

BINDING HEADS OF AGREEMENT FOR **ARTIST NAME '**PROJECT TITLE**'**

DATED:

- (1) **CIRCADIAN RHYTHMS LTD** of **label address** ("**Company**"/"**Label**"); and
- (2) **Artist legal name, Alias** ("**Artist**")

Dear ,

We hereby confirm the basic commercial terms of the agreement that we have reached by which you exclusively assign to us the Recordings throughout the world during the Rights Period as follows:

1. **Parties:** Artist and Company.
2. **Territory:** The world and the Universe.
3. **Rights Period:** The period during which the Label shall be exclusively entitled to exploit the Recordings which shall be the period commencing on the date hereof and expiring three (3) years. The Label shall have a six (6) month sell-off period after the end of the Rights Period.
4. **Rights:** The exclusive assignment of the Minimum Commitment being hereinafter referred to as the "**Recordings**").
5. **Minimum Commitment:** Recordings embodying the Artist's performances on six compositions entitled **[TRACK NAMES]** to comprise one **EP** (hereinafter the "**EP**").
6. **Royalty Rates:** **50%** split on sales of physical and digital products via Circadian Rhythms channels (including but not limited to SRD* distribution, CR online shop and BandCamp) once all costs/expenses are recouped. **Artists retain 100% of any revenue generated by sales via their own channels and are not required to account this on to the label.**
7. *SRD deduct a distribution fee of 22% from all sales accounted on to Circadian Rhythms.
8. **Release:** Label shall use its reasonable endeavours to release or to procure the release of the **EP** in such formats as the Label shall think fit in the UK within six (6) months following delivery to and acceptance by Label thereof.
9. **Press and Promo:** Label shall arrange and pay for such press and promotion for the release of the Recordings as it shall think fit. Artist agrees to provide reasonable promotional support, subject to Label paying Artist's prior approved expenses in respect thereof.
- 10.
11. **3rd Party Agreements:** Label may enter into arrangements with third parties ("**Third Party Agreements**") for the sale, distribution, promotion and marketing of Recordings.

12. **Accounting:** Label shall account to Artist for the Royalty twice yearly, within ninety (90) days and shall be entitled to retain reasonable reserves in respect thereof.
13. **Rights:** Artist hereby grants to Label throughout the Territory during the Rights Period consents required to exploit the Recordings to the fullest extent including the exclusive lending and rental rights therein.
14. **Restrictions:** Artist will not for a period of three (3) years from the date hereof record or re-record for a third party any composition (or part thereof) recorded hereunder with the intention of releasing and commercially exploiting such recording.
15. **Compositions:** Artist shall procure that mechanical licences are granted in respect of compositions embodied in Recordings at the applicable statutory or industry rate (and Company shall pay, or procure the payment of such licences in respect records embodying Recordings that are sold and not returned) save that in respect of controlled compositions in the USA and Canada the rate shall be 75% of the statutory or industry rate subject to a cap of 2 x per physical single. In the case of videos manufactured and sold in the USA and Canada, the mechanical rate shall be the lesser of 6 cents per title or 5% of the published dealer price of each video. Artist will procure the grant of synchronisation licences for compositions embodied in any Recordings for any video exploited hereunder which shall be free for controlled compositions and at the statutory or industry rate in respect of all other compositions. Company shall not be obliged to accept a Recording of any composition that is not a controlled composition. Any copyright royalties paid in excess of the amounts specified above shall be deducted from any other monies payable hereunder or in respect of mechanical licences. Artist shall procure free worldwide, perpetual synchronisation licences are granted for all compositions in connection with videos, EPKs and any artist website, and free worldwide, perpetual, public performance licences are granted in connection with such websites.
16. **Other rights:** Artist grants to Label the non-exclusive right during the Rights Period to use and allow others to use Artist's name, professional name, likenesses, photographs, biographical material, images, voice and signature in connection with Recordings, Artist's career and advertising.
17. **Performers' & Moral Rights:** Artist hereby waives (and shall procure that all performers whose performances are embodied in Recordings ("**Performers**") shall waive) and agrees not to assert against Label (and its licensees) any and all moral and like rights that Artist and Performers have in Recordings and in his (or their) performances and any controlled compositions embodied therein.
- 18.
19. **Artwork:** Label shall have final decision on the concept and design of all artwork and shall pay the costs incurred in connection therewith. Label shall own all rights in and to such artwork.
- 20.
21. **Warranty & Indemnity:** Artist warrants that: (i) he is at least 18 years old; (ii) he has the right and authority to enter into this agreement and grant the rights hereunder; (iii) all materials furnished by Artist to Label hereunder do not and will not infringe the rights, of any third party and shall not be criminally obscene or defamatory; (iv) Artist has not entered and/or will not enter into any agreement(s) of any kind which may interfere with the performance of Artist's obligations hereunder; (v) Artist has not performed and will not perform any acts which could in any way impair or materially deprive Label of any of its rights or benefits hereunder; and (vi) Label has advised Artist to seek, and Artist has obtained, independent advice from a lawyer specialising in the music industry to enable Artist fully to understand this agreement. Artist shall indemnify Label from and against any costs, loss or damage caused by a breach of this Agreement and/or any warranty or undertaking herein.
- 22.
23. **Miscellaneous:** This agreement replaces and supersedes all previous agreements between Label and Artist and constitutes the entire agreement between both parties. No variation of this agreement shall be effective unless it is in writing and signed by both parties. All notices given hereunder shall be served by email to Artist at [ARTIST EMAIL] and Label at [info@circadian-rhythms.com] and shall be deemed served on the date of sending of such email. No waiver of any term or condition of this agreement shall be deemed a waiver of any other terms or conditions hereof. The Contracts (Rights of Third Parties) Act 1999 shall not apply to this agreement. Label shall have the right to assign this agreement and any of its rights and obligations hereunder to any third party, but Artist shall not assign this agreement without Label's prior written consent. The illegality and unenforceability of any part of this agreement shall not affect the legality

or enforceability of the balance hereof. Nothing contained herein shall be deemed to have given rise to the relationship of a partnership or employer and employee between the parties. This agreement shall be governed by and construed in accordance with the laws of England and Wales, whose courts shall have exclusive jurisdiction. All other terms hereof shall be subject to good faith negotiations.

24.

25.

26.

27.

28.

This document is intended to evidence both parties acceptance of the basic commercial terms of this exclusive term recording agreement. Accordingly it is intended to be binding on both sides unless and until replaced by a long form agreement ("the Long Form Agreement") which both parties hereby agree to negotiate in good faith as soon as possible following the full execution of this heads of agreement.

Please sign below in the space provided by way of indication of Artist's agreement to the foregoing.

Signed.....
For and on behalf of
CIRCADIAN RHYTHMS LTD

Signed.....
by **Artist legal name**
Professionally known as **["Alias"]**

SAMPLE