

## DISTRIBUTION RULES

### GENERAL RULES

#### Introduction

This document constitutes an overview of the standards and methods that UNISON RIGHTS OGI, S.L. (hereinafter, "UNISON") uses to manage the distribution of royalties for public communication rights (hereinafter, "CP") and reproduction rights (hereinafter, "REP") for musical works, or parts thereof, managed by UNISON. UNISON collects royalties from various sources on behalf of songwriters, authors, publishers and other rights holders, and this document describes how and when royalties from each source are distributed and paid to rights holders.

#### Distribution frequency

UNISON carries out at least 4 distributions a year, which take place in the months of January, April, July and October.

#### Distribution Methodology

- To make a deal, UNISON needs two key elements:
  - Copyright royalties: Revenue collected from licensed music users.
  - Data: information regarding the use of music by the licensed user.
- UNISON obtains usage information from various sources. These data are entered into the UNISON distribution system and matched with the repertoire of works contained in the UNISON database.
- UNISON identifies the rights holders of each musical work using this information, together with the information provided by its clients, Collective Management Entities and third parties and subsequently calculates the rights owed.
- As a priority, UNISON will seek to satisfy the payment of royalties directly on the basis of the musical works actually performed or used.

#### DISTRIBUTION METHODS

##### EFFECTIVE USE

This is the priority and predominant distribution base. The rights received from an individual user are distributed in their entirety (100%) to the owners of the music actually used by the user.

##### OTHER

In exceptional cases, in which the determination of the effective use is impossible or very difficult or expensive, there are a series of distribution methods that UNISON can use - in a subsidiary way - to distribute the rights equally: sampling systems, analogy and survey.

#### Distribution basis

##### Individual amounts

In order to distribute the rights, a value per use must be calculated. There are 2 different methods to calculate this value:

##### Duration Basis

The rights to distribute in a distribution group will be divided by the total number of seconds of music played in the distribution period, prorating the value of the music per second for that particular distribution group. The resulting individual value per second will be multiplied by the number of seconds publicly communicated, in order to calculate the value of the royalties for copyright for the public communication of a particular work in that distribution group. For example:

Net total paid by "Station 1" for the distribution period	150.000 €
Total number of seconds of music used by "Station 1" within the distribution period	8.000.000
Individual value (Value per second) - That is, net total of rights ÷ Total number of seconds	0,018 €
Total seconds (Total duration) of "Song A" executed in "Station 1" within the period	4.000
Total rights due to "Song A" by "Station 1" - that is, total seconds X Individual value	€72

##### PerPlay basis

The net rights for a distribution group will be divided equally among all the musical works that are performed. For example:

Total net of fees paid by "Promoter 1" for an event	8.000 €
Total number of songs performed (set-lists) in an event	25
Individual value (Value per play) - That is, total net of rights ÷ total number of songs	320€
Total number of plays of "Song A" in the event	2
Total rights due to "Song A" for this event - that is, total plays X individual value	640 €

#### Weights

- In general, UNISON follows a "music is music" approach to all of its distributions. No weighting is applied within a distribution section based on the source of the music, its genre, its place of origin, its purpose, its instrumentation or the way it is used.
- Therefore, all individual musical uses within a single distribution section for a given period have the same value.
- Without prejudice to the foregoing, UNISON reserves the right to arrange and apply weightings, in order to take into consideration parameters such as the audience, the relevance of the use of music and the economic income obtained from the commercial exploitation of musical works.

#### Insufficient documentation

When the incidence of a work with insufficient documentation arises, that is, that not all rights holders have been duly identified or sufficiently identified, UNISON will distribute the rights to the work according to the CISAC "Insufficient Documentation" rule. There are two possible cases:

- If one of the rights holders has been identified as a member of an Collective Management Entity, UNISON will remit all rights to that work to the Collective Management Entity, which will distribute them according to its internal criteria and documentation. In turn, the Collective Management Entity will provide UNISON with the correct information about the work in question, so that in the future UNISON can distribute the rights correctly.
- If one of the rights holders is identified as a member of UNISON, then the rights to the work will be pending and UNISON will contact the member to complete documentation of the work.

#### Claims and conflicts between members

A conflict occurs when there is a dispute between one or more members about the ownership of a musical work. In accordance with international best practices, the UNISON procedure for initiating and managing a conflict regarding the ownership of musical works is as follows:

When the claim of a new rights holder (claimant) conflicts with the claim of an existing rights holder (claimed), the new rights holder must submit the relevant documentation, in accordance with the obligations stipulated in the UNISON membership agreement, to support its claim. Until UNISON receives such documentation, it will continue to pay existing rights holders. Once the supporting documentation sent by the claimant has been received by UNISON, it will be transferred and the claimed will have within 15 calendar days, counting from the receipt of the same, to make allegations about the claim presented. During said 15 calendar days, all rights related to the work will be suspended and UNISON will not make any payment in relation to the works in conflict. If the person claimed does not respond within 15 days, it will be warned that the submitted claim may be granted if does not respond to it within the given period. The rights will be kept in suspense also during these 15 days and UNISON will not make any payment in relation to the works object of the conflict as long as the fund is not resolved. UNISON will only suspend the part of the rights that are the subject of the conflict. UNISON will not rule on the evidentiary value of the supporting documentation, but will verify that the relevant and necessary information on deadlines, territory, specific works / repertoire limitation is included in said documentation, as well as the documents signed and dated by all rights holders are included in the documentation.

If both claimants maintain their claims and can provide supporting documentation, either can request UNISON to make the works part of the conflict. In case of persisting conflict, the parties will submit the resolution of the conflict to a mediation operated by UNISON, in accordance with the provisions of the membership agreement. In the event of unsuccessful mediation, UNISON will require either a judicial resolution or an agreement between the claimants so that the works are no longer subject to conflict.

#### Distribution frequency

Up to 60 days after receiving payment from the user.

#### Revision of the distribution policy

UNISON's distribution policies will be reviewed on an annual basis.

## SPECIFIC DISTRIBUTION RULES

CINEMA							
LICENSE	REPORTING	MANAGEMENT FEE	TYPE OF DISTRIBUTION	CRITERION	INFO	SPLIT	
Fee per effective use	Cue-sheets and received registrations	10%	Effective use	Duration	The cue-sheets for the films are those of UNISON clients and Collective Management Entities. Income will be attributed to each work based on the duration reported in the film's cue-sheet. Other than Duration, UNISON does not apply any additional weighting to public cinema communications. That is, all executions per second have the same value regardless of the type of use or when they were executed.	<b>CP.</b> 75%	<b>REP.</b> 25%

LIVE - PAID					
LICENSE	REPORTING	MANAGEMENT FEE	TYPE OF DISTRIBUTION	CRITERION	SPLIT
Fee per effective use	- Set-list - Monitorization	9%	Effective use	1 headliner various supporting artists:60 40	<b>CP.</b> 100%
				1 headliner 1 supporting Act:90 10	
				several headliners several supporting acts:: 50 50	
				No headliner or no supporting acts::100	

LIVE -PAID DJ						
LICENSE	REPORTING	MANAGEMENT FEE	TYPE OF DISTRIBUTION	CRITERION	SPLIT	
Fee per effective use	- Set-list - Monitorization	9%	Effective use	1 headliner various supporting artists:60 40	<b>CP.</b> 75%	<b>REP.</b> 25%
				1 headliner 1 supporting Act:90 10		
				several headliners several supporting acts: 50 50		
				No headliner or no supporting acts:100		

LIVE -NON PAID					
LICENSE	REPORTING	MANAGEMENT FEE	TYPE OF DISTRIBUTION	CRITERION	SPLIT
Fee per effective use	- Set-list - Monitorization	9%	Effective use	1 headliner various supporting acts:60 40	<b>CP.</b> 100%
				1 headliner 1 supporting Act:90 10	
				several headliners several supporting acts: 50 50	
				No headliner or no supporting acts:100	

LIVE -NON PAID – DJ						
LICENSE	REPORTING	MANAGEMENT FEE	TYPE OF DISTRIBUTION	CRITERION	SPLIT	
Fee per effective use	- Set-list - Monitorization	9%	Effective use	1 headliner various supporting artists:60 40	<b>CP.</b> 75%	<b>REP.</b> 25%
				1 headliner 1 supporting Act:90 10		
				several headliners several supporting acts: 50 50		
				No headliner or no supporting acts: 100		

\* For live concerts, UNISON will make every effort to pay the royalties based on actual data and based on the Duration of the performed works. When Duration information is not available, UNISON will allocate the rights to each song on the “set list” in equal parts. When there is a mix of known duration and unknown duration, UNISON will apply a default Duration of 3 minutes.

BACKGROUND																		
LICENSE	REPORTING	MANAGEMENT FEE	TYPE OF DISTRIBUTION	CRITERION	Analogy (if applicable)		SPLIT											
Fee per effective use	monitorization	20%	Effective use	Number of plays	<table border="1"> <thead> <tr> <th>Category</th> <th>% of net income</th> </tr> </thead> <tbody> <tr> <td>Example Radio Broadcaster 1</td> <td>25%</td> </tr> <tr> <td>Example Radio Broadcaster 2</td> <td>25%</td> </tr> <tr> <td>Example DSP 1</td> <td>25%</td> </tr> <tr> <td>Example DSP 2</td> <td>25%</td> </tr> </tbody> </table>		Category	% of net income	Example Radio Broadcaster 1	25%	Example Radio Broadcaster 2	25%	Example DSP 1	25%	Example DSP 2	25%	CP. 75%	REP. 25%
	Category				% of net income													
Example Radio Broadcaster 1	25%																	
Example Radio Broadcaster 2	25%																	
Example DSP 1	25%																	
Example DSP 2	25%																	
Usage information																		
Nota	The rights received from an individual user are distributed in their entirety (100%) to the right holders of the music used and notified by said user. If this is impossible, in the case of background music, the income from the background music category will be distributed by analogy. This distribution is based on a survey of the viewing preferences of a representative sample of market consumption. Therefore, the rights will be paid on a per play basis with respect to the uses reported by radio broadcasters and DSPs (see table above)																	

ONLINE							
SERVICE	REPORTING	BASE	MANAGEMENT FEE	TYPE OF DISTRIBUTION	SPLIT (CP.   REP.)		NOTE
RINGTONES	DSRs	PURCHASES	10%	Effective use	75	25	distribution according to service and territory
DOWNLOAD	DSRs	DOWNLOADS	10%	Effective use	25	75	
STREAMING	DSRs	PLAYS	10%	Effective use	50	50	
UGC	DSRs	PLAYS	10%	Effective use	50	50	
VOD STREAMING	DSRs + CUE SHEETS	DURATION	10%	Effective use	50	50	
VOD DOWNLOAD	DSRs + CUE SHEETS	DOWNLOADS	10%	Effective use	25	75	
WEBCAST	DSRs	DURATION	10%	Effective use	75	25	
SIMULCAST	DSRs	DURATION	10%	Effective use	75	25	
CATCH-UP TV	DSRs	DURATION	10%	Effective use	50	50	
OTHER (GAMING, VR...)	DSRs	DURATION	10%	Effective use	50	50	
WEBSITES	DSRs	DURATION	10%	Effective use	50	50	
LYRICS	DSRs	PLAYS	10%	Effective use	50	50	

MECHANICAL REPRODUCTION PRODUCTS					
LICENSE	REPORTING*	MANAGEMENT FEE	TYPE OF DISTRIBUTION	CRITERION	SPLIT
Fee per effective use	information received from the phonographic / videographic producer	10%	Effective use	The allocation of the values collected for mechanical reproduction will be made in accordance with the proportion between the number of works that appear on the technical	REP. 100%

				sheet corresponding to each phonogram or videogram and the number of times that a given work is reproduced in the same media.	
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INTERNATIONAL COLLECTION
EXPLANATION
<p>UNISON has representation agreements with Collective Management Entities to grant licenses for the use of UNISON's repertoire in other countries. The collection and distribution policies of the Collective Management Entities will be applied for the use of the repertoire within their territory. The income is collected by the Collective Management Entity in its territory. Subsequently, the Collective Management Entity remits the rights to UNISON for the part of the revenue collected that it has identified as attributable to UNISON customers, together with enough information to allow UNISON to identify the works and for interested parties to pay the rights. All data sent by Collective Management Entities are uploaded to UNISON systems for matching. However, this data has been previously processed by the affiliated management company. UNISON distributes international revenue quarterly, typically on the first payout made after receipt of revenue and data. The period of time between execution and distribution is subject to the distribution schedule of the Collective Management Entity.</p>