



**RED KITE**  
INTERNATIONAL



*Delivering International Business Solutions*

**SAMPLE TERM SHEET**

Term sheet for an agreement between (*licensor*) and (*licensee*)  
(Example: A London based UK magazine to be published in Spain).

<b>Type of Agreement:</b>	License
<b>Use of title:</b>	Magazines and branded Special Issues.
<b>Territory:</b>	Spain
<b>Language:</b>	Spanish
<b>Term:</b>	Initial: Five (5) years
<b>Renewal:</b>	Five (5) years (provided attainment of minimum financial performance).
<b>Notice period:</b>	180 days
<b>Launch date:</b>	September 2010
<b>Conditions:</b>	<ol style="list-style-type: none"><li>1. Monthly frequency</li><li>2. Minimum 100 pages per issue</li><li>3. European A4 format</li><li>4. Annual review of business plan by October 1.</li></ol>
<b>Content supplied by licensor:</b>	Text, photographs and other materials from the UK edition of ( <i>Magazine</i> ) which shall constitute not less than ( <i>negotiated</i> ) percent of the editorial content of the Spanish edition of ( <i>Magazine</i> ), except by prior agreement. ( <i>Licensee</i> ) may use such materials without charge to the extent ( <i>licensor</i> ) owns or controls rights to such material. ( <i>Licensee</i> ) shall be charged for any materials that require additional re-use fees.
<b>Ownership rights:</b>	Subject to this license, ( <i>licensor</i> ) shall be the copyright and trademark owner of all material and content used in or created for ( <i>Magazine</i> ), including any translations of material supplied by ( <i>licensor</i> ). ( <i>Licensee</i> ) shall grant to ( <i>licensor</i> ) a royalty-free license to publish material created for ( <i>Magazine</i> ) worldwide in any language in any edition of ( <i>Magazine</i> ).
<b>Fees and royalties:</b>	<p>Year 1: Greater of: minimum UK£(<i>negotiated</i>) or (<i>negotiated</i>)% of revenues. Year 2: Greater of: minimum UK£(<i>negotiated</i>) or (<i>negotiated</i>)% of revenues. Year 3: Greater of: minimum UK£(<i>negotiated</i>) or (<i>negotiated</i>)% of revenues. Year 4: Greater of: minimum UK£(<i>negotiated</i>) or (<i>negotiated</i>)% of revenues. Year 5: Greater of: minimum UK£(<i>negotiated</i>) or (<i>negotiated</i>)% of revenues.</p> <p>Year 6: (To be negotiated prior to renewal, but to be no less than the minimum standards in year 5).</p> <ul style="list-style-type: none"><li>• Other monthly service and re-use fees (as applicable).</li><li>• Quarterly royalty reporting to licensor.</li><li>• Licensor has audit rights.</li></ul>
<b>Payment schedule:</b>	<ol style="list-style-type: none"><li>1. Year 1 minimum guarantee payment due upon contract signature.</li></ol>

2. Years 2 – 5 minimum guarantee payments due by January 15 of each publishing year.
3. Additional earned royalty payments (if any) due by March 1 of succeeding year.
4. Service and/or re-use fees due within 30 days of receipt of invoice.

**Editorial Control:**

1. Final approval of editor-in-chief and art director.
2. Required review by licensor of cover images, cover lines and table of contents prior to publication of launch issue. Periodic review thereafter.
3. Adherence to editorial and production standards of (*Magazine*).

**Termination:**

1. Breach of material obligation.
2. Violation of publishing standards.
3. Financial under-performance.
4. Failure to print and/or distribute sufficient copies.
5. Misuse of editorial materials.
6. Bankruptcy or force majeure.
7. Change of ownership or control.
8. Non-payment of royalties.

**Non-compete:** One year for licensee upon termination.  
Two years for licensee or licensor upon breach of contract. (*Non-compete only applies to the breaching party*).

**Competitive business activity:** Any Spanish-language print publication with primary focus in the areas of (*categories of interest*) plus specifically-named competitive titles (*list to be provided in contract*).

**Governing Law and Venue:** UK

The aforementioned terms are an outline, in summary form, of the more significant terms of the proposed arrangement between (licensor) and (licensee). The contract will include the terms set forth above, in more specific detail, as well as standard warranties and indemnities and such additional terms as may be agreed upon by the parties.

Signed:

For Licensee  
Name: \_\_\_\_\_

Title: \_\_\_\_\_

For Licensor  
Name: \_\_\_\_\_

Title: \_\_\_\_\_