

**THE ISLAND DEF JAM MUSIC GROUP,  
A DIVISION OF UMG RECORDINGS, INC.  
1755 BROADWAY  
NEW YORK, NEW YORK 10019**

Dated as of May 7, 2012

Mr. Kanye West  
c/o Carroll, Guido & Groffman, LLP  
1790 Broadway, 20<sup>th</sup> Floor  
Suite 800  
New York, NY 10019  
Attention: Michael Guido, Esq.

**Re: Roc-A-Fella Records, LLC – w – Kanye West: Profit Share Agreement**

Dear Mr. West:

Reference is made to the exclusive recording agreement between **The Island Def Jam Music Group**, a division of UMG Recordings, Inc. (as successor-in-interest to Roc-A-Fella Records, LLC [collectively, "IDJ"]) and **Rock The World, LLC** ("Grantor") with respect to **Kanye West** (the "Artist"), dated as of April 13, 2005, as amended and in full force and effect as of the date hereof, including, without limitation, that certain amendment of even date herewith (the "Recording Agreement"). All terms not specifically defined herein shall have the same meaning used in the Recording Agreement, as amended, unless otherwise provided herein (hereinafter, the "Amendment"). For good and valuable consideration, the receipt of which each party hereby acknowledges, the parties agree to modify the Recording Agreement as follows:

1. Profit Share.

(a) In addition to Royalties payable to Artist pursuant to the Recording Agreement in connection with the Master Recordings recorded during the fifth Option Period (the "Album Six Masters") and the Master Recordings recorded during the sixth Option Period (the "Album Seven Masters"), IDJ will accrue to Artist's account hereunder fifty percent (50%) of the Profits earned in connection with the Album Six Masters and the Album Seven Masters and no other Master Recordings (Artist's share of Profits may sometimes hereinafter be referred to as the "Profit Share"); provided, however, that the Profit Share otherwise payable to Artist hereunder shall be applied to the unrecouped balance in respect of the royalty account under the Recording Agreement (the "Royalty Account"), if any. Notwithstanding the foregoing, IDJ shall maintain a separate account with respect to that share of Advances and royalties which are paid directly to RTW (the "RTW Account") and a separate account with respect to that share of Advances and royalties that are paid directly to Artist (the "Artist Account"). For the avoidance of doubt, the RTW Account shall not be deemed payable until such time as the Royalty Account is fully recouped by royalties other than the Profit Share and the Profit Share shall not be paid through to Artist until such time as the Royalty Account is fully recouped.



(b) "Profits": Net Revenues less (i) Expenses and (ii) all applicable and customary taxes (i.e., not including income taxes) or other similar payments included in Net Revenues and required to be paid by IDJ pursuant to applicable laws which are directly attributable to the exploitation of the applicable Masters, if any. For the avoidance of doubt, Profits shall be calculated on a cumulative basis (i.e., from the date hereof in connection with the applicable Masters). Furthermore, in calculating Profit Share, IDJ shall have the right to hold reasonable reserves in accordance with paragraph 8.01 of the Recording Agreement in respect of anticipated returns of applicable Records hereunder. "Net Revenues": (i) in respect of the exploitation of the applicable Masters in the United States, 100% of Net U.S. Revenues and (ii) in respect of the exploitation of the applicable Masters outside the United States, a royalty equal to twenty-five percent (25%) of the Foreign Royalty Base in respect of Net Sales of Records derived from the applicable Masters. "Foreign Royalty Base": the published price to dealers in the applicable country of sale, without any so-called "container charges" or "packaging deductions". "Net U.S. Revenues": Gross revenues actually derived from the exploitation of Masters in the United States, less actual returns, reserves and credits or discounts to IDJ's customers in connection with Records embodying such Masters. "Expenses": The following expenses relating to the applicable Artist Masters: (i) a distribution and marketing services fee to be retained by IDJ equal to eighteen percent (18%) of Net U.S. Revenues (the "Distribution Fee") together with any additional a la carte or other charges in respect thereof. For the avoidance of doubt, the Distribution Fee shall not be applied to so-called "Ancillary Net Receipts" and so-called "License" income received pursuant to the applicable Masters, provided however that all such Ancillary Net Receipts and License income shall be disbursed as follows: fifty percent [50%] of the gross amount in Ancillary Net Receipts and License income received hereunder shall first be applied towards Grantor's account as provided for in the Recording Agreement; then, eleven and one half percent [11.5%] of the gross amount in Ancillary Net Receipts and License income received hereunder shall be applied to your account hereunder; and then, the balance shall be retained by IDJ for its own account; (iii) any and all marketing, promotion and publicity costs to the extent not recouped from the Artist royalties (with a credit back as and when recouped); (iv) Advances and other recoupable amounts paid to or on behalf of Grantor and/or Artist or any other party in respect of the applicable Masters to the extent not recouped from the Artist royalties (with a credit back as and when recouped); (v) Artist royalties; (vi) mechanical royalties; and (vii) any and all other third party costs actually incurred or paid by IDJ which are directly attributable to the applicable Masters.

2. Profit Accountings.

Subject to subparagraph 1(a) above, but notwithstanding anything the contrary contained in the Recording Agreement, paragraphs 4(a) through 4(f) below shall apply solely in connection with Profit Share accountings.

(a) IDJ will prepare accounting statements of Net Revenue, Expenses, and Profits hereunder on a calendar semi-annual basis. On or before each September 30 or March 31st, IDJ will send such accounting statements to you for the semi-annual accounting period ending the immediately preceding June 30th or December 31st, together with payment of your share of Profits hereunder, if any, for the semi-annual accounting period concerned (less any previous payments of Profits to you) after deducting any and all unrecouped Advances and such amount, if any, that IDJ

may be required to withhold pursuant to the applicable state tax laws, the U.S. Tax Regulations, or any other applicable statute, regulation, treaty, or law. Your fifty percent (50%) share of Profits hereunder (i.e., the Profit Share) is sometimes referred to in this paragraph 4 as "Artist Distributions". Profits payable for any semi-annual accounting period will not be charged with Advances or Expenses paid after the end of such period; provided, if at the end of any accounting period ("Closed Period") IDJ reasonably anticipates that the calculation of Profits for the next accounting period will result in a Cumulative Loss (it being agreed that in making such determination IDJ will include a good faith estimate of the anticipated Net Revenue and the anticipated Expenses for the next accounting period), IDJ will be entitled to hold a reasonable reserve (which, for the avoidance of doubt, shall be separate from any reserves withheld in respect of anticipated returns of applicable Records hereunder) consistent with same from amounts due to you for the applicable Closed Period for the amount of your share of such anticipated loss, provided that in no event will such reserve exceed the amount equal to fifty percent (50%) of the Artist Distributions otherwise payable to you for the applicable Closed Period. IDJ will liquidate any such reserves within one (1) full accounting period after the period in which such reserve was initially established. The calculation of Profits will be made irrespective of the tax treatment of a particular expense, i.e. the fact that the tax authorities requires amortization of a particular expense will not diminish the deductibility of that expense in the accounting period expended. In addition, an expense incurred will be deductible in the accounting period incurred irrespective of the possibility that the actual payment might be delayed into the following accounting period.

(b) Royalties for Records sold for distribution outside the United States ("foreign sales") will be computed in the same national currency and at the same rate of exchange as IDJ is accounted to by its licensees with respect to the sale concerned and will be subject to costs of conversion and any taxes applicable to royalties remitted by or received from foreign sources. Royalties on Records sold outside the United States are not due and payable by IDJ until payment therefor has been received by or credited to IDJ in the United States in United States dollars. For purposes of accounting Profits hereunder, IDJ will treat any foreign sale as a sale made during the same six (6) month period in which IDJ receives its licensee's accounting and payment or credit for that sale. If any law, government ruling or other restriction affects the amount that a IDJ licensee can remit to IDJ, IDJ may deduct from Net Revenue hereunder an amount proportionate to the reduction in such licensee's remittances. If IDJ cannot collect payment for a foreign sale in the United States in U.S. Dollars it will not be required to account to you for that sale, except as provided in the next sentence. IDJ will, at your request and at your expense, deduct from the monies so blocked and deposit in a foreign depository the equivalent in local currency of the portion of royalties that would be payable to you pursuant to the terms hereof on the foreign sales concerned, to the extent such monies are available for that purpose, and only to the extent to which there is a Cumulative Profit hereunder as of the close of the accounting period immediately preceding the accounting period in which such blocked monies are made available to IDJ in such local currency. All such deposits will constitute Profit payments to you for accounting purposes, and such deposits will fulfill IDJ's obligations in connection therewith.

(c) Profits under this agreement will be determined and apportioned on a cumulative basis from inception. If payments of a share of Profits are made to you hereunder with respect to one (1) accounting period and the cumulative calculation of your Profits in a later accounting



period reveals that based on such cumulative calculation Profits have not been apportioned in accordance with the provisions of this agreement, all such "overpayments" to you will be deducted from all sums thereafter due to you. If IDJ makes any overpayment to you (e.g., by reason of an accounting error or by paying you your share of Profits on Records returned later) you will reimburse IDJ to the extent that IDJ does not deduct such sums from monies due you hereunder. IDJ will have the right to deduct from any monies payable to you hereunder such amount, if any, that IDJ may be required to withhold pursuant to the applicable state tax laws, the U.S. Tax Regulations, or any other applicable statute, regulation, treaty, or law.

(d) All accounting statements rendered by IDJ hereunder shall be conclusively binding and not subject to any objection by you for any reason unless specific objection in writing, stating the basis thereof, is given to IDJ within three (3) years from the date such statement is rendered and an audit pursuant to subparagraph (e) below for that statement is completed within six (6) months after such objection notice is given; provided such six (6) month period shall be extended by the amount of time, if any, that IDJ prevents you from commencing such audit. Each statement will be deemed rendered when due unless you notify IDJ in writing that the applicable statement was not received by you and such notice is given within ninety (90) days after the applicable due date specified in subparagraph 4(a) above, in which event the statement will be deemed rendered on the date actually sent by IDJ. Failure to make such written objection or conduct the audit within said time periods will be deemed to be your approval of such accounting statement, your waiver of such audit rights, and your waiver of the right to sue IDJ for additional sums owed for the applicable accounting period. You will not have the right to sue IDJ in connection with any Profit accounting, or to sue IDJ for recovery of sums owed for a particular accounting period, unless you commence the suit within one (1) year after completion of your audit for the applicable period.

(e) You may, at your own expense, audit IDJ's books and records directly relating to this agreement that report the sales or other exploitation of Records for which monies are payable hereunder. You may make such audit only for the purpose of verifying the accuracy of statements sent to you hereunder and only as provided herein. You may initiate such audit only by giving notice to IDJ at least thirty (30) days prior to the date you intend to commence your audit. Your audit will be conducted by a reputable independent certified public accountant experienced in recording industry audits in such a manner so as not to disrupt IDJ's other functions and will be completed promptly. You may audit a particular statement only once and only within three (3) years after the date such statement is rendered as provided in subparagraph 2(a) above. Notwithstanding the foregoing, in the event you conduct an audit of the Royalty Account (the "Royalty Audit"), then such Royalty Audit shall be considered an audit conducted pursuant to and in fulfillment of your rights as set forth this subparagraph 4(b) with respect to the particular statement and Accounting Period that is audited. Your audit may be conducted only during IDJ's usual business hours and at the place where IDJ keeps the books and records to be examined. You will not be entitled to examine any records that do not specifically report sales of Records on which Profits are payable hereunder, however, you will be permitted to examine IDJ's manufacturing records with respect to Records made hereunder. Your auditor will review his or her tentative written findings with a member of IDJ's finance staff designated by IDJ before rendering a report to you so as to remedy any factual errors and clarify any issues that may have resulted from misunderstanding.



3. Reversion.

(a) IDJ hereby agrees to assign to you all of its right, title and interest in all of the Album Six Masters and the Album Seven Masters (other than Master Recordings recorded specifically for a so-called Soundtrack Album or other multi-artist album; provided that with respect to Master Recordings not recorded specifically for such an album but that nonetheless appear on such an album, you will automatically be deemed to have granted to IDJ a license for the continuing exploitation of such Master Recordings on each such album), on the conditions contained in this paragraph 6, the day after the last day of the semi-annual accounting period (the "Reversion Date") in which falls the date twenty (20) years after the initial commercial release date in the United States of the Seventh Album. Notwithstanding the foregoing, in the event the Royalty Account is in an unrecouped position as of the Reversion Date, the Reversion Date will be extended until the day after the last day in the accounting period after the term in which you receive an accounting statement showing the Royalty Account to be in a recouped position. If the Royalty Account is in an unrecouped position after the twenty (20) year period described above, at any time after the term hereof Grantor may pay to IDJ a sum equal to the then current amount of that unearned balance, in which event the Reversion Date shall be the date IDJ receives such payment. Further notwithstanding anything to the contrary contained in this subparagraph 6(a) or elsewhere in this paragraph 6, IDJ's obligation to assign to Grantor the Album Six Masters and the Album Seven Masters is expressly conditioned upon Grantor meeting its obligation to deliver each of the Sixth Album, the Seventh Album, the Eighth Album (as hereinafter defined) and the Ninth Album (as hereinafter defined) hereunder in a Timely Manner in accordance with the applicable provisions of Articles 3 and 4 of the Recording Agreement. Grantor and Artist acknowledge and agree that Grantor's obligation to meet the condition set forth in the preceding sentence is at the essence of the rights granted by IDJ to Grantor pursuant to this paragraph 6 and such obligation shall be deemed a condition precedent to such rights. The term "Timely Manner", as used in this subparagraph 3(a), means that the applicable Album must be delivered within twelve (12) months after IDJ has notified Grantor in writing that Grantor has failed to deliver the applicable Album within the time period set forth in subparagraph 4.01(a)(i) of the Recording Agreement.

(b) All Masters that revert to you pursuant to this paragraph 6 are referred to as "Reverted Masters." After the Reversion Date, IDJ will not manufacture Records derived from the Reverted Masters or sell Records derived from the Reverted Masters, subject to the next sentence. With respect to each Reverted Master, IDJ will not be deemed in breach hereof or otherwise liable to you, as an infringer of copyright or otherwise, with respect to its inadvertent continuing manufacture and sale of Recordings hereunder, until six (6) months after you have notified IDJ of the Reversion Date of such Master, which notice may be given at any time after six (6) months prior to the Reversion Date.

(c) IDJ and its licensees will have six (6) months from the Reversion Date to sell off the existing inventory of Records embodying one or more of the Reverted Masters on a non-exclusive basis. During the six (6) month period prior to such sell-off period, IDJ will not manufacture more units of such Records than were manufactured in the preceding six (6) month period in anticipation of selling off excessive amounts of inventory. After the sell-off period at Grantor's written request, IDJ will destroy all remaining inventory and provide Grantor with a certificate of destruction.



(d) The reversion rights described in this paragraph 6 are subject to any non-exclusive licenses granted by IDJ to third parties in connection with the use or compilation of Reverted Masters hereunder with other reproductions, such as motion pictures. At Grantor's written request, after the date of Grantor's notice to IDJ regarding the Reversion Date as provided in subparagraph 6(b) above, IDJ will inform Grantor of any such rights possessed by a licensee and will instruct any such licensee to pay Grantor directly for any such exploitation of a Reverted Master after the Reversion Date, but the failure of a licensee to so pay directly will not be a breach hereof. Any money received by IDJ from a licensee in respect of such an exploitation of a Reverted Master after the Reversion Date will be paid credited to Grantor's account hereunder.

(e) In connection with Grantor's use of a Reverted Master, Grantor will obtain consents by any Persons to whom IDJ has any contractual liability for an obligation that Grantor would otherwise be responsible for hereunder or whom Grantor has directed IDJ to pay hereunder (e.g., direct payment agreements, obligations to producers and other persons who rendered services in connection with Grantor's Recordings hereunder); and Grantor will obtain new mechanical licenses from the copyright proprietors of Compositions embodied on the Reverted Masters. With respect to Masters recorded in the United States and Canada, Grantor, or the parties licensing rights to the Reverted Masters from Grantor, will also become a first party to the Record Manufacturers' Special Payments Fund Agreement entered into by IDJ with the American Federation of Musicians of the United States and Canada, or the successor agreement then in effect, and all other applicable union agreements. No rights in the Reverted Masters will be effectively conveyed to Grantor until Grantor has complied with all the provisions of the preceding sentence. However, Grantor's failure to comply with the preceding sentence will not be deemed to grant any extended rights to IDJ in connection with the Reverted Masters.

(f) After the Reversion Date, in connection with Grantor's use of the Reverted Masters, Grantor will make all payments required in connection with the manufacture, sale or distribution of Records derived from the Reverted Masters (or other exploitation of the Reverted Masters) including, without limitation, all royalties and other payments to performing artists, producers, owners of copyrights in musical compositions, the Music Performance Trust Fund and Special Payments Funds, and other unions and union funds. You will comply with the applicable rules and regulations of the American Federation of Musicians and any other union having jurisdiction and other applicable laws, rules and regulations covering any use of the Reverted Masters by Grantor or any Person deriving rights from Grantor, in the manufacture and sale of Records or otherwise. Grantor and Artist will indemnify and hold harmless IDJ and its licensees from all claims, damages, liabilities and costs arising out of any use of the Reverted Masters or the exercise of rights in the Reverted Masters by Grantor or Artist or any Person deriving rights from either of you.

(g) IDJ will instruct its foreign licensees not to manufacture or sell (subject to a six (6) month non-exclusive sell-off period) Records derived from the Reverted Masters after the applicable Reversion Date. If Grantor notify IDJ of any such continuing manufacture in a foreign territory, IDJ will instruct the licensee concerned to discontinue it, but IDJ will have no liability by reason of such manufacture at any time.

(h) You will not identify or allow others to identify Records derived from the Reverted Masters with IDJ, directly or indirectly.



4. Digital Retail Store.

IDJ agrees that during the term hereof, Artist may set up and maintain an on-line digital record store (the "Artist Store") on the terms set forth in this paragraph. IDJ agrees to cause UMG to authorize the Artist Store as an authorized digital retailer of UMG on the same terms as then customarily apply to UMG's other similarly situated third party digital retailers (including price and payment terms wherein UMG is paid for each sale appropriately). In addition to selling online versions of Standard LPs (as hereinafter defined) and Deluxe LPs (as hereinafter defined) in the Artist Store on a non-exclusive basis, Artist shall be entitled to sell exclusive "super-deluxe" online versions ("Super Deluxe Version") of Records released by IDJ hereunder in the Artist Store, provided that:

(a) Artist will consult with UMG in advance with respect to any such Super Deluxe Version (including, without limitation, the tracklisting for such Super Deluxe Version) and will deliver all such Super Deluxe Versions in advance to IDJ for ingestion into the UMG system and for delivery back to the Artist Store per standard practice with any retailer;

(b) Artist has previously delivered to IDJ a so-called standard ("Standard LP") and, if IDJ has so requested, a so-called "deluxe" version ("Deluxe Version") of the applicable Album for the current album cycle in question;

(c) such Super Deluxe Version shall be exclusive to the Artist Store for a period not to exceed ninety (90) days and thereafter UMG may deliver such Super Deluxe Version as it deems fit to its other online retail partners;

(d) in no event shall Artist be entitled to exploit any Super Deluxe Version and/or any other materials which contain uncleared third party elements; and

(e) Artist agrees that any such Super Deluxe Version shall not be delivered to IDJ in fulfillment of Artist's Minimum Recording Obligation hereunder.

5. Miscellaneous.

(a) Nothing herein contained shall constitute a partnership between, or joint venture by, the parties hereto, or constitute either party the agent of the other, and neither party shall become liable for any representation, act or omission of the other which is contrary to the provisions of this paragraph.

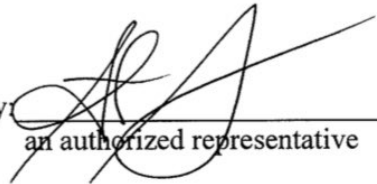
(b) This writing sets forth the entire understanding between the parties hereto with respect to the subject matter hereof, and no modification, amendment or waiver of this document shall be binding upon either party hereto unless confirmed by a written instrument signed by an authorized signatory of the party sought to be bound. No waiver of any provision of, or waiver of, a default under this Amendment or any failure to exercise rights hereunder shall prejudice the rights of either party thereafter, nor shall it form precedent for the future.

(c) Except as expressly or by necessary implication modified hereby, the terms and binding effect of the Recording Agreement are hereby ratified and confirmed without limitation or exception.


(d) This Amendment may be signed in counterparts, and may be executed and delivered by facsimile and or electronic mail as a pdf, which when taken together will have the same effect as if signed in its original form by all the parties.

Very truly yours,

THE ISLAND DEF JAM MUSIC GROUP,  
A division of UMG Recordings, Inc.

By:   
an authorized representative

AGREED AND ACCEPTED:

  
By: \_\_\_\_\_  
Kanye West