

BMI CUSTOMER SERVICE PLEDGE

INTRODUCTION

This Customer Service Pledge offers proprietors of restaurants, bars and other places of business open to the public a clear understanding of our best practices and high standard of excellent service that can be expected when working with **Broadcast Music**, Inc.® (BMI®).

BMI serves hundreds of thousands of businesses that use music as an integral part of their customer experience. This document outlines BMI's commitment to its existing and prospective customers who wish to publicly perform any of the nearly 13 million musical works in BMI's repertoire. Our licensing practices and procedures for addressing customers' complaints are also incorporated within the Customer Service Pledge.



WHO WE ARE

Celebrating over 77 years of service to songwriters, composers, music publishers and businesses, Broadcast Music, Inc.® (BMI®) is a global leader in music rights management, serving as an advocate for the value of music. BMI represents the public performance rights in nearly 13 million musical works created and owned by more than 800,000 songwriters, composers, and music publishers. The Company enters into license agreements with and collects license fees from businesses of all types that use music in different ways, including bars, restaurants, nightclubs, hotels, radio, TV stations and more. The license fees BMI collects are then distributed as royalties to BMI's songwriters, composers and music publishers. In 1939, BMI created a groundbreaking open-door policy becoming the only US performing rights organization to welcome and represent the creators of blues, jazz, country, and American roots music. Today, the musical compositions in BMI's repertoire, from chart toppers to perennial favorites, span all genres of music and are consistently among the most-performed hits of the year.

BMI operates on a non-profit-making basis and all licensing fees, less BMI's operating expenses, are paid to our songwriters, composers and music publishers. Currently, approximately 88% of all revenue BMI collects goes back to the music creators. Your music licensing payment ensures the continued creation of music – for you and your business.

If you have questions regarding music licensing and performing rights organizations, we encourage you to visit <u>BMI.com</u> as well as the following websites:

- Better Business Bureau: <u>https://www.bbb.org/en/us</u>
- United States Copyright Office: <u>http://www.copyright.gov</u>.
 - BMI is recognized in Title 17 of the United States Code (Copyright law) as a "performing rights organization" under Section 101.)



OUR LICENSES

A BMI license provides the legal authorization needed to use a very powerful businessenhancing tool – Music.

Under U.S. Copyright Law, music is the exclusive property of music creators and permission must be granted by those creators/owners to perform or play their music in a public setting. That law has been in effect since 1909. BMI exists to make it easy for businesses. If BMI did not exist, you would otherwise be required to contact each individual copyright owner for permission to play every song you wish to perform. A BMI license makes things easier for you by collecting all the rights we represent and delivering them in one transaction.

In addition to compensating creators for their work, a BMI license also protects businesses and organizations from the penalties that can result from copyright infringement. Although most businesses understand the value that music brings to their patrons and obtain the necessary music licenses, some businesses prefer to avoid their obligation. We do our best to educate those businesses that without a license, performing BMI's musical works constitutes copyright infringement, which is a violation of federal law and may subject you to substantial damages. Damages for copyright infringement can range from \$750 to \$30,000 per title infringed and courts may increase those damages if the court finds the infringement to be willful.

A BMI license gives copyright clearance for the public performance rights of its affiliates in the nearly 13 million musical works in the BMI repertoire in a variety of ways. By obtaining a BMI license, it saves music users the considerable time and expense of contacting each songwriter or composer for permission to play their music publicly. It is important to note that even if you have a license with another performing right organization (PRO), such as ASCAP, that music license allows you to perform only the copyrighted musical works represented by that organization. It does not cover the rights licensed by BMI. A songwriter or composer may be represented by only one PRO. Each PRO's repertoire is unique and is limited to only covering the interests of its members.

It's the responsibility of the business owner/management to ensure that its establishment is properly licensed. This responsibility cannot be passed on to anyone else including musicians hired to perform music.



OUR PROMISE TO YOU

BMI promises to work with current and potential licensees in a fair, honest, impartial and courteous manner. We remain committed to training our staff to provide the best possible customer service to you and your business.

When phoning your establishment, BMI promises to:

- refrain from calling outside of normal business hours or, if requested, we will call during a more convenient time that has been requested by you, your employees or a representative;
- refrain from using obscene, abusive, or profane language when communicating with you or your employees;
- never engage in any coercive conduct, act or practice that is substantially disruptive to your business or attempt to use a deceptive/unfair act or practice in seeking a license with your business; and
- not contact you directly if you are unlicensed, but your attorney has sent us a notice of representation. However, if your attorney fails to communicate with us within sixty (60) days of our receipt of that notice, we may then contact you directly.

For any in-person visit to your establishment, BMI promises to:

- attempt to schedule an appointment at least 72 hours prior to the visit;
- ensure our licensing representative discloses:
 - \circ that he or she is acting on behalf of BMI;
 - the purpose of the visit; and
 - o a schedule of the rates and terms of the license fees.

In return, we ask that businesses treat us and our representatives with the same level of respect by:

- not using obscene, abusive or profane language when communicating with BMI representatives;
- not engaging in any inappropriate behavior towards BMI or its representatives; and
- not using or attempting to use unfair or deceptive acts/ practices when communicating with BMI representatives.



OUR COMMITMENT TO TRANSPARENCY

We are committed to transparency when it comes to our licensing practices and BMI's repertoire. Our <u>website</u> offers the most up-to-date information regarding our licenses and the music, songwriters, composers and publishers we represent.

<u>Our Licenses:</u> If you would like to review the applicable license for your establishment, please go to <u>https://www.bmi.com/licensing</u>. Each license will include the schedule of rates and terms applicable to your establishment, depending on your music use.

<u>Our Repertoire</u>: You can electronically access the most current available information identifying BMI affiliates and the copyrighted musical works that we license by visiting <u>http://www.bmi.com/repertoire</u>. This publicly available searchable database, which was first launched more than 20 years ago, continues to evolve to provide more information and enhanced functionality to meet the changing needs of the marketplace.



OUR CONTACT WITH PROSPECTIVE LICENSEES

Many business owners are unaware of the federal copyright law which is why we spend so much time educating them about the value that music brings to their establishment, the requirements of copyright law and the importance of maintaining a music license. If a license isn't already in place, and we determine that one is needed, we try to work with those business owners to ensure that they are protected, understanding that everyone benefits from music. But to ensure the continued creation of music, it can't be free.

During this process, letters or emails may be sent describing what BMI does and why a BMI license is needed if music is publicly performed in an establishment. If you receive a call from BMI, you can ask for an informational packet to be sent to you before continuing the conversation. If we are unable to reach you through phone calls and letters, an in-person visit may occur to discuss the benefits of a BMI music license.

If we are told that you are not using BMI music and do not need a license, you won't receive letters or phone calls from BMI over a six-month period. We may, however, contact you again after six months to determine whether your music use has changed. In addition, if we have reason to believe that the music we represent is being played without a license at any time, we reserve the right to contact you sooner than six months which may include an on-site visit.

If you choose to play copyrighted music in a public setting, a music license must be in place to protect you from copyright infringement claims. If a license is not in place, we may send in a music researcher to investigate the music use of a business and document any such use. BMI reserves the right to take legal action in order to protect the rights of its affiliated songwriters, composers, and publishers.



FOR CURRENT LICENSEES

As a current licensee, you are obligated to pay your license fees on time, submit any reports due in a timely matter and let us know if your music use changes.

If license fees are overdue, we will contact you by mail, email and telephone to remind you of the past due amount. Overdue license fees will incur additional fees for late payment. If past due fees are still not received after we have contacted the licensee, we may bring the matter before the American Arbitration Association per the terms of the standard blanket license.

Certain licensees will also be responsible for Financial Reports and Music Use Reports. For example, if you have a hotel license, we ask for a Music Use Report including entertainment costs, and if you have a venue license, we ask for a Financial Report including ticket sales. Financial Reports help confirm that your fee payments are correct. Music Use Reports are used to appropriately distribute your licensing fees to BMI's songwriters, composers and music publishers. If a current licensee has a license that requires periodic reporting and has not submitted the required reporting form, a late fee may be charged. An "estimated" licensee fee may also be applied to the account based on your past music use or change in profile that BMI has observed through contact with your establishment.

If your music use profile changes, BMI offers businesses the opportunity to update their music license up to three times per year. Contact your Licensing Representative with any changes in your music use.

Most of BMI's licenses have an initial term and then automatically renew thereafter. If you stop using music in your business though, you can cancel your license by contacting your BMI Licensing Representative or BMI Care at 888-985-6541.



QUESTIONS OR COMPLAINTS

We promise to deal with matters as immediately as we can. If we cannot resolve your issue right away, we will work to resolve it within a reasonable time frame, usually within 10 business days. If you have a licensing representative for your business, we recommend contacting them directly.

If you have a complaint and it hasn't been resolved by contacting BMI directly, you can file a complaint with the Better Business Bureau. The Better Business Bureau will send us your complaint and we will have 14 days to respond.

Some states have laws that regulate the licensing activities of music licensing organizations such as BMI. Depending on the state where you operate your business, the attorney general or secretary of state may be able to assist you in the unlikely event you believe BMI may have violated such laws.

HOW TO GET IN TOUCH WITH US

If you have questions about licensing your restaurant, club, or other business, you can contact BMI Care at 888-985-6541.

You can also send us a message by going to https://www.bmi.com/licensing/contact/

Or write to us at:

Broadcast Music, Inc. Attn: BMI Care 10 Music Square East Nashville, TN 37203-4399