

## Gramex distribution rules

### I General Provisions

#### §1 General provisions

The remuneration sums collected by Gramex shall be distributed according to these Rules. Before the distribution of the sums, any costs incurred due to the activities of Gramex shall be deducted from the remuneration sums and any reserves provided for in the by-laws, client agreements and operating instructions shall be set aside.

### II Holders of Rights

#### §2 Holders of rights entitled to remunerations distributed by Gramex

"Holders of rights" entitled to remunerations distributed by Gramex mean performers referred to in the Copyright Act whose performances have been fixed in phonograms, as well as the producers of phonograms.

#### §3 Performers

##### 3.1 Musician

"Musician" means both singers and instrumental performers who provide accompaniment or form the orchestra, the choir, or the orchestra and choir.

3.2 Soloist "Soloist" means both singers and instrumental performers under the following conditions:

- The performance of a soloist must have an effect on the total performance, and the soloist's performance must be predominant in proportion to the total performance. The soloist may perform the leading theme and the soloist generally has an independent part to perform in a musical composition.

##### 3.3 Conductor

A person who does not participate in the performance of a composition with sung or instrumental parts may, as a performer, be entitled to a conductor's share of remunerations distributed by Gramex, under the following conditions:

- activity giving entitlement to conductor shares means the conducting of a live performance or the interpretational directing of a performance on the occasion of the recording. Sectional rehearsals, mixing, or other activities before or after the recording session do not give entitlement to shares under Gramex's Distribution Rules.
- The performance of the conductor must have an influence on the overall artistic impression of the recorded performance.

- the performance conducted or directed by the conductor must feature at least four (4) performers. Upon application, the Board of Directors of Gramex may decide, for a specific reason, that conducting or directing a smaller ensemble gives entitlement to a conductor share. Applications regarding such matters shall be addressed to the Board of Directors of Gramex, in writing, and shall reach Gramex at the latest when the phonogram report concerning the last track is registered.

#### §4 Producer of a recording

"Producer of a recording" means the natural or legal person who initiates and is responsible for the fixation of the sound of a performance or of other sound or of the representation of the sound for the first time.

### III Rules of Division

#### §5 Division between performers and producers

The entire distributable sum shall be divided fifty-fifty between the producers and the performers.

The distributable sum of music videos shall be divided between the performers.

#### §6 Division of the producers' share

The producers' share shall be divided in proportion to the actual durations of performances fixed in the phonogram tracks produced by each producer.

#### §7 Division of the performing artists' share

The performing artists' share shall be divided among performers featured on the tracks, in proportion to the actual durations of performances fixed in the phonogram tracks, according to the table enclosed.

MUSICIAN (M)	SOLOIST (S)	CONDUCTOR (K)	EXPLANATION
100	-	-	under the direction, and in addition to, the conductor, the track features fewer than 10 performers (M&S)
-	100	-	
50	50	-	
49	42	9	
45	40	15	
76	-	24	under the direction, and in addition to, the conductor, the track features fewer than 10 performers (M)
60	-	40	under the direction, and in addition to, the conductor, the track features at least 10 performers (M)
-	76	24	under the direction, and in addition to, the conductor, the track features fewer than 10 performers (S)
-	60	40	under the direction, and in addition to, the conductor, the track features at least 10 performers (S)

The shares shall be divided among several conductors, soloists or musicians according to the number of the shares, with the exception of the shares mentioned below. The share of conductors participating in a performance shall be divided according to the number of the conductors. If the report received by Gramex indicates a chief conductor, the assistant conductor shall receive one third of the share (1/3). The Board of Directors of Gramex may, for a specific reason, accept an agreement between the holders of rights regarding division of the shares in a manner deviating from the provisions of the Distribution Rules. Agreements regarding the division of shares shall be made in writing in compliance with a procedure adopted by the Board of Directors of Gramex.

### **§8 Several performances**

The singing or playing or, for example, the sequencer programming of one part gives entitlement to one soloist or musician share. Soloist or musician performances carried out using several instruments, and performances of different parts shall give entitlement to a corresponding number of shares, subject to restrictions mentioned in para. 4 below.

If soloists or musicians perform one and the same part several times within one and the same performance, they are likewise entitled to a corresponding number of soloist or musician shares, subject to restrictions mentioned in para. 4.

One and the same performer shall be entitled to a maximum of six (6) soloist or musician shares for any one track of a phonogram.

### **§9 The shares of unnamed performing artists**

The shares of unnamed performing artists participating in a performance may be set in reserve for future claims.

## **IV Application of the Distribution Rules**

### **§10 Application and interpretation**

Any questions relating to the application and interpretation of these Distribution Rules shall be settled by the Board of Directors of Gramex.

### **§11 Distribution-Rule Committee**

The Board of Directors of Gramex may appoint a Distribution-Rule Committee. The duties of the Distribution-Rule Committee shall be

1. in unclear cases, to investigate on behalf of the Board of Directors of Gramex any questions relating to the application of the Distribution Rules, and to submit a proposal regarding them to the Board of Directors of Gramex;
2. to prepare, when need be, proposals to the Board of Directors of Gramex for additional guidelines regarding the application of the Distribution Rules;
3. to prepare for the Board of Directors of Gramex, when need be, proposals for the amendment of the Distribution Rules, and;
4. to handle any agreements between holders of rights concerning the division of shares, referred to in

§7, para. 4, which have arrived in the office of Gramex, and to submit proposals to the Board of Directors of Gramex regarding the agreements.

#### **§12 Convening and composition of the Distribution-Rule Committee**

The Chairman of the Committee shall convene the Distribution-Rule Committee when necessary. Minutes shall be kept of the meetings of the Committee. The Committee may hear experts when necessary.

The remunerations of the Chairman and members of the Distribution-Rule Committee shall be confirmed by the Board of Directors of Gramex.

#### **V Coming into Force**

##### **§ 13 Coming into force and application**

These Rules came into force on June 1, 1999. After the coming into force of these Rules, phonogram reports received by Gramex shall be registered as provided for in these Distribution Rules and remunerations based on the tracks shall be distributed in accordance with these Distribution Rules.

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*This is an unofficial translation. Please see the Finnish version. If there should be any conflict between the language versions, the Finnish version shall be followed.*