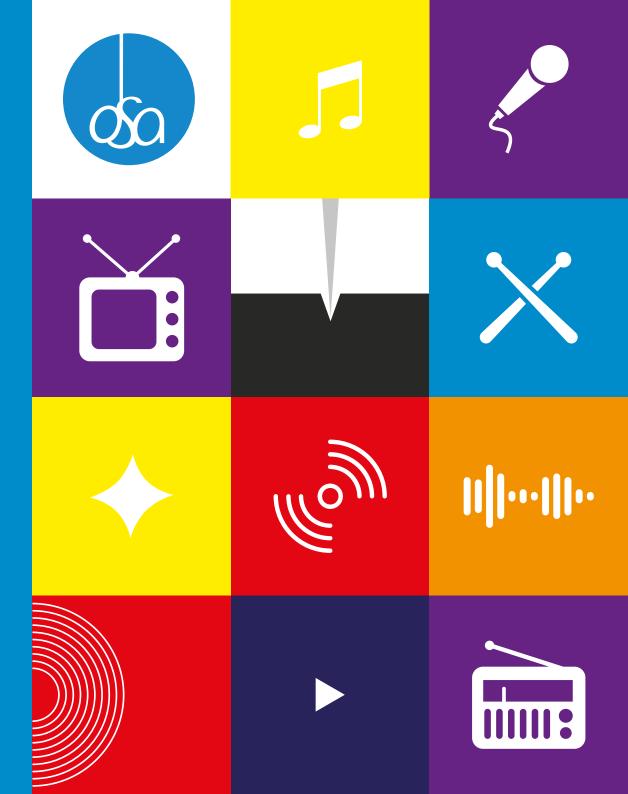
## OSA TARIFF OF ROYALTIES

TARIFF OF ROYALTIES FOR BROADCASTING AND BROADCAST TRANSMISSION

valid from 01/01/2023



# I. Television broadcasting



- 1.1 Every operator of terrestrial or non-terrestrial (via cable, satellite, IPTV or similar technology) television broadcasting, which makes musical works available and is at the same time considered a broadcaster according to Section 21 Copyright Act, is considered a television broadcaster.
- 1.2 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.
- 1.3 The royalties listed in Tables B and C apply to 24-hours-a-day broadcasting. In the case of a shorter broadcasting time, the said minimum royalties are reduced proportionately.
- 1.4 The royalties for **public service broadcasters** are determined taking into account their public service nature, role and sources of financing as well as the character of their programming.

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

Share of music in the broadcast	0.01%-10.00%	10.01%-30.00%	30.01%-45.00%	45.01%-70.00%	70.01%-80.00%	80.01%-100.00%
Percentage rate of the 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

Broadcasting coverage	Share of music in the broadcast							
of population	0.01-10.00%	10.01-30.00%	30.01-45.00%	45.01-70.00%	70.01-80.00%	80.01-100.00%		
86-100%	CZK 20,161.98	CZK 40,190.90	CZK 60,221.10	CZK 80,250.02	CZK 106,912.99	CZK 133,574.71		
66-85%	CZK 18,040.19	CZK 36,079.16	CZK 54,119.38	CZK 72,159.60	CZK 96,301.55	CZK 120,309.12		
40-65%	CZK 14,060.28	CZK 28,120.57	CZK 42,180.88	CZK 56,108.08	CZK 74,812.47	CZK 93,515.60		
20-39%	CZK 12,070.31	CZK 24,141.91	CZK 36,079.16	CZK 48,149.49	CZK 64,201.01	CZK 80,250.02		
6-19%	CZK 8,090.39	CZK 16,048.96	CZK 24,141.91	CZK 32,100.50	CZK 42,843.77	CZK 53,455.22		
1-5%	CZK 6,101.70	CZK 8,090.39	CZK 12,070.31	CZK 16,048.96	CZK 21,489.05	CZK 26,794.78		
1% or less	CZK 4,111.72	CZK 5,437.53	CZK 6,101.70	CZK 8,090.39	CZK 10,743.24	CZK 13,396.10		

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

The minimum monthly royalty is equal to CZK 51.94 for every 1,000 subscriber households in the case of non-terrestrial broadcasting (via cable, satellite, IPTV or similar technology) and CZK 77.28 for every 1,000 subscriber households in the case of music channels, for each broadcast station of the same broadcaster, but always at least CZK 4,111.72 per month and station.

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

If a station is broadcasted both terrestrially and in any other form, the minimum royalty corresponds to the higher amount calculated in accordance with Table B and Table C.

## II. Radio broadcasting



- 2.1 Every operator of terrestrial or non-terrestrial (via cable, satellite or similar technology) radio broadcasting, which makes musical works available and is at the same time considered a broadcaster according to Section 21 Copyright Act, is considered a radio broadcaster.
- 2.2 The royalty is set as a percentage rate 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 based on the number of licenses granted to the broadcaster by the Council for Radio and Television Broadcasting (hereinafter referred to as "CRTB") for one radio station.
- 2.3 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.
- 2.4 The royalties in the base amount already take into account the 0-19% share of spoken word in the broadcast, which may be imposed on the broadcaster by CRTB.
- 2.5 The royalties listed in this tariff apply to 24-hours-a-day broadcasting. In the case of a shorter broadcasting time, the said minimum royalties are reduced proportionately.
- 2.6 A **license from CRTB** is any license granted to a radio broadcaster by CRTB 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 broadcasting the same radio station.
- 2.7 The discount for the minimum share of spoken word in the broadcast set by the CRTB license under Table B of this tariff can be claimed only if the actual share of spoken word in the broadcast falls within the set range.
- 2.8 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 grant 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 broadcasting), it is possible to provide a discount of 80% on the minimum royalties listed in Table A.
- 2.9 The royalties for **public service broadcasters** are determined taking into account their public service nature, role and sources of financing as well as the character of their programming.

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

Number of CRTB licenses	Amount of minimum royalty	
1st license	CZK 13,264.29	
2nd license	CZK 22,549.94	
3rd license	CZK 27,855.67	
4th license	CZK 37,141.33	The broadcaster is entitled to apply, with regard to its gross sales, for a minimum royalty
5th license	CZK 46,425.71	higher than the royalty determined according — to this table (see Table C).
6th license	CZK 55,711.36	
7th license	CZK 62,344.14	
8th and each additional license	CZK 66,322.80	

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

Minimum share of 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	Where the broadcaster pays a <b>monthly minimum royalty for one radio station</b> of at least CZK 100,000 net of VAT as a <b>non-refundable monthly amount</b> , OSA will grant it a discount of 9%. Where the broadcaster pays a minimum monthly royalty for one radio station of at least CZK 200,000 net of VAT, OSA will grant a discount of 11% for the radio station.
category B	Where the broadcaster of <b>several radio stations</b> whose sum of minimum royalties amounts to at least CZK 200,000 per month, OSA will grant the broadcaster 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 discount categories.

#### Table D: Minimum royalties in the case of internet radio

	Maximum number of simultaneous listeners (from all radio servers)						
Scope of use of musical	А	В	С	D	E	F	G
works per day	50	50	125	250	500	500+	500+
uay			Minimu	n monthly royal	ties		
4 hours or less	CZK 258.56	CZK 323.18	CZK 647.65	CZK 970.86	CZK 1,294.09	CZK 1,617.30	CZK 233.20
4-12 hours	CZK 517.12	CZK 647.65	CZK 1,294.09	CZK 1,941.78	CZK 2,588.20	CZK 3,235.89	CZK 387.82
12-24 hours	CZK 1,035.52	CZK 1,294.09	CZK 2,588.20	CZK 3,882.32	CZK 5,176.42	CZK 6,470.54	CZK 776.95

Category A is only possible for non-commercial broadcasting.

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

# III. Broadcast transmission and simulcasting

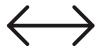
Ĩ Ŵ

- 3.1 Any entity that makes musical works available under Section 22 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.
- 3.2 The royalty for the transmission of a broadcast is set as a **fixed rate for one customer/connection 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 programming.
- 3.3 A customer is a person and the members of his household to whom the broadcaster provides a broadcasting service on the basis of a contract between that person and the broadcaster. Within a customer's household, broadcast transmission can be used on up to 4 devices, such as a TV, tablet or mobile phone.
- 3.4 The royalty for the transmission of broadcasts was agreed in accordance with Section 98f Copyright Act, properly discussed with users and approved by the Chamber of Commerce so that the rate according to Table A will be increased annually in 2020–2023 by the inflation rate published by the Czech Statistical Office for the previous year.
- 3.5 The license to transmit broadcasts also includes the possibility of additional use at the request of the broadcaster in the form of catch-up service (in particular the so-called catch-up TV or NPVR) provided that the following conditions are fulfilled:
  - the catch-up service is provided to customers free of charge,
  - the catch-up 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-broadcasted content,
  - the license thus granted cannot be applied to services operated by a company other than the broadcast transmission operator.
- 3.5 Where the transmission operator does not provide a catch-up service as part of the transmission technology used under the conditions of par. 3.4 and, at the same time, offers no catch-up service to its clients through another technology, a discount of CZK 1.00 will be granted on the royalty defined in Table A. Where the transmission operator provides a catch-up service (whether through the transmission technology used or other technology) which does not meet the conditions under par. 3.4, the operator is obliged to enter into a license agreement with OSA in accordance with the tariff of royalties for use on the internet.
- 3.6 The rate for the broadcaster listed in Table A as "Broadcasting without the possibility of retrospective viewing" applies only in the event that, within the framework of the transmission technology used, the latter does not provide a retrospective viewing service under the conditions of Article 3.5 and at the same time is not offered by the broadcaster to customers by means of another technology. In the event that the transmission operator provides a review service (whether through the transmission technology used or through another technology) which does not meet the conditions set out in Article 3.5, the transmission operator is obliged to conclude a licence agreement with the OSA for this use in accordance with the tariff of royalties for use on the internet.
- 3.6 An entity that carries out simultaneous, complete and 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 is considered to be the **simulcasting operator**. The royalty for a broadcaster who has entered into a contract with OSA is set at CZK 15,529.30.

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

	Monthly royalty for one customer/connection			
Period of use (calendar year)	Broadcasting with the possibility of retrospective viewing	Broadcasting without the possibility of retrospective viewing		
2023	CZK 6.76	CZK 5.57		

# IV. Final provisions



- 4.1 This tariff sets outs the rates of royalties of the collective management organization OSA Ochranný svaz autorský pro práva k dílům hudebním, z.s. (hereinafter referred to as "OSA") for the granting of a license to use musical works of authors and other rights holders whose rights OSA manages (hereinafter referred to as "OSA Repertoire") as part of use in the form of broadcasting under Sections 21 and broadcast transmission under Section 22 of Act No. 121/2000 Sb., the Copyright Act, as amended (hereinafter referred to as "CA" or "Copyright Act").
- 4.2 A musical work according to this tariff shall mean any musical work and any verbal work used in connection with a musical work.
- 4.3 The rates of royalties are stated exclusive of VAT which shall be added at the standard rate according to general legislation.
- 4.4 The minimum royalty is considered the minimum value of the OSA Repertoire regardless of the scope of use of the OSA Repertoire.
- 4.5 From 1 January 2024, the rates of royalties and minimum royalties for the previous year expressed in nominal amounts in CZK (i.e. not as a percentage rate) shall be increased annually from the beginning of the year by the inflation rate for the previous year. In accordance with Section 98f CA, 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 for the previous 12 months, expressed as a percentage, as published by the Czech Statistical Office every calendar year for the previous year. After publication of the inflation rate according to the previous sentence, the royalty rates valid for the given year shall be also increased in the tariff for the next year. The rates thus increased shall be rounded down to two decimal places and then the increased rates shall be published.
- 4.6 Cases not regulated by this or any other tariff shall be handled by agreement.
- 4.7 The rates of royalties are set for each commenced calendar month of use unless otherwise stated.
- 4.8 This tariff shall replace any previous tariffs which set the rates of royalties for the granting of a license to use the works as specified in this tariff.
- 4.9 This tariff shall come into force and take effect on 1 January 2023.

OSA – Ochranný svaz autorský pro práva k dílům hudebním, z. s. Čs. armády 786/20 160 56 Praha 6 Česká republika

ID No.: 63839997 Tax ID No.: CZ 63839997 web: www.osa.cz e-mail: vp@osa.cz

tel.: 220 315 000

*o*sa

