GENERAL POLICIES ON DISTRIBUTIONS AND USE OF NON-DISTRIBUTABLE AMOUNTS

This document sets out the general policy of PPL (the "Company") on the distribution of amounts due to right holders (and the use of non-distributable amounts), as approved by the Company's Annual General Meeting in accordance with Regulation 7(d) of the Collective Management of Copyright (EU Directive) Regulations 2016 (the "Regulations"). Defined terms have the meaning set out in the Company's Articles of Association, unless otherwise stated.

General policy on distribution of amounts due to right holders

1. As set out in article 102 of the Company's Articles of Association, all monies received by the Company shall be applied in the discharge of the expenses of the Company or as otherwise provided for in these articles and the balance remaining shall (subject to article 103) be distributed amongst the Members and any other persons so entitled (including performers) in such shares and proportions as the directors may from time to time determine.

2. As set out in article 103 of the Company's Articles of Association, the directors may before recommending any distribution as aforesaid 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, or for such other purposes as the directors shall in their absolute discretion think necessary or conducive to the interests of the Company, and may invest the 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 for the benefit of the Company and divide the reserve fund into such special funds as they think fit, and 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 PPL Board (and, to the extent that they relate solely to distribution of revenues between performers, are also approved by the Performer Board). The application of the Rules as regards allocation of revenues is overseen by a specialist Distribution Committee, the members of which are appointed by the PPL Board in accordance with articles 86-88 of the Company's Articles of Association.

4. The aims of the Distribution Rules are to ensure that:
   - 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;
   - the licence fees are allocated to record companies and performers fairly in accordance with the usage of their sound recordings; and
   - the Company's distributions are in accordance with its Articles of Association, its contractual duties to record companies and its statutory duties to pay equitable remuneration to performers.

5. Compliance with the requirements set out in the Regulations in relation to distributions also forms part of this policy, including the requirement to distribute and pay right holders regularly, diligently and accurately.

General policy on use of non-distributable amounts

1. In accordance with Regulation 12(9) of the 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").

2. 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 PPL Board determines (the "Extended Distribution Period"), 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.

3. The use of Non-Distributable Amounts after the Extended Distribution Period will be in accordance with Distribution Closure Rules set by the PPL Board from time to time, subject to the requirement for AGM approval (under Regulation 7(d) of the Regulations) where applicable.

GENERAL POLICY ON INVESTMENTS

This document is the general policy of PPL (the "Company") on investment of rights revenues and any income arising from such investment, as approved by the Company's Annual General Meeting in accordance with Regulation 7(d) of the Collective Management of Copyright (EU Directive) Regulations 2016 (the "Regulations"). Defined terms have the meaning set out in the Company's Articles of Association, unless otherwise stated.

General policy

1. As set out in article 3 of the Company's Articles of Association, the Company may:
   - invest the monies of the Company in or upon such investments, securities or property in any other company or organisation having objects altogether or in part similar to those of the Company or carrying on any business capable of being conducted so as directly or indirectly to benefit the Company and/or any Member or Members and/or in the interests (directly or indirectly) of any Member or Members and/or any Performer or Performers; and
   - invest and deal with the monies of the Company not immediately required in such manner as may from time to time seem directly or indirectly to benefit the Company.

2. As set out in article 103 of the Company's Articles of Association, the directors may before recommending any distribution 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, or for such other purposes as the directors shall in their absolute discretion think necessary or conducive to the interests of the Company, and may invest the 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 for the benefit of the Company.

3. The Company's Treasury Policy is as follows:
   - Surplus cash is held to meet future liabilities and commitments of the company. Cash is not held for the purpose of investment in its own right and at no time should the capital value be put at unnecessary risk.
   - The Company's policy is to:
     - keep surplus cash fully invested;
     - avoid putting the capital value of deposits at risk by not investing in financial instruments with additional risks attached (e.g. Gilts/Bonds) and by spreading deposits over a range of institutions;
     - ensure that cash is available to meet financial commitments as they arise; and
     - obtain the best return on surplus cash while staying within the Company's policy.

4. Any net interest arising from such investments is allocated on a pro-rata basis to record companies and performers as part of the Company's distributions.

5. When placing foreign currency deposits or entering into foreign exchange transactions the counterparty must meet the criteria regarding category and credit rating as may be approved by the PPL Board from time to time.

6. The Company's policy is to eliminate foreign exchange exposures. Therefore all foreign currency receipts will be immediately converted into sterling unless required to hedge any known future liability in the relevant currency.

GENERAL POLICY ON DEDUCTIONS

This document is the general policy of PPL (the "Company") on deductions from rights revenues and from any income from the investment of rights revenue, as approved by the Company's Annual General Meeting in accordance with Regulation 7(d) of the Collective Management of Copyright (EU Directive) Regulations 2016 (the "Regulations"). Defined terms have the meaning set out in the Company's Articles of Association, unless otherwise stated.

General policy

Deduction of management fees

1. In accordance with Regulation 11(3) of the Regulations, management fees should not exceed the justified and documented costs incurred by the Company in managing copyright and related rights.

2. The Company will allocate costs in accordance with its published Distribution Rules, and in particular the provisions of Rule 6. In summary:
   - Revenues received by PPL in respect of a particular Exploitation Period (as defined in the Distribution Rules) shall be divided into revenue streams for that Exploitation Period (and, for the avoidance of doubt, similar revenue streams may be combined for the allocation of costs).
   - The costs of collecting revenue attributable to a revenue stream shall be taken from that revenue stream, save where PPL determines that it would be reasonable in all the circumstances for such costs (or part of such costs) to be allocated between more than one revenue stream.
   - Corporate, administration and other costs shall be divided between the revenue streams in such proportions as are determined by PPL to be reasonable in all the circumstances.
   - The division of costs (including the costs of collecting revenues and the costs of distributing revenues) between record companies and performers shall be calculated on an activity basis and apportioned between record companies and performers and across revenue streams accordingly as determined by PPL to be reasonable in all the circumstances.

Other deductions

3. In accordance with Regulation 11(2) of the Regulations, deductions other than management fees should be reasonable (in relation to the services provided by the Company to right holders) and based on objective criteria. If the Company provides social, cultural or educational services funded by such deductions, those services should be provided on the basis of fair criteria, in particular regarding access to and the extent of those services.

4. In accordance with Regulation 14(1) of the Regulations, the Company's policy is not to make deductions (other than management fees) from rights revenue arising under a representation agreement with another collective management organisation (or from any income arising from investment of that rights revenue), unless that other collective management organisation expressly consents to such deductions.

Auditing and approvals

5. The costs allocations made by the Company shall be reviewed by an external auditor and confirmed by the PPL Finance Committee in respect of each Exploitation Period.