

## MAJOR LABEL RECORDING AGREEMENT

1. Album commitment and options – It is preferable to reduce the number of options to no more than five (5), and to secure at least a two-album commitment from the record label in the first contract period. If the artist is successful, the artist may renegotiate and offer additional options in exchange for larger advances and other more favorable terms.
2. Marketing restrictions and approvals – This form agreement only includes the most basic approval rights. Artist approvals can be highly negotiated points (e.g., any edits/alterations/re-mixing to the artist's recordings, synchronization license approval, artwork, single selection, website content, marketing plan, etc.).
3. Release commitment –
  - a. A recording agreement should include a firm release commitment in both physical and digital formats. If the record label does not commit to a physical release (e.g., CDs), and releases an artist's album only in digital format (e.g., iTunes), this may negatively affect the artist's ability to secure or comply with the contractual obligations of a publishing deal. Publishing advances are often payable only upon a full release (e.g., physical and digital).
  - b. Secure foreign release in the major foreign territories (e.g., Canada, UK, Japan, Australia, Germany) within a reasonable period of time following the U.S. release.
4. Marketing budget – As the size of recording advances decreases, the availability of marketing and independent promotion/publicity funds have become more important.
5. Royalty escalations – Where the artist has sufficient leverage to receive escalations of the base royalty at certain thresholds (e.g., gold and platinum, or in light of reduced record sales, 100,000 and 250,000 units), individual downloads should be included for calculation of such thresholds. 10-12 tracks should count as one album unit for calculation purposes.
6. Pay or play provision – In the event that the record label refuses to allow the artist to record a commitment album, the artist should be able to retain a minimum portion of the applicable album advance.
7. Side artist and other exclusions – The artist should not be prevented from rendering services as a side artist and/or producer, or from rendering dramatic acting services in which s/he may perform limited musical services.