

CODE OF CONDUCT OF PUBLIC PERFORMANCE MALAYSIA (PPM) BERHAD

Introduction

PPM is a member of IFPI and in accordance of the good governance of PPM, we will strive to adhere to this Code of Conduct. PPM works together with IFPI to provide the best to our Members and Users. As per our commitment to IFPI, PPM intends to make it easier for potential users to use sound recordings legally and streamline the process of collecting remuneration and/or licence fees for the use thereof.

This Code aims to build trust of our members and users in PPM. PPM strives to adhere to this Code and expects users behave in a responsible manner, respect the right holders' right to receive fair payment for the use of their sound recordings, and pay remuneration and report usage to PPM accurately and in a timely manner.

This Code of Conduct aims to set out the roles and responsibilities of PPM. PPM will strive to use to apply best practices in how the Company meets the requirements of members and licensees, as well as ensure that all business dealings reflect values of good governance and transparency.

PPM shall act in the best interests of all the right holders they represent. PPM will offer their services and conduct their operations in a fair, effective and non-discriminatory manner and in compliance with the applicable legislation. PPM strives to effectively collect remuneration or license fees on behalf of right holders and distribute the collective revenue to the correct right holders expeditiously and accurately. PPM strives to continuously improve their performance.

In summary, the Code of Conduct aims to achieve this by:

1. making available information about the operations, licensing and membership activities;
2. informing the Members and Licensees on PPM's business conducts and policies;
3. practicing values of transparency everyday dealings with members and licensees; and

providing a complaints process for Members and Licensees who have a need to lodge a complaint to PPM.

1.1 Background

PPM serves Members and Licensees by administering the Copyright belonging to our Members, and in turn:

- (i) promotes the creation of Copyright;
- (ii) represents the interests of the owners of Copyright;
- (iii) facilitates the usage of Copyright by obtaining lawful permission;
- (iv) standardises the charging of licence fees for the use of Copyright and
- (v) makes the use of a large number of Copyright easy and affordable.

PPM will constantly strive to improve in all areas especially in the following:

- (i) overall conduct of its operations;
- (ii) meeting the needs of Members and Licensees;
- (iii) ensuring transparency and accountability in the conduct of its day to day business; and
- (iv) minimizing the transaction costs for both Members and Licensees with regards to using Copyright.

By carrying out its responsibilities, PPM encourages Licensees and users of Copyright to:

- (i) respect the rights of our Members, particularly their economic right to receive fair remuneration in accordance with copyright law; and
- (ii) use the Copyright only in accordance with: -
 - (a) the terms and conditions of the licence agreement; and/or
 - (b) the Copyright Act 1987 and related Regulations, relevant decisions of courts or tribunals (including the Copyright Tribunal), and any other applicable legislation.

1.2 Objectives

The objectives of this Code are:

- (a) to create awareness of the role and functions of PPM in managing and administering the copyright in our Members' Copyright;
- (b) to instil confidence in PPM as a Collective Management Organisation for the Copyright under our administration;
- (c) to give Members and Licensees the assurance of PPM's standards of service; and
- (d) to ensure that Members and Licensees are dealt with fairness, courtesy and respect at all times, including in the handling of complaints that they may have involving PPM.

2. Obligations of PPM

2.1 Legal Framework

As a responsible CMO, PPM will strive to comply with the relevant provisions of :

- (a) the Companies Act 1965 and the Companies Regulations;
- (b) the Copyright Act 1987 and the Copyright Regulations;
- (c) its Constitution;
- (d) its obligations under the Personal Data Protection Act 2010;
- (e) any other applicable legislation, relevant decisions of courts or tribunals (including the Copyright Tribunal), and other binding legal requirements, conditions or guidelines that apply to PPM.

2.2 Membership

- (a) The membership of PPM, will be open to all eligible owners of Copyright, in accordance with the Constitution of PPM.
- (b) PPM will serve its Members with courtesy, fairness, honesty and in accordance with its Constitution and the mandate granted by Members.
- (c) PPM will exercise transparency in its dealings with Members.
- (d) PPM will make available a copy of its Constitution to Members of PPM at all and ensure that a copy of its Constitution is also accessible to the public.

2.3 Licensees

- (a) PPM will serve Licensees with courtesy, fairness, honesty and in accordance with its Constitution and any licence agreement.
- (b) PPM will exercise transparency in its dealings with Licensees.
- (c) PPM will strive to:-
 - (i) provide to Licensees and potential Licensees information about the licences or licence schemes offered by PPM, including the terms and conditions, and the manner PPM collects licence fees for the use of Copyright; and
 - (ii) try its best to ensure that all licences offered by PPM are drafted plainly and understandable to Licensees.
- (d) Licence fees for the use of copyright material will be fair and reasonable. In setting or negotiating such licence fees, PPM may have regard to the following matters:
 - (i) the value of music to the Licensees' commercial needs;
 - (ii) the manner in which the Copyright are consumed;
 - (iii) the kind of business a Licensee is running;
 - (iv) any relevant decisions of the Copyright Tribunal; and
 - (v) any other relevant matters.

2.4 PPM Expenses

In order to perform effectively and efficiently, PPM will deduct from its total collections:

- (a) the expenses of administering and managing the Copyright of Members; and
- (b) any other amounts authorized by its Constitution, and
- (c) the mandate signed with Members.

2.4 Governance and Accountability

- (a) The Board of Directors of PPM will be accountable to its Members.

- (b) In the event that the right holders can become direct members of the PPM, the voting powers at the general meeting will be in accordance to the provisions of the Constitution.
- (c) Unless otherwise required by applicable law, PPM will hold a general meeting of members at least once a year. The general meeting shall at least have the power to appoint and dismiss the members of the board of directors, which supervises the management of PPM, and the auditors, as well as approve any changes to the Constitution.
- (d) PPM will at all times maintain proper and complete financial records, including in relation to:
 - (i) the collection of license fees; and
 - (ii) the payment by PPM of expenses for matters related to the mandate signed with Members.
 - (iii) PPM will ensure that its financial records are audited at least annually.
- (e) In accordance with its obligations under Personal Data Protection Act 2010, PPM will deal with its Members' personal information according to the Act and PPM policies that will be made available to its Members.
- (f) PPM will include in its Annual Report about:
 - (i) total earnings during the reporting period;
 - (ii) nature of expenditure and other amounts incurred; and
 - (iii) any other information requested by Members from time to time.

2.6 Distribution

1. (a) PPM will maintain and make accessible the Distribution Policy & Procedures that contains the following points:
 - (i) calculation basis of the license fees collected by PPM;
 - (ii) payment procedure to Members; and
 - (iii) amounts to be deducted for PPM's administrative purposes.
- b) PPM will distribute royalties to Members in accordance with its Constitution, the Distribution Policy and the mandate granted by Members.

3. Staff Training

PPM strives to ensure that all PPM employees and agents are aware of and comply with this Code. PPM will make available to its employees and agents of the Complaint Procedure.

4. Education and Awareness

- (a) PPM will promote awareness among Members, Licensees and the general public about the importance of copyright, and PPM's role and functions in administering the Copyright of Members.
- (b) PPM will make available appropriate information with regards to the following:
 - (i) the eligibility criteria for membership of PPM;
 - (ii) the benefits of Membership of PPM;
 - (iv) the responsibilities of Members under the Constitution of PPM and Mandates;
 - (iv) any policies and procedures of PPM that affect Members;
 - (v) the benefits to Licensees of obtaining a license from PPM;
 - (vi) the responsibilities of Licensees under a licence granted by PPM, and under the Copyright Act 1987 and other applicable laws; and
 - (vii) any policies and procedures of PPM that affect Licensees.

5. Complaints and Disputes

- (a) PPM will provide procedures for dealing with and/or resolving complaints from Members and Licensees.
- (b) The procedures developed under paragraph (a) will apply to any complaint about a matter covered by the Code.
- (c) The procedures developed under paragraph (a) will contain the following:
 - (i) defined categories of complaints and disputes they cover and explain the way in which each will be dealt with.
 - (ii) information on how to make complaints should be readily accessible to Members and Licensees.
- (d) PPM will provide reasonable assistance to a Member or Licensee in the formulation and lodgement of a complaint.
- (e) The procedures will recognize the need to be fair to both the person complaining and PPM.
- (f) The procedures will specify by position who in the first instance will handle complaints on behalf of PPM.
- (g) The procedures will indicate time frames for the handling of complaints and disputes.

- (h) PPM strives to provide a written response to a complaint that is made in writing.
- (i) PPM is open to consider appropriate alternative dispute resolution procedures.
- (j) PPM will ensure that adequate resources are made available for the purpose of responding to complaints and resolving disputes.
- (k) PPM will regularly review its complaint handling and dispute resolution procedures to ensure that they continue to comply with the requirements of this Code.

6. Publicity and Reporting

PPM will take appropriate steps to publicise this Code and make copies of the Code available to Members and Licensees on request.

7. Review and Update of the Code of Conduct

PPM will conduct a review of the Code of Conduct and where appropriate, revise and update the Code from time to time.