



# **RULES OF DISTRIBUTION**

As of 1 January 2018

The following provisions are set out pursuant to the Statutes for Gramex and the approved policies for distribution and un-distributable remuneration amounts:

#### Article 1

Before the total distribution amount is distributed equally between the two rights groups, income only accruing to one of the rights groups must be deducted.

#### Article 2

Each year, the executive board of Gramex must present for adoption by the general meeting the mutual distribution of operating expenses. For 2018, the expenses will be distributed by 55 per cent for the performing artists and 45 per cent for the producers as approved by the general meeting held on 31 May 2018.

#### Article 3

Any interest income must be applied in advance to reduce the administrative expenses of each rights group.

#### Article 4

From each rights group's non-individualised remuneration, 1 per cent will be deducted as a reserve to cover justified and validly existing claims from rights holders who – as a consequence of lacking or incorrect registration – have not received remuneration. In addition, an amount equal to any negative balance in a rights holder's account must be reserved.

#### Article 5

The producers' part must be distributed, as far as possible, according to the reported number of playbacks of protected tracks from radio, television and other sources in relation to the producer's share of the rights to the individual track. In instances where this is not feasible, the distribution of non-individualised remuneration amounts must be carried out according to a distribution plan to be proposed by the producers' rights group and adopted by the executive board.

The producers' non-individualised remuneration amounts include remuneration from other public performances, copying and similar remuneration.

Distribution plan for the producers' non-individualised remuneration amounts:

These remuneration amounts will be distributed between IFPI producers and other producers in the following manner:

- 50 per cent will be distributed according to a key based on the reported playbacks of protected tracks on the radio in the year when the remuneration is earned. In 2018, 79 per cent of the tracks were released by IFPI producers while 21 per cent were released by other producers.
- 50 per cent will be distributed according to an estimated key based on a total weighted calculation of streaming/downloads and physical sales. In 2018, IFPI producers released 85 per cent of the tracks, which can be seen from this calculation/estimate, while other producers released 15 per cent.

Distribution plan for the producers' time-barred amounts:

Time-barred amounts will be distributed between IFPI producers and other producers based on the reported number of playbacks of protected tracks on radio and television in the year the remuneration is earned.

- In 2018, IFPI producers had released 77 per cent of the tracks, while other producers had released 23 per cent.

IFPI Denmark handles the further distribution to IFPI producers in accordance with a distribution plan adopted by the members of IFPI Denmark.

Remuneration amounts to other producers will be distributed according to the reported number of playbacks of protected tracks.

Article 6

Based on a proposal from the performing artists' rights group and as adopted by the executive board, the performing artists' share of income from reported playbacks of protected tracks from radio, television and other sources is distributed according to the number of points due to each rights holder multiplied by the relevant parameters in I, II & III below:

- I) Effective number of minutes and seconds played
- II) The annually adjusted points value for each distribution category
- III) Distribution of points according to the following scale:

C) Soloists ..... 14 points

The number of points obtained is modified when several C soloists perform together, according to the following scale:

- 2 soloists ..... 10.00 points each
- 3 soloists ..... 6.17 points each

4 soloists .....	5.00 points each
5 soloists .....	4.30 points each
6 soloists .....	3.83 points each
7 soloists .....	3.50 points each
8 soloists .....	3.25 points each

A) Studio musicians, backing vocalists or remixers .....2 points

E) Groups, small orchestras and small choruses. The number of points obtained is modified when several group members perform together, according to the following scale:

2 group members .....	8.50 points each
3 group members .....	6.17 points each
4 group members .....	5.00 points each
5 group members .....	4.30 points each
6 group members .....	3.83 points each
7 group members .....	3.50 points each
8 group members .....	3.25 points each
9 group members .....	3.06 points each
10 group members .....	2.90 points each
11 group members .....	2.77 points each
12 group members .....	2.67 points each
13 group members .....	2.58 points each
14 group members .....	2.50 points each
15 group members .....	2.43 points each
16 group members .....	2.38 points each
17 group members .....	2.32 points each
18 group members .....	2.28 points each
19 group members .....	2.24 points each

F) Orchestras or choruses from 20 to 50 participants .....22 points

G) Orchestras or choruses with more than 50 participants .....32 points

B) Soloists with an orchestra or a chorus, see F and G ..... 14 points

D) Featured conductors, see F and G ..... 14 points

The number of points stated under B) and D) is modified when several B soloists perform together, or when B soloists perform with D featured conductors, according to the following scale:

2 soloists/conductors .....	10.00 points each
3 soloists/conductors .....	6.17 points each

4 soloists/conductors .....	5.00 points each
5 soloists/conductors .....	4.30 points each
6 soloists/conductors .....	3.83 points each
7 soloists/conductors .....	3.50 points each
8 soloists/conductors .....	3.25 points each

D2) Non-featured conductors, see F and G ..... 3 points

K) Conductors of choruses and orchestras with up to 19 participants ..... 3 points

#### Article 7

Upon recommendation from the performing artists' rights group and as decided by the executive board, the non-individualised remuneration amounts due to the performing artists will – after deduction of expenses and deductions under Article 8 – be distributed proportionally according to reported playbacks of protected tracks, see Article 6.

#### Article 8

A deduction of up to 10 per cent of the performing artists' total income reduced by remuneration amounts from abroad and remuneration amounts from retransmission and blank media may be made for cultural, social and educational purposes. The performing artists' time-barred remuneration amounts will be added to this after setoff of costing amounts.

The total annual amount for cultural, social and educational purposes must not exceed 10 per cent of the performing artists' annual Danish remuneration. This was decided by the executive board upon recommendation by the artists' rights group.

The annual funds for cultural, social and educational purposes are distributed through the performing artists' organisations for the purposes referred to in Article 9.

The distribution between the organisations has been agreed as follows:

Danish Conductors Association	9.0 %
Danish Musicians Union	29.25 %
Dansk Korforbund (union of Danish choirs)	8.0 %
Danish Artists' Union	29.25 %
Danish Soloist Association	5.5 %
Soloist Association of 1921	8.0 %
Danish Actors' Association	9.0 %
Dansk Organist- og Kantorsamfund (Danish association of organ players and cantors)	2.0 %

For accounting purposes, the organisations must keep these funds separate from their other funds.

Once a year, on or before 1 October, the organisations must 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.

The organisations must have disbursed the funds not later than nine months after the end of the calendar year in which they received the funds.

The performing artists' rights group on the executive board may, upon recommendation from management, suspend payment of funds to an organisation if 1) the organisation does not submit its accounts in due time; 2) the submitted accounts do not contain the requisite specification of the way(s) in which the funds have been applied; or 3) the organisation disregarded the rules set out in Article 9 when applying the funds.

#### Article 9

The funds covered by Article 8 must be applied for the following purposes:

- a) Measures for the promotion of music, including contributions to live music performances, singing, and musical drama, and support for the recording, release, and promotion of music.
- b) Educational purposes for performing artists, including awards of scholarships, travel grants; and contributions towards professional education.
- c) Social and humanitarian purposes for performing artists, including awarding honorary grants, support for holiday and recreational purposes; and for pension and assistance funds for performing artists.
- d) Support of publications and other measures to strengthen the working conditions and legal position of the performing artists, including the operations of the Joint Council of Performing Artists in Denmark.
- e) Contributions to each individual organisation's management of the funds referred to above.

The funds must primarily be applied for the purposes set out in paragraphs a) and b) above.

#### Article 10

Remuneration which cannot be distributed by Gramex in accordance with Articles 5 and 6 may be set aside to provide for such claims as may subsequently be made by respective artists or producers.

#### Article 11

Remuneration which has been received and reserved must be placed appropriately and in the best way possible. The funds may only be deposited to accounts in national banks as cash deposits in said banks or in Danish quoted bonds and Treasury notes, see the general investment policy.

The general manager must see to it that the funds are adequately spread out and suitably distributed among banks and bonds, and the duration of the investments.

#### Article 12

The funds set aside under Articles 4 and 10 become time-barred after a period of three years to be reckoned from the end of the year the funds were earned. Amounts released upon time-barring must be included in the distribution under Articles 5 and 8 in the year following the time-barring.

#### Article 13

These Rules of Distribution enter into force on 1 January 2018.

Gramex' Executive Board, 29 April 2019