



GRAMMO

COLLECTING and ADMINISTRATING SOCIETY of the RIGHTS
of PHONOGRAM and VIDEOGRAM PRODUCERS
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DISTRIBUTION RULES

A. Beneficiary's Declaration of Repertoire - Procedure - Legal consequences

1. For a producer of physical sound or sound and image carriers to become a member of the Society, they need to submit a membership application. Along with the application, they submit a document to the Society that lists their sound recordings and video clips (hereinafter repertoire) that primarily or secondarily belong to them, and at the same time they state their rights. When the distribution of the repertoire is entrusted to another company, the information required for the repertoire's participation ratio to be given to the music industry's traffic in the Greek Territory must be stated in the membership application. These declarations act as statutory declarations under Law 1599/ 1986. Updates (changes) to the repertoire are declared to the Society at the latest within twenty (20) days of becoming effective.
2. No distributions of royalties, corresponding to non-declared repertoire (original or updated), are effected for as long as the declaration of repertoire is not submitted. If this period exceeds one year, the beneficiary loses the royalties corresponding to the year and the repertoire for which the declaration of repertoire was not declared. Terms D.1 & D.2. also apply in this case, for five years, provided the member prepays any distribution costs to the Society, since they did not submit the declaration of repertoire.
3. Distributions are based on the content of the declaration of repertoire on 31st December each year, or 20th January of the following year. The latter applies to updates made by 31st December of the previous year.
4. Each member of the Society is entitled to inspect another member's declaration of repertoire and may justifiably dispute the other member's declaration of repertoire by submitting a document to this effect to the Society. Such dispute occurs within a limited period of thirty (30) days. This period begins on 21st January each year, provided that the

Society has sent written notification to the members by this date that the declarations of repertoires are available to them. If the thirty-(30)-day period lapses without any dispute, the declarations of repertoires become unchallenged. By distributing the fees to its members for the rights it manages, based on the unchallenged declarations of repertoires, the Society shall not bear any liability against its members. The repertoire disputes between the Society's members exclusively concerns disputes between members and these are exclusively resolved between them. If a dispute is raised within the above period, the distribution of the royalties that correspond to the disputed repertoire is suspended until the dispute be irrevocably judicially resolved, or settled between the members.

B. Distribution of Royalties

1. Being deducted from the amounts that are received each year for the related rights are the Society's management expenses for that year, namely: (a) general operating expenses and other costs associated with the fulfillment of its purposes in accordance with its statute and (b) participation costs in the fight against piracy according to the respective amount based on the Society's General Assembly decision. The amount remaining after deducting a) and b), hereinafter referred to as the surplus, will be distributed to the beneficiary producers, according to term C below. The distribution will be effected depending on the Society's respective cash on hand.
2. In order to meet its operating and management expenses, prior to distributing the royalties, the Society may withhold up to twenty-five percent (25%) of the respective collected amounts that concern related rights. This percentage may be increased or decreased, in case of an emergency, by decision of the Society's BoD.

C. Distribution method and time

1. The surplus is distributed as follows:
 - 1.1 All amounts that are collected from users who provided GEA, the unified collection Society, with lists of sound recordings or video clips that they transmitted by radio or television or presented to the public (hereinafter the play list), are share based on these lists. The distribution is based on the proportion that the beneficiary's

repertoire participated in the total number of transmissions or presentations to the public from the total number of the beneficiaries' repertoire (the Society's members and non-members) by each user.

- 1.2** Amounts that are collected from users that did not provide a play list, shall be distributed as follows: 50% of the distributed royalties are shared depending on the proportion that each member of the Society participates for the distribution year in the discography traffic in Greece (market share). The market share relates to the calendar year (1st January to 31st December) of the distribution and is deduced in the first quarter of next year. The market share is issued by the recognised auditing firm which has received the relevant mandate from the Society's BoD. The remaining 50% is shared according to the proportion that the beneficiary's repertoire participates in the total sound recordings that were transmitted or presented to the public by all the radio and/or all the web radios and/or all TV stations that were recorded in the distribution year by the media inspector service or any other enterprise selected by the Society's BoD.
- 2.** The Society invites all its member to submit the data needed for the audit and the deduction of the market share to the auditing firm, which has received the relative mandate from the Society's BoD. If the member does not submit such data to the auditing firm within sixty (60) days of the Society's invitation, they shall not participate in the distributions. However, if the member submits the data to the auditing company within one year of the market share being issued and assumes the relative cost on their own, a new market share is issued that includes them and they are paid the corresponding amount. The terms D.1 & D.2. also apply here, for five years, following the Society's invitation, provided that the member prepays the auditing cost and any distribution costs required by the Society, due to the delayed submission of the data.
- 3.** The pricing of the respective distribution amounts to the Society's members shall be made each calendar quarter and will focus on the settlement of the immediately preceding calendar quarter. Payment is effected depending on the Society's cash on hand.

D. Amounts that are unappropriated and paid without cause

1. The tax legislation treats amounts that have not been attributed to the beneficiaries within a year of collection as profit and taxes them. Thus, as a non-profit Society, it cannot retain amounts as reserves for more than a year after their collection. Therefore, all amounts that are collected and are attributable to beneficiaries that cannot be located by the Society, despite reasonable efforts, are kept in the beneficiary's name for one (1) year, at most, from the year that the collection was effected. The same applies to amounts attributable to beneficiaries who remain unknown despite the Society's reasonable efforts to verify their identity.
2. Once the year has lapsed, all the amounts of the preceding paragraph are distributed to the Society's members, based on their market share in the distribution year. The market share is the one mentioned in paragraph C, item 1, 1.2. If the Society locates or identifies the beneficiary, it pays the attributable amounts and proportionately deducts the amounts paid to the members by offsetting the amounts from subsequent distributions.
3. If producers collected royalties without cause, the Society either seeks these amounts or offsets them with future distributions. The search or offsetting is done within five (5) years from the day that the payment without cause was effected.