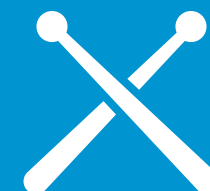
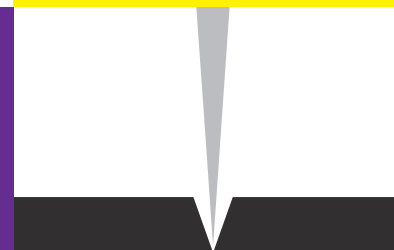


OSA TARIFF
OF ROYALTIES

TARIFF OF ROYALTIES FOR BROADCASTING AND BROADCAST TRANSMISSION 2020

valid as of 1/1/2020



I. Opening provisions



- 1.1 This tariff sets out the rates of royalties of the collective administrator OSA - Ochranný svaz autorský pro práva k dílům hudebním, z.s. (hereinafter referred to as "OSA") for the provision of a license to use musical works of authors and other right-holders whose rights OSA manages (hereinafter referred to as the "OSA repertoire") as part of use in the form of broadcasting pursuant to Sections 21 and 22 of Act No. 121/2000 Coll., the Copyright Act, as amended (hereinafter referred to as the "Copyright Act").
- 1.2 According to this tariff, a musical work is considered to be a musical work and a verbal work used in connection with a musical work.
- 1.3 Rates of royalties are stated without VAT, which is added to them in the base rate according to general legal regulations.
- 1.4 The minimum royalties are considered to be the minimum value of the OSA repertoire, regardless of the scope of use of the OSA repertoire.
- 1.5 From 1 January 2021, the royalties and minimum royalties for the previous year expressed in nominal amounts in CZK (i.e. not expressed as a percentage rate) will be increased annually by the inflation rate of the previous year from the beginning of the year. In accordance with Section 98f of the Copyright Act, the inflation rate is considered to be the increase in the average annual index of consumer prices of household goods and services as a whole expressed as a percentage change in the average price level for the last 12 months compared to the ratio of the previous 12 months, expressed as a percentage, published by the CZSO every calendar year for the previous year. After the publication of the inflation rate according to the previous sentence, the royalty rates valid for the given year will also be quantified in the tariff for the following year.
- 1.6 Cases not regulated by this or another tariff will be determined by agreement.
- 1.7 Rates of royalties are set for each commenced calendar month of use unless otherwise stated.
- 1.8 This tariff replaces any previous tariffs which set the rates of royalties for the granting of a license to use works as specified in this tariff.
- 1.9 This tariff shall take effect on 1 January 2020.

II. Television broadcast



- 2.1 Every operator of terrestrial or non-terrestrial (via cable, satellite, IPTV or similar technology) television broadcasting, which makes musical works accessible and is at the same time considered a broadcaster according to Section 21 of the Copyright Act, is considered a **television broadcaster**.
- 2.2 A household is considered to consist of 3 people.
- 2.3 The royalty is determined as a percentage of the broadcaster's gross revenues according to Table A, but at least as a minimum royalty according to Tables B and C.
- 2.4 The royalties listed in Tables B and C apply to broadcasts 24 hours a day. In the event of a shorter transmission time, the said minimum royalties are reduced proportionately.

Table A: Final amount of royalties according to the gross revenues of the broadcaster

Share of music in the broadcast	up to 9 %	10-29 %	30-44 %	45-64 %	65-79 %	80-100 %
Percentage of royalty	0.19 %	0.78 %	1.35 %	1.95 %	2.74 %	3.50 %

Where the license agreement includes the right to synchronize, the royalty rate will be determined according to the amount of audiovisual works produced by the broadcaster and the music used in them.

Table B: Calculation of the monthly minimum royalty for one station in the case of terrestrial broadcasting 2020

Coverage of the population by broadcasting	Share of music in the broadcast					
	up to 9 %	10-29 %	30-44 %	45-64 %	65-79 %	80-100 %
86 - 100 %	CZK 16 352,39	CZK 32 596,85	CZK 48 842,33	CZK 65 086,79	CZK 86 711,80	CZK 108 335,78
66 - 85 %	CZK 14 631,52	CZK 29 262,02	CZK 43 893,54	CZK 58 525,06	CZK 78 105,38	CZK 97 576,73
40 - 65 %	CZK 11 403,60	CZK 22 807,20	CZK 34 210,81	CZK 45 506,47	CZK 60 676,67	CZK 75 845,84
20 - 39 %	CZK 9 789,64	CZK 19 580,31	CZK 29 262,02	CZK 39 051,66	CZK 52 070,25	CZK 65 086,79
6 - 19 %	CZK 6 561,72	CZK 13 016,53	CZK 19 580,31	CZK 26 035,12	CZK 34 748,45	CZK 43 354,87
1 - 5 %	CZK 4 948,79	CZK 6 561,72	CZK 9 789,64	CZK 13 016,53	CZK 17 428,71	CZK 21 731,92
up to 1 %	CZK 3 334,83	CZK 4 410,12	CZK 4 948,79	CZK 6 561,72	CZK 8 713,32	CZK 10 864,93

In the case of a second simultaneously broadcast terrestrial station of the same broadcaster within one contract, a discount of 10 % of the minimum royalties is provided; in the case of three or more television stations, a discount of 20 % of the minimum royalties is provided.

Table C: Calculation of the monthly minimum royalty in the case of non-terrestrial and combined broadcasting 2020

In the case of non-terrestrial broadcasting (via cable, satellite, IPTV or similar technology), the minimum monthly royalty is equal to CZK 42,14 for every 1 000 subscriber households and in the case of music channels CZK 62,70 for every 1 000 subscriber households, for each broadcast station of the same broadcaster, but always at least CZK 3 334,83 per month and station.

In the case of a second simultaneously broadcast station of the same broadcaster within one contract, a discount of 10 % of the minimum royalties is provided; in the case of three or more simultaneously broadcast television stations, a discount of 20 % of the minimum royalties is provided.

If the station is broadcast simultaneously terrestrially and in another form, the minimum royalty corresponds to a higher amount calculated in accordance with Table B and Table C.

III. Radio broadcasting



- 3.1 Every operator of terrestrial or non-terrestrial (via cable, satellite or similar technology) radio broadcasting, which makes musical works accessible and is at the same time considered a broadcaster according to Section 21 of the Copyright Act, is considered a **radio broadcaster**.
- 3.2 **The royalty is set as a percentage of 4.7 % of the broadcaster's gross revenues for each radio station**, but at least as a minimum royalty determined according to Table A according to the number of licenses granted to the broadcaster by the Council for Radio and Television Broadcasting (hereinafter referred to as "RRTV") for one radio station.
- 3.3 A network of radio stations with an identical program structure is also considered a **radio station**, including possible regional program deviations such as advertising or news inputs.
- 3.4 The royalties in the base amount already take into account the share of 0-19 % of spoken word in the broadcast, which may be imposed on the broadcaster by RRTV.
- 3.5 The royalties listed in this tariff apply to broadcasts 24 hours a day. In the event of a shorter transmission time, the said minimum royalties are reduced proportionately.
- 3.6 A **license from RRTV** is any license granted to a radio broadcaster from RRTV for 1 radio station authorizing broadcasting by a transmitter of at least 500 W or less unless it is a license for a transmitter used only to amplify the signal of another transmitter (the so-called cover) for transmitting the same radio station.
- 3.7 The discount for the minimum share of the spoken word in the broadcast set by the RRTV license according to Table B of this tariff can be claimed only if the actual share of the spoken word in the broadcast corresponds to the set range.
- 3.8 In the case of new technologies with a limited listener base (e.g. DAB-T **digital radio broadcasting** or **cable distribution**), it is possible to provide a 50% discount on the minimum royalties listed in Table A. In the case of stations with local coverage using a single transmitter up to 200 W (e.g. municipal radio broadcasts), it is possible to provide a discount from the minimum royalties listed in Table A of 80 %.

Table A: Minimum amount of monthly royalties according to the number of licenses granted by RRTV for one radio station 2020

Number of RRTV licenses	Amount of minimum royalty	
1 st licence	CZK 10 758,02	
2 nd licence	CZK 18 289,14	
3 rd licence	CZK 22 592,35	
4 th licence	CZK 30 123,48	The broadcaster is entitled to request, with regard to its gross sales, a minimum royalty higher than would be determined according to this table (see Table C).
5 th licence	CZK 37 653,58	
6 th licence	CZK 45 184,71	
7 th licence	CZK 50 564,23	
8 th and further licenses	CZK 53 791,12	

Table B: Discount for the minimum share of the spoken word in the broadcast set by the RRTV license

The minimum share of the spoken word in a radio station's broadcast	Percentage discount on royalties for a radio station
20-34 %	15 %
35-49 %	30 %
50-69 %	45 %
70-89 %	65 %
90-99 %	85 %

Table C: Discount for payment of a higher minimum royalty

Category	Discount
category A	In the event the broadcaster pays a monthly minimum royalty for one radio station of at least CZK 100,000 without VAT as a non-refundable monthly amount , OSA will provide it with a discount of 9 %. In the event the broadcaster pays a minimum monthly royalty for one radio station of at least CZK 200,000 without VAT, OSA will provide a discount of 11 % for such a radio station.
category B	In the case of a broadcaster of several radio stations with a sum of minimum royalties of at least CZK 200,000 per month, OSA will provide the broadcaster with a discount of 6 %.

It is not possible to combine the discounts listed in categories A and B of this table, i.e. the broadcaster must choose only one of the listed categories of discounts.

Table D: Minimum royalties in the case of Internet radio 2020

Extent of use of musical works daily	Maximum number of current listeners (from all radio servers)						
	A	B	C	D	E	F	G
	50	50	125	250	500	500+	500+
	Minimum monthly royalties (in CZK)						
up to 4 hours	CZK 209,71	CZK 262,14	CZK 525,30	CZK 787,44	CZK 1 049,58	CZK 1 311,72	CZK 189,15
4 - 12 hours	CZK 419,42	CZK 525,30	CZK 1 049,58	CZK 1 574,89	CZK 2 099,17	CZK 2 624,48	CZK 314,56
12 - 24 hours	CZK 839,87	CZK 1 049,58	CZK 2 099,17	CZK 3 148,76	CZK 4 198,35	CZK 5 247,94	CZK 630,16

Category A is only possible for non-commercial broadcasting.

Category G is under one heading for the second and every subsequent station when broadcasting several stations (the so-called multi-license).

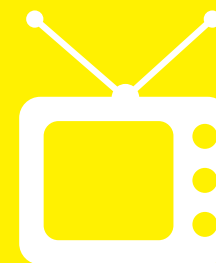
IV. Broadcast transmission and simulcasting



- 4.1 Any entity that makes musical works accessible pursuant to Section 22 of the Copyright Act by simultaneous, complete and unaltered transmission of a work by radio or television wirelessly or by wire is considered to be the **broadcast transmission operator** if the transmission is performed by a person other than the broadcaster.
- 4.2 The royalty for the transmission of a broadcast is set as a **fixed rate for one connection or household according to Table A**, regardless of the price at which the service is offered to the public, the technology used to transmit the broadcast or the scope of the program offer.
- 4.3 The royalty for the transmission of broadcasting was agreed in accordance with Section 98f of the Copyright Act, was duly discussed with users and agreed by the Chamber of Commerce, so that the rate according to Table A will be increased annually in 2020-2023 by inflation published by the Czech Statistical Office for the previous year.
- 4.4 The license to transmit the broadcast also includes the possibility of additional use in the form of the so-called catch-up TV provided that the following conditions are fulfilled:
- the catch-up TV service is provided to customers free of charge
 - viewing is limited to a maximum of 14 days from the date of broadcast
 - the license thus granted does not apply to video libraries with non-broadcast content
 - the license thus granted may not apply to services operated by a company other than the broadcast transmission operator
- 4.5 A household is considered to consist of 3 people.
- 4.6 A **simulcasting operator** is considered to be an entity that carries out a simultaneous, complete, unaltered transmission of radio and television broadcasts via the Internet, and is at the same time a broadcaster of the original terrestrial or non-terrestrial broadcasting. The royalty for an already contractually bound broadcaster with OSA is set at CZK 12 595,05 for the calendar year 2020.

Table A: Calculation of the monthly royalties for the transmission of broadcasts

Period of use (calendar year)	Monthly fee for one connection (or household)
2020	CZK 5,50



OSA – Ochranný svaz autorský pro práva k dílům hudebním, z. s.
Čs. armády 20
160 56 Prague 6
Czech Republic

Company ID No.: 63839997
Tax ID No.: CZ 63839997

web: www.osa.cz
e-mail: vp@osa.cz

phone: 220 315 000