

THE MAC CARTHY FOUNDATION APPLICATION POLICY FOR SOLO SONG WRITING ARTISTS

Section I – General

1.0 Applicant Agreement – Terms of Application

1.1 By submitting an Application, an Applicant agrees to be bound by the terms of this policy which constitutes the Terms of Application. Prospective Applicants are advised to review the rules and contents of this policy in advance of submitting their Applications. This application is for **solo song writers creating original works in the folk/popular music genre.**

1.2 The Applicant warrants that:

- a) The Application (including its accompanying Artist/Applicant Profile) has been prepared in good faith.
- b) The Applicant has full right and title to exploit any copyrights or other intellectual property as contemplated in the Application, and to enter into separate Agreements with THE MAC CARTHY FOUNDATION or its funder, CARO MIO HOLDINGS Ltd, and the Producer of their Project.
- d) The information contained in the Applicant/Artist Profile and the Application is true and complete.
- e) The MAC CARTHY FOUNDATION (THE FOUNDATION) or CARO MIO HOLDINGS Ltd shall have right to withdraw all or part of the funding for a project

if,

i/ after a project has been approved, the artist subsequently fails to attend for one or more scheduled recording sessions,

if,

ii/ in view of THE FOUNDATION, the Artist is abusive to the studio musicians who may work on their project, or is abusive to the producer or executive producer of their project.

if

iii/ due to an Applicant's lack of availability, the project cannot not, even with granted extensions, be completed within 2 months of the initially mutually agreed upon completion date, the applicant will be deemed to be in Default of the agreement between the Applicant and THE MAC CARTHY FOUNDATION/CARO MIO HOLDINGS Ltd. (See below for the result of Default being declared).

if

iv/ for some unforeseen reason the producer of an Artist's project is unable to complete a project for the Artist, e.g. because of ill health on the part of the producer, THE FOUNDATION will, with the agreement of the Artist, and, if funds allow, make its best efforts to find an alternative producer to complete the project that was agreed to with the Artist. If that does not prove possible the Artist will be given any mastered copies of their already recorded music created with the original Producer and will be free to use them subject to the conditions of the agreement(s) they had initially signed with CARO MIO HOLDINGS Ltd and/or the Producer of their project.

1.3 The Applicant/Artist and their representatives, legal surrogates, parent companies, affiliates, subsidiaries and divisions assume the entire risk of any loss and damage arising out of the Application for

funding of their project, should their application not be successful.

1.4 The Applicant/Artist indemnifies THE MAC CARTHY FOUNDATION and CARO MIO HOLDINGS Ltd (and their directors, officers and any employees) against any direct, indirect, consequential or incidental loss or damage arising out of the Application, its approval or non-approval, or the payment or non-payment of funding of a project.

1.5 The Applicant/Artist may not institute any claim or legal proceeding against THE MAC CARTHY FOUNDATION or CARO MIO HOLDINGS Ltd (or their directors, officers or employees) or a producer of their proposed project, by reason of any approval or disapproval by THE MAC CARTHY FOUNDATION or CARO MIO HOLDINGS Ltd in connection with an Application for funding or in connection with any payment or allocation of funding for any approved project.

1.6 Applicants under the age of 18 must, in addition to the completed application package, submit a consent form signed by a parent or legal guardian allowing them to enter into separate agreements with THE FOUNDATION and or CARO MIO HOLDINGS Ltd and the producer of their Project.

1.7 When it comes time for an Artist to sign,

a/ an agreement with THE FOUNDATION or CARO MIO HOLDINGS Ltd,

b/ a separate and distinct one with the producer of their Project,

it is advised that the Artist consider having a lawyer or experienced expert in the field of music contracts review the contract they are being offered before they sign anything.

THE FOUNDATION, CARO MIO HOLDINGS Ltd and the Producer of the Artist's project are determined to be more than fair to any Applicant/Artist but it is important that an Artist is fully informed about what they are signing on to, because music contract law can be quite confusing and we want any Artist to make fully informed decisions before committing to a contract with either THE FOUNDATION, CARO MIO HOLDINGS Ltd and/or the Producer of their Project.

If an application looks promising to be funded as a project, the full application process involves an interview between THE FOUNDATION, CARO MIO HOLDINGS Ltd, the proposed Project producer and the Artist. It is quite acceptable and advisable, at the time of that initial interview, that an Artist have a lawyer or an experienced advisor accompany them to the interview. The Artist is allowed however to only have one such advisor accompany them to the interview. The same policy regarding the presence of an advisor also applies to any subsequent and separate discussions that the Producer may have with the Artist regarding the contract that the Artist will need to sign with the Producer regarding amongst other things, producer royalties that would be owed to the producer following the commercial release of the songs that constitute the Artist's Project.

It is important for the Artist/Applicant to realize that the Producer of their proposed Project is hired by THE FOUNDATION on a project by project basis, and the producer is a distinct separate legal entity. Any contract the Artist signs with a Producer regarding producer royalties on the Artist's commercially released music, produced during a MAC CARTHY FOUNDATION or CARO MIO HOLDINGS Ltd funded project etc, are issues between the Artist and the Producer to agree upon. THE FOUNDATION's goal is to facilitate the creation and release of original folk/popular music by Artists who may not otherwise be able to access the opportunity to have their music heard by the general public.

2.0 Eligible Artists

2.1 Only Canadian Solo Singer/Songwriter Artists are eligible to apply and to be the subject of an application.

2.2 Non-resident Canadian Artists are also eligible to apply.

2.3 In order to make efficient use of the FOUNDATION's funds that it receives from CARO MIO HOLDING's Ltd, and to ensure that support is available for new entrants, the Board of THE FOUNDATION will ultimately determine on a case-by-case basis for each Artist, how many projects an Artist may have funded for throughout the FOUNDATION's lifetime.

3.0 Canadian Citizenship

3.1 Only Canadian citizens and permanent residents of Canada are eligible for FOUNDATION funding.

4.0 Language Requirements

4.1 Sound recordings with lyrics that are at least 50% in English are eligible for FOUNDATION support.

5.0 Offensive Material

5.1 The FOUNDATION may refuse funding to projects featuring any **lyrics and artwork** that contain illegal or offensive material.

5.2 All General Agreements include a clause related to offensive material, which provides that no portion of THE FOUNDATION's funding shall be used toward, and none of the project costs may include, the creation of any intellectual property and material that is or contains:

- a) Hate propaganda, obscene or child pornography, or any other illegal material as defined in the Criminal Code;
- b) Pornography or other material having significant sexual content.
- c) Excessive or gratuitous violence, and
- d) Material that is denigrating to an identifiable group, or any other similarly offensive material.

5.3 A breach of the General Agreement clause related to offensive material is an Event deemed worthy of a declaration of Default for a project, which may lead to the Artist being required to repay in full the funding spent on a project up till the date of Default being declared.

6.0 Default

6.1 The General Agreement sets out the contractual definition of Default, including Events and Effects of Default.

6.2 An Artist who is found in Default may not have any more of their project funded and is deemed ineligible to apply for any further funding, until the FOUNDATION's Board of Directors has, in its sole judgment, declared the Default to have been remedied. Such remedies may include the full repayment to CARO MIO HOLDINGS Ltd of the fees spent on a project until the date when Default was declared.

6.3 If an Artist, found in Default, has more than one active Application, all Applications of that Artist will also be considered in Default and may be put on hold until such time as all Defaults by the Artist have been declared by the FOUNDATION's Board of Directors to have been remedied.

6.4 An Artist who has been found in default as a Recipient is ineligible as the subject of an application by any Applicant, regardless of that Applicant's good standing, except by permission of THE FOUNDATION or until THE FOUNDATION has declared the Artist's Default to have been remedied.

6.5 "Default" means that the Artist is in breach of contract. At CARO MIO HOLDING Ltd's sole option, a finding of default means that all funds already disbursed and those still owing to the Producer for the work done on a project up till the date that "Default" was declared must be repaid by the Artist to CARO MIO HOLDINGS LTD, as set out in the General Agreement within 30 days of an Artist being declared of being in default by THE FOUNDATION or CARO MIO HOLDINGS Ltd; the cross-default provisions of the General Agreement apply, meaning that the Artist and any affiliated companies, partners and shareholders may also be held in Default.

The Artist will be supplied with a detailed accounting of the costs that the Producer has incurred on their project up till the date of "Default" being declared. That detailed account of the funds owing to CARO MIO HOLDINGS Ltd, will accompany the notice of "Default" sent to the email address that the Artist has given to THE FOUNDATION/CARO MIO HOLDINGS Ltd as their contact address. If the Artist has changed their email address or any other contact information from what was on their original application form, it is

their responsibility to notify both the producer of their Project, THE FOUNDATION and CARO MIO HOLDINGS Ltd of that change as soon as possible and no later than 7 days after the changes were made.

If the Artist does not repay the funds incurred on their project within 30 days of receiving written notice of their “Default” and the detailed accounting of the funds owing, CARO MIO HOLDINGS Ltd and/or the producer of the Project will be entitled to 100% of the copyright of all the Mastered tracks already produced in the Artist’s Project.

7.0 Deadlines and Extensions

7.1 Once THE MAC CARTHY FOUNDATION or CARO MIO HOLDINGS Ltd has signed an agreement to fund a project, it is a condition of that funding that the Artist whose project has been approved meet all the deadlines for each Milestone that had been mutually agreed to by the artist, THE FOUNDATION and the producer for the Project before the project began. Milestones include (but are not limited to) completing each Component of a project by a certain mutually agreed to date, commercially releasing a sound recording of the entire project, post completion of that project, by a certain date, at the latest by 6 months of completion of the project. A limited number and duration of extensions may be available depending on the nature of the Milestone and the nature of the funded Project.

7.2 Extensions are never assumed or automatic. It is the Artist’s responsibility to request an extension (if available) prior to the deadline passing. To do so, the Artist should send an email to the producer of their project, giving the reason for the request and proposing a new date which must be within the limits set out below.

THE FOUNDATION and /or the producer of the project may grant an extension subject to the rules laid out below.

a) In some cases, extensions may be available. When a deadline passes without the Artist asking for an extension (if available), the Artist will be sent a Notice advising them that they may fulfill the requirement of the Milestone or request an extension provided that they do so within a Grace Period of seven calendar days. If the Artist does not respond within that Grace Period, then all available extensions will be deemed to have expired.

b) When the available extensions have expired (whether deemed or actually) and the Artist has still not met the requirements of the Milestone, then the Artist will be found to be in Default for that project.

8.0 Appeals

8.1 There is no automatic right of appeal if THE FOUNDATION or CARO MIO HOLDINGS Ltd declares an artist to be in Default as per the terms of the General Agreement.

9.0 Other Sources of Funding

9.1 THE FOUNDATION deems all Applications and agreements between Caro MIO HOLDINGS Ltd, itself, and Applicants/Artists to be confidential.

9.2 For all proposed FOUNDATION/CARO MIO HOLDINGS Ltd funded projects, Applicants must disclose all other Public Funding that may or will be applied toward their proposed project to THE FOUNDATION at the time of their application.

9.3 THE FOUNDATION considers revenue derived from “crowdfunding” (e.g. Kickstarter, Patreon etc.) to be private, not Public Funding.

Section II – Profiles

10.0 Artist/Applicant Profiles Submission

10.1 Every Artist that submits an Application must also submit an **Artist Profile** with their application.

An Artist Profile should consist of:

- a/ A short BIO of the Artist,
- b/ Their relevant life experiences,
- c/ Their musical influences,
- d/ A summary/timeframe of when they began writing original music,
- e/ A brief listing of any prior public performances of their original material, especially those performances that included any of the songs they hope to record on their proposed project.
- f/ The Applicant/Artist should also indicate if they have been paid for musical performances in the past.
- g/ They also need to indicate if they have any prior experience with having their music recorded in a professional recording studio.
- h/ The Artist Profile should include the Artist's goals for their proposed project and what they hope to achieve with the commercial release of a completed project.

10.2 Applicant Profiles and Artist Profiles are subject to verification by THE FOUNDATION staff.

10.3. No Application will be considered until the Artist Profile or Applicant Profile has been verified.

Section III – Application Process

11.0 Application Process

11.1 Prior to making an Application, all prospective Applicants are advised to first:

- a) Create an up to date Applicant/Artist Profile, which must accompany their application form.
- b) Send the following 3 items:
 - i/ A completed downloadable application form (available in a pdf format on The MacCarthy Foundation website),
 - ii/ The Artist/Applicant Profile,
 - iii/ An audio file containing up to 3 of their own original scores, in MP3 format, that they plan to use in their project,

to the contact email address for applications, which is listed on THE MAC CARTHY FOUNDATION website.

c/Applicant/Artist Profiles should reflect up to date information on the artist.

d/ Applicants under 18 years of age must have a signed Parent or Legal Guardian Consent Form accompany their complete application package.

11.2 All Applications for projects are subject to the availability of funds as determined by THE FOUNDATION.

11.3 Incomplete Applications will be rejected.

11.4 If any applicant knowingly submits false information the project will remain on hold status for further review.

11.5 THE FOUNDATION encourages the Applicant to send documentation in their Artist Profile that may support their application such as video links of their prior original musical works that may be available on social media platforms, as they may help the Directors of the FOUNDATION to better evaluate their musical talent and prior creativity.

11.6 Hard copy Applications are not accepted, unless the Applicant has received permission in advance from THE FOUNDATION.

11.7 The information submitted in the Applicant/Artist Profile, as well as the contents of the Application and all related documentation are part of the General Agreement if the project is approved.

11.8 Once the Application has been submitted, THE FOUNDATION's Board of Directors will review the documentation to ensure the eligibility of the Applicant, the project proposed by the applicant and its potential costs. Board members recuse themselves from all discussion and decisions related to applications in which they have a conflict of interest. THE FOUNDATION may then, at its discretion, contact the Applicant to ask for additional materials or other clarification.

11.9 THE Foundation reserves the right to refuse any Application, for any reason, or to propose or impose modifications to the project as proposed by the applicant.

11.10 It is not necessary for an applicant to propose a budget to accompany their application, as a number of factors, such as the eventual size of any agreed upon project, will be the eventual determinant of the budget committed to by THE FOUNDATION.

11.11 It is helpful to the FOUNDATION if any applicant indicates the number of tracks (songs) of original music they are proposing the FOUNDATION fund in any proposed project that they are applying for.

11.12 THE FOUNDATION reserves the right to make inquiries with third parties to verify any statements submitted in an application.

11.13 THE FOUNDATION's Board of Directors has final approval in respect of all Applications. The Board of Directors may, while finding an Application and its proposed project worthy to be fully funded, be unable in any particular year, to fully fund the project the artist has applied for, due to commitments to other artists. In that situation the applicant will have the option of having their project completed in part or they can reapply at a later date when funds may be available to have their project approved in its entirety. Funded projects may consist of funding for projects that consist of anywhere from one song to a full length album in the 30-60 minute range.

11.14 Once the Board of Directors has approved or rejected an Application as a possible project, the applicant will be notified in a reasonable timeframe.

11.15 If an applicant's project is deemed potentially fundable by THE FOUNDATION, an in person or a virtual meeting will follow to discuss the logistics and details of how any proposed project may unfold. It is only after such a meeting that an applicant may be offered a contract guaranteeing funding for either part or all of their project.

Prior to that interview the Applicant/Artist will be requested to send an audio file in MP3 format of all the original songs they hope will be included in their project. It is very **IMPORTANT** that THE FOUNDATION and the producer of a proposed project have sufficient time to listen in detail to all the songs that an Artist is hoping to have included in their project. To that end, any interview after an application is deemed potentially fundable will be scheduled for 2-3 weeks after THE FOUNDATION and the producer for a potential project have received **all** the songs for the Artist's proposed project in MP3 format from the Artist.

11.16 If after the interview referred to in 11.15, an agreement in principle is reached between the applicant and the representative of THE FOUNDATION as to the nature of the project, then THE FOUNDATION/CARO MIO HOLDINGS Ltd, will offer the Artist a written contract to fund the agreed to project. **The contents of that offered contract will be subject to the conditions listed in this application policy.** Apart from the contract between the Artist and CARO MIO HOLDINGS Ltd, the Artist will also need to sign a separate contract with the producer regarding their relationship and potential producer royalties following the commercial release of the Artist's work. It is only when both of those contracts, one with CARO MIO HOLDINGS Ltd, and one with the project producer, have been signed by the Artist that any project co-ordinated by THE FOUNDATION can begin.

11.17 All Recipients of project funding by CARO MIO HOLDINGS Ltd are solely responsible for any income tax implications that may arise as a result of their receipt of funding for their project. It is important for an Applicant who has a project approved by THE MAC CARTHY FOUNDATION to understand that they will not receive any cash payment from either THE FOUNDATION or CARO MIO HOLDINGS Ltd for their project. The benefit to the Artist is that they are provided with pro bono studio time, which includes the costs for any professional session musicians hired by the producer of the project to optimize the Artist's original work, in addition to the recording, mixing and mastering of their tracks on their project.

Section IV – WHAT FUNDING OF AN APPROVED PROJECT ENTAILS.

12.0 RECORDING STUDIO TIME, MIXING and MASTERING of the material in any approved project.

12.1 THE FOUNDATION aims through its funding from CARO MIO HOLDINGS Ltd, to allow artists access to a fully equipped recording studio staffed by professional musicians. In order to optimize the original material that makes up a project, the producer of the project, who is a JUNO nominated musician, will work with the artist/applicant in the selection of the musicians for the project and also with regards to the instruments used for any recording, paying heed to the budget agreed to between the producer and THE FOUNDATION for the project. The recording studio of the producer hired by THE MAC CARTHY FOUNDATION/CARO MIO HOLDINGS Ltd for an Artist's project is located in St. Albert, just north of Edmonton, Alberta.

12.2 Travel, food, accommodation and any other expenses incurred by an applicant during the recording of their music are **NOT** covered by THE FOUNDATION or CARO MIO HOLDINGS Ltd. It should be noted that other granting agencies such as SOCAN offers its members grants for travel costs for projects that may have a significant beneficial effect on their music careers.

12.3 If an Artist decides to make physical copies of their project after it is completed, ie CD's, all costs associated with that process are also borne by the Artist.

Section V – Completion

13.0 Completions and Delivery of Completion Documentation

13.1 Every Artist who has been approved for a Project is required to complete the Project within the timeframe that was agreed to with the Producer at the beginning of their Project.

13.2 THE FOUNDATION may, at its sole discretion, allow an extension to the Completion deadline if extenuating circumstances are brought to its attention and those circumstances are verifiable to its satisfaction.

13.3 As a material condition of funding their project, **every Artist must publicly acknowledge the financial support of THE FOUNDATION.** Failure to provide the appropriate acknowledgements may be deemed an Event of Default.

13.4 Upon Completion of a project, every Artist who had their project funded by CARO MIO HOLDINGS Ltd must deliver to the contact e-mail listed on THE MAC CARTHY FOUNDATION website, within 30 days of a project's completion:

- a) A copy of all lyrics for the songs on the project;
- b) A digital copy of each track in MP3 format;
- c) A digital copy of the artwork, if created for the project, in .pdf or .jpg format clearly showing the required logos crediting THE MAC CARTHY FOUNDATION as the project's funding source.

13.5 Product Submission Deadline:

No later than 30 days after the Commercial Release of the funded sound recording, every Artist must deliver to the contact email address, listed on THE MAC CARTHY FOUNDATION website, either a Zip file or a link to a preferred file sharing site (e.g. Dropbox, etc.):

- i/ A digital copy in MP3 format of the final, as-released version of the funded sound recording, including the final, required metadata [thumbnail artwork, acknowledgement text for THE FOUNDATION and, Canada wordmark (if applicable), track artist, track title, track time/duration, track number; and a digital copy of the final, as-released album artwork (if used) clearly showing the required acknowledgment;
- ii) If manufacturing physical copies for sale, a finished, retail-ready copy in any physical format is required.

This can be mailed to the producer who worked with the Artist during the creation of their project. (Please contact the Project producer to obtain their physical mailing address in order to send the required CD etc.)

13.6 Commercial Release Deadline – All Sound Recording Projects. (5 songs or more, or twenty minutes of music constitutes a full length sound recording.)

a) The sound recording from any project must be Commercially Released no later than **six** months after the Project has been declared completed (the END DATE) by the producer of the project. The producer of the project will notify the Artist via email as to when that official end date for their project officially occurs.

The Artist must then confirm via email to the project producer that the Commercial Release has occurred no later than 30 days after the Commercial Release has taken place. If the Artist fails to provide such Confirmation of Commercial Release within that time, the Artist will be given a Notice of Grace Period (seven calendar days) to provide the Confirmation of Commercial Release, or to request an extension;

i/ If the Grace Period expires without a response from the Artist, the Artist will be held in Default and all funds disbursed toward the Project (all Components) must be repaid to CARO MIO HOLDINGS Ltd. That repayment must occur within thirty days of the Artist being declared in Default as outlined in Section 1 of this application policy.

b) First and Only Extension Period.

The Artist may request and the Project producer may grant a First Extension Period of up to 2 months. The Artist must submit the revised Commercial Release Date at the time of making the extension request.

ii/ If the Artist fails to provide a revised Commercial Release Date at the time of the extension request, the Artist will be held in Default. In that event all funds disbursed toward the Project (all Components) must be repaid to CARO MIO HOLDINGS Ltd, within thirty days.

iii/ If the Artist fails to meet the granted extension deadline for the Commercial Release for the entire project, then they will be deemed to be in Default and all funds disbursed toward the Project (all Components) must be repaid to CARO MIO HOLDINGS Ltd, within thirty days.

“Default” means that the Artist is in breach of contract. At CARO MIO HOLDING’s sole option, a finding of default means that all funds disbursed toward the whole project must be repaid by the Artist as set out in the General Agreement; the cross-default provisions of the General Agreement apply, meaning that the Recipient and any affiliated companies, partners and shareholders may also be held in Default.

If the Artist does not repay the funds incurred on their project within 30 days of receiving written notice of their “Default” and the detailed accounting of the funds owing, CARO MIO HOLDINGS Ltd and/or the producer of the Project will be entitled to the copyright of all the Mastered tracks already produced in the Artist’s Project.

13.7 “Commercial Release, Commercially Released” means the sound recording has been legally offered to the public for sale, download, stream, or other method of public consumption, via a music retailer or digital music service, provided that the nature of such offer is commercial, meaning that its purpose is to generate revenue of which the Artist whose performance is embodied on the sound recording is entitled to be paid a share. Physical formats of the sound recording packaging must feature a UPC barcode; each track must have been assigned an International Standard Recording Code (ISRC) number.

13.8 The date on which the sound recording is first offered in the manner described above, shall be deemed the Commercial Release Date. Artists can release multiple singles as long as a minimum of 5 tracks or 20 minutes of music from their project are released within a 6-month period. In these cases, the album is considered commercially released once the fifth track or twentieth minute of music has been released.

13.9 The following are examples of what THE FOUNDATION/CARO MIA HOLDINGS Ltd deems a Commercial Release:

a) The sound recording is being released by a record label, and is being sold by a distributor through physical and digital music retailers. The sound recording is being released by a record label, but will only be available in vinyl and in digital formats. The vinyl is being sold Off-Stage, and the digital version is being sold through iTunes and other digital retailers. In this case, the Commercial Release Date will be the date the digital version is first made available for sale through the digital retailer.

b) The sound recording is being distributed through a content aggregator and is being sold worldwide through many digital retailers.

c) The sound recording is being released by the Artist independently, but is being sold through (for example) iTunes, CD Baby, Bandcamp and local record stores.

d) The sound recording is being released by a record label, or by the Artist independently, and is being sold through retailers serviced directly by the label and/or the Artist.

e) The sound recording is being manufactured in vinyl format, has a UCP barcode and is being offered for sale Off-Stage; but only where the Artist has a SoundScan Venue Settlement Account and is reporting off-stage sales to SoundScan.

f) The sound recording is being offered for sale online at a “pay what you want” price provided that some actual sales have been made, at a price higher than zero.

13.10 The following are examples of what THE FOUNDATION/CARO MIA HOLDINGS Ltd does NOT deem a Commercial Release:

a) The Artist or record label is pre-selling copies of the eventual sound recording. In this case, the Commercial Release will take place when the sound recording is made available to all members of the public, not just those who pre-bought the album.

b) The sound recording is only being promoted or offered for free on the Artist’s website or any other promotional website.

c) The sound recording is being given away for “free with purchase” of another item. However, if the sound recording is included in a ticket price AND the Artist is reporting off-stage sales through SoundScan, then THE FOUNDATION may recognize the commercial release.

d) The Artist is manufacturing CDs but is only selling them Off-Stage, but does not have a SoundScan Venue Settlement account and there is no digital retail activity.

e) The sound recording is streaming exclusively on a music blog for a week before it goes on sale in stores. In that case, the week during which it is streaming only, does not count as the commercial release.

f) The sound recording is streaming on a public video exhibition site such as YouTube.