, shall to that extent be deemed deleted from this Agreement and the legality, validity

and enforceability of the remaining provisions of this Agreement shall not be in any way be affected thereby and any act of omission/commission of the Parties hereto done prior to the provisions being held unenforceable shall be deemed to be valid and/or binding on the other.

31. AMENDMENTS AND WAIVER

This Agreement may be amended, superseded, canceled, renewed, or extended, and their terms or covenants hereof may be waived, only by a written instrument executed by the Parties hereto or in the case of a waiver, by the Party waiving compliance.

32. RIGHTS, REMEDIES AND WAIVER

All rights and remedies hereunder shall be cumulative and may be exercised singularly or concurrently. If either Party fails to perform its obligations under any provision of this Agreement and if the other Party does not enforce such provision then, failure to enforce on that occasion shall not prevent enforcement on later occasions.

33. NOTICES

All notices, requests, demands and other communications hereunder shall be in writing and the same shall be deemed to be served if given personally delivered or sent by registered mail to the address detail as first mentioned above in the Agreement or to the email address as set out below:

If to the Author:

Attention:

Address:

Email id:

Tel. No.:

If to the Publisher:

Attention: Product Head - Pencil

Address: 123, Building J2, Shram Seva Premises, Wadala Truck Terminal, Wadala (E) Mumbai 400022 India

Email id: connect@thepencilapp.com

34. CONDITIONAL CLAUSES - ACCELERATED PUBLISHING/COMMERCIAL PUBLISHING

34.1. The Work, if performing well commercially, that is, if it has a high readership and sales, in line with the editorial policies of the Publisher, shall be moved to commercial publishing. The same shall be duly communicated to the Author. In such a case, there may arise a need to enhance the book with services rendered by the publisher like but not limited to new cover, editing, proofing, etc. In case of commercial publishing, the Book's inventory is created to be made available at offline bookstores. Commercial Publishing has the following parts and policies:

34.1.1. Offline Book sales via Commercial Publishing (if applicable): The retailers generally procure books on sales or returns ("SOR") basis, where, if the copies of the books do not sell, the store can return the unsold copies. The Publisher shall try to persuade the stores to keep the copies of the Book on shelves for the longest time possible, not insisting on immediate returns. The stores do not share the sales numbers with the Publisher directly and they shall just return the copies which remain unsold. They have to do a reverse calculation on the same. For example, if 100 (one hundred) copies of the Book were supplied by the Publisher to a store and 20 (twenty) were sent back by the store as unsold stock, the sales comes to 80 (eighty). Hence, it shall take an entire year for the Publisher to provide the sales reports for the offline retail distribution of the Book. Accordingly, the sales report for offline retail distribution of the Book shall be provided to the Author on an annual basis within a period of 90 (ninety) days from the end of the entire calendar year in which the sales have been made. For the purposes of explanation, for the sales having been made between the year commencing from April and end in the month of March (next calendar year), the sale report shall be provided on or before June (next calendar year).

34.1.2. Offline Book sales via Commercial Publishing Licencing (if applicable): If the Publisher works with another publishing partner to take the Book to a particular market in physical format (paperback/hardback), the partner publisher will also share data on a yearly basis. Hence, it shall take an entire year for the Publisher to provide sales reports for the same. Accordingly, the sales report shall be provided to the Author on an annual basis within a period of 90 (ninety) days from the end of the entire calendar year in which the sales have been made. For the purposes of explanation, for the sales having been made between the year commencing from April and end in the month of March (next calendar year), the sale report shall be provided on or before June (next calendar year).

34.1.3. Commercial Publishing Translation Licencing (if applicable): The publishing partners which the Publisher operates to make available the Book in all formats in all other languages beyond the Book's primary language (that is,

the language, in which the Work was created by the Author), also shares data on a yearly basis.

34.1.4. **Distribution:** Under commercial publishing, the Work shall be distributed through the book distribution department of the Publisher and/or via its publishing partners. Every effort shall be made to distribute the Book across major retail stores. However, since it is the prerogative of the retail shops to select and stock the Work, the Publisher shall not be held responsible if the Work is not selected and stocked by any particular retail shop. The Publisher shall be free to tie up/ sign agreements for distribution of the Work with distributors/publishing partners/retailers /other booksellers /online parties to enhance the distribution and sales of the Work and the Author hereby gives [his/her] consent to the same.

34.1.5. **Inventory Policy:** Post 6 (six) months of the Book's printing, as per the Publisher's inventory policy, the Publisher will retain in its warehouse approximately last month's average number of physical copies of the Book sold and/or keep the Book available for sales via POD. In case the volume of the copies of the Book kept in the warehouse of the Publisher is too high, the Publisher will request the Author to buy the same at 50% (fifty percent) of the maximum retail price ("MRP") without any payable royalties. In the event the Author is not keen on purchasing the said copies, the Publisher will be free to pulp the extra copies of the Work. No royalties will be paid for the copies of the Work which are pulped and/or sold at a price lesser than the printing price of the Book. When the Book is sold at heavy discounts, the royalties to be payable shall be computed in accordance with the provisions of Clause 10 of this Agreement.

34.1.6. **Pricing:** The pricing of the Book may vary under commercial publishing. The Publisher shall use its discretion to determine the price of the Work as per market conditions and the Author hereby agrees to the same.

34.1.7. **Royalty:** The royalties for commercial publishing, where the sales data compilation takes time to get ready, is paid once a year. For other channels of sales, the Author is free to request remittance to a maximum of once a month or twelve times in a year. The Publisher shall pay royalty only on the number of copies that have been actually sold (and the money received by the Publisher with respect to such sales) and not on the number of copies of the Book distributed in the market or in stock. All payments shall be subject to tax deducted at source/other tax withholdings, as the case may be. The Publisher shall furnish the relevant certificate in relation to such tax deductions to the Author.

34.2. The Author and the Publisher may enter into a separate agreement or an addendum to this Agreement in the event the Work is moved to commercial publication.

35. FORCE MAJEURE EVENT

Neither Party shall be deemed in default of this Agreement to the extent that performance of its obligations is delayed or prevented due to act of God, war, fire, full industrial strike, terrorism or natural catastrophes ("**Force Majeure Event**"), and either Party shall not be held liable for any loss or damage which may be incurred by the other Party as a result of such Force Majeure Event, but only to the extent of the duties or obligations so affected, provided that (a) best efforts shall be made by the Party relying on a Force Majeure Event to resume compliance of the terms and conditions of this Agreement and/ or (b) immediately upon the cessation of a Force Majeure Event, the Parties shall resume their obligations under the Agreement.

36. COSTS

Each Party shall pay its own costs and expenses incurred by them in connection with the negotiation, execution and completion of this Agreement.

37. SURVIVAL

Notwithstanding the termination of this Agreement, Clause 4 (*Author's Representations and Warranties*), Clause 5 (*Indemnity*), Clause 10 (*Royalty*), Clause 11 (*Payments*), Clause 25 (*Confidentiality*), Clause 27 (*Termination*), Clause 29 (*Governing Law and Dispute Resolution*), Clause 34 (*Notices*), this Clause 37 and any other provision which shall by their very nature is known to survive the termination of the Agreement shall survive the termination of this Agreement.

38. COUNTERPARTS

This Agreement may be executed in 2 (two) counterparts and all the copies when put together shall constitute one and same agreement only.

For the AUTHOR

Author

Address

Signature:

Accepted

Signature of Authorised Representative for the Publisher on

Full_Date