

NCB's June 2008 Distribution

Dear Rights Owner

- Please find below important information on NCB's June 2008 Distribution.

QUARTERLY DISTRIBUTION OF ONLINE COLLECTIONS

As a new service NCB will in future distribute online collections quarterly.

NCB'S COMMISSION RATES

NCB's commission on online collections has been reduced from 17% to 12%. All other 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 NCB'S WEBSITE

The information can be accessed from NCB's website where you will have your own folder with your NCB statement files.

Visit the English version of NCB's website - www.ncb.dk/english - and click the menu item **[NCB Direct] / [NCB members - distribution statements]**.

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

- your "NCB Payment Receiver number"
- your e-mail address

NCB will then send you your User ID and Password by e-mail.

From NCB's website - menu item **[NCB Direct]** - 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 re-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.



ONLINE MUSIC

The Danish music download provider **TDC Play** started its operations in April 2008. We expect to distribute royalties for these downloads at our next distribution.



Please note that in a few cases special amounts collected as lump sum royalties will appear on your statement with an amount that does not necessarily add up to the official tariffs when running a cross check.

NEW MUSIC VIDEO AGREEMENT

A new music video agreement has now been concluded between NCB and the Nordic groups of IFPI (the association of record companies).



According to the agreement the record producers must pay a tariff rate of 7.2% of the highest published price to dealers. The rate includes all rights administered by NCB on behalf of our members – including 0.2% synchronisation fee.

The agreement takes effect retroactively from 1 July 2003. For many of the music videos that were released during that period NCB only paid out 6.5% to our members. The difference between 6.5% and 7.0% is included in this distribution.

The reason why the calculation is based on 7.0% – in stead of 7.2% which is the new rate – is the fact that synchronisation fees for the releases in question have already been distributed to our members in accordance with the tariff rates that applied previously.

DISTRIBUTION OF LUMP SUMS

Please note that special amounts collected as lump sum royalties may appear on your statement this time from the following collection categories:

- unallocatable royalties collected by foreign copyright societies
- radio and tv royalties from collections in Lithuania (2005 and 2006)
- special lump sums collected from online music providers

On your account statement such amounts will be indicated as "Lump sums".

MISSING SALES REPORTINGS FROM EMI MUSIC

Unfortunately we have not yet received any sales reportings from the record producer EMI Music for their sales in Denmark, Norway and Sweden as they encountered technical problems.

Consequently, royalties from these companies are not included in this distribution. If we receive the missing reportings well in time, we will exceptionally include these royalties in our quarterly online distribution in September 2008.

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%.

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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.

PLEASE CHECK YOUR ROYALTY STATEMENT

We suggest that you check your royalty statement immediately when you have been notified that it is available on the Internet.

Please contact NCB's Member Services - preferably in writing to our e-mail: medlem@ncb.dk - at your earliest convenience if you find any irregularities.

All the best wishes for a pleasant summer!

NCB