

NCB's June 2010 Distribution

Dear Rights Owner

Please find below important information on NCB's June 2010 Distribution:

NCB'S COMMISSION RATES

NCB's commission rate on work-by-work audio products (licences granted production by production) is 15% as from this distribution.

The commission rate on lump sums (see below) is 20%.

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 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.

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.

Typical examples of lump sums are blank media levies, radio/TV royalties and certain types of music downloads.

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

- Lump sums for Nordic agreements.
- Lump sums for Central Licensing Agreements (CLA).
- Lump sums for "supplementary invoice DVD".

ONLINE MUSIC

Nokia – NCB is now able to distribute the first collections – approximately DKK 0.5 million – from Nokia's new music service "Comes With Music". The service is active in Finland, Norway and Sweden and includes pan-European licensing of Nor-

dic/Baltic repertoire, meaning that NCB in addition to the usual invoicing process for the Nordic/Baltic territories has processed reports from several European countries in order to identify the Nordic/Baltic repertoire that has been used around Europe. NCB is among the first European societies to succeed with this, ensuring that Nordic and Baltic rights owners are among the first to receive payments from Nokia for such use.

iTunes – This time royalties for iTunes' sales during 2008 in Denmark are included. As far as iTunes' sales in Finland, Norway and Sweden are concerned, there are still some issues to be clarified as to which repertoire the major publishers want license directly. Consequently, iTunes' sales during 4th quarter of 2009 are not included in this distribution.

ROYALTIES FROM ABROAD

Due to problems arising from double taxation agreements, royalties collected by the French society SDRM cannot be included in this distribution. NCB is working hard to find a solution to the problems.

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 for sales 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.

If your music is made available for download abroad, you should not inform NCB of this until you can prove that actual download of your music has been made. The same procedure applies if your music is made available for download in the Nordic/Baltic area.

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, Laufásvegi 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.

Yours sincerely

STEF/NCB