

Term of Service Agreement

“Partner - Multi Distributions”

This *Term of Service Agreement* (this "**Agreement**") is dated ___/___/___ (DD/MM/YYYY)

PARTIES

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

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 a Book/Audiobook and/or (ii) distribution, as a Book/Audiobook, through the Authorised Channels, within the Territories included in the Authorised Channels 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".

Charlie: Charlie Creative Lab Ltd is the Publishing Company and Literary Agent, acting with its sister companies Dora & Kiki Ltd and Eclectic Editions Limited, and others.

Book: any 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.

Electronic Book (eBook): any visually-readable copy of the Literary Work which is manufactured, stored, distributed, published or transmitted on behalf of the Author by Authorised Channels.

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 / Distributors: Amazon.com, Inc. ; Audible Inc. (including the Audible Creation Exchange (ACX) platform at ACX.com.) ; Apple Inc. ; Google Inc. ; Lightning Source Inc. and any other distribution channels agreed with the Author.

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

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.

Intellectual Property: all Copyright, Audio Rights, and neighbouring and related rights, including, trademarks, 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 Book/Audiobook, including the cover art, graphics, images, or other artwork related to the Literary Work and any Book/Audiobook.

Literary Work: the original literary work created by the Author during the Term, in any part of the world.

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

Territory: Worldwide, if not stated otherwise.

Languages: all languages, if not stated otherwise.

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 AND WORK RIGHTS.

The Author is the creator of Books/Audiobooks published on Authorised Channels and other platforms compatible or connected to Authorised Channels (hereafter called "Books/Audiobooks"). In accordance with this Agreement, the Author grants Charlie an exclusive license to publish the Books/Audiobooks and Charlie becomes the Rights Holder under Authorised Channels and Authorised Channels' compatible or connected platforms.

In accordance with this Agreement, the Author grants Charlie also an exclusive license to include the books/audiobooks in the International Charlie's Catalogue, and Charlie becomes the representative of the Author's interests in order to receive, manage and propose the sale of copyrights of the books/audiobooks to new international distributors and wholesalers in order to reach markets not covered by the channels listed in the Annex of this contract.

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. All the Books/Audiobooks that the Author will publish through the Author's Accounts in the relative Authorized Channels, will be subject to the obligations and clauses of this Agreement.

For each specific Authorized Channel, included in this Agreement Annex, Charlie will provide a guideline which will contain the Operational Agreement and Term of Use.

In the case the Author is willing to publish his/her Books/Audiobooks on a distribution channel that is not included in the Annex of this contract, he/she must communicate the request in writing to Charlie and receive written authorization before publishing on any other distribution channel.

2. INTELLECTUAL PROPERTY RIGHTS

2.1 Acknowledgement of ownership. Charlie acknowledges that except for the Licence granted under this agreement, the Author retains all Intellectual Property rights, title, and interest in and to the Books/Audiobooks.

2.2 Grant of Licence to use Intellectual Property.

(a) The Author hereby grants to Charlie an exclusive licence under the Intellectual Property, to:

- (i) perform the Publishing Company and Agency Services in the Territory;
- (ii) grant distribution rights to the Authorised Channels under the Intellectual Property, for the Term, and subject to, and in accordance with, the Terms of this Agreement.

(b) During the Term, the Author undertakes not to itself exercise nor grant any licence permitting any third party to perform the Agency Services and/or exercise the rights granted to Charlie under this Clause and this agreement.

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

The Author will pay Charlie an Annual Registration Fee, at the same date of the signature of the contract.

The Annual Registration Fee is £350.

The Annual Registration Fee is not refundable.

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

4. PAYMENT OF ROYALTIES (Charlie to Author).

Charlie is authorised to collect, on behalf of the Author, royalty payments from the distribution and sale of the Books/Audiobooks. Charlie will pay to the Author the royalties earned from the sales on Authorised Channels, their affiliates, or other Distributors' connected platforms, within 10 working days from receiving the payment from the source of payment, if or when the amount earned is over £50 (net of Charlie's fees).

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

Charlies' royalties 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 gross Royalties earned by the Author from the sales in all the Authorised Channels, 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 extreme change of circumstances, Charlie may change its fee.

In case Charlie gets a contract for the distribution of a book/audiobook outside the markets and territories of the Authorised Channels, it will be proposed to the Author and signed with the Author's consent.

In this case, Charlie will retain its part of the Royalties payment from the source in the form of 20%-30% of the total amount. The fee will be calculated on the total amount of gross Royalties earned and cashed from the deal.

5. FISCAL DOCUMENTS AND TAXATION.

As the Royalties do not have any fiscal invoice, the bank payment recipe is the fiscal proof of the royalties received. For the sole purpose of Charlie's own accounting clarity, with each royalty payment made by Charlie to the Authors, Charlie will submit to the Author the Royalties Report. This report has no Fiscal purposes or liability.

The report will also include the eventual withholding tax demanded by the Author Country of Residence's Tax Office, and various expenses that Charlie has incurred on behalf of the Author. The Author will be required to sign a Declaration of Residency Form as part of this agreement and the Author is the sole responsible for his/her tax declaration.

Charlie benefits from the *Tax dual agreement UK / USA*, if these circumstances 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.

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

6. CURRENCY EXCHANGE.

The currency exchange rate is the one provided by each Authorised Channel, at the date of the payment, in the case of receiving the royalties from the Distributor to Charlie.

The payments to the Author will be made in GBP or in the currency chosen by the Author. The currency exchange rate is the one provided by Charlie's UK bank or wallet (whichever is the one in use by Charlie), 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.

7. PRODUCTION OF AUDIOBOOKS.

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

7.2 The scope of the Agency Services regarding the production of any Audiobook 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 Audiobook.

7.3 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 Audiobook (Audiobook Production Agreement).

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

8. AUTHOR'S OBLIGATIONS.

8.1 General obligations

The Author undertakes and agrees with Charlie during the term of this Agreement:

8.1.1 Obligation to honour contracts. Subject to its rights thereunder, to perform and or comply with all Authorised Channels' Agreements related to the Book/AudioBook, entered on its behalf by Charlie under this agreement.

8.1.2. Author's Accounts in every Authorised Channel. The Author shall:

- (a) keep the Author's Account details and password secure and confidential;
 - (b) not transfer or allow access to the Author's Accounts to any third-party;
 - (c) only use the Author's Accounts for the purposes permitted under this Agreement;
- and
- (d) not amend, delete or otherwise modify any information contained in the Author's Accounts, in particular information related to such accounts profile or bank details.
 - (e) not acting in a manner that is detrimental to Charlie's reputation and the proper relationship between Charlie and any Authorized Channel.

The Author acknowledges that any action in breach of its obligations under this Clause will constitute a material breach of this Agreement, allowing the Agent to immediately

terminate this Agreement without prejudice to its rights and remedies under this Agreement.

9. PRODUCT NOT ACCEPTED AND MODIFICATIONS.

9.1 Books (electronic book, paperback, hardcover)

Charlie will not modify or change the Books 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 is not allowed to 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 containing 90-100% blank pages like notepads, scratchpads, journals, or similar type content.
- 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 listed at prices not reflective of the book's literary value.
- Content scanned from original versions where all or parts contain illegible content to the detriment of the buyer.
- Content created using automated means or mass-produced processes.

Charlie reserves the right to remove Books containing the above criteria without prior notice to the Author.

9.2 Audiobooks

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 is not allowed to 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 not containing the above criteria, without prior notice to the Author.

10. MARKETING.

Charlie and the Author will agree, before the publishing of each Book/Audiobook, the relative marketing and advertising strategies to adopt in order to maximize the spread and consequently the sales.

In the strategies above it's included the cover price choice. The analysis to determine the price will be based on different factors such as: publishing category, words/pages count, print costs, target market, competitors' prices and more.

The Author is aware that the cover price may be temporarily varied by the Authorized Channels, at their own discretion, on the basis of their own marketing and discounting strategies which are independent from Charlie.

Charlie will offer to the Author different services, free and not, which the Author will be able to accept or reject. Among these services can be included:

- online visibility of the Book/Audiobook and the Author on Charlie's web channels and its partners
- presentation of the Book/Audiobook on social/influencer channels, podcast, video channels, broadcasts and radios
- offline/physical presence of the Book/Audiobook (events, advertising on paper magazines and catalogues, possibility of distribution to book stores or shops upon request).

11. 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 Books/Audiobooks or any other rights to the Books/Audiobooks not specifically granted in this Agreement.

12. CUSTOMER SERVICE.

Charlie is offering to its Authors the customer support service 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 Distributors' support office.

13. 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.

14. 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 any Book/Audiobook.

This Clause shall survive termination of this agreement for any reason.

15. 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.

16. 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.

17. 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.

18. AMENDMENT.

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

19. 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.

20. 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.

21. DURATION OF THE AGREEMENT AND TERMINATION.

21.1 Duration

This Agreement has an annual duration and renews automatically at the year expiration, namely when 365 days have passed since the sign of the Agreement, except when a cancellation request has been made by the Author to Charlie within 30 days before the expiration of the Agreement.

In case Charlie still receives royalties from the Authorize Channel after the expiration of this agreement, Charlie will pay them to the Author once a year in the month of December.

If this Agreement shall be cancelled, the Author shall not be authorized to publish the Literary Works that are the object of this Agreement on the same Authorized Channels used by Charlie during the period in which this Agreement is in force.

At the end of the Agreement and following the cancellation of the Agreement by the Author, the rights of the Books/Audiobooks object of this Agreement shall be returned to the Author. No file or physical format shall be returned to the Author. The Author is required to keep for himself/herself a copy of all the material produced and shared with Charlie.

21.2 Termination for cause.

Without affecting any other right or remedy available to it, each Party may terminate this Agreement by giving ten (10) Business Days written notice to the other if:

- (a) the other Party commits a material breach of any term of this agreement which breach is irremediable or (if such breach is remediable) fails to remedy that breach within a period of five (5) Business Days after being notified in writing to do so; or
- (b) the other Party repeatedly breaches any of the Terms of this Agreement in such a manner as to reasonably justify the opinion that the other Party's conduct is inconsistent with the Party not in breach having the intention or ability to give effect to the Terms of this Agreement; or
- (c) a third-party claim arises in relation to the Intellectual Property rights of any Books/AudioBook.
- (d) Charlie does not pay Royalties to the Author in the terms described in clause **2.** and **11.** of this Agreement.

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. In case of termination, Royalties will be paid once a year in the month of December.

Furthermore, the books will remain in Charlie's International Catalogue if for the publishing of the books an ISBN is needed.

22. 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.

23. 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.

24. SIGNATORIES.

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

<i>Author</i>	_____	_____
<i>Charlie</i>	<i>Charlie by Charlie Creative Lab Ltd</i>	<i>Signature: Miriam Fracavallo</i>