

NCB's December 2011 Distribution

Dear Rights Owner

- Please find below important information on NCB's December 2011 Distribution.

NCB'S COMMISSION RATES

As from this distribution NCB's commission rates on audio products and DVD products are differentiated in the Central Licensing and audio categories.

Products accounted under a standard contract:

- Audio products = 9.0%, DVD products = 11.0%.

Products accounted under a Central Licensing Agreement:

- Audio products = 8.7%, DVD products = 10.7% (the rates indicated equal the total commission charged by all societies involved in the relevant collection and distribution).

Products where royalties are **collected by sister societies abroad** and distributed by NCB carry the following commission rates:

- Audio products in general and audio products accounted under a Central Licensing Agreement = 0%.
- Online products = 12%.
- Audio products accounted under radio/TV, blank media and other agreements = 17%.

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 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 order to distribute the money, it is paid out proportionately to the relevant members and sister societies.

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

- "Blank media royalties" (lump sums for blank media) collected by sister societies abroad.
- "Unallocatable royalties" collected by sister societies abroad.

ONLINE MUSIC

iTunes – Payment from iTunes for their sales during 1st and 2nd quarters of 2011 is delayed. Consequently, these royalties cannot be included in this distribution. All other online collections will be included in this 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 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

CALCULATION OF ONLINE ROYALTIES

As royalties from online music include mechanical rights as well as performing rights – and due to the fact that calculation principles may vary from one country to another – we have uploaded a document to our website that explains how online royalties that appear on your distribution statement are calculated.

You will find the document on this link:
www.ncb.dk/english >
 [Do you write music?] > [Distributions] >
 [- how to read NCB's distribution statement].

PLEASE CHECK YOUR ROYALTY STATEMENT

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

Please contact NCB's Member Services - preferably in writing to our e-mail: member@ncb.dk – 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

NCB/Copenhagen