

**Special Resolution**  
**of Phonographic Performance (Ireland) Limited (The Company)**  
**in accordance with Section 158(1)(c) of the Companies Act 2014 (The Act) containing directions**  
**on**  
**GENERAL POLICIES ON DISTRIBUTIONS AND USE OF NON-DISTRIBUTABLE AMOUNTS**  
**pursuant to Regulations 6(6)(a) and (b) of the European Union (Collective Rights Management)**  
**(Directive 2014/26/EU) Regulations 2016 (CRM Regulations)**

*This document sets out the general policy of the Company on the distribution of amounts due to rights holders (and the use of non-distributable amounts), approved by Company's at an Extraordinary General Meeting held on the 6<sup>th</sup> day of September 2016 in accordance with Regulations 6(6)(a) and (b) of the CRM Regulations. Defined terms have the meaning set out in the Company's Constitution, unless otherwise stated.*

**General policy on distribution of amounts due to right holders**

1. As set out in paragraph 61 of the Constitution all monies received by the Company in respect of the exercise of the rights, licence and/or authority granted by the Members shall be applied in the discharge of the expenses of the Company or as otherwise provided for in the Constitution and the balance remaining shall subject to Article 62 be distributed amongst the Members and any other persons so entitled in such shares and proportions as the Directors may from time to time determine taking into account the moneys received in respect of the Performing Right and Dubbing Right of each Member and the expenses attributable thereto.
2. As set out in paragraph 62 of the Constitution the Directors may before recommending any distribution amongst the Members of the Company set aside out of the receipts such sums as they think proper as a reserve fund to meet contingencies, or for future distribution, or for repairing, improving and maintaining any of the property or premises of the Company, and for such other purposes as the Directors shall in their absolute discretion think necessary or conducive to the interests of the Company, and to invest the several sums so set aside upon such investments as they may think fit and from time to time deal with or vary such investments and dispose of all or any part thereof for the benefit of the Company and to divide the reserve fund into such special funds as they think fit, and to employ the reserve fund or any part thereof for the general purposes of the Company, and that without being bound to keep the same separate from the other assets.
3. The Company will act in accordance with its published Distribution Rules. These Rules are approved by the Directors.
4. The aims of the Distribution Rules are to ensure that:
  - 4.1 the licence fees collected by the Company are distributed and paid to record companies and performers fairly, efficiently, accurately, promptly and in a cost effective manner;
  - 4.2 the licence fees are allocated to record companies and performers fairly in accordance with the usage of their sound recordings; and
  - 4.3 the Company's distributions are in accordance with its Constitution, its contractual duties to record companies and its statutory duties to pay equitable remuneration to performers.

5. Compliance with the requirements set out in regulations 11 (1) and (2) of the CRM Regulations in relation to distributions also forms part of this policy, including the requirement to distribute and pay rightholders regularly, diligently and accurately.

#### **General policy on use of non-distributable amounts**

6. In accordance with Regulation 11(3) to (9) of the CRM Regulations, this policy applies (from its date of approval onwards) to monies that cannot be distributed before the end of the period of three years from the end of the financial year in which collection of the rights revenue occurred (the "Collection Year"), due to the Company being unable to identify or locate the relevant recording right holders or performers (such monies being referred to as "Non-Distributable Amounts").
7. In the first instance, the Company will continue to seek to identify or locate the relevant recording right holders or performers, with a view to distributing the Non-Distributable Amounts in accordance with the Company's general policy on distributions. The company will continue to do so for such period as the Directors determine and in the absence of such determination until a period of up to six years has passed since the first distribution of monies from the Collection Year to which the Non-Distributable Amounts relate.