

## NMPA SPOTIFY SETTLEMENT SUMMARY

Terms	NMPA Settlement	
Participants	NMPA Members Who Opted In	
Settlement Fund Totals by Claiming Period	Damages Amount	\$5M
	Inception of Spotify in U.S. (Aug. 2011) to June 30, 2015	\$15.7M
	July 1, 2015 to June 30, 2016	Est. \$14 M
	July 1, 2016 to June 30, 2017	Est. \$14-21M
	July 1, 2017 to June 30, 2018	Est. \$14-31.5M
	July 1, 2018 to June 30, 2019	Est. \$14-47.25M
	<b>TOTAL</b>	<b>Est. \$76.7M - \$134.45M</b>
<b>EXPENSES</b>	Total settlement costs: \$370k, rest paid by Spotify	
<b>TOTAL FUNDS TO BE DISTRIBUTED</b>	<b><u>\$76.3M - \$134.1M</u></b>	
<b>% Distributed</b>	<b>99%</b>	
<b>Payment Structure</b>	<ul style="list-style-type: none"> <li>• NMPA market share of the \$5M damages</li> <li>• All royalties for claimed works for that settlement period</li> <li>• Unmatched royalties at the end of each claiming period based on market share of usage on Spotify as compared to total usage of participants</li> </ul>	
<b>Payments for Future Use</b>	<ul style="list-style-type: none"> <li>• Release claims to Spotify's past use of tracks</li> <li>• Those who have validly claimed works or entered into the offered direct license will receive royalties for future use at the statutory rate</li> </ul>	
<b>New Protocols</b>	<ul style="list-style-type: none"> <li>• Claiming portal established</li> <li>• Dispute Resolution and Best Practices requirements: Designated group to meet regularly to improve licensing and data practices</li> <li>• Verification procedure by a CPA</li> <li>• Audit procedure for participants to audit all royalty payments under Section 115</li> </ul>	