



CLIENT AGREEMENT

(Amended with the decision of Teosto's Board of Directors 17 May 2017; effective as from 1 June 2017)

Article 1 Criteria for qualifying to client relationship

Any composer, arranger, lyricist and author who has musical or literary copyright in a composition is entitled to become a client of Teosto, if at least one of his works has been performed in public or commercially recorded on a phonogram or on a visual recording. The same criteria are applicable to copyright owners who, on the basis of inheritance or marital right or under a will, have received copyright in a work during the time of protection.

A publisher who can be considered as continuously carrying out publishing activities is entitled to become a Publisher Client of Teosto.

Article 2 of the Client Agreement shall be amended as follows:

Article 2 The rights conveyed to Teosto

Teosto is conveyed by virtue of this Agreement, from the date of the creation of a work and for the duration of the term of this Agreement, the exclusive right to make a work available to the public by public performance and by having a work rented or distributed to the public by any other means; as well as the exclusive right to make recordings of a work on audio or video tapes or discs, or on other instruments by which the work can be reproduced.

The above-mentioned rights conveyed to Teosto with this Client Agreement shall be divided into the following categories, the detailed descriptions of which can be found on Teosto's website:

- 1) General right to perform a work
- 2) Right to communicate a work to the public by radio or television broadcast
- 3) Right to communicate a work to the public online
- 4) Right to make recordings of a work and distribute the recordings to the public
- 5) Right to synchronize a work with moving images in mass uses of works

In accordance with this Agreement, rights from all the above-mentioned categories 1–5 shall be conveyed, unless the copyright owner otherwise notifies Teosto during the process of becoming a client. These categories of conveyed rights cannot be further divided into subclasses. Any changes to the categories of rights covered by this Agreement shall be made in accordance with Article 3 a or Article 19 a.

Teosto is also conveyed by virtue of this Agreement, from the date of the creation of each work and for the duration of the term of this Agreement, the exclusive right to receive, keep and distribute fees for fair compensations for private copying and, remunerations for lending, and other compensations due to its clients by virtue of the copyright law.



Article 3 of the Client Agreement shall be amended as follows:

Article 3 Extent of the conveyed rights

Teosto's Board of Directors shall define the extent to which the rights conveyed to Teosto shall be administered. If the administration of any of the rights conveyed to Teosto is declined upon the decision of the Board of Directors, the right will return to the copyright owner. The Board of Directors shall inform the Client about its decision.

The rights conveyed shall apply to Finland and all other countries, unless the copyright owner otherwise notifies Teosto during the process of becoming a client. Rights cannot be conveyed for geographical areas smaller than a country. Any changes to the geographical areas covered by this Agreement shall be made in accordance with Article 3 a or Article 19 a.

Article 3 a is added to the Client Agreement as new:

Article 3 a Supplementing the rights conveyed to Teosto or the extent of the conveyance

The Client can supplement the rights conveyed to Teosto or the extent of the geographical area covered by the rights conveyed at any time for the duration of this Agreement by notifying Teosto in writing and by observing the instructions available on Teosto's website. The Client can convey to Teosto categories of rights or geographical areas which the Client has excluded from Teosto's administration at a given time. The categories of rights to be conveyed cannot be further divided into subclasses and rights cannot be conveyed for geographical areas smaller than a country. Teosto's Board of Directors shall decide on the process of supplementation as well as any possible fees collected for the service and any changes made to them. Valid information about the process and service fees can be found on Teosto's website.

The conveyance of the supplementary category of rights or the new included geographical area to Teosto's administration shall become valid once Teosto has processed the Client's notification.

Any supplementation made in accordance with this Article shall be applicable to all the works covered by the Client Agreement at a given time.

The royalties accrued after the supplementation made in accordance with this Article of the Agreement become valid shall be distributed by Teosto in accordance with Article 9.

Article 4 Grand rights

The Agreement is not applicable to performances of such music which is specially written for dramatico-musical works such as an opera, operetta, ballet, play, pantomime or another similar work or a radio play when the music is performed in its original context.

This Agreement applies to performances of music originally written for a dramatico-musical work or a radio play, if the music is performed in another than its original context. When necessary, Teosto's Board of Directors is entitled to define what the concept 'in its original context' means.



Teosto controls the mechanical reproduction of the works within grand rights in accordance with Article 2.

Article 5 Use of works in commercial advertisements

The copyright owner's permission to record a work for a commercial advertisement must be obtained beforehand. The copyright owner is entitled to decide the terms for such use or he may also forbid the use of his work in an advertisement. When necessary, Teosto's Board of Directors can give more detailed regulations concerning the administration of the rights in music used in advertisements.

Article 6 Transfer of the administration of the rights to a third party

Having regard to the interests of its Clients, Teosto is entitled, through reciprocal representation and other corresponding agreements, to transfer the administration of the rights conveyed to it to another copyright organisation.

Article 7 Works

This Agreement applies to:

- a) all musical compositions, arrangements and related lyrics or translations which have been or will be created by Teosto's Writer Client and for which appropriate copyright permissions have been obtained; and
- b) all musical compositions, arrangements and related lyrics or translations which have been published by Teosto's Publisher Client.

This Agreement is not applicable to lyrics used outside the musical context.

Article 8 Licences for music use

By virtue of the rights conveyed to it Teosto can grant licences to third parties for public performance, mechanical reproduction or other use of the works. The terms of such licences shall be determined by Teosto's Board of Directors who in special cases has the right to grant music licences free of charge.

The licences granted by Teosto for the use of music do not authorise the licensee to make arrangements, translations or any other modifications of a protected work by means referred to in the copyright law. Permissions for making arrangements, translations and modifications shall be obtained from the copyright owner.

Article 9 Distribution of royalties

Teosto shall collect the royalties for the licences it has granted, keep the collected funds until the following distribution and distribute the royalties to its Clients at periods appointed by the Board of



Directors. Taxes shall be deducted from the accrued royalties according to the current fiscal legislation.

From the accrued assets Teosto has the right to deduct the costs incurred from the administration of rights. From the remaining net total Teosto may additionally deduct 10% at the maximum for the encouragement of the Finnish musical art.

The distribution shall be carried out in accordance with the distribution and division rules approved by the General Meeting, and in accordance with CISAC's international distribution recommendations adopted by the Board of Directors. Teosto has the right to distribute the shares due to its Publisher Clients even for such works the writers of which are not represented by Teosto.

Teosto has no obligation to register or distribute royalties for works which have not been notified to Teosto in accordance with Article 13.

Teosto assumes the responsibility for its obligations according to this Agreement only within the funds collected on the basis of this Agreement.

If Teosto is notified by the Client of a change in the Client's copyright owner status while this Agreement is in force, the client is entitled to receive the shares due to them in their new copyright owner capacity as soon as it is possible with respect to distribution. The notification of the change in the copyright owner status shall be submitted in writing to Teosto.

The royalties received from abroad on the basis of reciprocal representation agreements and other assignments shall be paid to the Client after the deduction of a commission fixed by the Board of Directors.

Article 10 Rectification of an incorrect distribution

If a royalty distribution to the Client has been incorrect and the Client wishes to have it rectified, he shall submit to Teosto a detailed claim for the rectification in writing. In special cases upon the decision of the Board of Directors Teosto may charge the costs incurred from the work done on the basis of the Client's claim. The rectification is made free of charge, if the distribution is incorrect as a result of a fault or an error committed by Teosto.

The claim for rectification shall be submitted in writing according to Teosto's instructions:

- a) within the time mentioned in the distribution statement, if the Client has received one from Teosto; or
- b) within a period of three years from the date the work was performed, if the Client has not received a distribution statement from Teosto.

Teosto shall rectify an incorrect distribution only if it is incorrect as a result of a neglect in the administration of rights.



Article 11 Obligations of the Writer Client

Under this Agreement the Writer Client undertakes:

- a) to immediately inform Teosto of any and all changes in their personal data and address;
- b) upon request to submit to Teosto a score or a recording or another corresponding copy of their work;
- c) to submit to Teosto the true and correct music declarations for all his performances of live music at concerts, dances, socials, entertainments and other similar occasions; and not to harm the purpose of Teosto.

Article 12 Obligations of the Publisher Client

Under this Agreement the Publisher Client undertakes:

- a) to submit to Teosto an extract from the Trade Register, or a copy of the registration of a business or trade, or any other document deemed necessary indicating that publishing pertains to the Publisher's line of activity;
- b) to immediately inform Teosto of any and all changes in contact names and addresses;
- c) upon request to submit to Teosto a copy of the publishing object;
- d) to immediately inform Teosto of any and all transfers of publishing rights, cessation of publishing activities, dissolution of the publishing organisation or of other matters deemed relevant with respect of this Agreement;
- e) to submit to Teosto the true and correct music declarations of the music performed at concerts, dances, socials, entertainments and other similar occasions the Publisher has arranged; and
- f) not to harm the purpose of Teosto.

Article 13 Notification of works

The Client binds themselves, according to the instructions of the Board of Directors, to notify to Teosto the necessary details of their works and publishing assignments.

Article 14 Legal actions

If the rights vested in Teosto have been infringed, Teosto is entitled in its own name and without a separate authorization to take any legal action it deems necessary. Teosto, however, is under no obligation to do so.

The Client binds himself to supply Teosto with any and all agreements, documents and other information which Teosto deems necessary for litigation.

**Article 15 Client relationship after the death of a Writer Client**

After the death of a Writer Client the client relationship continues between the Client's copyright owners and Teosto and is in force until the expiration of the time of protection or until the Agreement is terminated in the way referred to in Article 19, subsection 2, point b.

Article 16 Breach of the Agreement

The Client hereby affirms that he has received a copy of Teosto's By-Laws and distribution and division rules, and that he thus is familiar with Teosto's purpose and operations.

If the client violates the stipulations of this Agreement, they shall be liable upon request to pay to Teosto a reasonable penalty fixed by the Board of Directors. If the breach is essential, Teosto may terminate the Agreement.

Article 17 Amendments to the Agreement

The contracting parties consent to such amendments to the contents of this Agreement as are due to the international conventions binding on Finland, or to the amendments made to the copyright legislation or to Teosto's By-Laws. The amendments to this Agreement shall be made upon the decision of Teosto's Board of Directors. The Board is also liable to inform the Client of these amendments in a way it deems necessary.

Article 18 Information on the Clients

Teosto has the right to give information of the Client's contact address to a person who needs the information in order to obtain copyright permissions or for any other acceptable purpose. Teosto is also entitled to hand over information on the Writer Client's works to its Publisher Clients.

Article 19 of the Client Agreement and its title shall be amended as follows:

Article 19 Duration of the Agreement and termination in full

Agreement shall come into force as soon as each party has signed it and the Client has paid the admission fee fixed by Teosto's Board of Directors. In the event that the Client Agreement is made through Teosto's website, by observing the identification process in use for Teosto at the time, the Agreement shall become valid once the copyright owner has accepted the terms of the Agreement and paid the admission fee fixed by the Board of Directors.

The Agreement shall be in force until:

- a) the expiration of the time of protection of the Writer Client's works;
- b) the cessation of the Publisher Client's activities or dissolution of the publishing organisation; or



- c) the Agreement is terminated in writing by either of the contracting parties, in which case the Agreement ceases to be in force at the next possible termination date, either on 30 June or on 31 December at 24:00 in the year the termination was made.

A full termination of this Agreement requires that the Client has no outstanding receivables due for Teosto. Teosto's Board of Directors can decide, for a compelling reason notified by the Client, that the termination will come to force at some other time and date.

The royalties accrued before the termination of the Agreement shall be distributed by Teosto in accordance with Article 9.

Article 19 a is added to the Client Agreement as new:

Article 19 a Partial termination of the Agreement

The Client can partially terminate the Agreement by withdrawing categories of rights or geographical areas from Teosto's administration. The partial termination shall be submitted in writing according to Teosto's instructions, which can be found on Teosto's website. The categories of rights to be withdrawn cannot be further divided into subclasses and the geographical areas to be withdrawn cannot be smaller than a country. Teosto's Board of Directors shall decide on the process of partial termination as well as any possible fees collected for the service and any changes made to them. Valid information about the process and service fees can be found on Teosto's website.

Any partial termination made in accordance with this Article shall be applicable to all works covered by the Client Agreement at that time. While withdrawing categories of rights or geographical areas from Teosto's administration the Client is obligated to observe any third-party rights subsisting in the said works based on law or contract and, when necessary, to obtain appropriate permissions from all the holders of such rights. The Agreement can be terminated without the appropriate permissions, but in such event the owners of the third-party rights subsisting in the works might present claims for damages or other similar claims to the Client. Teosto's Board of Directors can provide instructions on obtaining the appropriate permissions. Valid information and instructions can be found on Teosto's website.

A partial termination of this Agreement requires that the Client has no outstanding receivables due for Teosto.

The Agreement partially ceases to be in force at the next possible termination date, either on 30 June or on 31 December at 24:00 in the year the termination was made. Teosto's Board of Directors can decide, for a compelling reason notified by the Client, that the termination will come to force at some other time and date.

The royalties accrued after the partial termination was made in accordance with this Article of the Agreement become valid shall be distributed by Teosto in accordance with Article 9.



Article 20 Disputes

Any dispute arising from this Agreement will be settled at the District Court of Helsinki.

Article 21 Termination of a previous Client Agreement

Any previous Client Agreement between the Client and Teosto shall terminate upon signing this agreement.

This Agreement has been made out in two identical copies, one for each party.

Teosto, the Finnish Composers' Copyright Society

Katri Sipilä, CEO

Customer