

I. Rightholders who do nothing

1. Rights and obligations if rightholders do not do anything

- Rightholders who are members of the Author-Sub-Class or Publisher-Sub-Class and do not do anything (either by intention or because of lack of information), will be automatically part of the Settlement. However, if these do not timely submit the applicable forms, they will not receive the benefits of the Settlement if approved by the Court.

2. Consequences if rightholders do not do anything

- Google will be authorised to, in the United States, sell subscriptions to the International Subscription Database, sell individual Books, place advertisements on Online Book Pages, and make other commercial uses of Books, as described in the Settlement Agreement.
- Google shall pay to the Registry, for the benefit of the rightholders, 70% of all revenues earned by Google through uses of Books in Google Products and Services in the United States authorised under the Settlement, less 10% for Google's operating costs, deducted from such revenues prior to such calculation (i.e., 63%) of all revenues earned by Google through uses of Books in Google Products and Services in the United States authorised under the Settlement Agreement. The Registry will distribute the revenues to rightholders pursuant to the provisions of the Plan of Allocation. However, rightholders who do not do anything, i.e. do not claim any Cash Payments by January 5, 2010, will not receive any Cash Payment benefit in accordance with the Settlement.
- Any revenues paid to the Registry and due to rightholders of Books, but that are unclaimed by such rightholders within five years of the last date of the reporting period in which the Book earned such revenues ("Unclaimed Funds"), will be distributed by the Registry in accordance with the Plan of Allocation as soon as practicable following the 5-year period as follows: (1) first, to defray reasonable and necessary operational expenses of the Registry, (2) then, any remaining Unclaimed Funds will be paid on a proportional basis to the Registered rightholders until all such rightholders of a Book have received 70% of the Gross Revenues received by Google for such Book, and (3) then, for any Unclaimed Funds remaining thereafter, to not-for-profit entities described in Section 510(c)(3) of the Internal Revenue Code chosen by the Registry after consultation with Google and the Participating Libraries and Cooperating Libraries.
- Rightholders will be bound by any judgment or determination of the Court in connection with the Settlement, whether favourable or unfavourable.
- In response to a user's search, Google may display about three or four lines of text from a Book (a "snippet"), with up to three snippets per user for that Book.
- Google will be permitted to make Non-Display Uses of the Books and Inserts.
- The Settlement Agreement neither authorises nor prohibits, nor releases any Claims with respect to (i) the use of any work or material that is in the public domain under the Copyright Act in the United States, (ii) the use of books in hard copy (including microform) format other than the creation and use of Digital Copies of Books and Inserts, or (iii) any Participating Library's Digitisation of Books if the resulting Digitised Books are neither provided to Google pursuant to the Settlement Agreement nor included in any LDC, or the use of any such Digitised Books that are neither provided to Google pursuant to the Settlement Agreement nor included in any LDC.
- The rightholders' claims against Google and the Participating Libraries will be released and will be dismissed by the Court. No rightholder releases any Claim for the reproduction, distribution, transmission, display, adaptation or preparation of derivative works of any Book or Insert in any jurisdiction outside the United States.
- The Settlement Agreement does not authorise the Digitisation or any other form of copying, Display Use, Non-Display Use, or any other use of Books and Inserts outside the United States.
- With respect to Books that are not in the public domain under the Copyright Act in the United States, the Settlement Agreement neither authorises nor prohibits Google from exploiting those Books in such jurisdiction, provided that, in countries that do not have a copyright law that provides for a copyright term of at least the life of the author and 50 years after the author's death for literary works that are not anonymous or pseudonymous where copyright is granted to natural persons, then Google will not treat Books as in the public domain in such jurisdiction.
- Google agrees to notify the Registry if and when Google commences any use of Books or (to Google's knowledge) Inserts outside of the United States that displays Protected material other than material that is allowed to be displayed by Snippet Display.
- Google, a Fully Participating Library, a Cooperating Library, Plaintiffs, Class Counsel or the Registry will not be liable for lost profits or any form of indirect, special, incidental, consequential or punitive damages of any character from any claims arising out of the Settlement Agreement.

II. Rightholders who decide to remain in the Settlement

1. Rights and obligations if rightholders decide to remain in the Settlement

a. Right to participate

- Rightholders with "US copyright interest" (p. 5, Notice: definition) as of January 5, 2009 have the possibility to participate in the Settlement, if they fill in the Claim Form available at www.googlebooksettlement.com or from the Settlement Administrator (p. 24, Notice).
- In order to participate in the Settlement, receive benefits for the use of the out-of-print Books or Inserts in GLP, or to exclude the Books from one or more Display Uses, the Claim Form available at www.googlebooksettlement.com or from the Settlement Administrator must be completed within five years of the Effective Date (see definition on p. 7 of the Settlement).
- Depending on the extent of involvement, the RROs are advised to check or inform authors and publishers outside the US about US Copyright Office's published list of countries with which the US has copyright relations, available at: www.copyright.gov/circs/circ38a.html.
- Depending on the extent of their involvement, RROs are advised to check or advise rightholders to go to www.googlebooksettlement.com to access a searchable database of books that are covered by this Settlement.
- Depending on the extent of involvement, RROs are advised to check or inform rightholders that, in order to find out if a Book has initially been determined to be Commercially Available or not Commercially Available, rightholders are advised to go to www.googlebooksettlement.com or contact the Settlement Administrator.
- The Settlement only relates to works published on or before January 5, 2009.

b. Right to authorise uses and make decisions as to pricing

- Rightholders have every right to authorise, through the Registry or otherwise, any individual or entity, including direct competitors of Google, to use their works in any way, including ways identical to Google's and the Participating Libraries' authorised uses.
- In order for Google to make Display Uses of any in-print Book, both the author and the publisher must agree to authorise Google to make Display Uses in accordance with a process set out in the Author-Publisher Procedures.
 - Google does not have the right to make any Display Uses of Books that are classified as Commercially Available unless the rightholder authorises Google to include the Book in one or more Display Uses (see definitions on p. 7 and 12 of the Settlement).
- If a rightholder wants his in-print Books to be included in Display Uses, (s)he may authorise Google to do so. The Book will then be subject to the economic terms under the Settlement.
- In order to authorise one or more Display Uses of any of the in-print Books in GLP, the rightholder must complete the Claim Form. After Google has been authorised to make Display Uses of any of the rightholder's in-print Books, the rightholder can change these instructions at any time.
- If Google finds what appears to be a rightholder's content of a Book, government work or public domain book, it will notify the rightholder. The rightholder will then be asked to confirm that the content contained in the Book, government work or public domain is an Insert. After the rightholder's confirmation, he/she will be eligible to receive an Inclusion Fee under the Plan of Allocation.
- Rightholders can make decisions as to pricing of any out-of-print Book as follows: (a) for Books that are works-for-hire, only the publisher can make pricing decisions; (b) for Books where rights have reverted to the author or where such Books are considered "author controlled", only the author can make pricing decisions; and (c) for all other unreverted Books, either the author, or the publisher can make pricing decisions (the more restrictive directions as to level of access, and the higher price, will govern).
- At the rightholder's request, Google will provide a hosted version of the rightholder's Book(s) for use on the rightholder's website.
- A Book will be considered "author controlled" if the Book is eligible for reversion under the author-publisher contract, the author has sent (or sends) a request for either ninety days or any written response period specified in the author-publisher contract, whichever period is longer. If those conditions are met, the author may send a request to the Registry (with a copy to the publisher) to treat the Book as "author-controlled" (inclusions: p. 21, Notice). Inform publishers that these must dispute this request (if applicable) within 120 days.

c. Right to exclude

- Rightholders of Inserts have the right to exclude Inserts from all – but not less than all – Display Uses.
- Rightholders will be notified, either directly or through the Registry's website, of all new commercial uses that Google is authorised to make, and will have an opportunity at any time to exclude any of their Books from any or all of these uses.

Google Book Settlement - Rights and Consequences

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- Rightholders may select another preview option (other than the Preview Use, see p. 15, Notice), in which the pages available for preview are fixed ("Fixed Preview").
- Rightholders who want to participate in the Settlement but exclude any of their Inserts from Display Uses must complete the Claim Form. There is no time limit to exclude any of their Inserts from all – but not less than all – Display Uses, and rightholders can change any exclusion decision at any time.
- Rightholders will be eligible for an Inclusion Fee if they do not exclude their Insert from Display Uses and if they otherwise satisfy the eligibility criteria on the Claim Form. If these wish to exclude their Insert from Display Uses after having received their Inclusion Fee, they will have to first return the fee.
- If Google finds what appears to be a rightholder's content of a Book, government work or public domain book, it will notify the rightholder. The rightholder will then be asked to confirm that the content contained in the Book, government work or public domain is an Insert. After the rightholder's confirmation, he/she will have the right to exclude his/her Insert(s) from Display Uses.
- Rightholders can make decisions as to exclusion of any out-of-print Book as follows: (a) for Books that are works-for-hire, only the publisher can make the exclusion decisions; (b) for Books where rights have reverted to the author or where such Books are considered "author controlled", only the author can make exclusion decisions; and (c) for all other unreverted Books, either the author, or the publisher for good cause articulated, can make exclusion decisions.

d. Right to remove

- Rightholders may only prevent Google from making Non-Display Uses of any of their Books if they make a timely request for removal of their Book.
- Google has the right to make Non-Display Uses of an in-print Book for the term of the US copyright for that Book, unless the rightholder timely removes the Book. However, rightholders have the right to remove their Books (i.e. require all digital copies of those Books be deleted from all servers or sources from which Google or the Fully Participating Libraries could make any uses).
- For any in-print Book for which Google is authorised to make Display Uses, both the author and the publisher have the right to request removal of the Book or to exclude the Book from any and all Display Uses.
 - Rightholders can make decisions as to removal of any out-of-print Book as follows: (a) for Books that are works-for-hire, only the publisher can make the removal, exclusion and pricing decisions; (b) for Books where rights have reverted to the author or where such Books are considered "author controlled", only the author can make removal pricing decisions; and (c) for all other unreverted Books, either the author, or the publisher for good cause articulated, can make removal decisions.

e. Right to withdraw

- For any Books that are Commercially Available as of January 5, 2009, or within two years thereafter, these have the right to withdraw the Books from the Research Corpus as long as they remain Commercially Available. If a rightholder's book is Commercially Available, and if a rightholder would like to withdraw the Book from the Research Corpus, these must complete the Claim Form.

f. Right to preclude

- Rightholders of Books will have the right to direct Google not to include any advertising on any pages dedicated to a single Book, but not on pages resulting from a user's search over multiple Books or over other content. In order to preclude advertising on any web pages dedicated to any of their Books, rightholders must complete the Claim Form.

g. Right to dispute the status of Books

- Members of the Class or their representatives on the Board of the Registry may dispute the status of the Book as "in-print" or "out-of print" by notifying the Registry with evidence (such as contracts, royalty statements, trade announcements, or affidavits) sufficient to establish whether or not the Book meets either of the two tests in para. (3) on p. 21, Notice.

h. Right to authorise certain actions under the Partner Program

- Even if a rightholder removes a Book, it may be possible to contact Google subsequently to attempt to negotiate a separate deal for inclusion of the Book in the Partner Program.
- If a rightholder wants his/her in-print Books to be included in Display Uses, (s)he may negotiate different terms under the Partner Program.
- Rightholders can decide to place a Book in the Partner Program instead of in Display Uses under the Settlement because they believe they might be able to negotiate better economic terms with Google or for some other reason. Rightholders of an-in print Book have certain rights if another rightholder in

the same Book places the Book in the Partner Program instead of in the revenue models under the Settlement Agreement. These rights pertain only to Books published under an author-publisher contract executed prior to 1992 and that had not been amended thereafter to address electronic rights.

- Rightholders who believe Google is using an in-print Book in the Partner Program without the necessary authorisation from the rightholder, may request that Google either remove the Book from the other Google program or transfer the Book from the other Google program into the Settlement Agreement program. The request must be made to the Registry and Google using the notification form at www.googlebooksettlement.com or from the Settlement Administrator. Google will notify the person or entity that permitted Google to use the Book in the Partner Program or other Google program. If that person or entity objects to the removal or transfer request within thirty days, it must do so by notifying the Registry and Google using the notification form at www.googlebooksettlement.com or from the Settlement Administrator.

2. Consequences if rightholders decide to remain in the Settlement

- Google will be authorised to 1) continue to digitise Books and Inserts, 2) sell to institutions subscriptions to an electronic Books database, 3) sell online access to individual Books, 4) sell advertising on pages from Books, and 5) make other uses, as described under "Access Uses" (Question 9(F)(1) of Notice).
- In response to a user's search, Google may display about three or four lines of text from a Book (a "snippet"), with up to three snippets per user for that Book. Rightholders are expected to receive advertising revenues from advertisements placed on web pages that display one or more snippets from, and are developed to, a single Book (p. 15, Notice).
- Google will be permitted to make Non-Display Uses of the Books and Inserts. Rightholders may not exclude Books or Inserts from Non-Display Uses.
- Google has the right to make Non-Display Uses of Inserts for the term of the US copyright for those Inserts. Insert rightholders cannot "remove" an Insert.
- Rightholders will be able to direct Google not to digitise Books, but rightholders whose Books and Inserts are already digitised have no such opportunity.
- Rightholders will be notified, either directly or through the Registry's website, of all new commercial uses that Google is authorised to make.
- Google shall pay to the Registry, for the benefit of the rightholders, 70% of all revenues earned by Google through uses of Books in Google Products and Services in the United States authorised under the Settlement, less 10% for Google's operating costs, deducted from such revenues prior to such calculation (i.e., 63%) of all revenues earned by Google through uses of Books in Google Products and Services in the United States authorised under the Settlement Agreement. The Registry will distribute the revenues to rightholders pursuant to the provisions of the Plan of Allocation.
- Google will pay at least \$US 60 per Principal Work; \$US 15 per Entire Insert; \$US 5 per Partial Insert in accordance with the Plan of Allocation.
- The Settlement neither authorises nor prohibits, nor releases any Claims with respect to (i) the use of any work or material that is in the public domain under the Copyright Act in the United States, (ii) the use of books in hard copy (including microform) format other than the creation and use of Digital Copies of Books and Inserts, or (iii) any Participating Library's Digitisation of Books if the resulting Digitised Books are neither provided to Google pursuant to the Settlement Agreement nor included in any LDC, or the use of any such Digitised Books that are neither provided to Google pursuant to the Settlement Agreement nor included in any LDC.
- No rightholder releases any Claim for the reproduction, distribution, transmission, display, adaptation or preparation of derivative works of any Book or Insert in any jurisdiction outside the United States.
 - The Settlement Agreement does not authorise the Digitisation or any other form of copying, Display Use, Non-Display Use, or any other use of Books and Inserts outside the United States.
- With respect to Books that are not in the public domain under the Copyright Act in the United States, the Settlement Agreement neither authorises nor prohibits Google from exploiting those Books in such jurisdiction, provided that, in countries that do not have a copyright law that provides for a copyright term of at least the life of the author and 50 years after the author's death for literary works that are not anonymous or pseudonymous where copyright is granted to natural persons, then Google will not treat Books as in the public domain in such jurisdiction.
- The authorisations to use Books and Inserts provided for by the Settlement Agreement or a Library-Registry Agreement are not transfers of copyright ownership to such Books or Inserts. The authorisation for Google to Digitise Books and Inserts includes the authorisation of Google's contractors to Digitise Books and Inserts for Google, including libraries that may Digitise Books and Inserts, or portions thereof, at Google's request.
- Google agrees that, in asserting or responding to any legal claim outside the United States for copyright infringement arising from any use of Books or Inserts outside the United States, it will not in any way assert, based on the fact that the Settlement Agreement or Final Judgment and Order of Dismissal authorises, or releases Claims relating to, the making of copies or uses of Books and Inserts in the United States, either applicable non-United States law or a rightholder authorised such use of Books or Inserts outside the United States. Thus, territorial acts undertaken in the US, leading to a

non-authorised display outside the US, would violate U.S. Copyright law. Nonetheless, if these displays are permitted under foreign national laws, U.S. Copyright law would not be violated.

- Google agrees to notify the Registry if and when Google commences any use of Books or (to Google's knowledge) Inserts outside of the United States that displays Protected material other than material that is allowed to be displayed by Snippet Display.
- Google, a Fully Participating Library, a Cooperating Library, Plaintiffs, Class Counsel or the Registry will not be liable for lost profits or any form of indirect, special, incidental, consequential or punitive damages of any character from any claims arising out of the Settlement Agreement.

III. Rightholders who decide to opt out of the Settlement

1. Rights and obligations if rightholders opt out of the Settlement

- If rightholders want to opt out of the Settlement, they need to go online at www.googlebooksettlement.com to opt out on or before May 5, 2009, or send a written notice by first class mail on or before May 5, 2009, to the Settlement Administrator. The postmark will determine the time of mailing. Rightholders need not state their reason for opting out. Details: p. 25, Notice.

2. Consequences if rightholders opt out of the Settlement

- The only way a rightholder can preserve rights to bring claims against Google and the Fully Participating Libraries for maintaining removed Books on back-up tapes or other back-up storage media is to opt out of the Settlement.
- The only way rightholders can preserve their right to bring claims against Google and the Fully Participating Libraries for Non-Display Uses of any of their Books and for retaining their Inserts on back-up storage media is to opt out of the Settlement altogether.
- If all of the members of the Settlement Class who have a Copyright Interest in a particular Book or Insert opt out of the Settlement by the Opt-Out Deadline, then neither the Settlement Agreement nor any Library-Registry Agreement authorises nor prohibits the use of such Book or Insert. No Claims with respect to such Book or Insert are released by the Settlement Agreement or the Final Judgment and Order of Dismissal or any Library-Registry Agreement, and the Settlement Agreement will, after the Opt-Out Deadline on 5 May 2009, no longer apply to such Book or Insert.

IV. Rightholders who wish to object to the Settlement

1. Rights and obligations if rightholders object to the Settlement

- Rightholders who wish to object to or comment on any or all of the Settlement (but do not opt out), including the entry of final judgment dismissing the litigation with prejudice, and the request for attorney's fees and costs of Counsel for Author Sub-Class, must, on or before May 5, 2009, file with the Court a statement of objection or position to be asserted and the grounds for this objection, together with copies of any supporting papers and briefs to the US District Court of the Southern District of NY and the legal counsels (see p. 25, Notice). Rightholders must also give notice of their (or their attorney's) intent to appear at the hearing in person in the statement filed with the Court.
- Rightholders who wish to have an own lawyer to speak for them or appear in Court have to file a Notice of Intent to Appear (see p. 25, Notice).

2. Consequences if rightholders object to the Settlement

- Rightholders who wish to object to or comment on any or all of the Settlement, will be heard in Court as regards (i) any and all of the Settlement, (ii) the entry of final judgment dismissing the litigation with prejudice, and (iii) the request for attorney's fees and costs of Counsel for Author Sub-Class.