

PHONOGRAPHIC PERFORMANCE LIMITED

DISTRIBUTION RULES

This document sets out the rules applicable to the distribution of monies collected by PPL in respect of the licensing of the rights controlled by PPL in the United Kingdom.

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RULE ONE AIMS

- 1.1 The aims of PPL's Distribution Rules are to ensure that:
- (1) the licence fees collected by PPL are distributed and paid to Record Companies and Performers fairly, efficiently, accurately, promptly and in a cost effective manner;
 - (2) the licence fees are allocated to Record Companies and Performers fairly in accordance with the usage of their Sound Recordings; and
 - (3) PPL's distributions are in accordance with PPL's Articles of Association, PPL's contractual duties to its Record Companies and PPL's statutory duties to pay equitable remuneration to Performers.

RULE TWO LIST OF DEFINITIONS

- 2.1 The following definitions are used in these Rules (including any Schedules to the Rules):

The 1988 Act	The Copyright, Designs and Patents Act 1988 or any relevant statutory modification or re-enactment of that statute for the time being in force.
The Board	The board of directors of PPL.
Corporate Group	A collection of Record Companies who: <ol style="list-style-type: none">(1) are associated companies (whether incorporated in the United Kingdom or otherwise) within Section 416 of the Income and Corporation Taxes Act 1988 (as amended);(2) inform PPL that they wish to receive a collective payment from PPL; or(3) are classified as such by the Finance Committee as it shall determine to be reasonable in all the circumstances.
Dispute Resolution Procedures	PPL's procedures in force from time to time for the resolution of disputes relating to these Rules.
Distribution Committee	The committee duly appointed by the Board to administer certain aspects of the distribution of monies by PPL.
Exploitation Period	A period of time (such as a calendar year) in

	which a Sound Recording is used and in respect of which a distribution is (or will be) made by PPL.
Finance Committee	The committee duly appointed by the Board to administer various financial aspects of PPL's business.
Fund	A collection of revenues received by PPL (whether from a single licensee or from multiple licensees) and from which appropriate deductions have been made.
Net Distributable Revenue	The sum available for distribution to Record Companies and Performers in respect of any particular Exploitation Period.
Overpayment	A payment made by PPL (whether pursuant to these Rules or otherwise) that is in excess of the amount that should have been paid to the recipient.
Performer	A person contributing a performance (as specified in Schedule 2) to a sound recording.
Performer Board	The committee of the Board established pursuant to the articles of association of PPL with objects including the determination of policy for the distribution of income to Performers in respect of the exercise of the UK Rights.
Profile	Information regarding the usage of Sound Recordings.
Record Company	A person (whether an individual, company, partnership or otherwise) admitted to membership of PPL and whose name appears on the Register (or a person who at any material time has satisfied these conditions).
Record Company Society	A society responsible for the collective administration of Sound Recordings in a territory outside the United Kingdom that enters into an agreement with PPL, under which the society appoints PPL as its agent to administer the UK Rights (or part of them) in Sound Recordings controlled by that society.
Register	The register of members to be kept under Section 352 of the Companies Act 1985 (as amended by the Companies Act 1989 or Section

113 of the Companies Act 2006 and including any statutory modification or re-enactment thereof for the time being in force).

Reserve Fund	An amount of money deducted from revenues in accordance with Rule 9.1.
Sound Recording	A sound recording as defined under the 1988 Act.
UK Rights	All of the various rights in Sound Recordings under the 1988 Act (in respect of acts taking place in the United Kingdom, the Channel Islands, the Isle of Man and all additional territories to which the 1988 Act shall extend) that are administered by PPL on behalf of some or all of the Record Companies from time to time.
Working Day	Any day of the week (Monday to Friday inclusive) which is not a public holiday.

- 2.2 For the purposes of these Rules only, a Record Company Society shall be treated as a Record Company, save that allocations to individual Sound Recordings will be on the basis of the individual rightsholders represented by that Record Company Society.
- 2.3 Where an individual is both a Performer and a Record Company in respect of a Sound Recording, references in these Rules to that individual as a Record Company shall be limited to that individual's rights as a Record Company and references to that individual as a Performer shall be limited to that individual's rights as a Performer.

RULE THREE QUALIFICATION OF SOUND RECORDINGS

- 3.1 Allocations and payments (whether to Record Companies or to Performers) will only be made in respect of a Sound Recording where in accordance with Schedule 1:
- (1) that Sound Recording is deemed to qualify for copyright protection in respect of the UK Rights at the time that those rights were exercised; and
 - (2) PPL controls the UK Rights in that Sound Recording.
- 3.2 Allocations and payments shall only be made pursuant to Rule 3.1 in respect of a particular Sound Recording and a particular Record Company to the extent that the relevant part of the UK Rights in that Sound Recording is controlled by PPL on behalf of that Record Company.

RULE FOUR QUALIFYING PERFORMANCES

- 4.1 Where there is an exploitation of the UK Rights in a Sound Recording qualifying for allocations under Rule 3.1, a person will only be allocated and paid equitable remuneration in respect of their contribution to that particular Sound Recording where:
- (1) the right to equitable remuneration under Section 182D of the 1988 Act applies to that exploitation;
 - (2) the person's contribution to the Sound Recording was such that they qualify as a Performer in respect of that Sound Recording in accordance with the rules in Schedule 2; and
 - (3) the person's contribution to that Sound Recording was a qualifying performance in accordance with the rules in Schedule 3.
- 4.2 Where PPL is the agent of a Record Company in respect of the UK Rights in a Sound Recording, PPL will pay equitable remuneration to the relevant Performers (in accordance with these Rules) on behalf of that Record Company.

RULE FIVE THE DISTRIBUTION SCHEME

- 5.1 Distributions of Net Distributable Revenue shall be made in accordance with the following procedure:
- (1) PPL's revenues and costs for the relevant Exploitation Period are independently audited.
 - (2) The audited operating costs are allocated to revenue streams (and similar revenue streams may be combined for these purposes) and Funds are created from revenue streams or combinations of revenue streams to be used to pay the relevant Record Companies and Performers (see Rule 6 and Rule 7).
 - (3) Usage information is applied to particular Funds in order to calculate the monies allocated to particular Sound Recordings (see Rule 8).
 - (4) Reserve Funds will be deducted at PPL's discretion (see Rule 9).
 - (5) The resulting monies shall be allocated to Sound Recordings and then divided between Record Companies and Performers (see Rule 10, Rule 11 and Rule 12).
 - (6) The total amounts allocated to the accounts of individual Record Companies are distributed to those Record Companies or those entitled to receive payments on their behalf (see Rule 13).

- (7) The total amounts allocated to the accounts of individual Performers are distributed to those Performers or those entitled to receive payments on their behalf (see Rule 14).

RULE SIX COSTS ALLOCATION

- 6.1 Revenues received by PPL in respect of a particular Exploitation Period shall be divided into revenue streams for that Exploitation Period (and, for the avoidance of doubt, similar revenue streams may be combined for the allocation of costs).
- 6.2 The costs of collecting revenue attributable to a revenue stream shall be taken from that revenue stream, save where PPL determines that it would be reasonable in all the circumstances for such costs (or part of such costs) to be allocated between more than one revenue stream.
- 6.3 Corporate, administration and other costs shall be divided between the revenue streams in such proportions as are determined by PPL to be reasonable in all the circumstances.
- 6.4 The division of costs (including the costs of collecting revenues and the costs of distributing revenues) between Record Companies and Performers shall be:
- (1) calculated on an activity basis (see further Rule 6.6); and
 - (2) apportioned between Record Companies and Performers and across revenue streams accordingly as determined by PPL to be reasonable in all the circumstances.
- 6.5 In making any costs allocations under Rule 6.2, Rule 6.3 and 6.4, PPL shall exercise its discretion as to whether:
- (1) costs should be attributed to:
 - (a) the Exploitation Period in which the activity or event relating to those costs took place,
 - (b) any different Exploitation Period in which the liability to pay those costs was incurred or
 - (c) any different Exploitation Period in which those costs were paid by PPL; and/or
- Example: Costs may be incurred in a particular Exploitation Period in recovering licence fees from a copyright user but the licence fees may be for a different Exploitation Period.*
- (2) any costs should be apportioned between different Exploitation Periods (including Exploitation Periods in which the activity or event relating to those costs did not take place and in which PPL neither incurred the liability to pay those costs or satisfied that liability).

Example: Costs may be incurred and paid in negotiating a new licence or tariff, the benefits of which will apply for several Exploitation Periods (and not just the Exploitation Period in which the negotiations took place).

- 6.6 The calculation and division of costs on an activity basis in Rule 6.4 refers to such tasks being undertaken by assessing what costs relate to particular activities and then what proportion of such costs is attributable to each such activity (such assessments to be conducted by whatever means PPL shall determine to be reasonable in all the circumstances).
- 6.7 The costs allocations made by PPL pursuant to Rule 6.2, Rule 6.3 and Rule 6.4 shall be reviewed by an external auditor and confirmed by the Finance Committee in respect of each Exploitation Period.

RULE SEVEN FUNDS

- 7.1 Interest accrued by PPL on monies collected in respect of the exercise of the UK Rights shall be added to the revenue streams in such amounts and such proportions as PPL shall determine to be reasonable in all the circumstances.
- 7.2 Tax payable by PPL shall be allocated across revenue streams in such proportions as PPL shall determine to be reasonable in all the circumstances.
- 7.3 Payments by PPL in support of anti-piracy activities shall be determined by the Board and then allocated across revenue streams in such proportions as PPL shall determine to be reasonable in all the circumstances. Such payments shall only affect the amounts to be paid to Performers to the extent to which the funding of such contributions is approved by the Performer Board.
- 7.4 Any music industry contributions (other than those made pursuant to Rule 7.3) shall be determined by the Board and, where appropriate, the Performer Board, and then allocated across revenue streams in such proportions as PPL shall determine to be reasonable in all the circumstances.
- 7.5 Any further deductions from the revenue streams shall be made at the discretion of the Board (and, where appropriate, the Finance Committee or the Performer Board) and in such proportions as PPL shall determine to be reasonable in all the circumstances.
- 7.6 After making the deductions and adjustments in Rule 6 and Rule 7 in respect of a particular Exploitation Period, the remaining monies from each revenue stream (or from a combination of similar revenue streams) shall constitute a Fund. For the avoidance of doubt, Funds may be constituted from a different combination of revenue streams than the combinations used for the purposes of allocating costs or making any other deductions and adjustments.
- 7.7 In establishing such Funds as it shall determine to be reasonable in all the circumstances, PPL shall take into account where appropriate:

- (1) all relevant characteristics of the individual licensees paying licence fees or the particular licences or tariffs relating to that Fund which may include (without limitation) the size, business type and location of such licensees;
 - (2) the genre of music used by the licensee or licensees paying the licence fees from which the Fund is to be created;
 - (3) the number of persons to whom Sound Recordings are communicated by the licensee or licensees paying the licence fees from which the Fund is to be created
 - (4) the nature of the use of the Sound Recordings by the licensee or licensees paying the licence fees from which the Fund is to be created, including but not limited to whether performers have a right to receive equitable remuneration for such use; and
 - (5) the availability and quality of usage information (or comparable information) for that Fund (see further Rule 8.4).
- 7.8 The Funds established by PPL shall be confirmed by the Distribution Committee in respect of each Exploitation Period.
- 7.9 The total monies in the Funds for any Exploitation Period shall be the Net Distributable Revenue for that Exploitation Period.

RULE EIGHT PROFILES

- 8.1 The monies in each Fund are allocated to particular Sound Recordings in accordance with the Profile established for that Fund.
- 8.2 In establishing Funds and Profiles the aim is to ensure that the licence fees received by PPL are allocated to particular Sound Recordings in such proportions as fairly reflect the relevant exploitation of the UK Rights in those Sound Recordings.
- 8.3 PPL shall create Profiles on the basis of actual usage (save where such usage information is not available for whatever reason or where the cost of obtaining or processing full and actual information would be disproportionate whether to the revenue represented by such usage or otherwise) as it shall determine to be reasonable in all the circumstances.
- 8.4 Where there are no or incomplete usage returns corresponding to the licence fees received by PPL, or such returns are unreliable (in whole or in part) for whatever reason, or processing full and actual usage data is reasonably determined by PPL to be disproportionate, PPL may take into account the following factors in exercising its discretion in creating Profiles:
- (1) returns provided by similar licensees for similar exploitations of the rights controlled by PPL;

- (2) returns provided by licensees for a different exploitation of the rights controlled by PPL where such exploitation is linked to the exploitation of the rights giving rise to those licence fees;
- (3) returns provided by licensees who exploit Sound Recordings of a similar genre to the Sound Recordings likely to have been used by the licensee who paid those licence fees;
- (4) information provided to PPL evidencing which Sound Recordings were exploited;
- (5) the reliability of such returns and information; and
- (6) any other relevant information.

8.5 In considering whether a particular Sound Recording is referred to in a usage return (or other usage information) and therefore should be included in a Profile, PPL shall adopt such procedures as it shall determine to be reasonable in all the circumstances and where appropriate shall take into account factors such as:

- (1) the format of the usage report; and

Example: the provision of electronic usage reports allows for automated matching

- (2) the information provided in the usage report.

Example: the use of ISRC codes by a licensee is likely to be more reliable than simple track and artist listings.

8.6 For the avoidance of doubt, in creating Profiles (and applying Funds to such Profiles) PPL shall be entitled to take into account usage in an Exploitation Period other than the Exploitation Period in which either the liability to pay the corresponding licence fees arose or, if different, the corresponding licence fees were received by PPL.

8.7 In creating and applying Profiles, PPL shall be entitled to take account information relating to the number of persons to whom Sound Recordings were communicated as a result of any particular usage or category of usage of Sound Recordings.

8.8 PPL may exclude Sound Recordings from a Profile as it shall determine to be reasonable in the circumstances, including where such Sound Recordings have been produced for purposes other than sale and distribution to the general public.

Examples:

- (a) *Sound Recordings produced to accompany radio and television broadcasts (jingles, commissioned recordings, station ids)*

- (b) *Sound Recordings produced for use in the advertising of products or services*
 - (c) *Sound Recordings produced to accompany the exercise tracks used in fitness classes*
 - (d) *Karaoke sound recordings*
- 8.9 The monies in a Fund shall be allocated between the Sound Recordings in the relevant Profile in accordance with Rule 3 and on the following basis:
 - (1) in direct proportion between the total amount of time that each particular Sound Recording was exploited and the total amount of time that Sound Recordings in that Profile were exploited; or
 - (2) in the absence of sufficient information to carry out the allocation in accordance with Rule 8.9(1), in direct proportion to the number of plays for each Sound Recording in that Profile.
- 8.10 In the absence of sufficient information to carry out an allocation in accordance with Rule 8.9(1) or Rule 8.9(2), PPL shall allocate the monies for a Fund as it shall determine to be reasonable in all the circumstances, such as by confirming estimates for the number of plays for each Sound Recording in a Profile and allocating monies between those Sound Recordings in direct proportion to those estimates.

RULE NINE RESERVE FUNDS

- 9.1 At any stage of the allocation and/or distribution of monies in respect of an Exploitation Period, sums may be set aside from the Net Distributable Revenue in such proportions determined to be reasonable by PPL.
- 9.2 Monies deducted pursuant to Rule 9.1 shall be transferred into Reserve Funds which shall accrue interest at such times and in such amounts as PPL shall determine to be reasonable in all the circumstances.
- 9.3 Monies held in a Reserve Fund created pursuant to Rule 9.1 shall be used for the specific purpose (or purposes) for which that fund is established and shall be paid out in accordance with that specific purpose (or purposes) at such times and in such amounts as PPL shall determine to be reasonable in all the circumstances.
- 9.4 For the avoidance of doubt, in the event that any monies held in a Reserve Fund consist (in whole or in part) of licence fees paid to PPL in respect of the use of a specific Sound Recording and PPL reasonably determines that the Sound Recording does not satisfy the requirements of Rule 3.1 then for the avoidance of doubt PPL is entitled to return the licence fees that relate to that Sound Recording to the licensee that made the payment at such time as PPL shall determine to be reasonable in all the circumstances.

- 9.5 For the avoidance of doubt, to the extent that there is any surplus left in a Reserve Fund, that surplus shall be added to the Net Distributable Revenue (whether for the current Exploitation Period or for any other Exploitation Period) as PPL shall determine to be reasonable in all the circumstances.

RULE TEN
DIVISION OF NET DISTRIBUTABLE REVENUE BETWEEN
RECORD COMPANIES AND PERFORMERS

- 10.1 Following the allocation of the monies in a Fund pursuant to Rule 8, the monies allocated to each Sound Recording in the relevant Profile shall be shared on a 50/50 basis between:

- (1) the relevant Record Company (or Record Companies); and
- (2) the Performers on that Sound Recording,

subject to adjustments in respect of any differing costs and deductions allocated to Record Companies and to Performers pursuant to Rule 6 and Rule 7.

- 10.2 Where monies in a Fund are attributable to the exercise of those UK Rights in respect of which Performers have no right to equitable remuneration, Rule 10.1 shall not apply and all such monies shall be allocated to the relevant Record Company (or Companies).

Example: revenue in respect of the rights under Section 17 of the 1988 Act shall be allocated to the Record Companies only.

- 10.3 Where a single payment is made to PPL in respect of the exercise of two or more of the UK Rights and Performers do not have a right to equitable remuneration in respect of all of those rights, PPL shall allocate that payment between the exercise of those different rights in such proportions as it shall determine to be reasonable in all the circumstances. In such circumstances Rule 10.1 shall not apply in respect of monies allocated to the exploitation of that part of the UK Rights in which Performers do not have a right of equitable remuneration.

Example: licence fees received in respect of both the dubbing (copying) and broadcasting of Sound Recordings shall be divided so that the dubbing revenues are allocated to Record Companies only and the broadcasting revenues can be allocated to Record Companies and Performers.

- 10.4 Where the Board and the Performer Board consider it to be reasonable in all the circumstances, an alternative allocation and distribution scheme shall be used for particular Funds (or parts of Funds) instead of the scheme in Rule 10.1.
- 10.5 Where one or more of the Performers on a Sound Recording does not have a right to receive equitable remuneration in respect of that Sound Recording, the provisional allocation of monies to that Performer (or those Performers) pursuant to Rule 10 and Rule 12 shall be allocated to the relevant Record Company (or

Companies) entitled under Rule 11.1 to revenues in respect of that Sound Recording.

RULE ELEVEN
ALLOCATION OF REVENUES BETWEEN RECORD COMPANIES

- 11.1 Revenues allocated to the relevant Record Company or Record Companies in respect of a particular Sound Recording pursuant to Rule 10 shall be allocated to that Record Company or between those Record Companies in accordance with Schedule 4.

RULE TWELVE
ALLOCATION OF REVENUES BETWEEN PERFORMERS

- 12.1 Revenues allocated to Performers in respect of a particular Sound Recording pursuant to Rule 10 shall be allocated between the relevant Performers on that Sound Recording in accordance with Schedule 5.
- 12.2 For the avoidance of doubt:
- (1) where a Performer is allocated revenue in respect of any particular Sound Recording and Exploitation Period but (in accordance with Schedule 3) does not qualify for equitable remuneration for that Exploitation Period, that revenue shall not be paid to that Performer but shall instead be allocated in accordance with Rule 10.5; and
 - (2) pending the receipt of full information as to the number, classification and entitlement of Performers for a particular Sound Recording:
 - (a) allocations of revenue in respect of a particular Sound Recording can be made to Performers on a provisional basis (in accordance with Schedule 5); and
 - (b) distributions can be made on that basis where PPL determines it to be reasonable in all the circumstances.
- 12.3 Where the Board and the Performer Board consider it to be reasonable in all the circumstances, then some (or all) of the monies allocated to some (or all of the) Performers on particular Sound Recordings shall not be allocated pursuant to Schedule 5 but in accordance with an alternative allocation scheme.

RULE THIRTEEN
PAYMENTS TO RECORD COMPANIES

- 13.1 Rules 13.1 to 13.16 inclusive set out the way in which PPL shall carry out its contractual duty to make payments to the Record Companies subject to any statutory limitation (as applied by PPL in accordance with any distribution closure policy).

13.2 The monies allocated to a Record Company shall be paid out to the Record Company or to a duly appointed person such as:

- (1) any party to whom the Record Company has transferred the contractual right to receive payments (subject to PPL receiving full notification of this transfer);
- (2) any third party in respect of whom the Record Company (or, where appropriate, the person to whom the contractual right to receive payments has been transferred under Rule 13.2(1)) has given specific and valid authority to PPL to pay part or all of those monies (which may include, without limitation any fee payable for membership of any trade association of which the Record Company is a member); or
- (3) any third parties to whom PPL is obliged to make payments of those monies by law or lawful court order.

Corporate Group payments

13.3 Payments to be made pursuant to these Rules can be made to a Corporate Group (or to a single member of that Corporate Group) rather than to the individual members of that Corporate Group at the request of that Corporate Group and the discretion of PPL.

Payments

13.4 Payments shall be made to Record Companies at such times as PPL shall determine to be reasonable in all the circumstances. For the avoidance of doubt, provisional payments may be made in respect of an Exploitation Period in accordance with these Rules. Such payments may be calculated on the basis of provisional information regarding the use of Sound Recordings, the ownership and control of the UK Rights in Sound Recordings and the identity, qualification and classification of Performers relating to that Exploitation Period.

Interest

13.5 Where interest has accrued on any revenues (whether added pursuant to Rule 7.1 or otherwise), such interest shall be added to any payments to Record Companies relating to those revenues and made pursuant to these Rules at such times and in such amounts as PPL shall determine to be reasonable in all the circumstances.

Taxation

13.6 Taxation and charges shall be applied to payments to Record Companies in accordance with PPL's legal obligations and Rule 7.2.

Deductions

13.7 Where an Overpayment has been made in respect of a Record Company,

- (1) PPL may deduct all or part of that Overpayment from any payment that is due in respect of that Record Company;

- (2) if that Record Company is in a Corporate Group, PPL may deduct all or part of that Overpayment from any payments due in respect of any Record Company in that Corporate Group;
- (3) if that Record Company has since transferred the repertoire in respect of which the Overpayment was made, PPL may also deduct all or part of that Overpayment from any payment that is due in respect of any Record Company who has acquired control of all or part of that repertoire; and
- (4) if that Overpayment has been included in a payment made by PPL to any organisation acting on behalf of one or more Record Companies, PPL can deduct all or part of that Overpayment from any payments to that organisation,

provided that there is no double recovery of any part of an Overpayment (whether under this Rule 13.7, Rule 13.11 or otherwise).

- 13.8 Any deduction made pursuant to Rule 13.7(3) shall be limited to the payments that are due in respect of the Record Company and repertoire that was the subject of the Overpayment.
- 13.9 For the avoidance of doubt, PPL may recover parts of an Overpayment from more than one person under these Rules according to any one criterion or any combination of criteria set out in Rule 13.7 (and in such order of persons as PPL determines to be reasonable in all the circumstances) provided that the total sum recovered shall be no more than the Overpayment (plus any interest due under Rule 13.11 below).

Repayment

- 13.10 Where an Overpayment has been made in respect of a Record Company and such Overpayment has not been recouped in full by PPL pursuant to Rule 13.7, that Record Company (or the person entitled to receive payment on their behalf) shall repay to PPL that sum (or the unrecouped part of that sum) within 10 Working Days of the receipt of a written request from PPL. For the avoidance of doubt, PPL's rights under this Rule 13.10 shall not be dependent upon PPL having first exercised its rights under Rule 13.7.

Interest on Deductions and Repayments

- 13.11 Where a deduction is made from the distribution in respect of a Record Company pursuant to Rule 13.7, or a repayment has to be made to PPL in accordance with Rule 13.10, interest may be added to that deduction or repayment in such amounts as PPL shall determine to be reasonable in all the circumstances.

Waiver

- 13.12 PPL's ability to recover an Overpayment is not waived by the payment of any further monies in respect of that Record Company (or by the attempted or partial recoupment of that Overpayment, whether from that Record Company or from any other party) after the making of the Overpayment.

Holding of monies

13.13 Subject to any statutory limitation, the monies in the account of a Record Company may be held as PPL determines to be reasonable in all the circumstances. For example, PPL may refrain from making distributions:

- (1) pending the amount of those monies reaching an appropriate level for a payment to be made;
- (2) pending the resolution of any disputes concerning distributions in respect of that Record Company and/or distributions to any Record Companies in the same Corporate Group as that Record Company;
- (3) pending the receipt by PPL of sufficient data relating to that Record Company's Sound Recordings according to PPL's data policy as adopted and amended from time to time;
- (4) pending the investigation and resolution of any other concerns that PPL might have concerning the Record Company and/or the monies in that Record Company's account (including, without limitation, disputes as to the ownership or control over rights in a Sound Recording); or
- (5) pursuant to any court order or other legal duty.

Confirmation of repertoire

13.14 Each Record Company shall notify any changes (additions or deletions) of repertoire (and all relevant Performer data) to PPL as soon as possible (and in accordance with Rule 13.13 PPL has the right to suspend any distributions to a Record Company until its confirmation has been received).

Notification and return of Overpayments

13.15 Each Record Company (or the person entitled to receive payments on behalf of that Record Company pursuant to Rule 13.2) must inform PPL in writing within 10 Working Days of receiving from PPL monies that are not due to them or of becoming aware that the monies are not due to them (whichever date is later) and return those monies at the same time.

Charity Records

13.16 In respect of a Sound Recording made for or attributable to charitable purposes, PPL shall pay to the relevant person under Rule 13.2 the sum allocated to the relevant Record Company (or Companies) unless PPL receives a written direction to the contrary from that person.

**RULE FOURTEEN
PAYMENTS TO PERFORMERS**

14.1 Rules 14.1 to 14.16 inclusive set out the way in which PPL shall make payments in accordance with the statutory duty on PPL and/or the Record Companies under Section 182D of the 1988 Act subject to any statutory limitation (as applied by PPL in accordance with any distribution closure policy).

14.2 The monies allocated to a Performer shall be paid out to the Performer or to a duly appointed person such as:

- (1) Any collecting society to whom the Performer has assigned his or her right to equitable remuneration;
- (2) The Performer's validly appointed agent;
- (3) A person holding a valid power of attorney in respect of that Performer and those monies;
- (4) A person who has obtained a grant of representation in respect of a deceased Performer;
- (5) any third party in respect of whom the Performer (or, where appropriate, the Performer's representative) has given specific and valid authority to PPL to pay part or all of those monies (which may include, without limitation, any fee payable for membership of any trade association of which the Performer is a member); or
- (6) any third parties to whom PPL is obliged to make payments of those monies by law or lawful court order.

Payments

14.3 Payments shall be made to Performers at such times as PPL shall determine to be reasonable in all the circumstances. For the avoidance of doubt, provisional payments may be made in respect of an Exploitation Period in accordance with these Rules. Such payments may be calculated on the basis of provisional information regarding the use of Sound Recordings, the ownership and control of the UK Rights in Sound Recordings and the identity, qualification and classification of Performers relating to that Exploitation Period.

Interest

14.4 Where interest has accrued on any revenues (whether added pursuant to Rule 7.1 or otherwise), such interest shall be added to any payments to Performers relating to such revenues and made pursuant to these Rules at such times and in such amounts as PPL shall determine to be reasonable in all the circumstances.

Taxation

14.5 Taxation and charges shall be applied to payments to Performers in accordance with PPL's legal obligations and Rule 7.2.

Deductions

14.6 Where an Overpayment has been made to a Performer (or to a person who is entitled to receive a payment on behalf of a Performer),

- (1) PPL can deduct all or part of that Overpayment from any other payment that is due in respect of that Performer; and
- (2) if that Overpayment has been included in a payment made by PPL to any person or organisation acting on behalf of one or more Performers, PPL

can deduct all or part of that Overpayment from any following payments to that organisation,

provided that there is no double recovery of any part of an Overpayment (whether under this Rule 14.6 or otherwise).

- 14.7 For the avoidance of doubt, PPL may recover parts of an Overpayment from more than one person under these Rules according to any one criterion or any combination of criteria set out in Rule 14.6 (and in such order of persons as PPL determines to be reasonable in all the circumstances) provided that the total sum recovered shall be no more than the Overpayment (plus any interest due under Rule 14.9 below).

Repayment

- 14.8 Where an Overpayment has been made to a Performer and such Overpayment has not been recouped in full by PPL pursuant to Rule 14.6, PPL reserves the right to request that Performer (or the person entitled to receive payment on their behalf) to repay to PPL that sum (or the unrecouped part of that sum) within 10 Working Days of the receipt of a written request from PPL. For the avoidance of doubt, PPL's rights under this Rule 14.8 shall not be dependent upon PPL having first exercised its rights under Rule 14.6.

Interest on Deductions and Repayments

- 14.9 Where a deduction is made from the distribution due to a Performer pursuant to Rule 14.6, or a repayment has to be made to PPL in accordance with Rule 14.8, interest can be added to that deduction or repayment in such amounts as PPL shall determine to be reasonable in all the circumstances.

Waiver

- 14.10 PPL's ability to recover an Overpayment is not waived by the payment of any further monies in respect of that Performer (or by the attempted or partial recoupment of that Overpayment, whether from that Performer or from any other party) after the making of the Overpayment.

Holding of monies

- 14.11 Subject to any statutory limitation, the monies in the account of a Performer may be held as PPL determines to be reasonable in all the circumstances. For example, PPL may refrain from making distributions:

- (1) pending registration of the Performer (by the Performer or a person duly authorised to act on their behalf);
- (2) pending the amount of those monies reaching an appropriate level for a payment to be made;
- (3) pending the resolution of any disputes concerning distributions to that Performer and/or distributions to any Performer whose performances feature on the same sound recording as the first Performer;

- (4) pending the investigation and resolution of any other concerns that PPL might have concerning the Performer and/or the monies in that Performer's account; or
- (5) pursuant to any court order or other legal duty.

Notification and return of Overpayments

- 14.12 Performers (or the relevant persons under Rule 14.2) must inform PPL in writing within 10 Working Days of receiving from PPL monies that are not due to them, or of becoming aware that the monies are not due to them (whichever date is later) and return those monies at the same time.

Ensembles

- 14.13 Where some or all Performers on a Sound Recording are members of what PPL reasonably believes to be an ensemble (or choir) and where PPL also reasonably believes either that:

- (1) the ensemble (or choir) has an amateur or volunteer status and:
 - (i) it is not cost efficient to identify all the Performers in that ensemble (or choir) individually, and
 - (ii) the amount allocated to each such Performer in respect of any Exploitation Period does not exceed the threshold for payment of equitable remuneration (as determined by the Performer Board to be reasonable in all the circumstances); or
- (2) the Performers in the ensemble (or choir) have appointed a representative to receive their payments of equitable remuneration on behalf of the members of that ensemble (or choir),

then subject to Rule 14.14 and Rule 14.15 PPL may allocate and distribute the aggregate of such Performers' equitable remuneration to the person or entity responsible for the administration of the ensemble (or choir).

- 14.14 An allocation and distribution pursuant to Rule 14.13 shall only take place where:

- (1) that ensemble (or choir) qualifies for equitable remuneration in accordance with Schedule 3; and
- (2) the appointed representative or (as the case may be) the person responsible for the administration of the ensemble (or choir) enters into an agreement with PPL (in a form determined by PPL to be reasonable in all the circumstances).

- 14.15 In the event that a single payment is made or arranged with any ensemble (or choir) pursuant to Rule 14.13, but an individual Performer in that ensemble requires individual payment, PPL shall make such payment to that Performer (subject to the provisions of these Rules) and such payment shall not automatically suspend the arrangements for the single payment in respect of the other Performers comprising that ensemble (or choir).

Charity Records

- 14.16 In respect of a Sound Recording made for or attributable to charitable purposes, PPL shall pay to the relevant person under Rule 14.2 the sum allocated to a Performer entitled to equitable remuneration for that Sound Recording in accordance with Schedules 3 and 5 unless PPL receives a written direction to the contrary from that person.

RULE FIFTEEN ADJUSTMENTS

General Adjustments

- 15.1 Adjustments to the amounts allocated to Sound Recordings, to Record Companies or to Performers may be made where PPL determines it to be reasonable in all the circumstances, such as where PPL wants to take account of:
- (1) additional revenues being available for distribution (or additional or revised information being available in respect of the usage of Sound Recordings);
 - (2) additional or revised information concerning the ownership of the relevant rights in a Sound Recording; or
 - (3) additional or revised information concerning the entitlement of Performers to equitable remuneration in respect of a Sound Recording.
- 15.2 Any adjustment pursuant to Rule 15.1 may increase or reduce the revenues allocated to a particular Sound Recording as well as the allocations of such revenues between:
- (1) Record Companies;
 - (2) Record Companies and Performers; and/or
 - (3) Performers.

Extraordinary adjustments

- 15.3 Where PPL decides that it is reasonable in all the circumstances the distribution of a revenue stream shall be revised or redone.
- 15.4 Any extraordinary adjustment under Rule 15.3 may alter the revenues allocated to a particular Sound Recording and may alter the allocations of that part of the Fund between:
- (1) Record Companies;
 - (2) Record Companies and Performers; and/or
 - (3) Performers.

RULE SIXTEEN ADDITIONAL PROVISIONS

Commencement

- 16.1 These Rules apply to the distribution of monies in respect of the Exploitation Period starting on 1 January 2012 and (subject to any revision or replacement of these Rules) any subsequent Exploitation Periods. These Rules may apply to the distribution of monies in respect of Exploitation Periods starting prior to 1 January 2012 as PPL determines to be reasonable in all the circumstances.

Applicable Law

- 16.2 These Rules shall be construed and interpreted in accordance with the laws of England and Wales, the courts of which shall be the sole and exclusive courts of competent jurisdiction in all matters concerning the same.

Rules

- 16.3 References to Rules are to the rules set out in this document.

Headings

- 16.4 The headings in these Rules are for information only and do not form part of these Rules.

Examples

- 16.5 The use of examples in these Rules is for information only and these examples do not form part of these Rules.

Amendments

- 16.6 Subject to Rule 16.7, any amendment to these Rules must be approved by a majority of the Board to be effective.
- 16.7 The provisions of Rules 1 to 16 take precedence over the provisions of any Schedules to the Rules and any amendment to any Schedule to these Rules must be approved by PPL (and, in respect of Schedule 5, the Performer Board).
- 16.8 For the avoidance of doubt, where there is any conflict between these Rules and any other PPL documentation (such as the PPL website), these Rules shall prevail in the absence of express wording (explicitly referring to this Rule 16.8) to the contrary.

SCHEDULE 1
SOUND RECORDING QUALIFICATION
As of 31 December 2024

1. Introduction

1.1 A Sound Recording will qualify for allocations and payments of PPL's licence fee income in accordance with the provisions of this Schedule if:

- (1) it qualifies for copyright protection in the United Kingdom;
- (2) that protection was valid at the time that the rights in that Sound Recording were exercised; and
- (3) PPL controls the UK Rights in that Sound Recording in respect of that exploitation of the Sound Recording.

1.2 Sound Recordings qualify for copyright protection in two ways:

- (1) Authorship. The country of authorship must be the United Kingdom or one of certain foreign countries (which for the purpose of this Schedule are referred to as "Qualifying Countries", see further Clause 4.1), although it is not necessary for the country of authorship to have been a Qualifying Country at the time that the Sound Recording was made.
- (2) Publication. The Sound Recording must have been first published in the United Kingdom or in a Qualifying Country (although again it is not necessary for that country to have been a Qualifying Country at the time of the publication).

1.3 It is only necessary for one of the two tests in Clause 1.2 to be satisfied for copyright protection to be acquired.

Example: the country of authorship might not be the United Kingdom or a Qualifying Country but the Sound Recording will still acquire copyright protection if it was first published in the United Kingdom or a Qualifying Country.

1.4 A Sound Recording only qualifies for copyright protection whilst copyright subsists in that Sound Recording (see further Clause 5.1 below).

2. Authorship

2.1 The author of a Sound Recording is the producer of that Sound Recording (that is, the person by whom the arrangements necessary for the making of that Sound Recording were undertaken).¹

¹ Section 9(2)(aa) and Section 178 of the 1988 Act. All statutory references in this Schedule are to the 1988 Act unless stated otherwise.

- 2.2 For the Sound Recording to have copyright protection in the United Kingdom, the author of the Sound Recording must have been in one of the following three categories at the time that the Sound Recording was made (the time that the final mix of the Sound Recording was completed):
- (1) A citizen or subject of the United Kingdom or a Qualifying Country;
 - (2) An individual domiciled or resident in the United Kingdom or a Qualifying Country; or
 - (3) A body incorporated under the law of a part of the United Kingdom or of a Qualifying Country.²
- 2.3 In identifying the country of authorship (for example, the country of nationality, residence, domicile or incorporation) under Clause 2.2:
- (1) PPL will accept that a person was resident in a country at the time that a Sound Recording was made if that person was registered for tax or for voting in central or local government elections in that country at that time.
 - (2) PPL will accept that a person was domiciled in a country at the time that a Sound Recording was made if that person had his or her permanent home in that country at that time.
- 2.4 It is not necessary for the country of authorship to have been a Qualifying Country at the time that the Sound Recording was made. However, the copyright protection will only take effect from the time that the country of authorship became a Qualifying Country (although in accordance with Clause 6.3 PPL may elect to treat the Sound Recording as qualifying for protection from an earlier date for the purposes of the Distribution Rules).

3. Publication

- 3.1 Subject to Clause 3.2, a Sound Recording qualifies for copyright protection if it is first published in:
- (1) the United Kingdom,³ or
 - (2) a Qualifying Country.⁴
- 3.2 The simultaneous publication rule provides that a Sound Recording that was not first published in the United Kingdom or a Qualifying Country will still qualify for copyright protection if it was published in the United Kingdom or a Qualifying Country within 30 days of the first publication.⁵
- 3.3 For a Sound Recording to acquire copyright protection by virtue of the place where it was first published, it is not necessary for the place of publication to have been a Qualifying Country at the time of publication. However, the copyright protection will only take effect from the time that the country in which

² Sections 154(1), 154(2) and 159.

³ Section 155(1)(a).

⁴ Sections 155(1)(a) and 155(2).

⁵ Section 155(3).

the Sound Recording was first published became a Qualifying Country (although in accordance with Clause 6.3 PPL may elect to treat the Sound Recording as qualifying for protection from an earlier date for the purposes of the Distribution Rules).

- 3.4 Publication means the issue of copies to the public.⁶ Publication does not include the Sound Recording being played in public or being communicated to the public by electronic means (such as in a broadcast or by making available the Sound Recording for downloading).⁷

4. Qualifying Countries

- 4.1 A Qualifying Country is one that satisfies the statutory tests for copyright protection (or is treated by PPL) as providing reciprocal protection in respect of Sound Recordings. The Qualifying Countries are set out in the Annex to this Schedule.⁸ For the avoidance of doubt, the inclusion of a country in the Annex does not mean that that country has been a Qualifying Country at all previous times.⁹
- 4.2 Once a work qualifies for copyright protection, copyright does not cease to subsist because of any subsequent event (for example, the country in which the Sound Recording was first published subsequently is not included in the Annex).¹⁰
- 4.3 Subject to Clause 6.3, where the Sound Recording is created before the date on which the relevant country was added to the Annex, the copyright protection only applies to the use of the copyright from that date.

5. Duration of copyright

- 5.1 Subject to Clauses 6.1 to 6.5, the duration of copyright protection in Sound Recordings in Section 13A(2) of the 1988 Act (and in respect of which the UK Rights shall subsist in Sound Recordings) shall be taken by PPL to expire:
- (1) 50 years from the end of the calendar year in which they were made; or
 - (2) if they were published (or played in public or communicated to the public) in the UK within that period, 70 years from the end of the calendar year in which that act took place.¹¹

⁶ Section 175(1)(a).

⁷ Section 175(4)(c).

⁸ The Annex is consistent with the countries that are Qualifying Countries under Sections 154 and 159 of the 1988 Act or, as the case may be, the Copyright and Performances (Application to other Countries) Order 2016 SI No 1219.

⁹ The rules for Qualifying Countries are different depending on whether or not the licence fee income relates to public performances, communications to the public (such as broadcasts) or to dubbing. However, such distinctions are not set out in Annex 1 as a sound recording qualifying for protection for some rights by reference to one country is likely to qualify for protection for other rights by reference to one or more other countries under the tests in Clause 1.2.

¹⁰ Section 153(3).

¹¹ The 50 year period was extended to 70 years for certain sound recordings pursuant to The Copyright and Duration of Rights in Performances Regulations 2013 SI No 1782. Note that this legislative change does not affect the distribution of monies for the use of sound recordings up to 31 December 2013.

6. Presumptions

- 6.1 Unless PPL is given reason to believe that a Sound Recording is not protected by copyright (insofar as the UK Rights are concerned), PPL shall be entitled to rely upon the information for that Sound Recording on the PPL Repertoire Database when determining whether it qualifies for copyright protection under the Distribution Rules.

Example: PPL shall be entitled to rely on the publication date for the Sound Recording provided by the relevant Record Company.

- 6.2 Where it appears from information provided by a Record Company that PPL controls some or all of the UK Rights in a Sound Recording then unless PPL is given reason to believe otherwise, PPL shall be entitled to treat the relevant parts of the UK Rights in that Sound Recording as being controlled by PPL for the purposes of the Rules.

- 6.3 Where PPL determines that it is reasonable in all the circumstances it may allocate an appropriate share of licence fee income to a Record Company and the relevant Performers in respect of the use of a Sound Recording in the whole or a part of a particular Exploitation Period even if that use took place:

- (1) Before the date on which the country of authorship or the country of publication became a Qualifying Country within that Exploitation Period;
- (2) Before the date on which the Record Company responsible for that Sound Recording joined PPL within that Exploitation Period (assuming that such Sound Recording was not previously in PPL's repertoire by virtue of an assignment or agency appointment from another Record Company);
- (3) Before the date on which the Record Company responsible for that Sound Recording acquired the relevant rights in that Sound Recording (and transferred such rights to PPL) (assuming that such Sound Recording was not previously in PPL's repertoire by virtue of an assignment or agency appointment from another Record Company); or
- (4) After the date on which (for whatever reason) PPL no longer controlled the UK Rights in that Sound Recording (or copyright no longer subsisted in that Sound Recording).

- 6.4 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:

- (1) rely upon the presumptions in Section 105(1) of the 1988 Act as to the owner of the copyright in a Sound Recording, the year of its first publication and the country of first publication; and/or

- (2) presume that the producer of a Sound Recording under Clause 2.1 is of the same nationality as the country of recording (the place of the final mix) for that Sound Recording;
 - (3) presume for the purposes of Clause 2.2 that the relevant country for the authorship of a Sound Recording is any country reported to PPL as the “country of commissioning” of that Sound Recording; and/or
 - (4) presume that a Sound Recording was made in the same year as its date of first publication.
- 6.5 In respect of the duration of the copyright in any sound recording, where it is reasonable in all the circumstances PPL shall be entitled to presume that for any sound recording:
 - (1) the “use it or lose it” provisions in Section 198HA of the 1988 Act have not been exercised; and/or
 - (2) the duration of the copyright in the sound recording is not reduced below the periods in Clause 5.1 by reason of Section 13A(4) of the 1988 Act.
- 7. Interpretation**
- 7.1 Definitions used in the Distribution Rules shall apply to this Schedule unless stated otherwise.
- 7.2 References to a “Clause” are to a clause in this Schedule unless where indicated otherwise.
- 7.3 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).
- 7.4 The headings in this Schedule (and its Annex) are for information only and do not form part of this Schedule (and Annex).

Annex Qualifying Countries

This Annex sets out the Qualifying Countries as at 31 December 2024. For the avoidance of doubt, the inclusion of a country in the list does not mean that that country has been a Qualifying Country at any time prior to the publication of this list.

Afghanistan
Albania
Algeria
Andorra
Angola
Antigua and Barbuda
Argentina
Armenia
Australia (including Norfolk Island)
Austria
Azerbaijan
Bahamas
Bahrain
Bangladesh
Barbados
Belarus
Belgium
Belize
Benin
Bermuda
Bhutan
Bolivia
Bosnia-Herzegovina
Botswana
Brazil
Brunei Darussalam
Bulgaria
Burkina Faso
Burundi
Cambodia
Cameroon
Canada
Cape Verde
Central African Republic
Chad
Chile
China
Colombia
Comoros
Congo
Cook Islands
Costa Rica
Cote d'Ivoire

Croatia
Cuba
Cyprus, Republic of
Czech Republic
Democratic Republic of the Congo
Denmark
Djibouti
Dominica
Dominican Republic
Ecuador
Egypt
El Salvador
Equatorial Guinea
Estonia
Faeroe Islands
Fiji
Finland
France (including all Overseas Departments and Territories)
Gabon
Gambia
Georgia
Germany
Ghana
Gibraltar
Greece
Greenland
Grenada
Guatemala
Guernsey
Guinea
Guinea-Bissau
Guyana
Haiti
Holy See
Honduras
Hong Kong
Hungary
Iceland
India
Indonesia
Ireland, Republic of
Isle of Man
Israel
Italy
Jamaica
Japan
Jersey
Jordan
Kazakhstan
Kenya
Kiribati

Korea, Democratic People's Republic of
Korea, Republic of
Kuwait
Kyrgyzstan (previously Kyrgyz Republic)
Lao People's Democratic Republic
Latvia
Lebanon
Lesotho
Liberia
Libyan Arab Jamahiriya (previously Libya)
Liechtenstein
Lithuania
Luxembourg
Macao
Macedonia (former Yugoslav Republic of)
Madagascar
Malawi
Malaysia
Maldives
Mali
Malta
Mauritania
Mauritius
Mexico
Micronesia, Federated States of
Moldova, Republic of
Monaco
Mongolia
Montenegro
Morocco
Mozambique
Myanmar
Namibia
Nauru
Nepal
Netherlands
Netherlands Aruba Curacao, Sint Maarten and Antilles
New Zealand
Nicaragua
Niger
Nigeria
Norway
Oman
Pakistan
Panama
Papua New Guinea
Paraguay
Peru
Philippines
Poland
Portugal

Qatar
Romania
Russian Federation
Rwanda
Saint Kitts and Nevis
Saint Lucia
Saint Vincent and the Grenadines
Samoa
San Marino
Sao Tome and Principe
Saudi Arabia
Senegal
Serbia
Seychelles
Sierra Leone
Singapore
Slovak Republic
Slovenia
Solomon Islands
South Africa
Spain
Sri Lanka
Sudan
Suriname
Swaziland
Sweden
Switzerland
Syrian Arab Republic
Taiwan
Tajikistan
Tanzania, United Republic of
Thailand
Timor-Leste
Togo
Tonga
Trinidad and Tobago
Tunisia
Turkey
Turkmenistan
Tuvalu
Uganda
Ukraine
United Arab Emirates
United States of America (including Puerto Rico and all territories and possessions)
Uruguay
Uzbekistan
Vanuatu
Venezuela
Vietnam
Yemen

Zambia
Zimbabwe

SCHEDULE 2

PERFORMANCES

This Schedule sets out what contributions to a Sound Recording amount to a performance under the Distribution Rules (the person making such a contribution being a Performer).

For the avoidance of doubt, for a Performer to qualify for equitable remuneration in respect of their recorded performance, that performance must also be a qualifying performance (see Rule 4.1(3) and Schedule 3).

1. Relevant contributions

- 1.1 Subject to Clause 2, the contribution of a person to a Sound Recording shall only amount to a performance (and hence that person will only be a Performer on that Sound Recording) if it is an audible contribution (whether vocal or instrumental) that it is recorded as part of that Sound Recording.
- 1.2 For the avoidance of doubt, where a person makes several contributions to a Sound Recording; that person will qualify as a Performer in respect of that Sound Recording if any one of those contributions satisfies the requirements in Clause 1.1. The allocation of the monies for a particular Sound Recording between the Performers on that Sound Recording is set out in Schedule 5 (subject to Rule 12.3).

2. Conductors and Producers

- 2.1 A person such as an orchestra conductor, bandleader or studio producer who has not contributed an audible performance (such as playing an instrument or singing) to a Sound Recording in accordance with Clause 1 shall nevertheless be deemed to have contributed a performance to that Sound Recording if they conducted or musically directed another Performer's live performance as it was being recorded. For the avoidance of doubt, alterations made to the track after the recording has been made, such as edits or remixes, will not be deemed to be performances (unless these new versions involve new audible performances as in Clause 1.1).

3. Interpretation

- 3.1 Definitions used in the Distribution Rules shall apply to this Schedule unless stated otherwise.
- 3.2 References to a "Clause" are to a clause in this Schedule unless where indicated otherwise.
- 3.3 The headings in this Schedule are for information only and do not form part of this Schedule.

SCHEDULE 3

PERFORMER QUALIFICATION ***As of 31 December 2024***

1. Introduction

1.1 For a person to qualify for equitable remuneration from PPL under Section 182D of the 1988 Act in respect of the public performance of a Sound Recording under Section 19 of the 1988 Act or a communication to the public of a Sound Recording (other than the making available of that Sound Recording) under Section 20 of the 1988 Act, the following three tests must be satisfied:

- (1) PPL must control the UK Rights in the Sound Recording, which must be a commercially published Sound Recording that in accordance with Schedule 1 qualifies for copyright protection;
- (2) that person must have been a Performer on the Sound Recording in accordance with Schedule 2; and
- (3) that person must be a qualifying Performer on the basis of their personal status or the status of the country in which their recorded performance took place (see further Clause 1.2).

1.2 PPL will accept a Performer as a qualifying Performer under Section 182D of the 1988 Act if it is PPL's reasonable belief (pursuant to the Distribution Rules and this Schedule) that at the time that the public performance or communication of the Sound Recording takes place (rather than the time of the original performance):¹

- (1) The country in respect of which the Performer was a citizen, subject or resident at the time when the original performance was given is a Qualifying Country;²
- (2) The country in which the original performance was given by the Performer is a Qualifying Country;³ or
- (3) in respect of the playing in public or communication to the public of a Sound Recording taking place on or after 15 December 2024, a producer of that Sound Recording was a citizen, subject or resident of one of the following countries or a body incorporated under the law of one of those countries:⁴
 - (a) the United Kingdom,
 - (b) the Channel Islands,
 - (c) the Isle of Man,

¹ *Experience Hendrix LLC v Purple Haze Records Ltd* [2007] EWCA Civ 501 (CA).

² Sections 181(2) and 206(1) of the 1988 Act.

³ Section 181(3) of the 1988 Act.

⁴ Section 181(4)(a) of the 1988 Act.

- (d) a Rome Convention country,⁵ or
- (e) Malta,

a “producer” being a person who undertakes the arrangements necessary for the making of the Sound Recording.⁶

- 1.3 A Performer may be a qualifying Performer on some Sound Recordings but not on other Sound Recordings. If the Performer was a citizen of (or subject of or resident in) a particular country at the time of the performance and that country is not a Qualifying Country at the time of the exploitation, he or she will only be a qualifying Performer in respect of performances given in countries that are Qualifying Countries at the time of the exploitation.
- 1.4 Where a Performer is linked to more than one country in respect of a particular Sound Recording (for example, at the time of their performance the Performer was a citizen of one country but was resident in another country) then PPL shall use the country that is most favourable to the Performer in qualifying for equitable remuneration in respect of that Sound Recording.
- 1.5 Clause 1.2(3) applies only to the playing in public or communication to the public of a Sound Recording taking place on or after 15 December 2024.

2. Qualification by reference to the status of the Performer

- 2.1 PPL will accept that a person is resident in a country if that person is registered for tax or for voting in central or local government elections in that country.

3. Qualification by reference to the place of performance

- 3.1 The country in which the original performance was given by the Performer is the place where the Performer was physically located at the time that the performance was recorded. f

Examples:

If a Performer in a studio in France is recorded, the place of performance is France.

If the Performer is in France but the performance is recorded by way of a telephone link to a studio in the USA, the place of performance also is France.

4. Qualifying Countries

- 4.1 A Qualifying Country is the United Kingdom or any country that has been designated by the UK Government as providing reciprocal protection to performers⁷ or is treated by PPL as such a country.

⁵ A party to the Rome Convention for the Protection of Performers, Producers of Phonograms and Broadcasting Organizations 1961.

⁶ Section 181(7) of the 1988 Act.

4.2 A list of all Qualifying Countries is set out in the Annex to this Schedule.

5. Duration

5.1 Subject to Clause 6.4 and Clause 7.3, a performer's right to equitable remuneration under Section 182D of the 1988 Act shall be applied by PPL for the period of up to 70 years in which a sound recording including their recorded performance is protected by copyright pursuant to Clause 5.1 of Schedule 1.⁸

6. Presumptions

6.1 In the Clauses below the following definition shall apply:

"Nationality" means the nationality of a person by reference to the country of which they are a citizen or the country in which they are resident.

6.2 Where determined by PPL to be reasonable in all the circumstances, PPL will allocate and pay equitable remuneration to a Performer in respect of the use of a Sound Recording even if that use took place before (or after) the performer satisfied the requirements in Clause 1.2 for that Sound Recording:

- (1) Where a country becomes a Qualifying Country (whether by becoming a Member State of the European Union or becoming an Approved Country) or ceases to be a Qualifying Country during a particular Exploitation Period, PPL is entitled to decide to treat that country as being a Qualifying Country for the entire duration of that Exploitation Period.
- (2) Where a country provides appropriate reciprocal protection to the rights of performers in that country, PPL is entitled to decide to treat that country as being a Qualifying Country for the whole (or part) of any Exploitation Period in which that protection was provided.

6.3 PPL shall be entitled to presume that a Sound Recording is a commercially published Sound Recording (within the meaning of Section 182D(1) of the 1988 Act) and is within its repertoire as it shall determine to be reasonable in all the circumstances.

6.4 Where 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:

- (1) the status of a Performer in respect of a particular Sound Recording does not change from one Exploitation Period to another;

⁷ Sections 206(1)(b), (ba), (bb) and (c) and 208 of the 1988 Act. The relevant order made under Section 208 is the Copyright and Performances (Application to other Countries) Order 2016 SI No 1219 ("the Order").

⁸ Sound recordings published on or after 1 January 1963 may be subject to a copyright term of up to 70 years pursuant to Section 13A of the 1988 Act, as amended by The Copyright and Duration of Rights in Performances Regulations 2013 SI No 1782. Note that this legislative change does not affect the distribution of monies for the use of sound recordings up to 31 December 2013.

- (2) the place where a performance was given is the same as the place where the Sound Recording incorporating that performance was made;
- (3) the place where a Sound Recording was made is the place listed on any packaging (such as the inlay card of a cassette) enclosing or accompanying the Sound Recording when it is made commercially available;
- (4) the date on which the performance was given is the same as the date of the commercial release of the Sound Recording incorporating that performance;
- (5) where a Sound Recording is a re-master or a remix of an earlier Sound Recording, the date on which the performance was given is the same as the date of the commercial release of that re-master or remix;
- (6) the Nationality of the Performer is the same as that when either the Performer registered with PPL or the Sound Recording was made, priority being given to the information that is closest in time to the date of the performance (or, in accordance with Clause 6.4(4), the date on which the Sound Recording was released) or the date upon which the relevant use of the Sound Recording took place;
- (7) where PPL is unable to rely upon Clause 6.4(6), the Nationality of the Performer is that of the place in which the performance was given (for the avoidance of doubt, PPL can use the presumptions in Clause 6.4(2) and Clause 6.4(3) if the place where the performance was given is not known to PPL);
- (8) where some or all Performers on a Sound Recording are members of what PPL reasonably believes to be an ensemble (or choir), the Nationality of each such Performer will be the same as the place of performance (and PPL can use the presumptions in Clause 6.4(2) and Clause 6.4(3) if the place where the performance was given is not known to PPL); and
- (9) for the purposes of Clause 1.2(3), the relevant country for any producer of a Sound Recording will be any country reported to PPL as the “country of commissioning” of that Sound Recording.

7. Samples

7.1 For the purposes of this Clause 7:

A “Sampled Recording” is a Sound Recording which has been commercially 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.

- 7.2 All Performers on the Sampled Recording shall be assessed as to whether or not they are qualifying Performers on the Subsequent Sound Recording on the basis of information relating to the Sampled Recording (and not the Subsequent Sound Recording). The inclusion of a Performer on the Sampled Sound Recording on the line up for allocation of monies for the Subsequent Sound Recording is determined by Clause 4.1 to Clause 4.7 of Schedule 5 to the Distribution Rules (subject to Rule 12.3).
- 7.3 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 the duration of the right to equitable remuneration for each Performer deemed to have contributed a performance to the Subsequent Sound Recording (in accordance with Schedule 5 to the Distribution Rules) shall be the same as that for any Performer on the Additional Sound Recording.

8. Interpretation

- 8.1 Definitions used in the Distribution Rules shall apply to this Schedule unless stated otherwise.
- 8.2 References to a “Clause” are to a clause in this Schedule unless where indicated otherwise.
- 8.3 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).
- 8.4 The headings in this Schedule (and its Annex) are for information only and do not form part of this Schedule (and Annex).

Annex

This Annex sets out the Qualifying Countries for the right to equitable remuneration as at 31 December 2024. For the avoidance of doubt, the inclusion of a country in this list does not mean that that country has been a Qualifying Country at any time prior to the publication of this list.

Where a country is marked with an asterisk, it is a Qualifying Country only in respect of the playing in public or communication to the public of a Sound Recording taking place on or after 15 December 2024.

The list also indicates whether any of the Qualifying Countries are treated by PPL as such in respect of only limited activities (rather than all public performances and broadcasts).

Under the primary and secondary legislation countries such as Rome Convention countries and WIPO Performances and Phonograms Treaty ("WPPT") countries may be Qualifying Countries. In some cases the extent to which performances linked to such a country will qualify for equitable remuneration will depend upon whether the country made any declarations to the Rome Convention and/or WPPT and the extent to which such declarations are applied in practice.

As the status of countries may change (for example, by becoming a WPPT country) the list set out below may not necessarily be the list applied to PPL's future distributions. For the avoidance of doubt, the inclusion of a country in this Annex does not mean that that country has been or will remain a Qualifying Country at any time before or after the date of that inclusion.

Afghanistan
Albania
Algeria
Andorra
Argentina
Armenia
Australia*
Austria
Azerbaijan
Bahrain
Barbados
Belarus
Belgium
Belize
Benin
Bermuda
Bolivia
Bosnia and Herzegovina
Botswana
Brazil
Brunei Darussalam
Bulgaria
Burkina Faso

Canada
Cape Verde
Chile
Colombia
Comoros
Congo
Cook Islands
Costa Rica
Croatia
Cyprus
Czech Republic
Denmark
Dominica
Dominican Republic
Ecuador
El Salvador
Estonia
Faeroe Islands
Fiji
Finland
France
Gabon
Georgia
Germany
Ghana
Gibraltar
Greece
Greenland
Guatemala
Guernsey
Guinea
Honduras
Hungary
Iceland
India
Indonesia
Isle of Man
Israel
Italy
Jamaica
Japan
Jersey
Jordan
Kazakhstan
Kiribati
Korea, Republic of
Kyrgyzstan
Latvia
Lebanon
Lesotho
Liberia

Liechtenstein
Lithuania
Luxembourg
Macedonia
Madagascar
Malaysia
Mali
Malta
Mexico
Moldova
Monaco
Mongolia
Montenegro
Morocco
Netherlands Antilles, Curacao, Sint Maarten and Aruba
Netherlands
New Zealand*
Nicaragua
Niger
Nigeria
Norway
Oman
Panama
Paraguay
Peru
Philippines
Poland
Portugal
Qatar
Republic of Ireland
Romania
Russian Federation
Saint Lucia
Saint Vincent and the Grenadines
San Marino
Sao Tome and Principe
Senegal
Serbia
Singapore*
Slovakia
Slovenia
Spain
Sweden
Switzerland
Syrian Arab Republic
Tajikistan
Togo
Trinidad and Tobago
Tunisia
Turkey
Turkmenistan

Uganda
Ukraine
United Arab Emirates
United Kingdom
United States of America (including Puerto Rico and all territories and possessions) (but only for the digital transmissions to which UK performers in the USA would be entitled to equitable remuneration)
Uruguay
Uzbekistan
Vanuatu
Venezuela
Vietnam

SCHEDULE 4

RECORD COMPANY ALLOCATION RULES

- A This document sets out PPL's policy, known as the Record Company Allocation Rules, regarding how monies allocated to a Sound Recording in respect of the exercise of the UK Rights in that Sound Recording shall be allocated amongst the Record Companies who are entitled to remuneration in respect of that Sound Recording.
- B For the avoidance of doubt, monies allocated to a Record Company may be paid to a third party (such as a party to whom the right to receive remuneration has been transferred or an administrator appointed to control the financial affairs of the Record Company). 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

- C These Record Company 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
 - (c) where the performers on a Sound Recording do not qualify for equitable remuneration under Section 182D of the 1988 Act in accordance with the Distribution Rules, 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 Record Company Allocation Rules are to ensure that:
- (a) Record Company Track Allocation due to Record Companies 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 contractual duties to Record Companies and PPL's statutory duties to Performers.

2. **Definitions**

- 2.1 Definitions used in the Distribution Rules 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 Record Company from PPL at any one time (and which, for the avoidance of doubt, is not held in a separate bank account for that Record Company).
Distribution Rules	PPL's main Distribution Rules.
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-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.
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 represented by them who have appointed PPL as

their agent in respect of the UK Rights in those Sound Recordings).

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.

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.

Record Company Track Allocation Revenues allocated to the Record Company (or Companies) 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.

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 is for information only and these examples do not form part of this Schedule.
- 2.5 The headings in this Schedule are for information only and do not form part of this Schedule.

ALLOCATION OF RECORD COMPANY TRACK ALLOCATION

3. Record Companies

- 3.1 Subject to the provisions of this Schedule, the Record Company Track Allocation for a particular Track and a particular Exploitation Period shall be allocated to the Record Company (or those Record Companies) who is (or are) registered as the rightsholder(s) on the PPL Repertoire Database (subject to revisions under Clause 8) in respect of that Track and that Exploitation Period.
- 3.2 For the avoidance of doubt, if different Record Companies are entitled to revenue in respect of different aspects of the UK Rights in a particular Track and in a

particular Exploitation Period, then subject to the Distribution Rules each of those Record Companies will be entitled to revenue only in respect of those aspects of the UK Rights in that Track which they have assigned to PPL or in respect of which they have appointed PPL as their agent.

- 3.3 Clause 3.1 shall not apply to the extent that the relevant Record Company informs PPL in writing otherwise or PPL determines that it is reasonable in all the circumstances to allocate those monies (in whole or in part) to another Record Company.
- 3.4 For the avoidance of doubt, where the relevant rightsholder in respect of a particular Track is a member of a Record Company Society, that rightsholder shall be allocated monies for that Track in accordance with Clause 3.1 (whether or not that rightsholder is itself a Record Company).

4. Samples

- 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.

- 4.2 The Record Company Track Allocation for a Subsequent Sound Recording shall be allocated to the Record Company (or Record Companies) responsible for the Additional Sound Recording in accordance with Clause 3.1. Unless PPL is properly informed in writing otherwise, it shall be for that Record Company (or Record Companies) to pay the owners of the UK Rights in any Sampled Recordings featured on that Subsequent Sound Recording.
- 4.3 For the avoidance of doubt, where PPL is informed that the use of a Sampled Sound Recording in a Subsequent Sound Recording was not licensed by the Record Company responsible for the Sampled Sound Recording, PPL may suspend payments to (or in respect of) the Record Company responsible for the Additional Sound Recording pursuant to Rule 13.

5. Transfer of repertoire

- 5.1 Where there is a transfer of repertoire by one Record Company to another Record Company during an Exploitation Period, those Record Companies must agree between themselves as to:

- (1) Which Record Company is to be paid by PPL for exploitations of the UK Rights in the period from the start of the Exploitation Period to the date of the transfer; and
- (2) Which Record Company is to be paid by PPL for exploitations of the UK Rights in any previous Exploitation Periods in respect of which the transferring Record Company controlled that repertoire,

but in the absence of such agreement (or the adequate notification of such agreement to PPL), PPL shall be entitled to pay the second Record Company as it determines to be reasonable in all the circumstances.

- 5.2 In adjusting allocations to take account of a transfer of repertoire (whether such adjustment is in accordance with instructions from the relevant Record Companies or on the basis of PPL's discretion), PPL shall be entitled to treat the transfer as taking place on a date other than the actual date of the transfer where PPL determines this to be reasonable in all the circumstances.

Example: where the transfer of repertoire takes place on 27 November, PPL may decide to treat the transfer as taking place on 1 December on the basis that a substantial proportion of usage reporting to PPL takes place on a monthly basis.

ALLOCATION OF PERFORMER TRACK ALLOCATION

6. Allocation of Performer Track Allocation apportioned to Non-Qualifying Performers

- 6.1 Where a Performer is allocated a share of the Performer Track Allocation for a particular Track in a particular Exploitation Period but is not a Qualifying Performer pursuant to the Distribution Rules for some or all of that Exploitation Period, that share (or the relevant proportion of it) shall be allocated to the relevant Record Company (or between the relevant Record Companies) in accordance with Clause 3.1.

7. Provisional Allocation of Performer Track Allocation

- 7.1 Pending a Track being Line-Up Complete, the allocation of equitable remuneration to any identified Non-Qualifying Performer for that Track (and hence the share of the Performer Track Allocation to be allocated to the Record Company (or Companies) in accordance with Clause 6.1) shall provisionally be calculated pursuant to Schedule 5 to the Distribution Rules.

REVISIONS

8. Revisions of Record Company Track Allocation and Performer Track Allocation

8.1 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:

- (a) The Record Company Track Allocation in respect of a particular Track and Exploitation Period;
- (b) the allocations of Performer Track Allocation in respect of a particular Track and Exploitation Period;
- (c) the status of a Performer as a Qualifying Performer or Non-Qualifying Performer in accordance with the Distribution Rules; and/or
- (d) the classification of a Performer for the purposes of the allocation of any Performer Track Allocation (see further Schedule 5).

8.2 Where Clause 8.1 applies PPL shall revise the allocation of the Performer Track Allocation (whether generally, for specific Exploitation Periods or for part of such an Exploitation Period) and where appropriate shall revise the allocation of a share of that Performer Track Allocation to the relevant Record Company (or Record Companies) in accordance with Clause 3.1 and Clause 6.1.

8.3 Where the allocation of Performer Track Allocation is made pursuant to this Clause 8 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).

9. Initial Distribution

9.1 In accordance with the Distribution Rules PPL may pay the Record Company (or Companies) entitled to remuneration for a Track a share of the Record Company Track Allocation in respect of that Track pursuant to Clause 3 and Clause 6 or, as appropriate, on the provisional allocations in Clause 3 and Clause 7.

ADJUSTMENTS TO THE ACCOUNTS OF RECORD COMPANIES

10. Adjustments

10.1 For the avoidance of doubt, where a distribution of Record Company Track Allocation or Performer Track Allocation has taken place, it may be necessary to make adjustments to the Account(s) of the Record Company (or Companies) in

respect of that Track pending future distributions in accordance with the Distribution Rules where:

- (a) the allocation of the Record Company Track Allocation or the Performer Track Allocation is revised and the Record Company (or Companies) has (or have) been allocated either too much or too little of either the Record Company Track Allocation and/or 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 (or part of an Exploitation Period) when that Performer was not a Qualifying Performer in respect of that Track and that Exploitation Period (or part of that Exploitation Period); and/or
- (c) the wrong amount of Record Company Track Allocation or Performer Track Allocation was paid to (or in respect of) a Record Company or Performer for any other reason.

10.2 Where a situation as specified in Clause 10.1 arises, PPL may:

- (a) when making distributions in respect of a Record Company 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 Record Company; and/or
- (b) when making distributions in respect of that Record Company and other Tracks, deduct any Overpayment from the amount to be paid in respect of that Record Company; and/or
- (c) make any other deductions (whether from payments to that Record Company or to third parties) as permitted under the Distribution Rules.

10.3 Any adjustments made pursuant to Clause 10.2 (whether in the form of additional payments or deductions from further distributions) shall be limited in time in accordance with the Distribution Rules.

10.4 Any exercise of Clause 10.2 by PPL shall not preclude PPL from exercising any other remedies in order to recover monies paid out to (or in respect of) Record Companies in error.

10.5 For the avoidance of doubt, an adjustment to the allocation of Record Company Track Allocation in respect of one Exploitation Period does not mean that all relevant Record Companies should receive the same allocations in respect of any future Exploitation Period.

10.6 PPL shall be under no obligation to notify all or any of the Record Companies entitled to payment from PPL for the exploitation of the UK Rights in a Track of any amendments, adjustments and/or recalculations under this Clause 10.

GENERAL

11. General

- 11.1 In the event of a conflict between this Schedule and the Distribution Rules, the Distribution Rules shall prevail.
- 11.2 This Schedule may be amended from time to time by PPL, such amendment to be effective from the date specified by PPL.

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
 - (c) 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.

2. **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	<p>A Performer who is not a Contracted Featured Performer but who falls into one of the following categories:</p> <ul style="list-style-type: none"> (i) 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 (2) 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.
- 5.2 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:
- (a) 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:

- (a) 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:
- | | |
|-----|-------------------------------|
| C | Contracted Featured Performer |
| FPS | Featured Performer Share |
| NFP | Non-Featured Performer |
| O | 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 each C	% of PTA to 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.
- (2) 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 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).