

**IMPEL Board Minutes****CONFIDENTIAL**

Venue: KX8-02

8<sup>th</sup> Floor, 2 Pancras SquareDate: Thursday 13<sup>th</sup> October 2016

Time: 10:00am – 12:00pm



<b>Attendees:</b> Mike Box (Reverb Music) – Stand-in Chair Chris Butler (Music Sales) Maria Forte (Fintage Music) Tim Ingham (External Director) John Minch (Imagem Music) John Truelove (Truelove Music) Jane Dyball (CEO)	<b>By Invitation:</b> Steve Burton (MPA Group) Josh Kendal (MPA Group) Tom Fletcher (“Fletch”, MPA Group) Stuart Edwards (PRSFm) Paul s’Jacob (Independent)
<b>Apologies:</b> Simon Platz (Bucks Music) Nigel Elderton (Peermusic) Stuart Hornall (Hornall Brothers)	<b>Apologies:</b>

Item		Owner	Complete
<b>1</b>	<b>Welcome and Introductions</b> We welcome Stuart Edwards for item 5.1.		
<b>2</b>	<b>Approval of Minutes</b> The minutes from the last IMPEL Board (September 20 <sup>th</sup> ) were approved.		
<b>3</b>	<b>Action Tracker</b>		
<i>B</i>	TFI to compare what PRS and YouTube have claimed has been paid.	TFI	N
<i>C</i>	JD to ask PRS to review the current YouTube distribution policy  JD noted that currently, PRSFm believe that YouTube should be paying out on all music usage, whether it is served against advertising or not. YouTube are not licensed in this way; however, PRSFm distribute pay out on this basis. IMPEL’s lack of control over YouTube distribution policy will favour direct licensing from US if not addressed.  <b>Action Point: IMPEL to keep asking when the YouTube Distribution policy will be presented</b>	JD	Y
<i>E</i>	TFI to investigate the service Humm and get an update for the next Board	TFI	N

<b>4</b>	<b>CEO Update</b> JD explained that the main IMPEL focusses are YouTube and the RfP process. Aside from this, JD has met with Domino, Because Music and has spoken to continental publishers with BIEM repertoire about a BIEM writer joining IMPEL.  The Board expressed their concerns over Kobalt and AMRA, who are looking to recruit publishers. MB explained that some of the accusations which Kobalt and AMRA have been telling people about IMPEL are wholly false, and that IMPEL should be acting on defending IMPEL. JD explained that Mark Sutherland at Music Week is going to write a piece on the MPA Group team to create a good news story around IMPEL and the MPA Group.
<b>5</b>	<b>Finance</b>
<b>5.1</b>	<b>MPR</b>  <i>Stuart Edwards joined the meeting at 11:30am.</i>  MB asked why the Spotify distribution has been delayed. SE explained that there have been data issues at ICE which have meant that the distribution has now been pushed back 3 months to December. TI asked that someone from ICE should visit the IMPEL Board to explain why the distribution has been delayed.  SB has flagged to PRSFm Finance that not only will the delayed payments need to go out in December, but it also imperative that the other distributions which are due to be distributed in December still go out regardless of the

	<p>delays. MB noted that there is approximately £4m due to be distributed in December, which will be extremely important for publishers, many of whom will be administering their year-end as well.</p> <p>JD explained that there was a piece of work carried out at the start of the year, which analysed IMPEL's current market share. JD explained that IMPEL is a growing business, with a growing market share, and that PRSfM are distributing catch-up periods. For these reasons, there should be a steep growth in distributions; which currently cannot be seen. SE explained that there is now a dedicated resource at PRSfM, who will be analysing distributions, which has not been available before. SE hopes that this will improve the business intelligence that IMPEL receive about their distributions.</p> <p style="text-align: center;"><i>Stuart Edwards left the meeting at 11:00am.</i></p> <p><b>Action Point:</b> SE to revisit the IMPEL Market Share analysis  <b>Action Point:</b> SE to add the actual distribution date to the last page of the MPR</p>
<b>6</b>	<b>IMPEL Business</b>
<b>6.1</b>	<p><b>YouTube Update</b></p> <p>JD informed the Board that there are two main issues from the recent YouTube meeting which was held on Thursday 6<sup>th</sup> October. JD has raised these issues with BMc, who has informed JD that ICE are working on an API claiming system. The second point that JD has raised with BMc is that IMPEL publishers will need to be granted access to YouTube's CMS in the new deal, which he noted will be included.</p> <p>MB explained that there is no process at PRSfM which flags when disputes and conflicts have been resolved. Alisa Coleman (ABKCO) noted at the recent YouTube meeting, that if they discover their works in conflict, they can contact the publisher directly in order to resolve this. MB explained that if a society and PRSfM are claiming a work in dispute, the DSP will not pay out. Further to this, no one at PRSfM is currently tracking these disputes through CMS or reporting these issues back to the publisher so that they can resolve an issues.</p> <p><b>Action Point:</b> JD to discuss CMS access with Victoria Campoamor  <b>Action Point:</b> JD to raise the lack of feedback on disputes and conflicts with the IWG</p>
<b>6.2</b>	<p><b>Apple Lyrics</b></p> <p>JD met with BMc to discuss the inclusion of Lyrics into the Apple deal. Consequently, there might be a way to secure value for this "promotional" element. This proposal will be presented to the IAG for discussion; however, the use of lyrics will be licensed through PMLL. JD explained that Apple want to include a lyric search on their browser, 'Safari'. This would mean that when someone searches lyrics on Safari, there will be a search result with lyrics provided by Apple. JD noted that this would therefore become a link to Apple Music, and a way to direct people to the service. JD has asked BMc to review the Karaoke licence and review the 10 second previews (which have been negotiated down from 30 second previews) that will be linked to these lyrics, in order to determine the most effective way to restructure the deal to secure proper value.</p>
<b>6.3</b>	<p><b>SoundCloud</b></p> <p>JD informed the Board that ICE are currently in negotiations with SoundCloud in order to get a new licence signed. Further to this, ICE are looking at 'SoundCloud for Business', which will offer playlist curation services.</p> <p>JD has asked BMc to consider how licensing may change over the next year, including the licensing of playlists (the order in which the songs are played), which are currently not copyrightable unless trademarked.</p> <p>JM noted two main issues with SoundCloud. The first of which is the redacted discussion at the Distribution Committee, where the writers at the meeting suggested that SoundCloud will need to be distributed in a completely different way to any other service, because they say there is a large proportion of the music is created by non-published musicians. The publishers in the distribution committee are keen to receive the money as quickly as possible; however, the writers wish to continue trying to distribute by deciphering bad data in order to pay individuals.</p> <p>The second issue with SoundCloud is that the IMPEL revenues were shared with the major publishers at the distribution committee. The IMPEL share of the settlement monies is larger than the share that the majors will receive (by value), which has led to tension over how this money will be distributed.</p> <p><b>Action Point:</b> JD to ask Karen Buse to present a plan to distribute the SoundCloud settlement in the November Distribution Committee</p>
<b>7</b>	<b>IMPEL Internal</b>

7.1	<p><b>RfP Process Update</b></p> <p>JD explained that there are several options which have been presented by PRSfM. RA has assured JD verbally that a short term extension will be a viable option; however, there has been no offer in writing at this stage. Within recent discussions, RA has noted several points:</p> <ol style="list-style-type: none"> <li>1. IMPEL could be involved in future negotiations</li> <li>2. IMPEL could withdraw their rights, set up an SVP and operate as a major</li> <li>3. RA has recognised that there is a lack of business intelligence 'homework' done in the advisory groups, which should be used to inform negotiations.</li> <li>4. IMPEL will <i>not</i> be able to have their own distribution committee or distribution policies.</li> </ol> <p>JD has informed RA that there has been an offer of sale from a third party and that if PRSfM would like to buy the MCPS business, they will need to make an offer by Friday 14<sup>th</sup> October. MB asked what the benefit of sale is for the members of MCPS and IMPEL. JD explained that the MCPS/ IMPEL market share is currently not fragmented; however, as more companies enter the market, they will begin to compete with these parties. This essentially allows publishers to do what they wish with their rights, without an obligation to contribute to the company, as a customer, rather than an owner of a collection society. JD noted that in any case, there would not be a tie in of rights.</p> <p>Data Testing with SOCAN has begun. PsJ has been sending data to SOCAN to carry out indicative tests through live demonstrations. PsJ will invite members to view these demos when they happen, in order for the members to witness these processes first-hand, to reduce the concerns around SOCAN taking a 'smoke and mirrors' approach to the RfP process.</p> <p>SACEM were informed that they are currently in 3<sup>rd</sup> place for the RfP process and that if they wish to continue being part of the process, they will need to review their response. SACEM responded to this by stating that they have come up with a better plan for the MCPS and IMPEL businesses.</p>
7.2	<p style="text-align: center;"><i>Graham Edwards entered the room at 11:40.</i></p> <p>GE explained that invoicing is split into months for DSPs. At this stage for Spotify, January has been invoiced and data has been delivered to PRSfM. February and March have been invoiced and are with Spotify for sign off. GE noted that PRSfM/ ICE are still looking to distribute Q1 and Q2 before the end of the year.</p> <p>GE was hopeful that all remaining distributions scheduled before the end of the year would still be completed. ICE usually deliver DIF files to PRSfM for them to distribute from on the first day of the month. The current plan from ICE is to now deliver DIF files in late October, the first day in November, in late November and on the first day of December, to allow for any slip in the distributions to be caught and distributed before the end of the year.</p> <p>MB noted that IMPEL has not currently had competitors to date; however, there are now others entering the market and IMPEL will need to ensure that distributions are on time in the future.</p> <p style="text-align: center;"><i>Graham Edwards left the meeting at 11:57.</i></p> <p><b>Action Point:</b> JD to ask KB for the distribution Risk Register</p>
8	<p><b>AOB</b></p>

*The meeting is due to finish at 12:00.*

The next meeting is **Thursday 10th November at 10.00am**

Signed 

Dated 24-11-16

