



CHART RULES (as at June 2017)

CONTENTS

1. INTRODUCTION	3
2. CHART DATA	3
2.1 Genuine Consumption	4
2.2 Data Confidentiality.....	4
2.3 Direct To Consumer Sales.....	4
3. THE CHARTS	5
3.1 Top 40 Album Chart.....	5
3.1.1 Exclusions.....	6
3.2 Top 40 Singles Chart	6
3.2.1 Exclusions	6
3.3 Singles Chart - Heateseekers.....	4
3.4 Top 10 Compilation Chart	7
4. PRODUCT DEFINITIONS	7
4.1 Albums.....	7
4.2 Singles	7
4.3 Compilations	8
5. PERMITTED FORMATS AND CRITERIA FOR INCLUSION	8
5.1 Criteria for Inclusion in the Top 40 Album Chart	8
(a) Permitted Formats.....	8
(b) Limited Edition / Hybrid Sets	9
(c) Remix Albums and Tracks	9
5.2 Criteria for Inclusion in the Top 40 Singles Chart.....	10
5.4 Simultaneous Availability	10
6. VALUED ADDING, DATA CAPTURE, COMPETITIONS AND PRE-ORDER INCENTIVES	11
6.1 (i) Value Adding	
6.1 (ii) Up Selling	
6.1 (iii) Package Deals Containing Streaming Music Subscriptions.....	11
6.2 Database Card or Data Capture Incentives	11
6.3 Competitions	12
6.4 Pre Order Incentives.....	12

7. DETERMINING CHART ELIGIBILITY 12

 7.1 Eligibility and Assessment 12

 7.2 Disputes and Clarifications 12

 7.3 Procedure to Apply 12

8. DATA MANIPULATION, TAMPERING OR OTHER BREACHES 13

 8.1 Definition 13

 8.2 Penalties 13

 8.3 Non-Submitting Information Provider 14

9. REVIEW OF THE CHART RULES 14

10. GOVERNING BODIES..... 14

11. CONTACT..... 14

APPENDIX: Notes on Venue Settlement Form..... 14

1. INTRODUCTION

The Official New Zealand Music Charts represent the broad interests of all record companies and services delivering music to New Zealanders.

A set of Chart Rules has been developed to ensure a consistent, fair and responsive industry-wide approach to important issues that affect our industry from time to time. These Chart Rules have been adopted to ensure that all participants in the charting process are aware of the basis on which the charts are formulated and published.

In producing the Official New Zealand Music Charts it is recognised that the New Zealand music industry is highly competitive. The Chart Rules enhance competitiveness and seek to ensure that the New Zealand music charts are reliable and credible, consistent with the objective of assisting competition (by giving relevant information about the popularity of albums, singles and other recorded music products to consumers) to promote and improve customer choice.

The Official New Zealand Music Charts are compiled and published weekly, at 5pm each Friday, based on aggregate information received from contributing Information Providers and venue sales by artists and labels. They are published online and also made available to Recorded Music NZ members, the wider music industry, participating data providers and the wider media for dissemination to the general public.

The Official New Zealand Music Charts reasonably reflect consumer preferences at the time the relevant data is collected. As the charts are based on a sample of the nation's music consumption choices, they should be taken as a close approximation of the actual market and, while checks for accuracy are made, there may be errors in supplied data from which the charts are compiled.

Product definitions and eligibility criteria apply to each chart. This helps ensure recordings of the same broad description are included in the relevant chart. All record companies and distributors remain free to package and market their recordings in any way they choose, but products that do not comply with these rules will not be eligible for inclusion in the Official New Zealand Music Charts.

Recorded Music NZ membership is not a prerequisite for inclusion of a label's recordings in the Official New Zealand Music Charts, but is encouraged.

2. CHART DATA

Contributing Information Providers must sign the Chart Members Code and be approved by the Chart Compiler prior to their first data submission.

All data submitted by an Information Provider electronically must be sent directly to the chart compiler. No data will be accepted if it is received via an intermediary.

Wherever possible, data should be sourced directly from the Information Provider's point of sale / stock control system without manual re-typing or writing of data by hand. Where manual re-typing is unavoidable, the Information Provider must be able to provide additional transaction evidence if asked by the Chart Compiler prior to any submission being included in the Chart.

Artists and labels may provide information on sales made in live venues using the Venue Settlement Form referred to in clause 2.3. For the avoidance of any doubt, approved Information Providers must not and cannot provide data using the Venue Settlement form.

The data supplied must strictly reflect music consumption between midnight on the preceding Friday morning to 11:59pm on Thursday night and must be provided to the Chart Compiler by 11:00am on the Friday for inclusion in the chart for that week.

For pre-order and mail order sales, sales are deemed to have taken place when the customer actually receives the product they have purchased.

2.1 Genuine Consumption

All information used to compile the Official New Zealand Music Chart must be recorded as a result of genuine consumption by a genuine consumer in New Zealand.

No record company, distributor, retailer, artist, promoter or other party should act or encourage others to act in any way designed to distort, or which has the effect of distorting, the Chart by achieving a higher or lower Chart position for a record than it would otherwise achieve.

Actions which may be considered a breach of these rules include:

- (a) knowingly being party to the submission of false or inaccurate data to the Chart compiler;
- (b) purchasing records or causing music to be purchased or consumed by other in ways which do not reflect genuine consumer choice;
- (c) effecting multiple purchases of music on behalf of other persons,
- (d) interference with the operation of equipment or software used to compile, collect or collate chart information,
- (e) offering money or other benefits to a data provider contingent upon a record entering any of the Charts or attaining a minimum chart position;
- (f) procuring the sale or consumption of music by offering non-related gifts or incentives,
- (g) including sales to off-shore consumers,
- (h) any other activity, not pre-approved by the Chart Compiler, that gives one product an unfair advantage over competing product or is intended to distort chart positions.

2.2 Data Confidentiality

While the Chart's total figures by title will be made available to all Information Providers and record companies, the Chart Compiler will under no circumstances disclose, publish or otherwise reveal Information Provider-specific figures or other confidential information to any third party.

The Chart Compiler will not disclose, publish or otherwise reveal any chart, report or other analysis which allows Information Provider-specific figures or other confidential information to be directly determined. In situations where the chart cannot be compiled without revealing an Information Provider-specific figure (e.g. an exclusive track, single or album) the Chart Compiler will not be required, or able to keep that title's data confidential. In these cases the Information Provider may, if they wish, ask the Chart Compiler, in advance, to have the title concerned ruled ineligible for the chart.

2.3 Direct To Consumer Sales

Sales made directly to the consumer by an artist or their label are eligible for inclusion in the Official New Zealand Music Charts, but data will only be accepted using the Venue Settlement form under strict conditions and subject to stringent auditing processes.

Any third party selling music directly to the consumer must be an approved Information Provider in order for those sales to be Chart eligible and must submit their data directly to the Chart Compiler in the manner outlined in clause 2.0. No data will be accepted from a third party Information Provider using the Venue Settlement Form.

i. Direct to consumer sales will be considered from three key areas:

(i) Direct to consumer digital sales

This includes sales of digital products made from artist websites, label websites and third party websites provided the sales are reported to the Chart Compiler by an existing Information Provider, a Recorded Music NZ member or an accredited direct to consumer Information Provider

(ii) Direct to consumer physical sales

This includes sales of physical products made through web and mail order channels provided the sales are reported to the Chart Compiler by an existing Information Provider, a Recorded Music NZ member or an accredited direct to consumer Information Provider

(iii) Sales made at live touring venues

This includes sales of physical products made at live venues provided the sales are reported to the Chart Compiler by an artist or their label. Sales reported at live venues must be certified by the artist representative, the live venue owner and the record label on the Venue Settlement Form set out in Appendix 1.

(b) All direct to consumer sales must meet the eligibility criteria set out in this document and special attention must be paid to the date and the sales were made or delivered to the consumer and that the relevant products were delivered to consumers in New Zealand.

(c) Recorded Music NZ members who wish to submit direct to consumer sales to the chart should in the first instance apply to the Chart Compiler to become a direct to consumer Information Provider. The Chart Compiler will make regular checks to ensure the information the Recorded Music NZ member will supply is reliable and auditable.

(d) Bulk sales made by an existing Information Provider, a Recorded Music NZ member or an accredited direct to consumer information provider to a third party who will on-sell the product directly to the public will not be eligible for inclusion in the charts.

3. THE CHARTS

3.1 Top 40 Album Chart

The main purpose of the Top 40 Album Chart is to list those recordings that are top contemporary music hit products. In a majority of instances such product will be new release mainstream, popular music recordings but in some cases it may be a re-released, re-marketed or re-packaged version of an older recording (e.g. a qualifying older album may be subject to an advertising campaign to coincide with a tour by the performer of the title).

The Top 40 Album Chart seeks to rank the sales and consumption of such hit products on an as common a basis as possible. Save for any exclusions detailed in point 3.1.1, eligibility for the Top 40 Album Chart requires that the Product:

- (i) meets the Album definition criteria as outlined in point 4.1,
- (ii) must not be a compilation album,
- (iii) must be less than eighteen (18) months old (from its first New Zealand release date) unless in a continuing Chart run or the album is re-released, re-marketed or re-packaged or it enjoys a spike in sales due to a significant external event e.g. a tour by the artist or the death of the artist.

An album will no longer be eligible, and consequently removed from survey, if it falls below a Pre-determined chart rank threshold (currently #100) and does not recover within a reasonable period (currently 4 weeks). If there is any concern about a product's eligibility due to age it will be referred to the Chart Committee for review. The Chart Committee's decision will be final.

3.1.1 Exclusions

- (i) A NZ rights owner/licensee may request to the Chart Compiler to exclude an album from the Album Charts where the record is not generally available from the owner's normal distributor (for example deleted titles, or pre-release sales caused by distribution leaks).
- (ii) Any promotional (free to the consumer) physical product or digital product will not be eligible for inclusion in the chart.

3.1.2 Artist Appearance Limitation

In the first week of an album's release, the named artist(s) may achieve up to 4 new entries into the Top40, subject to the following conditions:

- a) The four top performing new entries in terms of chart points will be eligible.
- b) Any single appearing on the album which has already charted remains eligible to appear in the Top40,
- c) Should there already be one track from the album in the Top40, the artist may have a maximum of 3 new entries. The three, top performing new entries in terms of chart points will be eligible,
- d) Should there already be two (or more) tracks from the album in the Top40, then the artist may have a maximum of 2 new entries. The two, top performing new entries in terms of chart points will be eligible.

This rule shall apply for the first four weeks of an album's availability. Once this period is over, the above restrictions are removed.

3.2 Top 40 Singles Chart

The main purpose of the Top 40 Singles Chart is to list those recordings that are top contemporary music hit products. In a majority of instances such product will be new release mainstream, popular music recordings but in some cases it may be a re-released, re-marketed or re-packaged version of an older recording (e.g. a qualifying older recording may be used in an advertising campaign or television show).

The Top 40 Singles Chart seeks to rank the sales and consumption of such hit products on an as common a basis as possible. Save for any exclusion detailed in point 3.2.1, eligibility for the Top 40 Singles Chart requires that the Product:

- a. meets the single definition criteria as outlined in point 4.2
- b. must be less than eighteen (18) months old (from its first New Zealand release date) unless in a continuing Chart run or the product is re-released, re-marketed or re-packaged or it enjoys a spike in sales due to a significant external event e.g. a tour by the artist or the death of the artist.
- c. must not be a Product comprising multiple previously released Singles packaged together.

3.2.1 Exclusions

- i. A NZ rights owner/licensee may request to the Chart Compiler to exclude a product from the Singles Chart where the record is not generally available from the owner's normal distributor (for example deleted titles, or pre-release sales caused by distribution leaks).

- ii. Any promotional (free to the consumer) physical product or digital product will not be eligible for inclusion in the chart.

3.2.2 Artist Death

In the event of an artist's death, a maximum of five singles (regardless of age) may enter or re-enter the Top40 Singles Chart. The top five performing singles will be eligible.

3.3 Heatseekers Chart

The Heatseekers Chart has the same rules, objectives and purposes as set out in 3.2, and eligible product must meet the criteria set out in 3.2.

This chart will contain the 10 fastest-rising songs of the week (measured as the greatest gain in combined sales and streams in the seven days between charts). That gain may be from a base of zero (ie. a brand new track) OR as an increase from the last charting week to the next. Only songs not already inside the Top 40 will be eligible for Heatseekers Chart. A single artist may not appear more than twice each week in the Heatseekers Chart. Once a title has entered the Top 40 Singles Chart at any point, it becomes ineligible for the Heatseekers Chart.

3.4 Top 10 Compilation Chart

This has the same rules, objectives and purpose as set out for the Top 40 Album chart but in relation to multiple artist compilations not otherwise eligible for the Top 40 Album Chart and the relevant exclusions in clause 3.1.1. Eligibility is also governed by the rules outlined in section 4.3.

4. PRODUCT DEFINITIONS

To qualify for inclusion in the Official New Zealand Music Charts all product must comply with the following criteria:

4.1 Albums

An album is a recording that satisfies the following criteria:

- (a) An album must have a playing time of over 25 minutes OR have five songs or more, where the format does not qualify as a single as defined by the singles eligibility rules.
- (b) Recordings performed by a single (or common) Artist, Act or Orchestra (including "Best Of" compilations).
- (c) Original movie soundtracks, cast recordings and television programme theme albums on which at least 50% of tracks are included in the programme. It is up to the company requesting the inclusion of the product to attest that it meets this criterion.
- (d) Concept albums featuring at least 80% of new recordings where the songs have been specially recorded for the project (even where the recording is by various artists). For the purpose of the chart, DJ mixed albums are not considered to be "new" recordings.
- (e) Provided the valued added rules detailed in point 6.1 are met, multimedia content such as games, screensavers and video material are permitted within a product if they relate directly to the artist or the music contained on the product.

4.2 Singles

A single is a recording that satisfies the following criteria:

- (a) A single is a recording containing no more than four different tracks and of not more than 25 minutes duration. Any number of versions of the lead track is admissible so long as the duration limit is adhered to.
- (b) Multiple pack singles are ineligible.

- (c) The featured song of a Top 40 single cannot be released as a B-side or extra title on a subsequent chart-eligible single bundle until the former has dropped out of the Top 40.
- (d) The technology used to convey the tracks is discretionary but any format must comply with all other singles criteria. A list of pre-approved formats can be found in point 5.2 (a).
- (e) Provided the valued added rules detailed in point 6.1 are met, multimedia content such as games, screensavers and video material are permitted if they are contained on the single and they relate to the Artist or the music contained on the single.

4.3 Compilations

Compilations are defined as all multi-artist or orchestral albums deemed ineligible for album chart inclusion. This includes movie soundtracks, cast recordings and television programme theme albums on which less than 50% of tracks are included in the programme, film or show. It is up to the company requesting the inclusion of the product to attest that it meets this criterion. The compilation and album charts are mutually exclusive (product cannot simultaneously appear in both).

5. PERMITTED FORMATS AND CRITERIA FOR INCLUSION

To qualify for inclusion in the Official New Zealand Music Charts all products must comply with the following criteria when combining formats for the Album and Singles charts:

5.1 Criteria for Inclusion in the Top 40 Album Chart

Consumption of an unlimited number of physical and digital album formats may be combined for a chart placing on the Top 40 Album chart provided that 80% of the featured tracks are common to all formats and that each format adheres to all chart eligibility rules.

(a) Permitted Formats

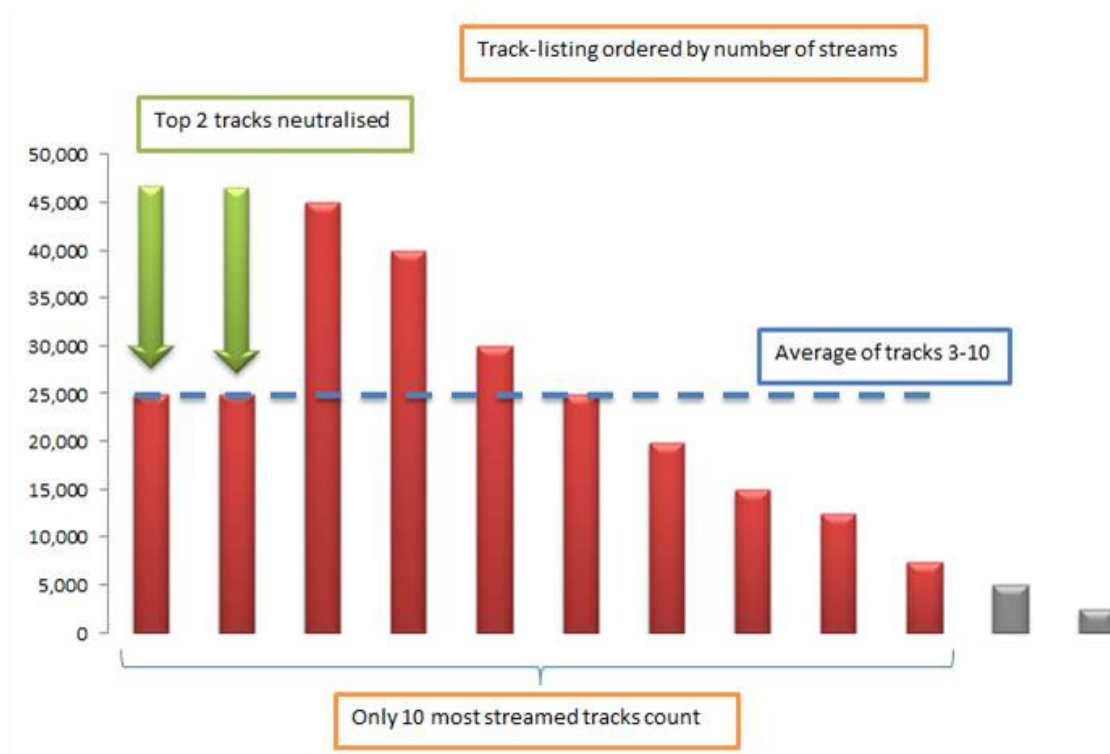
LP Vinyl
 CD or Enhanced CD
 Limited Edition CD
 CD/DVD Sets
 Dualdisc
 Cassette
 SACD
 Mini Disc
 Removable Storage Devices (USB Sticks/Flash Drives/SD Cards etc)
 DVD Audio or Enhanced DVD Audio
 HD DVD Audio
 Blu Ray DVD Audio
 Digital Album Bundle – permanent Digital Download
 Limited Edition Digital Album Bundle – permanent Digital Download
 Deluxe Edition Digital bundle – permanent Digital Download
 On-Demand Audio-Only Streams – Subscription
 On-Demand Audio-Only Streams – Ad-Supported

(b) Combining of Sales and On-Demand Audio-Only Streams

To determine rankings for the Top 40 Albums Chart, streaming of songs off an album will be combined to produce a Stream Equivalent Album (SEA) value for that album which can then be included in the Top 40 Album Chart alongside physical and digital sales.

To establish a SEA score:

- i. Firstly, the audio conversion rate used for the Singles Chart (ref 5.3) will be applied to streaming data which establishes a ratio that values a certain number of streams as equal to one song sale.
- ii. Secondly, a neutralising factor will be applied to the two most streamed tracks off an album in the charting week. Points for those two tracks will be reduced to the average of the next eight titles on the album. This is to ensure that albums with one or two hit singles are not unfairly propelled up the Album Chart due to the consumption of just a couple of tracks.
- iii. Finally, the combined value of the top 10 tracks off an album are aggregated and divided by a factor of 10 (this being a widely used industry ratio intended to reflect that a standard album will contain, on average, 10 tracks).



(c) Limited Edition / Hybrid Sets

Consumption of two versions of an album, where one version is a limited edition featuring additional material or an additional disc to the standard version, may be combined provided:

- The limited edition contains 80% of the tracks as featured on the standard version, and;
- The additional material on the limited edition format has not been previously available for consumption in its entirety as a separate product.

Please note that the 80% rule only applies one way from the standard album to the bonus version. This means that 80% of the tracks as featured on the standard version must appear on the bonus version.

(d) Remix Albums and Tracks

Consumption of remix albums will not be combined with sales of the original version. Remixed, extended, live, demo versions of featured tracks are exempt from the 80% rule which only applies to formats which feature additional track titles.

5.2 Criteria for Inclusion in the Top 40 Singles Chart

Consumption of an unlimited number of physical and digital formats may be combined for a chart placing on the Top 40 singles chart provided that the various formats can reasonably be held to be variants or alternative formats of the same piece of product.

(a) Permitted Formats

7" Vinyl

12" Vinyl

CD Single or Enhanced CD Single

DVD Audio Single or Enhanced DVD Audio Single

Cassette Single

Removable Storage Devices (USB Sticks/Flash Drives/SD Cards etc)

HD DVD Audio

Blu Ray DVD Audio

Digital Audio Track – Permanent Download

Digital Single Bundle – Permanent Download

Digital Vingle Bundle (Digital Audio Track and Digital Video Track) – Permanent Download

On-Demand Audio-Only Streams – Subscription

On-Demand Audio-Only Streams – Ad-Supported

5.3 Combining of Sales and On-Demand Audio-Only Streams

To determine rankings for the Top 40 Singles Chart, an audio conversion rate is required before combining sales and on-demand audio-only streams. This audio conversion rate is calculated using both premium and ad-supported stream data which produces a combined sale to stream ratio.

Depending on the number of ad-supported to premium streams the combined ratio will vary. This is set at the discretion of the Chart Committee, taking account of international standards regarding the relative value and volume of streams versus downloads to the recording owner. These ratios will be reviewed on a quarterly basis to ensure it continues to accurately reflect those standards.

5.3.1 Exclusions

- i. Non-interactive and passive consumption (eg. algorithm-based pre-programmed delivery of songs) are not eligible for the chart.
- ii. Streams that play for less than 30 seconds or any type of sampling activity (e.g. retail store samples) is not eligible as this does not reflect genuine consumption but rather a listener's intent to consume / buy a track or not.

5.3.2 Combining Data for Double A Side Singles / Bundles

In the case of a double A side single or bundle (where one product contains two or more featured songs, both of which are also available for sale or consumption as individual tracks) data for the bundle plus the lead (ie. **first** featured) song on the single may be combined to determine chart ranking. If individual consumption is sufficient, the second featured song will be eligible to chart in its own right. Please note rule 4.2 (c) takes precedence in such cases.

5.4 Simultaneous Availability

When the same product (or combinable variant) is available on New Zealand release from two different record companies, data will not be combined except at the request of both companies. The other rules for combination as outlined in 5.2 also apply in all such cases.

6. VALUED ADDING, DATA CAPTURE, COMPETITIONS AND PRE-ORDER INCENTIVES

6.1 (i) Value Adding

Value adding is defined as any attachment, voucher, gift or inclusion that has a commercial value independent of the album or single to which it applies. Value adding is also deemed to apply when proof of purchase of an album or single entitles the purchaser to other goods, discounts or services or exclusive access to same either from the retailer or a third party.

With some limited exceptions, music sold with value added content is ineligible for the Charts.

Music offered for sale or consumption with the following added value content are eligible for the Charts:

- multimedia enhancements (e.g. games, screensavers) or video material, provided that the material relates to the artist or the music contained on the product;
- badges, buttons, sew-on patches, posters, postcards or unstapled printed material provided that the material relates to the artist or the music contained on the product,
- a promotional offer of only nominal value provided that the promotional offer relates to the artist or the music contained on the album or single;
- data capture incentives, competitions and pre-order incentives provided the offers meet the conditions of clauses 6.2, 6.3 and 6.4.

For the avoidance of doubt, albums sold with bonus discs or bundles as described in 5.1 (b) are permitted, provided the whole package has a unique catalogue number and is packaged so that the component parts are unable to be sold separately.

6.1 (ii) Up Selling

Where music becomes available as an 'up sell' offer to consumers who first purchase some other product or service ("the core product"), or where a purchase of other goods unlocks the option for the consumer to purchase music at a better rate than would otherwise be available, the value of the music component must be clearly stated in isolation and consumers must have the option whether to take up the offer or not.

Where a customer does choose to purchase the music component, the cost must be additional to the initial purchase and be plainly displayed as a separate item on any receipt. Sales data will not be included in the chart if there is an associated discount in the core product to offset the cost of the music purchase.

In all cases, there must be clear evidence that a customer choosing to take the music component has paid an additional sum which is greater than the amount paid by customers who chose not to take the music.

6.1 (iii) Package Deals containing Streaming Music Subscriptions

Where the purchase of a non-music product or service (including, but not limited to, mobile phone or telco package) grants a consumer access to a streaming music service, any resulting data submitted to the chart compiler may be included in the chart so long as the monthly fees to use the service continue to be paid – whether by the consumer or the product seller.

6.2 Database Card or Data Capture Incentives

Standard mailing list reply cards or data capture mechanic that offer a small incentive in exchange for consumer details do not make a product ineligible for the chart. The card / incentive should not be advertised externally on the packaging.

6.3 Competitions

Competitions based on the purchase or consumption of a product are permitted (subject to relevant consumer protection laws) provided the probability of winning is reasonably small. Competitions, which offer a high chance of winning, are considered to add value to the product and will be subject to the value adding rules detailed in 6.1.

6.4 Pre Order Incentives

Information Providers may offer pre-order incentives on physical or digital products, providing they comply with all other chart rules.

7. DETERMINING CHART ELIGIBILITY

All suppliers of records are eligible to have their records included in the Official New Zealand Music

Charts subject to minimal ground rules of eligibility that are necessary to conduct a credible and reliable charting system of this kind.

7.1 Eligibility and Assessment

In the event that a record supplier has any doubt regarding the eligibility (or potential eligibility) of any of its intended releases it is recommended that prior to release it submit the product or a description of the intended product to the Chart Compiler for assessment and advice.

Sales made by Information Providers 'off site' (e.g. at shows, shopping centres or 'pop-up' stores) are eligible for chart inclusion, providing the sales meet all other chart eligibility criteria.

Sales made at or through the activities of one retail store (whether or not they are an Official New Zealand Music Charts Information Provider) may not be included in the chart return of any other store.

Product taken from Information Providers on consignment by third parties to be sold elsewhere is not eligible.

Product purchased in bulk from Information Providers to be dispersed (either by sale or otherwise) elsewhere at a later date is ineligible for the chart. Examples of this kind of activity would be bulk sales to Jukebox operators, bulk sales to insurance claimants, bulk sales to third parties who will on-sell or give away the product and bulk sales to any third party of company who will use the product for promotional purposes.

Where a question of eligibility arises, it will be determined by the Chart Compiler in the first instance.

7.2 Disputes and Clarifications

Where a dispute arises between any party involved in the submission of chart data or use of the Official Music Charts regarding eligibility or rule interpretation, the matter will be referred to the Chart Committee (see point 10).

7.3 Procedure to Apply

Any objections or complaints about eligibility must be made in writing to the Chart Administrator.

When an objection or complaint is received, the following procedure will apply. The complaint / issue will be circulated to all members of the Chart Committee.

If the complainant is from one of the members of the Chart Committee that member will stand down, whilst the decision about the complaint is made.

Each of the members will receive a copy of the objection or complaint, together with any explanatory documents or samples from the complainant company. Where requested, the record supplier must supply sufficient quantities of product for review by Committee members. The above information includes a question dealing with the issue at hand in the format that members need respond to simply with a yes or no answer. This information will be forwarded to members on a "Chart Criteria Decision Voting" form. The Chart Administrator acts as the facilitator of this process.

Chart Committee members will have a maximum of 48 hours to respond in either the negative or the positive. These responses and any further decisions are to remain confidential unless release is authorised by the Chart Committee.

The review process applies to all charts produced by The Official New Zealand Music Charts.

8. DATA MANIPULATION, TAMPERING OR OTHER BREACHES

8.1 Definition

The Official New Zealand Music Charts have procedures in place aimed at identifying and rectifying reporting anomalies in data provided by Information Providers for the official New Zealand music charts including regular auditing and formal complaint procedures.

Any objections or complaints about reporting on the charts must be made in writing to the Chart Administrator. The complaint/issue will be circulated to all members of the Chart Committee who will investigate and adjudicate on the complaint. If the complainant is from one of the members of the Chart Committee that member will stand down, whilst the decision about the complaint is made.

The status of Information Provider is not to be used by either retailer or record supplier as leverage for any personal or commercial demands. In the event that any such reporting anomalies are found to be deliberate, the matter will be referred to the Chart Committee for consideration of penalties, as set out below.

Parties found in breach by the Chart Committee could have their product penalised (in the case of record suppliers or artists) whilst offending Information Providers may have their Information Provider status revoked for a period deemed appropriate by the Committee. Both record suppliers and Information Providers could also be subject to a penalty.

8.2 Penalties

Experience has shown that penalties for non-compliance with these Chart Rules and the Members Code are highly advisable if the official New Zealand music charts are to remain reliable and credible. The guiding principle is that breaches of the important rules relating to data manipulation and tampering will be penalised to the extent reasonably necessary in each particular case

The objective is to deter breaches and to maintain the integrity of the Official New Zealand Music Charts system.

Any information providers found to be involved in data falsification of any kind will immediately be removed from the Information Provider listing for a period commensurate with the severity of the breach (first exclusion will usually be for one month). Repeat offenders (initially treated leniently) will incur higher penalties, with the ultimate sanction being permanent removal as an Official New Zealand Music Charts Information Provider.

Record suppliers or artists found in breach of these rules, face the prospect of their sales numbers being reduced in the chart calculations for the relevant product in the current or future weeks (e.g. by disregarding the false sales reported or

all sales completely) or being excluded from chart consideration for a period of time, depending on the nature of the offence.

For Information Providers, record company suppliers and artists, in addition to the products chart penalty or the Information Provider's suspension; public censure may be imposed for each breach.

8.3 Non-Submitting Information Provider

If an Official New Zealand Music Charts Information Provider fails to transmit sales data for four consecutive weeks it will be notified by the Chart Administrator that it is on "probation". After eight consecutive weeks of non-submission the store will be removed from the chart store provider list.

9. REVIEW OF THE CHART RULES

Comments and suggestions for the progressive improvement of the Chart Rules are welcome. Chart Committee will review the Rules from time to time. Suggestions should be sent to the Chart Administrator.

10. GOVERNING BODIES

Chart Compiler

The person or organisation appointed to manage the collection of sales data and compilation of the charts.

Chart Administrator

The CEO of Recorded Music NZ who will consult with the Chart Compiler.

Chart Committee

A body comprising a minimum 2 Recorded Music NZ board members and chaired by the Chart Administrator

11. CONTACT

Chart Administrator

Chief Executive Officer

The Recorded Music New Zealand Limited

2A Hakanoa Street

Private Bag 78850

Grey Lynn

Auckland

New Zealand

APPENDIX: Notes on Venue Settlement Form

- Before submitting this form to the Chart Compiler, application to become an accredited direct to consumer information provider must be made to the Chart Administrator as per Clause 2.3 (c) of The Official New Zealand Music Chart Rules.
- When completing the Venue Settlement Form please ensure all fields are completed and it is signed by the artist representative, the venue representative and the label representative before sending to the Chart Compiler.
- Incomplete forms will not be considered by the Chart Compiler.
- The performance date will be considered the date of sale to the consumer.

- All sales must meet the eligibility criteria of The Official New Zealand Music Chart Rules. Special attention must be made to the date the sale was made and the price of the product sold.
- Sales not submitted in a previous chart week cannot be carried over and be submitted in the following chart week.
- It is recommended that the record label should be the last party to sign the form and should be the party that submits the completed form to the Chart Compiler.
- Please take notice of the penalties that will be incurred for falsifying sales information on this form. The penalties are detailed in 8.2 of The Official New Zealand Music Chart Rules.
- By submitting a Venue Settlement Form, you acknowledge that the information you are providing is correct, you have abided by the Official New Zealand Music Chart Rules and you accept that Recorded Music New Zealand Limited and/or its agents has the right to undertake an audit of the information you have provided.