

POLICY REGARDING UNDISTRIBBLE FUNDS

The general policy regarding the use of undistributable funds

1. Undistributable funds are defined as:
 - 1.1. Remuneration for rightsholders which it is not possible to distribute to individual rightsholders even though Copydan Writing has taken all necessary measures.
2. The general policy for the use of undistributable funds is:
 - 2.1. Redistribution where Copydan Writing uses knowledge from another similar area for the distribution.
 - 2.2. Payment to the member organisations which may use the funds for the following purposes:
 - 2.2.1. Support for educational, cultural or social purposes in the form of grants, scholarships or awards for individual rightsholders upon application or as decided by the member organisations.
 - 2.2.2. Support for safeguarding the rightsholders' legal interests, including especially with regard to copyrights.
 - 2.2.3. Support for cultural projects and activities in which the rightsholders are engaged, and which in the opinion of the member organisations should be supported.
 - 2.3. The funds must be used for the benefit of represented as well as non-represented rightsholders and Danish as well as foreign rightsholders.
 - 2.4. The member organisations are obliged specifically to have used the collective funds within the allotment year plus two (2) calendar years. If allotted funds are not used within this period, the amount not used will be set off in connection with the allotment of new funds.
3. To the extent the member organisations are in charge of the distribution of remuneration to the rightsholders, the individual member organisation is entitled to cover of the expenses necessary for performing such distribution.
4. The member organisations must prepare financial reporting every year, such reporting to be received by Copydan Writing by the end of May and to subsequently be given to the external auditor.
5. To the extent the distribution of funds is handled by the member organisations, the responsibility for the distribution and the submission of the annual transparency report, see section 23 of the Danish Collective Management of Copyright Act, rests with the individual member organisation, see Article 7.5 of the Statutes.
6. The transparency report must subsequently be made available both on the member organisation's website and on Copydan Writing's website for a period of five (5) years, see section 23(7) of the

Danish Collective Management of Copyright Act. The member organisation is under an obligation to submit the transparency report to Copydan Writing.

7. Copydan Writing will not make any payments to member organisations until proper reporting (financial reporting and transparency report) on previously allotted collective funds has been provided.
8. The general meeting makes decisions on the general policy regarding the use of undistributable funds, see section 6(5)(ii) of the Danish Collective Management of Copyright Act.

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