



Background

The last decade has seen an increase in illegal websites offering free, unauthorised sheet music arrangements of copyrighted works to the public. While, with the support of the MPA, a notice and take-down strategy is in place, the scale of the problem means that this, at best, provides only a limited deterrent.

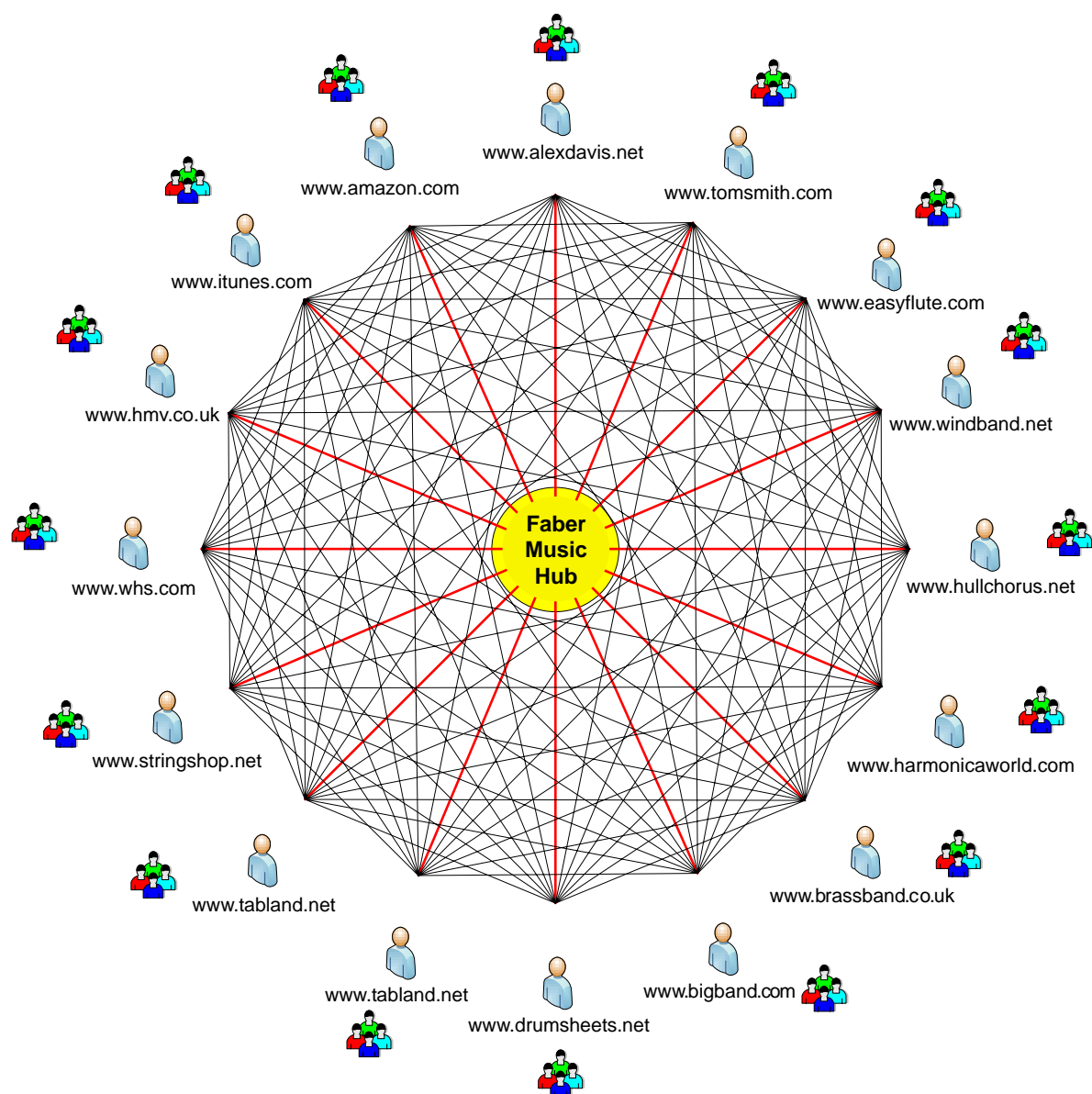
Faber Music has prioritised the development of a scheme that it believes approaches this problem with creativity and imagination, and will provide an effective, commercially viable solution.

The “E-Partners” scheme is based upon authorising skilled music arrangers to invest their own time and money in creating top-quality sheet music for sale and distribution as legitimate digital downloads via their own web businesses. Furthermore, sales potential via each site is maximised by allowing these “E-Partners” unrestricted access to a Songbank of authorised musical arrangements housed and managed by us in a central Hub. Faber Music will form partnerships with these websites and provide them with business and technical support, copyright and royalties functions. Each E-Partner will be required to display an industry-approved stamp along with a guarantee that the owners/creators of the musical works will be correctly remunerated for download sales of their works.

The result is an online market of niche “boutique” web retailers that provide musicians with a high-quality, value-for-money, legal alternative to the unauthorised and typically inaccurate sheet music available through illegal sites.



The E-Partners Model



KEY



E-Partner who owns a website selling sheet music downloads.



Customers who purchase sheet music downloads from each E-Partner website.



Represents file sharing opportunities between E-Partners, serviced via the Hub.



Represents the partnership deal between Faber Music and each E-Partner.



The control centre of the E-Partners Scheme.

NB. All of the websites depicted above are fictitious names or have been included in the model as hypothetical examples only.

The E-Partners Concept

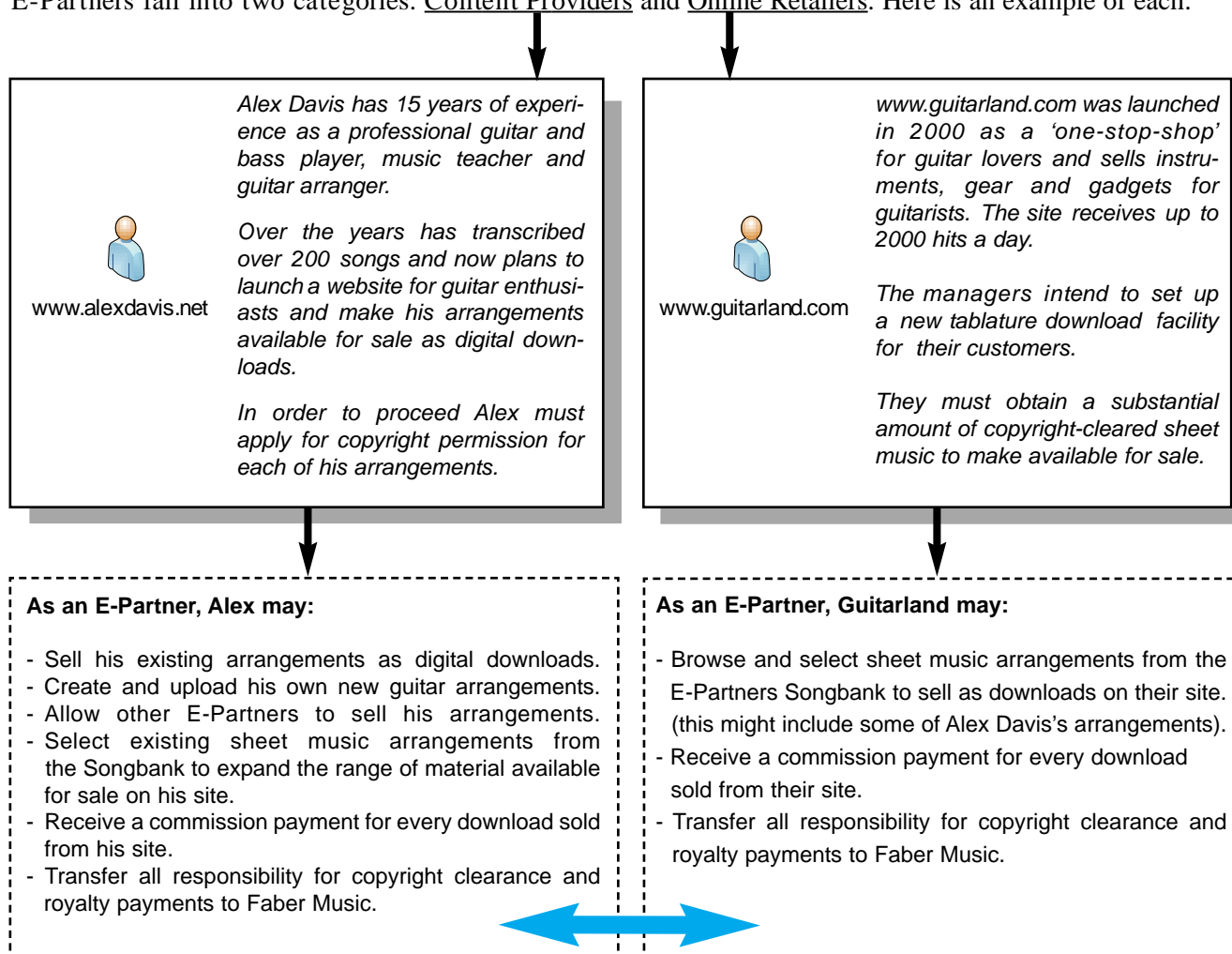
The model opposite depicts a network of independent websites each of which, as a member of the E-Partners Scheme, is linked to the others through Faber Music's central Hub.

A common factor between the websites is that they all sell sheet music in downloadable format. In every other way the sites may be entirely different, each with unique design, features and contrasting customer base.

What is an E-Partner?

The model shows a full range of E-Partners, from individuals, through small independent businesses to large commercial organisations. The fundamental requirement is that each website must provide and maintain an outstanding quality of service for its customers.

E-Partners fall into two categories: Content Providers and Online Retailers. Here is an example of each:



The above example indicates ways in which E-Partners may benefit from each other's assets via the E-Partners scheme.

While we have used guitar tab sites in this example, Faber Music aims to form partnerships with an unlimited range of specialist websites in order to provide customers with an unprecedented variety of top-quality sheet music, for harmonicas through to full orchestras.

Our bespoke infrastructure has been developed in order that any website may join the scheme, regardless of its size, age, customer base, traffic rate or level of commercial enterprise.

How does the scheme work?

By joining the E-Partners scheme both Content Providers and Online Retailers receive a blanket licence to sell sheet music as digital downloads, provided that all the musical arrangements are selected from the E-Partners Songbank contained in the central Hub.

All content in the Songbank will be assessed by Faber Music's specialists to ensure that:

- i) copyright works are officially approved for sale as digital downloads;
- ii) arrangements accurately represent the music as the creators wrote it; and
- iii) all arrangements match the quality standards outlined by Faber Music Ltd.

Content Providers may upload their arrangements into the Songbank. All E-Partners can then browse the Songbank and hand pick the titles they wish to sell on their websites.

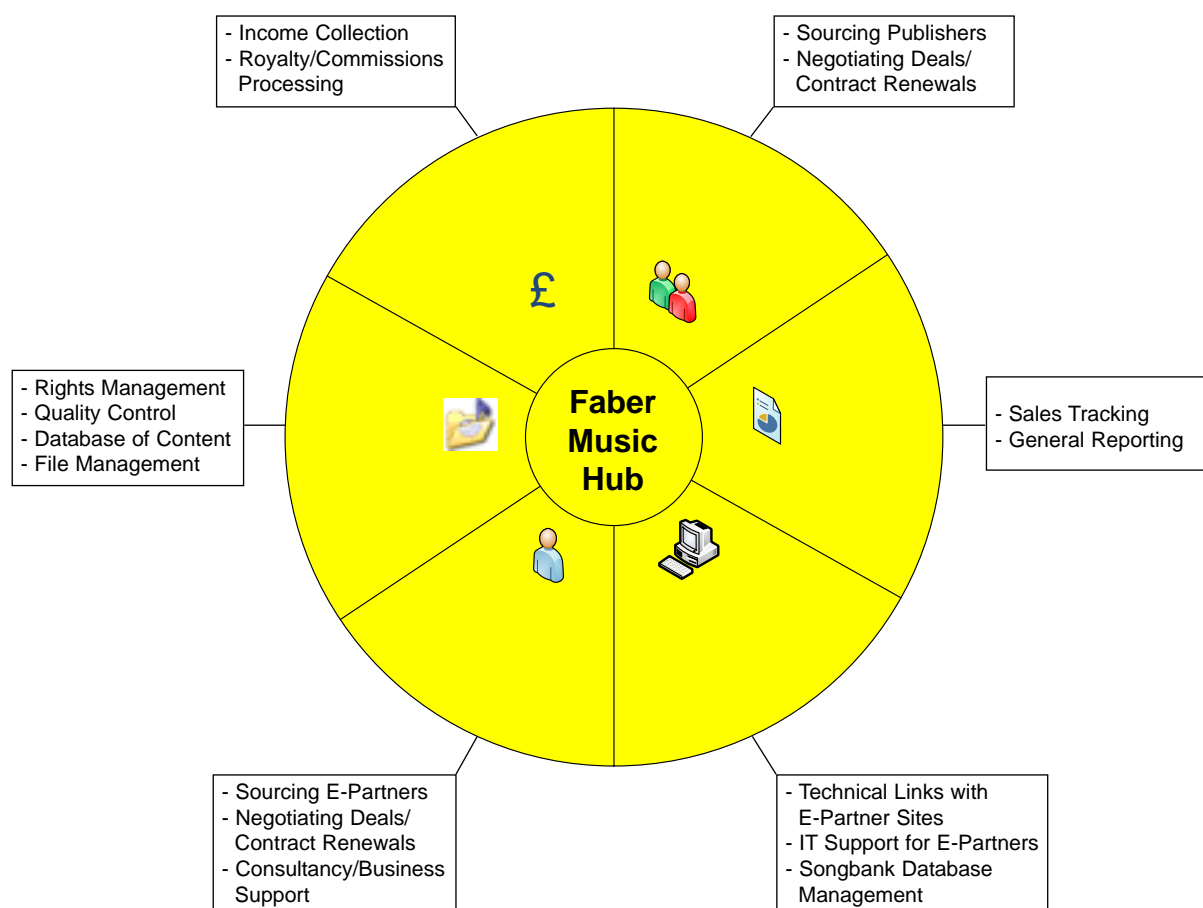
E-Partners will receive a commission payment for every download sale as well as cash bonus rewards for matching set sales targets.

Royalty payments will be distributed to the copyright owners by Faber Music Ltd's experienced Royalties Department.

Net receipts on all downloads will be collected by Faber Music's Royalties Department who will ensure that the correct royalty for each song is distributed to the corresponding copyright owners.

One of the main benefits for our E-Partners (and indeed for the rights holders involved in the scheme) is that the vast majority of daily administration will be handled by Faber Music's experienced in-house specialists.

The following diagram outlines the tasks that will be managed inside the Faber Music Hub:



Benefits of the E-Partners Scheme

E-Partners

Digital Rights

Official copyright approval on all musical arrangements available in the E-Partners' Songbank.

Income

Commission payments for every download sold, plus bonus cash rewards for outstanding sales performance.

"Official" Stamp

Endorsement by Faber Music and the publishers whom Faber Music represents.

Content Provision

Opportunity to select and sell any arrangements in the E-Partners Songbank.

Sales Via 3rd Parties

Increased sales & marketing of your own arrangements via other E-Partners' sites.

Outsource Administration

Copyright clearance and royalty processing handled by Faber Music's experienced in-house team.

Support

Ongoing technical and business support from Faber Music.

Customers

Quality

Industry-standard sheet music arrangements including approved, accurate notes and lyrics.

Variety

Access to a wider range of musical arrangements, in a plethora of formats for a large variety of instruments.

Competitive Prices

The pricing structure of arrangements on all sites will be closely monitored by Faber Music to ensure customers, E-Partners and publishers alike get the fairest deal.

Unique Experience

E-Partners will manage their sites independently so that each has its own look and feel. Customers will have access to an online market of niche "boutiques" each with its own strengths.

Legal Material

Each E-Partner site will contain an official logo and guarantee that all material has been cleared through the correct legal channels.

Efficiency

Faber Music will ensure that all online payments are problem-free.

Who benefits and how?

Publishers

Revenue

Increased royalty income from net receipts of approved digital downloads processed professionally by Faber Music's in-house team, maximised by a single arrangement being available on multiple websites.

Outsource Administration

Faber Music's Copyright, Editorial, Royalties and I.T. specialists will manage the E-Partners Scheme and liaise closely with the publishers.

Copyright Control

Over each catalogue, strictly monitored by Faber Music, including a facility for instant take-downs upon request.

Quality Control

Faber's music editors will ensure top standards are adhered to in all arrangements via ongoing quality checks.

Combat Illegal Sites

By publicly supporting niche websites selling digital downloads legitimately through the E-Partners scheme.

Catalogue Exposure

New availability of arrangements in a wider range of formats to cater for musicians' requirements.

Faber Music Ltd

Combat Illegal Sites

By publicly supporting niche websites selling digital downloads legitimately through the E-Partners scheme.

Digital Rights

Non-exclusive rights deals with a wide range of music publishers will allow Faber Music to maximise the potential of the E-Partners Scheme.

Increased Sales

Faber Music's catalogue of "official" arrangements will be made available for sale by our E-Partners, widening Faber Music's sales opportunities and adding value to each E-Partner site.

Systems

Investment into new technology and Information Systems development to ensure the efficient day-to-day running of the E-Partners Scheme.

Relationships

Through regular liaison with both the E-Partners and Publishers, Faber Music hopes to build close business relationships that will benefit all parties going forward.