

§ 1 • Scope of licence

These licensing terms shall apply to the recording onto audio products of copyright protected music and lyrics for which the administration and management has been entrusted to NCB. The terms shall apply to producers who are not signatories to an NCB Standard Contract.

The producer (i.e. an individual/a company responsible for the payment of royalties invoiced by NCB) shall *obtain licence* from NCB *prior to each instance of new manufacture or the making of additional copies* of sound carriers. NCB's application for licence shall be used (appears from www.ncb.dk).

On paying the royalties invoiced by NCB, the producer is granted a non-exclusive licence to

- © record the musical works and associated lyrics belonging to NCB's repertoire
- © make copies of such recording, the number of copies being that indicated in the application
- © put such copies into circulation with a view to their distribution by way of sale at the price indicated in the application, however, not by way of lending or hiring.

NCB's licence shall cover sales only in the national country of the producer, unless other agreement has been made with NCB.

§ 2 • Calculation and invoicing of royalties

Mechanical royalties shall be calculated and invoiced by NCB according to the effective NCB rates/rules.

Invoice and receipt for effected payment shall constitute satisfactory evidence that licence has been granted in accordance with these licensing terms.

§ 3 • Separate permission required

NCB's licence covers all claims which can be put forward by any copyright owner who is a member of or represented by NCB in connection with the recording of music pursuant to these licensing terms. However, the responsibility for the obtaining of separate permission from the copyright owners lies with the producer in the below instances

- © new music for existing lyrics
- © translation of original lyrics into another language or adapted translation
- © new lyrics for existing music
- © adaptation or arrangement of a copyright work (music and/or lyrics)
- © first commercial recording of a musical work with or without associated lyrics
- © fragmentary reproduction of a work (any reproduction not exceeding a playing time of one minute forty-five seconds and not constituting the whole of a work shall be considered a fragment)
- © the use of music in a political, religious or pornographic context
- © the use of music for advertising purposes.

§ 4 • Compulsory label information

The producer undertakes to follow established customs in the record industry and to print the information required by NCB on the label of the audio product

- © the audio product shall bear NCB's logo which can be downloaded from NCB's website (www.ncb.dk)

- © the following wording shall be printed on the label of the audio product "All rights of the producer and of the owner of the works reproduced reserved. Unauthorised copying, hiring, lending, public performance and broadcasting of this recording prohibited".
- © on the label of the audio product the following information shall be indicated: Titles of works, names of composers, lyricists and publishers (if any).

§ 5 • Moral rights

The producer shall not infringe the author's *moral rights* (droit moral). The name of the author shall appear from each copy of the work, and no modifications shall be made to the work neither shall it be put into public circulation in any way or any context which may be prejudicial to the honour or the literary and artistic reputation of the author [cf. Section 3 of The Danish Copyright Act, "Ophavsretsloven"].

§ 6 • Other reservations

The licence granted under these licensing terms shall cover exclusively the recording of protected musical works (with or without associated lyrics).

Unless separate permission has been obtained from NCB, the producer shall neither be entitled to confer this licence on any third party nor to hand over matrices/master tapes to any third party.

The producer undertakes to use only such pressing plants or duplication firms that have entered into an agreement with NCB.

The use of copyright protected music on audiovisual products requires a separate licence.

NCB's licence excludes the below instances:

- © The permission to **make re-recordings/copies** of existing audio products. It rests with the producer to obtain the required permission from the relevant record producer and the performing artists in case of re-recording/copying of existing audio products.
- © The permission for **public performance**. The site of performance shall make an agreement with the Danish performing rights society KODA (telephone: +45 33 30 63 00) as to royalty payment for public performance.
- © The permission for visual or graphical **reproduction of the lyrics of the musical work**. It rests with the producer to obtain the required permission from the authors or their publishers.

§ 7 • Audit and inspection

The producer shall allow NCB access to inspect and audit all his books and stock of sound carriers relating to the subject matter of these licensing terms.

§ 8 • Sanctions

The producer shall be responsible for the correctness of the information given when applying for a licence. In the case of incorrect information, NCB shall be entitled to revoke the licence granted on basis of the incorrect information. In such events the producer undertakes to withdraw all unsold copies from the market and to pay double royalty fee for any copies already sold as well as reimburse NCB for any costs in this respect.

§ 9 • Damages

On paying the royalties invoiced by NCB for the first time according to the stipulation of these terms the producer agrees to the fact that the terms in question cover his first product as well as all his products with NCB's repertoire which the producer may release or may intend to release.

Thus NCB shall be entitled to demand damages as regards products that the producer has not submitted for NCB-registration or that have not been invoiced by NCB.

If the producer violates these terms as far as this product or future products are concerned NCB shall be entitled to demand damages amounting to as much as 100% of the royalties invoiced by NCB.