

**AGREEMENT BETWEEN MUSICIANS TO FORM A MUSICAL GROUP FOR THE  
MUTUAL BENEFITS UNDER AGREED TERMS AND CONDITIONS**

THIS AGREEMENT is made the ..... day of ..... 20.... BETWEEN ..... of ..... and ..... of ..... and ..... of ..... (hereinafter individually called the Members)

WHEREAS on or about the [ ..... ] the Members agreed to form a musical group (hereinafter called the Group) for the purpose of carrying on business together as musicians for their mutual benefit and by this Agreement they wish to establish the terms upon which Group business will be conducted.

NOW IT IS AGREED as follows:

I. Constitution.

1. (a) The Group shall be constituted as a Partnership and this Agreement and any valid modification shall be the only terms which will apply to the Members within the context of the Group.

(b) In respect of any Member this Agreement will subsist until such time as he shall cease to be a Member except for those clauses which are stated to remain in force thereafter.

(c) The Members agree that they will act in good faith in connection with any matter relating to the constitution of the Group and any of the activities of the Group and any obligations entered into by the Group with third parties.

II. Group decisions.

2. The following decisions shall be made and acted upon only with the unanimous consent of all the members:

- (a) the decision to appoint and the terms of the appointment of a manager of the Group or an agent to represent the Group;
- (b) the admission of a new permanent Member of the Group;
- (c) any change in the professional name of the Group;
- (d) the choice of record company and publishing company and the negotiation of the terms of all long term agreements relating to the professional services of the Group or any promotion or exploitation of any product of or rights in the goodwill and reputation of the Group;
- (e) the undertaking of any significant Group activity such as international touring or the recording of a TV special;
- (f) forming a limited liability company for the purpose of transforming the present partnership into a corporate entity whether for tax or liability or any other financial or commercial reason;
- (g) the making of any request for or commitment to any significant loan or other Group financial liability to any party (including any guarantee of third party obligations) and for any purpose and in this context “significant” shall mean a transaction or series of related transactions or a facility exceeding [ ..... ] whether or not the whole amount thereof is intended to be drawn down at any time;
- (h) jointly investing or lending any excess Group Income in any venture outside Group activities in the normal course of business.

3. (a) Any decision not being within clause 2 or which is otherwise stated to require the unanimous consent of all Members will be decided upon by a majority of votes on a show of hands each Member having one vote.  
  
(b) In the event of an equality of votes either side the matter proposed and voted upon shall be deemed to have been rejected.  
  
(c) If the Group appoints its manager or any other party to adjudicate on any matter which cannot be resolved by voting then a condition of that appointment is that the decision of the adjudicator will be accepted by the Group.

### III. Change of Membership of Group.

- (A). Voluntary retirement.

4. If a Member wants to leave the Group for whatever reason he may do so by giving not less than [three] months written notice to the other Members subject to Clause 6(h).

- (B). Expulsion of a member.

5. (a) (i) A Member may only be expelled from the Group by the unanimous decision of all of the other Members giving written notice to the expelled Member.

- (ii) In the case of any ground for expulsion other than fundamental disagreement on Group policy or development the expelled Member must first (if appropriate) have been given a reasonable opportunity to remedy the complaint or to have been warned about his activity complained of and the written notice of expulsion must state the reason for the expulsion.

- (b) If the unanimous decision is given without reasonable cause such as (but not limited to) a material breach of this Agreement or permanent incapacity or a serious criminal

conviction or a fundamental disagreement with the Member over Group internal matters then the expulsion shall be without prejudice to any right or claim the expelled Member may have against the other Members as a consequence thereof.

(c) If the expulsion is for good cause as described in (b) above the only claim the expelled Member will have against the other Members is for a continued accounting to him of royalties and other income arising from records made songs written or events undertaken while he was a Member.

#### IV. Consequences of Membership change.

6. Whatever the cause of a Member leaving the Group the following matters will be dealt with:

(a) Subject to (b) below no single Member or minority of Members whether being expelled or leaving voluntarily will have any right in title to or claim upon the name of the Group or any goodwill attached thereto and the remaining majority of the Members together with any future Members (for so long as they are Members) shall have between them the sole right to the use of the Group name.

(b). (i) If the Group name is synonymous with or is substantially based upon the real name or the established professional name of an expelled or leaving Member nothing shall prevent the expelled or leaving Member from utilising his name as his solo professional name or from forming another Group using his professional name but not precisely in the wording or the logo design of the Group name and the Group shall have no claim for passing off or otherwise against that departed Member it being agreed that the Group will promptly change its name to one having no connection with or similarity to the name of that departed Member.

(ii) If the synonymous Group name has been applied for or registered as a trademark or service mark by the Group then the remaining Members undertake forthwith upon the

departure of the Member to either assign the trademark or the benefit of the application to him.

(c) The share of continuing royalties due to any leaving Member from any recording or publishing agreement will be paid to him promptly subject only to the recoupment of his share of outstanding advances as at the date of his departure and the remaining Members will procure that no future advances made to them will be recouped from his future royalties.

(d) If the Member leaves the Group voluntarily it will be his responsibility to procure his release from all third party contracts relating to the Group activities.

(e) If the Member is expelled the remaining Members will procure that he is released from:

(i) all such third party, contracts with the exception of any publishing agreement to which he is signed as an individual;

(ii) all bank guarantees hire purchase credit leasing or other commitments which are contracted for or committed to by the Group.

(f) His proportion of the net Group assets by way of equipment vehicles or otherwise will be credited to the departed Member and he will be paid, (or his account with the Group will be credited with) the value thereof when the next Group accounts are prepared and in the event of disagreement upon the value all of the Members agree to accept a valuation given by the accountants.

(g) The leaving or expelled Member may take free of any lien any musical instrument or other equipment which is generally recognised as his and which is not owned by the Group and if it is being leased or bought on hire purchase by the Group as a matter of convenience then before he takes possession of the instrument or equipment the Member

will take over (and fully document the substitution of) all such commitments to the Group's satisfaction and will indemnify the Group from them.

(h) No Member may leave voluntarily or may be expelled until the completion of any forthcoming commitment for personal appearances which cannot be safely cancelled or which could not proceed if the leaving or expelled Member were not a Member for that appearance and:

(i) if a Member leaves the Group in disregard of any such obligation he will be wholly liable for the adverse financial consequences arising from any third party claim related to a breach of such commitments caused by his departure;

(ii) if a Member is expelled in disregard of any such obligations the remaining Members will be wholly liable for the adverse consequences arising from any third party claim relating to a breach of such commitments caused by their action.

7. (a) If the Group terminates this Agreement as between all the Members and ceases permanently to operate as a Group then all the Members will have equal responsibility for resolving or terminating all outstanding third party Group contracts and liabilities and they will have an equal share of net Group assets or will be equally responsible for net group liabilities.

(b) Subject to clause 6(b) none of the Members will be entitled to use the Group name without the written consent of all of the then living current Members as at the date of cessation provided that if any such Member cannot be found after reasonably diligent research (which shall be documented for proof) the consent of such missing Member will not be required.

V. Non-Group activities.

8. (a) Any Member who composes the music or writes the lyrics for any composition which is recorded by the Group will be entitled to the copyright in and the whole of the income from his work.  
  
(b) If two or more of the Members jointly compose and write any of the compositions it is agreed that they will own the copyright jointly (subject to the rights of the publisher of the members' compositions) and will share all of the composer's share of all earnings from that composition in equal proportions.
9. Without having to seek the consent of the other Members a Member will be entitled to be involved in any musical activity which does not directly compete or conflict with the Group activities and which does not put the Member or the other Members in breach of any agreement to which they are a party or which does not otherwise infringe any third party rights including the following activities:  
  
(a). Performing as a session musician with other artistes for live performances provided that no audio or audio/visual recording is made of the performance unless:
  - (i) the Group's record company has agreed in writing; and
  - (ii) the Member has signed a properly negotiated agreement to protect his interests and the interests of the Group (where applicable).  
(b) Producing recordings being made by other artistes.  
  
(c) Appearing in TV or films in any capacity except as a musical performer when this clause will apply.
10. If a Member (such as the lead singer) wishes to carry on a solo career as a performer as well as being a Member of the Group the consent of all of the Members must be obtained.

11. Any income arising to a Member from any non-Group activity will be entirely his and no part of the expense incurred in so doing will be a liability of any other Member.

12. The Members agree that they will not indulge in dangerous sports or activities without notifying the other Members so that any Group insurance may be taken out reviewed or increased and so that the Member can ascertain which (if any) sports or activities nullify the insurance or cause additional premiums to be payable.

VI. Financial Matters.

13. (a) Group equipment will be acquired as and when needed and equipment or instruments needed by individual Members may also be bought as Group equipment or by the Member personally as they may decide.

(b) when a Member leaves the Group he may take with him his personally bought equipment and will be credited with the value of his share of equipment retained by the Group.

14. The Group will be responsible for employing and paying for road crew or other permanent employees or independent contractors used for Group business but any Member shall be free to employ any person at his own expense to look after him and his equipment and he shall be wholly responsible for that person.

15. In the absence of anything to the contrary the Group will share all expense and all income from all sources in connection with Group activities equally between the Members.

16. (a) Each Member will be personally responsible for all income tax due on his share of Group income and all of the Members agree that they will instruct the Group's accountant to:

(i) receive and to retain so much of the Group income as will be required as a reserve against the payment of income tax as and when demanded and to maintain a complete accurate and up-to-date accounting system for its financial affairs;

(b) Each Member agrees to indemnify all of the others from any Income Tax or other fiscal liability on his personal income and they each agree to notify fully and promptly any taxable income to the tax authorities to reduce the risk of any unnecessary investigation into the affairs of the Group.

17. (a) Each Member shall be responsible for all of his personal expenses incurred while being involved in Group activities such as flight and other costs for companions on foreign tours.

(b) If for any reason any Member is required to pay towards the satisfaction of any liability of the Group more than his proper proportionate share thereof he will be entitled to claim from all of the other Members their contribution to such excess payments.

## VII. General Matters.

18. The Members acknowledge that each of them has an insurable interest in each other and that the Group should pay for permanent health life and accident insurance for the benefit of both the Group and or the benefit of individual Members to a similar agreed level.

19. None of the Members is authorised and each of them agrees not to make any commitment on behalf of the Group which has not been agreed between all of them except for ordinary every day business matters in consultation with the Group's Manager.

20. Each of the Members agrees to keep confidential and not to disclose to any unauthorised parties any private information relating to the Group its business affairs and any other matter private to the Members as individuals. This obligation will remain in force after a Member has ceased to be a Member of the Group.

21. The Members will at all times maintain their membership with any statutory body or organisation necessary to enable the Group to carry on its business effectively.

22. The members acknowledge that they have each been strongly recommended to seek Legal and acco

[APPROPRIATE STANDARD CLAUSES]

IN WITNESS etc.