

SOUND RECORDING REPRODUCTION LICENCE ANCILLARY TO THE PROVISION OF BACKGROUND MUSIC SERVICES

Entered into between the SOCIÉTÉ DE GESTION COLLECTIVE DES DROITS DES PRODUCTEURS DE PHONOGRAMMES ET DE VIDÉOGRAMMES DU QUÉBEC ("SOPROQ"), a corporation incorporated under Part II of the Canada Corporations Act, having its principal place of business at 6420 Saint-Denis Street, Montreal, Quebec, H2S 2R7, and <>, a corporation incorporated under <>, having its principal place of business at <> (the "LICENSEE").

Subject to the Licensee's ongoing compliance with all of the conditions provided in the GENERAL CONDITIONS below, SOPROQ grants to the Licensee, who accepts, a non-exclusive licence authorizing only the reproductions expressly mentioned in the GENERAL CONDITIONS below of only the sound recording(s) mentioned in the SPECIAL CONDITIONS below ("authorized sound recording"), only on authorized server(s) ("authorized server"), only as part of authorized service(s) ("authorized service"), only in the authorized territory ("authorized territory") and only for the authorized term ("authorized term") mentioned in the SPECIAL CONDITIONS below:

SPECIAL CONDITIONS

AUTHORIZED SOUND RECORDING(S): Any sound recording in respect of which SOPROQ holds, on the date of reproduction thereof, the necessary rights for the purposes of granting the present Licence ("repertoire").

ENCODING (IF APPLICABLE): The Licensee is authorized to reproduce a single copy of each authorized sound recording for the purposes of its encoding in the following compression format ("encoded file").

AUTHORIZED SERVICES(S): <>

AUTHORIZED SERVER(S):

BRAND NAME AND SERIAL NUMBER OF THE SERVER: <>, <>

CIVIC ADDRESS OF THE SERVER: <>

IP ADDRESS OF THE SERVER: <>

LOCATION OF THE EQUIPMENT: <>

AUTHORIZED TERRITORY: <>

AUTHORIZED TERM: From <> (the "effective date") until <>. The contract will automatically be renewed for additional <> month periods at the same terms and conditions unless either of the parties sends a written notice to the other, at least <> days (<>) prior to the expiration of the contract, indicating its wish not to renew the contract.

CONSIDERATION:

GUARANTEED ADVANCE: <> plus applicable tax.

ROYALTY: <> plus applicable tax. The licensee's royalty schedule at the time of execution of the present agreement appears in Schedule B.

If the present Licence covers more than one authorized service, the royalty is calculated individually for each authorized service.

CONTACTS:

SOPROQ: <>

LICENSEE: <>

PARTICULAR CONDITIONS : SOPROQ may withdraw specific sound recordings from its repertoire subject to a thirty (30) day written notice to the Licensee.

The parties confirm that it is their wish that this contract and any related document be drawn up in English only. (Les parties aux présentes confirment que c'est leur volonté que la présente convention ainsi que tout document s'y rapportant ne soit rédigée qu'en anglais seulement.)

IN WITNESS WHEREOF, the parties have signed the present contract through their duly authorized representative, as they so declare, on the dates and at the places mentioned below.

SOPROQ

LICENSEE

Per: _____
Name:
Title:
Date:

Per: _____
Name:
Title:
Date:

GENERAL CONDITIONS

1. LICENCE

Subject to the Licensee's ongoing compliance with all of the conditions provided in this contract, SOPROQ grants to the Licensee, who accepts, a non-exclusive licence authorizing the Licensee to make, in the authorized territory and during the authorized term, on the authorized server only, and only from a legitimate copy of any authorized sound recording concerned, only those reproductions of any authorized sound recording that are strictly necessary for the sole purposes of enabling the Licensee to provide the authorized service only to subscribers residing in the territory who have contractually undertaken, in respect of the Licensee, not to make any reproduction of any authorized recording to which they may have access through the authorized service ("**subscriber**") in accordance herewith ("**authorized reproduction**").

2. LIMITS AND RESTRICTIONS

2.1 The granting of the Licence is conditional: (i) on the use, maintenance and upgrading, by the Licensee, of the highest standard technical protection measures commercially available in the territory at the time to prevent the reproduction, by any subscriber, of any authorized sound recording and, as the case may be, any encoded file reproduced on the authorized server ("**technical protection measures**"; (ii) on the fact that the authorized server and the authorized service be technically accessible by a subscriber only if the subscriber uses a user name and a unique and confidential password chosen by the subscriber or assigned to the subscriber by the Licensee ("**access code**"; (iii) on the fact that any subscriber contractually undertake in respect of the Licensee to keep said access code strictly confidential; and (iv) on the fact that any access code be deactivated by the Licensee as soon as the Licensee is informed of the fact that the confidentiality of said code has been compromised, as soon as a subscriber asks the Licensee to do so, or as soon as a subscriber ceases to be entitled to access the authorized service for any reason whatsoever.

2.2 Except with the prior, express and written authorization of SOPROQ to this effect, only the following reproductions of an authorized sound recording on the authorized server are deemed to be strictly necessary for the purposes of enabling the Licensee to provide the authorized service: (i) if the SPECIAL CONDITIONS expressly authorize it, the encoding of a single copy of each authorized sound recording in any compression format mentioned in the SPECIAL CONDITIONS ("**encoded file**") and (ii) the reproduction of no more than one (1) copy of each authorized sound recording or, if the Licensee creates encoded files, of each encoded file (but not of both) on the authorized server.

2.3 If, in accordance with the SPECIAL CONDITIONS, the Licensee encodes any authorized sound recording: (i) any intellectual property right attaching to such encoded file, if there be any, is hereby assigned, as the case may be, to the producer or other rightholder from which SOPROQ obtained the right to assign the present Licence in respect of such authorized recording ("**rightholder**"), SOPROQ hereby accepting such assignment for and on behalf of said rightholder (the Licensee having at that time, in respect of any such encoded file, the rights granted to it hereunder), and (ii) the Licensee shall without delay send a copy of any encoded file to SOPROQ or to the rightholder,

as indicated to it by SOPROQ, in such manner and to such address (civic or electronic) as provided to it by SOPROQ.

2.4 For greater certainty, the present contract does not authorize the total or partial reproduction of any encoded file or authorized sound recording by any subscriber on any reproduction medium whatsoever (including on any analog or digital, permanent or temporary, internal or external, or fixed or removable memory). However, automatic and transient reproductions of an authorized sound recording or of an encoded file resulting either from its transmission from the authorized server to a subscriber's computer equipment in a telecommunications network operated by an intermediary ("**transmission**"), or from the performance of said authorized sound recording or of said encoded file on a subscriber's computer equipment ("**performance**") are not deemed to be made by the subscriber or to contravene the present Licence, provided that said reproductions constitute an integral and essential part of a technical process whose sole purpose is to make possible such transmission or performance.

2.5 Any reproduction that is not expressly authorized hereunder is strictly prohibited and constitutes a violation of the copyright of its rightholders as well as a major breach authorizing the termination of the present licence and of any other licence granted by SOPROQ to the Licensee.

2.6 Any authorized reproduction of an authorized sound recording must be of the entire authorized sound recording, without altering its unity or its character, and without cuts, changes or adaptations of any nature, unless they are expressly authorized or required hereunder.

2.7 For greater certainty, the present Licence does not authorize the use of an authorized sound recording as a theme, the incorporation of an authorized sound recording, in whole or in part, in another sound recording or in an audiovisual work, or the synchronization of any sound element of the authorized sound recording with any sound or visual element of a sound recording or of another work, unless it is incorporated in its entirety, as a separate and autonomous component, in the programming offered with the authorized services.

2.8 The present Licence is conditional upon the Licensee's compliance with the following restrictions concerning the broadcast of the authorized recordings: (i) the Licensee must continually broadcast at least twenty (20) authorized sound recordings performed by different artists and taken from different sound recordings before broadcasting another authorized sound recording taken from the same album or performed by the same artist and (ii) the Licensee shall not inform subscribers of the title of any authorized sound recording that is broadcast on the authorized service or the name of the artist prior to such broadcast.

3. MENTION

The Licensee must mention on any screen, monitor or other graphic or visual interface of any equipment used for the performance of authorized sound recordings, at the time of the broadcast thereof, the title of the authorized sound recording, the name of the principal performing artist or group on said sound recording, the name of the label of the phonogram from which the

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authorized sound recording is taken, as well as the name "SOPROQ" and, as the case may be, any SOPROQ logo provided by SOPROQ. The SOPROQ logo must also appear on any promotional material relating to the authorized service.

4. CONDITIONS

The rights granted hereunder are expressly subject to:

4.1 Copyrights (including the right of reproduction, of communication to the public by telecommunication, and of public performance) and any moral right of any author or other copyright holder in respect of any work incorporated in any authorized sound recording ("**incorporated work**");

4.2 Compliance with any law, regulation or tariff applicable to any communication to the public by telecommunication or public performance of any authorized sound recording as part of the authorized service (including any tariff covering the payment of equitable remuneration for the communication to the public by telecommunication or public performance of any authorized sound recording);

4.3 The Licensee obtaining any licence that may be required for any reproduction of any work incorporated in any authorized sound recording, and for the communication to the public by telecommunication and public performance of any work incorporated in any authorized sound recording and of any authorized sound recording, including the Licensee's compliance with any obligation (including the payment of any royalty or other amount) it may have under the terms of any such licence;

4.4 As the case may be, any legal or contractual obligation that the Licensee may have in respect of any person, such as any producer of any authorized sound recording, any artists' association or any copyright management company; and

It is also agreed that:

4.5 The Licensee may not reproduce either the lyrics (in the form of a written text) of the work reproduced on an authorized sound recording, or the packaging of an authorized sound recording, or any image of the artist reproduced on the packaging of an authorized sound recording or otherwise, without obtaining the appropriate authorizations from the rightholders concerned.

5. AVAILABILITY AND DELIVERY OF AUTHORIZED SOUND RECORDINGS

It is incumbent upon the Licensee to obtain from the producer of each authorized sound recording (or, as the case may be, from any person authorized by such producer) any legitimate copy of any authorized sound recording required for the purposes of exercising the rights granted hereunder, SOPROQ assuming no obligation in this regard.

6. REMUNERATION

6.1 The Licensee shall pay to SOPROQ, in respect of each authorized service, a royalty on the sums generated by any such authorized service equal to the amount mentioned in the SPECIAL CONDITIONS plus applicable tax.

6.2 The Licensee shall pay to SOPROQ, on the effective date, as a condition for the coming into force of the Licence, the amount of the guaranteed advance mentioned in the SPECIAL CONDITIONS, plus any applicable tax, which advance shall not be exigible by the Licensee and shall not bear interest against SOPROQ, but shall be recoverable by the Licensee from the first royalties otherwise payable in consideration of the authorized use of authorized sound recordings for which such advance is paid in accordance herewith. For purposes of clarity, any advance not fully recovered by the Licensee at the expiration of the term shall remain vested in SOPROQ at the expiration of said term.

6.3 The Licensee shall inform SOPROQ completely and without delay of any financial condition (including any royalty, advance, or other method or means of establishing or paying any remuneration) granted by the Licensee to any third party in consideration of the right to reproduce or to reproduce and broadcast any sound recording as part of any authorized service that is more favourable, in terms of the amount payable and/or in terms of the extent of use, to said third party, than the financial conditions granted to SOPROQ under the present article.

6.4 Notwithstanding any other provision hereof, any more favourable financial condition so granted to a third party must also be granted to SOPROQ and shall apply retroactively to any authorized reproduction of any authorized sound recording made hereunder, from the effective date of the more favourable conditions so granted to said third party.

7. STATEMENTS AND PAYMENTS

7.1 The Licensee shall remit to SOPROQ, within thirty (30) days following the end of each quarter ending March 31, June 30, September 30 and December 31 ("**quarter**") a statement providing, in respect of any authorized sound recording broadcast during the quarter concerned, the information indicated on the statement attached hereto as Schedule A (i) in the form of an electronic file in the format and at the electronic address mentioned in the SPECIAL CONDITIONS and (ii) in written form according to the form attached hereto as Schedule A, accompanied by a cheque to the order of "SOPROQ" sent to the attention of the "Collections Department," at the address mentioned on the first page hereof, for an amount corresponding to any royalty payable hereunder for the quarter concerned.

7.2 At the request of SOPROQ, the Licensee shall send to SOPROQ a copy of any statement provided to any other collective society or artists' association in respect of any reproduction or broadcast of any authorized sound recording made during any period covered by any statement to be provided under the present article. The Licensee also irrevocably authorizes SOPROQ to obtain a copy of such statements directly from any collective society or artists' association, the remittance of a signed copy hereof to such collective society or artists' association attesting to such authorization. In the event of a discrepancy between the information provided by the Licensee in a statement sent in performance hereof and the information provided to another collective society or artists' association, the information that is more favourable to SOPROQ shall prevail.

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8. AUDIT

8.1 The Licensee irrevocably authorizes SOPROQ to audit, either on its own or through its representatives, the books, registers, documents and operations of the Licensee relating to the objects hereof. Without limiting the generality of the foregoing, SOPROQ may, on ten (10) days' notice, either on its own or through its representatives, visit the Licensee's business, during business hours, in order to examine its books, registers and accounting documents, extract any information relating to the objects hereof, and make copies thereof using the copy equipment of the Licensee's business.

8.2 The Licensee shall pay to SOPROQ, upon receipt of an invoice to this effect, any sums which, according to the conclusions of such audit, are owed to SOPROQ. In addition, if according to the conclusions of such audit, the difference between the sums that should have been paid by the Licensee in accordance herewith and the sums that were actually paid is greater than 5%, the Licensee shall reimburse to SOPROQ the reasonable audit fees and expenses incurred by SOPROQ as part of such audit.

9. REPRESENTATIONS AND WARRANTIES

9.1 Each party represents and warrants to the other that it is entitled to perform the present contract and that it has obtained all the necessary authorizations to do so.

9.2 SOPROQ represents and warrants to the Licensee that, subject only to the conditions expressly mentioned in article 4 ("CONDITIONS") hereof, it has obtained from any rightholder concerned all necessary rights for the purposes of granting to the Licensee the right to make any authorized reproduction of any authorized sound recording in accordance herewith.

9.3 The Licensee represents and warrants to SOPROQ: (i) that it has not granted financial conditions to any third party in consideration of the right to reproduce or to reproduce and broadcast any sound recording as part of any authorized service which are more favourable, to said third party, than the financial conditions granted to SOPROQ hereunder, and (ii) that in the exercise of any authorized act, it shall satisfy any legal or contractual obligation it has in respect of any third party, including any legal or contractual obligation covered by article 4 ("CONDITIONS") hereof.

9.4 Each party ("**guarantor**") shall take up the defence of the other party ("**indemnified party**"), at the prior, written and reasonably detailed request of the indemnified party to this effect, against any claim or recourse containing any allegation which, if it were founded, would constitute a violation of any representation or warranty made by the guarantor hereunder, and indemnify the indemnified party and hold it harmless for any losses, damages, interest, penalty, fees, including lawyer's and expert's fees, or other sums resulting therefrom.

10. DEFAULTS AND RECOURSES

10.1 Unless otherwise mentioned herein, in the event that the Licensee is in default of any of its obligations hereunder, SOPROQ may, without prejudice to any of its other rights and recourses, terminate the present contract, as of right, after having notified the Licensee of such default by written notice sent by

registered mail to the address indicated in the designation of the parties hereto, unless any default mentioned in such notice which can be rectified is rectified to the entire satisfaction of SOPROQ, within ten (10) business days following the date of the sending of said notice.

10.2 SOPROQ may, without prejudice to any of its other rights and recourses, terminate the present contract immediately and as of right, on notice to the Licensee to this effect, in the event of the bankruptcy of the Licensee, the assignment of its property, or the appointment of a receiver, or if the Licensee otherwise avails itself of any bankruptcy and insolvency act, or if a petition in bankruptcy is brought against the Licensee and is not contested in good faith with ten (10) days of its service. The Licensee must notify SOPROQ without delay of any such bankruptcy, assignment of property or appointment of a receiver.

10.3 In the event of the Licensee's failure to pay any royalties owed to SOPROQ hereunder, the portion of the royalties unpaid at the due date shall bear interest at a rate of one per cent (1%) per month from the due date until full payment by the Licensee of said royalties.

10.4 If SOPROQ must institute or be a party to any legal or arbitration proceedings against the Licensee for any reason relating to the present contract, the Licensee agrees that SOPROQ will be entitled to claim, in addition to the damages and interest to which it may be entitled, the reasonable lawyer's judicial and extra-judicial fees and costs incurred by SOPROQ as part of such proceedings.

10.5 All of SOPROQ's recourses are cumulative and not alternative.

11. DISPUTE SETTLEMENT

The parties agree to do their utmost to quickly settle by mutual agreement any dispute concerning the validity, the interpretation or the performance of the present contract ("dispute"). If the parties are unable to settle a dispute by mutual agreement within a period deemed acceptable by the party that brought it to the attention of the other party, said party may submit said dispute to arbitration by means of a written notice to the other party describing, in a reasonably detailed manner, the nature of the dispute and the compensation claimed. Such a dispute shall then be resolved definitively, outside the courts, by a single arbitrator in accordance with the provisions of the Code of Civil Procedure of Quebec. Any arbitration sentence shall be final and binding upon the parties. The arbitrator's remuneration shall be assumed equally between the parties, it being agreed that the party that wins the dispute is entitled to demand reimbursement of its portion of the arbitrator's remuneration.

12. ASSIGNMENT

The licence granted hereunder is for the Licensee alone and the Licensee may not assign the present contract or any of the rights or obligations resulting therefrom, in whole or in part. A change in control of the Licensee shall be deemed to constitute an assignment hereof.

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13. GENERAL PROVISIONS

13.1 The present contract and its interpretation are governed by the laws of Quebec and the laws of Canada that are applicable hereto, except for any provision concerning conflict of laws. Subject to article 11 hereof, the parties hereby submit to the jurisdiction of the courts of Quebec, district of Montreal, or of the Federal Court of Canada sitting in said district.

13.2 Any notice, report or other communication between the parties which, in accordance herewith, must be made in writing, shall be sent to the addresses appearing in the designation of the parties hereto, or to any other address that the parties may give to each other in writing from time to time, by registered or certified mail or by bailiff; documents sent by mail shall be deemed to have been received on the fifth (5th) day following the date appearing on the postmark affixed to the envelope.

13.3 The present contract contains the integral statement of the agreement entered into between the parties concerning the object hereof. The parties acknowledge that no other promise or representation has been made to them and that no oral or other agreement has been entered into between the parties concerning the object of the present contract. The present contract cancels and replaces any agreement, representation or proposal previous to its signing. No addition, waiver or amendment of the provisions of the present contract shall be binding upon the parties unless there is an amendment signed by a duly authorized representative of the parties.

13.4 The failure by one of the parties to demand the strict performance of any obligation incumbent upon the other party

under the present contract shall not be interpreted as a waiver on its part of the right to demand performance of such obligation or to avail itself of its recourses in the future, it being understood that in such case said other party remains bound by such obligation and that the rights and recourses of the party that tolerated said failure remain unchanged.

13.5 In the event that any provision of the present contract is for any reason declared invalid or null and void, this shall not in any way affect the validity of the other provisions of the contract, which shall remain in force and shall be executory as if the contract had been signed without the invalid provision.

13.6 Compliance with the provisions of the present contract remains subject to the restrictions imposed under the terms of any law or regulation of public order as well as any impediment resulting from an act of God or a force majeure, including strikes, fires or other conditions beyond the control of the parties.

13.7 The parties agree to take any other measure and to sign any other necessary or useful document in order to evidence or give full effect to the present contract and to see to it that such measures are taken or such documents signed insofar as they have the power to do so.

13.8 Compliance with the deadlines stipulated herein is an essential condition of the present contract.

13.9 Subject to article 11 hereof, the present contract shall be binding upon and enure to the benefit of the successors, assigns and legal representatives of the parties.

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SCHEDULE A

STATEMENT

LICENSEE

AUTHORIZED SERVICE

AUTHORIZED TERRITORY

GUARANTEED ADVANCE

ROYALTY (IN %)

DATE OF PAYMENT

SUM PAYABLE FOR THE PERIOD

BEGINNING OF THE PERIOD CONCERNED

END OF THE PERIOD CONCERNED

[PROVIDE FOR EACH AUTHORIZED SOUND RECORDING USED DURING THE QUARTER]

TITLE OF THE SOUND RECORDING

ALBUM TITLE

PERFORMER

RECORD COMPANY

CATALOGUE NUMBER (IF POSSIBLE)

ISRC (IF POSSIBLE)

NUMBER OF BROADCASTS

DATE

TERM

SPECIMEN

GENERAL CONDITIONS

SCHEDULE B

Licensee royalty schedule

SPECIMEN