

## **SOUNDEXCHANGE SOUND RECORDING RIGHTS OWNER MEMBERSHIP AGREEMENT**

Any Rights Owner who registers with SoundExchange is entitled to receive digital performance royalties through SoundExchange. However, becoming a SoundExchange member has added advantages, including special access to SoundExchange events and roadshows; the opportunity to receive services, discounts and offers; access to newsletters and members-only sections of our website; and collection of your sound recording performance royalties from outside the United States (please note, however, that SoundExchange can only collect royalties from outside the United States for members who have signed a Membership Agreement and an International Mandate with SoundExchange).

By signing below, you agree to the terms and conditions of this SoundExchange Sound Recording Rights Owner Membership Agreement (the "Agreement"), as provided herein and as it may be amended from time to time.

### 1. U.S. Statutory Activity.

a. Licensing. SoundExchange Rights Owner member ("Member") grants SoundExchange the non-exclusive right to license: (i) the public performance of sound recordings owned (or controlled) by Member by means of digital audio transmissions subject to statutory licensing under Section 114 of the U.S. Copyright Act; and (ii) the making of phonorecords of sound recordings owned (or controlled) by Member subject to statutory licensing under Section 112(e) of the U.S. Copyright Act. Member shall not similarly authorize any other person or entity to undertake such activities in the U.S. on a collective basis for Member and other copyright owners of sound recordings.

b. Royalty Collection & Distribution. Member designates SoundExchange as its nonexclusive agent for the term of the Agreement to collect public performance and ephemeral royalties for the transmission and reproduction of sound recordings payable under 17 U.S.C. §§ 112(e) and 114 and any applicable implementing regulations (hereafter "Statutory Royalties"). Member authorizes SoundExchange to distribute Statutory Royalties pursuant to 17 U.S.C. §§ 112(e) and 114 and any applicable implementing regulations, or in such manner as authorized by the Board of Directors of SoundExchange (hereafter the "SoundExchange Board"). Member shall not similarly authorize any other person or entity to undertake such activities in the U.S. on a collective basis for Member and other copyright owners of sound recordings. Subject to the payment thresholds established from time to time by SoundExchange, SoundExchange shall distribute U.S. Statutory Royalties on at least an annual basis.

2. Undistributable Royalties. If SoundExchange is unable to distribute Member's share of any royalties (e.g., because the Member does not provide necessary information or SoundExchange is unable to locate Member at the time a distribution is to be made), then SoundExchange shall retain the Member's royalties, and solicit such information or make efforts to locate Member in accordance with SoundExchange policies, as modified from time to time, for a period of three (3) years, which period SoundExchange may extend in its sole discretion, from the date the royalties shall have become payable to SoundExchange from a licensee. At the end of such period, all right, title and interest to such royalties shall fully and absolutely vest in SoundExchange, which may use the undistributable royalties to offset costs of the types deductible under Section 3, and Member shall have no further right, title, interest or claim to such royalties. In no event shall SoundExchange claim undistributable royalties earlier than permitted under applicable regulations. Notwithstanding the foregoing, Non-U.S. Royalties may be returnable to the applicable foreign performing (or communication) rights organization in accordance with SoundExchange's agreement with such organization.

3. Authority to Negotiate and Represent in Governmental Proceedings & Audits. Member authorizes SoundExchange to represent it in connection with rate setting proceedings under the U.S. Copyright Act and other related proceedings, administrative actions, hearings, litigation, and appeals. Member further authorizes SoundExchange to settle audit claims limited to underpayment of royalties identified by the auditor retained by SoundExchange and brought against services pursuant to applicable U.S. regulations provided such audits settlements are approved by the SoundExchange Board or an appropriate committee thereof. Amounts recovered from audited services shall be distributed equally to SoundExchange Registrants and Members alike in accordance with SoundExchange's then in effect distribution policy. Member shall not similarly authorize any other person or entity to undertake such activities on a collective basis for Member and other owners of copyrights in sound recordings.

4. Enforcement. Member authorizes SoundExchange to enforce nonexclusively the rights of broadcast, public performance, other communication to the public, and reproduction, granted under Section 1 of this Agreement with respect to the sound recordings owned (or controlled) by Member. Member authorizes SoundExchange in SoundExchange's sole judgment: (i) to commence and prosecute litigation, in the name of SoundExchange, Member, or others in whose name the sound recordings owned (or controlled) by Member may be held; (ii) to collect and receive damages arising from infringement of the foregoing rights; (iii) to join Member or others in whose names sound recordings owned (or controlled) by Member may be held as parties plaintiff or defendant in any litigation involving such rights; or (iv) to release, compromise, or refer to arbitration any claims or actions involving infringement of such rights, in the same manner and to the same extent as the Member could. With Member's consent, Member hereby makes, constitutes and appoints SoundExchange or its successor as Member's true and lawful attorney, irrevocably during the term of the Agreement, to do all acts, take all proceedings, and execute, acknowledge and deliver any and all instruments, papers, documents, process and pleadings that may be necessary, proper or expedient to restrain infringements and recover damages relating to the infringement or other violation of such rights and to discontinue, compromise or refer to arbitration any such proceedings or actions, or to make any other disposition of the differences in relation thereto, in the name of SoundExchange or its successor, or in the name of Member or otherwise. Amounts recovered from services shall be distributed equally to SoundExchange Registrants and Members alike in accordance with SoundExchange's then in effect distribution policy.

5. Benefits/Disclaimer. SoundExchange may alter or change the benefits of membership at any time for any reason without notice to Member. SOUNDEXCHANGE AND ITS SUPPLIERS HEREBY DISCLAIM ANY AND ALL WARRANTIES, REPRESENTATIONS, OR COVENANTS RELATING TO THE BENEFITS OF MEMBERSHIP, OR OTHER SUBJECT MATTER OF THIS AGREEMENT, EXPRESS OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTIES OF NON-INFRINGEMENT, TITLE, MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. MEMBER IS NOT RELYING AND HAS NOT RELIED ON ANY REPRESENTATIONS OR WARRANTIES WHATSOEVER REGARDING THE SUBJECT MATTER OF THIS AGREEMENT, EXPRESS OR IMPLIED, IN DECIDING WHETHER TO ENTER INTO THIS AGREEMENT.

6. Deductions. Member authorizes SoundExchange to deduct from any of SoundExchange's receipts, prior to the distribution of royalties, any costs that have been authorized by the SoundExchange Board, and which are not otherwise provided for under 17 U.S.C. § 114(g)(3) and any implementing regulations.

7. Publicity. Member authorizes SoundExchange to disclose that Member is a member of SoundExchange.

8. Term and Termination. This Agreement shall commence as of the Effective Date and continue for a period ending on December 31st of the year following the Effective Date. The Agreement shall be automatically renewed for subsequent one (1) year periods unless terminated by Member or SoundExchange with thirty (30) days prior written notice to the other party. Member acknowledges that if it terminates this Agreement, SoundExchange may, by virtue of its designation by the CRJs as agent to collect and distribute U.S. Statutory Royalties for all copyright owners and performers, continue to distribute U.S. Statutory Royalties to Member or Member's designated payee. If Member has signed an international mandate with SoundExchange and Member terminates this Agreement, SoundExchange shall cease collecting and distributing sound recording performance royalties from outside the United States for the period beginning after the first distribution of such royalties that follows Member's termination of this Agreement.

9. Representations, Warranties, & Indemnification.

a. SoundExchange. SoundExchange represents and warrants that it has all necessary rights and authority to enter into this Agreement.

b. Member.

i. Member represents and warrants that: (A) it has all necessary rights and authority to enter into this Agreement; (B) has not entered into any agreements inconsistent with this

Agreement; (C) has and will continue to provide true and accurate information concerning its entitlement to royalties including, but not limited to, contact information, tax identification, and repertory information.

ii. Member represents and warrants that it shall provide to SoundExchange true, accurate, timely and up-to-date information concerning the Member's entitlement to royalties, including without limitation, complete information regarding the name and address to which Member's payments should be sent and Member's tax identification and repertory information.

c. Indemnification. Member shall defend, indemnify and hold harmless SoundExchange and its directors, officers, employees, agents, representatives, successor and assigns, from and against all third-party claims, liabilities, suits, losses, damages and expenses, including, without limitation, costs and reasonable outside counsel fees ("Claims"), to the extent relating to or resulting from: (i) distributions made by SoundExchange in reliance on any information provided by Member including in any SoundExchange Registration Form or Featured Artist or Rights Owner Membership Agreement; and (ii) Member's breach or alleged breach of any representation, warranty, or covenant set forth in any SoundExchange Registration Form or Featured Artist or Rights Owner Membership Agreement.

10. Changes to Terms. In order to maintain flexibility in administering this Agreement, SoundExchange may change the terms of this Agreement from time to time in its sole discretion. Such changes shall be effective immediately and Member shall be deemed to have notice of such changes when they are made available on the SoundExchange web site. Notwithstanding the foregoing, if Member does not wish to accept any changes, Member shall have the right to terminate its membership by providing SoundExchange written notice within thirty (30) days of notice of any changes to this Agreement.

11. Dispute Resolution. Any dispute between SoundExchange and Member as to payment of royalties shall be treated in accordance with then-current SoundExchange policies and procedures.

12. Miscellaneous.

a. Notice to SoundExchange. All communications to SoundExchange by Members shall be in writing and deemed received (i) when delivered in person; (ii) upon confirmed delivery by a recognized and reputable overnight delivery services (e.g., FedEx, UPS, DHL); (iii) by email to info@soundexchange.com; or (iv) five (5) days after being deposited in U.S. mails, postage prepaid, certified or registered mail, addressed to SoundExchange at the following address:

SoundExchange, Inc.  
Account Services  
733 10<sup>th</sup> Street, NW, 10<sup>th</sup> Floor  
Washington, DC 20001  
Facsimile: 202-640-5859

b. Choice of Law; Jurisdiction; Severability. This Agreement shall be governed by and construed in accordance with the federal laws of the United States; provided that to the extent not covered by the federal laws of the United States, the law of the District of Columbia shall apply without regard to its conflict of laws principles. Subject to Sections 11 and 12(c), with respect to any non-arbitrable matter, including but not limited to arbitrability, SoundExchange and Member hereby irrevocably consent to the exclusive jurisdiction in the United States District Court for the District of Columbia or the District of Columbia Superior Court. For the purposes of construing this Agreement, SoundExchange and Member shall each be considered the party drafting this Agreement. Should any provision of this Agreement be rendered or declared invalid by a court of competent jurisdiction, such invalidity shall not invalidate any other provisions of this Agreement and such provisions shall remain in effect.

c. ARBITRATION. **SUBJECT TO SECTION 11, ANY CONTROVERSY OR CLAIM ARISING OUT OF OR RELATING TO THIS AGREEMENT, OR THE BREACH THEREOF, WHETHER IN CONTRACT, TORT, OR OTHERWISE, SHALL BE SETTLED IN THE DISTRICT OF COLUMBIA BY ARBITRATION ADMINISTERED BY THE AMERICAN ARBITRATION ASSOCIATION IN ACCORDANCE WITH ITS COMMERCIAL ARBITRATION RULES, AND JUDGMENT ON THE AWARD RENDERED BY THE ARBITRATOR(S) MAY BE ENTERED IN ANY COURT HAVING JURISDICTION THEREOF. THE ARBITRATION WILL BE LIMITED SOLELY TO THE DISPUTE OR CONTROVERSY BETWEEN**

**MEMBER AND SOUNDEXCHANGE. NEITHER MEMBER NOR SOUNDEXCHANGE SHALL BE ENTITLED TO JOIN OR CONSOLIDATE CLAIMS BY OR AGAINST OTHER PERSONS, OR ARBITRATE ANY CLAIM AS A REPRESENTATIVE OR CLASS ACTION OR IN A PRIVATE ATTORNEY GENERAL CAPACITY. THE INDIVIDUAL (NON-CLASS) NATURE OF THIS DISPUTE PROVISION GOES TO THE ESSENCE OF THE PARTIES' ARBITRATION AGREEMENT, AND IF FOUND UNENFORCEABLE, THIS ENTIRE SECTION 12(c) SHALL NOT BE ENFORCED.**

ACCEPTED AND AGREED

LEGAL NAME OF SOUND RECORDING RIGHTS OWNER:

\_\_\_\_\_

BIRTHDATE OF SOUND RECORDING RIGHTS OWNER (IF AN INDIVIDUAL):

\_\_\_\_\_

By: \_\_\_\_\_  
(Signature of Sound Recording Rights Owner or Authorized Signatory)

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_  
("Effective Date")