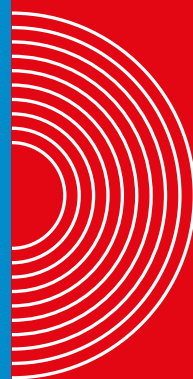
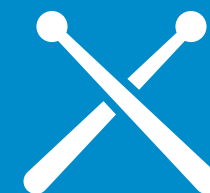
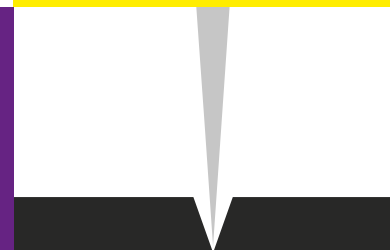


OSA TARIFF
OF ROYALTIES

TARIFF OF ROYALTIES FOR INTERNET USE 2021

valid as of 1/1/2021



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**") pursuant to Section 18(2) of Act No. 121/2000 Coll., the Copyright Act, as amended (hereinafter referred to as the "**Copyright Act**"), for use in the form of live streaming and used on the Internet.
- 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. 1. 2022, the royalties and minimum royalties expressed in nominal amounts in CZK (i.e. not expressed as a percentage rate) will be increased annually by the inflation rate from the beginning of the year (see the highlighted rates).** 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, and subsequently published in a qualified form. The rates thus quantified will be rounded down to two, or in justified cases to three decimal places.
- 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. 1. 2021.

II. Special provisions



- 2.1 Any entity that makes works from the OSA repertoire available via the Internet and at the same time uses these works in the sense of the Copyright Act is considered a **user** according to this tariff.
- 2.2 According to this tariff, an **AVW** is considered to be an audio-visual work or other audio-visual recording containing at least one musical work from the OSA repertoire or a part thereof.
- 2.3 In the case of the **original broadcast of the OSA repertoire within the Internet** (i.e. the broadcast of the original television or radio program via the Internet, where the end user does not have the opportunity to influence the broadcast, e.g. suspend or choose a specific program/song), royalties are listed in the tariff for broadcasting.
- 2.4 For the purposes of this tariff, live streaming is considered to be the communication of a live work to the public absent from the place of such live operation to the Internet without the possibility of making a permanent copy of the work so communicated to the end user.
- 2.5 In the case of use via the Internet, which is not explicitly stated in this tariff, the rates closest in nature to the given use shall be used by analogy.
- 2.6 If the user already has a license granted by another entity in relation to works from the OSA repertoire (the so-called direct licensing), the rate and the minimum rate of royalties are set on an individual basis with regard to the scope of the excluded repertoire and increased administrative costs.
- 2.7 Upon agreement with a specific user, it is possible to arrange a higher royalty than stated in this tariff.
- 2.8 In the event the user does not fulfill his/her obligation under Section 98c of the Copyright Act and does not provide OSA with cooperation in the determination of facts decisive for the calculation of royalties, and these facts cannot be ascertained from generally available sources, royalties in the amount of CZK 318.26 are calculated in 2021 for each started 10 minutes of total footage of all AVW or musical works made available in a given month.

III. Download (i.e. Making works available with the possibility of permanent reproduction)



3.1 Musical works (the so-called Fulltracks Download; Audio-only)

3.1.1 Downloading musical works for a fee

If it is possible to download permanent copies of individual musical works for personal use of end users to the memory of computers or other data storages, the royalties are calculated at **8 % of the final price for the customer without VAT for downloading**, but at least:

Content type (final prices without VAT)	Minimum royalties 2021
Songs	
Song with a final price higher than CZK 25	CZK 2.15
Song with a final price of CZK 25 or less	CZK 1.62
Song with a final price of CZK 18 or less	CZK 1.40
Song with a final price of CZK 15 or less	CZK 1.30
Song with a final price of CZK 13 or less	CZK 0.97
Albums	
Album with a final price higher than CZK 250	CZK 18.41
Album with a final price of CZK 250 or less	CZK 16.24
Album with a final price of CZK 200 or less	CZK 12.99
Album with a final price of CZK 150 or less	CZK 10.83
Album with a final price of CZK 125 or less	CZK 6.50
Album with a final price of CZK 100 or less	CZK 5.19
Album with a final price of CZK 70 or less	CZK 4.32
Album with a final price of CZK 50 or less	CZK 3.24
Single (containing no more than 3 songs)	CZK 3.24

3.1.2 Downloading musical works free of charge

If it is possible to download permanent copies of individual musical works for the personal use of end users to the memory of computers or other data storages free of charge, the royalty for each download is calculated in the amount of:

Type of content	Royalties 2021
Songs	
Song offered as part of an advertising campaign, i.e. for the purpose of at least indirect economic benefit	CZK 1.62
Other free song downloads	CZK 0.97
Albums	
Album offered as part of an advertising campaign, i.e. for the purpose of at least indirect economic benefit	CZK 16.24
Other free album downloads	CZK 3.24
Single (containing no more than 3 songs)	
Single offered as part of an advertising campaign, i.e. for the purpose of at least indirect economic benefit	CZK 3.24
Other free single downloads	CZK 1.95

3.1.3 Downloading musical works within the so-called audio books

In the case of enabling the download of so-called audio books, the royalty according to clauses 3.1.1 and 3.1.2 is reduced depending on the ratio of the footage of the musical works and the total footage of the audio book based on the principle of **pro rata temporis**. In the case of downloading only partial chapters, the royalties in 2021 correspond to a fixed amount of **CZK 0.206 for one download of the chapter**.

3.2 Downloading audiovisual works (Video on Demand) - for a fee or free of charge

In the case of enabling the download of AVW, the royalties are calculated as a percentage of the final price for the customer without VAT, with set minimum royalties for one download of one AVW, in accordance with the rates below. In the event the download is offered free of charge, the royalties correspond only to the values according to the minimum royalties.

AVW type	Royalties	Minimum royalties 2021	
		AVW up to 75 min	AVW over 75 min
Music (video clips, concerts etc.)	6.50 %	CZK 4.40	CZK 8.25
Other (movies, TV series, shows etc.)	2.50 %	CZK 2.37	CZK 4.44

3.3 Ringtones

In the case of enabling the download of ringtones with musical works (especially for mobile phones and other multimedia devices), the royalties are calculated as a percentage of the final price for the customer without VAT, with set minimum royalties for one access (download or activation) of the work from the OSA repertoire according to the following table:

Type of ringtone	Royalties	Minimum royalties 2021
monophonic, polyphonic	12 %	CZK 2.15
real (Real Tones)	9 %	CZK 2.15
welcoming (Ringback Tones)	9 %	CZK 2.15

3.4 Applications and programs

In the case where it is possible to download applications and other programs containing a music component, the royalties correspond to the rate of 3.50 % of the price of the application, but in 2021 at least:

- CZK 0.206 per application with footage of musical works of up to 20 minutes
- CZK 0.86 per application with footage of musical works of over 20 minutes

IV. Streaming (i.e. Making works available without the possibility of permanent reproduction)



4.1 Audio-only playback of music - for a fee or free of charge

In the case of making musical works available on the basis of streaming, the royalty is set at **10 % of the gross revenues generated by the given service without VAT**, but in 2021 at least:

- CZK 4.67 per month for one subscriber in the case of a service based on a subscription (the so-called subscription services), or
- CZK 542.10 for the first 16 000 plays in a month, and CZK 0.033 for each additional play in a given month for non-subscription services

In the case of streaming of only the so-called **audio books**, the royalty is reduced depending on the ratio of the music component and the total footage of the audio book on a pro rata temporis basis. This provision does not apply in the case where the streaming of the so-called audio books is provided only as an additional service to the music streaming service.

In the case of enabling **free playback**, it is possible to determine the royalties alternatively as flat monthly royalties in 2021 in the amount of:

- CZK 954.80 for each started 10 minutes of the total footage of all musical works made available in a given month
- CZK 318.26 for each started 10 minutes of the total footage of all other works made available in a given month (e.g. spoken works with music components)
- CZK 53.04 for each started 10 minutes of the total footage of all works made available in a given month, where the music is only within the scope of advertising, or up to 9 % of the total footage.

In the event the user **makes works available to entrepreneurs for subsequent use by the entrepreneur** in the form of public operation in its premises (or in individual parts of its premises), the monthly royalty rate for such access to the service on request corresponds to the following values:

- 10 % of the gross income generated by the **non-linear B2B streaming** service according to Section 18(2) of the Copyright Act (i.e. use on request in the case where the entrepreneur has the possibility to play the playlists created for it at the place and time it chooses), but at least CZK 51.60 for one establishment or part of an establishment per month
- 4.7 % of the gross income generated by the **linear B2B** streaming service according to Section 18(2) of the Copyright Act (i.e. use on request in the case where the entrepreneur does not have the possibility to influence the order of the works played or the time of playing at its establishment), but at least CZK 30.96 for one establishment or part of an establishment per month.

4.2 Playing audiovisual works (Video on Demand) - for a fee or free of charge

In the case of making AVW available on a streaming basis, the royalties are determined as a percentage of the gross revenues generated by the service (especially from advertising, subscriptions) without VAT, with the determination of the minimum monthly royalties according to the following table:

Type of content	Royalties	Minimum royalties for subscription services (for 1 subscriber) in 2021	Minimum royalties for non-subscription services (for 1 play) in 2021		
			service for a fee (AVW over 75 min)	service for a fee (AVW of up to 75 min)	Free services
Musical AVW (video clips, concerts)	6.50 %	CZK 6.50	CZK 2.74	CZK 1.64	CZK 0.072
Other AVW (movies, series)	2.50 %	CZK 2.15	CZK 1.47	CZK 0.88	CZK 0.03
Music only within advertising (news or sports portals), i.e. up to 9 % of the total AVW footage	0.19 %	CZK 0.316	CZK 0.165	CZK 0.103	CZK 0.004

In the case of enabling free playback, it is possible to determine the royalties alternatively as flat monthly royalties in 2021 in the amount of:

- CZK 954.80 for each started 10 minutes of the total footage of all musical AVW made available in a given month
- CZK 318.26 for each started 10 minutes of the total footage of all other AVW made available in a given month
- CZK 53.04 for each started 10 minutes of the total footage of all AVW made available in a given month, where the music is only within the scope of advertising, or up to 9 % of the total footage.e.

In the event the subscription also includes other services and the price attributable to AVW streaming cannot be determined, the royalties correspond to the minimum royalties rates applicable to the subscription services. For services whose content is mainly produced by the service provider itself and which by their nature correspond to television broadcasting, the percentage of royalties applicable to television broadcasters may be used.

In the event the site operator makes available, for direct or indirect commercial benefit, embedded hyperlinks to musical works or AVW for which the copyright for the use has not been settled by the site operator, the monthly royalty rate in 2021 corresponds to CZK 318.26 for one so-called embedded hyperlink.

4.3 Musical background for websites

Where musical works are used as a background to a website, they do not constitute an audiovisual work together with the website and are played automatically when the website is loaded so that the beginning or end of the work does not depend on the will of the person viewing the website, and the royalty corresponds to the following rates:

- Legal entities, individual entrepreneurs:

The monthly royalty in 2021 is CZK 270.52 for each work and for each 10 000 unique accesses to the work commenced.

- Individuals (non-entrepreneurs), non-profit organizations:

The annual royalties in 2021 amount to CZK 812.63 for each musical work used on one website.

4.4 Websites of right-holders represented by OSA

In the case of websites of right-holders (authors, publishers, heirs) represented by OSA, where musical works to which the person in question has all copyrights are made available free of charge, no royalties are required if:

- the work is made available in order to support the subsequent sale of a license for another type of use (especially a concert, sale of a CD, offer of a music library),
- the work is made available in the streaming mode (i.e. without the possibility of making a permanent copy of this work); and
- the work is made available by the site operator free of charge.

4.5 Websites of school facilities

In the case of websites of school facilities registered with the Ministry of Education, Youth and Sports of the Czech Republic, royalties are not collected if the facility:

- applies to OSA for a free license before using the works,
- concludes a license agreement with OSA,
- indicates the OSA promotional banner for each work made available,
- presents OSA as a project partner in all communication regarding accessible works,
- makes available a maximum of 10 minutes of the total footage of works from the OSA repertoire.

4.6 Live streaming

In the case of using musical works from the OSA repertoire in the form of live streaming, the royalties are calculated similarly in accordance with Article 4.1 (in the case of live streaming only audio parts) or in accordance with Article 4.2 (in the case of live streaming audio-visual parts).



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