



Confidential

29 February 2024

Paul Jenkins
Caxton and CTP Print Publishers Limited
28 Wright Street
Industria West
Johannesburg
2093

RESPONSE TO CAXTON'S REQUEST FOR INFORMATION

Dear Paul,

Thank you for your letter of 9 February 2024. Google denies that its digital platform contravenes any applicable law or otherwise harms Caxton's rights in South Africa, and further denies that there is any basis for a legal claim against Google by Caxton or on which to seek the information requested in Annexure A to your letter.

Google is committed to helping South Africans find relevant, trustworthy, diverse and high-quality news content, and to supporting the sustainability of the South African public interest news industry. It does this in a variety of ways. First, our freely-available search engine and a news aggregation service both create monetisation opportunities for publishers through valuable referral traffic. Second, our advertising technology products are available to those publishers which may choose to utilise them to connect with advertisers and further monetise their sites. In addition, we have also committed to make available a set of mutually beneficial measures that we believe will meaningfully contribute to a sustainable future for public interest news journalism in South Africa. These include training and digital skills development initiatives, making Google News Showcase ("**Showcase**") available in South Africa, as well as establishing a country fund for South Africa dedicated to the digital transformation of South African public interest news publishers. Several South African publishers have welcomed these measures and are participating in them.

Google does not reproduce the copyright-protected content of news publishers, so it would not be appropriate or necessary to enter into a bespoke licensing arrangement with Caxton. However, Caxton's publications would qualify both for participation in Showcase and to receive funding for digital transformation projects under the proposed fund.

Therefore, in line with our non-binding Letter of Intent agreed with the PSS and the AIP, we extended a Showcase offer to Caxton. We are committed to the good faith engagements promised in the Letter of Intent on measures that we believe will support South African public interest news publishers in transitioning their businesses to the digital environment, and will achieve meaningful progress towards a sustainable and vibrant news ecosystem.

We are disappointed that Caxton has decided not to accept our Showcase offer to date, despite our efforts to adapt the proposed agreement for Caxton's circumstances, but we remain open to progressing such discussions should you wish. As we have explained, Showcase enables the transfer of appropriate value from Google to publishers through the display and curation of selected, high quality journalistic content on Google's specialized news surfaces including Google News and Discover. This benefits readers and publishers. Publishers can control and design the content that is shown in Showcase, and users can access high-quality news content on events that local, national, and global newsrooms highlight through their Showcase panels.

The information requested in your letter is not required to negotiate or conclude a Showcase contract with Google. Further, Caxton is not otherwise entitled in law to the information requested. You will appreciate that the information you have requested is confidential, and includes proprietary, commercial and financial information, and trade secrets. In some instances, the requests do not relate to the media industry at all and also are irrelevant to the Caxton Objective.

The requested information also is not required to protect the right to press freedom, and we deny that Google's products limit the media's freedom. Our products promote freedom of expression, including freedom of the press. Every day, we link hundreds of millions of people around the world, including South Africans, to publishers' websites containing the news that people want to read.

Finally, Caxton does not require and is not entitled to the requested information for the claimed reason of interrogating the claims made by Google to the Media and Digital Platforms Market Inquiry ("**MDPMI**"). The Competition Commission is statutorily-required to perform that function given its expertise and independence, and will no doubt engage with all stakeholders, including Caxton, as it fulfills its statutory mandate through the MDPMI. Google and Caxton both participate in the MDPMI by providing perspectives and information for the Commission to consider. There is no statutory need or purpose fulfilled by circumventing and undermining the Commission as Caxton seeks to do by requesting disclosure from Google directly. The MDPMI is not a process through which a market participant may seek to obtain information to which it is not entitled directly from another market participant. We urge Caxton to respect the market inquiry process and make any submissions that it wishes to the Commission for its consideration.

We repeat that Google remains available and committed to progressing engagements with Caxton on a potential Showcase contract. Please let us know when you would be available to meet to discuss this opportunity further.

Yours sincerely,

Google LLC