

MEMBERSHIP AGREEMENT

Article 1 Criteria for qualifying for a Membership

Any composer, arranger, lyricist and writer who has musical or literary copyright in a composition is entitled to become an Author Member of Teosto, if at least one of their 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 the copyright of a work during the time of protection.

A publisher carrying out publishing activities is entitled to join Teosto as a Publisher Member.

Article 2 The rights conveyed to Teosto

Teosto receives 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 distributed to the public by any other means; as well as the exclusive right to make recordings of a work on a device and other platform by which the work can be reproduced.

The above-mentioned rights conveyed to Teosto under this Membership Agreement shall be divided into the following categories, the more detailed descriptions of which are available at Teosto's website:

- 1) general right to perform a work
- 2) right to make a work publicly available by broadcasting it via radio or television
- 3) right to publish a work online
- 4) right to make recordings of a work and distribute the recordings to the public
- 5) right to integrate a work with a visual recording (synchronising) in mass use of works
- 6) right to (a) reproduce and communicate a work to the public, including its lyrics in graphic format, in connection with artificial intelligence and similar technologies and (b) adapt a work in connection with artificial intelligence and similar technologies, provided that the Member has given a separate consent concerning this adaptation of works.

In accordance with this Agreement, rights from all the above-mentioned categories 1–6 shall be conveyed to Teosto, unless the copyright owner otherwise notifies Teosto during the process of becoming a Member. These categories of conveyed rights cannot be further divided into subcategories. The transfer of rights under category 6 clause (b) is subject to what is stated in connection with said clause. Any changes to the categories of rights listed in the Membership Agreement shall be made in accordance with Article 3 a or Article 19 a.

Teosto also receives 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 compensation for private copying, lending compensation and other compensation due to its Members by virtue of copyright law.

This Agreement does not apply to the use of works in graphic format, except as concerns rights category 6.

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 Member about its decision.

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

Article 3 a Supplementing the rights conveyed to Teosto and returning withdrawn works to Teosto's scope of administration

The Member may convey to Teosto's administration categories of rights not included in the already conveyed categories at each time or geographical areas excluded from the conveyed rights at each time. The categories of rights to be conveyed cannot be further divided into subcategories and rights cannot be conveyed for geographical areas smaller than a country.

Any supplementation concerning categories of rights and geographical areas shall be applicable to all the works covered by the Membership Agreement at each time.

A work withdrawn in accordance with Article 19 b can be returned to Teosto's administration with the rights referred to in Article 2, taking into consideration third-party rights based on

legislation or agreement and targeted at the work. Returning a joint work requires all the authors to return the work to Teosto's administration. For published works, the publisher's consent is also required.

Teosto's Board of Directors shall decide upon the process to be followed when supplementing rights and returning withdrawn works 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 changes in accordance with this Article shall enter into force when Teosto registers the Member's notification without undue delay.

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

Article 3 b Case-specific licence

The Member may, notwithstanding Article 2, and taking into consideration third-party rights based on legislation or agreement and targeted at the work, grant rights for the case-specific use of their works (case-specific licence) by informing Teosto thereof in writing as instructed on Teosto's website. Granting a case-specific licence to use a joint work requires all the authors to grant the licence together.

A prerequisite for granting a case-specific licence is that the Member has no outstanding receivables due to Teosto. In addition, granting a case-specific licence to use a work requires the publisher's consent if the work or part thereof has been published.

A case-specific licence shall be targeted at a specific use instance which the Member must specify and outline in their notification. In addition, the Member must list the works covered by the case-specific licence.

A case-specific licence does not cover the use of the work in instances other than that specified in the notification.

The Member may only grant a case-specific licence on their own behalf and only for rights controlled by the Member.

The Member must report each granted case-specific licence to Teosto with the necessary information at least 30 days before the use instance covered by the licence takes place. The Member may not transfer their duty to inform to the user of the work or other third party.

Teosto's Board of Directors shall decide on the process of granting a case-specific licence 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.

Teosto does not distribute copyright royalties to the Member for the use of the works covered by the granted case-specific licence or otherwise manage the Member's rights in connection with the use covered by the case-specific licence.

The Member granting the case-specific licence must inform the licensee of the fact that any utilisation of works by Teosto's Members in the use instance in question is included in the usual licensing requirements of Teosto insofar as the licensee has not received a case-specific licence from each such Teosto Member.

Article 4 Grand rights

The Agreement shall not be applicable to performances of such music which is specially written for dramatico-musical works such as an opera, operetta, dance piece (e.g. ballet), musical, 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 rightholder grants the permission for using a work in a commercial advertisement. The rightholder is entitled to decide the terms for such use and they may also forbid the use of their work in an advertisement. When necessary, Teosto's Board of Directors can provide 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 Members, 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 and translations which have been or will be created by Teosto's Author Member and for which appropriate copyright permissions have been obtained; and
- b. all musical compositions, arrangements and related lyrics and translations which have been published by Teosto's Publisher Member or parts of those specified above in this subsection b.

However, the Agreement shall not apply to works withdrawn from Teosto's administration in accordance with Article 19 b.

This Agreement is not applicable to lyrics used without a musical context, except as concerns rights category 6.

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 and 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 in the manner referred to in the copyright law in contexts other than as concerns rights category 6 clause (b). For other contexts, 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 distribution, and distribute the royalties to its Members at periods appointed by the Chief Executive Officer. Deductions in accordance with current fiscal legislation shall be made from the royalties.

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 a maximum of 10% for the encouragement of the Finnish musical art.

Royalty distributions are carried out according to the distribution and division rules approved by Teosto's General Meeting as well as general recommendations and standards of the

industry. Teosto has the right to distribute the shares due to its Publisher Members even for such works the authors 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.

The maximum sum of Teosto's liability for damages regarding claims based on this Agreement is limited to the distributions paid by Teosto to the Member within three calendar years preceding the claim, but in any case no more than EUR 250,000. Teosto shall not be liable for indirect damages.

If Teosto is notified by the Member of a change in the Member's copyright owner status (composer/arranger or lyricist/author) while this Agreement is in force, the Member 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.

Article 10 Rectification of an incorrect distribution

If a royalty distribution to the Member has been incorrect and the Member wishes to have it rectified, the Member shall submit to Teosto a detailed claim for the rectification in writing. In certain cases confirmed by the Board of Directors, Teosto may charge the costs incurred from the work done when analysing the Member's claim. However, the analysis is 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 Member has received one from Teosto; or
- b. within a period of three years from the date the work was performed, if the Member 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 Author Member

Under this Agreement, the Author Member undertakes:

- a. to immediately inform Teosto of any and all changes in their personal data and contact information;

- 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 of the Author Member's performances of live music at concerts, dances, socials, entertainments and other similar occasions; and
- d. not to harm the purpose of Teosto.

Article 12 Obligations of the Publisher Member

Under this Agreement the Publisher Member 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 the Member's contact details;
- c. to deliver to Teosto a graphic copy (score and/or lyrics) or a recording of the work, if requested;
- 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 Member agrees to report any work-related information required for the administration of the rights to Teosto. The Member is responsible for the correctness of the reported information.

When reporting the aforementioned information to Teosto, the Member must observe any rights they may have granted to third parties before submitting the notification. The Member cannot convey rights previously granted to third parties to Teosto's administration.

Article 14 Legal actions

If the rights vested in Teosto have been infringed, Teosto shall be, according to its discretion, entitled in its own name and without a separate authorisation to take any legal action it deems necessary.

The Member undertakes to supply Teosto with any and all agreements, documents and other information which Teosto deems necessary for the legal actions.

Article 15 Membership after the death of an Author Member

After the death of an Author Member, the Membership continues between the Member's copyright owners and Teosto and is in force until the expiration of the term of protection or until the Agreement is terminated under Article 19, subsection 2, point c.

Article 16 Breach of the Agreement

Should the Member infringe the terms and conditions of this Agreement, the Member shall be obligated to compensate Teosto for any damages resulting from the infringement (including costs incurred by Teosto for investigating and confirming a breach of agreement and potential legal expenses), if requested.

If the breach is essential, Teosto may terminate the Agreement.

Article 17 Amendments to the Agreement

The parties to this Agreement consent to amendments to the content of this Agreement that are due to international conventions that are binding for Finland, legislation, authoritative regulations, or changes to Teosto's By-Laws. Teosto's Board of Directors shall decide upon changes to the content of this Agreement in such cases and shall inform the Member of the amendments in a way it seems fit.

Article 18 Processing of personal data

Teosto shall process the Member's personal data in accordance with applicable data protection legislation and Teosto's privacy statement. The privacy statement describes in further detail, for example, the types of personal data processed by Teosto, the purposes of processing the Member's personal data and the Member's rights concerning the processing of personal data. An updated version of the [Privacy Notice](#) is available at Teosto's website.

Article 19 Duration of the Agreement and termination in full

The Agreement shall become effective when both parties have signed it and the Member has paid Teosto the admission fee fixed by Teosto's Board of Directors. In the event that the Membership Agreement is entered into through Teosto's website by observing the

identification process in use at Teosto at the time, the Agreement shall become effective once the copyright owner has accepted the terms of the Agreement and paid the admission fee fixed by Teosto's Board of Directors.

The Agreement shall stay in force until:

- a. the expiration of the term of protection of the Author Member's works;
- b. the cessation of the Publisher Member'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 of the year the termination was made.

A prerequisite for a full termination of this Agreement is that the Member has no outstanding receivables due to Teosto. Teosto's Board of Directors can decide, for a compelling reason notified by the Member, that the termination will become effective 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 Partial termination of the Agreement

The Member 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 upon 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 Membership Agreement at each time. When withdrawing categories of rights or geographical areas from Teosto's administration, the Member is obligated to observe any third-party rights subsisting in said works based on law or contract and, when necessary, to obtain appropriate permissions from all the owners 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 Member. Teosto's Board of Directors can provide instructions for obtaining the appropriate permissions. Valid information and instructions can be found on Teosto's website.

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

The partial termination of the Agreement becomes effective on the next possible termination date, either on 30 June or on 31 December at 24:00 of the year the termination was made. Teosto's Board of Directors can decide, for a compelling reason notified by the Member, that the termination will become effective at some other time and date.

The royalties accrued before the partial termination of the Agreement became effective, shall be distributed by Teosto in accordance with Article 9 of the Membership Agreement.

Article 19 b Withdrawing a work from the Membership Agreement

The Member may withdraw their individual works from Teosto's administration, taking into consideration any third-party rights (including those of users) based on legislation or agreement and targeted at the work. Withdrawal of a joint work requires all the authors to withdraw the work from Teosto's administration. A prerequisite for withdrawing a work from Teosto's administration is that the Member has no outstanding receivables due to Teosto. For published works, the publisher's consent is also required for the withdrawal.

The withdrawal of a work shall be submitted in writing according to Teosto's instructions available on Teosto's website. Teosto's Board of Directors shall decide on the process of withdrawing the work 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.

Teosto's Board of Directors may provide instructions for obtaining appropriate consents. Valid instructions can be found on Teosto's website.

A withdrawal of a work from Teosto's administration shall enter into force 30 days after the receipt of a withdrawal notification containing the necessary information, unless Teosto's Board of Directors has decided to follow a different schedule.

The royalties accrued by the use of the works before the withdrawal has become effective shall be distributed by Teosto in accordance with Article 9 of the Membership Agreement.

Article 20 Dispute resolution

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

Article 21 Termination of a previous Membership Agreement

Any previous Membership Agreement between the Member and Teosto is terminated upon signature of this Agreement.