

RECORDED ARTISTS ACTORS PERFORMERS CLG (RAAP)

DISTRIBUTION RULES

It is a principle adopted by the members of RAAP in general meeting that all performers who have made a sound contribution to a commercially produced sound recording which has been broadcast, included in a cable programme service or played in public (such entitlement being established by being captured in broadcast data) are entitled to payment of equitable remuneration for their performances and that the income of RAAP shall be distributed having regard to this principle.

During the period when RAAP has been in dispute with PPI, from whom RAAP receives payment for performers for broadcasting, cable transmission and public performance of sound recordings in Ireland, RAAP has had to suspend the distribution of domestic revenues to certain performers treated by PPI as “non-qualifying”. It is hoped to resume payments to all performers when the litigation between RAAP and PPI is concluded.

1. Definitions

The following words and/or phrases shall have the following meaning:

“Equitable Remuneration” means the remuneration to which performers are entitled under law for the broadcast, cable transmission and public performance of their performances embodied in commercially produced sound recordings.

“Track” means a single musical work incorporated in a commercially produced sound recording.

“Performer Allocation” means the monies allocated in accordance with this Distribution System to performers entitled to be paid in any distribution made by RAAP.

“Featured Performer” means the solo artist or members of a band/ensemble responsible for the performance(s) embodied in a Track

“Non-Featured Performer” means a performer who has been engaged for one or a limited number of fixed periods of time, customarily known in the industry as “sessions”, specifically to make one or more recorded backing performance(s) subsequently included in the sound recording.

“**Accounting Period**” means a calendar year, from 1st January to 31st December (inclusive) in that year.

“**Retention Period**” means the period of three years from the end of the Accounting Period in which Equitable Remuneration has been allocated.

“**Undistributed Performers’ Fund**” means monies allocated to performers which RAAP has been unable to distribute because no claim has been made in relation to the same and/or RAAP does not have accurate contact details for the performers to whom the monies are owed and/or RAAP has been unable to identify the performers in question.

“**Reciprocal Rights Agreement**” means an agreement between RAAP and an equivalent performer collective management organisation (CMO) in another country, under which each party agrees to collect and remit to the other party the remuneration to which performers are entitled for exploitation of their performances in that country. RAAP’s Reciprocal Rights Agreements are in the form approved by SCAPR.

“**Performer Share Agreement**” (or “**PSA**”) means an agreement between all performers on a Track as to the manner in which revenues for that Track will be shared between the performers. A “valid” Performer Share Agreement is one in the form prescribed by RAAP, executed by all performers on a Track. RAAP may, at its discretion, elect to treat an agreement for the sharing of revenues as a “valid” PSA, even if it is not in the prescribed form, provided it is executed by all the performers on a Track and contains the information RAAP requires for distribution purposes. Such an agreement is a “valid PSA” for the purpose of these Distribution Rules.

“**Minimum Payment Level**” means the sum of €20 (or other sum determined by the Board of RAAP from time to time) due to any individual performer or entitled entity in any one distribution.

“**SCAPR**” means the Societies’ Council for the Collective Management of Performers’ Rights, the international umbrella body for performer CMOs.

“**VRDB**” means Virtual Recoding Database, a centralised digital system enabling member CMOs of SCAPR to identify sound recordings and performances thereon and to exchange performer information, so as to maximise accuracy and efficiently in the making of distributions to performers.

2. Performer Allocation

2.1. RAAP holds databases of performer information and Track data that are constantly updated, enabling it to allocate income appropriately to the performers entitled to receive the same.

2.2 Upon receipt of domestic income¹ for performers together with play data for the distribution period to which the income relates, RAAP determines a value unit “per play” and attributes that value collectively to the performers on the relevant Track. The income is then further allocated to the individual performer(s) on the Track in accordance with the principles that follow below, depending on the status of the performer, agreements between the performers (if applicable) and the nature of the contribution of the performer to the Track.

2.3 Each performer on a Track is treated as making one contribution only per Track and shall be categorised as either a Featured Performer or a Non-Featured Performer.

2.4 Notwithstanding the definitions of Featured and Non-Featured Performers, performers in respect of whom a claim is made to amend or add to data held concerning a Track will be categorised according to the evidence provided in accordance with the claims process, set out in Schedule I hereto.

3. Featured Performer Allocation

3.1 Where, according to the evidence supplied to RAAP, all the performers on a Track are Featured Performers, one hundred (100) per cent of the Performers’ Allocation is allocated to those performers on a per capita basis.

3.2 Where, according to the evidence supplied to RAAP, there are Non-Featured Performers on a track, Seventy (70) per cent of the Performers’ Allocation is allocated to the Featured Performers on a per capita basis, subject as provided hereunder.

3.3 With regard to Tracks where there is a single Featured Performer and such performer contributes as a conductor to that Track together with an orchestra, Equitable Remuneration for that Featured Performer is capped at thirty (30) per cent.

3.4 Equitable Remuneration is allocated in accordance with the provisions of clauses 3.1 – 3.3 above, except when all the Featured Performers on a Track unanimously agree in writing in a valid PSA to vary as between

¹ “Domestic” income is performer income earned in Ireland, as distinct from international income, which is performer income earned outside Ireland and transmitted to RAAP in accordance with SCAPR rules, by overseas CMOs with which RAAP has Reciprocal Rights Agreements.

themselves the proportions of the Equitable Remuneration payable to them, in which case the remuneration is allocated in accordance with the PSA.

3.5 Where all Featured Performers on a Track agree in writing in a valid PSA, a Non-Featured Performer is treated for the purposes of distribution as a Featured Performer and shall receive Equitable Remuneration in that capacity.

4. Non-Featured Performer Allocation

4.1 Where there are Non-Featured Performers on a Track, thirty (30) per cent of the Performers' Allocation is allocated to their performances. The maximum an individual Non-Featured Performer can be allocated is 7.5%.

4.2 Individual Non-Featured Performers are allocated a fixed percentage of the Non-Featured Performers' Allocation for each Track on which they have performed. This is calculated by reference to the number of Non-Featured Performers treated as having performed on the Track unless otherwise agreed in writing and advised to RAAP in the required form. By way of example only: if ten (10) Non-Featured Performers are treated as having performed on a Track then the fixed percentage is three (3) per cent i.e.: the standard thirty (30) per cent available to Non-Featured Performers divided by the number of Non-Featured Performers.

4.3 If there is only one Non-Featured Performer on a Track, the remaining 22.5% of the Non-Featured Performer Allocation reverts to the Featured Performers on that Track. Similarly if there are only two Non-Featured Performers each receiving a maximum of 7.5% then the remaining 15% reverts to the Featured Performers, and if there are three, the remaining 7.5% reverts to the Featured Performers.

4.4. Where any Non-Featured Performers on a recording are all members of an ensemble:

(A) and the ensemble has (or the performers comprising the ensemble have) an amateur or volunteer status, or where, in good faith, it is anticipated that the amounts of Equitable Remuneration payable over an aggregate of 3 Periods shall not exceed the Minimum Payment Level, then unless the ensemble (or the administrator(s) thereof) object, the aggregate of Equitable Remuneration due to the Non-Featured Performers comprising that ensemble shall be distributed to the person or entity responsible for the administration of the ensemble as a single point of payment;

(B) or, if the criteria referred to in sub-paragraph (A) above do not apply, but all the current performers comprising the ensemble make a request in the required form that the aggregate amount of Equitable

RAAP Distribution Rules

Remuneration due to such performers be distributed to the person or entity responsible for the administration of the ensemble as a single point of payment (subject to the Minimum Payment rule in clause 9 below), such a request will be acceded to.

In the event that a single point payment is made or arranged with any ensemble pursuant to this clause, but any individual performer(s) requires individual payment, such request will be acceded to (subject to the Minimum Payment threshold referred to in clause 9 below) but this shall not automatically suspend the arrangements for single point payment for the other performers. However, each case shall be considered individually on its merits (if necessary by the RAAP Mediation Committee) to assess, including by reference to the economic and administrative consequences thereof.

5. Variation of allocations

5.1 Performer allocations are made on the basis of the rules set out above and in accordance with evidence supplied as provided in the Schedule hereto.

5.2 As between performers on a Track, in the event that RAAP is provided in the required form with a valid PSA, the remuneration is allocated in the proportions specified therein.

5.3 There is full Track level accounting of the amount allocated to every identified performer. Any new relevant information received in connection with performances on Tracks² may lead to a re-calculation of the amount of Equitable Remuneration allocated to individual Featured Performers or Non-Featured Performers in any previous distribution(s) of Equitable Remuneration made up to the last preceding three (3) Accounting Periods and in all subsequent distributions.

6. Claims process

Equitable Remuneration is paid to performers in respect of whom valid claims have been made against Tracks, or whose contributions have otherwise been proved, in either case in accordance with the Claims Process set out in the Schedule hereto.

7. Distributions

7.1 In each Accounting Period, RAAP may make one or more distributions of sums allocated to performers. Each payment may take into account previous over-payment or under-payment to individual performers arising as a result of a re-calculation, as provided in clause 5.3 above and 7.3 below.

² This applies both to domestic claims and international claims.

RAAP Distribution Rules

7.2 In any distribution, allocations can only be made in accordance with a Performer Share Agreement if a valid PSA is received before the deadline for that distribution, which is published in advance on the RAAP website.

7.3 In the event a valid PSA is received after the deadline referred to in clause 7.2 above, the proportions of Equitable Remuneration stipulated in the PSA will be used to re-calculate shares for all subsequent distributions and, if specified by the relevant performers in the valid PSA, this will apply retrospectively to previous distributions of Equitable Remuneration in respect of any period up to a maximum of the last three (3) preceding periods.

7.4 After each distribution, Equitable Remuneration which remains undistributed despite RAAP's endeavours to pay all eligible performers is held by RAAP for the Retention Period to pay late claimants. Late claims are processed and distributions to late claimants made up to the expiry of the Retention Period in each case.

7.5 During the Retention Period any unclaimed Equitable Remuneration due to eligible performers for the period of retention is held in the Undistributed Performers Fund. This fund is held in a deposit account at RAAP's bank and interest earned thereon is distributed periodically to performers on a fair basis, as determined from time to time by the members of RAAP in general meeting.

8. Line-Up Complete

RAAP endeavours to ensure that all tracks are "line-up complete". The provisions of these Distribution Rules and the adoption of VRDB protocols help to ensure that all entitled performers receive Equitable Remuneration from the exploitation of the Tracks on which they have performed.

9. Minimum Payment Level

9.1 Individual entitled performer(s) or entities will not be paid in any distribution where the minimum sum payable falls below the sum of €20 (or such other sum as may be determined by the Board of RAAP from time to time). If the remuneration due to an individual performer or entity (and for the avoidance of doubt such sum shall in these circumstances include interest due to be credited to the relevant performer or entity) falls below this figure in any distribution, the sum of money will be held on account for the performer or entity until it reaches the relevant payment level.

9.2 Notwithstanding the provisions of clauses 12 and 13.2, Equitable Remuneration held by RAAP on behalf of a performer in accordance with clause 9.1 is retained by RAAP until either the amount due to the performer in question reaches the Minimum Payment Level or the amount in question has been

held for a period of six years from the end of the Accounting Period in which the money was allocated, at which point the money is paid to the performer in the next distribution, whether or not the Minimum Payment Level has been reached.

10. Adjustments of Claims

RAAP keeps its claims process open for three (3) years and gives its members and affiliates six months' notice at least that when that period has expired there will be no opportunity to contest an allocation, unless due to inaccurate or incomplete Line-ups as set out in the Schedule hereto .

11. RAAP Administration Charges and Accounting Information

11.1 RAAP deducts from all payments to performers an administration fee calculated on a cost recovery basis, as approved by the members of RAAP from time to time in general meeting.

11.2 Using VRDB protocols, RAAP provides detailed statements to its members and to overseas affiliate CMOs for every distribution setting out (i) rights for which remuneration has been received (ii) the period of collection covered (iii) details of Tracks, by title, shares distributed and any internal or international identification numbers.

12. Undistributed Performers Fund

At the end of every Accounting Period, monies held in the Undistributed Performers Fund for a period of at least three years (the Retention Period for such monies) is allocated and distributed to full members of RAAP who received payment for the year in question, pro-rata to the total Performer Allocation for that category of performer for that year. Performers are treated on the same basis for the purpose of this distribution as for the distribution in the year in question.

13. Unknown Performers/ Unclaimed Recordings.

13.1 In every Accounting Period, performances are identified on Tracks appearing on airplay listings by performers who are not members of RAAP or of an overseas affiliate CMO and who either cannot be identified, or for whom RAAP has no contact details. These performers are allocated Equitable Remuneration in the same way as the members of RAAP and affiliate CMOs. RAAP seeks out those performers so that the money due to them can be paid, including by publishing unclaimed recordings from the airplay lists on its website and by circulating details to all affiliate CMOs with which RAAP has Reciprocal Rights Agreements, who, in turn, also make efforts to identify/locate the performers. RAAP endeavours to ensure that all performers entitled to Equitable Remuneration are identified and paid.

RAAP Distribution Rules

13.2 In the event performances are not claimed by the end of the Retention Period, the money allocated to them is distributed in accordance with clause 12, as part of the Undistributed Performers' Fund.

SCHEDULE

Claims Process

This Schedule is appended to and forms part of the RAAP Distribution Rules. Terms used in the Schedule shall have the meaning attributed to them in the Distribution Rules.

Claims made to RAAP for payment of Equitable Remuneration occur under two headings: domestic claims and international claims.

Part 1

Domestic Claims

Domestic claims are made by members of RAAP and other performers claiming directly to RAAP for a share in the income received by RAAP for broadcasting and public performance of Tracks on which the claimant is a performer.

The domestic claims process, as may be varied from time to time by the Board of RAAP, is explained on the RAAP website. It is summarised hereunder:

1. Registration

In order to establish a claim for payment, the performer must register the performance with RAAP. It is only necessary to register a performance once. The data provided to RAAP on registration will apply to all subsequent allocations in respect of that performance. Members are encouraged to register their performances as soon as the Track in question has been published.

2. Evidence of contribution

When applying for registration of a performance for the first time, applicants must provide evidence to ground claims. The type of evidence required is set out in Part 2 of this Schedule. Applicants must provide ANY TWO of the items specified in the table therein.

3. Treatment Rules

3.1 In the event of any conflict between this clause and any provision in the Distribution Rules to which this Schedule is appended, the provisions of the Distribution Rules will apply.

RAAP Distribution Rules

3.2 Where performers on a Track have reached agreement as to the manner in which Equitable Remuneration is to be shared between them and have provided evidence to RAAP by way of a valid PSA, then RAAP processes claims in respect of the Tracks to which such agreement applies in accordance with the terms of the agreement. In the absence of such agreement, the following treatment rules apply:

3.3 Performers providing evidence that they contributed to a track are treated as 'Non-Featured' ("N") unless they prove a 'Featured' ("F") contribution by providing the requisite evidence, as specified in Part 2 of this Schedule.

3.4 Performers in a Non-Featured ensemble listed in the main artist area of a sleeve/inlay are treated as 'Non-Featured'.

3.5 Any ensemble, all of whose members' would individually be considered as Non-Featured Performers are held to be a Non-Featured Ensemble.

3.6 The Legal Personal Representative(s) of a deceased performer (or, on the instruction of the Legal Personal Representative(s), the person or persons entitled to receive Equitable Remuneration for the performances of the deceased performer) are treated as the performer for the purpose of allocation of revenues and processing of claims, subject to the production of the Grant of Administration of the estate of the deceased performer and the completion of the requisite form(s) of application and any other pertinent information required by RAAP.

4. Inaccurate Line-ups:

If a performer believes that the line-up on a Track is wrong, the performer should write to RAAP and attach the relevant evidence. This will then be reviewed. Adjustments will be made if the claim is proven and not disputed. If disputed, it will be referred to the disputes procedure.

Part 2

EVIDENCE REQUIRED TO GROUND CLAIMS

(Any TWO of the following must be produced)

Supporting Evidence Required by RAAP	Suitable for 'N' Claims	Suitable for 'F' Claims
Payslips/Invoices	Yes	Yes
Letter from Record Company confirming contribution category	Yes	Yes
Letter from a Contracted Artist or their Management confirming contribution category	Yes	Yes
Letter from Producer confirming contribution category	Yes	No
Record/Tape/CD Sleeve inlay naming the performer in the main artist section or as a member of the band (which is not a Non-Featured Ensemble)	Yes	Yes
Record/Tape/CD Sleeve inlay naming the Performer as a contributor	Yes	Yes
Published discography/Internet discography	Yes	Yes
Reference Books/Trade Press	Yes	Yes
Royalty Share Agreement	Yes	Yes
Awards	Yes	Yes

Note:

Where it is indicated that the supporting evidence specified above may provide proof for a category of performer claims, this does not mean or imply that such evidence will automatically provide proof of the category claimed. Any evidence submitted will be assessed as to what, if any, proof it provides of performance and the category of contribution in accordance with the definitions more particularly detailed above.

Part 3

International Claims

1 Where a Reciprocal Rights Agreement is in place between RAAP and an affiliate CMO in another territory, RAAP furnishes annual airplay listings of played Tracks to the affiliate CMOs and receives claims from it in respect of those they represent, whose performances are incorporated in the played Tracks. RAAP calculates the payments due to those performers in accordance with the RAAP Distribution Rules and makes a lump sum payment to the affiliate of the amount of the Equitable Remuneration due to those represented by the affiliate. The affiliate then distributes the payment in accordance with its own distribution rules.

2. The claims process is conducted in accordance with the Reciprocal Rights Agreement and SCAPR protocols.