



ANNEX RELATING TO ARTIFICIAL INTELLIGENCE & FALSE REGISTRATIONS

WHEREAS

- (A) Artificial intelligence can be used in the creation of music and lyrics.
- (B) MCPS has adopted the policy not to accept registrations by its Members of AI-Generated Works (as defined below). This policy is without prejudice to MCPS's position that copyright does not subsist in AI-Generated Works but is made to clarify the position to members having regard to present legal uncertainties including in jurisdictions outside the UK.
- (C) This Annex sets out certain additions and variations to the current MCPS Membership Agreement MA2 ("**MA2**") in respect of AI-Generated Works and false registrations.

Now it is hereby agreed as follows:

1. Definitions

- 1.1 The following new definition shall be inserted into clause 16 of MA2:

"AI-Generated Work" means a Musical Work that is created by a generative artificial intelligence model or similar technology (including, without limitation, large language models and machine learning models)"

- 1.2 The definition of "Musical Work" in clause 16 of MA2 shall be deleted in its entirety and replaced with the following:

"Musical Work" means any musical work (as defined in the Act) and any lyrics or words written to be used with such musical work (if applicable)."

- 1.3 The definition of "Works(s)" in clause 16 of MA2 shall be deleted in its entirety and replaced with the following:

"Work(s)" means each and every copyright Musical Work or part of such work the Rights in which are directly or indirectly controlled or administered in the Territory by the Member at any time during the operation of this Agreement excluding, for the avoidance of doubt, any and all AI-Generated Works."

2. Member's undertakings

2.1 A new clause 10.3.11 shall be inserted into clause 10.3 of MA2 as follows:

“not to register with MCPS any AI-Generated Works.”

2.2 Clause 10.3.2 shall be amended by deletion of the word “Musical” in the second line.

3. Remedies

3.1 The following provisions set out certain additions to MA2 in respect of the registration of AI-Generated Works and other false registrations.

3.2 In the event that the Member makes or has made a registration in respect of an AI-Generated Work or a registration which is otherwise false or misleading, without prejudice to any rights or remedies otherwise available to MCPS:

3.2.1 MCPS shall be entitled:

3.2.1.1 to deem such registration ineffective;

3.2.1.2 to require the Member to repay any sum obtained from MCPS improperly;

3.2.1.3 to require the Member to repay any and all costs and expenses incurred by MCPS in connection with such improper registration, including without limitation all investigation and administration costs;

3.2.1.4 to recover the sums referred to in clauses 3.2.1.1-3.2.1.3 from the Member as a civil debt;

3.2.1.5 to set-off, deduct or withhold from any distributions of royalties, fees and other sums otherwise due and owing to the Member (and cease making future distributions accordingly of) the sums referred to in clauses 3.2.1.1-3.2.1.3, and for the avoidance of doubt in each case MCPS may withhold distributions of royalties, fees and other sums from the Member in the interim where there is reason to believe that fees have been obtained improperly and while the facts are being ascertained;

3.2.1.6 subject to Independent Board Approval (as defined in clause 3.3 below), to audit (or appoint a third party to audit) the Member's

compliance with its registration obligations hereunder and to recover from the Member MCPS's reasonable costs and expenses incurred in connection with such audit; and

3.2.1.7 subject to Independent Board Approval, and without prejudice to clause 15 of MA2, to terminate the Member's MCPS membership on 60 days' notice;

3.2.2 the Member shall waive any, and accepts that it shall have no entitlement to any, claim, cause of action or remedy against MCPS and/or any licensee, and MCPS and any licensee are not liable for, any actions carried out by MCPS and/or a licensee in respect of the affected registered Works, provided MCPS has acted in accordance with this Agreement and the licensee has acted in accordance with its licence (unless, in both cases, they are prevented from doing so as a result of the breach) in respect of such registered Work; and

3.2.3 the Member shall provide to MCPS any information, documentation or other assistance as MCPS may reasonably require, including by providing reasonable access to the Member's premises, IT systems and personnel, and all reasonable co-operation, to MCPS or its third party auditors in the exercise of MCPS's rights under clause 3.2.1.6.

3.3 For the purposes of this clause 3, "**Independent Board Approval**" shall mean the approval of the Independent Non-Executive Directors and the CEO of MCPS (or, in the event that no Independent Non-Executive Directors are appointed and the CEO is an individual who is a representative of or otherwise affiliated with a Member, the approval of an independent third party appointed by the Board for this purpose), having regard to all of the relevant circumstances, including without limitation the following factors: (i) whether the Member knows or has reason to believe or suspect that a registration concerns an AI-Generated Work or is otherwise false or misleading; (ii) whether the Member has reasonable organisational systems and processes in place to prevent registrations of AI-Generated Works or otherwise false or misleading registrations; and (iii) whether the Member has previously made any registration(s) in respect of AI-Generated Works or other false or misleading registration(s), and having regard moreover to the need to act in a non-discriminatory manner as between Members.

4. Miscellaneous

4.1 In the event of any inconsistency between the terms of this Annex and the terms of MA2, the terms of this Annex shall prevail.

4.2 For the avoidance of doubt and save as expressly provided in this Annex the provisions of MA2 remain otherwise unaffected by this Annex.

5. Commencement

5.1 This Annex shall take effect from 1 January 2025. By continuing as a member of, and by continuing to receive distributions from, MCPS, the Member agrees to comply with the terms of this Annex.

5.2 This Annex may only be terminated if the Member terminates its membership of MCPS and notice of the termination under Clause 15 of MA2 shall be deemed to include notice of termination of this Annex. For the avoidance of doubt, any such termination shall not affect either party's rights or remedies accrued prior to such termination becoming effective.