#### SCHEDULE 5

### PERFORMER ALLOCATION RULES

A This document sets out the Performer Board's policy, known as the Performer Allocation Rules, regarding how Performer Track Allocation in respect of the exercise of the UK Rights in a Sound Recording controlled by PPL shall be allocated amongst those performers whose recorded performances are included on that Sound Recording. For the avoidance of doubt, although a person may be allocated a share of revenues in respect of a particular use of a particular Sound Recording, they will only be paid those revenues if they qualify for equitable remuneration in respect of that use. Furthermore, due to the need to ensure that payments are made promptly and the fact that all the relevant information may not be available to PPL, it may be necessary to revise the allocations and to make adjustments to distributions to take account of any relevant changes.

### **BACKGROUND**

- B These Performer Allocation Rules are based upon allocation and distribution schemes approved by various Performer representatives and this Schedule is confirmed by PPL's Performer Board.
- C These Performer Allocation Rules are a Schedule to (and are to be read in conjunction with) PPL's main Distribution Rules and they assume that:
  - (a) after the creation of Funds (and the application of Profiles to those Funds) pursuant to the Distribution Rules, licensing revenues (arising from the exploitation of the UK Rights) have been allocated to each appropriate Track:
  - (b) in accordance with the Distribution Rules appropriate adjustments (such as the deduction of PPL's administrative costs or the creation of Reserve Funds) have been applied to those licensing revenues; and
  - the Performers on each Track shall be determined as either Qualifying Performers or Non-Qualifying Performers pursuant to the Distribution Rules, and where the performers are Non-Qualifying Performers, their notional allocation of the Performer Track Allocation is to be paid to the relevant Record Company (or Companies) in accordance with the Distribution Rules.

## **OPERATIONAL CONTEXT**

D PPL holds information on millions of Tracks on the PPL Repertoire Database. This data was obtained from the Mechanical Copyright Protection Society ("MCPS") up until 31 December 2002 and thereafter from Record Companies directly. The data in respect of each Track obtained from both the MCPS and Record Companies includes performer line-up information.

#### 1. Aims

- 1.1 The aims of these Performer Allocation Rules are to ensure that:
  - (a) Performer Track Allocation due to Performers is allocated fairly and distributed efficiently, accurately, promptly and in a cost effective manner; and
  - (b) PPL's allocations are in accordance with PPL's Articles of Association, PPL's statutory duties to Performers and PPL's contractual duties to Record Companies.

#### Definitions

- 2.1 Definitions used in the Distribution Rules (such as the definition of Performer) shall apply to this Schedule unless stated otherwise.
- 2.2 The following definitions are used in this Schedule:

| Account | The balance (whether positive or negative) of     |  |  |
|---------|---|--|--|
|         | monies provisionally due to a Performer from PPL  |  |  |
|         | at any one time (and which, for the avoidance of  |  |  |
|         | doubt, is not held in a separate bank account for |  |  |
|         | that Performer).                                  |  |  |

Contracted Featured Performer

A Performer who is bound by an agreement as a performer with the relevant record company to provide a performance on a Sound Recording (save that agreements for session work or producer or remixer agreements are excluded) and who is credited as the lead artist or conductor on that recording.

Distribution Rules PPL's main Distribution Rules.

Featured Accurate The status of a Track in respect of which PPL

reasonably believes that it has complete information as to the identities of the Contracted Featured Performers and Other Featured

Performers.

Featured Performer A Performer who is either a Contracted Featured

Performer or an Other Featured Performer.

Featured Performer Share The share of the Performer Track Allocation on a

Track allocated to Featured Performers as

specified in Clause 6.

Genre Code A code for a Track based on the genre of that

Track.

Genre Default

A default number of Featured Performers and Non Featured Performers on a Track calculated using the Genre Code for that Track, such default numbers being stated in Annex 1 to this Schedule.

Line-Up Complete

The status of a Track in respect of which PPL reasonably believes that it has complete information as to the numbers and classification of the Performers for that Track.

Non-Featured Accurate

The status of a Track in respect of which PPL reasonably believes that it has complete information as to the identities of the Non-Featured Performers.

Non-Featured Performer

A Performer who is not a Featured Performer (for example, a session musician).

Non-Featured Performer Share

The share of the Performer Track Allocation on a Track provisionally allocated to Non-Featured Performers as specified in Clause 6.

Non-Qualifying Country

A country that is not a qualifying country pursuant to Schedule 3 of the Distribution Rules.

Non-Qualifying Performer

A Performer who in accordance with the Distribution Rules is not entitled to equitable remuneration in respect of a particular exploitation of the UK Rights in a Sound Recording.

Other Featured Performer

A Performer who is not a Contracted Featured Performer but who falls into one of the following categories:

- a guest lead vocalist (such as a lead vocalist not exclusively contracted to the commissioning record company);
- (ii) a performer (who contributes an audible performance or is a conductor) not exclusively contracted to the commissioning record company but whose personal or professional name appears with or is linked to the name of the Contracted Featured Performer(s) on the track; or
- (iii) a performer who provides an audible performance (or is a conductor) and therefore is entitled under the terms of a contract with the commissioning record company or the Contracted Featured Performer to receive royalties from sales of the recording.

PPL Repertoire Database

PPL's Track database with details of Sound Recordings controlled by PPL and of the Record Company (or Companies) who either assigned to PPL, or appointed PPL as its (or their) agent in respect of, the UK Rights in those Sound Recordings (or, as the case may be, of Record Company Societies and the rightsholders who have appointed PPL as their agent in respect of the UK Rights in those Sound Recordings).

**Qualifying Country** 

A country listed as a qualifying country in Schedule 3 of the Distribution Rules.

Qualifying Performer

A Performer who in accordance with the Distribution Rules is entitled to equitable remuneration in respect of a particular exploitation of the UK Rights in a Sound Recording.

Performer Share Agreement

An agreement, in a form specified by PPL, between Performers on a Track specifying the allocations of the Performer Track Allocation between those Performers.

Performer Track Allocation

Revenues allocated both to Qualifying Performers and Non-Qualifying Performers on a particular Track pursuant to Rule 8 and Rule 10 of the Distribution Rules. For the avoidance of doubt, it shall be deemed that PPL's administrative costs and reserve funds have already been deducted from such revenues in accordance with the Distribution Rules.

Primary Allocation

In respect of any particular Track and any particular Exploitation Period,

- (1) the Featured Performer Share for that Track; plus
- that part of the Non-Featured Performer Share allocated to identified Non-Featured Performers (whether Qualifying Performers or Non-Qualifying Performers) on that Track pursuant to Clause 7.1(a) to Clause 7.1(c).

Secondary Allocation

In respect of any particular Track and any particular Exploitation Period, the remainder of the Performer Track Allocation after the deduction of the Primary Allocation.

Track

A Sound Recording (which qualifies for copyright protection in accordance with Schedule 1).

- 2.3 References to a "Clause" are to a clause in this Schedule unless indicated otherwise.
- 2.4 The use of examples in this Schedule (and its Annex) is for information only and these examples do not form part of this Schedule (and Annex).
- 2.5 The headings in this Schedule (and its Annex) are for information only and do not form part of this Schedule (and Annex).

## **CLASSIFICATION OF PERFORMERS**

#### 3. Performer Classification

- 3.1 PPL shall classify each Performer included on a Track line-up as either a Contracted Featured Performer, an Other Featured Performer, or a Non-Featured Performer (regardless of whether or not they are a Qualifying Performer in respect of that Track). In the absence of satisfactory information as to the correct classification of a Performer on a Track, that Performer shall be classified on a provisional basis as a Non-Featured Performer.
- 3.2 A Performer on a Track line-up shall be treated as a single Contracted Featured Performer, Other Featured Performer or Non-Featured Performer in respect of that Track regardless of the number of vocal, instrumental or other contributions made by that Performer to a Track.

## 4. Samples and Remasters

4.1 For the purposes of this Schedule:

A "Sampled Recording" is a Sound Recording which has been published and subsequently a part (or all) of it has been incorporated into a separate Sound Recording.

A "Subsequent Sound Recording" is a Sound Recording which incorporates a Sampled Recording.

An "Additional Sound Recording" is that part of a Subsequent Sound Recording additional to the Sampled Recording.

A "Remastered Sound Recording" is a Sound Recording which is comprised wholly or substantially wholly of the performances (or other audible elements) that form part of a single earlier Sound Recording (the "Original Recording"), but which, due to a process of remastering, has attracted a new sound recording copyright, separate and distinct from the Original Recording and/or is presumed to have such new copyright, in accordance with PPL's Guidance Note on Remasters in effect from time to time.

4.2 Where in each case PPL has decided that it is reasonable in all the circumstances (such as where there is not satisfactory evidence to the contrary), PPL shall be entitled to presume that all Performers on the Sampled Recording are included in

- the performer line-up of the Subsequent Sound Recording (and classified in accordance with Clause 4.3) irrespective of which part of the Sampled Recording has been included in the Subsequent Sound Recording.
- 4.3 In respect of a Subsequent Sound Recording (and including those Performers presumed to be included in the performer line-up of that recording in accordance with Clause 4.2):
  - (a) Non-Featured Performers on the Sampled Recording shall be added as Non-Featured Performers to the performer line-up of the Subsequent Sound Recording.
  - (b) Featured Performers on the Sampled Recording shall be added as Non-Featured Performers to the performer line-up of the Subsequent Sound Recording, save that a Featured Performer on the Sampled Recording (whose performance is actually used on the Subsequent Sound Recording) may be treated as an Other Featured Performer on the Subsequent Sound Recording if:
    - (i) this is agreed by the relevant Record Company (or Record Companies) responsible for the Subsequent Sound Recording and by all of the Featured Performers on the Additional Recording; or
    - (ii) if this is determined by PPL to be reasonable in all the circumstances on the basis of that Featured Performer's contribution to the Subsequent Sound Recording.
- 4.4 For the avoidance of doubt, all Performers added to the performer line-ups on the Subsequent Sound Recordings shall be allocated a share of Performer Track Allocation in accordance with the provisions of this Schedule.
- 4.5 A Performer Share Agreement between the Performers on an Additional Sound Recording, which is not signed by all the Performers on the Sampled Recording, shall not apply in respect of the Subsequent Sound Recording (although allocations between the Performers on the Additional Sound Recording may be governed by that Performer Share Agreement).
- 4.6 If all Performers on a Sampled Recording enter into a Performer Share Agreement and the Sampled Recording is subsequently incorporated into a Subsequent Sound Recording, then the Performers on the Additional Sound Recording shall not be bound or affected by such existing Performer Share Agreement (but allocations between the Performers on the Sampled Recording may be governed by that Performer Share Agreement).
- 4.7 For the avoidance of doubt and in respect of Performers on the Sampled Recording, only those who are Qualifying Performers (on the Sampled Recording) will be Qualifying Performers on the Subsequent Sound Recording. Where there is a Non-Qualifying Performer on the Sampled Recording the Non-Qualifying Performer's notional share of Performer Track Allocation for the Subsequent Sound Recording shall be allocated to the relevant Record Company (or Record Companies) in accordance with the Distribution Rules.

- 4.8 Where in each case PPL has decided that it is reasonable in all the circumstances (such as where there is not satisfactory evidence to the contrary), PPL shall be entitled to presume that all Performers on the Original Recording are included in the performer line-up of the Remastered Sound Recording (and classified as Contracted Featured, Other Featured or Non Featured according to the classification that applies in respect of the Original Recording).
- 4.9 A valid Performer Share Agreement between the Performers on an Original Recording shall apply equally in respect of the Remastered Sound Recording unless the line-up of such Remastered Sound Recording contains any Performers not on the line-up of the Original Recording, in which case such Performer Share Agreement shall govern only allocations between the Performers on the Original Recording.

## **ALLOCATION OF PERFORMER TRACK ALLOCATION**

# 5. **Performer Share Agreements**

- 5.1 Subject to the written agreement of the relevant Record Company (or Record Companies) the relevant parts of the Performer Track Allocation in respect of a Track shall be allocated in accordance with any Performer Share Agreement for that Track as follows:
  - (a) All the Featured Performers on that Track have agreed voluntarily and unanimously to vary as between them the proportions of the Featured Performer Share (and any resulting share of the Secondary Allocation) to be allocated to them, such Featured Performers certifying in writing that they are the only Featured Performers on that Track.
  - (b) All the Performers on that Track have agreed voluntarily and unanimously to vary as between them the proportions of the Performer Track Allocation to be allocated to them, such Performers certifying in writing that they are the only Performers on that Track.
- For the avoidance of doubt, the inclusion of a Performer in a Performer Share Agreement for a Track does not entitle that Performer to be paid their share of the Performer Track Allocation in respect of that Track and any particular Exploitation Period if he or she is not a Qualifying Performer in respect of that Track and that Exploitation Period (and their allocation shall be paid to the relevant Record Company (or Record Companies) in accordance with the Distribution Rules).
- 5.3 For the avoidance of doubt, a Performer Share Agreement cannot be used by Performers to increase the amount payable in total to the Qualifying Performers on a Track without the consent of the relevant Record Company (or Record Companies).
- 5.4 A Performer Share Agreement shall be applied by PPL unless PPL has good reason to believe that:
  - (a) the Performers who have signed the agreement are not all the Performers whose agreement is required;

- (b) that the proportions in the Performer Share Agreement are not truly consensual; or
- (c) the proportions in the Performer Share Agreement are contrary to Clause 5.3.

# 6. Allocation of Performer Track Allocation between Featured Performers and Non-Featured Performers

- 6.1 In the absence of a Performer Share Agreement that complies with Clause 5, the Performer Track Allocation shall be allocated between the Featured Performer Share and the Non-Featured Performer Share as follows (subject to revisions under Clause 11):
  - (a) Sixty-five per cent (65%) shall be allocated to the Featured Performer Share and thirty-five per cent (35%) shall be allocated to the Non-Featured Performer Share, save where Clause 6.1(b) applies; or
  - (b) Where PPL has been notified in writing that there is a single Featured Performer on a Track and such Performer contributes as a conductor together with an ensemble of not less than forty-one (41) Performers, thirty-two-and-a-half per cent (32.5%) shall be allocated to the Featured Performer Share and sixty-seven-and-a-half percent (67.5%) shall be allocated to the Non-Featured Performer Share.

# 7. Allocation of the Featured Performer Share and Non-Featured Performer Share

- 7.1 When a Track is Line-up Complete (or, in the case of the allocation of the Featured Performer Share only, Featured Accurate) then subject to the application of any Performer Share Agreement (pursuant to Clause 5):
  - (a) Where there are no Other Featured Performers on that Track, all the Contracted Featured Performers for that Track are allocated equal shares of the Featured Performer Share.
  - (b) Where there are both Contracted Featured Performers and Other Featured Performers on that Track, the Featured Performer Share is allocated so that each Contracted Featured Performer receives a share twice the value of each share allocated to an individual Other Featured Performer.
    - Example: If there are two Contracted Featured Performers and one Other Featured Performer, each Contracted Featured Performer will be allocated 40% of the Featured Performer Share and the Other Featured Performer will be allocated 20% of the Featured Performer Share.
  - (c) All Performers treated as Non-Featured Performers for that Track are allocated equal amounts from the Non-Featured Performer Share, the value of each such allocation being set out in Annex 1 and subject to Clause 11.

- (d) Where the allocation of the Non-Featured Performer Share does not use all of the Non-Featured Performer Share, the remainder (the Secondary Allocation) shall be allocated between all the Performers on the Track.
- (e) All Performers (whether Contracted Featured Performers, Other Featured Performers or Non-Featured Performers) are allocated a share of any Secondary Allocation, such shares being calculated so that each Performer is allocated a share of the Secondary Allocation directly proportional to their share of the Primary Allocation.

Example: if a Contracted Featured Performer is allocated 100% of the Featured Performer Share (65% of the Performer Track Allocation) and the only Non-Featured Performer is allocated 7% of the Performer Track Allocation, the Primary Allocation will be 72% of the Performer Track Allocation. The remaining 28% will be shared between the Contracted Featured Performer and the Non-Featured Performer by applying a ratio of 65:7 in favour of the Contracted Featured Performer.

# 8. Provisional Allocation of Featured Performer Share between Featured Performers

- 8.1 Pending a Track being Featured Accurate or Line-Up Complete, PPL shall allocate the Featured Performer Share for that Track in accordance with Clause 7.1(a) and Clause 7.1(b) on the provisional basis that the number of Featured Performers on that Track is the greater of
  - (a) the number of identified Featured Performers on the Track; or
  - (b) the Genre Default (as specified in Annex 1) for the relevant Genre Code (as notified to PPL by the relevant Record Company (or Companies) or as selected by PPL) for that Track.
- 8.2 Where Clause 8.1(b) applies, the provisional allocation of the Featured Performer Share shall be between any identified Featured Performers and a number of notional Featured Performers (the total number of identified and notional Featured Performers being equal to the Genre Default). Each notional Featured Performer shall be classified as an Other Featured Performer.
- 8.3 For the avoidance of doubt, in applying Clause 8.1(b):
  - (a) Where there are no identified Contracted Featured Performers but one or more identified Other Featured Performers, the Featured Performer Share shall be provisionally divided in equal shares between the notional Featured Performers and the identified Other Featured Performers.
  - (b) Where there are no identified Featured Performers, the Featured Performer Share shall be provisionally divided in equal shares between the notional Featured Performers.

8.4 The shares allocated to the notional Featured Performers pursuant to Clause 8.1(b) shall not be allocated between identified Featured Performers until the Track is Featured Accurate or Line-Up Complete.

# 9. Provisional Allocation of Non-Featured Performer Share between Non-Featured Performers

- 9.1 Pending a Track being Non-Featured Accurate or Line-up Complete, PPL shall allocate the Non-Featured Performer Share on the provisional basis that the number of Non-Featured Performers on a Track is the greater of:
  - (a) The number of identified Non-Featured Performers for that Track; or
  - (b) The Genre Default (as specified in Annex 1) for the relevant Genre Code (as notified to PPL by the relevant Record Company (or Companies) or as selected by PPL) for that Track.
- 9.2 By reference to the number of Non-Featured Performers on a Track, as determined under Clause 9.1, each Non-Featured Performer (being either identified or notional) on a Track shall provisionally be allocated an equal amount of the Non-Featured Performer Share, the value of each such allocation being set out in Annex 1 and subject to Clause 11. (This may leave a proportion of the Non-Featured Performer Share allocated to notional Featured Performers that are as yet unidentified or may not exist, pending the Track being Non-Featured Accurate or Line-up Complete.)
- 9.3 For the avoidance of doubt, no allocation of any Secondary Allocation shall be made between identified Featured Performers and Non-Featured Performers until the Track is Line-up Complete.

#### QUALIFICATION FOR PERFORMER TRACK ALLOCATION

#### 10. Qualification

- 10.1 Schedule 3 of the Distribution Rules specifies whether a Performer on a Track will be a Qualifying Performer or a Non-Qualifying Performer in respect of the use of that Track during a particular Exploitation Period.
- 10.2 If a Qualifying Performer is allocated a share of the Performer Track Allocation for a Track in accordance with Clauses 5 to 9, they will be able to receive a distribution of such Performer Track Allocation for that Track, subject to the relevant provisions in the Distribution Rules.
- 10.3 A Non-Qualifying Performer will not be entitled to receive any share of the Performer Track Allocation allocated to them for that Track in accordance with Clauses 5 to 9. That share shall be distributed in accordance with Rule 10, save where the Distribution Rules allow for payment to that Performer (for example, where the Non-Qualifying Performer becomes a Qualifying Performer in respect of a particular Track during an Exploitation Period).

10.4 For the avoidance of doubt, a Performer may be a Qualifying Performer in respect of a particular Track and a particular Exploitation Period but a Non-Qualifying Performer in respect of another Track and the same Exploitation Period. Similarly, a Performer may be a Non-Qualifying Performer in respect of a particular Track and a particular Exploitation Period but may be a Qualifying Performer in respect of that Track and a different Exploitation Period (and *vice versa*).

#### **REVISIONS**

## 11. Revisions of allocations of Performer Track Allocation

- 11.1 When a Track becomes Featured Accurate, then the Featured Performer Share shall be allocated between Featured Performers in accordance with Clause 7.1(a) and Clause 7.1(b). For the avoidance of doubt, Non-Featured Performers on the Track shall not be entitled to any of the Featured Performer Share.
- 11.2 For the avoidance of doubt, when a Track becomes Non-Featured Accurate, PPL shall assume that for the purposes of Clause 9.1 the number of identified Non-Featured Performers on a Track shall be the number of Non-Featured Performers and PPL shall allocate the Non-Featured Performer Share in accordance with Clause 7.1(c).
- 11.3 When a Track becomes Line-up Complete, then the Secondary Allocation (to the extent that there is any) shall be allocated between Featured Performers and Non-Featured Performers in accordance with Clause 7.1(e).
- 11.4 Where at any time (whether before or after a distribution) PPL determines that it is reasonable in all the circumstances (such as where there is the provision of further information to PPL, the conclusion of PPL research, a successful claim by a Performer, the receipt by PPL of a valid declaration form, and/or the resolution of a performer dispute), PPL may revise:
  - the allocations of Performer Track Allocation in respect of a particular Track and Exploitation Period in accordance with Clauses 5 to 9 and 11;
  - (b) the status of a Performer as a Qualifying Performer or Non-Qualifying Performer in accordance with the Distribution Rules; and/or
  - (c) the status of a Performer as Contracted Featured Performer, Other Featured Performer or Non-Featured Performer in accordance with Clauses 3 and 4.
- 11.5 Where the allocation of Performer Track Allocation is made pursuant to this Clause 11 then any further allocations of Performer Track Allocation in respect of that Track shall be made on the basis of the revised allocation (subject to any further revisions).

#### 12. **Initial Distribution**

12.1 In accordance with the Distribution Rules PPL may pay the Qualifying Performers on a Track a share of the Performer Track Allocation in respect of that Track pursuant to Clause 6 and Clause 7 or, pending that Track being Featured Accurate and/or Line-up Complete, on the provisional allocations in Clause 8 and Clause 9 (subject always to the application of any Performer Share Agreement in respect of that Track pursuant to Clause 5).

#### ADJUSTMENTS TO PERFORMER ACCOUNTS

# 13. **Adjustments**

- 13.1 For the avoidance of doubt, where a distribution of Performer Track Allocation has taken place, it may be necessary to make adjustments to the Accounts of the Performers on that Track pending future distributions in accordance with the Distribution Rules where:
  - the allocation of Performer Track Allocation is revised pursuant to Clause 11 and certain Performers (or those entitled to be paid on their behalf) have been paid either too much or too little of the Performer Track Allocation in respect of one or more Exploitation Periods;
  - (b) a Performer (or any person entitled to be paid on their behalf) has been paid a share of the Performer Track Allocation in respect of a Track and a particular Exploitation Period when that Performer was not a Qualifying Performer in respect of that Track and that Exploitation Period; and/or
  - (c) the wrong amount of Performer Track Allocation was paid to (or in respect of) a Performer for any other reason.
- 13.2 Where a situation as specified in Clause 13.1 arises, PPL may:
  - (a) when making distributions in respect of that Performer and that Track (whether or not in respect of the Exploitation Period relating to the erroneous allocation), deduct any Overpayment from the amount to be paid in respect of that Performer; and/or
  - (b) when making distributions in respect of that Performer and other Tracks, deduct any Overpayment from the amount to be paid in respect of that Performer.
- 13.3 Any adjustments made pursuant to Clause 13.2 (whether in the form of additional payments or deductions from further distributions) shall be limited in time in accordance with the Distribution Rules.
- 13.4 Any exercise of Clause 13.2 by PPL shall not preclude PPL from exercising any other remedies in order to recover monies paid out to (or in respect of) Performers in error.

- 13.5 For the avoidance of doubt, an adjustment to the allocation of Performer Track Allocation in respect of one Exploitation Period does not mean that all relevant Performers should receive the same allocations in respect of any future Exploitation Period.
- 13.6 PPL shall be under no obligation to notify all or any of the Performers on a Track of any amendments, adjustments and/or recalculations under this Clause 13.

#### GENERAL

## 14. **General**

- 14.1 In the event of a conflict between this Schedule and the Distribution Rules, the Distribution Rules shall prevail.
- 14.2 This Schedule may be amended from time to time with approval of the Performer Board, such amendment to be effective from the date of approval by the Performer Board (or any other date specified by the Performer Board).

#### Annex 1

## 1. Introduction

- 1.1 This Annex accompanies the Performer Allocation Rules in Schedule 5 to the Distribution Rules. References to Clauses are to clauses in that Schedule.
- 1.2 For the avoidance of doubt, the percentage figures in Paragraphs 2 and 3 of this Annex do not apply to the extent that the allocation of the Performer Track Allocation is governed by Clause 5.
- 1.3 For the avoidance of doubt, although a Performer may be allocated a share of the Performer Track Allocation under the Schedule, that share will only be paid to that Performer (or any person entitled to receive payment on their behalf) if he or she is a Qualifying Performer in respect of the relevant Exploitation Period.
- 1.4 For the purposes of this Annex the following abbreviations shall be used:

| С   | Contracted Featured Performer |
|-----|-------------------------------|
| FPS | Featured Performer Share      |
| NFP | Non-Featured Performer        |
| 0   | Other Featured Performer      |
| PTA | Performer Track Allocation    |

# 2. Allocation of Performer Track Allocation: general cases

- 2.1 Where Clause 6.1(a) applies then prior to the distribution of any Secondary Allocation, Paragraphs 2.2, 2.3, 2.4 and 2.5 shall apply.
- 2.2 65% (sixty five per cent) of the Performer Track Allocation shall be allocated to the Featured Performer Share) and thirty-five per cent (35%) shall be allocated provisionally to the Non-Featured Performer Share.
  - Note that in the following paragraphs the percentage figures relate to the percentage of Performer Track Allocation, not the percentage of the Featured Performer Share or the Non-Featured Performer Share.
- 2.3 As stated in Clause 7.1(a) and Clause 7.1(b) the Featured Performer Share will be divided between Featured Performers so that Contracted Featured Performers receive a share double that of Other Featured Performers.

By way of illustration only, examples of the application of Paragraph 2.3 are set out in the table below (please note that the percentage figures in the third and fourth columns are proportions of the Performer Track Allocation, not proportions of the Featured Performer Share):

| Number of Cs | Number of Os | % of PTA to | % of PTA to |
|--------------|--------------|-------------|-------------|
|              |              | each C      | each O      |
| 5            | 0            | 13          | 0           |
| 0            | 5            | 0           | 13          |
| 2            | 1            | 26          | 13          |

Note that the number of Cs and Os may be calculated by reference to Clause 8 and Paragraph 4 (Genre Default)

- 2.4 The Non-Featured Performer Share shall be allocated between each Non-Featured Performer as follows:
  - (1) 7% of the Performer Track Allocation shall be allocated to each Non-Featured Performer where there are between 1 and 5 Non-Featured Performers.
  - Where there are 6 or more Non-Featured Performers, the Non-Featured Performer Share shall be split equally between each Non-Featured Performer.

Note that the number of NFPs may be calculated by reference to Clause 9 and Paragraph 4 (Genre Default).

2.5 Where there are more than 89 Non-Featured Performers on a Track then each Non-Featured Performer shall each be allocated a share of the Non-Featured Performer Share as the Performer Board determines to be reasonable in all the circumstances.

## 3. Allocation of Performer Track Allocation: special cases

- 3.1 Where Clause 6.1(b) applies (that is, there is a single Featured Performer on a Track and such Performer contributes as a conductor together with an ensemble of not less than 41 performers), then prior to the application of any Secondary Allocation, Paragraphs 3.2, 3.3 and 3.4 shall apply.
- 3.2 The Featured Performer Share shall be 32.5% (thirty-two-and-a-half per cent) and the Non-Featured Performer Share shall be the remaining 67.5% (sixty-seven-and-a-half percent).
- 3.3 The Non-Featured Performer Share shall be allocated so that 0.75% of the Performer Track Allocation shall be allocated to each Non-Featured Performer where there are between 41 and 90 Non-Featured Performers.

By way of illustration only, examples of the application of Paragraphs 3.2 and 3.3 are set out in the table below:

| No. of NFPs | % PTA to FPS | %PTA to NFPS | %PTA to each |
|-------------|--------------|--------------|--------------|
|             |              |              | NFP          |
| 41-90       | 32.5         | 67.5         | 0.75         |

Note that the number of NFPs may be calculated by reference to Clauses 7 and 9 and Paragraph 4 (Genre Default).

3.4 Where there are more than 90 Non-Featured Performers on a Track then each Non-Featured Performer shall each be allocated a share of the Non-Featured Performer Share as the Performer Board determines to be reasonable in all the circumstances.

## 4. Application of Genre Defaults

- 4.1 Pending a Track being Line-up Complete, Featured Accurate or Non-Featured Accurate, PPL may allocate shares of Performer Track Allocation to Featured Performers and Non-Featured Performers on a provisional basis using the Genre Code pursuant to Clause 8 and Clause 9.
- 4.2 The Genre Defaults are set out in the table below:

| Genre Code | Genre              | Default<br>No. of FPs | Default No. of NFPs |
|------------|--------------------|-----------------------|---------------------|
| BLU        | Blues              | 1                     | 4                   |
| CLA        | Classical          | 2                     | 60                  |
| CMB        | Chamber Music      | 2                     | 10                  |
| COU        | Country            | 2                     | 6                   |
| DAN        | Dance              | 2                     | 5                   |
| FLK        | Folk               | 3                     | 3                   |
| JAZ        | Jazz               | 4                     | 9                   |
| MOR        | Middle of the Road | 1                     | 20                  |
| NAM        | New Age Music      | 1                     | 3                   |
| OPE        | Opera              | 8                     | 80                  |
| POP        | Pop                | 3                     | 6                   |
| RAR        | Rock 'n' Roll      | 4                     | 3                   |
| RCK        | Rock               | 4                     | 4                   |
| REG        | Reggae             | 6                     | 3                   |
| REL        | Religious          | 2                     | 30                  |
| RNB        | R'n'B              | 2                     | 6                   |
| SHW        | Show               | 4                     | 60                  |
| SOU        | Soul               | 5                     | 10                  |
| UNC        | Unclassified       | 1                     | 6                   |
| UNK        | Unknown            | 1                     | 6                   |

## 5. Allocation of Secondary Allocations

5.1 As stated in Clause 7, once a Track is Line-up Complete, the Secondary Allocation will be allocated between Performers in accordance with the proportion of the Primary Allocation that has been allocated to those Performers.

Note that even where a Track is Line-up Complete there may be further adjustments (for example, if further information is received about the status or number of Performers).