Schedule 2 to the Distribution Rules

General provisions / Article 1

1.1. Shares in royalty distributions shall be at all times governed by a written agreement among the authors of the work that reflects their creative contribution in the most credible manner. If no such agreement has been concluded, the shares for popular music will be determined on the basis of this Distribution Key, and the shares for classical music will be governed by Article 1.3.

The royalties will be distributed between all the authors of popular music and lyrics at a 50:50 proportion unless the authors agree otherwise.

A new rule does not have retroactive effects for works registered before the effective date of this amendment to the Distribution Rules.

- **1.2.** Determination of shares in royalties assigned to the authors of the work and the publisher is at all times governed by their written agreement in the publishing agreement or the manner of its determination shall be laid down therein.
- 1.3. The Creative Committee will determine the shares in the royalties assigned to the author of the music and the author of the lyrics in the area of classical music (in the absence of an agreement among the authors), taking account of the true duration of the musical and textual component of the work. This provision will also apply if additional music or lyrics are created to a musical work. In case additional music or additional lyrics are created for a free work, the determination of shares shall be governed by this Distribution Key.
- **1.4.** If more composers have participated in the creation of the musical part of a work, the share assigned to the composers shall be divided among them in equal shares.
- **1.5.** If more lyricists have participated in the creation of the lyrics of a work, the share assigned to the lyricist shall be divided among them in equal shares.
- **1.6.** If more arrangers have participated in the arrangement of a musical work, the share assigned to the arranger shall be divided among them in equal shares.
- **1.7.** If the original copyright holders have not assigned a share in royalties to the author of authorized sub-lyrics, the sub-lyricist is entitled to 10% share provided that the shares of the holders of copyrights to the original work remain unaffected thereby.
- **1.8.** If more sub-lyricists have participated in the creation of the a local version of lyrics or on other edits of the lyrics, the share assigned to the sub-lyricist shall be divided among them in equal shares.
- **1.9.** The arrangers of medleys of unprotected musical works (potpourri) are entitled to 6/12 of performing rights and to 100 % of mechanical rights.
- **1.10.** If a work is issued in a co-edition of more publishers, the share assigned to the publisher shall be divided among them in equal shares unless agreed otherwise.
- 1.11. The following international abbreviations shall be used in this Distribution Key:

C - composer (compositeur)

AR - arranger (arrangeur)

A - lyricist (auteur) E - publisher (éditeur)

SA - sub-lyricist, lyrics editor (sous-auteur) SE - sub-publisher (sous-éditeur)

Performing rights and mechanical rights without the publisher's share / Article 2

The following distribution keys will apply in the absence of a written agreement among the authors of the work regarding their shares in royalties.

PERFORMING RIGHTS

2.1. Copyrighted works

	С	А	SA	AR
Works without lyrics	12/12	-	-	-
Arrangement of works without lyrics	10/12	-	-	2/12
Works with lyrics	6/12	6/12	-	-
Musical arrangements of works with lyrics	4,5/12	6/12	-	1,5/12
Works with sub-lyrics	6/12	3/12	3/12	-
Musical arrangements of works with sub-lyrics	4,5/12	3/12	3/12	1,5/12

2.2. Arrangements of unprotected (so-called DP - domain public) works, i.e. free license works, folk songs, spirituals etc.

	С	Α	SA	AR
Musical arrangements of works with or without lyrics	DP	DP/ -	-	6/12
Arrangements of music and lyrics	DP	DP	3/12	3/12
Music additionally set to lyrics	12/12	DP	-	-
Arrangements or sub-lyrics	DP	DP	6/12	-
Lyrics additionally set to music	DP	12/12	-	-

MECHANICAL RIGHTS

2.3. Copyrighted works

	С	Α	SA	AR
Works without lyrics	100 %	-	-	-
Arrangements of works without lyrics	91,5 %	-	-	8,5 %
Works with lyrics	50 %	50 %	-	-
Arrangements of works with lyrics	41,5 %	50 %	-	8,5 %
Works with sub-lyrics	50 %	25 %	25 %	-
Arrangements of works with sub-lyrics	41,5 %	25 %	25 %	8,5 %

2.4. Arrangements of unprotected (so-called DP - domain public) works, i.e. free license works, folk songs, spirituals etc.

	С	Α	SA	AR
Musical arrangements of works with or without lyrics	DP	DP/ -	-	100 %
Arrangements of music and lyrics	DP	DP	50 %	50 %
Music additionally set to lyrics	100 %	DP	-	-
Arrangements or sub-lyrics	DP	DP	100 %	-
Lyrics additionally set to music	DP	100 %	-	-



Performing rights and mechanical rights with the publisher's share / Article 3

A relationship between the author and the publisher comes into existence on the basis of a con-cluded publishing license agreement that contains a provision on shares in royalties. If a publisher assigns a work under a publishing sub-license agreement, the publisher's share for the performing rights may be increased to no more than 50 % for the territory where the work is assigned.

PERFORMING RIGHTS

3.1. Copyrighted works with the publisher's share

	С	А	SA	AR	Е
Works without lyrics	8/12	-	-	-	4/12
Arrangements of works without lyrics	6/12	-	-	2/12	4/12
Works with lyrics	4/12	4/12	-	-	4/12
Arrangements of works with lyrics	3,5/12	4/12	-	0,5/12	4/12
Works with sub-lyrics	4/12	2/12	2/12	-	4/12
Arrangements of works with sub-lyrics	3,5/12	2/12	2/12	0,5/12	4/12

3.2. Arrangements of unprotected (DP - domain public) works, i.e. free license works, folk songs, spirituals etc. with the publisher's share

	С	Α	SA	AR	Е
Musical arrangements of works with or without lyrics	DP	DP/ -	-	4/12	4/12
Arrangements of music and lyrics	DP	DP	2/12	2/12	4/12
Music additionally set to lyrics	8/12	DP	-	-	4/12
Arrangements or sub-lyrics	DP	DP	4/12	-	4/12
Lyrics additionally set to music	DP	8/12	-	-	4/12



MECHANICAL RIGHTS

3.3. Copyrighted works with the publisher's share

	С	А	SA	AR	Е
Works without lyrics	60 %	-	-	-	40 %
Arrangements of works without lyrics	51,5 %	-	-	8,5 %	40 %
Works with lyrics	30 %	30 %	-	-	40 %
Arrangements of works with lyrics	21,5 %	30 %	-	8,5 %	40 %
Works with sub-lyrics	30 %	15 %	15 %	-	40 %
Arrangements of works with sub-lyrics	21,5 %	15 %	15 %	8,5 %	40 %

3.4. Arrangements of unprotected (DP - domain public) works, i.e. free license works, folk songs, spirituals etc. with the publisher's share

	С	Α	SA	AR	Е
Musical arrangements of works with or without lyrics	DP	DP/-	-	60 %	40 %
Arrangements of music and lyrics	DP	DP	30 %	30 %	40 %
Music additionally set to lyrics	60 %	DP	-	-	40 %
Arrangements or sub-lyrics	DP	DP	60 %	-	40 %
Lyrics additionally set to music	DP	60 %	-	-	40 %