

A & M RECORDS, LIMITED
136-140 New Kings Road
London, SW6 4LZ England

10th March 1977

SEX PISTOLS

Gentlemen:

The following will confirm our understanding and agreement with you with respect to your recording, in our behalf, master recordings featuring your performances:

1. During the term hereof you shall record and deliver to us master recordings embodying your performances (such master recordings being hereinafter sometimes called the "Masters").
2. Recording sessions for the Masters shall be conducted by you under our recording license, at times and places to be mutually agreed upon; provided you shall not unreasonably withhold your approval of a time or place designated by us upon reasonable notice to you. We shall have the right and opportunity to have our representatives attend each such recording session. Each Master shall consist of a performance by you of a selection mutually agreed upon, and shall be subject to our approval as satisfactory for the production of records. You shall deliver to us a monaural tape and a two-track stereo tape for each Master, which tapes shall be fully edited, remixed and leadered prior to delivery to us, so that they are in proper form for the production of the parts necessary for the manufacture of records.
3. The initial term of this contract shall commence as of the date hereof and shall continue for a period of one (1) year.
4. During the initial term hereof, you shall record and deliver to us, at a minimum, sufficient satisfactory Masters to constitute one (1) 33-1/3 rpm long playing record album of customary playing time, plus additional Masters at our election sufficient to constitute an additional long playing album. All such Masters, unless we otherwise consent in writing, shall

be charged against the royalties earned by you hereunder or under any other agreement between you (or any of your affiliates) and us (or any of our affiliates). If as and when we recoup such amounts in accordance with the foregoing, (it being understood that the order of recoupment shall be first the amounts for said equipment, second recording costs and third other advances) all of said equipment shall become your property. If prior to such recoupment we wish to sell such equipment we shall have the right to do so and the amounts received by us from such sale shall be deducted from any unrecouped balance hereunder.

34. (a) We agree to underwrite, during the term hereof, all or a portion of the costs for a United States personal appearance tour for you. The timing of such tour and the amounts expended by us therefor shall be at our sole discretion.

(b) We agree to underwrite, during the term hereof, all or a portion of the costs (up to a maximum of Pounds) for a United Kingdom personal appearance tour for you, the timing of which tour shall be at our sole discretion.

(c) All amounts expended by us pursuant to this paragraph 34 shall be deemed non-returnable advances to be charged against the royalties earned by you hereunder or under any other agreement between you (or any of your affiliates) and us (or any of our affiliates).

If the foregoing terms correctly reflect your understanding and agreement, please so indicate by signing below.

Very truly yours,
A & M RECORDS LIMITED

By _____
President

AGREED AND ACCEPTED

Paul Cook

Stephen Jones

[Signature]

Michael Jones