



## DISTRIBUTION REGULATION

### A. Introductory

- 1 This Distribution Regulation was approved by the Annual Ordinary General Assembly of the Partners of Grammo, at the meeting of 28 June 2021.
- 2 Replaces the previous distribution regulation.
- 3 The method of distribution obeys , as far as possible, the rule (art. 19 par. 1 law 4481/2017) of the distribution of revenues, in proportion to the actual extent of use of the material audio carriers and material audio and video carriers.
- 4 The Distribution Regulation is interpreted, supplemented and applied in combination and in harmony with the Statute of Grammo.
- 5 Regarding its structure, the Distribution Regulation is divided into six (6) parts, as follows:
  - a. Entry into force [under **B. = Numbers 6-7**].
  - b. Definitions [under **C. = Numbers 8-16**].
  - c. Repertoire Declaration [under **D. = Numbers 17-27**].
  - d. Distribution Method [under **E. = Numbers 28-45**].
  - e. Distribution Period - Advances [under **F. = Numbers 46-47**].
  - f. Unallocated and unduly paid amounts [under **G. = Numbers 48-51**].

### B. Entry into force

- 6 The distribution regulation concerns and regulates the distribution of the revenues of Grammo, resulting from fiscal and generally productive events, which take place from 1 January 2021 onwards.
- 7 In addition, it is noted that all revenues arising from fiscal years and generally revenue-generating events, which were granted until 31.12.2020, are distributed, based on the previous distribution regulation.

### C. Definitions

- 8 For the purposes of this Distribution Regulation, namely its interpretation and application, the following definitions have the following meanings:
- 9 **Member's repertoire:** The material carriers of audio and/or audio and video, produced or exploited by members. Hereinafter, the commercial terms phonograms and videograms are used respectively.
- 10 **Market Share:** The percentage (%) that each member of Grammo participates, in the year of distribution, in the discography market in Greece. Market Share, is that which relates to the calendar year (1 January to 31 December) of distribution and is exported within the first four months of the following year by a recognized auditing firm. For the formation / determination of the market share, only those revenues that come from physical and digital (download and/or streaming on demand) sales of recordings are taken into account<sup>1</sup>.
- 11 **Auditing company:** The recognized company of auditors that has received the relevant order from the Board of Grammo.

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<sup>1</sup> It is clarified that revenues from the synchronization / licensing of phonograms and/or videograms for the purpose of their integration in all kinds of works and/or protected objects are not taken into account for the calculation and/or export of the market share.



- 12** Monitoring service: The company to which the Board of Grammo assigns the monitoring of the program of radio and television stations. Today, the company: "*Media Inspector*".
- 13** Radio Airplay I: The percentage (%) by which the beneficiary producer's repertoire participates, in the year of distribution, in all recordings broadcasted and/or presented to the public by the radio stations and/or the web radios who paid to GEA the equitable remuneration of art. 49 par. 1 Law 2121/1993 and are tracked by the monitoring service.
- 14** Radio Airplay II: The percentage (%) by which the beneficiary producer's repertoire participates, in the year of distribution, in all recordings broadcasted and/or presented to the public by the radio stations and/or the web radios tracked by the monitoring service, regardless of whether they paid to GEA the equitable remuneration of art. 49 par. 1 Law 2121/1993.
- 15** TV Airplay I: The percentage (%) by which the beneficiary producer's repertoire participates, in the year of distribution, in all recordings broadcasted and/or presented to the public by the TV stations and/or the web TVs who paid to GEA the equitable remuneration of art. 49 par. 1 Law 2121/1993 and are tracked by the monitoring service.
- 16** TV Airplay II: The percentage (%) by which the beneficiary producer's repertoire participates, in the year of distribution, in all recordings broadcasted and/or presented to the public by the TV stations and/or the web TVs tracked by the monitoring service, regardless of whether they paid to GEA the equitable remuneration of art. 49 par. 1 Law 2121/1993.

#### **D. Beneficiary's Repertoire Declaration – Procedure – Legal Consequences**

- 17** A producer of phonograms and/or videograms applies for membership to Grammo.
- 18** Along with the application, producers declare electronically to Grammo the phonograms and videograms (hereinafter repertoire), of which they are the primary or secondary beneficiary of the related rights. Beneficiaries of Grammo who also maintain a repertoire of music library / commissioned music declare this separately, characterizing it as such. The type of repertoire statement is determined by Grammo.
- 19** If the distribution of the repertoire has been assigned to a third company, the application must specifically mention the person/company obliged to provide the information required for the export of the market share.
- 20** The above statements act as statutory declarations under Law 1599/1986. Updates and other changes to the repertoire shall be notified to Grammo no later than twenty (20) days after their completion. The last paragraph of term 18 also applies in this case.
- 21** There are no distributions of amounts corresponding to an undeclared repertoire (initial, and / or updated) for as long as no repertoire declaration is submitted.
- 22** The distributions take place, based on the content of the repertoire declaration on the 31st of December of the year of distribution, or the 20th of January of the following year. The latter applies to updates made up to 31 December of the previous year.
- 23** Each member of Grammo can inspect, by visiting the offices of Grammo, the declaration of repertoire of another member. By document to Grammo, they may reasonably challenge the declaration of another member's repertoire.
- 24** The contestation is made within a limitation period of thirty (30) days. The deadline is January 21 of each year, provided that by that date Grammo has notified its members in writing that the repertoire statements are available.



- 25 If the limitation period of thirty (30) days elapses without dispute, the repertoire statements become inviolable. Grammo, distributing to the members the income for the rights it manages, based on the inviolable repertoire statements, bears no responsibility towards its members as to the correctness of the distribution. Disputes of repertoire between members of Grammo, which arise after the expiration of the above limitation period, are exclusively disputes between members and are resolved exclusively between them.
- 26 If a dispute arises within the above dispute period, the distribution of the revenues corresponding to the disputed repertoire is suspended until the dispute is resolved either amicably or in court by an irrevocable court decision.
- 27 Grammo invites each of its members to submit to the auditing company, which has received the relevant order from the Board of Grammo, the data required for the audit and export of the market share. If a member does not submit this information to the auditing company within sixty (60) days from the invitation of Grammo, they do not participate in the distributions. However, as long as this member submits the above information to the auditing company and pays the relevant expenses from their own resources, a new (revised) market share is issued, which includes it and the member is paid the amount due.

## **E. Distribution Method**

### ***I. Distributed revenue***

- 28 The following are deducted from the annual revenue collected by Grammo:
- i. Management costs, including the operating expenses of Grammo, corresponding to the revenue arising from the collective management and protection of rights, equitable remuneration claims, compensation/remuneration claims and damages due to infringement, managed and protected by Grammo.
  - ii. The costs of participation in the expenses of combating piracy, as these are decided by the General Assembly of the Partners of Grammo.
- 29 The amount remaining after deduction of the above, under i. & ii., expenses, henceforth surplus, are distributed to the beneficiaries, as set out below, under II.
- 30 The distribution takes place, depending on the cash resources of Grammo.

### ***II. Method of distribution***

- 31 The distribution of Grammo's surplus can be: **[a.]** spatially and **[b.]** per source of revenue.
- 32 **Spatial:** The revenues of Grammo come from uses that take place in Greece, in Cyprus, where Grammo operates without establishment, and abroad, where revenues are attributes to Grammo, through reciprocal agreements.
- 33 **Sources of revenue:** The sources of revenue of Grammo are:
- i. the presentation to the public of recordings (public performance),
  - ii. the radio broadcasting of recordings,
  - iii. the television broadcasting of recordings,
  - iv. the reproduction of recordings for the purpose of their presentation to the public (dubbing),
  - v. the on-demand distribution of audio recordings, incorporated in audiovisual works,
  - vi. the television broadcasting of visualized recordings (video clips),
  - vii. the fair compensation for the reproduction for private use of audio and/or audio and video carriers (art. 18 law 2121/1993).



34 The surplus is distributed per revenue, per use, per user and per area. Specifically:

### III. Greece

35 **Presentation to the public (public performance).** Revenue is divided into two categories: Revenue from the use of recordings that are: *(a.) necessary* for the user's business, or *(b.) useful* for the user's business. This distinction is justified by the fact that the remuneration of art. 49 par. 1 Law 2121/1993 is higher when music is necessary. It goes hand in hand with GEA's tariff. Particularly:

i. **Music Necessary:**

- a. As long as the user delivers a list of recordings, the distribution is based on that. Delivery of a list of recordings means either the existence in the user's venue of a monitoring device, or the delivery of a usage list by the user themselves. If monitoring devices are available, the distribution is based on the data obtained from them. If they do not exist, the distribution is based on the delivered usage list of recordings. The distribution takes place, based on the proportion that the beneficiary's repertoire participates in the total number of performances of all beneficiaries (members and non-members of Grammo).
- b. As long as the user does not deliver a list of recordings, nor is it possible to obtain a list, or the received list is not usable due to generality, ambiguity, etc., the distribution is possible, as long as there are monitoring devices<sup>2</sup>, as follows: **1/3** of the distributed revenue, based on the percentage participation of the beneficiary's repertoire in the repertoire recorded by the monitoring devices, **1/3** of the distributed revenue, based on the percentage participation of the beneficiary's repertoire in market share and **1/3** of the distributed revenue, based on the percentage share of the beneficiary's repertoire in radio airplay II. If there are no monitoring devices, the distribution is as follows: **1/2** of the distributed revenue, based on the percentage participation of the beneficiary's repertoire in the market share and **1/2** of the distributed revenue, based on the percentage participation of the beneficiary's repertoire in the radio airplay II.

ii. **Music Useful:**

- a. As long as the user delivers a list of recordings, the distribution is based on that. The distribution takes place, based on the proportion that the beneficiary's repertoire participates in the total number of performances of all beneficiaries (members and non-members of Grammo).
- b. As long as the user does not deliver a list of recordings, nor is it possible to obtain a list, or the received list is not usable due to generality, ambiguity, etc., the distribution is as follows: **1/2** of the distributed revenue, based on the percentage participation of the beneficiary's repertoire in the market share and **1/2** of the distributed revenue, based on the percentage participation of the beneficiary's repertoire in the radio airplay II.

36 **Radio Broadcasting:** There are two types of radio, the terrestrial, including simulcasting and the web radio. The distribution is as follows:

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<sup>2</sup> Meaning not in the business of the specific user. Because, if any, paragraph a applies.



- i. As long as the radio station or web radio is tracked by the monitoring service, the distribution is based on this data. The distribution is based on the proportion of each beneficiary's repertoire as a percentage of the total number of monitored radio broadcasts of the repertoire of all beneficiaries (members and non-members of Grammo) of each r/s or web radio.
- ii. As long as the radio station or web radio is not monitored, the distribution is possible, based on the playlist it provides. The distribution is based on the proportion of each beneficiary's repertoire as a percentage of the total number of reported radio broadcasts of the repertoire of all beneficiaries (members and non-members of Grammo) of each r/s or web radio.
- iii. If the radio station or web radio is not monitored, nor is it possible to obtain a playlist, or the received playlist is not usable, e.g. due to generality or ambiguity, etc., the distribution is as follows: **1/2** of the distributed revenue, based on the percentage participation of the beneficiary's repertoire in the market share and **1/2** of the distributed revenue, based on the percentage participation of the beneficiary's repertoire in the radio airplay II.
- iv. Specifically, for the distribution of amounts to Music Libraries / Commissioned Music, until December 31, 2020 the following are valid: The amount of the fair fee that is entitled for each radio broadcast is equal to two thirds (2/3) of the fee that they would receive if their phonogram was of commercial repertoire. It is understood that the distribution takes place, based on the monitoring of the recordings broadcasted by the radio station that pays the fee, which monitoring is performed by Media Inspector. In case the radio station is not monitored by Media Inspector, the distribution takes place, based on the playlists the radio station delivers. In case the user does not deliver a playlist, the distribution is made, based on the average broadcasting of the recordings of the music library / commissioned music from all radio stations.

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**TV broadcasting:** There are three (3) types of TVs: Digital (including simulcasting), satellite (Nova) and Internet Protocol TV (Vodafone TV, Wind TV, Cosmote & Nova). The distribution is as follows:

- i. As long as the TV station or web TV is tracked by the monitoring service, the distribution is based on its data. The distribution is based on the proportion of each beneficiary's repertoire as a percentage of the total number of monitored TV broadcasts of the repertoire of all beneficiaries (members and non-members of Grammo) of each t/s or web TV.
- ii. As long as the TV station or web TV is not monitored, the distribution is possible, based on the playlist it provides. The distribution is based on the proportion of each beneficiary's repertoire as a percentage of the total number of reported TV broadcasts of the repertoire of all beneficiaries (members and non-members of Grammo) of each t/s or web TV.
- iii. If the t / s or web TV is not is not monitored, nor is it possible to obtain a playlist, or the received playlist is not usable, e.g. due to generality or ambiguity, etc., the distribution is as follows: **1/2** of the distributed revenue, based on the percentage participation of the beneficiary's repertoire in the market share and **1/2** of the distributed



revenue, based on the percentage participation of the beneficiary's repertoire in the TV airplay II.

- iv. Specifically, for the distribution of amounts to Music Libraries / Commissioned Music the following apply until 31 December 2020: The amount of the fair fee that is entitled for each TV broadcast is equal to two thirds (2/3) of the fee that they would receive if their phonogram was of commercial repertoire. It is understood that the distribution takes place, based on the monitoring of the recordings broadcasted by the TV station that pays the fee, which monitoring is performed by Media Inspector. In case the TV station is not monitored by Media Inspector, the distribution takes place, based on the playlists the TV station delivers. In case the user does not deliver a playlist, the distribution is made, based on the average broadcasting of the recordings of the music library / commissioned music from all TV stations.

**38** **Dubbing:** This category includes revenue: from dubbers, but also revenue from playback as a prerequisite for web radio operation. The distribution is as follows:

**i. Dubbers:**

- a. As long as a Dubber delivers a playlist of recordings, the distribution is based on that. The distribution is based on the proportion of each beneficiary's repertoire as a percentage of the total number of reported reproductions of the repertoire of all members only of Grammo from each Dubber.
- b. If a Dubber does not deliver a playlist, nor is it possible to obtain a playlist, or the received list is not usable due to generality or ambiguity, etc., the distribution is as follows: **1/2** of the distributed revenue, based on the percentage participation of the beneficiary's repertoire in the market share and **1/2** of the distributed revenue, based on the percentage participation of the beneficiary's repertoire in radio air-play II.

**ii. Web Radios:**

- a. As long as the web radio is tracked by the monitoring service, the distribution is based on this data. The distribution is based on the proportion of beneficiary's repertoire as a percentage of the total number of monitored reproductions of the repertoire of all members only of Grammo from each web radio.
- b. As long as the web radio is not monitored, the distribution is possible, based on the playlist it provides. The distribution is based on the proportion of beneficiary's repertoire as a percentage of the total number of reported reproductions of the repertoire of all members only of Grammo from each web radio.
- c. If a web radio does not deliver a playlist, nor is it possible to obtain a playlist, or the received list is not usable due to generality or ambiguity, etc., the distribution is as follows: **1/2** of the distributed revenue, based on the percentage participation of the beneficiary's repertoire in the market share and **1/2** of the distributed revenue, based on the percentage participation of the beneficiary's repertoire in radio air-play II.

**39** **On demand availability of sound recordings, integrated in audiovisual works:**

- i. The particularity of this revenue lies in the fact that there can be no monitoring. It is, therefore, absolutely dependent on the usage catalogs of the recordings. However, crucial to determine what is appropriate for each beneficiary of Grammo is the



number of digital calls (demands) received by the audiovisual work, in which its recording is integrated. Following the above, the distribution is as follows:

- ii. As long as the user, making the recordings integrated into audiovisual works accessible to the public, provides a list of recordings, containing the number of calls of the above recordings, the distribution proceeds accordingly. The distribution is based on the proportion of each beneficiary's repertoire as a percentage of the total number of accesses granted to each audience of the repertoire of all members only of Grammo.
- iii. If it is not possible to obtain the above list, or the received list is not usable due to generality or ambiguity, etc., the distribution is as follows: **1/2** of the distributed revenue, based on the percentage participation of the beneficiary's repertoire in the market share and **1/2** of the distributed revenue, based on the percentage participation of the beneficiary's repertoire in TV airplay II.

**40** Television broadcasting of audio and video carriers from which revenue arises, distinct from that of art. 49 par. 1 Law 2121/1993:

- i. As long as the t/s is tracked by the monitoring service, the distribution is based on this data. The distribution is based on the proportion of each beneficiary's repertoire as a percentage of the total number of monitored broadcasts of the repertoire of all members only of Grammo.
- ii. As long as the TV is not monitored, the distribution is possible, based on the playlist it provides. The distribution is based on the proportion of each beneficiary's repertoire as a percentage of the total number of reported broadcasts of the repertoire of all members only of Grammo.
- iii. If the t/s is not monitored, nor is it possible to obtain a playlist, or the received playlist is not usable, e.g. due to generality or ambiguity, etc., the distribution is as follows: **1/2** of the distributed revenue, based on the percentage participation of the beneficiary's repertoire in the market share and **1/2** of the distributed revenue, based on the percentage participation of the beneficiary's repertoire in the radio airplay II.

**41** Revenues from art. 18 Law 2121/1993:

- i. The particularity of this revenue lies in the fact that it is virtually impossible to know which recordings and video recordings were reproduced for private use.
- ii. Therefore, the distribution is as follows: 55% of the distributed revenue, based on the percentage participation of the beneficiary's repertoire in the market share and 45% of the distributed revenue, based on the percentage participation of the beneficiary's repertoire in radio airplay II.

**IV. Cyprus**

**42** The above distribution rules apply to the distribution of the revenues from usage that takes place in the territory of the Republic of Cyprus.

**43** It goes without saying that market share, airplay II and TV play II will be extracted.

**V. Reciprocal agreements**

**44** As a rule, the distribution is provided in full by the foreign Collecting Society, with which Grammo maintains a reciprocal agreement [representation, according to the terminology of Law 4881/2017].



- 45 If this does not happen, the distribution is as follows: **1/2** of the distributed revenue, based on the percentage participation of the beneficiary's repertoire in the market share and **1/2** of the distributed revenue, based on the percentage participation of the beneficiary's repertoire in radio airplay I.

#### **F. Distribution Period - Advances**

- 46 Beneficiaries shall invoice Grammo with the corresponding distribution amounts once a year and no later than 30 September of the year following the one the distribution concerns. The invoices can be paid as soon as possible and at the latest within nine (9) months from the end of the tax year in which the revenue was collected. For the remainder, the provisions of art. 19 par. 2 Law 4481/2017 and the Statute of Grammo apply.
- 47 By decision of the Board of Grammo, advance payments to the beneficiaries are possible. The advance payment may not exceed a percentage higher than 70% of the average of the distributions received by the beneficiary in the last two (2) consecutive years.

#### **G. Unallocated and Unduly Paid Amounts**

- 48 For as long as, despite the to the contrary provisions of Law 4481/2017, the tax legislation treats as profit any amounts that will not have been attributed to the beneficiaries within one year of their collection, Grammo is unable to maintain them as reserve amounts for a period longer than one year from their collection.
- 49 For this reason, any amounts collected and attributable to beneficiaries, which Grammo is either unable to locate or remain unknown, despite its reasonable efforts to locate or identify them, respectively, are retained in beneficiary's name, known but not located, or unknown, respectively, for one (1) year at most from the end of the year in which their collection took place.
- 50 After the end of the year, the above amounts are distributed to the members of Grammo, according to their proportion, in the year to which these amounts relate. If Grammo locates or recognizes the beneficiary, it pays the above amounts, to the extent that their claim has not succumbed to the ten-year limitation period of art. 19 par. 8 Law 4481/2017. The amounts thus paid are deducted pro rata by Grammo's members, with set-off for subsequent distributions.
- 51 If producers have unduly received payments from Grammo, the latter, at its discretion, either seeks them out or sets them off with subsequent distributions.
-