

NON-EXCLUSIVE RIGHTS CONTRACT



Thank you for purchasing the instrumental from the producer **Xitizen** (hereinafter referred to as simply 'licensor') from www.xitizenmusic.com. This license agreement made between the licensor and the licensee grants the licensee the right to use the instrumental titled [*“example title”*] for non-commercial use only. Should the decision be made to use the instrumental for commercial use, the licensee is responsible for clearing the sample with the artist, publisher, record label, or whichever entity has the rights to the sample. Once the sample has been cleared, the licensor must be contracted so that he may be paid accordingly, through royalties and/or by any other arrangements made between the licensor and the licensee.

1. Ownership

With respect to the copyright laws and in honoring the composer of the original track, the instrumental that has been produced by the licensor is not intended to generate profit, and therefore it is given away at no cost. Nonetheless, the licensor claims ownership to the original composition that is herein being given away, which utilises a sample in the process. The licensee has neither the right nor the authority to sell or lease the instrumental, whether in whole or in part, to any other party in any format.

2. Modifications

The licensee is prohibited from making any modifications and adjustments to the instrumental that is being licensed. The criteria for what constitute modifications and adjustments to the instrumental includes—but is not limited to—the following:

- Removing and/or adding any harmonies or melodies
- Removing and/or adding any drums
- Removing and/or adding any instruments
- Removing and/or adding any sounds in general

Any modifications and adjustments that the licensee wishes to make must be made either in consultation or in collaboration with the licensor. In all cases, permission must be granted in advance.

3. Use and Distribution

The licensor grants the licensee non-exclusive rights to use the instrumental for non-commercial use. However, if the licensee is successful at clearing the sample, and wishes to use the instrumental for commercial use, he or she is entitled to use it for no more than *one* commercial use, for multiple purposes.

3.1. A complete song – Physical and online distribution

- The licensor grants the licensee non-exclusive rights to record vocals over the track, either partially or entirely, thereby forming a complete song, as opposed to a mere instrumental.
- The licensee is granted non-exclusive rights to distribute the master recording on any media and platform, which includes, but is not limited to:
 - Compact Discs, DVDs, Blu-rays, and Cassette Tapes
 - Spotify, iTunes, YouTube, Google Play, Pandora, SoundCloud, and all other music streaming services.

The licensee is permitted to distribute an unlimited amount of copies and/or obtain an unlimited number of streams of the same master recording, without having to renew the non-exclusive license, unless it is to be used for another separate project.

3.2. A complete song – Performances, shows and concerts

The licensee is granted non-exclusive rights to use the master recording for performances, shows, and concerts. The licensee is permitted to use the master recording an unlimited amount of times for the aforementioned occasions, without having to renew the non-exclusive license, unless it is to be used for another separate project.

3.3. Synchronization music

- The licensee is granted non-exclusive rights to use the instrumental—either partially (in portions), or as a whole—as synchronization music for a variety of purposes, which includes, but is not limited to:
 - Films
 - TV shows
 - Trailers of any sort
 - Commercials
 - Digital animations
 - Video games
 - Music videos

The licensee is permitted to use the instrumental for the aforementioned purposes an unlimited amount of times, without having to renew the non-exclusive license, unless it is to be used for another separate project.

3.3. Broadcasts

The licensee is granted non-exclusive rights to have the master recording broadcasted over the radio. The licensee is granted the rights to have it broadcasted an unlimited number of times, to an unlimited number of radio stations, unless it is to be used for another separate project.

For clarification, *one* commercial use refers to the number of projects that the instrumental can be utilised, which is limited to just one project. For example, the instrumental may be used to formulate a song, but may not be used as background music for a digital animation that is not related to that song, as that would be regarded as a separate project. If the licensee would like to use the instrumental for multiple projects, a new license must be purchased for each individual project.

4. Credit

Once the sample has been cleared, the licensee has an obligation to give production credit to the licensor of any and all distributed material. This can be done through the following:

- **Written in the credits** – This would be the appropriate method when a song is distributed on online streaming platforms, such as Spotify, or physical medias, such as compact discs. Under the Producer attribute, it should read ‘Xitizen’.
- **Written in the title** – This would be the appropriate method when a song is distributed through video-sharing platforms, such as YouTube. The format should be (Prod. Xitizen), or any other reasonable variation, within the title of the song. An example can be “X Artist – Y Song Title (Prod. Xitizen)”.
- **Written in the description** – This would be the appropriate method when a project, which uses the instrumental as synchronization music, is distributed through video-sharing platforms, such as YouTube. The description should clearly attribute the producer [*Xitizen*] as the person responsible for the production of the instrumental.
- **Written in the footage** – This would be the appropriate method when the instrumental has been included in films, TV shows, and video games.

5. Performance and Mechanical Royalties

If the licensee is successful at clearing the sample used, arrangements should be made to stipulate how the shares are to be split amongst all parties involved in the process of the production and publication of the song.

The artist (or their respective record label/publisher/s) is responsible for communicating with the licensor—prior to the distribution of the master recording—on how the shares are to be split. The licensor is entitled to mechanical and performance royalties, and the process can vary from country to country.

- **Performance royalties** – Performance royalties are paid when the master recording is performed in a place open to the public, such as radio, restaurants, cafés, bars, hotels, supermarkets, gyms, and elevators.

The artist (or their respective record label/publisher/s) is responsible for registering their song with their country's respective performance rights organisation. In the United States, this can be through ASCAP, BMI, or SESAC. When registering the song, the licensor must be credited as the songwriter, and be paid according to the agreements that were made in advance.

- **Mechanical royalties** – Mechanical royalties are paid when music is mechanically reproduced onto some type of media for public distribution, such as CD or online music streaming services. The artist (or their respective record label/publisher/s) must register their song with their country's respective organisation responsible for collecting and distributing mechanical royalties. In the United States, this can be through Harry Fox Agency. When registering the song, the licensor must be credited as the songwriter, and be paid according to the agreements that were made in advance.

6. Synchronization Royalties

Synchronization refers to the use of a piece of music in an audio-visual work. This can include films, television shows, video games, animations, commercials, music videos, or any other audio-visual production. As the songwriter and self-publisher, the licensor is entitled to synchronization royalties for the usage of the instrumental. In the events that the licensee may choose to use the instrumental for synchronization purposes, arrangements with the licensor must be made in advance.