



Temporary Share of Royalties Agreement for **ACX**

This *Temporary Share of Royalties Agreement* (this "**Agreement**") is made effective as of **date:** _____

between

Name/Company Name _____

Family Name/Name or Legal representative of the company _____

Address/Legal company addresses _____

City _____, **Province** _____, **Post Code** _____, **Nation** _____

Fiscal Code/ Company Number/P.iva or similar _____

Email _____

(Author)

and

Charlie Creative Lab Ltd, Kemp House, 152-160 City Road, London, EC1V 2NX, United Kingdom. Company Number: 12138562. Email: info@charliecreativelab.com

(Charlie)

BACKGROUND

(A) The "**Author**" is a creator and owner of Intellectual Property rights of the Literary Works subject of this Agreement.

(B) The "**Author**" wishes to appoint "**Charlie**" as its exclusive agent and publishing company to make the Literary Work available for (i) production as an Audiobook and/or (ii) distribution, as an Audiobook, through the Authorised Channels, within the Territories included in the ACX distribution.

AGREED TERMS

DEFINITIONS AND INTERPRETATION

In the Agreement, the party who is granting the right to use the licensed property will be referred to as "**Author**", and the party who is receiving the right to use the licensed property will be referred to as "**Charlie**".

Audiobook: any sound recording of the Literary Work in any format, whether existing or yet to be invented, to be produced and/or advertised, promoted, distributed and sold through the Authorised Channels, on the terms of this agreement.

Authorised Channels: Amazon.com, Inc. and Audible, Inc. and Apple, Inc. online platforms, including the Audible Creation Exchange (ACX) platform at ACX.com.

Author's Account: a unique account(s) created by the Charlie on behalf of the Author in any Authorised Channels.

Commencement Date: the date of execution of this agreement stated at the beginning of it.

Copyright: all copyright and rights in the nature of copyright subsisting in the Literary Work in any part of the world to which the Author is, or may become, entitled.

Electronic Book: any visually-readable copy of the Literary Work which is manufactured, stored, distributed, published or transmitted on behalf of the Author by Amazon's Kindle Direct Publishing.

Intellectual Property: all Copyright, Audio Rights, and neighbouring and related rights, including, trade marks, goodwill and the right to sue for passing off or unfair competition, rights in designs, database rights, and all other related intellectual property rights, in each case whether registered or unregistered and including all applications and rights to apply for and be granted, renewals or extensions of, and rights to claim priority from, such rights and all similar or equivalent rights or forms of protection which subsist or will subsist now or in the future in any part of the world in the Literary Work, and any Audio Book, including the cover art, graphics, images, or other artwork related to the Literary Work and any Audio Book.

Literary Work: the original literary work created by the Author during the Term, in any part of the world, as an Electronic Book, uploaded directly by the Author from Amazon's Kindle Direct Publishing platform to the Author's Account.

Royalty Receipts: the net amount received by the Agent from the Authorised Channels (for the sale of any Audio Book through the Authorised Channels, as paid by them in terms of the Authorised Channels' Agreements), after deducting withholding taxes, local taxes and "TransferWise" or bank fees for the transfer of funds.

Territory: United States of America, United Kingdom, Ireland, Canada and all the Countries consider in the future from the Authorised Channel.

Year: the period of 12 months from the Commencement Date and each consecutive period of 12 months thereafter during the period of this agreement.

Person: A person includes a natural person, corporate or unincorporated body (whether or not having separate legal personality) and that person's personal representatives, successors and permitted assignments.

Party: A reference to any party shall include that party's personal representatives, successors and permitted assigns.

Writing and written: A reference to writing or written includes email.

Any words following the terms including, include, in particular or any similar expression shall be construed as illustrative and shall not limit the sense of the words, description, definition, phrase or term preceding those terms.

The parties agree as follows:

1. GRANT OF LICENSE.

The Author is the creator of audiobooks published on ACX.com and other platforms compatible or connected to ACX and AUDIBLE (hereafter called "Audiobooks"). In accordance with this Agreement, the author grants Charlie an exclusive license to publish the Audiobooks and Charlie becomes the Rights Holder under ACX and ACX's compatible or connected platforms. Charlie will also own the same rights to materials, products or other work (the Other Work) created by Charlie in connection with this license, in accordance with the Author.

2. PAYMENT OF ANNUAL FEES (Author to Charlie).

The Author will pay Charlie every year, at the same date of the signature of the contract, an

Annual Registration Fee of GBP 200.00 (GBP 166.66 + 20% VAT).

Charlie also may, but it's not obliged to, discount the annual fee and make additional offers if the Author signs multiple distribution channels agreements contracts with Charlie.

In the case of extreme change of circumstances, Charlie may increase the annual fees.

3. PAYMENT OF ROYALTIES (Charlie to Author).

Charlie is authorised to collect, on behalf of the Author, distribution payments from the distribution and sale of the AudioBooks. Charlie will pay to the Author the royalties earned from the sales on ACX, its affiliates, or other ACX connected platforms, within 10 working days from receiving the payment from the source of payment, if or when the amount earned is over £50.

Charlie will retain its part of the Royalties fee from the payment at source.

Charlies' fee will be starting from GBP 0.00 to a max of GBP 3,000 per year

and it will be calculated on the total amount of Royalties earned from the sales on ACX, in the form of 10% of the first GBP 30,000 earned by the Author, per year.

Any earning over the mentioned amount will be free of fee.

In the case of Authors with multiple distributions contracts, this threshold will be applied as the total of all the Royalties earned in all the contracts signed.

4. FISCAL DOCUMENTS AND TAXATION.

With each royalty payment made by Charlie to the Authors, Charlie will submit to the Author the **Royalties Report** that can be used by the Author for Fiscal purposes in his/her own

country. The report will also include the eventual withholding tax demanded by the Author Country of Residence's Tax Office.

For more information regarding Royalties and withholding taxes international agreements, please follow the schema at this link: <http://taxsummaries.pwc.com/ID/United-Kingdom-Corporate-Withholding-taxes>

Charlie benefits from the *Tax dual agreement UK / USA*, if these circumstances will change due to international decisions, not dependent on Charlie, any withholdings or taxes paid based on point-of-sale are considered payments on the Author behalf toward the amounts due.

However, unless the Author is based in U.K., he or she cannot directly benefit from the above mentioned *Tax Dual Agreement*, therefore there may be cases where the withholding tax is mandatory.

The withholding tax can be reimbursed by the HMRC by using this simple form, we also offer a service outside out this contract, to filling the document: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/926590/DT-Individual.pdf

Charlie is not and in any way responsible for the Author's personal or company's accounting.

5. CURRENCY EXCHANGE.

The currency exchange rate is the one provided by ACX - Amazon Audible, at the date of the payment, in the case of receiving the royalties from the distributor to Charlie.

The currency exchange rate is the one provided by TransferWise, at the date of the payment, in the case of payments from Charlie to the Author. The cost of the money transfer will be deducted from the Author's Royalties.

6. PRODUCTION OF AUDIOBOOKS.

6.1 The Author may choose to commission the production of an Audiobook itself, or via the Agency Services.

6.2 The scope of the Agency Services regarding the production of any Audio Book is limited to the Agent entering into the Authorised Channels' Agreements required to create the Author's Account through which the Literary Work will be made available for its production as an Audio Book.

6.3 The Author, through its own use of the Author's Account, is free to select any producer of its liking, to produce an Audiobook (Producer). The Author shall be solely responsible and liable for any offer sent to a Producer and for the compliance with the Author's agreement with the Producer for the production of the Audio Book (Audiobook Production Agreement).

6.4 The Author accepts and covenants to comply with all terms of the Audiobook Production Agreement and payment conditions related to the production of the Audio Book by the Producer, and shall be solely responsible for the payment of any one-off production fee or royalty share agreed with the Producer.

7. PRODUCT NOT ACCEPTED AND MODIFICATIONS.

Charlie will not modify or change the AudioBooks in any manner. Charlie shall not use Charlie property for any purpose that is unlawful or prohibited by these Terms of the Agreement.

The Author will not publish:

- Any non original content, any protected, copyrighted, trademarked content
- Summaries, workbooks, abbreviations, insights, or similar type content without permission from the original author.
- Content that mirrors/mimics popular titles, including without limiting, similar covers, cover design, title, author names, or similar type content.
- Content that is misleading or likely to cause confusion by the buyer, including without limiting, inaccurate descriptions and cover art.
- Content created using automated means or mass-produced processes.

The Author's submitted Audiobook must:

- be consistent in overall sound and formatting.
- include opening and closing credits.
- be composed of all mono or all stereo files.
- include a retail audio sample that is between one and five minutes long.

Each uploaded audio file must:

- contain only one chapter/section per file, with the section header read aloud.
- have a running time no longer than 120 minutes.
- have room tone at the beginning and end and be free of extraneous sounds.
- measure between -23dB and -18dB RMS and have -3dB peak values and a maximum -60dB noise floor.
- be a 192kbps or higher MP3, Constant Bit Rate (CBR) at 44.1 kHz.

Charlie reserves the right to remove the AudioBooks containing the above criteria, without prior notice to the Author. Any fees paid to Charlie on behalf of the Author will not be refunded if the Audiobook is removed due to the violation of one of the above criteria.

8. OTHER WORK RIGHTS AND OBLIGATIONS.

Charlie shall be solely responsible for providing all technical expertise and access for the development of the Other Work in which the licensed property is used. Charlie shall be the sole owner of the Other Work and all proprietary rights in and to the Other Work; except, such ownership shall not include ownership of the copyright in and to the Audiobooks or any other rights to the Audiobooks not specifically granted in this Agreement.

9. ACX / AUDIBLE POLICY.

9.1 ACX Account

As soon as the Author documents and payments are validated, Charlie will provide to the Author his/her own personal credentials to access his ACX.com account.

Under No circumstance the Author shall change/modify any registration data, tax form, or any other part of the account setting agreed with Charlie, including the password. If the situation occurs the account might be suspended. If any change of the password is required, the Author must communicate the new password via email to Charlie.

The user name will be an email with this format: Nickname.codicecliente_nraccount@accademia.charliecreativelab.com.

The password will be automatically generated from a private system with high security standards.

The email and the account credentials in general, provided by Charlie to the Author, are created and stored in a private and safe server and provider. In no case will an email that is generated from a free provider will be used in Charlie's account. "Free" means no rights on the property of the email and is risky, as the email account can be suspended by Google or any other free provider, any time with no notice, without mentioning the lack of cybersecurity that free providers are offering.

It is absolutely forbidden to create a new Audible account, or log-in on an already existing Audible account, using the email address and Account credentials in general provided by Charlie, and under no circumstance the Author shall be authorised to. If this situation occurs, the Account shall be immediately suspended by Charlie and this Agreement shall be terminated.

Even in case of termination of this Agreement, Charlie will keep paying the royalties to the Author, but shall not refund the annual fee.

9.2 Cancel an Audiobook from live distribution

The Author is allowed to cancel the AudioBooks published, from the ACX Distribution and the Charlie's Account, only at the end of this Agreement and depending on the ACX Policy as per follow:

- **cancellation of Audiobooks available for sale after the 1st of February 2021**, can occur only after the time of the 90-day anniversary of the date that Audible first makes the Audiobook available for sale.
- **cancellation of Audiobooks available for sale before the 1st of February 2021**, can occur only after the time of the 7 years anniversary of the date that Audible first makes the Audiobook available for sale.

10. CUSTOMER SERVICE.

Charlie is offering to its Authors the service of customer support via email, Facebook Messenger and Skype.

The opening hours for requests in Italian and English are from 9 am to 9 pm, British time, Monday to Friday. We also have an English customer service 24/7, aligned to the opening time of the support office ACX, based in the USA.

11. DEFAULTS.

If Charlie fails to abide by the obligations of this Agreement, including the obligation to make a royalty payment when due, the Author shall have the option to cancel this Agreement by providing 30 days written notice to Charlie. Charlie shall have the option of preventing the termination of this Agreement by taking corrective action that cures the default, if such corrective action is taken within the 30 days cancellation notice, and if there are no other defaults during such time period, the Agreement between Charlie and the Author will still be in place.

12. LIMITATION OF LIABILITY.

Subject to the following, and provided Charlie performs its obligations under this agreement, Author has to indemnify Charlie against all liabilities, costs, expenses, damages and losses (including any direct, indirect or consequential losses, loss of profit, loss of reputation and all interest, penalties and legal costs (calculated on a full indemnity basis) and all other reasonable professional costs and expenses) suffered or incurred by the Agent arising out of or in connection with:

(a) a breach to the terms and conditions of any Authorised Channels' Agreements arising in connection with an act or omission of the Author, in breach of this Agreement or any Authorised Channels' Agreements.

(b) any claim made against the Agent for actual or alleged infringement of a third party's Intellectual Property rights arising out of or in connection with the Literary Work or any Audio Book.

13. ARBITRATION.

All disputes under this Agreement that cannot be resolved by the parties shall be submitted to arbitration under the rules and regulations of the British Law. Either party may invoke this paragraph after providing 30 days written notice to the other party.

14. TRANSFER OF RIGHTS.

This Agreement shall be binding on any successors of the parties. Neither party shall have the right to assign its interests in this Agreement to any other party, unless the prior written consent of the other party is obtained.

Termination or expiration of this Agreement shall not extinguish any of Author's or Charlie's obligations under this Agreement including, but not limited to, the obligation to pay royalties which by their terms continue after the date of termination or expiration.

15. TERMINATION OF THE ANNUAL FEE PAYMENT.

If the Author decides not to renew the ACX Annual Registration Fee, the Author must communicate the decision via email to Charlie by giving 30 days of notice. The Author will stop to pay the annual fee, Charlie will retain the right to modify the access to the Author dedicated ACX account/s and the Author will no longer have access to the ACX account object of this Agreement. Charlie will keep paying the royalties to the Author as per the

length of this Agreement. In the case the Audiobook has been published before the 1st of February 2021, the Royalties will be paid for the following 7 years.

16. ENTIRE AGREEMENT.

This Agreement contains the entire agreement of the parties and there are no other promises or conditions in any other agreement whether oral or written. This Agreement supersedes any prior written or oral agreements between the parties.

17. AMENDMENT.

This Agreement may be modified or amended, if the amendment is made in writing and is signed by both parties.

18. SEVERABILITY.

If any provision of this Agreement shall be held to be invalid or unenforceable for any reason, the remaining provisions shall continue to be valid and enforceable. If a court finds that any provision of this Agreement is invalid or unenforceable, but that by limiting such provision it would become valid or enforceable, then such provision shall be deemed to be written, construed, and enforced as so limited.

19. NOTICE.

The address of each party hereto as set forth in the beginning of this Agreement shall be the appropriate email address for the mailing of notices, checks and statements, if any. Either party may change their mailing address by written notice to the other.

20. WAIVER OF CONTRACTUAL RIGHT.

The failure of either party to enforce any provision of this Agreement shall not be construed as a waiver or limitation of that party's right to subsequently enforce and compel strict compliance with every provision of this Agreement.

21. APPLICABLE LAW.

This Agreement shall be governed by the law of England and Wales and it is subject to the exclusive jurisdiction of the courts of England and Wales.

22. SIGNATORIES.

This Agreement shall be signed and effective as of the date first above written.

<i>Author</i>	<i>Name in capital letters</i> _____	<i>Signature</i> _____
<i>Charlie</i>	<i>Charlie by Charlie Creative Lab Ltd</i>	<i>Signature: Miriam Fracavallo</i>