

10

MUSIC CONTRACTS



United Nations
Educational, Scientific and
Cultural Organization

Culture Sector

10 Music Contracts

Written by JEAN VINCENT
in collaboration with GERARD LOUISE

Layout and graphic design : Christine Hengen

The ideas and opinions expressed in this guidebook are those of the authors
and they do not necessarily reflect UNESCO's views.

Published by the United Nations Organization
for Education, Science and Culture
7 place de Fontenoy, 75352 Paris 07 SP
© UNESCO 2009
CLT/CEI/DCE/2009/PI/141

Index

Why this Guidebook?	4
Why 10 Contracts?	5
1. Phonogram Recording Contract, Exclusive	6
2. Phonogram Recording Contract, Non - Exclusive	9
3. Contract for Hire of Musician or Backup Singer for Phonogram Production	12
4. Contract for Hire of Artist, Musician or Backup Singer for Live Performance	14
5. Recording Contract of Artist During Live Performance	16
6. Broadcasting Contract of Artist During Live Performance	19
7. Licensing Contract by a Producer for the Manufacturing and Marketing of a Phonogram	21
8. Commercial Phonogram Distribution Contract	25
9. Contract Between a Lead Artist and a Producer Authorizing Specific Uses of a Phonogram	28
10. Contract Between a Lead Artist and a Manager	30
Collective Management	33
Glossary	35

Why this Guidebook?

To effectively fight against music piracy, good professional practices must be created for artists and other professionals in the music sector - producers, managers, broadcasters and so forth.

First and foremost, the fight against music piracy involves the use of contracts drafted in compliance with good professional practices. In order for music contracts to achieve their desired effect and be used on a widespread basis, artists, themselves, must be convinced of contracts' usefulness.

Therefore, UNESCO, trusted by artists from around the world due to its ceaseless efforts to promote creativity, cultural industries and cultural diversity, believed it important to produce this guidebook in order to assist artists and music professionals in overcoming their distrust of current music contracts and to provide them with information about their rights and good professional practices.

The model contracts found in this guidebook simply are useful basic tools and therefore should not be viewed as the ultimate answer to every possible contractual relationship or situation. The provided contracts are based on established common practices and have been drafted in a way to suit artists in many different countries. Nonetheless, users of the guidebook should note that their national legislation may contain specific clauses that need to be taken into account. In such cases, artists should not hesitate to contact their respective musician associations or collective management organizations in order to obtain needed advice or further information.

By improving professional practices, and by mitigating the circumstances of the informal sector that allow piracy to thrive, artists, producers and publishers can rapidly achieve increased revenue from their activities, in their own country and throughout the world. Increases in revenue would also lead to improvements in the quality of cultural products.

Mr. Jean Vincent, a lawyer and member of the *Barreau des Hauts de Seine (France)*, wrote this guidebook. Mr. Vincent has held high-level positions in organizations that aim to protect the rights of artists and producers, and he has extensive international experience due to his service as Secretary General of the International Federation of Musicians (FIM).

Mr. Gerard Louise, Director General of MASA, the Mauritius Society of Authors, collaborated with Mr. Vincent in finalizing this guidebook.

Why 10 Contracts ?

The contracts are adapted to different situations that might arise in the field of music.

These contracts are used throughout the world, usually in a much longer and less comprehensible format. We have therefore simplified the contracts in the hope of making them more user-friendly.

It is essential that artists no longer fear utilizing music contracts, as contracts are there to protect them. This assumes, of course, that the contracts set fair terms and conditions.

The purpose of this guidebook is to propose a model for specific contracts, taking into account the interests of the respective parties. The aim is to ensure that in each country the most comprehensible version is used by all professionals. This is particularly important in countries where piracy has grown largely due to a lack of contracts.

Additionally, a chapter of this guidebook is devoted to the collective management of rights, the collection and distribution of royalties payable by users of music (such as radio, television etc.). Collective management is an essential complement to individual contracts. Thus, we have found it pertinent to include a separate chapter on this topic.

1 Phonogram Recording Contract, Exclusive

This contract between the lead artist and the producer establishes an exclusive agreement for recording of phonograms to be commercially published. Where a permanent group of artists exists, the contract must be signed by all members of the group. This contract guarantees a balanced relationship, ensuring that artists are fairly paid and that producers can exploit phonograms with the greatest chance of success.

The ARTIST or the PERMANENT GROUP OF ARTISTS (hereinafter referred to as the ARTIST)

The PHONOGRAM PRODUCER (hereinafter referred to as the PRODUCER)

ARTICLE 1 - Object

The PRODUCER hires the ARTIST to record one or more phonograms that will be exploited individually or as part of an Album. The work(s) to be recorded include the following:

NOTE: The contract must include, where appropriate, the requirements of the labour/contract/copyright laws of the country in which the contract is enacted.

ARTICLE 2 - Territory, Exclusivity and Duration

The present contract is made for the purpose of worldwide exploitation of the phonograms produced in execution of this contract.

The ARTIST grants the PRODUCER the exclusive right of fixation of the ARTIST's performances in a phonogram, during a period of ____ year(s).

NOTE: The exclusive right of fixation means that the ARTIST cannot record phonograms for another producer during the agreed upon period of exclusivity. After this time period, the PRODUCER shall be authorized to exploit the relevant phonograms recorded in execution of this contract, subject to payment of royalties due to the ARTIST under this contract.

ARTICLE 3 - Authorization of Exploitation

The ARTIST authorizes, for purposes of public commercialization throughout the world, the fixation and reproduction by the PRODUCER of the phonograms defined in Article 1.

Therefore, the PRODUCER shall have the right to manufacture, publish, sell by way of any medium (audio cassette, CD, DVD audio or other existing formats) or via online communication networks (Internet and others), and communicate to the public in any format the phonograms defined in Article 1. The PRODUCER may do so under the heading, label or mark of the PRODUCER's choice and throughout the world.

The PRODUCER must publish each phonogram in compliance with the production and exploitation timetable set below:

ARTICLE 4 - Recording Sessions

The choice of date and location of recording sessions, including those of the musicians and artistic directors, will be made upon mutual agreement between the ARTIST and the PRODUCER. The final version of each phonogram, which both parties shall find satisfactory (including mixing), will be determined upon mutual agreement between the parties.

ARTICLE 5 - Remuneration for the Recording Sessions

The PRODUCER must pay the ARTIST a remuneration of _____ per recording session.

ARTICLE 6 - Royalties

As compensation for granting the ARTIST's rights under this contract, the PRODUCER must pay royalties to the ARTIST as calculated below:

6-1 Sales of Carriers in Stores or by Mail Order

a) for sales in the country of production (*name of country* _____), royalties shall be calculated on the basis of the wholesale price, before tax, of each copy of the phonogram sold, at the appropriate rate set below:

- _____ % of the sales between 0 and 20.000 copies (*depending on the size of the market*);
- _____ % of the sales greater than 20.000 copies (*depending on the size of the market*);

NOTE: The average rates vary between 8% and 12%.

"Wholesale price" means the catalogue price, before tax, as published by the PRODUCER during the year of the sale.

b) for sales abroad, the rate of royalties shall be 60 % of the rate determined in paragraph a), unless otherwise specified in the domestic law of the country where the contract is established (*e.g. in some countries the rate is 50%*);

c) when manufactured abroad, royalties shall be calculated based on the wholesale price used in the respective foreign country;

d) in cases of direct export, royalties shall be calculated based on the wholesale price as used in the country of production;

e) all copies returned or destroyed, promotional and free copies, and copies sold at a price lower than 70% of the normal price shall be excluded from the calculation of royalties;

g) the ARTIST accepts, in advance, that the phonograms produced in execution of the present agreement be exploited as part of compilations, including multi-artist compilations. In such cases, royalties shall be calculated *prorata numeris*.

NOTE: "Prorata numeris" means that royalties generated by the sale of a compilation album are divided in equal shares according to the number of phonograms included in the compilation. Thus, for instance, if the compilation comprises 10 phonograms, the lead artist of each phonogram receives 1/10th of the overall royalties.

6-2 Online Sales (Internet and others)

Where sales occur via online communication networks (Internet and others), royalties payable to the ARTIST shall be ____ % of the amount received, before tax, by the PRODUCER.

NOTE: The average rates vary between 15% and 30%.

6-3 Broadcasting and Communication to the Public

Unless otherwise specified by national law, in the case of broadcasting or communication to the public, royalties payable to the ARTIST shall be ____ % of the amount received, before tax, by the PRODUCER, except when the broadcasting or the communication to the public is subject to remuneration paid directly by the relevant organization(s) to the collective management organization that administers the rights of artists in the country in which the broadcasting or the communication to the public occurs. In such situations, the distribution rules of the collective management society shall apply.

NOTE: The usual rate is 50% for all performers (lead artist and accompanying artists).

6-4 Other Uses

Any exploitation other than the uses mentioned in articles 6-1, 6-2 and 6-3, above, including uses in advertising, film or live performances, and with respect to special products, shall be subject to the prior written authorization of the ARTIST and to payment of a specific remuneration to the ARTIST. Where these rights have been assigned by the ARTIST to a collective management organization, the prior authorization must be granted by the collective management organization.

ARTICLE 7 - Accounts and Payment of Royalties

Royalty statements shall be established on 30 June and 31 December of each calendar year. The PRODUCER shall send the statements to the ARTIST within three months following each of the above dates, together with the payment of royalties. If the ARTIST entails several physical persons (a group), the PRODUCER shall send royalty statements and the corresponding payments distributed in equal shares to each of the beneficiaries, individually. The ARTIST shall be entitled to request any documentation relating to the royalty accounts and statements.

ARTICLE 8 - Promotion and Advertising

The PRODUCER shall carry out the promotion of the phonogram(s) in accordance with the customary practices of the profession. In so doing, the PRODUCER shall be able to freely use the name of the ARTIST, as well as the photographs and pictures depicting the ARTIST. These photographs and pictures shall be chosen upon mutual agreement between the ARTIST and the PRODUCER.

The ARTIST must participate, during the period of exclusivity and subject to the ARTIST's availability, and as far as it is reasonably practicable, in any radio or television show, photoshoot and interview intended to promote the phonogram(s). The PRODUCER shall negotiate with the broadcasting and press organizations a fair and special remuneration for the ARTIST in compensation for the ARTIST's participation. Further, the PRODUCER shall assume any expense incurred by the ARTIST related to the promotional activities, including transportation and accommodation expenses.

The PRODUCER must provide the ARTIST, including all parties to this present contract, 5 free copies of any Single or Album that the PRODUCER will have published in execution of the contract.

ARTICLE 9 - Transfer of Contract

The rights and obligations under this contract may not be transferred by the PRODUCER to a third party without the prior written authorization of the ARTIST.

ARTICLE 10 - Miscellaneous

The parties shall inform each other of any change of address. This contract shall be governed by the law of the country of production.

Completed and signed at _____, on _____ in ____ original copies.

The ARTIST

The PRODUCER

2. Phonogram Recording Contract, Non-Exclusive

This contract organizes the relationship between the lead artist and a producer for the recording of phonograms to be commercially published on a non-exclusive basis. Where a permanent group of artists exists, the contract must be signed by all members of the group. This contract guarantees a balanced relationship, ensuring that artists are fairly paid and that producers can exploit phonograms with the greatest chance of success.

The ARTIST or the PERMANENT GROUP OF ARTISTS (hereinafter referred to as the ARTIST)

The PHONOGRAM PRODUCER (hereinafter referred to as the PRODUCER)

ARTICLE 1 - Object

The PRODUCER hires the ARTIST to record one or more phonograms that will be exploited individually or as part of an Album. The work(s) to be recorded include the following:

NOTE: The contract must include, where appropriate, the requirements of the labour/contract/copyright laws of the country in which the contract is enacted.

ARTICLE 2 - Territory, Duration and Absence of Exclusivity

The present contract is made for the purpose of worldwide exploitation of the phonograms produced in execution of this contract.

The ARTIST shall be at the PRODUCER's disposal in order to record the phonograms defined in Article 1 for a period of ____ year(s).

Under this contract, the ARTIST is not subject to any exclusivity concerning the recording of phonograms. The ARTIST shall therefore be free to record for another producer any phonogram, including for the works which have been the subject of a phonogram produced in the execution of the present contract.

After the recording of the phonograms defined in Article 1, the PRODUCER shall be authorized to exploit the phonograms recorded in execution of this contract, subject to payment of royalties due to the ARTIST under this contract.

ARTICLE 3 - Authorization of Exploitation

The ARTIST authorizes, for purposes of public commercialization throughout the world, the fixation and reproduction by the PRODUCER of the phonograms defined in Article 1.

Therefore, the PRODUCER shall have the right to manufacture, publish, sell by way of any medium (audio cassette, CD, DVD audio or other existing formats) or via online communication networks (Internet and others), and communicate to the public in any format the phonograms defined in Article 1. The PRODUCER may do so under the heading, label or mark of the PRODUCER's choice and throughout the world.

The PRODUCER must publish each phonogram in compliance with the production and exploitation timetable set below:

ARTICLE 4 - Recording Sessions

The choice of date and location of recording sessions, including those of the musicians and artistic directors, shall be made upon mutual agreement between the ARTIST and the PRODUCER. The final version of each phonogram, which both parties shall find satisfactory (including mixing), will be determined upon mutual agreement between the parties.

ARTICLE 5 - Remuneration for the Recording Sessions

The PRODUCER must pay the ARTIST a remuneration of _____ per recording session.

ARTICLE 6 - Royalties

As compensation for granting the ARTIST's rights under this contract, the PRODUCER must pay royalties to the ARTIST as calculated below:

6-1 Sales of Carriers in Stores or by Mail Order

a) for sales in the country of production (*name of country* _____), royalties shall be calculated on the basis of the wholesale price, before tax, of each copy of the phonogram sold, at the appropriate rate set below:

- _____ % of the sales between 0 and 20.000 copies (*depending on the size of the market*);
- _____ % of the sales greater than 20.000 copies (*depending on the size of the market*);

NOTE: The average rates vary between 8% and 12%.

"Wholesale price" means the catalogue price, before tax, as published by the PRODUCER during the year of the sale.

b) for sales abroad, the rate of royalties shall be 60 % of the rate determined in paragraph a), unless otherwise specified in the domestic law of the country where the contract is established (*e.g. in some countries the rate is 50%*);

c) when manufactured abroad, royalties shall be calculated based on the wholesale price used in the respective foreign country;

d) in cases of direct export, royalties shall be calculated based on the wholesale price as used in the country of production;

e) all copies returned or destroyed, promotional and free copies, and copies sold at a price lower than 70% of the normal price shall be excluded from the calculation of royalties;

g) the ARTIST accepts, in advance, that the phonograms produced in execution of the present agreement be exploited as part of compilations, including multi-artist compilations. In such cases, royalties shall be calculated *prorata numeris*.

NOTE: "Prorata numeris" means that royalties generated by the sale of a compilation album are divided in equal shares according to the number of phonograms included in the compilation. Thus, for instance, if the compilation comprises 10 phonograms, the lead artist of each phonogram receives 1/10th of the overall royalties.

6-2 Online Sales (Internet and others)

Where sales occur via online communication networks (Internet and others), royalties payable to the ARTIST shall be ____ % of the amount received, before tax, by the PRODUCER.

NOTE: The average rates vary between 15% and 30%.

6-3 Broadcasting and Communication to the public

Unless otherwise specified by national law, in the case of broadcasting or communication to the public, royalties payable to the ARTIST shall be ____ % of the amount received, before tax, by the PRODUCER, except when the broadcasting or the communication to the public is subject to remuneration paid directly by the relevant organization(s) to the collective management organization that administers the rights of artists in the country in which the broadcasting or the communication to the public occurs. In such situations, the distribution rules of the collective management society shall apply.

NOTE: The usual rate is 50% for all performers (lead artist and accompanying artists).

6-4 Other Uses

Any exploitation other than the uses mentioned in articles 6-1, 6-2 and 6-3, above, including uses in advertising, film or live performances, and with respect to special products, shall be subject to the prior written authorization of the ARTIST and to payment of a specific remuneration to the ARTIST. Where these rights have been assigned by the ARTIST to a collective management organization, the prior authorization must be granted by the collective management organization.

ARTICLE 7 - Accounts and Payment of Royalties

Royalty statements shall be established on 30 June and 31 December of each calendar year. The PRODUCER shall send the statements to the ARTIST within three months following each of the above dates, together with the payment of royalties. If the ARTIST entails several physical persons (a group), the PRODUCER shall send royalty statements and the corresponding payments distributed in equal shares to each of the beneficiaries, individually. The ARTIST shall be entitled to request any proof relating to the royalty accounts and statements.

ARTICLE 8 - Promotion and Advertising

The PRODUCER shall carry out the promotion of the phonogram(s) in accordance with the customary practices of the profession. In so doing, the PRODUCER shall be able to freely use the name of the ARTIST as well as the photographs and pictures depicting the ARTIST. These photographs and pictures shall be chosen upon mutual agreement between the ARTIST and the PRODUCER.

The ARTIST must participate, subject to the ARTIST's availability, and as far as it is reasonably practicable, in any radio or television show, photoshoot and interview intended to promote the phonogram(s). The PRODUCER shall negotiate with the broadcasting and press organizations a fair and special remuneration for the ARTIST, in compensation for the ARTIST's participation. Further, the PRODUCER shall assume any expense incurred by the ARTIST related to the promotional activities, including transportation and accommodation expenses.

The PRODUCER must provide the ARTIST, including all parties to this present contract, 5 free copies of any Single or Album that the PRODUCER will have published in execution of the contract.

ARTICLE 9 - Transfer of Contract

The rights and obligations under this contract may not be transferred by the PRODUCER to a third party without the prior written authorization of the ARTIST.

ARTICLE 10 - Miscellaneous

The parties shall inform each other of any change of address. This contract shall be governed by the law of the country of production. Completed and signed at _____, on _____ in ____ original copies.
The ARTIST The PRODUCER

3. Contract for Hire of Musician or Backup Singer for Phonogram Production

This contract defines the terms for hiring a musician or a singer for the recording of one or more phonograms to be commercially published. It specifies the obligations of the producer, musicians and singers.

The MUSICIAN or the BACKUP SINGER (hereinafter referred to as the MUSICIAN)

The PHONOGRAM PRODUCER (hereinafter referred to as the PRODUCER)

ARTICLE 1 - Object

The PRODUCER hires the MUSICIAN in the MUSICIAN's professional capacity to record one or more phonograms. These phonograms will be exploited individually or as part of an Album. The work(s) to be recorded include the following:

NOTE: The contract must include, where appropriate, the requirements of the labour/contract/copyright laws of the country in which the contract is enacted.

ARTICLE 2 - Authorization of Exploitation

The MUSICIAN authorizes, for purposes of public commercialization throughout the world, the fixation and reproduction by the PRODUCER of the phonograms defined in Article 1.

Therefore, the PRODUCER shall have the right to manufacture, publish, sell by way of any medium (audio cassette, CD, DVD audio or other existing formats) or via online communication networks (Internet and others), and broadcast in any format the phonograms defined in Article 1. The PRODUCER may do so under the heading, label or mark of the PRODUCER's choice and throughout the world.

Any exploitation other than the uses defined above, including uses in advertising, film or live performances, and with respect to special products, shall be subject to the prior written authorization of the collective rights management organization representing the MUSICIAN.

The PRODUCER must have the MUSICIAN sign a *Recording Session Sheet*, in accordance with customary professional practices, and to provide a copy of this *Recording Session Sheet* to the collective management organization that administers the rights of musicians and backup singers in the country of production of the phonograms.

The MUSICIAN hereby further grants the right to use the MUSICIAN's name and photograph, if needed, in connection with the exploitation of the phonograms.

ARTICLE 3 - Obligations of the PRODUCER

The PRODUCER must complete all obligations imposed by labour laws and other relevant national laws with respect to the hiring of the MUSICIAN.

The PRODUCER must pay the MUSICIAN a remuneration of _____ per recording session, as compensation for the MUSICIAN's participation in the phonogram recording, as well as for the publishing and sale of the phonograms via any medium (audio cassette, CD, DVD audio or other existing formats) or via online communication networks (Internet or others).

The broadcasting of the phonograms is subject to a remuneration paid directly by the broadcasting organization to the collective management organization that administers the rights of musicians and backup singers in the country of the broadcasting.

ARTICLE 4 - Obligations of the MUSICIAN

The MUSICIAN, if foreign, confirms that the MUSICIAN is authorized to work in the country of production of the phonograms. The MUSICIAN must submit proof thereof.

The MUSICIAN must be present:

from *(date)* _____ to *(date)* _____

at the following location(s): _____

to participate in recording sessions, which shall take place according to the following schedules:

ARTICLE 5 - Miscellaneous

The parties shall inform each other of any change of address. This contract shall be governed by the law of the country of production.

Completed and signed at _____, on _____ in ___ original copies.

The MUSICIAN

The PRODUCER

4 ■

Contract for Hire of Artist, Musician or Backup Singer for Live Performance

This contract defines the terms for hiring a lead artist, musician or backup singer for his or her participation in a live performance. It specifies the obligations of the producer of the live performance, as well as the obligations of the artists, musicians and backup singers.

The ARTIST, the MUSICIAN or the BACKUP SINGER (hereinafter referred to as the ARTIST)

The LIVE PERFORMANCE PRODUCER (hereinafter referred to as the PRODUCER)

ARTICLE 1 - Object

Mr./Mrs./Ms. _____ is hired as _____

to participate in the following live performance _____ .

NOTE: The contract must include, where appropriate, the requirements of the labour/contract/copyright laws of the country in which the contract is enacted.

ARTICLE 2 - Date(s) and Place(s)

Date(s) and place(s) of the rehearsals: _____

Time: _____

Date(s) and place(s) of the live performances: _____

Time: _____

ARTICLE 3 - Punctuality

The ARTIST must be at the place of rehearsal or at the place of live performance at the scheduled time.

ARTICLE 4 - Remuneration

The ARTIST shall receive the following remuneration from the PRODUCER per rehearsal: _____

The ARTIST shall receive the following remuneration from the PRODUCER per live performance: _____

ARTICLE 5 - Travel, Accommodation Expenses and Per diem

Where the ARTIST incurs travel and accommodation expenses in the execution of this contract, the PRODUCER must:

- a) reimburse the ARTIST for any travel fees; and
- b) book and pay directly for the ARTIST's single hotel room, breakfast included.

Where the ARTIST needs to have meals outside the ARTIST's domicile and during the execution of the present contract, the PRODUCER must pay the ARTIST a flat fee of _____ per travel day and/or work day.

ARTICLE 6 - Recordings and Radio or Television broadcast

Any recording or any radio or television broadcast shall be subject to a specific contract between the ARTIST and the PRODUCER, except when the broadcast is made exclusively for promotional purposes.

The broadcast is considered to be made "exclusively for promotional purposes," and therefore is accepted by the ARTIST as such, where the time of the communication to the public does not exceed ____ minutes.

The PRODUCER must obtain from the broadcaster a guarantee that any recording exceeding ____ minutes shall not be preserved, unless a specific contract between the PRODUCER and the broadcaster allows otherwise.

ARTICLE 7 - Miscellaneous

The parties shall inform each other of any change of address. This contract shall be governed by the law of the country of production.

Completed and signed at _____, on _____ in ____ original copies.

The ARTIST

The PRODUCER

5

Recording Contract of Artist during Live Performance

This contract establishes the relationship between the lead artist and a producer for the recording of a live performance. Where a permanent group of artists exists, the contract must be signed by all members of the group. This contract allows the artist to control the recording of the artist's live performance and to be paid in case of commercial exploitation of such recordings. This contract covers only sound recordings and audiovisual fixations.

The ARTIST or the PERMANENT GROUP OF ARTISTS (hereinafter referred to as the ARTIST)

The PHONOGRAM OR AUDIOVISUAL FIXATION PRODUCER (hereinafter referred to as the PRODUCER)

ARTICLE 1 - Object

The PRODUCER shall carry out the sound or audiovisual fixation of and during the ARTIST's live performance listed below, with the purpose of recording a phonogram or audiovisual recording that will be exploited individually or as part of an Album :

Date: _____ Place: _____

Title (*if any*): _____

NOTE: If the recording concerns sounds only, without fixation of images, it is referred to as a "phonogram". If the recording concerns both sounds and images, it is referred to as an "audiovisual fixation." The distinction is important because copyright in a "phonogram" and copyright in an "audiovisual fixation" are not the same at the international level.

NOTE:

The contract must include, where appropriate, the requirements of the labour/contract/copyright laws of the country in which the contract is enacted.

ARTICLE 2 - Territory and Absence of Exclusivity

This contract is made for the worldwide exploitation of the (*select one*) [phonogram] / [audiovisual recording] produced in execution of this contract. The ARTIST shall not be subject to any exclusivity limitations under this contract. The ARTIST shall therefore remain free to record with another producer any phonogram or audiovisual fixation, including for the works which have been included in the phonogram or audiovisual fixation produced in execution of this contract.

ARTICLE 3 - Authorization of Exploitation

The ARTIST authorizes, for purposes of public commercialization throughout the world, the fixation of the ARTIST's live performance as defined in Article 1.

Therefore, the PRODUCER shall have the right to manufacture, publish, sell by way of any medium (audio cassette, CD, DVD audio or other existing formats) or via online communication networks (Internet and others), and communicate to the public in any format the phonogram(s) or audiovisual fixation(s) defined in Article 1. The PRODUCER may do so under the heading, label or mark of the PRODUCER's choice and throughout the world.

The PRODUCER must publish the phonogram or the audiovisual fixation within 12 months following the live performance.

ARTICLE 4 - Remuneration for the Recording

The PRODUCER must pay the ARTIST a remuneration of _____ for the recording of a phonogram.

The PRODUCER must pay the ARTIST a remuneration of _____ for the recording of an audiovisual fixation.

ARTICLE 5 - Royalties

As compensation for granting the ARTIST's rights under this contract, the PRODUCER must pay royalties to the ARTIST as calculated below :

5-1 Sales of Carriers in Stores or by Mail Order

a) for sales in the country of production (*name of country* _____), royalties shall be calculated on the basis of the wholesale price, before tax, of each copy of the phonogram sold, at the appropriate rate set below :

- _____ % of the sales between 0 and 20.000 copies (*depending on the size of the market*) ;
- _____ % of the sales greater than 20.000 copies (*depending on the size of the market*) ;

NOTE: The average rates vary between 8% and 12%.

"Wholesale price" means the catalogue price, before tax, as published by the PRODUCER during the year of the sale.

b) for sales abroad, the rate of royalties shall be 60 % of the rate determined in paragraph a), unless otherwise specified in the domestic law of the country where the contract is established (*e.g. in some countries the rate is 50%*) ;

c) when manufactured abroad, royalties shall be calculated based on the wholesale price used in the respective foreign country ;

d) in cases of direct export, royalties shall be calculated based on the wholesale price as used in the country of production ;

e) all copies returned or destroyed, promotional and free copies, and copies sold at a price lower than 70% of the normal price shall be excluded from the calculation of royalties ;

g) the ARTIST accepts, in advance, that the phonograms produced in execution of the present agreement be exploited as part of compilations, including multi-artist compilations. In such cases, royalties shall be calculated *prorata numeris*.

NOTE: "Prorata numeris" means that royalties generated by the sale of a compilation album are divided in equal shares according to the number of phonograms included in the compilation. Thus, for instance, if the compilation comprises 10 phonograms, the lead artist of each phonogram receives 1/10th of the overall royalties.

5-2 Online Sales (Internet and others)

Where sales occur via online communication networks (Internet and others), royalties payable to the ARTIST shall be _____ % of the amount received, before tax, by the PRODUCER.

NOTE: The average rates vary between 15% and 30%.

5-3 Broadcasting and Communication to the Public

Unless otherwise specified by national law, in the case of broadcasting or communication to the public, royalties payable to the ARTIST shall be ____ % of the amount received, before tax, by the PRODUCER, except when the broadcasting or the communication to the public is subject to remuneration paid directly by the relevant organization(s) to the collective management organization that administers the rights of artists in the country in which the broadcasting or the communication to the public occurs. In such situations, the distribution rules of the collective management society shall apply.

NOTE: The usual rate is 50% for all performers (lead artist and accompanying artists).

5-4 Other Uses

Any exploitation other than the uses mentioned in articles 5-1, 5-2 and 5-3, above, including uses in advertising, film or live performances, and with respect to special products, shall be subject to the prior written authorization of the ARTIST and to payment of a specific remuneration to the ARTIST. Where these rights have been assigned by the ARTIST to a collective management organization, the prior authorization must be granted by the collective management organization.

ARTICLE 6 - Accounts and Payment of Royalties

Royalty statements shall be established on 30 June and 31 December of each calendar year. The PRODUCER shall send the statements to the ARTIST within three months following each of the above dates, together with the payment of royalties. If the ARTIST entails several physical persons (a group), the PRODUCER shall send royalty statements and the corresponding payments distributed in equal shares to each of the beneficiaries, individually. The ARTIST shall be entitled to request any proof relating to the royalty accounts and statements.

ARTICLE 7 - Promotion and Advertising

During the promotional campaign of the phonogram(s) or audiovisual fixation(s), the PRODUCER shall be able to freely use the name of the ARTIST, as well as photographs and pictures depicting the ARTIST. These photographs and pictures shall be chosen upon mutual agreement between the ARTIST and the PRODUCER.

The PRODUCER must provide the ARTIST, including all parties to the present contract, 5 free copies of any sound or audiovisual recording that will be published in execution of the contract.

ARTICLE 8 - Transfer of Contract

The rights and obligations under this contract may not be transferred by the PRODUCER to a third party without the prior written authorization of the ARTIST.

ARTICLE 9 - Miscellaneous

The parties shall inform each other of any change of address. This contract shall be governed by the law of the country of production.

Completed and signed at _____, on _____ in ____ original copies.

The ARTIST

The PRODUCER

6 ■

Broadcasting Contract of Artist during Live Performance

This contract establishes the relationship between the lead artist and a broadcasting body concerning the fixation and broadcasting of a live performance. Where a permanent group of artists exists, the contract must be signed by all members of the group. This contract allows the artist to control the recording of his or her live performance by a radio or television broadcasting body and to be paid when broadcasting of such recording takes place.

The ARTIST or the PERMANENT GROUP OF ARTISTS (hereinafter referred to as the ARTIST)

The BROADCASTER

ARTICLE 1 - Object

The BROADCASTER shall carry out the sound or audiovisual fixation of the ARTIST's performance during the event listed below, with the purpose of broadcasting the given performance, either live or not, and in part or whole, by the following radio or television channel (*name* _____):

Date: _____ Place: _____

Title (*if any*): _____ Number of hours of recording: _____

NOTE: The contract must include, where appropriate, the requirements of the labour/contract/copyright laws of the country in which the contract is enacted.

ARTICLE 2 - Absence of Exclusivity

The ARTIST shall not be subject to any exclusivity limitations under this contract. The ARTIST shall therefore remain free to grant broadcasting rights concerning the ARTIST's live performances to other radio or television channels.

ARTICLE 3 - Authorization of Exploitation and Remuneration

The ARTIST authorizes the fixation of the ARTIST's live performance as defined in Article 1, as well as _____ (*number*) radio or television broadcasts of the ARTIST's recording by the radio or the television channel as defined in Article 1.

The BROADCASTER shall pay the ARTIST a remuneration of _____ for such exploitation.

NOTE: The practice varies from one country to another. In other words, some laws limit the authorized broadcasts to a certain maximum number, while others do not provide for such limitations.

Any other use not defined in this contract shall be subject to the prior written authorization of the ARTIST and to a payment of a specific remuneration.

ARTICLE 4 - Miscellaneous

The BROADCASTER must provide the ARTIST, free of charge, one copy of the entire radio or television broadcast made in execution of the present contract.

The parties shall inform each other of any change of address. This contract shall be governed by the law of the country of production.

Completed and signed at _____, on _____ in ___ original copies.

The ARTIST

The BROADCASTER

7 Licensing Contract by a Producer for the Manufacturing and Marketing of a Phonogram

This contract allows the producer of a phonogram to entrust the manufacturing and commercial exploitation of a phonogram to a contractor called a “licensee.” The contractor shall, in general, be granted the exclusive marketing rights for the duration agreed upon in this contract, excluding the territories in which the licensee fails to distribute the phonogram. This contract creates rules guaranteeing the remuneration of the producer (and thus of the lead artist via the producer) and ensures the greatest chance of success for the marketing concerning the phonogram.

The PHONOGRAM PRODUCER (hereinafter referred to as the PRODUCER)

The LICENSEE

ARTICLE 1 - Object

The PRODUCER grants to the LICENSEE, for the duration of the present contract and throughout the world (*if this contract contains geographical limitations, specify the region or countries for which rights are granted _____*), a license to exploit one or more phonograms, either individually or as a part of an Album. These phonograms are (*title of the phonogram, name of the lead artist and other relevant information*):

ARTICLE 2 - Duration, Territory and Exclusivity

This contract applies for a period of _____ year(s) starting from the date of signing.

Exclusivity of exploitation is granted for each country in which the LICENSEE succeeds in commercially publishing the phonograms as detailed in Article 1 and succeeds in organizing the online sale of the phonograms as detailed in Article 1 via at least one online communication network (Internet and others) within 12 months following the receipt of each phonogram by the LICENSEE in conformity with Article 4 hereunder.

The PRODUCER must refrain from entering into other licensing contracts for the exploitation of the phonograms and in the territories as defined in Article 1, except for the countries in which the LICENSEE has not succeeded in making the phonograms available to the public within the 12 month-period defined in the previous paragraph.

ARTICLE 3 - Authorization of exploitation

The PRODUCER authorizes the reproduction and the making available to the public of the phonograms defined in Article 1.

Therefore, the LICENSEE shall have the right to manufacture, publish, sell by way of any medium (audio cassette, CD, DVD audio or other existing formats) or via online communication networks (Internet and others), and communicate to the public in any format the phonogram(s) defined in Article 1. The LICENSEE may do so under the heading, label or mark of the PRODUCER's choice and throughout the world concerning the phonogram(s) defined in Article 1.

Any exploitation other than the uses mentioned in the previous paragraph, including uses in advertising, film or live performance, and with respect to special products, shall be subject to the prior written authorization of the PRODUCER.

The LICENSEE must publish each phonogram according to the following timetable of exploitation :

ARTICLE 4 - Supply of the Phonograms by the PRODUCER

The PRODUCER must provide the LICENSEE with the phonograms defined in Article 1 in the timeframe set below :

The master tapes of the phonograms shall be delivered on DAT, in their final version and ready for commercialization.

The PRODUCER must simultaneously provide the LICENSEE with the graphic elements (photos, etc.) needed for printing covers, booklets and, more generally, all graphic elements needed for the commercial exploitation in accordance with customary practices.

Where appropriate, the parties may enter into a special agreement concerning payment for costs of mastering fees and graphic elements.

ARTICLE 5 - Copyright

The LICENSEE shall be entirely responsible for the payment of royalties due to the artist(s) for the acts of reproduction and of making available to the public of the phonograms defined in Article 1. The broadcasting of the phonograms will be subject to remuneration paid directly by the broadcasting organizations to the collective management organization that administers the rights of artists in the country of the broadcasting.

ARTICLE 6 - Royalties

The LICENSEE must pay royalties to the PRODUCER, as calculated below :

6-1 Sales of Carriers in Stores or by Mail Order

a) for sales in the country of production (*name of country* _____), royalties shall be calculated on the basis of the wholesale price, before tax, of each copy of the phonogram sold, at the appropriate rate set below:

- _____ % of the sales between 0 and 20.000 copies (*depending on the size of the market*);
- _____ % of the sales greater than 20.000 copies (*depending on the size of the market*);

NOTE: The average rates vary between 20% and 30%.

“Wholesale price” means the catalogue price, before tax, as published by the LICENSEE during the year of the sale.

b) for sales abroad, the rate of royalties shall be 60 % of the rate determined in paragraph a), unless otherwise specified in the domestic law of the country where the contract is established (*e.g. in some countries the rate is 50%*);

c) when manufactured abroad, royalties shall be calculated based on the wholesale price used in the respective foreign country;

d) in cases of direct export, royalties shall be calculated based on the wholesale price as used in the country of production;

e) all copies returned or destroyed, promotional and free copies, and copies sold at a price lower than 70% of the normal price shall be excluded from the calculation of royalties;

g) the PRODUCER accepts, in advance, that the phonograms produced in execution of the present agreement be exploited as part of compilations, including multi-artist compilations. In such cases, royalties shall be calculated *prorata numeris*.

NOTE: “Prorata numeris” means that royalties generated by the sale of a compilation album are divided in equal shares according to the number of phonograms included in the compilation. Thus, for instance, if the compilation comprises 10 phonograms, the producer of each phonogram receives 1/10th of the overall royalties.

6-2 Online Sales (Internet and others)

Where sales occur via online communication networks (Internet and others), royalties payable to the PRODUCER shall be ____ % of the amount received, before tax, by the LICENSEE.

NOTE: The average rates vary between 25% and 40%.

6-3 Broadcasting and Communication to the Public

Unless otherwise specified by national law, in the case of broadcasting or communication to the public, royalties payable to the PRODUCER shall be ____ % of the amount received, before tax, by the LICENSEE, except when the broadcasting or the communication to the public is subject to remuneration paid directly by the relevant organization(s) to the PRODUCER or to the collective management organization that administers the rights of producers in the country in which the broadcasting or the communication to the public occurs.

NOTE: The usual rate varies between 60% and 75%.

6-4 Other Uses

Any exploitation other than the uses mentioned in articles 6-1, 6-2 and 6-3, above, including uses in advertising, film or live performances, and with respect to special products, shall be subject to the prior written authorization of the PRODUCER and to payment of a specific remuneration to the PRODUCER.

ARTICLE 7 - Accounts and Payment of Royalties

Royalty statements shall be established on 30 June and 31 December of each calendar year. The LICENSEE shall send the statements to the PRODUCER within three months following each of the above dates, together with the payment of royalties. The PRODUCER shall be entitled to request any proof relating to the royalty accounts and statements.

ARTICLE 8 - Promotion and Advertising

The LICENSEE shall be in charge of the promotion of the phonogram in accordance with the customary practices of the profession. The parties are free to set a minimum budget to be allocated by the LICENSEE for the promotional activities, by indicating hereinafter the amount of this budget :

The LICENSEE shall be able to freely use the name of the artist, as well as photographs and pictures depicting him or her. These photographs and pictures shall be chosen upon mutual agreement between the LICENSEE and the PRODUCER, the latter also needing to obtain the artist's acceptance.

The PRODUCER shall ensure that the artist(s) participates, subject to the artist's availability and with reasonable notice, in any radio or television show, photoshoot and interview intended to promote the phonograms. The LICENSEE shall assume the expenses related to the promotional activities, including transportation and accommodation costs of the artist(s).

The LICENSEE must provide the PRODUCER with 20 free copies of any Single or Album published in execution of this contract.

ARTICLE 9 - Transfer of Contract

The rights and obligations under this contract may not be transferred by the LICENSEE to a third party without the prior written authorization of the PRODUCER.

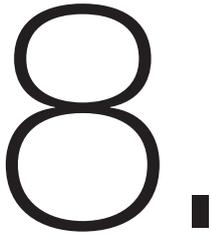
ARTICLE 10 - Miscellaneous

The parties shall inform each other of any change of address. This contract shall be governed by the law of the country of production.

Completed and signed at _____, on _____ in ___ original copies.

The LICENSEE

The PRODUCER



Commercial Phonogram Distribution Contract

This contract allows a producer of phonograms to entrust the sale of phonograms to a company or person called a “distributor.” The distributor shall, in general, be granted the exclusive distribution rights during the term of the contract, however only for the territories where the distributor makes the phonograms available for sale. This contract is suitable for the sale of small quantities of phonograms produced by artists themselves.

The PHONOGRAM PRODUCER (hereinafter referred to as the PRODUCER)

The DISTRIBUTOR

ARTICLE 1 - Object

The PRODUCER entrusts to the DISTRIBUTOR, for the duration of this contract, the sale of one or more phonograms that will be exploited individually or as part of an Album. These phonograms are *(title of the phonogram, name of the lead artist and other relevant information)*:

ARTICLE 2 - Duration, Territory and Exclusivity

This contract applies for a period of ____ year(s), starting from the date of signing.

Exclusivity of exploitation is granted for the following country or countries:

The DISTRIBUTOR must provide for sale to the public a sufficient number of material copies of the phonogram(s), as well as to make them available for online sale, except in cases of refusal by the respective websites, within 6 months, starting from date on which the PRODUCER supplies the DISTRIBUTOR with each phonogram in compliance with Article 4 hereunder.

ARTICLE 3 - Authorization of Exploitation

The PRODUCER authorizes the distribution and making available to the public of the phonograms defined in Article 1.

Therefore, the DISTRIBUTOR shall have the right to sell by way of any medium (audio cassette, CD, DVD audio or other existing formats) or via online communication networks (Internet and others) in any format, under the heading, label or mark of the DISTRIBUTOR's choice and in the territories detailed above concerning the phonograms defined in Article 1.

Any other exploitation shall be subject to the prior written authorization of the PRODUCER.

ARTICLE 4 - Supply of Phonograms

The PRODUCER must provide the DISTRIBUTOR with the phonogram(s) defined in Article 1, as follows :

- a copy on DAT for sale via online communication networks; and
- the stock of material copies to be put on sale, in their final version intended for the public (covers with photos, booklet and, more generally, the graphic elements needed for commercial exploitation in accordance with customary practices); this stock shall be renewed according to the needs and the demands of the DISTRIBUTOR.

Where appropriate, the parties may enter into a special agreement concerning the payment for costs of mastering fees and graphic elements.

ARTICLE 5 - Copyright

The PRODUCER shall be entirely responsible, directly or through a collective management organization, of payment of royalties due to the artist(s) for distribution of the phonograms in accordance with this contract.

ARTICLE 6 - Royalties

The DISTRIBUTOR must pay royalties to the PRODUCER, as calculated below :

6-1 Sales of Carriers in Stores or by Mail Order

a) for sales in the country of production (*name of country* _____), royalties shall be calculated on the basis of the wholesale price, before tax, of each copy of the phonogram sold, at the appropriate rate set below :

- _____ % of the sales between 0 and 20.000 copies (*depending on the size of the market*);
- _____ % of the sales greater than 20.000 copies (*depending on the size of the market*);

NOTE: The average rates vary between 65% and 75%.

"Wholesale price" means the catalogue price, before tax, as published by the DISTRIBUTOR during the year of the sale.

b) for sales abroad, the rate of royalties shall be 60 % of the rate determined in paragraph a), unless otherwise specified in the domestic law of the country where the contract is established (*e.g. in some countries the rate is 50%*);

c) when manufactured abroad, royalties shall be calculated based on the wholesale price used in the respective foreign country;

d) in cases of direct export, royalties shall be calculated based on the wholesale price as used in the country of production;

e) all copies returned or destroyed shall be excluded from the calculation of royalties.

6-2 Online Sales (Internet and others)

Where sales occur via online communication networks (Internet and others), royalties payable to the PRODUCER shall be ____ % of the amount received, before tax, by the DISTRIBUTOR.

NOTE: The average rates vary between 70% and 80%.

ARTICLE 7 - Accounts and Payment of Royalties

Royalty statements shall be established on 30 June and 31 December of each calendar year. The DISTRIBUTOR shall send the statements to the PRODUCER within three months following the above dates, together with the payment of royalties. The PRODUCER shall be entitled to request any documentation relating to the royalty accounts and statements.

ARTICLE 8 - Promotion and Advertising

The DISTRIBUTOR shall be able to freely use the name of the relevant artist, as well as the photographs and pictures depicting the artist.

ARTICLE 9 - Transfer of Contract

The rights and obligations under this contract may not be transferred by the DISTRIBUTOR to a third party without the prior written authorization of the PRODUCER.

ARTICLE 10 - Miscellaneous

The parties shall inform each other of any change of address. This contract shall be governed by the law of the country of production.

Completed and signed at _____, on _____ in ____ original copies.

The DISTRIBUTOR

The PRODUCER

9

Contract between a Lead Artist and a Producer Authorizing Specific Uses of a Phonogram

This contract supplements the recording contract signed by the lead artist and a producer of a commercial phonogram, where the phonogram is the subject of a special use (an additional use in advertising film, live performance and so forth). Where a permanent group of artists exists, the contract must be signed by all members of the group.

The ARTIST or the PERMANENT GROUP OF ARTISTS (hereinafter referred to as the ARTIST)

The PHONOGRAM PRODUCER (hereinafter referred to as the PRODUCER)

ARTICLE 1 - Object

The ARTIST grants the PRODUCER the right to authorize a specific use of the following phonogram:

Title: _____

Date and place of fixation: _____

This specific use is the following (*check the correct box and cross out the others*):

- incorporation in an audiovisual work (cinematographic film, TV film, documentary, music video, etc.) for the purpose of exploitation by any means;
- incorporation in a live performance;
- incorporation in an advertisement for an exclusively audio broadcast;
- incorporation in an advertisement for an audiovisual broadcast; or
- other (*to be defined*): _____ .

ARTICLE 2 - Exclusivity, Duration and Territory

The present contract, which is signed on an exclusive basis, applies for a period of ____ year(s) starting from the date of signing. The specific use is authorized for the territories listed below:

ARTICLE 3 - Royalties

As compensation for granting the ARTIST's rights under this contract, the ARTIST shall receive from the PRODUCER of the phonogram royalties of ____ % of the amount received, before tax, by the latter for the specific use.

Royalty statements shall be established on 30 June and 31 December of each calendar year. The PRODUCER shall send the statements to the ARTIST within three months following each of the above dates, together with the payment of royalties. If the ARTIST entails several physical persons (a group), the PRODUCER shall send royalty statements and the corresponding payments distributed in equal shares to each of the beneficiaries, individually. The ARTIST shall be entitled to request any documentation relating to the royalty accounts and statements.

ARTICLE 4 - Miscellaneous

The parties shall inform each other of any change of address. This contract shall be governed by the law of the country of production.

Completed and signed at _____, on _____ in ____ original copies.

The ARTIST

The PRODUCER

10. Contract between a Lead Artist and a Manager

This contract sets the conditions under which a manager can be entrusted to represent a lead artist and to manage various aspects of the artist's career. Where a permanent group of artists exists, the contract must be signed by all members of the group. This contract imposes rules of transparency for managers with respect to artists and defines the remuneration of the manager. More generally, it defines the obligations of each party, as well as the rules for using an artist's revenue that a manager receives on behalf of an artist.

The ARTIST or the PERMANENT GROUP OF ARTISTS (hereinafter referred to as the ARTIST)

The MANAGER

ARTICLE 1 - Object

The ARTIST entrusts the MANAGER with the management and defense of the ARTIST's professional activities and interests. Therefore, the MANAGER shall be responsible for representing the ARTIST in any action, decision and negotiation relating to the ARTIST's professional career.

ARTICLE 2 - Term and Territory

The present contract applies for a period of ____ year(s).

No end-of-contract remuneration shall be payable by the ARTIST to the MANAGER at the end of the ARTIST's period. The period can be extended, provided that a new contract is signed between the Parties.

The contract covers, on an exclusive basis, the following territory or territories:

ARTICLE 3 - Obligations of the MANAGER

The MANAGER shall act on behalf of the ARTIST with respect to the following tasks:

- search for, book and arrange engagements, including live performances, phonograms or videograms, and radio and television shows. Where the ARTIST is also a composer, the MANAGER shall approach companies or other entities likely to be interested in exploiting the composition(s) of the ARTIST;

- examine any proposal of professional nature made to the ARTIST, assist and represent the ARTIST in all negotiations, ensuring that the contracts signed by the ARTIST do not conflict with the ARTIST's interests and include a reasonable remuneration in compliance with industry standards;
- see to the proper execution of the contracts signed by the ARTIST;
- provide the ARTIST with all legal information that the ARTIST might need;
- receive the amounts payable to the ARTIST for the ARTIST's activities under this contract, and transfer, in the shortest amount of time, these amounts to the ARTIST after deduction of the commission defined in Article 5;
- keep precise accounts of all payments and transfers of funds related to the professional activity of the ARTIST and provide information to the ARTIST at any time upon the ARTIST's request.

No decision shall be taken by the MANAGER without the prior agreement of the ARTIST.

In cases of disagreement between the ARTIST and the MANAGER, the final decision shall be made by the ARTIST.

ARTICLE 4 - Obligations of the ARTIST

The ARTIST must facilitate the work of the MANAGER. More specifically, the ARTIST shall:

- keep the MANAGER informed of all proposals of professional nature made to the ARTIST;
- respect the engagements made on the ARTIST's behalf by the MANAGER; and
- not receive directly amounts paid for the ARTIST's professional activities, except when impossible to do otherwise, in which case the ARTIST will immediately inform the MANAGER.

ARTICLE 5 - Remuneration of the MANAGER

The MANAGER will receive remuneration (commission fee) of ____ % of all amounts paid with respect to the ARTIST's professional activities and for the exploitation of the recorded works or performances of the ARTIST, during the period of the present contract and during the three months following the end of the contract.

NOTE: The usual average rates vary between 10% and 20%, provided that there is no capped maximum stipulated by the law or by a professional agreement.

This remuneration also covers the expenses assumed by the MANAGER. However, when the expenses paid by the MANAGER are of an exceptional nature and have been made upon agreement between the MANAGER and the ARTIST, the latter will reimburse the MANAGER independently of the commission fee.

The following expenses shall be considered to be of an exceptional nature:

NOTE: Usually, the expenses that are considered to be of an exceptional nature are expenses related to the production of CD or DVD demos, the making of blogs presenting the work of the ARTIST and some particularly expensive travel costs.

With regard to territories not covered by the exclusivity of this contract, the amounts generated by the activities and the sound and audiovisual recordings of the ARTIST in these territories (including remunerations paid for live performances taking place in these territories) shall not be received by the MANAGER and shall not be subject to payment of a commission fee to the MANAGER.

ARTICLE 6 - Miscellaneous

The ARTIST authorizes the MANAGER, during the period of this contract, to use the ARTIST's name and photos (upon agreement of the ARTIST concerning the choice of photographs) for all promotional activities.

The parties shall inform each other of any change of address. This contract shall be governed by the law of the country in which it was signed.

Completed and signed at _____, on _____ in ____ original copies.

The ARTIST

The MANAGER

Collective Management

- **Individual contracts are essential, but not sufficient!**

Individual contracts signed by authors, performers and producers are an essential step as they help to establish and clarify their rights.

Nevertheless, collective management is a necessary complement to individual contracts.

- **What is collective management?**

“Collective management” involves the intervention of one or more agencies in charge of collecting and distributing royalties to authors, performers and producers. The name given to these agencies varies from one country to another, such as “Copyright Office,” “Collecting Society,” “Royalties Collecting and Distributing Society,” and so forth.

In some countries, one organization can represent several categories of rights owners (authors, performers, producers) and several categories of rights (reproduction rights, broadcasting rights, etc.).

With collective management, royalties are paid by users of works or recordings to one of these agencies; the agencies then distribute royalties to the respective rights owners.

- **Why collective management?**

In the field of music, the number of uses is extremely large, notably due to technological advancements. This is the case at all stages of creation, such as recording, reproduction and broadcasting, and the number of uses is greatly amplified by the globalization of new media (satellite, Internet, new digital storage carriers, etc.) and of international trade. As a result, it is most often practically impossible for authors, performers and producers to defend their rights on their own.

- **What do rights owners have to do for collective management?**

Rights owners (authors, performers and producers) must be members of a collective management organization, which means accepting the following:

- Act of Affiliation to the collective management organization;
- Bylaws of the collective management organization; and
- Registration Act of works or recordings.

- **Reciprocal agreements**

Music travels beyond borders. Thus, for rights owners to be represented across borders, it is necessary that the relevant collective management organizations also be signatories to agreements with similar organizations in other countries.

Similarly, in order to be able to collect royalties from domestic users (radios, televisions, show and dance premises, etc.) and to allocate royalties to the respective foreign rights owners, the collective management organization must be mandated to do so by the collective management organization in the respective foreign country.

To achieve their intended functions, collective management organizations sign agreements that entitle them to act on behalf of each other across borders.

- **Prospects for progress**

To achieve effective protection of rights, and thus eradicate piracy, it is necessary to reinforce and improve the collective management system, through:

- Rules of operation and control that are completely transparent and allow rights owners to be fully informed;
- Important administrative practices to facilitate collective management organizations' objectives, particularly in relation to:
 - (i) electronic identification systems of rights owner in order to allocate the money collected;
 - (ii) international relations through the effective implementation of reciprocal agreements;
 - (iii) judicial actions

Moreover, collective management organizations with a significant number of members are much more influential when it comes to collecting royalties from users who refuse to pay.

It is also essential to promote the signature and implementation of bilateral reciprocal agreements with the collective management organizations of all other countries.

The proper and effective functioning of collective management organizations contributes to the enhancement and development of cultural diversity and cultural industries.

In order to be able to perform their functions in an efficient manner, collective management organizations need the collaboration of producers and artists, especially with regard to playlists or log sheets, which should be duly filled by the users and sent to the collective management organizations. Consequently, such practices clearly identify the works used and include distributing thereafter royalties to the authors, artists and other rights owners.

Glossary

- **Audiovisual Fixation :**

Any fixation that does not exclusively consist of sounds.

It is important to distinguish between this concept and a phonogram (fixation of sounds exclusively) because the rights attached to these two types of recordings are not the same at the international level.

- **Author :**

A person who creates a work.

In the field of music, an author creates the lyrics or composes the song.

It is also possible to be an author of an arrangement of a pre-existing work.

- **Broadcasting:**

Broadcast by wireless means for reception by the public.

- **Communication to the Public:**

Communication to the public by any means, including by wire or wireless means, except the making available to the public via an online communication network.

- **Country of production:**

The country where the majority of the production budget is spent.

- **Distribution:**

Sale to the public of physical (material) copies (CD, etc.) of a phonogram.

- **Exclusivity:**

This term means that a party to a contract which has granted to the other party exclusive rights, relating to an activity or a type of use, cannot, during the contractually agreed period of time conclude any contract with a third party concerning such activity or such type of use.

- **Fixation:**

Act of recording or incorporating a performance on or in any medium.

- **Making Available to the Public:**

Making a work accessible via an online communication network, at any time and from any place.

- **Performer:**

A person who performs a work, regardless of whether the work is protected or not by copyright.

In the field of music, a distinction is made between “lead artist” and “accompanying artist” (musician or back up singer), the latter occasionally recruited alongside the lead artist. When a permanent group of artists is established and the performances of this group are organized under the name of the group, then the group as a whole is referred to as “lead artist”.

- **Phonogram:**

Any exclusively aural fixation of sounds of a performance or of other sounds.

The concept of a phonogram should not be confused with the material medium used for the sale of a phonogram.

- **Phonogram Producer:**

A person who takes the initiative and has responsibility for the fixation of a phonogram.

- **Phonogram Published for Commercial Purposes:**

Phonogram reproduced for sale to the public.

Specific media can take the form of an “album” (usually containing approximately 12 phonograms) or of a “single” (containing only one or a few phonograms).

- **Public Performance:**

Communication to the public of a work by any means.

- **Royalties:**

Remuneration proportionate to revenue received from the exploitation of a phonogram or videogram.

- **Videogram:**

Any fixation that incorporates a series of images with or without sound.

- **Videogram Producer:**

A person who takes the initiative and has responsibility for an audiovisual fixation.