

NCB's December 2008 Distribution

Dear Rights Owner

Please find below important information on NCB's December 2008 Distribution:

NCB'S COMMISSION RATES

All commission rates remain unchanged.

On NCB's website - www.ncb.dk/english - under the menu item of [Do you write music?]/[NCB's commission rates] - you will find a complete list of all NCB's commission rates.

ACCESS TO YOUR ROYALTY STATEMENTS ON THE WEB

On STEF's website - www.stef.is - you can click the link [NCB - Úthlutun] to get access to your NCB statements.

When you register as a new user you will have to supply the following information:

- your affiliation number with STEF
- your e-mail address

You will receive your User ID and password by e-mail within a few minutes.

From STEF's website you can also access NCB's two new web services, which are described here:

Distribution Search provides you with unique search facilities in the NCB distribution statements you have received since December 2005 and up till now. It will offer search facilities on song titles, artists, albums, agreements and producers – on accumulated amounts as well as subtotals at detailed level.

Album & Track Search helps you to keep track of all your songs that have been released throughout the years. The database contains information on music that has been licensed by NCB for release on audio and audio-visual recordings in the Nordic/Baltic countries. It includes songs that have

been released on physical media as well as digital music files. Search facilities are on album level as well as on track level.

You can also find this newsletter on NCB's website – www.ncb.dk/english – if you choose menu items: [Do you write music?]/[Distributions]/[- newsletters].

DISTRIBUTION OF LUMP SUMS

Some of the royalties NCB receives for distribution are so-called lump sums that come from various types of collection in our territory of administration and from foreign societies.

These lump sums do not come with any documentation that identifies the rights owners. Typical examples of lump sums are "blank tape" levies, radio/TV royalties and certain types of music downloads.

As these royalties must be distributed to our members, we now adhere to the below principles as from this distribution:

This example will illustrate the principles: In 2007 you received royalties for a recording of your music in Germany. If NCB with this distribution pays out royalties deriving from lump sums collected in Germany during 2007, such royalties will be paid out proportionately to all members whose music received a royalty payment from Germany in 2007.

For each music title lump sum royalties will be indicated by a number on your royalty statement – for example: "Lumpsum 0000165".

The lump sums that will be paid out with this distribution are:

- Nos. 123, 125, 126, 128:
Lump sums for "blank tapes" collected during 2006-2007 in the Netherlands, Germany, Switzerland and the Czech Republic.
- No. 129:
Lump sums collected for music downloads during 2003-2007 from Napster, USA.
- No. 130:
Lump sums from unallocatable royalties collected during 2006 from collection societies abroad.
- No. 122:
Lump sums collected for music downloads during 2003 from a Swedish Internet music provider.

ONLINE MUSIC

As some issues concerning the administration of the repertoire that iTunes offers for sale still remain unclarified, this distribution does not include royalties for iTunes sales during the first three quarters of 2008.

The reason is that EMI Music Publishing (through CELAS) has issued direct licences to iTunes covering NCB's territory of collection, and other major publishers are expected to do the same – and maybe even retroactively.

NCB is working hard on finding a solution to the problem.

ROYALTIES FROM ABROAD

Unfortunately there are royalties from abroad that cannot be included in this distribution – one of the reasons being that we received the money too late for distribution.

The royalties concerned are from the Italian collecting society, SIAE, and the Spanish collecting society, SGAE.

We hope to pay out these royalties with our June 2008 Distribution.

MUSIC IN DANISH TV2 AND DR PROGRAMMES

Due to a disagreement between NCB and the Danish TV broadcasters TV2 and DR concerning royalty payment on subcontracted TV productions (made by independent production companies), NCB cannot distribute royalties on the programmes concerned until the disagreement has been settled.

NATIONAL TAXES ON NCB ROYALTIES

Please note that royalties collected by NCB in the Baltic countries and paid to rights owners in non-Baltic countries are subject to a tax on 'export of funds'. The rates are as follows: Estonia 15%, Latvia 10%, Lithuania 10%.

Norway: All royalties collected by NCB in Norway are subject to a 2% tax to 'Det Norske Komponistfond' (Norwegian Composers' Foundation) according to Norwegian legislation.

FOUR ANNUAL NCB DISTRIBUTIONS

NCB now makes four annual distributions of royalties to members in the following months:

- March (mainly online royalties)
- June
- September (mainly online royalties)
- December

The exact distribution dates will be announced on NCB's website.

IF YOUR MUSIC IS RELEASED OUTSIDE THE NORDIC/BALTIC AREA

Always remember to inform your local NCB office if your music is released outside the Nordic/Baltic countries. This will help us to ensure that our foreign sister society in the relevant country will collect royalties due to you.

Please supply us with exact and detailed information on any such releases – in particular information on:



- recording title
- titles of your songs included in the recording
- name of the record company/production company (e-mail and/or telephone no.)
- the release date (if possible), country of sale and catalogue no.

Note that royalties collected outside the Nordic/Baltic area may be slow to arrive as it depends on how quickly the foreign society forwards the money and documentation to NCB.

PLEASE CHECK YOUR ROYALTY STATEMENT

We suggest that you check your royalty statement immediately on receipt and compare it to previous statements.

Please contact:

STEF/NCB, Laufásvegji 40, 101 Reykjavík
 Telephone: 561-6173
 Fax: 561-6273
 E-mail: info@stef.is

– preferably in writing – if you find any irregularities, and inform us as soon as possible in order for any adjustments to be included in your next NCB distribution.

Note! It may occur that NCB pays out royalties in error. NCB reserves the right to make adjustments back in time for any amount paid out in error. NCB will either reclaim the amount – or set it off against your next NCB royalty payment.

Consequently, you should always check if your statement includes royalties for music that you have not written, or react if you receive more money than expected.

Some of the information on your statement can guide you: Run a check to see if cover titles, artists and sales figures are correct – and if the sales figures indicated are higher than expected.

All the best wishes for a Merry Christmas and a Happy New Year!

STEF/NCB