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TERMS OF AGREEMENT – USE OF PHONOGRAMS IN SCHOOL INTERNET RADIO

1. Purpose of the agreement

In this agreement, the parties agree on the licenses of performing artists and phonogram producers, as specified in the Copyright Act, and on the royalties paid to them for the use of phonograms in webcasting practiced by the Customer school.

2. Definitions

Customer means the school that practices webcasting and concludes this agreement with Gramex.

Webcasting means the linear streaming of phonograms via a radio station operating on the open internet and/or the school's internal, closed network through a website managed by the Customer.

A phonogram means a recording, audio file or other audio recording or a part thereof published for commercial purposes and made available to consumers.

3. License to be granted

With this agreement, Gramex grants the Customer a license to communicate to the public, as part of the Customer's webcasting operations, phonograms that are published for commercial purposes and represented by Gramex. By paying the remuneration specified in the fee schedule, the Customer obtains the right to use phonograms in its webcasting operations under the terms and conditions defined in this agreement.

The license covers the copying of phonograms explicitly required for webcasting and the copying required to create a database of phonograms on a storage platform which is administered and exclusively used by the Customer and where the phonograms can be used for webcasting in accordance with this agreement. Copies may only be made of phonograms produced with the permission of the rightsholders. It is not permitted to modify the phonograms without a separate consent from the rightsholders.

The license does not cover the transmission or other use of the streams containing phonograms on other websites or in other web services. Gramex has the right, on justified grounds, to prohibit streams from being linked, for example, in inappropriate contexts. Through its activities, the Customer shall actively ensure that streams are not linked in aggregation services. Aggregation services are services that collect streams from several online radio stations onto a single web page.

The license does not cover the use of phonograms in advertisements or in situations similar to advertising nor in background music services.

The license covers webcasting operations and the provision of webcasts in Finland. The Customer shall prevent the reception of webcasts in countries where the Customer has not obtained a license for webcasting from the producers of the phonograms and the artists performing on them.

The licenses granted to the Customer are not exclusive rights. The customer does not have the right to assign this agreement or the obligations or rights under it to third parties without the written consent of Gramex.

4. Terms of operation

Intensive use of a specific album or artist and advance publication of playlists

In webcasting, over a period of three hours, it is not permitted to play:

- (i) more than three tracks from the same album nor more than two tracks from the same album consecutively, or
- (ii) more than four tracks by the same artist nor more than three tracks by the same artist consecutively.

It is not permitted to publish in advance webcast playlists which indicate the names of phonograms, albums or artists that will be played at a specific time.

Retransmission of radio programs

A webcast may not be part of:

- (i) a previously broadcast program that lasts for less than five hours, or
- (ii) a previously broadcast program that lasts for five hours or more and is replayed in webcasts for more than two weeks.

If the program has not been broadcast previously, the webcast may not be part of an identifiable program in which phonograms are transmitted in a pre-defined order and that is broadcast:

- (i) more than three times over any two-week period, if the program has been announced in advance and lasts for less than one hour, or
- (ii) more than four times over any two-week period, if the program has been announced in advance and lasts for one hour or more.

Protecting streams from unauthorized use

The Customer shall use commercially available, effective technology that prevents:

- (i) streams from being scanned with the purpose of selecting a specific phonogram for listening or other use, and
- (ii) the copying of phonograms by the stream recipient.

Reporting rightsholder information to the listener

The Customer shall report to the user in text format the name of the phonogram that is communicated to the public as well as the name of the album and the name of the artist by using the phonogram's metadata if possible.

The user's possibility to interact with the flow of the stream

The license granted through this agreement covers the linear communication of phonograms to the public. Users shall not be able to interact with the flow of the stream through functions such as skip, pause, rewind or fast forward. The use of such interactive functions always requires a written permission from Gramex. If Gramex grants such a permission, interactive functions will be taken into account in the remuneration paid by the Customer, in accordance with the fee schedule.

Technological protection of phonograms

The Customer is not allowed to tamper with the technological protection used to identify or protect phonograms.

Automatic channel switching

The Customer shall not permit the receiving device to switch channels.

5. Remuneration

The remuneration is determined in accordance with the fee schedule of Gramex valid at the time. Value-added tax will be added to the fee in accordance with the tax rates valid at the time.

Penalty interest will be collected for late payments in accordance with applicable laws.

Gramex may adjust the prices annually, taking into consideration changes in the general income and cost level.

6. Reporting

The Customer is required to submit to Gramex a report on the phonograms used in its webcasting operations.

At the request of Gramex, the phonograms used in webcasting operations shall be reported a maximum of four times annually, using the reporting template supplied by Gramex.

7. Responsibilities of Gramex

Gramex is liable for the claims for compensation that are filed against the Customer by performing artists and phonogram producers and that concern the use of phonograms referred to in this agreement.

8. Responsibilities of the Customer

The customer is responsible for ensuring that phonograms are not used in contravention of this agreement or the Copyright Act.

9. Confidentiality of the information collected from the Customer

Gramex undertakes to keep the trade and professional secrets of the Customer confidential and to process personal data in accordance with data protection legislation. Privacy statements are available on Gramex's website.

10. Customers regarded as consumers

Customers regarded as consumers have the right to cancel this agreement by notifying Gramex in writing within 14 days of the conclusion of this agreement. However, the cancellation right is no longer applicable after the Customer has started using phonograms as set out in this agreement.

11. Auditing the operations

Gramex or a party authorized by Gramex has the right to verify the contractual conformity of the use of phonograms under this agreement, as well as the accuracy of information affecting the accumulation of remuneration.

12. Validity of the license

The license is valid for the period indicated in the confirmation of the agreement. The license enters into force once the Customer has paid the remuneration specified in this agreement.

13. Cancellation of the agreement

Gramex has the right to cancel this agreement with immediate effect if:

- The Customer breaches the terms of this agreement or the Copyright Act,
- The remuneration calculated and invoiced on the basis of this agreement has not been paid within 30 days of the due date of the invoice,
- The Customer reports or confirms the information required under this agreement materially incorrectly, or
- Gramex's authority to grant licenses referred to in this agreement expires.

14. Validity of these terms of agreement

These terms of agreement have taken effect on 1 January 2021.

15. Applicable law and dispute resolution

This license agreement shall be interpreted according to Finnish law, with the exception of the provisions on the conflict of laws.

The parties aim to settle any disputes arising from this agreement primarily through negotiations. If a resolution cannot be achieved through negotiations, the dispute shall be submitted to the District Court of Helsinki or, if the dispute falls within the competence of the Market Court, to the Market Court.

In cases of inconsistencies between the language versions of these terms of agreement, the Finnish version shall prevail.