



## **Summary of Terms for Audiobook Suppliers**

OverDrive, Inc. is the leading digital content solution provider for secure, worldwide, multi-channel distribution of digital eBooks, audiobooks, and video titles to online retail and library partners. Through OverDrive's distribution platform, over 30,000 libraries worldwide license digital content, including New York Public Library, Cleveland Public Library, King County Library System, Hamilton County Public Library, Dublin City Public Libraries, London Libraries Consortium, Melbourne Library Service, the National Library of Singapore, and many more. OverDrive also supplies digital content to worldwide online retailers including Books-A-Million, Big W, Kalahari.net, Waterstone's, and more.

### **How it Works:**

OverDrive serves as a wholesaler and distributor and pays you, as a supplier, for each digital audio title sold. The preparation and uploading of your audiobook content, cover images, management of the catalog data and distribution of the content to retailers and libraries is accomplished through the distribution platform, OverDrive Connect.

Getting started with OverDrive is a simple 3 step process:

1. Complete a Distribution Agreement (Agreement terms are summarized in this document)
2. Establish an OverDrive Connect account.
  - The first step is applying for an OverDrive Connect Account. To apply, please visit <http://company.overdrive.com/connect-application/> and complete the online application; the application can be completed prior to finalizing your Agreement.
  - Once the contract is signed your account will be set up and you will receive access credentials for your OverDrive Connect account via email. With this information, you can access your OverDrive Connect to set up your profile, access information about content submission, and view the sales activity of your titles.
3. Submit your content source files and metadata to our Content Services teams who will encode your audio source in the OverDrive MP3 Audiobook format (DRM free) and make your titles available for sale.

Working with our Content Services operations team, you will have the ability to supply metadata and marketing information for each title. The geographical rights you set will determine which partners have access to your digital content. In addition to required fields such as title, publisher, description and language, you may also enter additional promotional information such as excerpts, reviews, and author bios. The more information you supply for a title, the better a retailer or librarian can evaluate the title for purchase.

Once your titles and catalog data are ready for sale, retailers and libraries will have access to your catalog and can add your titles to their collections.

### **Business Terms:**

1. OverDrive is a non-exclusive distributor of your audiobook titles to retailers and libraries. OverDrive does not deliver the actual file to the retailers or libraries. Instead, both retailers and libraries, will have access to the catalog of ebooks you make available through your OverDrive Connect account.
2. OverDrive will be responsible for the cost of encoding your audio products, there are no hosting or services fees for an OverDrive Connect account.
3. You and OverDrive will set the Suggested Retail or List Price (SRP) for each title and will be paid a wholesale cost reflecting a 55% discount from the title's SRP.
4. Payments are made to you within 60 days following the end of each calendar quarter. You will receive access to your OverDrive Connect account for 24/7 reporting of sales and activity.

### **Supplier Responsibilities:**

You must own the rights or have a license to the digital audio titles including copyrights and trademarks and grant to OverDrive non-exclusive rights to re-distribute and sell digital audio book products under terms and conditions of the OverDrive® Digital Content Distribution Agreement. Audio book materials must be provided to us in one of the specified supported formats including, CD, MP3 or digital source file.



## Use Models

OverDrive provides flexible use models to meet the limitations of your permissions or rights to the audiobook materials. Suppliers may license their audiobooks to OverDrive using one or both models.

### 1. One-Title, One-User

Most closely resembling the model in place for circulation of physical audiobooks, under the one-title, one-user model, when a library purchases a single unit of a title to add to its digital collection, a single patron at a time can check out the audiobook title for the lending period. If the library purchases two or multiple units of a title, the corresponding number of patrons would be able to check out the title. If a patron seeks to check out a title that is currently checked out by another user, the patron can join a waiting list, and is notified by email when the title has become available (i.e. after the lending period has expired).

During the term of your agreement with OverDrive, the library will have access to your audiobook materials for as long as the library has an effective agreement with OverDrive for the digital collection platform. OverDrive's agreements with its library customers for the platform are typically multiyear, auto-renewing agreements. OverDrive will pay you a wholesale cost for every unit sold to the library.

### 2. Subscription

OverDrive provides additional sales models for audiobook titles under a subscription model which allows for concurrent use of digital content, eliminating wait lists or holds. OverDrive offers an annual subscription plan to library partners called Maximum Access ("MaxAccess") as well as the Single-Title Simultaneous Use ("STSU") program.

The MaxAccess model offers supplier's digital content under a 12 month subscription; pricing is custom to each supplier based on tiers related to library circulation metrics. MaxAccess subscriptions are publisher specific and are generally offered in groups of 25, 50, 100, etc. titles with the library selecting the digital content for their subscription.

The STSU program offers a single title from supplier's digital content catalog for concurrent use under varying terms (e.g. 3 month, 6 month, 1 year). Similar to MaxAccess pricing is based on tiers related to the size of the library however it is specific to *each* title as it is based on the sale price for the title.

For both MaxAccess and STSU the library pays OverDrive the license fee for concurrent access to their chosen collection of audiobook titles or specific audiobook titles. OverDrive pays you a wholesale cost based on the price of the collection/title licensed by the library.

## The Retail Consumer Experience:

Once a retail customer enters their credit card information and the credit card is processed and approved. The customer can then download the audiobook file in its entirety or in parts or access the audiobook through a web-browser or similar application for viewing and/or streaming digital content. For portability, the customer will be able to transfer segments of the file, or the entire file, to a supported mobile device. The customer may also burn the file to create a CD.

## The Library Patron Experience:

A library patron can check out an audiobook file by accessing the library's website. The patron can then use the file for a set loan period. Because of the large file sizes, patrons will have access for the full lending period and can return to download separate segments as required. For portability, the patron will be able to transfer segments of the file, or the entire file, to a supported mobile device or access the audiobook through a web-browser or similar application for viewing and/or streaming digital content. The patron may also burn the file to create a CD. At the end of the lending period, the file expires, and can no longer be opened on the PC and the patron is prompted to delete the file.

## **Pricing Guidelines:**

OverDrive Audiobooks are being competitively priced. Unlike traditional audiobooks, digital audiobooks do not require packaging, printing, and shipping and do not have the costs associated with returns. In general, digital audio book files are being priced 20-25% less than the lowest packaged versions. OverDrive Connect can support two distinctive price points allowing you to set one SRP for retailers and another suggested list price for libraries.

**For more information please visit <http://company.overdrive.com/publishers/> or contact the Publisher Account Services Team at [pubinfo@overdrive.com](mailto:pubinfo@overdrive.com).**