

DIGITAL DISTRIBUTION TERMS AND CONDITIONS

PARTIES

1. See Music (Hong Kong) International Limited trading as Kanjian of, 160 Harbin Road, Shanghai, China (hereinafter referred to as the "Kanjian")
2. Any individual or entity using the services provided by Daflow (hereinafter referred to as the "**Client**")

Both shall hereinafter be severally referred to as "**Party**" and, collectively, as "**Parties**".

WHEREAS

- A. Client within the Territory holds or controls exclusive rights of use, including, without limitation, digital rights, with respect to certain content such as master recordings, artworks, videos, etc. and is entitled to sub-license such rights to third parties.
- B. Kanjian, by itself or through its affiliates, is in the business of representing rightsholders' catalogs of entertainment content for the purpose of licensing the digital rights for digital distribution. Kanjian also is in the business of providing comprehensive management service for rightsholders' entire digital content portfolio, including catalog encoding and metadata management, and protection against third-party infringements.
- C. Client desires to grant to Kanjian, and Kanjian desires to obtain from Client, certain exclusive rights set forth hereunder.

AGREED PROVISIONS

In consideration of the mutual agreements set out in this agreement, the Parties agree as follows:

1. DEFINITIONS

The following terms shall have the following meanings:

- 1.1. **“Catalog”** means jointly and severally all entertainment content owned or controlled by Client (including all associated licenses of rights from Client such as artists, composers, musicians and third party recording and production companies) during the Term. Catalog includes (a) Recordings, (b) Videos, (c) Client’s licenses to reproduce Compositions with respect to digital distribution of Recordings and/or Videos, and (d) all other digital assets ancillary to the Recordings, Videos and Compositions or otherwise relating to the rights granted by Client to Kanjian under this Agreement, including without limitation, metadata, album covers, lyrics, program title cards and other artwork, music videos, image files, marketing materials, trade names, trademarks, and logos relating to Client. The Catalog shall include all digital assets delivered by Client to Kanjian under these Terms and Conditions.
- 1.2. **“Catalog Receipt Date”** means the date on which Kanjian ingests successfully eighty percent (80%) of the Catalog.
- 1.3. **“Composition”** means musical compositions and lyrics embodied in the Recordings, Videos or other parts of the Catalog.
- 1.4. **“Composition Rightsholder(s)”** means, in terms of each Composition, the holder of copyrights of such Composition.
- 1.5. **“DSP”** means digital service provider such as websites, online services, IPTV, mobile telecom and wireless operators, and all other entities selling, broadcasting, streaming or otherwise distributing entertainment products in any digital format via electronic means such as downloading, streaming or other existing and future digital delivery methods, including but not limited to, any and all online services, service over telephone lines, microwave signals, radio waves, satellite, wireless, cable, electricity power lines, or any other method now existing or becomes available during the Term, which allow distribution of the Catalog to consumers (including their computers, mobile phones, audio/video players, handheld devices, kiosks and other devices).
- 1.6. **“Kanjian Websites”** means any and all websites owned, controlled, managed or otherwise operated by Kanjian on or after the date hereof, including, without limitation, *.kanjian.com
- 1.7. **“Losses” / “Loss”** means any losses, damages, actions, costs, disbursements, expenses, liabilities, obligations, fines, penalties or settlement of any kind or nature (including reasonable attorney’s fees and expenses), other than indirect losses and consequential damages;
- 1.8. **“Publishing Revenues”** means all income generated by exploitation of Compositions themselves in the form of musical copyright. These revenues include, but are not limited to: mechanical royalties, streaming mechanical royalties, download mechanical royalties, ringtone or ringback tone royalties, and synchronization fees (from synchronization uses of the Compositions).

- 1.9. **"Recordings"** means master sound recordings in the form of full Albums, Compilations or Tracks (or the file equivalents) identified by a specific UPC code or ISRC code and specific artwork.
- 1.10. **"PRC"** or **"China"** means the People's Republic of China, which for the purpose of this Agreement, does not include the Hong Kong Special Administrative Region, the Macau Special Administrative Region and Taiwan.
- 1.11. **"Starcast"** shall mean the website located at www.star.kanjian.com, or such other URL as provided by Kanjian to Client from time to time;
- 1.12. **"Term"** means the term of this Agreement, as further provided under clause 8 hereof.
- 1.13. **"Territory"** means the territories as selected by Client during their registration, provided, however, that Kanjian Websites shall be deemed to be part of the Territory.
- 1.14. **"Videos"** means audio-visual programs embodying the Recordings.
- 1.15. **"Withholding Taxes"** shall mean the tax payable on the amounts due to Client, in accordance with the tax regulation of PRC and in accordance with the trade treaty between PRC and Client's country of tax residence in accordance with the tax residence certificate provided by Client on the date hereof and at the beginning of each subsequent calendar year.

2. GRANT OF RIGHTS

- 2.1. Client hereby grants to Kanjian, and Kanjian hereby accepts from Client, the rights and license (the **"License"**) within the Territory during the Term (subject to any particular territorial or term limitations applicable to a particular Recording as notified by Client at time of delivery to Kanjian) to exclusively distribute the Catalog in the Territory in all media and to all DSPs, services and platforms approved by Kanjian and also on Kanjian Websites. Both Parties acknowledge and agree that exclusivity is a requirement of all DSPs supplied by Kanjian.
- 2.2. Kanjian has the right to:
 - 2.2.1. digitally distribute, promote, market, broadcast, stream exploit and, subject to clause 2.4, edit or otherwise use on a commercial basis any part or element of the Catalog, including, without limitation, through the following digital electronic formats: DRM-restricted/tethered and unrestricted downloads, On-demand and interactive streams; any and all other digital delivery methods now existing or become available after the date hereof;
 - 2.2.2. develop and enhance any part of the Catalog for localization purposes, including, without limitation, double-byte character (simplified and traditional Chinese) support;
 - 2.2.3. use the names, likenesses, sobriquets, photographs, biographies and facsimile signatures of each of the artists (**"Artists"**) relating to the Catalog;
 - 2.2.4. supervise the management of metadata and employ the Catalog, or any part thereof, for the purposes of digital data refinement, including but not limited to machine intelligence augmentation, fingerprint generation and identification, tag enhancement, among others.

- 2.2.5. sub-license the rights under clause 2 to DSPs as determined by Kanjian;
 - 2.2.6. on behalf and under the authority of Client to represent Client for the purpose of licensing or sublicensing the Catalog through Kanjian to DSPs; and
 - 2.2.7. take actions relating to other rights and authorities as provided hereunder.
- 2.3. Without limiting the generality of the foregoing provisions, Kanjian shall have the rights to prepare, edit and encode the Recordings, Videos and other material comprising the Catalog in any format for the purpose of facilitating the intent of this Agreement and the exercise of the rights granted to Kanjian under this Agreement.
 - 2.4. Both Parties acknowledge and agree that Kanjian has the right to modify, improve and renovate the Catalog. Intellectual property arising from this modification will always belong to Client. These modifications will include but not be limited to: editing the length and structure of the Recordings, adding voice overs, creating new visual assets for preview and promotion purposes only, subject to clause 3 and clause 7 in this Agreement. For the avoidance of doubt, Kanjian shall not have the right to mix or remix the Recordings, alter artwork or any other digital asset for the purposes of selling it, or modify the Catalog in any other way that may be deemed as derogatory or in any other way that may affect the moral rights of the content owners, without Client's prior written approval.
 - 2.5. Client hereby explicitly agrees that DSPs, which operate within the Territory and their users essentially access the DSP from within the Territory, shall be deemed to be within the Territory regardless of whether they support so called "geo-fencing" restriction to their content. For the avoidance of doubt, for DSPs supporting "geo-fencing" Kanjian shall always instruct DSPs for the Territory restrictions.
 - 2.6. Client will not remove from the Catalog any Recording so that it becomes unavailable for distribution hereunder unless Client no longer has the rights to such Recording because of the expiry of a license agreement (and Client will notify Kanjian at the time of delivery of the Recording of any relevant 3rd party license expiry dates). Upon receipt of a reasonable takedown request in writing from Client, Kanjian shall have no less than thirty (30) business days to issue takedown requests to the applicable DSPs. For the avoidance of doubt, the takedown procedure (including but not limited to manner, timing, etc.) shall be at the DSPs sole discretion. Notwithstanding the aforesaid, Client hereby expressly acknowledges that any removal or replacement of the Catalog may negatively influence Kanjian's collaborations with, and the accrual of settlements from the DSPs, as well as the Client's royalty calculation and rights. In order to avoid such potential repercussions and protect our shared interests, it is mandated by Kanjian that the Catalog authorized by the Client remains available for the purposes of this Agreement for a minimum period of one (1) year from the date of ingesting it without being taken down and devoid of copyright disputes. In addition, Client expressly acknowledges and agrees that Kanjian shall have the right not to replace, modify, or alter the Catalog or any part thereof, that have already been sublicensed to DSPs without prior mutual written consent. Any removal or replacement of Recordings as part of the Catalog made within the Term shall not exceed 5% of the total number of Recordings licensed to Kanjian as part of the Catalog. Failure to abide by these terms may be deemed a substantive violation of the Agreement, for which Kanjian reserves the right to withhold the applicable royalties, dissolve this Agreement, suspend the Client's account, and/or demand compensation for any ensuing damages.

- 2.7. Client is reminded of the exclusive nature of this Agreement and any purported sales or other licenses of any of the Recordings by Client to a subsidiary and/or to a third party occurring during the Term hereof shall be specifically subject to the terms of this Agreement for the full Term hereof.
- 2.8. Notwithstanding any other provision hereunder, Kanjian may determine whether or not distribute the Catalog to each of DSPs based on respective requirements of each, which might be changed from time to time. For the avoidance of doubt, Client and Kanjian acknowledge that this Agreement grants the right but not the obligation to use the Catalog.
- 2.9. Client hereby acknowledges and asserts that the so-called “geofencing” territorial restrictions of making Catalog available is the sole responsibility of DSP and Kanjian shall have no liability and responsibility if DSP does not honor the territorial restrictions provided by Kanjian to DSP through the established at the time method of delivery of Catalog to DSP. In the event that Kanjian discovers a DSP that is not honoring the aforementioned territorial restrictions, Kanjian shall use commercially reasonable efforts to instruct and work with the DSP to apply territorial restrictions. In the event that the DSP continues to disregard such territorial restrictions for a period of thirty (30) days, Kanjian shall notify Client and Client will have the right to issue takedowns of the Catalog, or any part thereof, from the applicable DSP.

3. FREE PROMOTION

- 3.1. Client may designate certain Recordings, Videos and/or other digital assets in the Catalog to be used as promotional items (“**Promotracks**”) for free.
- 3.2. Kanjian may put streams of Promotracks on websites owned or managed by Kanjian for promotional purposes at its own costs.
- 3.3. Kanjian may also provide the Promotracks to third parties for promotional purposes, including, without limitation, operators of digital audio/video programming, commercial download stores, free download websites, webcasters, podcasters, bloggers and community websites, provided, however, that Client may by written notice to Kanjian opt out of any particular promotion.
- 3.4. Notwithstanding any other provision hereunder, Client hereby accepts the promotional nature of the use of the Promotracks and unconditionally and irrevocably waives its rights to charge or otherwise collect any royalties, fees or similar compensation relating to the Promotracks. In addition, after written approval, Client shall be solely responsible for all fees, expenses, clearances and payments of any kind whatsoever in respect of the Promotracks and related promotions, including, without limitation, third-party promotion platform providers and participants, record royalty participants, mechanical, synchronization and public performance royalties payable to publishers for Compositions embodied in the Promotracks, payments to photographers, payments to directors, actors or other participants, or any other royalties, fees and/or sums payable with respect to the use of any Promotracks in any authorized promotion and/or as used by Kanjian in accordance with the terms of this Agreement. For the avoidance of doubt, Kanjian will not incur any costs related to the usage of Promotracks without prior written approval by Client.

4. MATERIALS TO BE PROVIDED BY CLIENT

- 4.1. Client shall provide Kanjian with the materials and information described in Appendix A attached hereto (the “**Deliverables**”) with respect to each title in the Catalog via Client’s own Starcast account, FTP or any other methods agreed upon by both Parties in writing for the purposes of digital encoding and distribution of the Catalog. In the event that Client provides to Kanjian the Deliverables via two or more different methods, Client hereby acknowledges and agrees that the information provided via Starcast and visible on the Starcast dashboard shall be the de facto Catalog for the purposes of this Agreement and with regards to Kanjian’s obligations under this Agreement, including without limitation clause 4.4. herein. Client shall also provide a list of titles comprising the Catalog and such other information as Kanjian shall reasonably request from time to time in connection with this Agreement.
- 4.2. Client shall with delivery of each title provide Kanjian with full details of the Composition Rightsholder together with evidence that Client has necessary licenses to reproduce Compositions with respect to digital distribution of Recordings and/or Videos hereunder. Where Client does not own or control the copyrights of, or otherwise have the right to license, sublicense or use, certain Compositions (the “**Unauthorized Compositions**”), Client shall provide Kanjian with a detailed list of the Unauthorized Compositions as well as the identity and contact information of the copyrights holder(s) of each Unauthorized Composition.
- 4.3. Immediately following the execution of this Agreement, Client shall provide to Kanjian a Catalog list consisting of all Recordings that it owns or controls as of the date of execution hereof. Unless Client provides prior written notice to Kanjian to the contrary, all Recordings shall be deemed to be owned and controlled at all times during the Term and throughout the Territory by Client. For avoidance of doubt, the rights granted by Client hereunder in and to the Recordings shall extend only to the extent of any limitation of Client’s rights therein; provided that Client has provided prior written notice to Kanjian of any such limitations of its rights in and to any such Recordings. Client shall provide Kanjian with all Recordings that are available for licensing.
- 4.4. It is hereby acknowledged and agreed by Client that Kanjian shall not be held liable for any proceedings (including but not limited to delays, refusals, etc.) resulting from incorrect Deliverables provided by Client to Kanjian.
- 4.5. In the event that Kanjian and Client have entered into multiple agreements, regardless of the rights and license granted under any such different agreement, Client shall provide, within fourteen (14) business days from the effective date of each such different agreement, a specific Recordings list applicable to each such different agreement (the “**Applicable Catalog**”) identifying the Catalog or any part thereof by means of, including without limitation, ISRC for each Recording, the title of each Recording, and the Artist for each Recording. In the event that Client fails to provide the Applicable Catalog within the aforementioned period, Client hereby acknowledges and explicitly agrees that Kanjian shall have the right to consider any and all parts of the Catalog applicable to all such different agreements.

5. ROYALTIES AND PAYMENTS

- 5.1. Kanjian shall pay license fees to Client for the License granted hereunder (“**Royalties**”). The Royalties shall be calculated in accordance with Appendix B attached hereto.
- 5.2. Kanjian shall provide a Royalties statement (the “**Statements**”) to Client by making the Statements available on Starcast no later than the end of each month for each of such

previous month (each, a “**Billing Period**”), and shall include the following information: titles of tracks, names of performers, titles of releases, ISRC Codes, number of streaming or downloads, and amounts of Royalties payable and any related Withholding Taxes.

- 5.3. If the amount of the Royalties due and payable with respect to any Billing Period is less than one hundred (100) US dollars (the “**Threshold**”), then the payment of such Royalties shall be deferred to the next Billing Period until the aggregate amount of the Royalties due and payable for all related prior Billing Periods exceeds the Threshold, provided, however, all amount of the Royalties due and payable (regardless whether it exceeds the Threshold) shall be paid to Client.
- 5.4. INTENTIONALLY DELETED
- 5.5. Client shall be responsible for any charges made by its own bank in receiving payments hereunder.
- 5.6. Client hereby acknowledges and agrees that it is Client’s sole responsibility to maintain up-to-date bank details on their Starcast account through the Starcast dashboard. Further, Client hereby acknowledges and explicitly agrees that any changes they make to their bank details shall be subject to Kanjian’s approval, and that any Royalties due shall be paid only to bank details approved by Kanjian.

6. PUBLISHING CLEARING SERVICE

- 6.1. Throughout the Term, Kanjian shall use reasonable commercial endeavors to license the Catalog to DSPs (and others) on the basis that as well as making payments for the exploitation of the Recordings such licensees also make payments for the exploitation of the Compositions.
- 6.2. Kanjian may obtain the Publishing Revenues on terms and conditions as it determines reasonable or appropriate.
- 6.3. Kanjian does not guarantee that all such Publishing Revenues will be obtainable in the Territory. In the event that Kanjian is unable to obtain Publishing Revenues as aforesaid it may remove and/or decline to deliver any related Recording or Video to any applicable DSP. Kanjian shall inform Client of any such removal or non delivery. If Client directs Kanjian to distribute Recordings or Videos without Publishing Revenues being payable, Client shall be solely liable for, and shall indemnify Kanjian for and hold Kanjian harmless against, any and all claims, loss, damages, fees and expenses (including attorney’s fees) incurred by Kanjian or its affiliates arising from or in relation to such distribution without Publishing Revenues.
- 6.4. Kanjian will wherever reasonably possible instruct DSPs and other users of the Catalog to account directly to Composition Rightholders (or their copyright collection society) for any Publishing Revenues payable in respect of the digital exploitation of the Compositions in the Territory. However, in the event that the Publishing Revenue is paid to Kanjian, Kanjian shall, to the extent that the payment is identifiable and provided that Client has demonstrated that it has the necessary licenses to reproduce Compositions with respect to digital distribution of Recordings and/or Videos hereunder, pay the same to Client and Client shall be responsible for paying the Composition Rightsholder and Client fully indemnifies Kanjian from any and all harm loss and liability arising from any failure of Client to correctly pay the Composition Rightsholder.

- 6.5. In respect of Unauthorized Compositions Kanjian will not initially distribute such titles but will at Client's request use reasonable commercial endeavors to procure licenses from the owners of the Unauthorized Compositions necessary for the digital distribution in the Territory of Recordings and/or Videos embodying such compositions (the "**Publishing Clearance Service**"). Kanjian is hereby authorized and entitled to remit Publishing Revenues it receives in respect of the Unauthorized Compositions direct to the owner of such compositions. In respect of the Publishing Clearance Service Kanjian will charge Client fifteen percent (15%) of all such remittances of Publishing Revenues made hereunder to the owners of the Unauthorized Compositions and Kanjian shall be entitled to collect such payment from Client by deducting the same from Royalties otherwise payable to Client.

7. **MARKETING AND EDITORIAL HIGHLIGHTS**

- 7.1. Client hereby authorizes Kanjian to promote and highlight the Catalog or any portion thereof within the Territory via any media during the Term, including, without limitation, on Kanjian Websites.
- 7.2. Client hereby authorizes Kanjian to create a specific profile page for any Artist on Kanjian Websites as Kanjian deems necessary or appropriate.
- 7.3. Client hereby authorizes Kanjian to publicly promote the Artists by providing access to local media outlets including but not limited to sponsoring on website banners, featuring Artist interviews on online magazines or radio programs, and arranging touring opportunities, within the Territory.
- 7.4. Without limiting the generality of this clause 7, and for the purposes of this clause 7, Kanjian may use only assets priorly approved or supplied by Client.
- 7.5. Without limiting anything to contrary herein, Kanjian shall have the right to determine which parts of the Catalog, irrespective of any particular artist, record company or label affiliation, would best further their commercial purposes, and to promote such parts of the Catalog more than others.

8. **TERM OF AGREEMENT**

- 8.1. This Agreement shall take effect on the date hereof.
- 8.2. The initial term of this Agreement shall commence from the date hereof until the third (3rd) anniversary of the Catalog Receipt Date, with successive automatic renewals for one (1) year each, unless otherwise terminated pursuant to clause 15.

9. **OPT OUT PROCEDURES**

- 9.1. In the event that Kanjian enters into a license agreement with any DSP after the date thereof, Kanjian shall notify Client by email the material terms and conditions thereof, including at least usage, territory and license fees, along with information about such DSP, to the extent available. Within fourteen (14) days of Client's receipt of the notice from Kanjian, Client shall have the right to send a notice by email to the following address: content@kanjian.com, to elect not to include the Catalog or any portion thereof in the licensed content under such license agreement, unless as otherwise provided hereunder.

- 9.2. Kanjian cannot guarantee that a DSP will utilize the Catalog or any of the individual Recordings or other material that comprises the Catalog. The method, manner and extent of advertising, distribution, promotion and exploitation of the Catalog with third party DSPs shall be within the sole discretion of such DSP.

10. REPRESENTATIONS, WARRANTIES AND INDEMNITIES

- 10.1. Each Party hereby represents and warrants to the other Party that, as of the date hereof, the following representations and warranties are true, accurate and correct:
- 10.1.1. such Party is duly incorporated and organized, and is validly existing in good standing under the laws of its place of incorporation;
 - 10.1.2. the execution, delivery and performance of this Agreement and the performance by such Party of its obligations under this Agreement:
 - 10.1.2.1. are within the organizational power of such Party and has been duly authorized by all necessary corporate actions, and do not and will not contravene any provision of any applicable laws, such Party's constitutional documents or any contractual restriction binding upon or affecting such Party;
 - 10.1.2.2. to such Party's knowledge, other than necessary approvals by and registrations with any competent approval authority in accordance with applicable laws, such Party's execution of this Agreement and the performance of its obligations hereunder do not require any other approval, authorization, license, exempt, consent or registration from or with any other governmental authorities, court or any other third party, and are not and will not be in contravention of the terms of the constitutional documents of such Party or any amendments thereto;
 - 10.1.3. this Agreement has been duly executed by such Party and constitutes a legal, valid and binding obligation of such Party, enforceable against it in accordance with its terms;
 - 10.1.4. there are no actions, litigations, arbitrations, investigations or proceedings pending (or, to the actual knowledge of such Party, threatened or intended to be initiated) against such Party before any court or any governmental authorities challenging the legality, validity or legitimacy of this Agreement or the transactions contemplated thereunder or which may have material effect on such Party's ability to perform its obligations under this Agreement;
 - 10.1.5. the person(s) executing this Agreement on behalf of such Party are duly authorized to do so; and
 - 10.1.6. such Party is financially sound and has no proceedings instituted against it for winding up or liquidation and has no receiver or any authority of the court appointed over its assets, and is in a position to clear its liabilities as and when they mature.
- 10.2. Client hereby represents and warrants to Kanjian that the following representations and warranties regarding Catalog are true, accurate and correct:

- 10.2.1. it has good and marketable title to, full ownership of or licensed rights to the Catalog and full power, right and authority to grant to Kanjian the rights and the License as contemplated hereunder;
- 10.2.2. all information provided by Client to Kanjian with respect to the Catalog is true, correct and accurate;
- 10.2.3. The Catalog and all parts thereof are original non infringing works (and/or all necessary permissions, licenses and/or sample clearances have been obtained by Client) such that the exercise by Kanjian of the rights granted to it hereunder will NOT give rise to any infringement of the rights of any third parties including (without limitation) copyright infringement;
- 10.2.4. Client is solely responsible for the payments of any and all amounts due to any underlying holders of any rights to the Catalog or any portion thereof, including, without limitation:
 - 10.2.4.1. fees, income, monies, royalties or any other compensation due to artists, producers, copyright owners, Composition Rightsholders, and all other third parties whose performance is embodied in a Recording or Video or is otherwise involved in the creation of the Recording or Videos that are included in the Catalog;
 - 10.2.4.2. any other fees, compensation, royalties or other monies due and or payable with respect to the artwork, metadata, trademarks and logos in the Catalog or materials provided by Client.

11. USE OF CLIENT BRANDING

- 11.1. Client hereby grants Kanjian, on a non-exclusive basis and free of charge, throughout the Term and within the Territory, the right to display Client's and Artists' branding elements (including, without limitation, trademarks, logos, Client name or trade name of Client and/or of its labels and/or affiliates) in materials produced by Kanjian as part of its sales and marketing effort, including but not limited to Kanjian's Website.

12. CONFIDENTIALITY

- 12.1. Unless as otherwise provided hereunder, each Party shall keep strictly confidential, (i) the terms and conditions hereof and of any other related agreement, (ii) the other Party's intellectual property, know-how, trade secrets, strategic or operational plans, technical information, designs, drawings, research & development results, products information, source codes, prototypes, identity of either party's existing or potential customers, pricing methods, market studies and projections, financial information, business operations and legal matters (collectively, the "**Confidential Information**") except as the other Party should agree otherwise in writing; provided, however, that either Party may disclose Confidential Information (i) to the extent required by applicable law so long as, where such disclosure is to a government entity, such Party shall use its reasonable efforts to obtain confidential treatment of the Confidential Information so disclosed, (ii) to the extent required by the rules of any securities regulatory authority, and (iii) to its officers, directors, employees, professional advisors, investors and financing sources as necessary and on a strictly confidential and need-to-know basis.

13. INTELLECTUAL PROPERTY INFRINGEMENT

- 13.1. If the Catalog or any right in connection therewith has been infringed by a third party in the Territory, Kanjian may, in the name of Client and on its behalf as its attorney-in-fact, engage in any and all investigations. Upon Client's approval, Kanjian may, in the name of Client and on its behalf as its attorney-in-fact, engage in any and all legal action including but not limited to negotiations, settlements, initiation of lawsuits and take any other necessary actions. Client is obligated to render full co-operation and assistance to Kanjian, its advisors and agents with respect to any such action. Any and all attorneys' fees, costs of suit, as well as other costs and expenses in relation to Kanjian's action taken pursuant to this clause shall be equally shared by the Parties. Kanjian may make advances of these payments and Client shall reimburse Kanjian for its share of such amounts. Kanjian may also deduct Client's share of such payments and payment advances from any amounts received from third parties.
- 13.2. Upon Kanjian's request, Client shall provide adequate proof to substantiate a good faith claim to rights of a Recording, Video or other portion of the Catalog. If Client fails to do so, Kanjian may in its sole discretion exclude any portion of the Catalog so affected from all licensed content with respect to any or all DSPs.
- 13.3. Kanjian undertakes to use its commercially reasonable efforts to take reasonable measures to prevent the Catalog from any unauthorized use. The Parties expressly agree that Kanjian shall not be responsible for any unauthorized use of the Recordings or Videos by any third party. Client agrees that if Kanjian becomes aware that any Catalog has been infringed by a third party in Territory, Kanjian may take appropriate action to protect the Catalog and interests of both Parties, provided that in the event such action shall result in a cost or expense, such cost or expense shall be approved by Client in writing prior to its execution.

14. BREACH OF AGREEMENT

- 14.1. Unless as otherwise provided hereunder, a Party shall be in breach of this Agreement if it fails to willingly perform, or unlawfully suspends its performance of, its obligations under this Agreement.
- 14.2. Either breaching Party (the "**Indemnifying Party**") shall indemnify the non-breaching Party (the "**Indemnified Party**") if Indemnifying Party fails to remedy such breach to the satisfaction of the Indemnified Party within thirty (30) business days after the Indemnified Party delivers a written notice to the Indemnifying Party in respect of, and hold the Indemnified Party harmless against, and shall compensate, reimburse and pay for, any and all Losses suffered or incurred by the Indemnified Party arising from or in relation to:
 - 14.2.1. any breach of any of the Indemnifying Party's representations or warranties hereunder;
 - 14.2.2. any breach, default or non-performance of any of the Indemnifying Party's obligations or covenants hereunder;
 - 14.2.3. any breach or violation by the Indemnifying Party of any applicable laws; or
 - 14.2.4. the enforcement of this indemnity.

- 14.3. The Indemnifying Party shall forthwith on demand and in no event later than thirty (30) business days from such demand reimburse the Indemnified Party of such Loss suffered or sustained by the Indemnified Party.
- 14.4. It is hereby acknowledged and agreed by the Parties that in the case whereby the breach of Agreement is an indirect result of the Indemnifying Party and/or is the result of any third party's action, the Indemnifying Party shall be hold harmless against any and all Losses suffered or incurred by the Indemnified Party.
- 14.5. Kanjian may withhold all or any portion of and payments otherwise due to the Client hereunder until any claims, demands, suits, causes of action, legal or administrative proceedings, actual damages, punitive damages, penalties, fines, charges, costs, judgments, liens, losses, debts, liabilities and expenses of any kind whatsoever subject to indemnification by Client have been fully resolved.

15. TERMINATION

- 15.1. This Agreement may be terminated
 - 15.1.1. By written agreement of the Parties; or
 - 15.1.2. By either Party upon written notice to the other Party in any of the following cases:
 - 15.1.2.1. if the other Party materially breaches this Agreement and fails to remedy such breach to the satisfaction of the termination Party within thirty (30) business days after the terminating Party delivers a written notice to the other Party; or
 - 15.1.2.2. If the terminating Party delivers the termination notice to the other Party not less than sixty (60) days prior to the date on which the initial Term or any successive renewal Term expires; or
 - 15.1.2.3. if the other Party is unable to pay its debts when due, or makes an assignment for the benefit of its creditors, or files a petition under applicable bankruptcy or insolvency Laws seeking relief, or is otherwise deemed or adjudicated bankrupt or insolvent.
- 15.2. Unless as otherwise provided hereunder, this Agreement shall become null and void upon termination, and there shall be no further liability or obligation on the part of either Party; provided, however, that (a) any right, provision or obligation of this Agreement that by its nature or are expressly provided to survive thereafter shall survive following any such termination, including but not limited to clauses 12 (Confidentiality), 13 (Intellectual Property Infringement), 14 (Breach of Agreement), 15 (Termination), 16 (Miscellaneous), provided, however, that the representations and warranties under clause 10 shall survive the termination of this Agreement for two (2) years; and (b) save as otherwise provided herein, each of the Parties shall remain liable to the other for any sums of money payable and for any breach of this Agreement existing at the time of such termination.
- 15.3. In the event that Client publishes any content anywhere in any language that disseminates obscenity, pornography, gambling or violence, or contains remarks on religious, cultural, or ethnic matters, including defamatory or insulting remarks, or content that may incite violence against certain groups, or any other content which violates Chinese laws and regulations, Kanjian reserves the right to unilaterally terminate this

Agreement and withdraw from the Agreement. All associations, affiliations and uses of trademarks will no longer be permitted.

- 15.4. This Agreement may be terminated immediately by Kanjian in the event that Client commits any act of fraud:
 - 15.4.1. Fraud shall be defined for purposes of this Agreement, but not limited to, as a using artificial means now known or hereafter devised, to increase revenues from DSPs, without the knowledge of Kanjian.
 - 15.4.2. Notwithstanding anything herein to the contrary, this Agreement shall terminate and no payment of any fee hereunder shall be made to or on behalf of the Client, if the Client has engaged in fraud, embezzlement or willful misconduct with respect to its obligations hereunder.
 - 15.4.3. If the termination of this Agreement is a result of fraud, Kanjian shall be entitled to recover from the Client all out-of-pocket expenses which such Kanjian has incurred and the termination of this Agreement shall not be deemed or construed as limiting or denying any other legal or equitable right or remedy of Kanjian.
- 15.5. Regardless anything to the contrary, in the event that Kanjian enters into an agreement with regards to licenses granted to a DSP under clause 2, including, without limitation clause, 2.2.4 herein (the "**Sublicensed Catalog Agreement**"), the Term for the Sublicensed Catalog Agreement shall be one (1) year from the effective date of the Sublicensed Catalog Agreement, or the Term of this Agreement, whichever is later.

16. MISCELLANEOUS

- 16.1. This Agreement shall be governed by, and construed in accordance with, the laws of the PRC.
- 16.2. In the event that any dispute arises in connection with the conclusion, performance or interpretation of this Agreement, the Parties shall attempt in the first instance to resolve such dispute through friendly consultations. If the dispute cannot be resolved in this manner within thirty (30) business days after the dispute arises, any party shall be entitled to submit the dispute for arbitration to
- 16.3. in Shanghai in accordance with the arbitration rules of CIETAC then in effect. The arbitral award shall be final and binding on the Parties. The arbitration tribunal shall consist of one (1) arbitrator to be agreed upon and appointed by the Parties. In the event the Parties cannot agree upon an arbitrator within twenty (20) days after the arbitration notice is served, the arbitrator shall be appointed by the Chairman of CIETAC. The arbitration proceedings shall be conducted in both English and Chinese.
- 16.4. Except as otherwise provided hereunder, each of the Parties shall pay for its own costs and expenses incidental to this Agreement and all transactions in connection therewith.
- 16.5. Except as otherwise provided hereunder, any and all tax liabilities arising in relation to this Agreement and related transactions shall be borne by each Party in accordance with relevant tax law applicable to such Party at the time such liabilities arise.
- 16.6. If at any time any one or more provisions hereof is or becomes invalid, illegal, unenforceable or incapable of performance in any respect, the validity, legality,

- enforceability or performance of the remaining provisions hereof shall not thereby in any way be affected or impaired.
- 16.7. Client shall not, without the prior written consent of Kanjian, assign, transfer, charge, sub-contract or deal in any other manner with all or any of its rights or obligations under this Agreement. Notwithstanding the foregoing, where Client is subject to: (i) a sale of all or substantially all of its assets, or (ii) a change in its ownership or control, it:
- 16.7.1. shall notify Kanjian in writing no less than 30 days from becoming legally bound to a sale or change in ownership; and
- 16.7.2. shall assign in full its rights and obligations under this Agreement to the applicable successor in interest.
- 16.8. In the event that Client is experiencing or likely to experience a change in ownership, control, or management shall provide to Kanjian not less than thirty (30) days' prior written notice (or, where this is not possible, such prior notice as is reasonable in the circumstances) of any such change in ownership, control, or management taking effect. For the purpose of this clause 16.7, "control" means owning or having control over the voting rights attaching to not less than 50% of the issued ordinary share capital of Client, or controlling (directly or indirectly) the appointment of a majority of the board of management.
- 16.9. This Agreement shall be binding on and shall inure for the benefits of the successors and assigns of the Parties hereto but shall not be assigned by any Party without a written notification to the other Party.
- 16.10. No failure of any Party to exercise and no delay on its part in exercising any right hereunder will operate as a release or waiver thereof, nor will any single or partial exercise of any right under this Agreement preclude any other or further exercise of it or the exercise of any right or prejudice or affect any right against others under the same liability whether joint, several or otherwise.
- 16.11. Any variation to this Agreement shall be binding only if it is pursuant to a document signed by all the Parties.
- 16.12. The rights and remedies provided in this Agreement are cumulative and not exclusive of any rights or remedies provided by law.
- 16.13. This Agreement constitutes the entire agreement and understanding between the Parties in connection with the subject-matter of this Agreement and supersedes all previous proposals, representations, warranties, agreements or undertakings relating thereto whether oral, written or otherwise and neither Party has relied on any such proposals, representations, warranties, agreements or undertakings.
- 16.14. This Agreement may be entered into in any number of counterparts and by the Parties to it on separate counterparts, each of which when so executed and delivered shall be the original, but all the counterparts shall together constitute one and the same instrument.
- 16.15. The Parties shall use all commercially reasonable efforts to take or cause to be taken all necessary or appropriate actions and do, or cause to be done, all things necessary or appropriate to consummate and make effective the transactions contemplated

hereunder, including the execution of any additional document or instrument that may be reasonably necessary or appropriate to carry out any of the provisions hereof.

- 16.16. Notices or other communications required to be given by a Party pursuant to this Agreement shall be written in English or Chinese and shall be delivered personally, sent by a recognized courier service or by email to the address of the other Party set forth below. The dates on which notices shall be deemed to have been duly received shall be determined as follows:

16.16.1.1. Notices given by personal delivery shall be deemed duly received on the date of personal delivery.

16.16.1.2. Notices given by courier shall be deemed duly received on the date indicated on the receipt.

16.16.1.3. Notices given by email shall be deemed duly received on the first business day following the date of successful transmission and receipt.

Notices to Client: Client's email address

Notices to Kanjian: legalaffairs@kanjian.com

- 16.17. Both Parties acknowledge that Client has been provided with a period of thirty (30) days of the date hereof, in which to consider whether or not to enter into this Agreement, after which period, and provided that Client has not entered into this Agreement, Kanjian shall have the right to revoke this Agreement without any notice to Client.
- 16.18. Each Party acknowledges and represents that, in executing this Agreement, it has received advice as to its legal rights from legal counsel and that the person signing on its behalf has read and understood all of the terms and provisions of this Agreement. Furthermore, the agreement is understood to have been composed with the involvement of one or both Parties and their respective legal counsel. While the Agreement may have been primarily drafted by one Party, it is considered a collective work and any interpretation thereof should not prejudice any Party due to their role in its preparation or formatting.

DELIVERABLES

(Appendix A)

1. Client will provide Kanjian with the technical, graphic and artistic elements necessary for the integration of each item in the Catalog into the Services, in accordance with Article 4 of this agreement, including:
 - 1.1. Recordings:
 - Form: files encoded using WAV 16bit or better;
 - 1.2. CD artwork, packaging of the Recording or photograph of the performing artist:
 - Format: JPEG files;
 - Resolution (number of pixels): to be determined by KANJIAN
 - 1.3. Music Videos:
 - Codec: H264; 5000kbps; Audio>192Kbps; Framerate 29.97fps;
 - Height: >= 720(e.g. 1920x1080@16:9 or 1440x1080@4:3)
2. Client will provide KANJIAN with the information necessary for the integration of each Recording in the Catalog into the Services, in accordance with Article 4 of this agreement, i.e. an XML file specifying for each Recording and album:
 - the name of the performing artist(s),
 - the title of the Recording and of the album
 - the record label,
 - the total length of the Recording / the album,
 - the ISRC code of the Recording and the UPC code of the album,
 - the musical genre (optional),
 - the name of the author and composer of the Recording,
 - the delivery date (optional),
 - the release date (from which the Recording / the album can be available for the end users from the Site).
 - the rights pertaining to each Recording (territories, commercial mode)

ROYALTIES

(Appendix B)

1. The Parties acknowledge and agree that:
 - 1.1. Kanjian is expected to receive payments, royalties, proceeds or other monies or remuneration from DSPs for the use of the Catalog or any portion thereof (other than Compositions with respect to which Client is not a licensee or otherwise does not now own or control copyrights, or Compositions where direct accounting from the DSP to the rights holder has been procured), and from downloads and distribution of the Catalog or any portion thereof via Kanjian's own website (<http://www.kanjian.com>), save for monies deducted by DSPs and wire transfer charges (collectively, the "**Gross Receipts**").
 - 1.2. Any and all Withholding Taxes levied by any tax authorities on the Royalties shall be deducted from the Royalties before the Royalties are paid to Client. Client hereby authorizes Kanjian to, and Kanjian shall, in accordance with the terms of this Agreement and subject to the applicable laws, report, pay or withhold any tax payable on the Royalties in the Territory.
2. Royalties shall be calculated and distributed in the following amounts and order of priority:
 - 2.1. First, Kanjian will withhold Publishing Revenues as payments to the copyrights holders of the Compositions from the Gross Receipt, if applicable. The remaining Gross Receipts is hereinafter referred to as the ("Net Receipts").
 - 2.2. Second, twenty percent (20%) of the Net Receipts shall be retained by Kanjian for its services hereunder. The remaining eighty percent (80%) of the Net Receipts shall be the Royalties payable by Kanjian to Client hereunder.
 - 2.3. Third, the Royalties, net of the Withholding Taxes, shall be paid to Client promptly after Withholding Tax clearance, if applicable.
3. Kanjian shall be responsible for completing PRC tax and foreign exchange procedures relating to the payments of the Royalties to Client. Client shall promptly provide Kanjian with all documents and information as requested by Kanjian or the tax authorities for paying taxes on the Royalties.
4. For the purpose of the calculation and payments of the Royalties Payable, the Parties agree to use the intermediate exchange rate between USD and RMB published by the People's Bank of China or its agent on the date of payment of the Royalties Payable.