

**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**  
**DEDUCTIONS**  
**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 deductions from rights revenues and from any income from the investment of rights revenue, 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**

Deductions from Distributions

1. In accordance with Regulation 10(3) of the CRM 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 1.6 as follows:-

"PPI allocates the costs of collections, distributions, administrative and other costs against audio, music video, performer and international income in such proportions as are determined by PPI to be reasonable and takes the appropriate costs from each distribution, save where PPI determines that it would be reasonable for such costs (or part of such costs) to be allocated between more than one distribution."

Deductions from Audio Income are set out at paragraph 2.3 and are in summary the costs of collection, distribution, administration and other deductions as approved by PPI in general meeting. PPI also deducts qualifying income due to performers and the performers' distribution fee.

Deductions from Music Video income are set out at paragraph 3.3 and are in summary the costs of collection, distribution, administration and other costs as approved by the company in general meeting.

Deductions from Performer Income are set out at paragraph 4.3 and are in summary the costs of collection, distribution and administration.

In respect of International Income PPI deducts general management costs (the costs of collection, distribution and administration) from licence fees before allocating that income to foreign MLCs, and may at PPI's discretion deduct a further distribution fee if the circumstances warrant it.

PPI does not presently deduct any costs from distributions received from Foreign MLC's. PPI pays record producer members the gross allocation received from Foreign MLC.

#### Deductions other than management fees

3. In accordance with Regulation 10(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 pursuant to Regulation 10(4) the Company decides to provide 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. The Companies general policy is not make any deductions other than management fees from rights revenue received under representation agreements with Foreign MLC's or from rights revenue due to Qualified Performers (or from any income arising from investment of such rights revenue), unless that Foreign MLC or Qualified Performer expressly consents to such deductions.

#### Auditing and approvals

5. The costs allocations made by the Company shall be reviewed by an external auditor.