



DISTRIBUTION CONTRACT

Zwischen xxxxxxxxx
(hereafter called label)

und NovaTune, Pfarrer-Forster-Str. 1, 85452 Eichenried, Germany
(hereafter called distributor)

§ 1 Subject of the contract

1. The label is granting the distributor the non exclusive right to distribute, diffuse, make public performances and broadcastings of the sound storage mediums or picture/sound storagemediums mentioned in appendix 1 in the countries of the European Union and Switzerland.
2. Other mediums that will be taken for distribution on basis of this contract later will be defined in other specially signed appendixes.

§ 2 Power of disposal and exemption

1. The label declares that the titles and sound storage mediums disposed to the distributor are its absolute property and that the label is fully authorised to dispose of them. The label furthermore declares that it is not inhibited by other bindings to sign and fulfill this contract. In particular the label declares that all rights needed to fulfill this contract of third parties, like the producers and artists including soloists, artistic producers and others participating in the production (whereas this list is only exemplary and is in no way completing) have been bought exclusively and that the label is allowed to assign these rights on the conditions of this contract.
2. The label grants the distributor the distribution and selling rights for the mentioned sound storage mediums free from claims of third parties, in particular as for fees, licenses or other payments, for example also for arrangements of protected works and the usage of sheet music. The fulfillment of all other legal and contractual copyright responsibilities against the originators respectively their entitled representatives are incumbent on the label.
3. The label assures that the mentioned sound storage mediums are not infringing on any terms of the copyright.

4. If one or more titles of the sound storage medium include GEMA material or material registered with any other copyright society or if the producer or the artist is a member of the GEMA or another copyright society, the label will inform the distributor about this prior to signing the contract. The label then will register the CD and the respective titles with the GEMA and will pay the according fee. The registration with the GEMA or another copyright society as well as the payment of the according fees is incumbent on the label only. The label releases the distributor from all claims of the GEMA or other copyright societies.
5. If third parties announce claims of any kind from the assigned rights against the distributor or if there are defects in the assigned rights the label is taking the absolute liability. The distributor is allowed to pass claims from third parties in connection with the production to the label directly.
6. The distributor reserves the right to reject the release of single sound storage mediums or single titles without reasons.

§ 3 Declaration of Copyright and delivery of sound storage mediums

1. The label will tell the distributor in written form the title of the sound storage medium and the recordings as well as other additional copyright information.
2. The label will furthermore send a separately defined amount of finished sound storage mediums to the distributor on his own cost, that will be stored and sold by the distributor on the basis of this contract. Other deliveries of sound storage mediums will be arranged separately by the distributor and the label.

§ 4 Distribution and production

1. Type, print run, time and place of the release is determined by the label. The distributor can register the label as sub label. In this case the label can use the labelcode as well as an EAN code of the distributor. The sound storage medium is then released as a joint product and the legal data of the distributor has to be stated on the CD respectively the printed matters.
2. If wanted by the label the distributor can take on the production of the sound storage mediums (CDs only) in the usual On-Demand-Technique used by the distributor. In this case the distributor writes an extra bill to the label for the production of the CDs. Basis for the billing are the rates stated on the homepage of the distributor for limited lot production of CDs.
3. The label is committed to give an extra copy of the sound storage medium to the distributor for the registration at PhonoNet. This copy will be sent by the distributor to the service agency beauftragt by PhonoNet to register cover, titles and audio data.

§ 5 Name and picture of the producer or artist

1. During the contract period the label grants the distributor the usage customary in trade of the name of the label, the producer respectively the artist as well as pictures of the producer or the artist or other biographical material for advertisement for the sound storage media, the label and NovaTune. If wanted the label will give the respective material free of rights from third parties to the distributor.
2. The label assures that the producer and artist are available for the promotion of the mentioned sound storage mediums. Furthermore the label assures that the label, the producer or the artist assist the distributor in promotion arrangements and that they will be available without extra pay e.g. for Radio and TV recordings, interviews and suchlike. The implementation of other promotion arrangements like concerts, tours, shipping of review copies or distribution of advertising material, other than the promotion activities of the distributor, are allowed in particular. The shipping of review copies is made by the label, corresponding enquiries are forwarded to the label by the distributor.

§ 6 Payment

1. As payment for the granted rights and for the other contractual performances the label gets a participation in sales for every sound storage medium sold and payed through the distributor. When sold via the distributor or PhonoNet and participating shops this participation in sales is 70% of the profit. In this participation in sales the payment for the participating artists as well as other beneficiaries (Music directors respectively producers) is included. The label is paying this payment to the beneficiaries itself. According to the Fair-Trade-Concept of NovaTune and other connected labels the gross selling price is not allowed to exceed a certain amount. Album-CDs have a maximum price of 13 Euro, EP-CDs a maximum price of 10 Euro and Maxi-CDs a maximum price of 8 Euro.
2. Sound storage mediums and single songs that are given out free of charge for promotional reasons or other consumer promotions e.g. as so called „free goods“/rebate in kind, as well as samples from the contractual recorded works for promotional performances are not subject to the participation in sales. This exemption also includes the availability of complete single songs as free downloads within the online offerings of the label. The label can contradict the use of single songs as free downloads with a separate written message to the distributor.
3. The label is entitled to get the participation in sales during the contract period and as long as the contractual recorded works are exploited by the distributor during the contract period.
4. The profit that is the basis of the label's participation in sales results from the gains of the sold CDs. If they are sold via shops and/or PhonoNet the profit results from the gains of the sold CDs less the cost of postage.
5. The label refunds the distributor a part of PhonoNet's registration fees of each sound storage medium as well as the following monthly fees nonrecurring when signing the contract with 8 Euro including VAT. There are no further costs for the label.

§ 7 Accounting

1. The distributor is accounting quarterly and pays in four weeks after the end of the account period.
2. The label has the right to check the accounting at his own cost and after determining an appointed day via a sworn auditor or accountant during the hours of business. An appeal against the accuracy of the account is only acceptable within three months after the account and has to be justified in written form. After this time the account is considered approved. Apparent falsities, in particular miscalculations in an account, will be also corrected by the distributor after this time.

§ 8 Payments

1. All payments are made in Euro.
2. Only the label itself is authorised to receive the payments; the payments are made to the account of the label (international payments can be made via PayPal); assignments as well as the issue of collection orders to other parties have to be announced to the distributor by the label in written form.
3. Payments and messages for the label are made with freeing effect to the last known address respectively bank account. Changes have to be told to the distributor in written form.
4. The label is responsible for itself for his fiscal concerns, regardless of place of domicile.

§ 9 Contract period and Cancellation

1. The contract period is one year. In this period the label is committed to entitle the sound storage medium mentioned in §1 to the distributor on basis of this contract for release: The contract period starts with the signing of the contract.
2. The contract is renewed automatically for another year after the contract period if the label does not cancel it in written form one month before the end of the contract period.
3. The distributor is as well allowed to cancel the contract one month before the end of the contract period. If this does not happen the contract is also renewed for another year.
4. The distributor reserves the right to cancel the contract at any time without previous notice in case that the recorded works on the sound storage medium mentioned in § 1 or the medium itself contain material that may cause public scandals, expressing extreme political opinions, denigrating people or infringe upon German or international laws (extraordinary notice of cancellation).
5. Every cancellation has to be made in written form.

§ 10 Other clauses

1. The contractual relationship is based on German law. Changes and addendums to this contract have to be made in written form to be valid, and the written form cannot be abandoned orally or implied (condition of effectiveness). No subsidiary agreements have been made. Place of fulfilment is Eichenried.
2. If single clauses of this contract are ineffective the other clauses of the contract are still in effect. In this case the partys will replace the ineffective clauses with effective clauses according to the main object of this contract.
3. The label gives authority to the distributor to proceed against any improper usage of the contractual recorded works during the contract period.
4. The services accomplished by the distributor during the contract period, when the contract is signed contain the following:
 - a) Providing the sound storage medium mentioned in § 1 in the online shop
 - b) Creation of MP3 prelistening files for the online shop
 - c) Registration in the PhonoNet system and delivery to the connected shops
 - d) Press promotion via newsletter
 - e) Sale in the online shop at <https://shop.novatune.de>
 - f) own EAN code if wanted
 - g) Labelcode if wanted

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Place, date

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Signature of the label

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Signature of the distributor

Appendix 1

Sound storage mediums for the distribution and sale based on the distribution contract between XXXXXXXXXXXX
(Label) and NovaTune (distributor):

catalognr. from label	Artist	Title	Type	Gross selling price in Euro
XX	XX	XX	XX	XX

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Place, date

.....
Signature of the label

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Signature of the distributor