

Royalty Split Agreement

Legalese is a creative legal agency that has redesigned legal services to suit creatives, musicians and entrepreneurs. With years of experience within the South African music industry, we have created a set of templates to assist young musicians in building their career professionally. This is our contribution to the industry which we love. These agreements have been drafted based on our experience, however, keep in mind that they are generalized agreements and do not constitute legal advice. If you require specific advice regarding your work, you can contact us for assistance.

Explanation of Agreement

This is a Royalty Split Agreement Template. It can be used to record the agreement of several artists regarding ownership of a song and the split of royalties and earnings. Once the Agreement is signed by the Artists, it is legally binding.

Instructions:

1. Read the full Agreement.
2. Decide which of the Artists (one or multiple) will fulfil the following roles:
 - 2.1 **The Owner:** retains permanent ownership rights of the master recording of the song (refer to clause 6 of the Agreement).
 - 2.2 **The Licensee:** will be responsible for the distribution, licensing, marketing and publication of the Track for the period of the **Licensing Term** (refer to clause 7 of the Agreement).
3. Insert the required information where necessary.
4. The Agreement assumes that there are four Artists.
5. The Artists sign the Agreement.

Royalty Split Agreement Explanation:

Each section of the Royalty Split Agreement is explained below.

- 1. Introduction:** This section states that the purpose of the Agreement is to record an agreement regarding ownership of a collaborative Track and the split of royalties and earnings.
- 2. Duration:** This section explains the time period over which the Agreement is valid—from the day of production of the Track until the Agreement is specifically amended or terminated in writing.
- 3. Royalty Split:** This section lays out the percentage of rights that each Artist owns, and subsequently the percentage of earnings that could come from the Track.
- 4. Roles and Responsibilities:** This section states the Artist is responsible for publishing administration.
- 5. Ownership:** This section specifies that the Owner retains ownership rights over the composition, including the **master rights**.
- 6. Distribution, Licensing, Marketing and Publication of the Track:** In this section, the Artists agree to give the chosen Licensee certain exclusive rights for the length of the Licensing Term.
 - 6.1** The Licensee has the right to print, publish and sell physical copies of the Track, distribute the Track through any digital music platform, assign, license and publish any public performances or recorded mixes of the Track, authorise use of the Track for sync purposes, use the Track as marketing for the Licensee, and collect any royalties or income derived from the Track.
 - 6.2** However, the Licensee cannot give these rights to another person or organization without the consent of the Artists.
- 7. Warranties:** In this section, each Artist confirms that s/he has the legal right to grant the rights in this Agreement, and that they will obtain confirmation of any necessary permissions of any person who may have a right in the Track – for instance, if a sample is used.
- 8. Disputes:** This section specifies what will happen in the case of a dispute. All parties shall attempt to solve the dispute in a friendly manner, and if they can't, they'll approach an independent industry expert who shall mediate the discussion. The dispute will be kept confidential.
- 9. Breach:** This section states that if any party fails to comply with the Agreement, other parties are entitled to give five days notice for them to comply. If they fail to comply after this notice, the other parties can demand that the Agreement be carried out, and may also sue the party for any loss they've suffered.

Royalty Split Agreement

Between

Artist 1 Full Name:

Identity Number:

Physical Address:

(hereinafter referred to as "**Artist 1**")

and

Artist 2 Full Name:

Identity Number:

Physical Address:

(hereinafter referred to as "**Artist 2**")

and

Artist 3 Full Name:

Identity Number:

Physical Address:

(hereinafter referred to as "**Artist 3**")

and

Artist 4 Full Name:

Identity Number:

Physical Address:

(hereinafter referred to as "**Artist 4**")

("the Agreement")

DEFINED TERMS

Song title (hereinafter referred to as " the Track ", and containing both the master rights and composition)	
Artist(s) who will retain ownership rights to the master rights (hereinafter referred to as " the Owner ")	
Party who will serve as the Licensee (hereinafter referred to as " the Licensee ")	
Licensing Term (hereinafter referred to as " the Licensing Term ")	

1. Introduction

The Artists have collaborated on the Track and have entered into this Agreement in order to record their agreement regarding ownership of the Track and the split of royalties and earnings.

2. Duration

2.1 Subject to 3.2 below, this Agreement and the rights conferred herein shall be regarded as having commenced on the day of production of the Track and shall remain in force in perpetuity.

2.2 This Agreement shall remain in force until such time as it has been specifically amended or terminated in writing by the parties.

3. Royalty Split

The parties agree that following rights are owned in the following proportions and any income, proceeds, or other earnings derived from the exploitation of the Track will be split between the parties accordingly:

	ARTIST 1	ARTIST 2	ARTIST 3	ARTIST 4
mechanical rights;				
performance rights; and				
needletime rights.				

4. Publishing Responsibility

It is the sole responsibility of the Artists to register themselves as a member of CAPASSO, SAMRO or any other applicable royalty collection agency in any relevant country.

5. Ownership

The Owner retains the ownership rights over the Track, including the master rights.

6. Distribution, Licensing, Marketing and Publication of the track

6.1 The Artists agree to assign the Licensee the following exclusive rights for the Licensing Term:

- 6.1.1 the right to print, publish and sell physical copies of the Track;
- 6.1.2 the right to distribute the Track through any digital music platform which it deems as appropriate and beneficial;
- 6.1.3 the right to publish the Track;
- 6.1.4 the right to assign, license and publish any public performances or recorded mixes of the Track;
- 6.1.5 the right to authorise the license and use of the Track in motion pictures, advertisements, video games and television productions;
- 6.1.6 the right to use the Track as marketing for the Licensee; and
- 6.1.7 the right to collect any royalties or income derived pursuant to publishing or distribution of the Track.

6.2 The Licensee cannot sub-license or cede to any sub-licensee or sub-publisher any of the rights in 7.1 above, without the consent of all the Artists.

6.3 Upon expiration of the Licensing Term, the licensing rights described in clause 7.1 above shall revert back to all the Artists, unless agreed otherwise in writing between the parties.

7. Warranties

- 7.1 Each Artist hereby represent and warrants that s/he has the full legal right, power and authority to grant the rights referred to in 7.1 above .
- 7.2 Each Artist agrees that s/he will obtain in writing all requisite consents and permissions of any labour organization, copyright owner, other artists or any other relevant party whose performances are embodied or who owns any rights in the Track and the Artists will pay all re-use payments, fees, royalties and other sums required to be paid for such consents and permissions.

8. Disputes

Parties must first and foremost attempt to resolve any and all disputes amicably and with the best interests of both parties in mind. Should the parties fail to resolve such dispute in the aforesaid manner or within such further period as the parties may agree to during their negotiation, the parties will approach an independent industry expert who shall mediate the discussion on their behalf. The parties agree that in no circumstance will either party publicise the dispute on any media platform, including social media. The parties understand that any publicity of this nature can cause serious damage to the other party, which damage may result in a financial claim.

9. Breach

If any party commits a breach of this agreement and/or fails to comply with any of the material provisions thereof ("**the defaulting party**") then the other party ("**the aggrieved party**") shall be entitled to give the defaulting party 5 (five) days notice in writing to remedy such breach or failure and if the defaulting party fails to comply with such notice, then the aggrieved party's only right in respect of the breach of this agreement is to demand specific performance by the defaulting party as well as damages arising from the defaulting party's breach of the agreement.

10. General

- 10.1 **Service Address:** Each party chooses the address set out below its name on the cover page of this Agreement as its service address at which all notices, legal processes and other communications must be delivered for the purposes of this Agreement.
- 10.2 **Governing Law:** This agreement shall, for all purposes, be governed and interpreted in accordance with the law of the Republic of South Africa.

Signed At (Location):

This Day (Day):

Of (Month):

(Year):

Artist 1:

Signed At (Location):

This Day (Day):

Of (Month):

(Year):

Artist 2:

Signed At (Location):

This Day (Day):

Of (Month):

(Year):

Artist 3:

Signed At (Location):

This Day (Day):

Of (Month):

(Year):

Artist 4: