



AGREEMENT

This ONLINE MUSIC DISTRIBUTION AGREEMENT (the "Agreement") is entered into by and between SeyBitz Ltd (hereafter "SeyBitz Ltd"), represented by Mr. Yannick Esparon

And

.....
effective as of

PURPOSE

1. SeyBitz LTD is an Internet record label that sells music by encouraging MP3 file trading and Internet radio. SeyBitz LTD allows consumers to freely download and listen to music. When consumers pay for access to CD-quality online music, SeyBitz LTD will pay Artist

1.a 70% of all net revenue collected through subscription and music file sale.

1.b 85% of all net revenue collected through show/tickets sale.

2. Artist, who has not signed an exclusive agreement with any record label, wishes to enter into a nonexclusive agreement with SeyBitz LTD to reproduce, publish, market, distribute and sell the Artist's Work to consumers under the terms and conditions of this Agreement.

NOW THEREFORE, the parties hereto, intending to be legally bound, hereby agree as follows:

Section 1.

DEFINITIONS

For purposes of this Agreement, the following capitalized terms are defined as follows: **Section 1.**

1.1 "**Creative Commons License**" means the "Attribution-NonCommercial-ShareAlike" license created by Creative Commons, a nonprofit dedicated to promoting the creative reuse of musical and other works, and available free of charge at www.creativecommons.org/licenses/by-nc-sa/1.0. This is the license that allows copyright holders to easily inform

others that their works are free for copying under the conditions that i. credit for their works is provided; ii. their works can not be used for commercial purposes without permission; and iii. Derivative Works can be distributed only under an identical license. The Creative Commons License is hereby incorporated by reference into this Agreement.

1.2 "**Digital Phonorecord Delivery**" means each individual delivery of a phonorecord by digital transmission of a sound recording, or part thereof, which results in a specifically identifiable reproduction by or for any transmission recipient of a phonorecord of that sound recording.

1.3 "**Formats**" means all electronic media formats including, but not limited to, the following: MP3, MP2, CD-ROM, Windows Media WMA, RealAudio, OGG Vorbis, Samples, AIFF, WAV, Flash, MIDI, Cubase, Sequencer file, and SampleCell.

1.4 "**Platforms**" means all electronic media platforms including, but not limited to, "Windows Media Player", "RealPlayer", Internet radio, and MP3 player (Winamp, MusicMatch),

1.5 "**Peer-to-Peer Technology**": means all peer-to-peer software clients, technologies and networks Streamer.

1.6 "**Sale**" means where money is paid and received by SeyBitz LTD for the occurrence of any of the following: i. a consumer requests to download a CD-quality copy of Artist's Work; ii. sublicensing of the Artist's Work, in whole or part, for commercial purposes; and iii. nondigital sale of Artist's Work. "Sale" shall not include promotional activities by SeyBitz LTD (where no cash sale has occurred), including distribution of high-quality copies of the Work (such as to DJs, A&R and barters), and any subscription service that allows listeners access to entire genres or a mix of music.

1.7 "**Work**" means all forms of sound, music, rhythm and lyrics that Artist intends to provide to SeyBitz LTD including, but not limited to: sound recordings, compositions, song lyrics, written prose, musical recordings, vocal recordings, vocal solos, samples, field recordings and ambiences. All Work submitted by Artist, which shall include one or more songs or music scores,

shall be set forth in, which shall be incorporated into this Agreement. Each subsequent submission of Artist's Work shall be set forth by

a. Artist is at least 18 years old and has the right and authority to enter into this Agreement on his/her behalf or, if Artist is more than one person, Artist has the right and authority to enter into this Agreement on behalf of such group.

b. Artist has reviewed the Creative Commons License and hereby confirms that Artist's Work may be licensed by and through the Creative Commons License.

Section 2.

WARRANTIES OF NON-EXCLUSIVITY, ORIGINALITY AND OWNERSHIP

2.1. Artist Warranties: By offering the Work for release under this Agreement, Artist represents and warrants the following:

a. Artist is the sole author of the Work and/or has secured all rights in the Work necessary to grant the license rights hereunder and to permit the lawful exercise of the rights hereunder, including all cover songs, samples, excerpts, recordings, lyrics, rhythms and melodies, without Artist or SeyBitz LTD having to pay any royalties, compulsory license fees, residuals or any other payments.

b. The Work does not infringe the copyright, trademark, publicity rights, common law rights, or any other right of any third party or is otherwise illegal or constitute defamation, invasion of privacy, pornography or any tort injury to any third party.

c. ARTIST CURRENTLY IS NOT BOUND BY AN EXCLUSIVE AGREEMENT WITH ANY RECORD COMPANY AND ARTIST DOES NOT REQUIRE THE PERMISSION OF ANY OTHER PARTY TO ENTER INTO THIS AGREEMENT.

Artist shall provide SeyBitz LTD immediate notice if it enters into an exclusive agreement with any record label or for the distribution of Merchandise.

i. to use, reproduce, distribute, display, deliver and transmit, publicly and privately, by any means now known or hereafter devised, the lyrics of the musical compositions embodied in the Work, for the purpose of promoting the Work or facilitating the exercise of the rights of Electronic Distribution of the Work; and

ii. to use the Work to promote Artist, the Work and SeyBitz LTD (and its products and services) and to use the name and likeness biographical material, logos, trademarks photographs, symbols, emblems, designs, and any other visual representations of the Artist, and any other individuals performing or otherwise represented in the Work.

The above rights may be exercised in all Formats, Platforms and Peer-to-Peer Technology, both presently known or to be developed, without any payment or royalty obligation to Artist, except for as specifically provided under Section 4.

b. Artist agrees that its Work shall be released or distributed under the terms of the Creative Commons License.

c. Artist also grants SeyBitz LTD the right to sell, or cause to sell subject to Section 4

Section 3.

NON-EXCLUSIVE LICENSE GRANT TO SEYBITZ LTD

3.1. Non-exclusive License Grant.

a. Subject to the terms and conditions of this Agreement, Artist hereby grants SeyBitz LTD a nonexclusive right and license throughout the universe to freely and without restriction use and exercise the rights in the Work identified in Attachment A, in whole or in part, as stated below:

i. to use reproduce, publish, duplicate, publicly or privately perform and display, distribute and transfer the Work, or cause to do the same, including Digital Audio Transmissions and Digital Phonorecord Deliveries of the Work, and the right to couple any of the Work with recordings other than Artist's licensed Work ("Electronic Distribution");

ii. to use, market, license, sublicense, distribute and sell the Work, including individual tracks, MIDI, lyrics, samples music score and other constituent parts from the Works;

iii. to create and reproduce Derivative Works, or cause to do the same;

prejudice to any remedies available to the non-breaching Party.

3.2. Term and Termination.

a. This Agreement will commence on the Effective Date and continue for a period of two (2) years from the Effective Date (the "Initial Term"). This Agreement will automatically renew for successive oneyear terms in perpetuity, if not terminated in writing thirty (30) days or more prior to the expiration of the term (the Initial Term and any period thereafter, if any, collectively are referred to as the "**Term**").

b. This Agreement may be terminated if either Party breaches any of the provisions of this Agreement, which breach has not been remedied within thirty (30) days of written notice of the breach, and without

3.3. Abridge and Adapt. Artist grants SeyBitz LTD the right, in its sole discretion, to abridge and/or adapt the Work in order to conform to the requirements of the Formats, Platforms and Peer-to-Peer Technology utilized by SeyBitz LTD.

3.4. Artist's Reservation of Rights. SeyBitz LTD shall not grant rights that are greater than the rights granted under this Agreement. All other rights are reserved to Artist. Other than the Work identified by Attachment hereto, Artist shall have no obligation to license any other work or music. Subject to the nonexclusive license grant conferred to SeyBitz LTD herein, Artist shall retain all rights to the copyright interests in the Work.

Section 4. PAYMENT

4.1. Limitations and Taxes. There shall be no Royalty Fee for digital performances for Internet or satellite radio stations or other digital transmissions. Artist shall be solely responsible for any and all taxes, fees and assessments that may be imposed against the Royalty Fee by any governmental entity, which shall not be a part of, or an offset against, such fees. All objections concerning a Royalty Fee shall be submitted by Artist within one (1) year after the date of payment of Royalty Fee and/or Royalty Fee, after which time all objections shall be waived.

4.2 Payment Terms. SeyBitz LTD shall provide payment

in SCR Seychelles Rupees to Artist weekly or monthly as specifically provided under section 1.a and 1.b.
Payment shall be made to Artist after the sales amount to at least SCR 500; SeyBitz LTD shall hold the payment until such time.

Section 5.

OPERATIONAL DUTIES

5.1. Selection of Music. SeyBitz LTD shall, at its sole discretion, select whether the Work, in whole or in part, is acceptable for use under this Agreement.

5.2 Marketing of the Work. Work that has been accepted by SeyBitz LTD shall be posted and available for SeyBitz LTD listeners and categorized by Artist's name and genre. SeyBitz LTD shall have no further duties concerning the marketing or promotion of the Work or Artist. Notwithstanding the foregoing, SeyBitz LTD, in its sole discretion, shall be permitted to promote, market, and advertise the Work and Artist without limitation.

5.3 Pricing. SeyBitz LTD shall decide, in its sole discretion, the price plan of all Sales of the Work.

5.4 Limitations.

a. Notwithstanding any of the foregoing, SeyBitz LTD shall have no obligation whatsoever to provide services, payment or resources toward marketing, promotion or advertising for Artist or the Work.

b. Other than the Royalty Fees stated herein, SeyBitz LTD shall have no obligation to provide to Artist any kind of payment, including an advance, license fees, residuals, Internet radio fees or any other form of compensation.

c. SeyBitz LTD shall be permitted, in its sole discretion, to remove or edit the Work, or any portion thereof, from the SeyBitz LTD website at anytime and without notice to Artist. SeyBitz LTD shall have no duty to post the Work or Artist on the SeyBitz LTD website.

d. As further provided below under Section 6.1, Artist shall be solely liable for any claim for any royalty fees or charges that might be brought against SeyBitz LTD by a performing rights licensing organization including CINEA, without limitation, arising from all uses and sublicensing of the Work contemplated

under this Agreement.

**Section 6.
INDEMNITY, DISCLAIMER AND
LIMITATION OF LIABILITY.**

6.1 Artist's Indemnity. Artist shall indemnify and defend SeyBitz LTD and hold SeyBitz LTD harmless from and against any and all costs, liabilities, losses, damages and expenses arising out of any claims, actions, suits, or proceedings of any kind from any third party claim relating to (i) a breach of Artist's warranties and/or duties under this Agreement, (ii) any claim for royalties and/or infringement of copyright, trademark, patent or other intellectual property rights or (iii) any third party claims arising out of Artist's conduct or representations under this Agreement. Further, in the event that a third party infringement claim is brought, SeyBitz LTD shall have no obligation hereunder to defend or protect Artist's copyright interests.

6.2 Disclaimer. SEYBITZ LTD MAKES NO WARRANTY, EITHER EXPRESS OR IMPLIED, AND SPECIFICALLY DISCLAIMS ALL IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.

6.3 Limitations on Liability. SeyBitz LTD makes no warranty with respect to the accuracy or effectiveness of the SeyBitz LTD website, including content contained therein, nor any errors or problems of any kind that may arise from the website. SeyBitz LTD shall not be responsible for losses, damages, costs, or expenses of any kind resulting from the use or distribution of the Work by SeyBitz LTD or use by any consumer or enduser. This includes, without limitation, any liability for business expenses or damages experienced by Artist or any third persons as a result of any deficiency, defect, error, or malfunction with the Website or the transfer or distribution of the Work. SeyBitz LTD shall not be liable for any indirect, special, incidental, or consequential damages relating to or arising out of the subject matter of this Agreement.

**Section 7.
General.**

7.1 Notices. All notices permitted or required under this Agreement shall be in writing and shall be delivered as

follows (i) by email, (ii) Mail or (iii) by certified or registered mail, return receipt requested, five days after deposit in the mail.

otherwise, this Agreement without the other party's prior written consent, and any attempt to do so without that consent will be void. This Agreement will bind and inure to the benefit of the parties and their respective successors and permitted assigns.

7.2. Arbitration and Controlling Law. Any and all disputes that may arise between the Parties under or in connection with this Agreement shall be submitted in Seychelles.

this Agreement is governed in accordance with the laws of Seychelles.

7.3. No Agency. The relationship between SeyBitz LTD and Artist is that of independent contractors. Nothing contained herein shall be construed as creating any agency, partnership, or other form of joint enterprise between the parties or to allow either party to bind the other or incur any obligation on its behalf.

7.5. Counterparts. This Agreement may be executed in two or more counterparts, each of which will be considered an original, but all of which together will constitute one and the same instrument.

7.6 Assignment. SeyBitz LTD may assign this Agreement to any entity to which it transfers all or substantially all of its ownership interest, whether through merger, acquisition or sale of assets. Otherwise, neither party may assign, voluntarily, by operation of law, or

7.7 Entire Agreement. This Agreement is the entire agreement between Artist and SeyBitz LTD which supersedes any prior or contemporaneous agreement or understanding, whether written or oral, and any other communications between Artist and SeyBitz LTD relating to the subject matter of this Agreement. This Agreement may not be changed orally, but only by a writing signed by both parties which specifically references this Agreement.

7.8 Survival: The provisions of Sections 1, 4, 5.4, 6, and 7 shall survive termination of this Agreement.

7.9 Headings. The headings herein are for convenience only and are not intended by the parties of or to affect the

meaning or interpretation of this Agreement.

Commons License is hereby incorporated by reference into this Agreement.

Bank account details:

Bank:

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Artist hereby agrees to the foregoing terms of this Agreement.

Artist:

By: _____, Date: _____