



**STATUTES OF THE CULTURAL, SOCIAL
AND EDUCATIONAL FUND OF OSA**

1. OSA creates the Cultural, Social and Educational Fund in compliance with the provisions of Art. 10. 5. of the OSA Statutes. The Cultural, Social and Educational Fund aims at supporting the creation and performance of musical works of the copyright holders whose economic copyrights are managed by OSA, providing aid to the authors who ended up in difficult social or living circumstances, supporting educational projects related to the creation and performance of musical works and financing other social, cultural or educational services.

- 2.** The financial resources of the Cultural, Social and Educational Fund of OSA are, in particular, as follows:
- deductions in compliance with par. 1. 7. of the Distribution Rules, i. e. deductions from royalties for performance rights in the amount of up to 10 % of these royalties;
 - royalties distributed to non-identified titles that will not be registered or documented in accordance with an international database within 3 years as of the end of the year in which this income has been collected;
 - royalties distributed as a part of obligatory or extended collective management to the copyright holders who failed to enter into an agreement with OSA or another collective administrator and who have not been successfully found within 3 years as of the end of the year in which these funds have been collected;
 - interest and other income from invested funds;
 - exchange rate gain;
 - positive difference resulted from the rounding of distributed royalties;
 - income from advertising;
 - commissions for arranged life insurance and pension supplementary insurance.

3. The Cultural, Social and Educational Fund of OSA contains three sub-funds:

1. Cultural and Educational Fund

The resources of this fund consist of 60 % of the total volume of funds defined in par. 2 hereof.

The Cultural and Educational Fund aims at financing cultural and educational support.

The Supervisory Board of OSA approves the rules for withdrawing money from this fund.

2. Solidarity Fund

The resources of this fund consist of 15 % of the total volume of funds defined in par. 2 hereof.

The Solidarity Fund provides financial aid to the copyright holders whose economic copyrights are managed by OSA and who ended up in difficult social or living circumstances.

The conditions for providing contributions from this fund are governed by the rules for providing social contributions, approved by the Supervisory Board.

3. Musical Creation Support Fund

The resources of this fund consist of 25 % of the total volume of funds defined in par. 2 hereof.

If this amount is not sufficient to cover the support under this paragraph, the remaining part shall be covered from the reserve fund.

These funds are distributed in the following manner:

3. 3. 1. Support of concert the performances of works

Directly distributed royalties for live concert performances of works under par. 5. 2. 1. 2. of the Distribution Rules of OSA, except for popular music concerts with gross collected royalties in the

amount of CZK 30,000 or more, shall be multiplied by the coefficient for a concert performance depending on the applicable category of works contained in Schedule 1 to the Distribution Rules of OSA.

The resulting value represents the amount of the support for the concert performance of works.

If an amount for a performance is collected as an unjust enrichment (under the Copyright Act), one calculates, for the purposes of the calculation of the amount of the support of the concert performance of works with the amount of collected royalties which was supposed to be collected in case that the obligations had been properly fulfilled by the organizer.

The support of the concert performance of works shall be distributed and paid on the same dates as the royalties for the performances to which the support of the concert performance of works relates.

A requirement for the participation in the distribution of the support of the concert performance of works is that the work is included in the applicable category under Schedule 1 of the Distribution Rules of OSA based on scoring or, as the case may be, a recording if it is sufficient for the applicable category in compliance with the provisions of the Distribution Rules.

3. 3. 2. Support for the creation of the authors of authorized sub-lyrics

In case that share in royalties have not been recognized for an author of authorized sub-lyrics by the original copyright holders, the sub-lyricist is entitled to a share of 10 % provided that it is without prejudice to the shares of the copyright holders of the original work. The amount calculated in this manner for sub-lyricists in the distribution of royalties shall be withdrawn from this fund.

4. The Statutes of the Cultural, Social and Educational Fund of OSA in this wording were approved by the General Assembly of the members on 23 May 2017. The Statutes enter into force on the day of its approval by the General Assembly and into effect on 1 July 2017 and they replaced the previous Statutes of the Cultural and Social Fund. The provisions of par. 3. 3. 1. will be applicable to the performances paid after 1 January 2018.