

**EXAMPLE OF A SHORT TERM LETTER OF ENGAGEMENT**

To: (Artist(s) Name(s) and Address(es))

Date

Dear

Further to our meetings and discussions to date, please take this letter as confirmation that .....(Manager ) will act as your exclusive manager throughout the world for a trial period of (.....) months from the above date, after which either you or .....(Manager) must give 30 days notice to the other to effect termination.

During this trial period you agree to pay us commission of (.....)% on any income received by you in the entertainment industry, except for any income specifically intended as recording costs, video production costs or as tour support. You further agree to reimburse reasonable expenses incurred by .....(Manager) on your behalf as per the attached expenses schedule. In regard to live performances the commission payable to us will be reduced to (.....)% of the gross income received.

At the end of the trial period you or .....(Manager) may elect to terminate the management relationship or move forward with negotiations for a long form artist management agreement. In either case payment to .....(Manager) of commission and expenses must be paid to .....(Manager) within 60 days of receipt of the invoice which we will submit.

If you sign this letter you are entering into a legally binding agreement.

If the above is a correct reflection of the agreement we have reached please confirm this by your signature(s) below.

Yours sincerely

.....(Manager)

Confirmation of agreement by (name and address of Artist(s))

*Signature*.....

*Date*.....

The expenses as per the example that follows should be attached to this temporary letter of engagement. The Managers Expenses are paid by the Manager from the manager's own resources whereas the Artists Expenses are repayable to the Manager from the Artist's gross income in addition to any commission payable.

#### Example of an Expenses Schedule

1. *Manager's Expenses: Manager's general office and business costs including:*

*Office rent*  
*Local property tax on office*  
*Management staff salaries and wages*  
*Management staff social security payments.*  
*Manager's office equipment including:-*  
*Computers*  
*Fax machines*  
*Photocopiers*  
*Pagers*  
*Mobile phones*  
*Office telephone systems*  
*Audio and audio-visual equipment*  
*Manager's car and associated costs*  
*Manager's legal fees*  
*Local telephone, fax and e-mail costs*  
*Miscellaneous office expenses*

2. *Artist's Expenses: Any expenses reasonably incurred in connection with the Artist's career whether incurred by the*

*Manager or the Artist, other than the Manager's Expenses, including but not limited to the following:*

*Commission payable to a booking agent or other agents*  
*Costs/wages payable to a tour manager*  
*Mail shots on behalf of Artist.*  
*Advertising on behalf of Artist*  
*Artwork on behalf of Artist*  
*Management long distance phone and fax charges if specifically on behalf of Artist*  
*Hotel room charges*  
*Airfares, rail fares and sea fares*  
*Courier charges on behalf of Artist*  
*Manager's reasonable subsistence (food etc) when on tour or away from office on business on Artist's behalf*  
*( ) per mile for Manager's car journeys. (to be reviewed annually)*  
*Car hire, taxis and other travel costs when business being carried out on behalf of Artist by Manager or Manager's personal assistant.*  
*Legal costs incurred when Artist contracts with third parties*  
*Expenses incurred by the Manager prior to the commencement of this agreement in the sum of*  
*( )*

*The above to be pro rated if work for other artists is also being carried out.*

The mileage rate charged for the manager's car journeys, will vary according to the engine capacity of the manager's car. The local tax authority or automobile association should be able to supply the acceptable current mileage rates. This mileage rate not only covers fuel but also covers annual road tax, maintenance and servicing costs as well as depreciation etc.