

Dancephonic Distribution Standard Contract

Exclusive Download Rights

The Parties herewith agree as follows:

The agreement is made between Dancephonic and the Record Label that is registered in the form Sign Up (hereinafter referred to as "Company"), both referred to as "Parties".

Territory, refers to the world and universe.

1. Subject of the Agreement

- a. The company and Dancephonic agree to enter into this agreement with the goal of exclusively selling and distributing the company's products via Dancephonic and its 3rd party partners across the territory.
- b. It's agreed between the parties that for the entire duration of the agreement all stores supplied by Dancephonic on behalf of The Company will be delivered exclusively by Dancephonic.
- c. Is stipulated in the agreement that Dancephonic be associated with Believe Digital (hereinafter "Technology Partners"), this companies will provide the technology required for the safe delivery of the contents of the record label to our network of stores, is stipulated in this agreement that safety and service optimization all content will be delivered to the stores under the technology and associated accounts by Technology Partners Company without prejudice to the Record Label.
- d. The record label will only have a working relationship, that is stipulated in this contract, with Dancephonic and will not have any direct or indirect work relationship with the technology partner, for this reason stipulates that direct communication is prohibited via e-mail, telephone , Letter or any way between the record label and the technology partner.

2. Grants of Rights

- a. The Company hereby grants Dancephonic in the territory, during the term the rights to convert, bundle, sell, use, copy, distribute, produce, issue copies to the public, perform, cut, broadcast, communicate, make available to the public and exploit the products in relation to Dancephonic service.
- b. To use the Company's name and trademarks, as well as the Company's artist information and likeness, for the purposes of promoting the product.
- c. To authorize or license any 3rd party to do any of the above.

3. Company Commitments and Responsibilities

- a. The Company agrees to be responsible for any and all clearances and/or payments in respect of the products and/or granted rights.
- b. The Company agrees to be responsible for any/or all clearances or payments in respect of the publishing rights for sales made in the territory.
- c. The Company agrees that Dancephonic will provide pre-listening files in low resolution format and all information contained in the "METADATA", as well as all other materials to 3rd party platforms with the purpose of generating sells to end users.
- d. The Company under this agreement, excludes any right to Dancephonic to do remixes, edits, alterations of the master tracks, graphic files, video clips or any other copyright protected materials.

4. Dancephonic Commitments and Responsibilities

- a. Dancephonic commits to convert the content into such format or formats necessary or desirable to create or otherwise develop and provide the service.
- b. Dancephonic Distribution grants to Label that all Label royalty payments, are net payments to Label. Dancephonic can deduct some fees for technology, transactions, mechanical payments or any other processes involved that partner stores may charge for storage and mechanical processes of its operations under the concept of "Technical fee"..
- c. Dancephonic grants to the Company that it will perform its best efforts as long as its commercially reasonable, in order to keep Dancephonic distribution services available to 3rd party platforms or partners. In any case Dancephonic gives no guarantee to the Company for technology or sells in marketing activities to run a 100% error free, neither for Dancephonic itself nor for any 3rd party platforms or partners.

5. Royalty and Accounting

- a. The parties agree to the payment of the quarterly gross income:
 - 70% (seventy per cent) when the label has a quarterly Gross Sales from 0 to €1999. Dancephonic receives 30% (thirty per cent).
 - 80% (eighty per cent) when the label has a quarterly Gross Sales of €2000 to €4999. Dancephonic receives 20% (twenty per cent).
 - 90% (ninety per cent) when the label has a quarterly Gross Sales of €5000 and over. Dancephonic receives 10% (ten per cent).

b. **• Fees**

Dancephonic shall pay to Label all gross receipts received by Dancephonic from its licensees deriving from the sales of all retailers in our network. The Payment will be handled quarterly with a quarter lag, Example:

Royalties of Q-1 are paid in Q-2 and so hereinafter.

Quarter 1 (Jan - Feb - Mar): Will be paid in August

Quarter 2 (Apr - May - Jun): Will be paid in November

Quarter 3 (Jul - Aug - Sep): Will be paid in February

Quarter 4 (Oct - Nov - Dec): Will be paid in May

c. **• Payout**

Dancephonic must pay when the royalties owed to the label is not less than €100,00 (One hundred Euro), If payment lower will be retained until the next quarterly payment period.

d. **DRM / Mechanical**

The stores will retain a percentage of each download or streaming for DRM (digital rights management) or Mechanical Transaction. These deductions are not paid to you or us but instead paid out to a Performing Rights Organization (PRO). If you are not registered with a specific PRO, money will be held by a PRO until claimed by the original songwriter/artist.

e. The download and streaming companies / stores in particular will withhold a piece of any transaction made (15% - 25% depending on the type of download, Wav, Mp3, Flac, the type of streamig services membership or territory) and will report directly to the Performing Rights Organization within the country.

6. Terms Of The Agreement

a. This agreement has an initial length of 3 Year (Three) from the date that we receive your signed agreement, renewed automatically for another year if not terminated 3 months (three) prior its end by either party in written. Once terminated and expired, Dancephonic shall destroy all master copies provided by the Company therefore making them inaccessible.

b. If for any reason either party materially breaches this agreement, the aggrieved party shall notify the defaulting party in written form. The defaulting party is given 30 days from the receipt of the notice to fix the material breach. If the defaulting party fails to fix the breach within 30 days from the receipt of the notice, then the aggrieved party has the right to terminate this agreement immediately and in its sole option.

c. Dancephonic reserves the right to cancel this agreement if The company drops below the threshold stated in paragraph c. under Royalty and Accounting section (5), this decision will be made on a case by case basis.

7. Copyright

- a. It is stipulated in this agreement Dancephonic is a distribution company only and that the record label signing this agreement is solely responsible for copyright violations that may can happen by its catalog, artists, remixers, cover arts.
- b. Dancephonic has the authority to withhold royalty payments to the Label responsible for copyright infringement if any lawsuits or claims of third parties by copyright and they will be entitled to payment until the copyright lawsuit is fully solved.
- c. If any payments for costs of lawsuits, lawyers or rewards, money for these purposes, shall be used directly from the record label royalties involved in this legal dispute.

8. Intellectual Property Ownership

- a. The Label warrants and represents that it has all rights in the Client Content provided to Dancephonic (including but not limited to masters, videos, sound recordings, artist names, song names, artwork and images) and/or has all rights necessary to grant the licenses granted herein. Label also guarantees that it has secured written permission or waivers of rights with any necessary persons or third parties that have granted Label permission to distribute the content through Dancephonic. Label hereby agrees to not deliver any Client Content to Dancephonic that is not legally owned or secured via permission. If any material contains Content of any kind that is not cleared, licensed, and/or owned by the Label, Dancephonic is exempt from all legal issues and/or wrongdoing and Label agrees to indemnify to Dancephonic.

9. Exclusivity

- a. Label agrees that this agreement is exclusive worldwide during the Term for the distribution of Label Content by Dancephonic. Client shall not, for the Term hereof, license or attempt to license any Label Content without proper written approval from Dancephonic. Label may not directly contact, solicit and/or engage in business directly with Partners during the Term of this Agreement. **The Label may not distribute their content or sign any contract with another distribution company throughout the duration of this agreement.**

10. Representations and Warranties

Both parties herewith warrant and represent that they possess the full right and authority to enter and perform this agreement.

11. Miscellaneous

- a. Both parties agree to hold each other harmless from any loss and damage arising from any claim brought by any 3rd party against the parties to respect to Dancephonic business to 3rd party platforms or partners. The Company expressly indemnifies Dancephonic from any claims or liabilities, should any inconsistency be claimed by 3rd party regarding their rights that the Company passed to Dancephonic in accordance with grants of rights.

- b. Besides this agreement no other issues are agreed upon by between the parties. Any modification or amendments of this agreement needs to be agreed upon in written form to become binding to the parties.
- c. The parties agree and acknowledge that the relationship of the parties is in the nature of independent contractors. This agreement will not be deemed to create a partnership or joint venture, and neither party is the other's agent, partner, employee or representative.

12. Applicable Law

This agreement has been entered into Chile Law and its validity and legal effect shall be governed by the laws of Chile.

The parties hereto execute this agreement as according to web registration.

We acknowledge that We have read this Agreement and understand its contents.

On behalf of Label signs and accepts the contract according to the signup form.

On Behalf of Dancephonic.



Authorized Signature
Name: Martin Levicovic
Title: Ceo, Owner.