



**POLICY REGARDING THE MANAGEMENT
OF RIGHTS ENTRUSTED TO ARTISTI (hereinafter, the “Management Policy”)**

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| Management policy adopted during the general meeting of the Board of Directors of the: 08/07/2020 |
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1. Transmission of the identification information of the performer to ARTISTI

The performer who entrusts the management of his (or her) rights to ARTISTI provides his (or her) personal identification information when concluding the *Assignment of rights and adhesion contract by a Performer* (hereinafter “the Agreement”) with ARTISTI, including his (or her) email address for the purpose of receiving a link to activate his (or her) online portal.

In order to facilitate his (or her) identification on international databases (« *International Performers Database* » or « *IPD* »), an identification number is attributed to each performer (« *International Performer Number* » or « *IPN* »). The IPN may be communicated by ARTISTI to the member who requests it. If a new member has already obtained an IPN, he (or she) undertakes to send it to ARTISTI upon his (or her) registration.

2. Declaration of existing and future performances

The performer who entrusts the management of his (or her) rights to ARTISTI declares all his (or her) fixed performances at the date of the conclusion of the Agreement, as well as all his (or her) fixed performances on a going forward basis.

When registering, and throughout his (or her) membership, the performer declares all of his (or her) discography via the repertoire registration form (Excel document accessible via [this link](#)). The performer is responsible for updating his (or her) discography and for sending information to ARTISTI for each new fixed performance on a recording.

Following his (or her) declaration, the performer must then validate his (or her) discography online on his (or her) ARTISTI portal, sound recording by sound recording or for all the recordings to be validated. By validating his (or her) discography online, the performer guarantees ARTISTI against any claims that it may receive from a third party arising from a false or incomplete declaration on the performer’s part.

At ARTISTI's request, the performer provides all documentation (CD cover, recording contract, data accessible on online platforms or others) allowing ARTISTI to complete the online declaration of his (or her) discography.

3. Declaration of fiscal residence

For the purposes of the Income Tax Act (RSC (1985), c. 1 (5th supp.)), or the Taxation Act (CQLR, chapter I-3) and of certain tax conventions which apply for payments of royalties from foreign sources, ARTISTI must be informed by the performer of his (or her) fiscal residence and of any change concerning it.

The responsibility of notifying ARTISTI of any change concerning his (or her) fiscal residence rests with the performer who must consult his (or her) accountant or his (or her) tax specialist if he (or she) has a residential link outside Canada and hesitates as to the determination of his (or her) fiscal residence.

4. Collection and distribution of royalties

ARTISTI collects and distributes the royalties that are linked to the rights that the performer has assigned to ARTISTI and that are owed to him (or her), insofar as:

- the performer or the sound recording or the fixed performance is admissible under the Copyright Act (R.S.C. (1985), c. C-42);
- the performer has declared his (or her) fixed performances and has validated his (or her) discography online;
- all participants who take part in the published sound recording at the origin of the royalties and who are part of the musical category to which he (or she) belongs are identified;
- his (or her) fixed, declared and validated performances appear, depending on the right concerned, in the usage data or surveys or in the sales data.

5. Payment based on reported information and recovery of overpayments

ARTISTI makes the payment of royalties related to a sound recording on the basis of the information validated by the performer on his (or her) online discographic statements as well as by taking into account the information available regarding other performers' participations on the same sound recording.

In the event that ARTISTI has overpaid or underpaid royalties to the performer, ARTISTI will make adjustments resulting either in a payment during an upcoming distribution (if the performer has received less than he (or she) should have received) or in a recovery of the sums (if the performer has received more than he (or she) should have received) from future royalty payments to be made to the artist until perfect reimbursement of overpayments. However, ARTISTI reserves the right not to proceed by recovery of the sums paid in excess and rather to claim these sums directly from the performer who incorrectly received them.

6. Payment of royalties from Canadian and foreign sources

ARTISTI will only pay royalties to the performer if the royalties accumulated in his (or her) name reach an amount equal to or greater than the minimum required threshold. In the case of issuing a check, the minimum threshold required is \$ 25 or any other amount determined by ARTISTI from time to time. Payment of royalties can also be made by direct deposit to a bank account, in which case the minimum threshold required is \$ 1.

ARTISTI distributes royalties four times a year, on the following dates:

- January 15
- April 15
- July 15th
- October 15

7. Distribution key

ARTISTI distributes the royalties among the performers taking part in a published sound recording according to the distribution key that applies to the musical genre of said sound recording (hereinafter referred to as "the Recording").

Regarding royalties from foreign sources, the distribution keys that apply are those of the foreign society which distributes these royalties to ARTISTI.

a) For jazz recordings

Depending on the role he (or she) assumes on a Jazz Recording, the performer is considered to be part of the musical category “Featured soloist or Featured guest soloist”, “Featured entity”, “Leader”, “Backup Vocalist”, “Instrumentalist”, according to the following definitions:

| Category | Description |
|---|--|
| Featured soloist or Featured guest soloist | Featured vocalist or instrumentalist |
| Featured entity | Concept applicable to any jazz ensemble of no more than 15 performers; one or several featured performers can be associated with a featured entity. Combined total of performers must be 15 or fewer. |
| Leader | This is an instrumentalist who assumes responsibility for being the head of a small group or section of a larger ensemble, such as a “big band”. The term leader also refers to a featured solo instrumentalist. |
| Backup Vocalist | Non-Featured vocalist |
| Instrumentalist | Featured instrumentalist or accompanying musician belonging to a jazz group or ensemble. |

The distribution key that applies to Jazz Recordings is determined according to the number of performing artists participating (15 and less or 16 and more).

Jazz Recordings involving 15 performers or less:

- When on the same Recording, performers of the categories “Featured soloist or Featured guest soloist” or “leader” are associated with a “featured entity” and no artist in the category “Backup vocalist” or “instrumentalist” takes part in it:
 - 55% of the sums allocated to the Recording are distributed between the artists of the categories “Featured soloist or Featured guest soloist” and “leader” taking part and
 - the remaining 45% are distributed among the performers of the “ featured entity ” taking part.

- When on the same Recording, performers of the categories “Featured soloist or Featured guest soloist” or “leader” are associated with a “featured entity” and artists in the category “Backup vocalist” or “instrumentalist” takes part in it:
 - 45% of the sums allocated to the Recording are distributed between the artists of the categories “Featured soloist or Featured guest soloist” and “leader” taking part;
 - 35% are distributed among the performers of the “ featured entity ” taking part, and
 - 20% are distributed among the performers of the category “Backup vocalist” or “instrumentalist” taking part.

- When only a « featured entity » is taking part in a Recording, 100% of the sums allocated to this Recording are distributed among the performers of this « featured entity ».
- When on the same Recording, performers of the categories “featured entity” are only associated with performers of the category « Backup vocalist » or “instrumentalist” »:
 - 80% of the sums allocated to this Recording are distributed among the performers of the « featured entity ».
 - the remaining 20% are distributed among the performers of the “Backup vocalist » or “instrumentalist” » taking part.
- When only performers of the categories “Featured soloist or Featured guest soloist” or “leader” are taking part in a Recording, 100% of the sums allocated to this Recording are distributed among the performers of these categories.
- When on the same Recording, performers of the categories “Featured soloist or Featured guest soloist” or “leader” are associated with performers of the category « Backup vocalist » or “instrumentalist”»:
 - 80% of the sums allocated to the Recording are distributed between the artists of the categories “Featured soloist or Featured guest soloist” and “leader” taking part and
 - the remaining 20% are distributed among the performers of the category « Backup vocalist » or “instrumentalist” » taking part.

Jazz Recordings involving 16 performers and more:

For the purposes of distributing the sums attributable to a Recording, the performers who are named on the Recording and who are “Featured soloist or Featured guest soloist” or “leader” are part of **Group 1**. As for the artists who are not named and who are in the « Backup vocalist » or “instrumentalist” categories, they are part of **Group 2**.

Depending on the number of performers taking part in the Recording, **Group 1** and **Group 2** are respectively allocated a given percentage of the sum related to this Recording, all in accordance with the table below:

| Number of performers | Group 1 | Group 2 |
|----------------------|----------------|----------------|
| 16—30 | 65% of the sum | 35% of the sum |
| 31—45 | 60% of the sum | 40% of the sum |
| 46—60 | 55% of the sum | 45% of the sum |
| > 61 | 50% of the sum | 50% of the sum |

b) For classical recordings

Depending on the role he (or she) assumes on a classical Recording, the performer is considered to be part of the musical category “Orchestral conductor or guest orchestral conductor”, “Featured soloist or Featured guest soloist”, “Featured entity”, “chorus”, “Instrumentalist”,

“Named choral director”, “Unnamed choral director”, “Chorus singer” according to the following definitions:

| Category | Description |
|---|---|
| Orchestral conductor Music director Maestro | The conductor may be a principal or guest conductor. Principal conductors, under the terms of their contracts, make a certain number of appearances or recordings every year. They develop the programs of the works to be performed by the orchestra during the year. They are responsible for the preparation, rehearsal and performance of the selected pieces. Guest conductors are responsible only for rehearsals and performances of orchestral pieces that they have been invited to conduct. |
| Featured soloist or Featured guest soloist | Featured vocalist or instrumentalist |
| Featured entity | Concept applicable to any small classical ensemble of no more than 12 performers; one or several featured performers can be associated to such an ensemble. But the combined total of performers must be 12 or fewer. |
| Instrumentalist | Instrumentalist or accompanying musician belonging to an orchestra or ensemble |
| Chorus | A chorus is a musical ensemble made up entirely of vocalists led by a choral director. There are four types of choruses: children’s choruses, men’s choruses, women’s choruses and mixed choruses. |
| Named choral director | The choral director, which name do appear on the cover of a given a capella" CD album, assumes conducting responsibilities of the given choir and/or chorus. Named choral director appearing on tracks of 13 or more performers will be part of the G1 category |
| Unnamed choral director | The choral director, which name does not appear on the cover of a given CD incorporating choir and/or chorus works, is considered as an assistant to the orchestra conductor. The choral director sees to the preparation of the chorus members. The choral director does not direct the chorus in the presence of the orchestra conductor. |

| | |
|---------------|--|
| | Unnamed choral director appearing on tracks of 13 or more performers will be part of the G2 category. |
| Chorus singer | There are two categories of choral singers: amateur and professional. Amateur choral singers take part in live performances and recordings, alongside professional choral singers or other amateurs, on a voluntary basis. Professional choral singers take part in live performances and recordings, alone or in a group, in exchange for compensation. |

The distribution key that applies to classical Recordings is determined according to the number of performing artists participating (12 and less or 13 and more).

Classical Recordings involving 12 performers or less:

- When on the same Recording, performers of the categories “Orchestral conductor or guest orchestral conductor”, “Featured soloist or Featured guest soloist” or “Named choral director” are associated with a “featured entity” and no artist in the category “chorus singer”, “Instrumentalist” or “Unnamed choral director” takes part in it:
 - 60% of the sums allocated to the Recording are distributed between the artists of the categories “Orchestral conductor or guest orchestral conductor”, “Featured soloist or Featured guest soloist” or “Named choral director” taking part and
 - the remaining 40% are distributed among the performers of the " featured entity " taking part.
- When on the same Recording, performers of the categories “Orchestral conductor or guest orchestral conductor”, “Featured soloist or Featured guest soloist” or “Named choral director” are associated with a “featured entity” and artists in the category “chorus singer”, “Instrumentalist” or “Unnamed choral director” takes part in it:
 - 45% of the sums allocated to the Recording are distributed between the artists of the categories “Orchestral conductor or guest orchestral conductor”, “Featured soloist or Featured guest soloist” or “Named choral director” taking part;
 - 40% are distributed among the performers of the " featured entity " taking part and
 - 15% are distributed among the performers of the categories “chorus singer”, “Instrumentalist” or “Unnamed choral director” taking part.
- When only a « featured entity » is taking part in a Recording, 100% of the sums allocated to this Recording are distributed among the performers of this « featured entity ».
- When on the same Recording, performers of the categories “featured entity” are only associated with performers of the category “chorus singer”, “Instrumentalist” or “Unnamed choral director“:

- 70% of the sums allocated to this Recording are distributed among the performers of the « featured entity ».
- the remaining 30% are distributed among the performers of the category “chorus singer”, “Instrumentalist” or “Unnamed choral director” taking part.
- When only performers of the categories “Orchestral conductor or guest orchestral conductor”, “Featured soloist or Featured guest soloist” or “Named choral director” are taking part in a Recording, 100% of the sums allocated to this Recording are distributed among the performers of these categories.
- When on the same Recording, performers of the categories “Orchestral conductor or guest orchestral conductor”, “Featured soloist or Featured guest soloist” or “Named choral director” are associated with artists in the category “chorus singer”, “Instrumentalist” or “Unnamed choral director “:
 - 75% of the sums allocated to the Recording are distributed between the artists of the categories “Orchestral conductor or guest orchestral conductor”, “Featured soloist or Featured guest soloist” or “Named choral director” taking part and
 - the remaining 25% are distributed among the performers of the categories “chorus singer”, “Instrumentalist” or “Unnamed choral director “ taking part.

Classical Recordings involving 13 performers and more:

For the purposes of distributing the sums attributable to a Recording, the performers who are named on the Recording and who are “Orchestral conductor, Music director or guest orchestral conductor”, “Featured soloist or Featured guest soloist”, “choral director in an a-cappella recording” are part of **Group 1**. As for the artists who are not named and who are in the « Music director », “choral director”, “professional chorus singer” or “instrumentalist” categories, they are part of **Group 2**.

Depending on the number of performers taking part in the Recording, **Group 1** and **Group 2** are respectively allocated a given percentage of the sum related to this Recording, all in accordance with the table below:

| Number of performers | Group 1 | Group 2 |
|----------------------|----------------|----------------|
| 13—25 | 65% of the sum | 35% of the sum |
| 26—38 | 60% of the sum | 40% of the sum |
| 39—51 | 55% of the sum | 45% of the sum |
| 52—64 | 50% of the sum | 50% of the sum |
| 65—77 | 45% of the sum | 55% of the sum |
| 78—90 | 40% of the sum | 60% of the sum |
| 91—103 | 35% of the sum | 65% of the sum |
| > 104 | 30% of the sum | 70% of the sum |

However, if no performer in the categories " Featured soloist or Featured guest soloist" participates in a given Recording, the percentages going to groups 1 and 2 are established in accordance with the table below:

| Number of performers | Group 1 | Group 2 |
|----------------------|------------------|------------------|
| 13—25 | 32,5% of the sum | 67,5% of the sum |
| 26—38 | 30% of the sum | 70% of the sum |
| 39—51 | 27,5% of the sum | 72,5% of the sum |
| 52—64 | 25% of the sum | 75% of the sum |
| 65—77 | 22,5% of the sum | 77,5% of the sum |
| 78—90 | 20% of the sum | 80% of the sum |
| 91—103 | 17,5% of the sum | 82,5% of the sum |
| > 104 | 15% of the sum | 85% of the sum |

c) For all other types of recordings

A performer who declares himself (or herself) as a soloist or featured musician on a Recording is considered to be part of the musical category "Featured Artist" in relation to it.

The performer who declares himself (or herself) as a backup vocalist or an accompanying musician on a Recording is considered to be part of the musical category "Non-featured artist" in relation to it.

80% of the sums allocated to the Recording are distributed among the "Featured Artists" taking part in it and the remaining 20% are distributed among the "Non-featured artist" taking part in it.

A performer who takes part on a Recording both as a "featured artist" and a "Non-featured artist" may not combine the two musical categories for the purposes of collecting the royalties related to it.

If no performer in the "Non-featured artist" category participates on a Recording, all of the royalties attributable to the latter are paid in full to the "featured artist" taking part on it if he (or she) is alone, or distributed equitably among the "featured artists" taking part on it if there are several.

If all the members of a musical group or "band" are registered members of ARTISTI, they may agree between themselves on a different distribution of the royalties attributable to the Recordings of said group or "band", notwithstanding the artistic category (featured or non-featured artist) to which each member of the group or "band" belongs, the whole, by signing the "Group distribution agreement" prescribed by ARTISTI.

d) For Djs and remix

DJ's and remixers appearing on remix recordings (hereinafter, a "Remix") will be eligible for remuneration if they contribute a recognized performance to the recording. A recognized performance on a Remix recording will be no different than a recognized performance on all other recordings (pop/country, classical and jazz).

For example, a DJ or remixer that does not contribute a recognized performance to a recording (i.e. mixing, cutting or editing a track, lengthening or shortening a track etc.), will not be

remunerated. A DJ or remixer that contributes a recognized performance to a recording (i.e. scratching, vocals, analogue or digital instrumentation etc.) will be remunerated.

The musical category of the DJ or remixer contributing a recognized performance to a recording will be determined as follow:

- DJ's and Remixers as Featured Performers: DJ's and remixers will be recognized as featured performers only if their name is prominently associated with the Remix recording. This can include the DJ/remixer's name appearing in the radio logs (with the main artist's name or track title) or on a case by case basis with supplemental evidence (ex, appearing on the jacket of the CD with the main featured performer).
- DJ's and Remixers as Non-Featured performers: DJ's and remixers will be treated as non-featured performers if their name is not prominently associated with the Remix recording. For instance, if a remix appears in the radio logs as just a remix, but without a remixer/Dj's name, the DJ or remixer will be remunerated as a non-featured performer.

For distribution purposes, the applicable percentages according to musical category are those described in section 3 above, titled "For all other types of recordings".

Featured performers on a Remix recording will consist of all featured performers actually appearing on the recording, including any performances taken from the original recording(s) and any performances added to the new recording.

Non-Featured performers on a Remix recording will consist of all background performers actually appearing on the Remix recording, including any performances taken from the original recording(s) and any performances added to the remix recording.

ARTISTI will not distinguish between authorized and unauthorized Remix recordings. All remix recordings appearing in the final version of each radio or sales log will be treated as authorized recordings.

8. Conflicts of representation

In the event that a conflict between several collecting societies arises as to the representation of a performer with regard to the same right, ARTISTI will cease all payment of royalties to this performer until the conflict of representation is settled and that a written confirmation is obtained as to the identity of the society representing the performer.

9. Conflicts between performers taking part in the same recording

In the event that a conflict arises between the different performers taking part on the same Recording, ARTISTI will cease all payment of royalties in connection with this Recording until a written agreement between the performers concerned, an arbitration decision or a judgment putting an end to the conflict is communicated. Upon receipt of the written agreement, the arbitration decision or the judgment putting an end to the conflict, ARTISTI will distribute the

royalties related to the Recording taking into account the terms of the written agreement, the arbitration decision or the judgment ending the conflict.

10. Management fees

ARTISTI applies the management fees determined annually by its board of directors.

MANAGEMENT FEES APPLICABLE TO ROYALTIES FROM CANADIAN SOURCES:

EQUITABLE REMUNERATION ¹

| PLAYLIST YEARS | RATES |
|-------------------------------|--------------|
| 1998 | 25,0% |
| 1999 | 25,0% |
| 2000 | 25,0% |
| 2001 | 22,5% |
| 2002-2003-2004-2005-2006-2007 | 20,0% |
| 2008 | 18% |
| 2009-2019 | 15% |

PRIVATE COPY²

| PLAYLIST YEARS | RATES |
|------------------------|--------------|
| 2009-2017 ³ | 15% |

REPRODUCTION BY COMMERCIAL RADIOS

| PLAYLIST YEARS | RATES |
|--------------------------|--|
| 2012 and ss ⁴ | Fees to be determined corresponding at least to the value of the costs invoiced by external service providers in connection with said tariff |

¹ In accordance with Article 7.4 of the Agreement, these fees may be amended or updated annually by the board of directors and / or the shareholder of ARTISTI from time to time depending on operational and development needs. As ARTISTI is linked to Re:Sound as well as to the Canadian Private Copying Collective (CPCC), the boards of directors of these societies also set applicable management fees.

² Idem.

³ The rate for previous years is not specified as those years are now closed. It should be noted that there will be no distribution of the 2018 and 2019 private copying royalties, the royalties collected by the CPCC for these years being applied to its operating costs.

⁴The rate for previous years is not specified as those years are now closed.

ARTISTI/MELS AGREEMENT

| PLAYLIST YEARS | RATES |
|---------------------------------|-------|
| « 2017-2018 » and « 2018-2019 » | 20 % |

MANAGEMENT FEES APPLICABLE TO ROYALTIES FROM FOREIGN SOURCES:

The management fees applicable to foreign-source royalties vary depending on the type of agreement entered into with the foreign society distributing the royalties and are as follows:

- 0% for the following territories: France, Lithuania, Greece, Cyprus, Japan, Romania, Estonia, Hungary, Portugal, Germany, Croatia, Latvia, Italy, Poland (STOART), Switzerland, Belgium, Russia and Slovenia;
- 3.5% for royalties originating in the United States (royalties from SoundExchange);
- 7.5% for the following territories: Brazil, United States (AFM-SAG AFTRA Fund royalties), Spain, Albania, Georgia, Denmark, Finland, Norway, Ukraine, Serbia, United Kingdom, Ireland, Sweden, South Africa, Poland (SAWP), the Netherlands.

11. Distribution years

The distribution years that members can claim are those that have not been closed:

- For equitable remuneration and private copying: the distribution years are closed six (6) years after the year of use of the Recording concerned;
- For incidental reproduction and exclusive rights: the distribution years are closed as of when they are distributed by ARTISTI.

12. Change of society

When the Agreement is terminated and the performer decides to entrust the management of his (or her) rights to another collecting society, it is up to the performer to provide his (or her) new society with all the information requested, to the complete exoneration of ARTISTI.

The performer who leaves another collecting society to entrust his (or her) rights to ARTISTI undertakes to provide the latter with all information (including payment statements) allowing him (or her) to establish which royalties were already paid to him (or her) in connection with his (or her) various participations on recordings.

13. Inheritance and succession

In order to register a deceased performer with ARTISTI, the heir, successor, legatee or liquidator of the succession, must, in addition to the regular membership procedure, complete the following steps:

- Provide a duly completed and sworn copy of the transmission declaration according to the form prescribed by ARTISTI for this purpose;
- Provide ARTISTI with the performer's death certificate;
- Provide the marital status of the performer;

- Provide a copy of the last will, and a copy of the will search certificate from the *Chambre des notaires* or the *Barreau du Québec*. If the performer has not left a will, provide a notarized copy of the declaration of inheritance or the marriage contract, if applicable, if this constitutes the performer's only testamentary disposition.

In the event of the death of a member of ARTISTI, it is also necessary for the heir, successor, legatee or liquidator of the succession to complete the steps mentioned above in order to ensure the payment of royalties from the member's estate to whom it may concern.

14. End of the relationship between ARTISTI and the performer

When the Agreement is terminated, ARTISTI ceases to represent the performer and to claim the royalties due to him (or her), from the effective date of termination of the Agreement.

If the royalties distributed in the name of the performer before the termination of the Agreement could not be paid to him (or her) before the end of it, ARTISTI shall pay them within the following three (3) months of the effective departure. If other royalties identified in the artist's name are collected by ARTISTI after the Agreement is terminated, ARTISTI will pay them under the same conditions and this, as long as the amounts identified in the name of the artist will reach ARTISTI.

On the other hand, if it appears that sums were paid in excess to the performer in question, he (or she) will have to reimburse these sums to ARTISTI.