

March 2017

IMPORTANT: HOW TO USE THIS CONTRACT

The following document contains an **example, long-form written management agreement** jointly created by the Featured Artists Coalition, Music Managers Forum and Musicians Union.

Please note that this is not a 'standard' artist management agreement, as **such a thing does not exist in the industry**. The artist-manager relationship is very personal and as such, every single one is different. The agreement signed between the two parties must reflect this and both must feel comfortable with the terms.

This contract is specifically for the use of newer artists and managers and lists points that should be considered when entering an agreement, however it is not exhaustive. The document **should be used as a whole in order to fulfil its aim of being a fair artist-manager contract**.

Any investment made by the manager and/or artist into the project must be covered by a separate financial agreement.

The period of negotiation should be the only time in which the artist and manager sit on opposite sides of the table. Thereafter, the artist and manager should **work together as a team with success being the common goal**. The relationship should be based on trust and regular discussion on all issues.

The three-month notice period in this contract should be seen as a "cooling off" period, where the manager and artist should seek to remedy any issues in order to rectify the relationship. Failing that, this time should be used to ensure that the relationship is tied off properly and any outstanding issues are resolved. Mediation can be a quick and cost-effective resource to achieve either of these outcomes.

It is vital that both parties seek legal advice before signing an agreement. **Failure to do so may render the contract unenforceable**. The MMF & FAC can provide a list of law firms and any artist that is a member of the Musicians' Union can obtain legal advice for free.

Featured Artists Coalition | www.thefac.org | 020 7700 5755

Music Managers Forum | www.themmf.net | 020 7700 5755

Musicians Union | www.musiciansunion.org.uk | 020 7582 5566

EXAMPLE MANAGEMENT AGREEMENT

Between:

[Name of Manager] [Address]
[Artist(s) Name(s)]
[Address(es)]

hereinafter “we”/”us”/”our”

and

[name of the Artist] (“the Artist”)

[name of band member 1] of address: [address of the band member 1]
[name of band member 2] of address: [address of the band member 2]
[name of band member 3] of address: [address of the band member 3]
[name of band member 4] of address: [address of the band member 4]

hereinafter “you”/”your”

[Date]

Dear [Artist],

Management Agreement

We write to confirm my agreement with you as follows:-

1. Appointment –

You now appoint us to act and we now agree to act as your exclusive manager throughout the world in connection with all your activities in the entertainment industry (“**Artist Activities**”) including, but not limited to, your work in the following areas:-

- 1.1 the performance of musical compositions: in concert, for or which are broadcast, via radio or television, in films, via internet broadcast, including streaming or in any other media known now or to be developed in the future;
- 1.2 the making of recordings of musical compositions for the commercial release and/or exploitation of such recordings by means of broadcast or sale or otherwise in the form of records, audio-visual devices, permanent downloads, all other forms of digital distribution including streaming, or otherwise (including without limitation exploitation by way of the internet or mobile telephones);
- 1.3 the composition of music and/or lyrics (“**Compositions**”) and the exploitation of Compositions via any medium of publication to the general public.
- 1.4 the recording of musical performances on film or on other audio visual devices;

- 1.5 merchandising, advertising, brand partnerships and sponsorship in connection with the Artist Activities;
- 1.6 Production, engineering and mixing and remixing of sound recordings
- 1.7 For the avoidance of doubt it is specifically agreed that this agreement shall cover your activities in connection with the writing of books, novels, screenplays, plays, scripts and dramatic acting and any other activity in the entertainment industry that commences during the term and shall be commissionable by us and;
- 1.8 all new media including without limitation computer games, interactive, cable and other similar formats and distribution of recordings via telephone, satellite or other direct transmission to consumers over the wire or through the air.
- 1.9 Notwithstanding the foregoing, you shall have the right to engage the services of a third party agent (such as by way of example a film or theatrical agent) in respect of any of your non-musical related activities in the entertainment industry (the “**Third Party Agent**”) and the fee payable to such Third Party Agent shall be subtracted from the Commission (as defined in clause 5 below) which would otherwise have been payable to us hereunder in relation to the relevant non-musical activity PROVIDED THAT our Commission shall never be reduced to less than ten per cent (10%).

2. Term –

- 2.1 The term of this agreement shall commence on the date hereof and shall continue for a minimum period of **12** months and if thereafter until either party serves at least three (3) months Notice on the other to expire not sooner than **12** months after the date of this contract.

Note: This section needs to be negotiated between the manager and the artist as there are many different options and no particular ‘standard’ term. Some artists have rolling contracts with their managers after a minimum term eg. 2 years. Some agree that the contract is related to releases [eg. Up to 12 months post second record release] and cap the agreement [eg. Five years] and some add in pick up and drop options. There are advantages and disadvantages to both having a comparatively short or long term contract.

3. Management Obligations –

- 3.1 We agree to use all reasonable endeavours to enhance and develop your career and render all services customarily rendered by a first class manager in the entertainment industry and to render such services and act in all matters in good faith and in your best interest and wellbeing. We will have due regard to your wishes and will consult fully with you as to what you consider to be work consistent with your aspirations and (in conjunction with your legal advisors) at all stages in relation to the progress of any negotiations, the terms of any agreements and any other material business being conducted on your behalf.

- 3.2 We shall be available to meet with you regularly to discuss your career and will advise and assist you in planning your career and advise you upon all matters which arise for consideration and on matters which we believe should be investigated for the purpose of obtaining engagements or generally developing your career or enhancing your reputation
- 3.3 We will take all reasonable steps where appropriate to ensure that any payment to be made to you under any agreement is collected and that where advisable suitable arrangements are made in advance to secure such payment.
- 3.4 Except in the case of agreements relating to one-off live or other appearances first approved by you in principle we shall not be entitled to sign any agreement on your behalf and we hereby undertake not to hold ourselves out as having the right to do so.
- 3.5 In the event that we become aware at any time of a conflict of interest or a potential conflict of interest as between ourselves and you in any matter we will promptly and fairly inform you of such conflict in writing with a view to resolving it in good faith and to enable you to take independent legal advice.
- 3.6 We shall be entitled to manage other artists and maintain other interests within the entertainment industry provided that such management and interests do not unreasonably interfere with the timely fulfilment of my obligations under this agreement.

Note: The manager and artist ought to agree performance targets as part of clause 3. Whether that be certain types of deals to be obtained within a specific time period or the raising of a level of funds for a project or release. The two parties must discuss specific measurables that are reasonably achieved.

4. Artist Obligations

- 4.1 You will endeavour to keep us informed of your whereabouts and availability and reveal to us any income earned by you.

5. Commission

- 5.1 In consideration of our services we shall be entitled to receive commission equal to twenty per cent (20%) of all gross monies, (exclusive of VAT or other similar taxes) received by you or received by a company controlled by you or anyone else upon your behalf during the Term and arising out of the Artist Activities during the Term ("**Commission**").

Note: The generally accepted commission rate for managers in the UK is 20%-25% on gross income except in the case of live income – see 5.4.2 note below.

- 5.2 In respect of monies earned up to five (5) years from the end of the Term our Commission shall remain at twenty (20%). In respect of monies earned after the date five (5) years from the end of the Term our Commission shall reduce to ten per cent (10%). In respect of monies earned after the date ten (10) years from the end of the Term our entitlement to Commission shall cease.

Note: Post-term commission will also need to be negotiated between the manager and the artist. It is generally accepted that the manager will receive full commission (only on the recordings created during the term) for a period of five years before dropping down to a half rate for another five years. Artists must ensure they discuss any post-term commission they are paying with their new management company.

5.3 After the end of the Term we shall only be entitled to my Commission in respect of monies arising from exploitation of records featuring your performances first released during the Term and compositions written and first exploited during the Term, performances undertaken during the Term (and merchandising income connected therewith).

5.4 Notwithstanding the above:-

5.4.1 I shall not be entitled to be paid commission on any monies advanced to you for the use of; recording costs, video costs, internet/website costs received from record or publishing companies, equipment costs, third party producers' advances and royalties recoupable tour support, per diems paid to you, recoupable sums paid to a third party for the purpose of independent promotion or marketing any monies received from the sale of equipment or monies due to you but not paid and received by you.

5.4.2 In respect of live personal appearances at concerts or upon tours, our commission shall be payable upon the **Net Profit** from the relevant live appearance or concert or series of live performances or concerts when there is a connected series. "**Net Profit**" shall mean the difference between gross fees received and the total of all costs and expenses incurred reasonably attributable to the event or series of events which for the avoidance of doubt shall include the reasonable costs of travel, accommodation and subsistence for you, stage crew, musicians and any other mutually agreed personnel.

Note: An arrangement will need to be made specifically for touring income as some contracts contain variants of 20% gross income to 20% of net income. However, due to the proportion of tours that lose money or break even, a net profit agreement may leave the manager out of pocket. Equally, a commission of 20% on gross income may leave the manager with a good chunk of profit from the tour but the artist may get nothing. To combat this problem, many managers and artists agree commission at 10%-15% of gross touring income (less VAT/other taxes) or 20-30% of the net profits, whichever is the greater. Sometimes, the manager may instead take a fixed fee for managing the tour or make arrangements on a tour-by-tour basis with reference to the budgeted costs and income. If the manager agrees to commission on net profit, there should be a pre-agreed budget for the tour in place. Essentially, either both the manager and artist must benefit financially from the tour or both should lose in equal measure.

It is a good idea to add an additional clause that provides for timely reviews of the touring commission rate in light of how the artist career develops.

5.4.3 Our commission in respect of fees from television or radio appearances or other promotional appearances shall be calculated upon the gross fee after deduction

of expenses incurred in relation to such appearance. Our commission payable in respect of income from the any d2c business (which for the avoidance of doubt shall include any web-site set up by you or for you) shall be calculated upon “**net income**” and shall mean gross income less all expenses incurred in running such operation including without limitation and for the avoidance of doubt any losses previously incurred.

5.4.4 In the event that any monies commissioned by us hereunder subsequently become repayable (including by way of example but not limitation merchandising advances) then we shall repay my commission in respect of such repayment upon demand.

5.4.5 We shall not be entitled to commission your income from contracts (including without limitation any record, publishing, or merchandising contract) entered into between you and any company or other legal entity owned or controlled by us.

6. Accounting

6.1 You shall deliver to me a detailed account providing all relevant information (and after request, provide us with online access to your accounts with collection societies) within thirty (30) days after the end of every calendar quarter in respect of all monies received by you or any person, firm or company on your behalf during the preceding calendar quarter and you shall pay the commission to me at the same time as delivering such statement PROVIDED THAT you shall pay the commission on personal advances received over five thousand pounds (£5,000) within thirty (30) days of your receipt of such advance and our approved invoice.

6.2 You shall use reasonable endeavours to ensure that we receive copies of all royalty statements that you receive both during and after the term (until such time as we are no longer entitled to receive Commission hereunder) (including without limitation PRS statements) to the extent the same relate to earning commissionable hereunder.

6.3 You shall be entitled to collect all sums arising from your Artist Activities and you shall appoint an accountant, when you decide is appropriate, with general experience in the entertainment industry to collect income on your behalf.

6.4 We shall pass to you or your accountant any income we receive on your behalf without deduction. We shall invoice in respect of our commission together with any expenses incurred on your behalf. Any such expenses incurred will only be payable to us from income generated from the Artist Activities.

6.5 Expenses under clause 7 of this agreement will be reimbursed with the next quarterly accounting after receipt from you of a claim for such reimbursement supported by appropriate original vouchers.

6.6 You agree during the period when we are entitled to commission hereunder, to keep (or procure that your accountant keeps) accurate books and records showing all monies received by you or on your behalf in respect of your earnings from Artist Activities. Both parties shall have the right to audit not more than once in any 12 month period. Such audit shall require 30 days written notice and

must take place within in normal office hours. If no objections are raised to an accounting statement rendered by either party within 2 years of its date, the statement will be deemed correct and binding.

- 6.7 If you loan out your services to a so-called service or employment company or enter into a similar agreement with any such entity then the monies received by such company or entity shall be deemed gross monies received upon your behalf but subject thereto there shall not be a double fee so that, subject to the commission on such gross monies having been paid, We shall not be entitled to receive my fee on any monies paid by such company or entity to you where effectively such monies have already been subject to my commission.

7. Expenses –

- 7.1 We shall be solely responsible for my office expenses and general overheads including but not limited to telephone and fax charges, E-mail, photocopying, postage and packaging costs. Any other expenses reasonable and necessarily incurred by me solely in connection with the performance of my obligations under this agreement shall be agreed between us in a written budget each quarter and then reimbursed by you in accordance with sub-clause 6.3 of this agreement and shall include reasonable travel and accommodation costs (at no more than the costs you normally incur therefor).
- 7.2 We shall not be entitled to spend a sum in excess of £50 on any item or related series of items in any month, comprising a bona fide expense without obtaining your prior written consent.
- 7.3 For the avoidance of doubt, any recording, filming and/or photography costs paid for by us shall be treated as expenses hereunder and copyright and all other rights in any materials, recordings, videos and/or photographs of you made during the Term which vest in us, are hereby assigned (including by way of future assignment of future copyright) to you worldwide for the full period of copyright therein.
- 7.4 We acknowledge that we shall only be able to reclaim expenses from Gross Earnings (less deductions where applicable) hereunder and expenses shall not be treated as a loan repayable on demand from any other moneys.

8. Booking Agent Fees

- 8.1 You agree to be responsible for any commission payable to a so called “booking agent” appointed with your approval for your live performances during the Term. The identity and level of commission of any booking agent or other third party agent shall be approved by you.

Nothing contained here shall required us to render services as a so-called “booking agent”

9. Termination

- 9.1 You shall have the right to terminate the Term by notice in writing served on me if:-
- 9.1.1 We are in breach of any of our material obligations under this agreement and fail to remedy the breach within (30) days following the receipt of written notice specifying the breach and requiring us to remedy it; or
- 9.1.2 We are convicted of any serious criminal offence or any offence involving fraud or dishonesty;
- 9.1.3 A receiver, administrator or liquidator is appointed of all or a substantial part of our assets or if we make or seek to make any voluntary arrangements with my creditors.
- 9.2 We shall have the right to terminate the Term forthwith in writing served on you if:-
- 9.2.1 You are convicted of any serious criminal offence or any offence involving fraud or dishonesty;
- 9.2.2 You cease to perform together as [Name of band].

10 Keyperson

- 10.1 It is understood and agreed that the services of [name(s)] (“**Keyperson**”) are essential to this agreement and that the Keyperson shall personally provide day to day management services and supervise your career as provided in this agreement during the Term. The Keyperson is allowed to delegate a reasonable amount of the work to other staff, however, in the event that the Keyperson is unavailable due to death, disability or permanent disablement or by his/her own choice to provide day to day management services and supervise your career, allowing for reasonable periods of sickness and holidays not to exceed three (3) consecutive nor six (6) weeks in total, in any calendar year, then you shall have the right to terminate the Term forthwith by service of written notice.

11. Assignment

- 11.1 We shall not be entitled to assign this agreement or the benefit or burden of this agreement to any third party without your prior written consent which may be withheld at your absolute discretion.

12. Notices

- 12.1 Notices to be served under this agreement shall be in writing and shall be properly served if sent by hand, prepaid registered or recorded post or email, to the party to be served at their address set out above or any subsequent address as may be notified.. The date of delivery (if by hand); the date of posting (if by post); and the next business day after transmission (if by email) shall be deemed to be the date of service of the notice.

13. Confidentiality

13.1 Neither party shall disclose, whether during or after the Term (and shall ensure any employees, associates, affiliates or anyone acting by or through the party in question) do not disclose to the public, press or any other media, anything relating to the events, conversations, documents, financial or other arrangements nor the other party's general behaviour or personal life.

14. Law

14.1 This agreement shall be governed by English law and the English courts shall be the sole courts of competent jurisdiction.

15. Miscellaneous

15.1 Nothing in this agreement shall be construed so as to create a partnership between us.

15.2 No variation of or amendment to this agreement shall be binding unless it is in writing and signed by both parties.

15.3 No waiver of any term or condition of this agreement or of any breach of this agreement shall be deemed a waiver of any other terms or conditions or of any later breach of this agreement.

15.4 A person who is not a party to this Agreement shall have no rights under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Agreement.

If the above correctly reflects your understanding of our agreement please sign where indicated below. By signing you confirm that you have been advised by us and have also taken independent legal advice from an entertainment industry lawyer.

Note: Before signing, this agreement, you must ensure that the above statement is factually correct.

Yours sincerely,

.....
Manager

Accepted and Agreed

.....
Artist

