

SOUNDATION SONGS DIGITAL DISTRIBUTION AGREEMENT

This AGREEMENT (hereinafter referred to as the "Agreement") is made between you, the Rights Holder, acting on your own behalf or as the legal representative for an artist, group, company, corporation or label (hereinafter referred to as the "Rights Holder")

and Soundation Songs, a division of PowerFX Systems AB, a Swedish corporation located at Brannkyrkagatan 71, 11823 Stockholm, Sweden (hereinafter referred to as the "Distributor").

WHEREAS, the Distributor is in the business of providing the online, proprietary music making software package "Soundation Studio" which also includes a digital distribution service called "Soundation Distribution Service". Distributor facilitates the offering of sound recordings and digitally distributing them to select Third Party Distributors, Streaming Services and Digital Music Retailers (hereinafter referred to as the "Third Party Assignees") for the purpose of selling music downloads and digital streaming of music to consumers over the Internet.

WHEREAS, the Rights Holder are in the business of writing, creating and recording music, and wishes to use the services provided by the Distributor.

The Rights Holder hereby certifies that he/she owns or has the right to distribute, publish, sell, copy, transfer, convert, encode, integrate, digitally modify and deliver over the Internet the master sound recordings designated as "Licensed Recordings."

The Rights Holder hereby certifies that he/she owns or has the right to distribute, sell, publish, copy, transfer, convert, encode, integrate, digitally modify and deliver over the Internet any artwork, writings, or pictorials supplied by Rights Holder to the Distributor and/or Distributor's Third Party Assignees for the purpose of promoting the sale of the sound recording.

WITNESSETH:

In consideration of the respective covenants contained herein, the parties hereto, intending to be legally bound hereby, agree as follows:

1 GRANT OF LICENSE

1.1 LICENSED RECORDINGS.

The Rights Holder hereby grants to Distributor the exclusive right and license during the Term of Grant throughout the Territory to convert, digitize, encode, make, cause or otherwise produce Digital Audio Transmissions of the Rights Holder's designated Licensed Recordings. The term "Digital Audio Transmission" shall mean any digital embodiment of a sound recording. Distributor has the right to assign any and all of these rights to Distributor's Third Party Assignees.

1.2 DISTRIBUTION OF MUSIC.

Rights Holder hereby grants to Distributor the exclusive right and license during the Term of Grant throughout the Territory to sell via downloading, sell via burning, distribute, publish, copy, transfer, convert, encode, integrate, digitally modify and deliver over the Internet the master sound recordings supplied by Rights Holder and designated as Licensed Recordings and

embodied as Digital Audio Transmissions by the Distributor and/or Distributor's Third Party Assignees.

1.3 RELEASE.

Rights Holder hereby authorizes Distributor and Distributor's Third Party Assignees to immediately release, sell via downloading, sell via burning, publish, and/or deliver over the Internet the Digital Audio Transmissions of the Licensed Recordings and any artwork, writings, or pictorials supplied by Rights Holder to the Distributor for the purpose of promoting the sale of Rights Holder's sound recordings during the Term of Grant throughout the Territory.

1.4 MUSIC STREAMS.

Rights Holder hereby grants to Distributor and Distributor's Third Party Assignees a nonexclusive right and license during the Term of Grant throughout the Territory to perform the Digital Audio Transmissions of the Rights Holder's Licensed Recordings by means of streaming digital transmissions for the purpose of audio listening by subscription consumers or for the purpose of promoting the sale and distribution of the recording.

1.5 PORTABLE SUBSCRIPTIONS.

Rights Holder hereby grants to Distributor the exclusive right and license during the Term of Grant throughout the Territory to perform and deliver to portable subscription services the Digital Audio Transmissions of the Rights Holder's Licensed Recordings by means of streaming digital transmissions and downloading for the purpose of audio listening by portable subscription consumers.

1.6 DISTRIBUTION OF ARTWORK.

Rights Holder hereby grants to Distributor and Distributor's Third Party Assignees a nonexclusive right and license during the Term of Grant throughout the Territory to distribute, display, publish, copy, transfer, convert, encode, integrate, digitally modify and deliver over the Internet any artwork, writings, or pictorials supplied by Rights Holder to Distributor and/or Distributor's Third Party Assignees for the purpose of promoting the sale of the sound recordings.

1.7 TEXT.

Rights Holder hereby grants to Distributor and Distributor's Third Party Assignees a nonexclusive right and license during the Term of Grant throughout the Territory to distribute, display, publish, copy, transfer, convert, encode, integrate, digitally modify and deliver over the Internet all writings, text and statements provided by the Rights Holder to the Distributor and/or Distributor's Third Party Assignees for the purpose of promoting the sale and distribution of the sound recordings.

1.8 LIKENESSES AND NAMES

Rights Holder hereby grants to Distributor and Distributor's Third Party Assignees the right to use and to allow others to use the Rights Holder's name, likeness of artist(s), group(s) or band(s), company information, and biographical material for the purpose of advertising and promoting the sale of the Licensed Recordings during the Term of Grant throughout the Territory.

1.9 THIRD PARTY ASSIGNEES

Distributor has the right to assign any and all of the rights granted in this Agreement to Distributor's Third Party Assignees. Rights Holder reserves the right to choose the Digital Stores to which Distributor shall license and/or distribute the Licensed Recordings. Rights Holder defines such Digital Stores by active choice on Soundation Songs Distribution Service platform.

1.10 RESERVED RIGHTS.

The Rights Holder reserves all rights and license not expressly granted to Distributor and Distributor's Third Party Assignees hereunder. Ownership of the Licensed Recordings and Licensed Artwork shall remain with Rights Holder or its licensors.

2 TERM OF GRANT

The Term of Grant shall commence upon the date hereof and shall continue for a minimum time of one (1) year or until the Rights Holder cancels in writing with Distributor, whichever is longer.

3 TERRITORY

The Territory shall be the Universe.

4 RIGHTS HOLDER WARRANTY AND OBLIGATIONS

4.1 WARRANTY

Rights Holder hereby warrants and represents that he/she has the right to enter into this Agreement and to grant to Distributor all of the rights granted herein, and that the exercise by Distributor of any and all rights granted to Distributor in this Agreement will not violate or infringe upon any common law or statutory rights of any person, firm or corporation, including, without limitation, contractual rights, copyrights and rights with respect to name and likeness. The rights granted herein are free and clear of any claims, demands, liens or encumbrances. The Rights Holder shall not submit any content that may be deemed objectionably harmful, racist or obscene.

4.2 RIGHTS HOLDER OBLIGATIONS

The Rights Holder shall obtain and pay for any necessary clearances and licenses in the Territory for all the Rights Holder's sound recordings and artwork. The Rights Holder shall be responsible for and pay any royalties and other income due to artists, authors, co-authors, copyright owners, co-copyright owners, producers, and other record royalty participants from sales or other uses of the Licensed Recordings. The Rights Holder shall also be responsible for all mechanical royalties payable to publishers and/or authors or co-authors of copyrighted musical compositions embodied in the Licensed Recording from sales or other uses of the Licensed Recording. The Rights Holder shall also be responsible for all payments that may be required under collective bargaining agreements applicable to the Rights Holder and any other royalties, fees, and or monies payable by the Rights Holder with respect to the Rights Holder's Licensed Recordings, artwork, and other materials supplied by Rights Holder to Distributor and Distributor's Third Party Assignees.

4.3 DELIVERY

When submitting the Licensed Recordings to Distributor via Soundation Songs Distribution Rights Holder shall also deliver the related artwork for use by Distributor and Distributor's Third Party Assignees in connection with the marketing and promotion of the Licensed Recordings; and, a written schedule of the names and contact information of the author(s), composer(s), and music publisher(s) of the songs embodied in the Licensed Recordings, together with any additional copyright information known to Label relating to the Licensed Recordings, and a list of credits that Rights Holder is contractually required or otherwise reasonably desires to provide in connection with the distribution, exploitation of the Licensed Recordings hereunder. Distributor shall have no right to modify the Licensed Recordings, except that it may digitize and/or encode the Licensed Recordings in any format now known or hereafter devised for purposed of facilitating the exercise of the rights and licenses granted hereunder.

5 SERVICE

5.1 IN APP DISTRIBUTION SERVICE

This Licensing Agreement represents the terms and conditions of the Soundation Songs Digital Distribution Service. Distributor enables the Artist to release exclusively licensed Recordings through the Soundation Studio In App Distribution Service and have them digitally distributed to specified Digital Stores and streaming services.

5.2 RELEASES

The Right Holder can release an unlimited number of Recordings via the Distributor.

5.3 EDITORIAL RIGHT

Distributor reserves an unabridged right to refuse to distribute any and all of Rights Holder's sound recordings for good reason, bad reason, or no reason.

5.4 TAKE DOWN

The Rights Holder may under the Term request removal of a Recording from the Soundation Songs Distribution Service by written request to the Distributor. Distributor will do its best to remove the requested recording in a prompt fashion.

6 DISTRIBUTION SERVICE FEE

The Rights Holder agrees to pay the annual fee to Soundation Songs Distribution Service.

7 ROYALTIES AND PAYMENT

7.1 COLLECTION

Distributor shall collect any and all royalties and other revenue derived from the Licensed Recordings through the Soundation Songs Distribution Service on behalf of the Rights Holder.

7.2 RIGHTS HOLDERS ROYALTIES

Distributor shall pay to Rights Holder one hundred percent (100 %) of any and all Net Revenues derived from the sale of the digital audio transmissions embodying the Licensed Recordings.

The term "**Net Revenues**" shall mean gross revenues less only the following costs and fees incurred in connection with such deliveries, and only to the extent incurred:

- (a) transaction processing fees, such as credit card transaction fees and other electronic commerce processing, patent royalties or other fees, payable to or retained by unaffiliated third parties in connection with effecting a transaction or transmission, if any;
- (b) sales tax, if any;
- (c) returns and credits, including, but not limited to, those on account of defective merchandise, errors in billing, and errors in transmission, if any;
- (d) mechanical royalties, if any;
- (e) public performance fees, if any; (f) shipping, if any;
- (g) union, guild or other third party fees that may be required by contract or the Copyright Act, if any;
- (h) Internet advertising and promotion costs, such as banner ads on other web sites to promote the sound recordings, if any, provided that costs shall not exceed 10% of gross revenues.
- (i) Internet referral fees, such as fees payable to any third party who, through their web site, email or other means, refers to us a purchaser of copy or phonorecord of a Recording, if any, provided that such costs shall not exceed 15% of gross revenues.

Net Revenues shall not include, and no royalties shall be payable to Rights Holder on any Licensed Works reproduced, distributed, performed, displayed, broadcast, delivered or transmitted on a "free" or "no charge" basis.

The Rights Holder is aware and accepts that the levels of payment and applicable fees are subject to the terms and conditions agreed upon by Distributor, Distributor's Third Party Assignees and the Digital Stores.

7.3 PAYMENT

The Rights Holder agrees to receive any Net Revenues or other payment due via PayPal.

8 RECORD KEEPING AND REPORTS

8.1 RECORD KEEPING

Distributor shall keep accurate records concerning the amount of any and all royalties and other revenue due the Rights Holder. Distributor agrees to maintain and preserve accurate books and records concerning all transactions relating to the reproduction and distribution of the Licensed Recordings for a period of two (2) years following the termination of this Agreement.

8.2 STATEMENTS

Distributor will compute the royalties to Rights Holder pursuant to this Agreement within forty-five (45) days after the end of each calendar quarter (i.e., ending March 31, June 30, September 30, and December 31). A quarterly royalty statement for each such period together with the net amount of royalties, if any, computed in accordance with this Agreement, will be available for the Rights Holder via the platform Soundation Songs Distribution Service, and shall be payable after deducting any and all unrecovered charges hereunder.

9 INDEMNIFICATION AND LIMITATION OF LIABILITY.

The Rights Holder will indemnify and hold harmless the Distributor and Distributor's Third Party Assignees from and against any and all losses, liabilities, damages, costs or expenses (including reasonable attorney's fees and costs) arising out of a claim by a third party by reason of a breach of any warranty, representation, covenant or obligation of the Rights Holder under this Agreement, or any claim that any Digital Audio Transmission, sound recording, printed material, or artwork provided to the Distributor and/or Distributor's Third Party Assignees by the Rights Holder use thereof violates or infringes the rights of another party. The Rights Holder will reimburse the Distributor and/or Distributor's Third Party Assignees for any actual payments made in resolution of any liability or claim that is subject to indemnification under this section.

10 ADDITIONAL DEFINITIONS

- **"Digital Store"** is the internet shop or distributor that will sell and/or distribute the Rights Holders Recordings via digital download and/or streaming.
- **"Licensed Recordings"** shall mean any and all sound Recordings Licensed Artwork, Controlled Compositions, the Name and/or Likeness of Label or any Artists performing in the Licensed Recordings, Music Videos, CD, Album and any other materials submitted by the Rights Holder to the Soundation Songs Distribution Service licensed to Distributor and Distributor's Third Party Assignees.
- **"Recording"** shall mean any and all sound recordings the Rights Holder submits to the Soundation Songs Distribution Service created and/or owned by the Rights holder, who has all the necessary rights to the song submitted.
- **"Soundation Songs Distribution Service"** is the platform within Soundation Studio which allows the Rights Holder to submit and release Recordings and have them distributed to the digital stores according to this agreement.

11 ASSIGNMENT

Distributor reserves the right to assign the obligations of this agreement to any affiliates or successors by way of partnerships, merger, acquisition, sale of assets or otherwise without the consent of the Artist.

12 ENTIRE AGREEMENT.

This Agreement sets forth the entire agreement between the Distributor and the Rights Holder with respect to the subject matters hereof. No modification, amendment, waiver, termination or discharge of this contract or any other provision hereof shall be binding upon the Distributor and/or Distributor's Third Party Assignees unless confirmed by written statement signed by an officer of the Distributor. No waiver of any provision of this contract or of any default hereunder shall affect the Distributor's rights thereafter to enforce such provisions or to exercise any right or remedy in the event of any other default or breach.

The Distributor reserves the right to unilaterally modify, amend, add, or delete provisions to this contract upon giving written notice to the Rights Holder. The Rights Holder will then have thirty (30) days to refuse to be bound by the modification after which the provision will become a part

of the agreement between Distributor and Rights Holder without any further action required by either party.

13 TERMS OF TERMINATION

13.1 BREACH OF AGREEMENT

This agreement may be terminated by either party if the other Party is in material breach of any term or condition of this agreement and such breach is not remedied for a period of thirty (30) days after the party in breach has been notified in writing of the breach by the other party. For material breaches that cannot be remedied, each party can terminate immediately by written notice.

13.2 TERMS OF TERMINATION

Upon Termination or the Rights Holder's failure to maintain payment of the annual subscription fee, Distributor shall discontinue all use of the recordings and shall have no further rights or claims to the Licensed Recordings and will remove them as feasibly possible under the agreements with the Digital Stores.

13.3 COPYRIGHT INFRINGEMENT

Any violation by the Rights Holder in regards to third party copyright will lead to immediate termination of this agreement and no previous subscription fees taken will be refunded.

14 GOVERNING LAW AND VENUE.

This Agreement shall be construed and governed by the substantive laws of Sweden. Any dispute, controversy or claim arising out of or in connection with this agreement, or breach, termination or invalidity thereof, shall be settled by the District Court of Stockholm.