



**RULES OF DISTRIBUTION
for
GRAMEX**

As of 1st January 2011

Pursuant to Article 9 in the Statutes of Gramex it is stipulated as follows;

Article 1

The gross amount accruing to the two right groups in total shall be distributed at the rate of 50 per cent to each right group.

Article 2

55 percent of the costs incidental to the operations of Gramex shall be chargeable on the performing artists' right group, whereas 45 percent shall be chargeable on the producers' right group.

Article 3

The interests due to each right group shall be applied in advance to reduce the administrative expenses.

Article 4

One per cent of the remuneration accruing from "other public performance" due to each right group shall be reserved to cover in advance the justified and legitimate claims from members who, as a consequence of either incorrect or lack of information in Gramex' databases, haven't received remuneration. In addition, an amount is reserved equal to a negative balance at a right owner's account.

Article 5

The producers' part of revenue shall be distributed, as far as possible, according to the effective number of minutes played and the producer's part of rights to an individual publication. In instances where this is not feasible, the producers' part shall be distributed according to a distribution plan, which, laid down to the Board, has been proposed by one of the ordinary members of the producers' right group and approved by the producers' group in the Board.

All remuneration due to associated members of the producers' group shall be distributed on the basis of effective number of minutes played and the producer's part of rights to an individual publication.

Article 6

The performing artists' part of revenue from fields based upon individual reports of usage as well as from fields where the performing artists' right group in the Board considers it reasonable to distribute on the basis of the existing information, shall be distributed in proportion to the number of points which accumulates each right owner and which is calculated by multiplication of the relevant numbers listed below in subsections I) and II).

I) Part of effective playing time stated in minutes and seconds regulated by a yearly calculated factor according to the total number of points allocated to the played recording.

II) Distribution of points according to the following scale;

- a) Musicians or chorus singers 1 point
- b) Soloists with an orchestra or a chorus cf. f) and g) 8 points
(where a b-soloist at the same time also performs as a conductor he is classified as "k" for 4 points whereby he gets a total of 12 points).
- c) Soloists, alone or in ensemble 6 points
- d) Conductor, cf. f) and g) 8 points
- The number of points achieved in b) is modified when several soloists perform together, according to the following scale;
- 2 soloists each 7 points
- 3 soloists each 5 points
- 4 soloists each 4 points
- More than 4 soloists each 3 points
- The number of points achieved in c) is modified when more than 4 soloists perform together, according to the following scale;
- 5 soloists each 5 points
- 6 soloists each 4 points
- 7 soloists each 3 points
- e) Groups, small orchestras and small choruses 6 points
+ 1 point for each participant, subject of a maximum total of 24 points
(In instances where the number of participants is unknown, the number of 6 is assumed, i.e. 12 points).
- f) Orchestra and chorus from 20 to 50 participants 24 points
- g) Orchestra and chorus with more than 50 participants 40 points
- h) Not actually soloist accompaniment, piano obbligato, continuo accompaniment etc..... 3 points
- k) Conductor, etc., of a-musicians (a minimum of 9 musicians) 4 points
In instances where there are less than 9 musicians, the conductor is classified as "a" whereby he gets 1 point. A conductor of an e-group, cf. e), with less than 9 participants is classified on the same terms as the rest of the group.
- l) In instances where the number of musicians and/ or chorus singers as accompaniment to c-soloists is unknown 5 points
- p) In the case of a conductor of less than 9 a-musicians who at the same time also plays an instrument, the conductor is classified as "p" whereby he gets 2 points..... 2 points

Article 7

Other revenues due to the performing artists shall be distributed as collective means through the organizations and in reference to the objectives applied in Art. 8. after deduction in accordance with Art. 4. The performing artists' right group in the Board passes every year a plan for distribution of the means among the organizations, and presents this to the Board.

Provided that these revenues, all expenses deducted, exceed 33 one-third percent of the performing artists' total amount to be distributed, the surplus shall be carried over to individual distribution according to Art. 6.

As to accounts, the organizations shall separate the above means from other means attached to the organizations.

Once a year, on or before July 1st, the organizations shall submit a specified account, subject to a formula drawn up by Gramex, on the ways in which the means have been applied during the previous calendar year.

In extraordinary cases the organizations shall be empowered to carry over means from one calendar year to the next, provided that the amounts received and distributed balance over a period of three years.

The performing artists' right group in the Board shall be authorized to suspend payment of means to an organization if 1) the organization does not submit its account before the expiration of the time-limit, or if 2) the submitted account does not contain a requested specification of the way(s) in which the means have been applied, or, finally, if 3) the organization at the time of distributing the means has neglected the regulations defined in Art. 8.

Article 8

The means covered in Art. 7 shall be applied to the following purposes;

- a) Measures for the promotion of music, including contributions to live musical performances, singing, and musical drama, and support of the recording, release, and promotion of phonograms.
- b) Educational purposes for performing artists, including awards of scholarships and traveling grants and contributions towards professional education.
- c) Social and other humanitarian purposes for performing artists, including awards of honorary grants, contribution towards holiday and recreational purposes, and the private pension and relief funds of the performing artists.
- d) Support of publications and other measures, which will strengthen the legal position and the working conditions of the performing artists, including the operations of the Joint Council of Performing Artists in Denmark.
- e) Contributions to each individual organization's distribution of the above means.

The majority of means shall be applied in purposes as defined in section a) and b).

Article 9

Remuneration which cannot be distributed by Gramex in accordance with Articles 5 and 6 can be reserved and allocated to cover such justified claims as may subsequently be made by respective artists or producers.

Article 10

Remuneration, which have been received and reserved, shall be placed properly and in the best way possible.

The means can be deposited only to accounts in national banks as cash deposits in such financial institutions or in Danish bonds and government bonds quoted on the stock exchange.

Acquisition of bonds at an exchange rate exceeding their face value is not permitted.

The manager shall see to it that the means are adequately spread out and suitably distributed also in terms of duration among financial institutions and bonds.

Article 11

The means reserved in pursuance to Articles 4 and 9 shall become time-barred after a period of three years. The period of three years is calculated from the end of the year of earning. Amounts released when exceeding the date of expiration shall be included in the distribution in accordance with Articles 5 and 7 in the year succeeding the occurrence of the date of expiration.

Article 12

These Rules of Distribution shall enter into force January 1st, 2011.

The Board of Gramex,
December 14th, 2011