

Short Form Recording Agreement (Example Document)

Please note that this is an example document of a short form agreement made between a record company and a recording act. Often referred to as a 'Heads of Agreement', a short form agreement is a scaled down version of a long form agreement with the latter including a more extensive and comprehensive legal protection script to help minimise ambiguity in the agreement. A short form contract is often (but not always) issued by a record company to a recording act prior to the execution of long form agreement. A short form agreement aims to simplify the understanding of the terms that are offered by a record company to a recording act. There is therefore no place for signatures and dates at the end of this contract because it would be superseded by a long form agreement in the event of acceptance to the proposed arrangement.

This agreement is made on the _____ day of the month of _____ in the year _____.

This agreement is made between the record company:

Company name of the record company:

Address of the record company:

(From here on referred to as "the company")

And

The Recording Act: _____ (name of the act)

Full legal names of the members of the Recording Act:

Addresses of the Recording Act Members:

(From here on referred to as "the act")

Grant of Rights

The act grants the company the exclusive right to record, reproduce, license, distribute, and sell sound recordings in both digital and physical format that feature the performances of the act.

Term and Deliverables

The initial term of the agreement is for 2 (two) studio albums over a period that lasts no longer than 4 (four) calendar years with an option to extend for 1 (one) further studio album for a period that lasts no longer than 2 (two) calendar years. Each studio album will feature three singles chosen by the company and released throughout each studio album's release campaign schedule. If the act does not comply with the timeframe of the proposed cycle, the company reserve the right to terminate the agreement unless mitigating circumstances have been transparently communicated by the act with a reasonable notice period.

Ownership

The company owns the copyright to the sound recordings created by the act and will use best endeavours to release and exploit the sound recordings in any commercially viable and reasonable manner. The company shall register the ownership of the sound recordings in the company's name and control the sound recording copyrights.

Advance

An advance of £30,000 (thirty thousand British pounds sterling) will be made available by the company to the act. The aim of the advance is to serve as a form of financial support for the act to cover expenses in relation to the creation, promotion and touring of their recorded work. The advance is recoupable, and the act will begin to earn royalties (as outlined in the next section) after the full recoupment of the advance is recovered by the company.

Recording Royalties

The company shall pay the act 25% (twenty five percent) of all net royalties generated by the copyrights of the sound recordings. This is upon the full recoupment of the advance. For the purposes of clarification, net royalties relate to the royalties that are paid to the act after the company's deductions and expenses are subtracted. The company's expenses include recoupable advances, marketing, and promotional costs, recording costs, distribution fees and packaging costs.

Synchronisation and Licensing Fees

30% (thirty percent) of all fees that are received by the company for synchronisation and licensing placements will be paid to the act.

Termination

This agreement may be mutually terminated at any time with the written mutual agreement of both the company and the act. In the event of mutual termination, both parties shall be released from their respective obligations as outlined in this agreement. In the event of a contractual breach, either party have the right to terminate the agreement with the other party provided that a written notice of the alleged breach is submitted. The opposing party then have 60 days to cure the breach. Failure to cure will result in the termination of the agreement.

Indemnity

The act agrees to indemnify, defend, and hold harmless the company from and against all claims of infringement of intellectual property rights in relation to the recorded works.

Governing Law

This agreement shall be governed by the courts of English law.