

# Digital Music Distribution Agreement

This digital content representation and distribution license agreement is concluded between Musify Distro, Inc., a corporation registered in Delaware, United States (hereinafter "Musify Distro"), and between those who subscribe as an individual or legal entity, (hereinafter "User") of these terms, which will be effective from the date of signing this document, considered as the Effective Date.

Musify Distro And the User each one is one "Part" of this Agreement and together are referred to as "the Parts" those who agree to enter into this DIGITAL MUSIC DISTRIBUTION AGREEMENT (hereinafter "Contract").

CONSIDERING, that Musify Distro provides distribution, marketing, licensing and other promotional services for the digital distribution of musical productions and their related content; and

CONSIDERING, that the User is the owner of the content, the legal representative of the owner, the licensor or the consolidator who wants Musify Distro to be the digital distributor of the Content to Digital Service Providers and Distribution Platforms (hereinafter "Platforms"); and

CONSIDERING, that Musify Distro wishes to be the global distributor of User Content, without geographical limitations, and to distribute the Content to the Platforms under the terms and conditions established in this Agreement.

CONSEQUENTLY, the Parties agree to enter into this Agreement, which will be governed by the following clauses and conditions:

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## Definitions

El User and Musify Distro accept that the following expressions and their respective derivative forms will have the following meaning:

### 1. Phonogram

It refers to any fixation of sounds of a performance or performance or of other sounds, or of a representation of those sounds.

2. VideogramIt refers to any attachment of associated images, with or without incorporated sound, that give a sense of movement, or of a digital representation of such images of an audiovisual work or of the representation or execution of another work, as well as of other images of the same kind, with or without sound.

### 3. Launch

Publication of phonograms or videograms for marketing. A release can be

a single, EP, album, double album, music video, depending on the number of phonograms or videograms it contains.

#### 4. Name and image

The name, voice, photograph, drawing, image, biographical material, any and all words, symbols and logos that identify a person or group, and any and all trademarks, service marks, trade names, or similar properties, of, related to or associated with a person or group, and any other type of exercise of the “right of publicity” of, relating to, or associated with a person or group.

#### 5. Content

It refers to the phonograms and videograms, and other materials contained therein, including but not limited to the underlying musical compositions, the performance, the artwork, the images, the visual elements, the letters, the metadata (such as written and biographical information) and includes copies of them in physical or digital format, YouTube channels or other Platforms controlled by the User, which are provided by the User or on behalf of the User to Musify Distro, or by virtue of which the User has given instructions to Musify Distro to perform any Service.

6. Access credentials It refers to the email address and password registered in the database of the Musify Distro website, with which the User authenticates himself.

#### 7. Net Revenue

Gross revenue shall be understood less the following costs and fees incurred in connection with such deliveries, and only to the extent incurred:

1. Transaction processing fees, such as credit card and other e-commerce processing fees, patent rights, or other charges, payable or held by the

Platforms in connection with the execution of a transaction or transmission, if any;

2. Sales or profit taxes, whether in the country where the Platforms operate, the country where the purchase is made, the country where Musify Distro receives the money or the User's country;
3. Returns and credits, including, but not limited to, those due to faulty merchandise, billing errors and transmission errors, if any;
4. The cost of sending the money, if any;
5. From Collective Management Societies (SGC), Performing Rights Organizations (PROs) or other third-party organization (s) or union (s) that may be required by contract or by national, federal, or state laws, if any;
6. Internet advertising and promotion expenses, such as advertisements on other websites to promote phonograms, if any, as long as they are previously requested and approved by the User;
7. Net income is not included, and no fees will be paid to the User on any Content that is reproduced, distributed, displayed or transmitted in a "free" or "free of charge" form.

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## Terms of Service

### 1. Service

Musify Distro is a company that offers the following services (hereinafter "Digital Services"):

1. Distribution Service: Digital distribution of music, video and other digital content, which offers the distribution of phonograms, videograms and other content to Platforms, for the purpose of selling music downloads, online reproductions, micro-synchronizations and other types of Content consumption currently known or that will be known in the future to consumers through the Internet.
2. Marketing Service: Marketing and support of promotional campaigns by any means currently known or that will be known in the future.

### 2. Editorial Rights

Musify Distro reserves the full right to refuse the distribution of any and all phonograms and any other digital content of the User for any reason that is

appropriate.

### 3. Certification of Rights

The User certifies that they have the right to distribute, publish, sell, reproduce, transfer, convert, modify and broadcast phonograms over the Internet. It also certifies that it has the right to distribute, publish, sell, reproduce, transfer, convert, modify and broadcast through the Internet any graphic material, texts, letters or photographs provided by the User to Musify Distro and/or the Platforms in order to promote the sale of phonograms.

### 4. Distribution Service Costs

The amounts of the distribution service that Musify Distro will receive from the User vary according to the User's plan type, and these are:

#### 1. Basic Plan

El User you must pay for each release to be distributed.

Single: Launch with 1 phonogram. Cost of 15 American dollars.

EP: Launch with 2 to 6 phonograms. Cost of 29 American dollars.

Album: Release with 7 to 20 phonograms. It cost 49 American dollars.

Double album: Launch with 21 to 40 phonograms. Cost of 69 American dollars.

Video: Launch with 1 videogram. Cost of 29 American dollars.

#### 2. Premium plan or higher plans

The User must pay for a monthly, biannual or annual subscription, and may distribute releases at no additional cost for as many artists as their plan allows, as indicated in the detailed plan. The details of each plan will be updated on the Musify Distro website.

If the User suspends the subscription to the Premium plan or higher plans, the releases will not be removed by Musify Distro.

### 5. Marketing Service Costs

The amounts of the marketing service that Musify Distro will receive from

the User vary according to the contracted service, service territories, length of service, type of User plan and provider chosen for the service. Marketing Service costs will be available at all times on the Musify Distro website. The costs of the marketing service may be modified at any time without prior notice to Users, without affecting ongoing marketing services.

## 6. Payment for Services

The User will pay Musify Distro in full and in advance the sum of the Distribution Service Costs of all the releases they wish to distribute.

The User will pay Musify Distro in full and in advance the sum of the Marketing Service Costs for all the services they wish to contract.

## 7. Discounts and Promotions

Musify Distro reserves the right to make discounts and special promotions on its services for specific periods, in specific territories, to specific customers under specific conditions. The User cannot claim from Musify Distro the application of a discount or promotion that does not apply due to any of the conditions mentioned above.

## 8. Reversing payments

If, for any reason, the User does not make a payment or if a payment is reversed under this Agreement through the payment method or any other method after accepting the Terms, Musify Distro will be entitled to recover the costs of the Digital Services, by any necessary means, including the right to freeze access to the resulting royalties and charge them until the costs of the Digital Services contracted by the User have been fully recovered.

Musify Distro reserves the right to block the User from accessing access to the Musify Distro Website, considering a payment reversal as a valid reason to suspend the Services, technical support and other benefits exclusive to Musify Distro.

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## The User gives in to Musify Distro and accepts the following

### 1. Music Distribution License

The User grants Musify Distro and the Platforms a non-exclusive right of sublicense and license during the Grant Term for the purpose of providing the Digital Services, including (without limitation) acting as the grantor of a non-exclusive license and digital distributor of the User Content to the Platforms, and the sub-license and distribution of the Content to the customers of the Platforms located in the Territory, as well as granting the right and license to the Platforms to reproduce, use, display, distribute, modify, sell and in any way use the Content (including, without limitation, all intellectual property rights contained therein), and in addition, everything necessary for use in the formats and media contemplated here, including (without limitation) sales of permanent digital downloads, streaming, other digital distribution technologies, and/or other digital delivery methods that exist now or in the future, by any means currently known or known in the future.

### 2. Clip Distribution License

The User grants Musify Distro and the Platforms the non-exclusive right to reproduce and create derivative works from the Content by converting the Content to digital sources, including less content than the full versions of sound recordings (hereinafter “Clips”) that can be used for promotional purposes as authorized here, and if necessary, reproduce the Content in a new physical product; and publicly perform, publicly display, communicate to the public, and in any way disclose the Content and the portions of the same that are contained in the Clips, through digital audio transmissions (on an interactive and non-interactive basis) through the Musify Distro website, the website of a licensee or any of the Platforms, or through a widget that the User or any person authorized by the User can place on any website or social network, to identify the availability of the Content to be licensed, sold or distributed and for the promotion of the Content, based on the use of listening, without payment of any copyright fee.

### 3. User Generated Content Distribution License

The User grants Musify Distro the non-exclusive right to manage all licenses required or associated with the Digital Services, including the prior authorization of the User's principal and publication rights or their materials and the underlying compositions in the Content for license purposes, including the conversion into money of User-Generated Content (hereinafter “UGC”) uploaded to digital social platforms such as Facebook, Instagram, TikTok, YouTube, SoundCloud, Twitch, and others, this being a non-limiting statement. The User grants Musify Distro the non-exclusive but total right to distribute and sub-license to the Platforms all Content that is supplied to Musify Distro or that the User authorizes Musify Distro to distribute during the Grant Term.



#### 4. License to use name and image

The User grants Musify Distro and the Platforms the right to use approved and similar names, and approved biographical material, related to, any Content, phonograms, images, brands, bands, producers and/or singers, as well as tracks and/or album names, and art, in any marketing material for the sale, promotion and advertising of the applicable Content that is offered for sale or other use in accordance with the terms of this Agreement (for example, the name of the User or the band and similar ones can be used in promotional information, such as demonstration in texts or other informational passages, to identify and represent the author, production credits, and other information or materials that are applicable in connection with the authorized exploitation of the applicable Content).

#### 5. Marketing license

Musify Distro and the Platforms will have the non-exclusive right to market, promote and advertise Content available for purchase in a manner determined at its discretion; including, without limitation, online and on radio; and the right to reproduce, distribute and publicly display the visual elements of the Content (for example, album cover art, images, etc.) in connection with the promotion, advertising, sale and distribution of the Content. Musify Distro will have the right to create and authorize others to fingerprint the Content for audio, composition, and/or video recognition purposes, which will be the property of Musify Distro and/or its partners or third parties.

#### 6. Rights Reserved by the User

The ownership of the Contents will remain with the User or its licensors, and there will be no need to transfer such ownership to Musify Distro or to

any of the Platforms.

## 7. Contractual Amendments

Musify Distro reserves the right to modify, add or delete provisions and/or clauses of this contract, by notifying the User by email. The User will then have fifteen (15) days to approve or reject the modification of the Contract without any other action required by either Party. If the User rejects the new versions of the Agreement, they may cancel the active services, without Musify Distro having the obligation to make a refund of payments for service costs.

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# User Commitments and Obligations

## 1. Content Delivery

The User must submit to Musify Distro through their website (<https://sounds.co>) the Content for the use of Musify Distro and the Platforms.

The Content provided by the User must meet all the mandatory requirements of the Platforms to be approved for distribution. The requirements will be made known to the User on the Musify Distro website.

Musify Distro will contact the User if it must be necessary for the User to make a modification of the Content to meet the requirements of the Platforms.

Platform requirements may vary over time, and Musify Distro has no decision on them.

## 2. Obtain and register licenses

The User must obtain and pay for the necessary permits and licenses in the territory of all the User's musical works and illustrations.

## 3. Payment of income to whoever (s) apply

The User will be responsible for paying royalties and other income to authors, co-authors, performers, copyright owners, phonographic producers, publishers and other relevant participants.

## 4. Payments for agreements and taxes

The User will be responsible for all payments that may be necessary under the collective agreements applicable to the User in relation to the Content provided by the User to Musify Distro and the Platforms.

## 5. Indemnity and Limitation of Liability

The User must compensate and hold Musify Distro and the Platforms harmless from and against any and all losses, liabilities, damages, costs or expenses (including attorneys' fees and costs) that arise from a third party's claim for the breach of any warranty, representation, covenant or obligation of the User under this agreement, or any claim that any Content, whether phonogram, videogram, illustration, photograph, graphic design provided to Musify Distro and/or the Platforms, violates or violates the rights of a third party.

The User will reimburse Musify Distro and/or the Platforms in cash for the

payments actually made in resolving any liability or claim that is subject to compensation under this section.

## Musify Distro Commitments and Obligations

### 1. Royalty Payment

Musify Distro must pay the User the agreed percentage of net revenue derived from the distribution of User Content.

By default, the distribution of royalties will be: 90% of net revenues for the User and 10% of net revenues for Musify Distro.

Through a mutual agreement between the User and Musify Distro, this distribution of royalties may vary in options such as, and not limited to, the following mentioned below:

1. 85% of net revenue for the User and 15% of net revenue for Musify Distro.
2. 80% of net revenue for the User and 20% of net revenue for Musify Distro.
3. 75% of net revenue for the User and 25% of net revenue for Musify Distro.
4. 70% of net revenue for the User and 30% of net revenue for Musify Distro.

### 2. Sales Reports

Musify Distro will calculate royalties to the User under this Agreement as the Platforms submit royalty reports. The User can access sales reports on the Musify Distro website with their login credentials. Generally, Platforms send royalty reports to Musify Distro within one to three months after the end of each calendar month (i.e., 30 to 90 days after each month).

Musify Distro does not guarantee compliance with deadlines nor is it responsible if the Platforms do not send sales reports within the established deadline.

### 3. Royalty Registration

Musify Distro undertakes to maintain and preserve the Royalty Reports for all transactions related to the Interests of the Author or the User.

### 4. Payments

The User may request that Musify Distro pay their balance when it is:

1. More than twenty American dollars (USD 20.00.-) for Basic plan users.
2. More than ten American dollars (USD 10.00.-) for users of Premium plans or higher plans.

Payments are made according to the selected payment method and information provided by the User on the Musify Distro website. Each payment method may have an additional cost that will be shown to the User before confirmation, which will be deducted from the payment of the User's balance.

## Territory and Deadline

### 1. Territory

The territory is global in scope and has no geographical limitations, and can be extended to any country where Musify Distro or the Platforms operate.

If they wish, the User may clarify the Territory limitation for the launches

they make.

## 2. Applicable Legislation

This contract will be considered to have been made in the Republic of Paraguay and its validity, construction, and effect will be governed by the laws of the Paraguayan State.

## 3. Grant Deadline

The concession period will begin on the date of signing the Contract and will continue until the User requests the cancellation of the service, either in writing through an official Musify Distro support channel, or through the website.

## 4. Deleting content

Musify Distro will have a maximum of sixty (60) days after notification of the request to cancel the service to request the removal of all User Content from the Platforms.

The User will be able to access all the ISRC and UPC codes of the releases even after having requested the Removal of content from the Platforms, on the Musify Distro website.

# Limitation of Liability and Warranties

1. The User guarantees that he is 18 or over 18 years of age, and that at the present time he has not signed any exclusive agreement for digital

distribution, the use of images or any other license granted in this Agreement.

2. The User guarantees that all the information provided on the Musify Distro website is and will continue to be true and correct. The User must notify as soon as possible if any of the information provided has changed. In the event that Musify Distro is informed of a discrepancy or inaccuracy with regard to the information provided on the website, Musify Distro will have the right to suspend the payments generated in relation to the Releases affected by that information until the discrepancy or inaccuracy is resolved to the satisfaction of Musify Distro within reason, without limiting the right to be compensated in the manner set out below.

3. The User has and will continue to have full right, full powers and full authority for the conclusion of this Agreement, as well as for its compliance and for the granting of the rights assigned by it. Notwithstanding the foregoing, neither the consent nor permission of third parties is and will not be necessary to make effective the assignment of rights made for the benefit of Musify Distro under this Agreement or for the effective enjoyment by Musify Distro of the rights granted and the benefits derived therefrom, as provided below.

4. Releases and User Content are and will be free from lawsuits, claims of copyright infringement, liens or charges brought or imposed against them, by any entity or person.

If Musify Distro receives a claim of copyright infringement (also known as a “DMCA Claim”) for a release or User Content, it will immediately notify the

User via email. Musify Distro will cancel the release of all Platforms. The User may respond to the DMCA Claim via email within 3 business days, including all necessary documentation supporting the use.

The documentation required to respond to a DMCA Claim includes, and is not limited to:

1. Proof of right to use the phonogram;
2. Proof of the right to use the trademark;
3. Royalty division agreement.

5. Musify Distro is exempt from making any payment of any kind for, or in connection with, the exploitation of User Content except as specifically provided in this agreement.

6. The User will not interfere or attempt to interfere with the proper functioning of the Musify Distro website, the Digital Services or any transaction that is being carried out on the Musify Distro website. In addition, you will not take any action that places an unreasonably or disproportionately excessive burden on the infrastructure of the Musify Distro website.

7. The User must at all times defend, compensate and release from all liability Musify Distro and its associates, as well as all members, employees, associates, representatives, agents, licensors, suppliers and distributors of the foregoing (collectively the "Indemnified Others") against all claims, liabilities, damages, judgments, losses, costs and expenses, including actual current legal expenses and legal fees, that may arise from:

1. in any exercise of the rights granted under this agreement;



2. in any breach by the User, whether real or alleged, of any of the guarantees, statements or agreements contained in this agreement;
3. in any act, error or omission performed by the User or by any other person or entity acting on his behalf or under his command;
4. in releases and in any use or exploitation of them as provided for in this Agreement.

The User will reimburse Musify Distro and the Indemnified Others, at their request, for any payment made at any time after the date of this document and for any liability or claim for which both Musify Distro and the Indemnified Others obtain the right to be compensated, although Musify Distro may choose to deduct such compensation from the amounts that are otherwise due to the User.

8. Under no circumstances will Musify Distro be liable to the User or to any third party for indirect, unforeseen, typified, fortuitous, special or punitive damages, including damages resulting from loss of profits or loss of information resulting from the use of the website or the Digital Services. Notwithstanding anything to the contrary in this agreement, the liability of Musify Distro to the User, for any cause and regardless of the form of the action taken, will be limited at all times to the amount paid, if any, by the user to Musify Distro in return for the Digital Services.

9. This agreement, together with the Musify Distro Privacy Policy, the Musify Distro Terms of Service, and this Agreement, constitute the entire agreement between Musify Distro and the User regarding the website and the Digital Services. Musify Distro may assign or delegate this agreement or all or any of the rights and obligations derived therefrom to one or more third parties, without prior notification to the User. The breach or waiver of any of the provisions contained in this agreement will not affect the rights of

any of the Parties thereafter and the waiver of any of the Parties will not be interpreted as a permanent waiver. Except as expressly stipulated in this agreement, neither Party has made or makes any statement or reservation, whether express or tacit, regarding any issue contained in this agreement or in connection with the drafting of the same, and in principle, they are expressly excluded. If any clause, phrase, paragraph or paragraph of this agreement, or its application, is declared void for any reason by a competent court, such statement will limit and restrict its effects to the clause, phrase, paragraph or paragraph directly involved in the dispute and will not affect the remaining part of this agreement.

10. The User declares to know that the exploitation of the content is speculative and that Musify Distro cannot guarantee that the releases will be fully exploited or that a certain volume of Revenue will be generated in the future. The User waives any warranty and any claim, and declares to accept the commitment that he will not submit any claim and that no liability will be imposed on Musify Distro based on a claim about an expectation of obtaining a higher Income or that a larger volume of business could have been achieved than was actually generated or achieved by Musify Distro and/or Indemnified Others.

11. Musify Distro does not guarantee or represent that the use of the website or the Digital Services will not be interrupted or that it will not work with errors, and the User accepts that, from time to time, Musify Distro may suspend the website and the Digital Services for an indefinite period of time, either for technical maintenance or for their improvement, in addition and otherwise, the User also accepts that Musify Distro may cancel the Digital Services at any time without prior notice. The functions and features

of the Musify Distro website and the Digital Services are also subject to change without notice.

12. The use of the Musify Distro website and the Digital Services includes the possibility of contracting and/or carrying out transactions electronically. The User acknowledges that when carrying out the User Registration, Registration of Launches, Contracting of Marketing Services and other actions electronically, they presuppose their acceptance and willingness to link to the Digital Services and to pay for those services. Your acceptance and willingness to be bound by carrying out actions electronically applies to all the history related to the registrations and transactions you carry out on the Musify Distro website, including notice of cancellation, policies, contracts and applications.

13. It is expressly stated that nothing in this Agreement will constitute a company between the Parties, nor will it constitute one Party as an agent of the other, and therefore they will not be jointly and severally liable for the obligations that they specifically undertake and that are not expressly established in this Agreement.

## Non-compliance

1. Failure to comply with any of the clauses of this Agreement will authorize the non-guilty Party to demand compliance, or to rescind it without further processing, in both cases with further damages, and to exercise the other powers granted to it by this contract or the law.

2. Musify Distro is free to immediately end the Digital Services and terminate the Contract before the end of the Grant Term for one or more Users, one or more User Releases, giving notice to the User and without the need for an acceptance by the User, without the need to reimburse the User for the fees paid.

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## Heirs

1. This Agreement will be binding on assignees, heirs, executors, personal representatives, administrators and their successors (whether through mergers, legal transactions, or in any other way) of the Parties with the grant of termination established in Clause 8 above.

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## Address and Applicable Legislation

1. For all the purposes derived from this Agreement, notifications, subpoenas, judicial or extrajudicial proceedings, the parties constitute domicile at those mentioned at the bottom of the contract, addresses that will be considered valid for all legal and administrative acts arising from the execution and performance of this contract, unless they are later changed in writing and in express form.

2. If there are differences in the interpretation of this contract, the parties

submit to the jurisdiction of the courts of Asunción to settle them if an amicable agreement is not reached.