Distribution Rules

Please note that the Czech version of Distribution rules is official and authoritative and should apply to all disputes arising out of this document. English translation is informative only and should be cross-referenced with the Czech version.

Fundamental provisions / Article 1

1. 1. The Distribution Rules form the body of fundamental rules for the distribution of royalties collected for the use of musical works and lyrics used in connection with musical works for the copyright holders who entered into a contract with OSA or whose rights are collectively managed by law and for the copyright holders who entered into a contract with other collective management organizations (hereinafter referred to as "CMOs") who authorized OSA to exercise collective management.

1. 2. Royalties are paid out if the work used during the applicable distribution period has been duly registered by the copyright holder and if the royalty has been paid by the user. At the request of OSA, the copyright holder is obliged to substantiate his legal claim. The Supervisory Board of OSA can decide in exceptional cases also otherwise.

1. 3. Any and all changes to the Distribution Rules shall be implemented as of 1 January of the year that follows the year in which the changes were passed by the General Assembly, unless the General Assembly decides otherwise.

1. 4. These Distribution Rules shall apply accordingly to the distribution of income from any unjust enrichment surrendered. Collected payments attached to royalties (a default interest, a contractual penalty) shall be distributed and paid out along with the royalties under the provisions of these Distribution Rules.

1. 5. To cover its costs reasonably incurred in relation to the exercise of collective management, OSA may withhold administrative cost deductions from collected royalties, from income from unjust enrichment and from the invested income from the exercise of rights. Their amount shall be determined by the Supervisory Board with regard to the maximum efficiency of the costs reasonably incurred. If the reasonably incurred costs are lower than the sum of the administrative cost deductions withheld, the excessive administrative cost deductions, depending on their amount, will be, subject to approval of the Supervisory Board, either distributed to eligible copyright holders in proportion to the administrative cost deductions withheld therefrom, or transferred to the reserve fund in case that such allocation is uneconomical. If the reasonably incurred costs are higher than the sum of administrative cost deductions withheld, the deficit in administrative cost deductions shall be covered from the reserve fund.

1. 6. Under the Copyright Act, OSA shall create a reserve fund that will be financed from funds withheld from royalties distributed per analogy and from income from surrendered unjust enrichment, if any. The reserve fund aims, in particular, at paying recognized complaints about justified claims exercised by copyright holders, ensuring a balanced economic result and sstabilizing royalty distributions and payouts.

1. 7. OSA is entitled, under the Copyright Act and reciprocal agreements with foreign collective management organizations, to deduct up to 10 % from royalties for performing rights and from remuneration according to paragraph 4.5. of Distribution Rules and to use them for cultural, social and educational purposes.

Definition of copyright holders / Article 2

FOR THE PURPOSES OF THESE DISTRIBUTION RULES,
COPYRIGHT HOLDERS ARE AS FOLLOWS:

2.1. Composer (C), i.e. a natural person who has created a musical work. If more persons have contributed to the creation of a musical work, the said persons are considered to be joint authors.

2.2. Lyricist (A), i.e. a natural person who has created a work of literature (lyrics) used in connection with a musical work. If more persons have contributed to the creation of lyrics, the said persons are the joint authors of the lyrics.

2.2.1. An author of lyrics is entitled to a share in the royalties even if the work is performed, broadcast or published on a carrier in instrumental form only.

2.3. Sub-Lyricist (SA), i.e. a natural person who has created a local version of lyrics in other than the original language or, as the case may be, have otherwise adapted the original lyrics. A sub-lyricist of copyrighted works is entitled to a share only if he submits a written consent of the holder of the copyright to the musical element and to the original lyrics, if translated or otherwise adapted. Unless the written consent provides for royalty distributions, OSA shall apply its distribution key (see Schedule 2). The consent is not required if the work forms a part of a larger cycle and the consent to create a local version of the lyrics or to otherwise adapt the lyrics has already been granted.

2.4. Arranger (AR), i.e. a natural person who has arranged a copyrighted musical work in a creative and unique manner.

2.4.1. A work may be arranged upon the copyright holder's written consent only. Arrangers are not entitled to shares in the royalties until the consent is submitted. If the written consent is not provided also for royalty distributions, OSA shall apply its distribution key (see Schedule 2).

2.4.2. Arrangers are entitled to royalties for public non-theatrical performances and radio and television broadcasts only if their name has been expressly stated in the user's report and the arrangement has been registered under a domestic work registration or under international documents.

2.4.3. Arrangers share the royalties collected from audio and audiovisual carriers only if their name is stated in the producer's report and the arrangement has been registered under a domestic work registration or under international documents.

2.4.4. For the purposes of these Distribution Rules, arrangements do not include, in particular, the addition of harmonic, dynamic or agogic accents, addition of articulation marks, addition of fingerings, scoring for organ or other keyboard instruments, transformation of ancient transcriptions into currently used forms of transcriptions, corrections of old mistakes in original scoring and similar edits, transpositions (transfers to another key or voice pitch), deletion of voices, exchange or multiplication of voices, simple addition of parallel voices, attribution of existing parts to other instruments (simple transcriptions), cancellation or addition of repetitions, addition of melodic embellishments.

2.4.5. Arrangements of works that had been registered but ceased to be protected by copyright as of 30 November 2000 and whose copyright protection has resumed since 1 December 2000 shall be deemed to constitute authorized arrangements of copyright-

ed works. Arrangers will be entitled to a share in the collected royalties under the OSA distribution key (see Schedule 2, Article 2. 1. and Article 3. 1.).

2.5. Publisher (E), i.e. a natural person or a legal entity that acquires publishing rights to musical works on the basis of license agreements.

2.5.1. Publishing license agreements are deemed license agreements wherein the author, or the heir of the copyrights, grants an exclusive license to the publisher to exercise the rights collectively managed by OSA, or a license to reproduce musical works otherwise than through performances by performing artists (e. g. in print).

2.6. Sub-publisher (SE), i.e. a natural person or a legal entity who acquires license to exercise a right collectively managed by OSA under a sub-license agreement concluded with the original publisher.

2.7. The publishers and sub-publishers whose copyrights are administered by OSA shall:

a) provide OSA, for registration purposes, with correct and complete information on all license and sub-license publishing agreements via the appropriate registration forms or electronically through the appropriate copyright holder´s electronic account. The information specified therein is decisive for registration; a copy of an agreement can be supplied simply for archiving purposes;
b) provide complete information necessary to protect the rights to the works for which they exercise copyrights and to distribute royalties for the use thereof if requested by OSA.

Registration of new works / Article 3

3.1.

3.1.1. Published works or works released by the author for publishing are registered with OSA records on the basis of an OSA form entitled “registration form”, or electronically via the relevant electronic account of the copyright holder. The work must be registered by each of its authors/co-authors or, as the case may be, another copyright holder. The work that is registered by its copyright holder in the OSA records is deemed to be a work offered for publishing.

3.1.2. Each copyright holder will receive an annual computer statement of all his newly recorded work registrations that will serve as a confirmation that the work has been registered and classified in the applicable category (see Schedule 1 hereto). An eligible copyright holder may file an objection against the registration or classification of a work in an applicable category of Schedule 1 within three months of receiving the notice of registration. In addition, copyright holders may request that OSA confirm the receipt of a work registration or a cue-sheet, e. g. by means of a confirmation on a copy or in another manner that is not demanding in terms of administration, or he may obtain a copy of the registration at his own expense.

3.1.3. Title to royalty distributions only inures to the authors of the works publicly used after the work registration is filed. OSA may distribute the royalties for the usages of works that occurred during the distribution period prior to the work’s registration.

3.1.4. A copyright holder shall notify and prove to OSA in writing any and all changes to his works that affect royalty distributions.

3.1.5. Changes can be reflected in the distribution for the entire distribution period only if notified in time.

3.1.6. If a license is assigned, sub-license is granted or the work is used abroad, the copyright holder shall supply the title(s) of the composition used abroad and information on the author of the foreign lyrics.

3.1.7. All the required columns of registration forms must be filled in legibly and signed with a true name and surname. Should an author insist on disclosing a registered composition under a pseudonym, he shall state only the pseudonym instead of his name and surname. However, the registration must be at all times signed under his true name and surname

3.1.8. The Creative Committee determines the classification of a composition into the applicable category under Schedule 1 hereto on the basis of the genre, form and ensemble for which it is composed.

3.1.9. An arranger of a free license musical work or lyrics shall include the transcription or the lyrics in the registration that prove his creative contribution and supply the transcription or, as the case may be, recording or the entire lyrics along with the original composition if requested by OSA.

3.1.10. Works by a copyright holder that was represented by another CMO in the past may be registered in the OSA records on the basis of documents supplied by such CMO.

3.2. A copyright holder whose copyrights are administered by OSA shall use his civil name that corresponds to his identity card in all communications with OSA. A living author may choose a pseudonym. He can cease to use the pseudonym at any time.

3.2.1. OSA may refuse to register a pseudonym that corresponds to the civil name of another author. If an author chooses a pseudonym already used by another author, OSA shall notify this author of the risk of confusion and invites the author to change the pseudonym. If the author insists on using this pseudonym, OSA will not hold any liability in respect of the author for the resulting damage, if any.

3.2.2. The pseudonym is registered along with the civil name in an international database.

3.3. OSA is obliged and authorized to return incomplete, illegible or damaged registrations, registrations written in pencil, or otherwise corrupt registrations to the copyright holder. Royalties for the works contained in these registrations may not be distributed before these defects are removed.

3.3.1. If a work is scored for various ensembles, a distinction must be made among the individual versions, e. g. by specifying the instruments or otherwise, or by means of separate registrations.

3.3.2. If a registration of the work is submitted by a copyright holder who has not created the work, he shall state the name and surname of the author and sign the registration in his own name.

3.3.3. Should there be any discrepancies regarding the information contained in the regist-rations, OSA will invite the copyright holder to remedy the same. Unless an agreement is reached by all the copyright holders or unless another binding decision is made, OSA is obliged and authorized to suspend the payment of royalties for the affected works. OSA may set out a six-month period for claims to be exercised in a due legal process. If no claim is exercised in a due legal process during that period of time, OSA may pay the royalties to the priority copyright holder in accordance with the registration date.

3.3.4. Should OSA find out that a copyright holder failed to register any of its works that has been used, it shall invite the holder to send the registration, setting an appropriate

deadline. Royalties for additionally registered works can be distributed no sooner than in the following distribution period.

3.3.5. If a lyricist creates lyrics to a copyrighted musical work additionally, he shall submit a work registration along with the copyright holders' written consent granted in respect of the creation of the lyrics to the composition and an agreement of the copyright holders on the distribution of royalties. This procedure shall apply accordingly if a composer composes music for copyrighted lyrics. If the copyright holders fail to submit an agreement on the distribution of royalties, OSA shall apply its own distribution key. A separate written declaration is not required if the copyright holders for both the musical work and the lyrics have entered into agreement with OSA. In that case, identically filled-in registrations for the work submitted by all the authors will be sufficient.

3.3.6. OSA may ask a copyright holder to submit a work's transcription or audio recording if necessary or advisable to protect copyrights or to distribute royalties. OSA will be liable for any misuse and loss of borrowed transcriptions or audio recordings and shall return the same to the copyright holder once the purpose behind this measure ceases to exist. A copyright holder shall adequately mark any works created using existing third-party works or motifs.

3.3.7. If a single musical work is combined with various lyrics by agreement, the emerging combined works must be uniquely identified with separate titles so as to avoid the risk of confusion.

3.4. Copyright holders cooperating with the producers of audiovisual works shall provide OSA with reports of works created by order of these producers. The reports are filed in a separate form entitled a „cue-sheet" or electronically via the applicable electronic account of the copyright holder where the copyright holder states the actually used duration of newly created (composed) music and the actually used duration of archived music (music previously created and registered with OSA) in respect whereof the title and authors of the work will be identified. The set must correspond to the chronological order of the scenes. Registrations by other authors of musical works used in the film, including but not limited to the claims of arrangers, shall be confirmed in writing by the original author of the work.

3.4.1. In disputed cases involving films the musical part whereof consists of works by various authors, the cue-sheet of production company's person responsible for the musical component (e. g. a music director) shall be decisive. The cue-sheet must include either the footage or duration in seconds (1m = 2.2 seconds of linear time). OSA may review whether the specified data are correct.

3.4.2. If the duration of the individual music loops in a film is unknown and could be determined pro rata to the total duration of music in the film, the royalties for the music will be distributed proportionally to the individual loops.

3.4.3. If the duration of the individual music loops in a film is unknown and its total duration cannot be determined, the royalties will be distributed as follows:

if 1 to 30 compositions are used in one film:	36 seconds per work;
if 31 to 50 compositions are used in one film:	24 seconds per work;
if 51 to 100 compositions are used in one film:	12 seconds per work;
if more than 100 compositions are used in one film:	6 seconds per work.

If only parts of works are used, only half of the seconds as stated in the key above shall be allocated. If a calculation based on this key yields a duration that forms more than 2/3 of the used part, it must be reduced proportionally.

3.5. A work created for the purpose of being included in an advertising spot shall be registered by the copyright holders in a form “registration form - musical work for use in advertisement” or electronically via the applicable electronic account of the copyright holder. The copyright holder shall specify, in particular, the name of the advertising spot, name of the work and all its authors.

3.6. The copyright holder is liable for the correctness and completeness of the data stated in the filed registration or cue-sheet. OSA assumes no liability and provides no warranty for damage that may be suffered by any party in royalty distributions or in the protection of copyrights as a result of incorrect or incomplete data.

3.7. A copyright holder may only inspect registrations and cue-sheets regarding his own works or regarding works to which he exercises copyrights.

3.8. Admitted registrations and cue-sheets become the property of OSA.

3.9. A copyright holder who entered into an agreement with OSA undertakes to provide OSA with any and all agreements and arrangements on any use of the works which he has created or to which he owns copyrights whenever their contents may affect the activities of OSA or royalty distributions.

3.10. The documents submitted by the copyright holder for registration purposes include, in particular, as follows:

a) agreements among copyright holders regarding their mutual claims;
b) publishing agreements;
c) agreements to assign a license or to grant a sub-license abroad or to obtain such rights from abroad in order to use a work; in such cases, the royalties shall be distributed in compliance with the contents of these agreements;
d) authorizations of localized versions of lyrics and all other types of the adaptations of the original work;
e) agreements on the creation and distribution of a musical work used in an audiovisual work.

3.11. If a copyright holder fails to submit agreements for registration, OSA may suspend the payment of its share arising from these agreements.

3.12. In addition, OSA may suspend the payment of disputed royalties whenever:

a) requested in writing by one of the copyright holders due to initiated court proceedings;
b) it discovers severe discrepancies while performing its activities;
c) requested by a foreign sister society.

OSA shall inform all the stakeholders of the payments’ suspension in writing. Disputed royalties shall not be paid out until the dispute is resolved.

3.13. The works in respect whereof publishers exercise copyrights based on sub-license agreements will be registered in the OSA database automatically provided that the applicable data are supplied in electronic format compliant with the standard employed by OSA. The works of foreign authors or, as the case may be, heirs of copyrights thereto, may be registered on the basis of a printed form or electronic registration that contains

information on the conclusion of a license publishing agreement with a publisher who holds the rights to such works.

3.14. The registered works of copyright holder who entered into an agreement with OSA shall be registered into an international database of musical works.

Collection of royalties / Article 4

4.1. Royalties for the use of musical works and statistic records are collected separately for the following types of use.

4.2. Public performance of musical works:

4.2.1. Live public performances

a) concert performances of musical works
b) other live performances of musical works

4.2.2. Background music

a) discotheques and video discotheques
b) radio and television devices and playback devices used in public premises

4.2.3. Cinemas

4.2.4. Radio broadcasts of musical works, including cable and satellite broadcasts and simulcasting

a) Český rozhlas (Czech Radio)
b) other stations

4.2.5. Television broadcasts of musical works

a) Česká televize (Czech Television)
b) other TV stations

4.2.6. Retransmission of television broadcasts

4.2.7. Digital and online media

On-line rights are divided into two fundamental categories under the applicable international rules; each category includes both mechanical and the communication to the public rights (performing rights):

a) category of interactive on-line rights – e. g. ringtones, downloads, podcasting;
b) category of non-interactive on-line rights – e. g. Internet radio and television, the background music of websites.

4.3. Mechanical rights:

4.3.1. Reproduction of musical works performed by performing artists, i.e. making temporary or permanent reproductions of works

4.3.2. Distribution of the reproductions of musical works recorded on audio or audiovisual carriers

4.3.3. Rental and lending

4.3.4. Making of temporary reproductions of audiovisual works via digital and online media (so-called “on-line video rentals”)

4.4. Use of an existing and published (archived) musical work in the production of an audiovisual work or a radio advertisement (synchronization)

4.5. Private copying (audio or video)

4.6. OSA collects royalties from users on the basis of concluded (individual, cumulative or collective) agreements or on the basis of generally binding legal rules and regulations. The users' obligation to submit reports regarding the used musical works shall form an integral part of all the agreements. OSA shall maintain records of the quantity and manner of the musical works' uses on the basis of reports with correctly and legibly completed data.

4.7. OSA may choose not to collect royalties for the use of a work for humanitarian or charity purposes or whenever the collection is uneconomical.

4.8. Programs reported by the users of works that contain the names of a copyright holder or other information with an outstanding frequency that makes these programs seem untrustworthy will be excluded from statistical processing in compliance with a decision of the Management Board and the distribution of royalties for the used musical works will be suspended until due resolution. Should breaches of the correctness principle be found, the Supervisory Board shall adopt a decision on follow-up measures.

4.9. In especially justified cases, the Supervisory Board may decide to distribute the royalties for an individual use directly, i.e. to distribute the collected royalties between the entitled copyright holders after the deductions for administrative costs.

Process of distribution / Article 5

5.1.1. The fundamental prerequisite for royalty distributions is the user´s report regarding the used musical works and a duly filled in registration form (or international documentation for a foreign work) or a cue-sheet for audiovisual works or a registration form - musical work for use in advertisement. In case that the user´sreport regarding the used musical works is incomplete, the royalties for the archived music (music previously created and registered with OSA) used in an audiovisual work or an advertising spot shall be distributed based on information from the copyright holder specified in the form "notification of a musical work used in an audiovisual work" or in a cue-sheet.

5.1.2. The distribution works defined in Article 5. 5. (Radio broadcasts) and 5. 6. (Television broadcasts), and the works immediately related thereto are carried out on the basis of a fixed point value in Czech crowns for the applicable calendar year ("CPV"). The distributions under the above Articles shall be carried out as follows:

a) after the end of the distribution of use in an observed calendar year, not later than by the end of the second month following the last distribution of such use, OSA shall, having analyzed the current and future development of collected and paid royalties, set the CPV for each type of distribution which will apply to the observed year;
b) if the use of a work has been paid and processed statistically, the royalty is calculated and credited to the personal account of the copyright holder kept with OSA;
c) a positive difference between distributed royalties for the use in an observed calendar year and the applicable collection shall be included into the base amount to calculate CPV for the consequent calendar year and if such excess exceeds 5 %, it shall be proportionally distributed between copyright holders according to the income from the use in question; a deficit, if any, shall be financed from the reserve fund;
d) the Supervisory Board may decide otherwise in the event of extraordinary shortfalls/ excesses.

5.1.3. The distribution of royalties for the use of a musical work in radio and TV broadcasts is based on the actual duration of the work used. The Supervisory Board

may determine an average duration for other radio stations and monitor the frequency of use only from the statistical point of view.

5.1.4. The distribution of royalties for the individual types of use in the mechanical rights group will be based on the statistics collected or documents supplied by users regarding the use of the works (quantity, invoicing on the basis of the duration of the musical works' use, selling price).

5.1.5. If defects present in incomplete or insufficient underlying documents cannot be remedied additionally or if the distribution of royalties would entail apparently inadequate costs, the distribution method will be determined by the Supervisory Board upon agreement with the Management Board.

5.2. Live public performances

5.2.1. Concert performances of musical works

5.2.1.1. The productions where musical works and their interpretations form the main part and substances of an organized event and the other elements of a performance, like spoken word, dancing elements or visual effects, form only marginal components, do not form separate works but are aimed at supporting the performed musical works are regarded as concert performances for the purposes hereof.

5.2.1.2. Royalties collected for a particular performance shall be distributed, after the deduction for administrative costs of OSA, between the copyright holders of the used works whose copyrights are being administered by OSA. Thus calculated amount of royalty shall be further multiplied by a coefficient for concert performance of under the relevant category of works as specified in Annex 1 hereto; the resulting value represents the support of concert performances and it shall be drawn from the OSA Cultural, Social and Educational Fund.

Where the amount for performance was collected as unjust enrichment (under the Copyright Act), the collected amount shall be calculated for the purposes of calculating support of concert performances in the amount, as it would be collected in case of due performance of obligations by the organizer. In case of concerts with a gross collection exceeding CZK 40,000, a collection of CZK 40,000 is being used for the purposes of calculation of support of concert performances.

5.2.1.3. Royalties for pop music festivals with a gross collection of CZK 30,000 and over (in the case of multiday festivals, with a gross collection of CZK 30,000 and over per one day) shall be allocated in the following manner:

a) If all performances take place on a single stage, the royalties shall be allocated for the whole festival (in the case of multiday festivals, the royalties for each day separately) to the individual playlists and works included therein according to the duration of the works used. The procedure shall be the same if OSA does not have credible information available enabling distribution according to item b).
b) If all performances take place on multiple stages and a percentage breakdown of attendance at the individual stages is available from the organizer or from OSA's own activity, the royalties for the whole festival shall be allocated (in the case of multiday festivals, royalties for each day separately) to the individual stages proportionally according to the percentage share of attendance and the total duration of works used on individual stages. The calculation shall be conducted by multiplying the coefficient expressing the proportion of attendance at the stage and the coefficient expressing the share of the duration of works used at such

stage out of the total duration of works used at the whole festival (in the case of multiday festivals, from the duration of the works used on the given day). The product of these values for each stage will be the basis for the proportionate allocation of royalties to individual stages. The royalties thus allocated to each stage shall then be allocated to the individual playlists and works included therein according to the duration of the works used.

5.2.2. Other live performances of musical works

5.2.2.1. The performances that do not meet the conditions for concert performances laid down in Article 5.2.1.1. are regarded as the other live performances of musical works for the purposes hereof.

5.2.2.2. Royalties collected for a specific performance shall be distributed, after the deduction for administrative costs, between the copyright holders of the used works whose copyrights are administered by OSA.

5.2.3. General principles

5.2.3.1. The royalties collected for a performance shall be allocated to the individual works used proportionally depending on their duration specified in the playlist or, if there is no duration included, depending on the duration of the work registered in the OSA database. If the duration of a work is not known, the average duration specified in Schedule 1 hereto for each of the categories shall be used for the purposes of distribution. In case that a work is registered by its author only after its use and, after the distribution of royalties for such use, the average duration in category 7 shall be used for the purposes of the distribution.

5.2.3.2. If the organizer fails to deliver a list of works used (a playlist) and in case it is a repeated performance (programs with a constant name, concerts or recitals of stable bands and interprets), the list of works used (a playlist) of the same program, band or interpret shall be used for the distribution of royalties, which OSA has at disposal from the previous report or which was delivered by the band master, any of the copyright holders, a band leader etc., if there are no apparent doubts about the correctness of the repertoire.

5.2.3.3. Illegible or incorrectly completed reports shall not be processed. If the number of works (or the total of their durations) specified in the playlist is in an apparent disproportion in relation to the specified or assumed duration of the performance, the Supervisory Board or the Distribution Committee within its authorization shall decide about the manner of distribution; such playlist can be excluded from the distribution.

5.2.3.4. The royalties for performances for which no playlists are delivered by the end of the calendar quarter following the quarter in which the royalties have been paid and for the performances of which playlists are excluded from the distribution under the previous Article shall be distributed together with royalties under Article 5.3.1.

5.2.3.5. If the list of works used (playlist) from pop music production divides the performance into a main group and a pre-group (pre-groups), or the main portion of the program and a pre-program, the revenue will be allocated – unless there is another agreement among the copyright holders to all works used – in the following manner:

– pop music production with a gross collection of less than CZK 30,000: a share of 75 % for the main program and 25 % for the pre-program
– pop music production with a gross collection of CZK 30,000 and over: a share of 90 % for the main program and 10 % for the pre-program.

5.3. Background music

5.3.1. Royalties collected for the use of musical works via radio and television devices and other playback equipment in public premises and in hotel rooms or for the use at discotheques and video-discotheques will be distributed, after the deductions for administrative costs, proportionally depending on the distributed sum of income for the use of the individual works in radio and television broadcasts and at live public performances – concert performances for previous calendar year.

5.3.2. Royalties for uses for which a license was granted for specific works from the OSA repertoire will be distributed directly to copyright holders.

5.4. Cinemas

5.4.1. The use of audiovisual works (most commonly feature films) at places accessible to the public, most commonly in the network of movie theaters or on similar screening premi-ses will be deemed to be public performances of audiovisual works. Musical works used as an integral part of audiovisual works (e. g. a film) will be deemed to be musical works used audiovisually.

5.4.2. The distribution of royalties will be based on an overview of actually performed audiovisual works that is regularly submitted, along with the quantity of tickets sold for individual performances, by the entity that collects the relevant statistical data regar-ding the public performances of individual audiovisual works in the network of movie theaters and regarding the number of their viewers.

5.4.3. The royalties collected from the individual performers shall be distributed in aggregate between the copyright holders as follows: The royalties are allocated among individual audiovisual works in proportion to the number of tickets sold for their performance during the relevant period. The specific amounts attributed to each audiovisual work are then distributed to the rights holders of the musical works used therein according to their duration.

5.5. Radio broadcasts

5.5.1. Statistics are maintained for two groups:

a) Český rozhlas (Czech Radio)
b) other radio stations

5.5.2. In the statistical monitoring, the manner in which each work is used will be expressed by the applicable coefficient specified in the table below.

For the purposes of radio distributions, the following definitions will be used:

– theme song: a musical form that characterizes a specific station or a program;
– jingle: musical intermezzo that shows features of a copyrighted work.

Use	Coefficient
Theme songs or works and fragments thereof, if appearing regularly in the broadcast as headlines, jingles or introductory or closing music typical for a program; music for daily or weekly news programs, for weather forecasts and self promotions. Regular broadcast is deemed broadcast that is repeated for no less than five consecutive days or once a week for seven consecutive weeks.	1
performed music, music accompanying an advertising spot, concert broadcast and music not falling within the coefficient 1 category	5

If the duration of a used work that falls within coefficient 1 category in the table above exceeds 85 minutes for each calendar month by a single radio station, the minutes in excess of that limit will be multiplied by the 0.5 coefficient. If the user's report does not clearly indicate how the music was used, coefficient 1 will be used.

5.5.3. Český rozhlas (Czech Radio)
Distribution of royalties by the individual stations will be carried out separately. The Supervisory Board shall assign a coefficient to the individual stations on the basis of the following table:

Station's category	Coefficient
a nation-wide station in the broadcasting of which the music is a program-forming element	3
a nation-wide station in the broadcasting of which the music is a complementary element of the program	2
a regional station in the broadcasting of which the music is a program-forming element	1,5
a regional station in the broadcasting of which the music is a complementary element of the program	1
a digital station in the broadcasting of which the music is a program-forming element	0,2
a digital station in the broadcasting of which the music is a complementary element of the program	0,1

5.5.4. Other radio stations distributed terrestrially, via satellite or online broadcast
OSA shall allocate for each radio station a coefficient arising from the collected amount (including collection for simulcasting). Only reports of broadcasters who paid royalties in the amount of at least CZK 30,000 per station for the preceding calendar half-year based on their licence agreement with OSA shall be statistically processed. Distribution of royalties from the individual broadcasters shall be carried out separately. Statistic monitoring of stations shall be maintained on the basis of:

a) full lists of compositions used that will at all times specify the given station for broadcasters who paid royalties of no less than CZK 75,000 per station in the past calendar half-year;
b) a list of compositions in a single, randomly chosen month of the relevant calendar quarter for broadcasters who paid royalties amounting to less than CZK 75,000 per station in the previous calendar half-year.

The collected royalties (including simulcasting collections) for previous two calendar years will be decisive for determining the coefficient resulting from the collected amount.
The royalties for stations with a collection of less than CZK 30.000 per half-year shall be distributed together with royalties under Article 5.3.1.
5. 5. 5. General principles
The R/TV coefficient of the used composition will be multiplied by the duration used, its use coefficient, station coefficient and its point value in Czech crowns. The result is the royalty for the use of the relevant composition. In compliance with international rules, 2/3 of the royalties will be distributed depending on the proportions applicable to public performance distributions and 1/3 of the royalties will be distributed depending on the proportions applicable to mechanical rights distributions. Royalties for original radio broadcasts via digital and online media will be distributed on the basis of underlying documents supplied by the individual users. In compliance with international rules, 75 % of royalties for copyrights will be distributed depending on the proportions applicable to public performance distributions and 25 % of royalties from copyrights will be distributed depending on the proportions applicable to mechanical right distributions, in relation to original radio broadcasts.

5.6. Television broadcasts
5.6.1. Television broadcasts are divided into two groups:
a) Česká televize (Czech Television)
b) other TV stations
5.6.2. Within the statistical monitoring, the manner in which each work is used will be expressed by the applicable coefficient specified in the table below.
For the purposes of TV distributions, the following definitions will be used:
- theme song: a musical form that characterizes a specific channel or a program;
- music to audiovisual intermezzo/jingle: a short audiovisual work accompanied by graphical elements that characterizes a specific channel or a program, if applicable;
- film music: music that forms a copyrighted component of a film work;
- performed music: music during the broadcast whereof its performer(s) is/are present on the screen directly or where the purpose of the broadcast is the presentation of a musical work;
- music for an advertising spot: an advertising spot is deemed any footage that is produced with the aim to persuade and seek users of goods, services or other performances or values and that is distributed for the advert's client via communication media against consideration or another counter-value;
- music to TV program promotions (music from a TV program or composed music): an audiovisual clip aimed at promoting a specific TV program and providing information on the time of its broadcasting by the TV broadcast operator;
- broadcaster-produced audiovisual works: audiovisual works produced by a broadcaster that concluded a collective license agreement with OSA whereunder a musical work was embedded in the audiovisual work.

	Use	Coefficient
A	Music played behind broadcast teletext, videotext, monoscope or for testing and trial purposes	0,1
B	Jingles or works and fragments thereof if appearing in the broadcast on a regular basis as headlines, jingles, introductory and closing music typical for a television program, music for daily or weekly news broadcasts and weather forecasts, music to game shows, reality shows, talk shows and music used in sports broadcasts, TV shopping programs, music in audiovisual intermezzos/package	1
C	Film music and music that forms a part of other audiovisual works and programs not mentioned in any of the other categories and trailers	3
D	Performed music, music videos, music for an advertising spot	6

If the duration of a used work that falls within coefficient 1 category in the table above exceeds 85 minutes for each calendar month in a single TV channel, the minutes in excess of that limit will be multiplied by the coefficient 0.5. If the user's report does not clearly indicate the use, coefficient 1 will be used.

5.6.3. Inclusion of music al works in audio visual works produced by the broadcaster

Royalties for the inclusion of musical works in audiovisual works produced by a broadcaster on the basis of a license agreement with OSA (so-called archival works) are allocated using a coefficient of 18 concurrently with royalties for broadcasting for the calendar month in which the audiovisual work was premiered by that broadcaster.

5.6.4. Česká televize (Czech Television)

Statistics will be maintained for each channel separately.

The statistics are maintained on the basis of a full list of the used musical works; the duration of each work will be calculated for the observed period of time and multiplied by the coefficient applicable to the type of use in question. The statistical records will include the coefficient applicable to the station that will be determined by its share of the average rating of viewers for the observed period pro rata to all channels of the broadcaster as a whole.

5.6.5. Other TV stations distributed terrestrially, via satellite or online broadcast

OSA will allocate coefficients to TV channels on the basis of the amounts collected. Statistics will only include reports by broadcasters that paid royalties in the amount of no less than CZK 20,000 per month and channel in the previous calendar half-year under their license agreements with OSA. Distribution of royalties from the individual broadcasters will be carried out separately. The statistics of the channels will be maintained on the basis of:

a) a full list of compositions used that will at all times specify the given channel for channels with collected royalties of no less than CZK 100,000 monthly per channel;
b) a list of compositions in a randomly chosen day of the week for channels with monthly collected royalties ranging from CZK 50,000 to 100,000 per channel;
c) a list of compositions on a randomly chosen day of the month for channels with monthly collections ranging from CZK 20,000 to 50,000 per channel.

The royalties collected for the previous calendar-half year will be the decisive period for the classification of channels in their groups.

Royalties for stations with a collection of less than CZK 20.000 per month shall be distributed together with royalties under Article 5.3.1.

5.6.6. If a broadcaster operates more TV channels, the distribution will be carried out collectively for all the operated channels of such broadcaster. The statistical records will record the coefficient applicable to the channel which will be determined by its share of average rating of viewers for the observed period pro rata to all channels of the broadcast as a whole or, as the case may be, by the share of collections for the individual channels as defined in the license agreement.

5.6.7. General principles

The R/TV coefficient of the used composition will be multiplied by the duration used, its use coefficient, channel coefficient and its point value in Czech crowns. The result is the royalty for the use of the relevant composition. In compliance with international rules, 2/3 of such royalties will be distributed depending on the proportions applicable to public performance distributions and 1/3 of the royalties will be distributed depending on the proportions applicable to mechanical rights distributions. Royalties for original TV broadcasts via digital and online media will be distributed on the basis of underlying documents supplied by the individual users. In compliance with international rules, 75 % of royalties for copyrights will be distributed depending on the proportions applicable to public performance distributions and 25 % of royalties from copyrights will be distributed depending on the proportions applicable to mechanical right distributions, in relation to original TV broadcasts.

5.7. Retransmissions of television and radio broadcasts

5.7.1. Retransmission of radio broadcasts

10 % of the collected royalties for the retransmission of broadcasts will be distributed proportio-nally according to the revenues of songs from radio broadcasting.

5.7.2. Retransmission of television broadcasts

90 % of the royalties for broadcast transmission will be distributed as follows:

5.7.2.1. Royalties will be distributed on the basis of reports by the broadcast retransmission operators detailing the original broadcasters' TV channel retransmitted thereby, including information on the number of subscriber connections. The total amount collected from the broadcast retransmission operators will be proportionally allocated to the individual retransmitted TV channels on the basis of publicly available statistics of average viewer rating for the previous period of time. TV channels with monitored viewer rating statistics will be allocated a share in the aggregate amount of collected royalties equal to their viewer rating share.

5.7.2.2. Other TV channels the viewer rating whereof is not statistically monitored will be allocated equal shares in the royalties that correspond to the share of "other TV stations" in the overall viewer rating.

5.7.2.3. The amounts collected for individual foreign TV channels will be sent to the foreign CMOs who administer the performing rights and who distribute royalties collected for the use of works in these original channels on the basis of reports by original broadcasters. Before the amounts are sent to the foreign CMOs, 15 % thereof will be deducted as a share of sub-publishers that exercise copyrights to the musical works used within the territory of the Czech Republic.

5. 7. 2. 4. The share for sub-publishers will be distributed between the individual sub-publishers in proportions corresponding to the amount of their income generated by the use of their repertoire in the original channel in the applicable distribution year.

5.7.2.5. Amounts allocated to the channels of Czech broadcasters whose collected royalties are distributed and amounts allocated to the channels of foreign broadcasters

whose foreign CMO that distributes collected royalties for the use of works in these original channels on the basis of reports by original broadcasters has not been identified will be added, on a proportional basis, to the amounts for Czech broadcaster channels whose collected royalties are distributed on the basis of their reports.

5.7.2.6. The amounts under Articles 5.7.2.1., 5.7.2.2. and 5.7.2.5. will be distributed between copyright holders proportionally to their income from TV broadcasts.

5.8. Digital and online media

5.8.1. Downloads of musical works to computer memories, mobile phones and other devices

5.8.1.1. The royalties for permanent downloads of musical works or audiovisual works that contain a musical component (or downloads limited in time but not limited by the number of playbacks) via digital and online media will be calculated on the basis of the contractual royalty paid by the provider of such service. The royalties will be distributed on the basis of reports of downloaded works. If complete reports on the compositions used cannot be obtained, the Supervisory Board will decide on the method of distribution.

5.8.1.2. Having been allocated to the individual compositions, the royalties for permanent downloads of a musical work or an audiovisual work that contains a musical component under Article 5. 8. 1. will be distributed as follows: 75 % of the royalties depending on the proportions applicable to distributions of mechanical rights and 25 % of the royalties depending on the proportions applicable to distributions of performing rights.

5.8.2. Retransmission of original broadcasts via digital and online media

Royalties for simultaneous, unabridged and unaltered retransmissions of radio and TV broad-casts via digital and online media will be governed by the rules applicable to retransmission of TV broadcasts under Article 5. 7.

5.8.3. Making the recordings of musical works, or parts thereof, available to the public, without the possibility to make a permanent or temporary copy thereof (stream only, play only)

5.8.3 1. The distribution of royalties will be based on the reports provided to OSA in the following cases:

– a license for specific works from the OSA repertoire is granted or
– a license for all the works of the OSA repertoire in aggregate is granted; however, the aggregate royalties paid under the license agreement amount to not less than CZK 10,000 per calendar month (services such as YouTube, Stream.cz etc.), and not less than CZK 5,000 for interactive radio stations.

5.8.3.2. Having been allocated to the individual compositions, the royalties will be distributed as follows: 25 % of the royalties depending on the proportions applicable to the distributions of mechanical rights and 75 % of the royalties depending on the proportions applicable to the distributions of performing rights.

5.8.3.3. Royalties from the users that failed to provide OSA with reports on the use of compositions or whose aggregate royalties under a license agreement paid in the previous calendar month do not amount to at least CZK 10,000 will be distributed to copyright holders together with royalties under Article 5.3.1.

5.8.3.4. Royalties from TV broadcasters for free streaming whose collected royalties for broadcast are distributed on the basis of their reports will be distributed between copyright holders proportionally to their income from the relevant TV broadcast. If the broadcaster provides a report of the works used on its free streaming platform, a portion of the royalties paid by the broadcaster will be distributed according to such a report. The specific amount of money that will be allocated to the stream report will be determined by the supervisory board based on the ratio of viewership of a sample of specific programs during television broadcasting and the number of their views on the broadcaster's streaming platform.

5.9. Royalties for the reproduction and the distribution of reproductions of musical works
Royalties payable for audio, audiovisual or multimedia carriers will be allocated to the individual works recorded thereon on the basis of their track times (duration in minutes and seconds); if the durations are not available, the amount will be allocated on the basis of the number of works. The amount allocated to a single work will be distributed between the applicable copyright holders of the work.

5.10. Private copying levy (audio or video)
The royalties collected for blank carriers and for devices used to make reproductions will be distributed proportionately depending on the distributed aggregate income for the use of the individual works in the reproduction and the distribution of reproductions of musical works and for the use of works via digital and online media for the previous calendar year.

5.11. Royalties for rental and lending
Royalties for rental and lending shall be distributed together with royalties under Article 5.3.1. Royalties for the rental of audiovisual carriers will be distributed to domestic copyright holders and foreign mechanical rights societies based on a report on the number of rentals of the individual titles.

5.12. Use of archived music in the production of an audiovisual work
Royalties will be distributed separately for each composition to the individual copyright holders.

Distributions from abroad / Article 6

6.1. Royalties received from abroad under concluded agreements or factual relationships between OSA and foreign CMOs will be distributed in accordance with the received distribution documents and OSA documentation.

6.2. The distribution will be governed by the rules of the foreign society and the provisions of the agreement between OSA and the foreign CMO on the mutual protection of copyrights.

6.3. When royalties from abroad are distributed, the copyright holder will receive a computer output regarding the use of the musical works abroad.

6.4. If the distribution documents render the distribution impossible and the shortcomings are not remedied even additionally, the Supervisory Board will make a decision on the method of distribution upon agreement with the Management Board.

Distributions paid abroad / Article 7

7.1. The collection, administration and distribution of royalties for all musical works of the copyright holders that have concluded agreements with foreign CMOs with whom OSA concluded agreements on the mutual protection of copyrights shall be carried out in the same manner as governed by the provisions of these Distribution Rules.

7.2. The documents and statistical records used to determine the amount of the royalties are identical to the documents used for distributions to copyright holders who concluded an agreement with OSA.

7.3. The shares of the eligible copyright holders in the distributions of royalties for foreign works used in the Czech Republic will be based on foreign agreements and documents.

7.4. If the documentation is imperfect or if it misses data on the jurisdiction of a sister society, OSA will make a query abroad or, as the case may be, use internationally recognized rules for the distribution of royalties (the Warsaw or Rome Distribution Key).

7. 5. In the event of any doubts regarding the copyright holders or their royalties, the payment of royalties will be suspended until the doubts are clarified.

7.6. If the fees for wire transfers and postage were likely to exceed the total amount of the royalties sent to a single society, this amount will remain deposited on an OSA account maintained for this society until it reaches the required amount.

7.7. Generally binding legal rules and regulations determine whether and to what extent OSA shall or may withhold taxes or other withholdings from royalties payable abroad.

7.8. The amounts of withholdings are set forth in mutual agreements between the CMOs.

7.9. Distribution statements are prepared for copyright holders who have concluded an agreement with foreign CMOs with whom OSA has concluded contract for the mutual protection of copyrights.

7.10. In compliance with international practices, OSA does not address claims that do not reach USD 20 in value.

Claims / Article 8

8.1. Objections against any distribution must be filed as soon as possible after the notice of distribution is delivered. The objections must be duly justified and substantiated and filed in writing.

8.2. Having reviewed the documents that form the basis for the distribution, the alleged reasons, presented documents and additional findings of expert staff, OSA shall address the claims usually within 30 days as of receiving the objection.

8.3. The Management Board shall inform the Supervisory Board of major objections against distri-butions and on the results of the claims proceedings.

8.4. Should objections be filed against distribution from abroad, the correctness of the received documents will be reviewed and the contents of the objection will be referred to the relevant foreign society as OSA's own objection against the distribution. At the same time, a request for review will be filed. The result of the claims proceedings will be notified to the copyright holder, the position of the foreign society being the final decision on the exercised claims.

8.5. The statutes of limitations will be governed by generally binding legal regulations on the period of limitation.

Distributions deadlines / Article 9

9.1. The distribution of any and all royalties for public performances of live music, radio and TV broadcasts, reproductions of musical works and the distribution of reproductions of musical works and from synchronization shall be carried out on a continuous basis after the documents that form the basis of the distribution and collection are received.

9.2. Royalties for the use of the OSA repertoire in the performance of audiovisual works are distributed in six-month cycles.

9.3. The distribution period for royalties not specified in Articles 9. 1. and 9. 2. is the calendar year.

Distributions payments / Article 10

10.1. Distributed royalties are credited to the personal accounts of the copyright holders maintained in OSA.

10.2. Royalties from inland and from abroad that have been credited in favor of the copyright holder´s account shall be paid out as follows:

a) On a quarterly basis, usually in March, June, September and December if their aggregate sum amounts to not less than CZK 500. Along with the amount to be transferred, OSA shall provide the copyright holder with a distribution statement that clearly identifies the distribution in respect whereof the royalty is paid.
b) The copyright holders whose royalties in a personal account do not reach the accumulated amount of CZK 500 shall be notified about the balance of their account once a year. The royalties by that amount can be collected cash at the registered office of OSA.

10.3. Royalties based on claims shall be paid out within deadlines and under the terms and conditions laid down in Article 10.2.

10.4. Royalties distributed to foreign CMOs shall be paid within the same deadlines like royalties for the copyright holders who entered into an agreement with OSA.

10.5. Royalties can be paid inland to a copyright holder who has entered into an agreement with a foreign CMO in exceptional cases only. A written consent of the relevant organization and fulfillment of any and all foreign exchange and tax rules and regulations are required.

10.6. Along with the payment, the copyright holder shall receive computer reports on the use of the works in an electronic format and also in a printed format, if requested.

10.7. Royalties shall be sent to the copyright holders according to their instructions either to a bank account or cash to their address.

10.8. The agreement of the copyright holder and OSA will be terminated if the copyright holder has received no royalty in the past 10 years or has not drawn any amount from its royalties account maintained by OSA or has not issued any instructions as regards the balance of his account despite being duly invited to do so by OSA. For this reason, the royalties so undistributed shall be transferred to the reserve fund.

10.9. Advance payments are made in exceptional cases only according to the principles approved by the Supervisory Board on the basis of an individual application in writing filed by the copyright holder.

Copyright holders cellectiv ely managed by law / Article 11

11.1. OSA shall settle the copyrights of the copyright holders who have not concluded an agreement with OSA whenever OSA collects royalties as a part of the compulsory or extended collective management provided that these copyright holders register with OSA for this purpose.

11.2. Registration with OSA means:

a) the submission of an application for the inclusion in the records of copyright holders collectively managed by law;
b) proving the legal title by submitting registrations or cue-sheets duly filled in.

11.3. If the royalties are distributed as a part of the compulsory or extended collective management correspondingly to the income of the copyright holders for other uses in compliance with the provisions laid down in these Distribution Rules, the registered copyright holders shall submit – in order to determine the amount of their claims – a confirmation as regards the amount of the royalties paid for these uses of their works; it is not applicable in case that such royalties are distributed and paid out through OSA.

11.4. Royalty distributions in favor of these copyright holders shall be governed by these Distribution Rules and shall be carried out in the same manner as distributions to the copyright holders who have concluded an agreement with OSA.

11.5. A copyright holder collectively managed by law may exercise his title to royalties during the period of limitation laid down by law. This title is applicable only to the royalties collected for the use of works within the territory of the Czech Republic. A copyright holder collectively managed by law acknowledges that OSA is not entitled to exercise his claims in respect of abroad on his behalf.

Unidentified income / Article 12

12.1. The unidentified income is as follows:

a) the royalties distributed for unidentified titles, i.e. the titles whose use was notified by the user but that have not yet been registered in the OSA database based on a report by the copyright holder or according to an international database as at the moment of distribution,
b) the royalties distributed as a part of the compulsory or extended collective management to the copyright holders who could not be found because they have not entered into an agreement with OSA or another CMO and have not registered in OSA for the purposes of the payment of such royalties.

12.2. The information about unidentified titles or information about the works in case of which one or more of the copyright holders was not determined or found shall be disclosed to the copyright holders and to the public in a manner and within deadlines laid down by the Copyright Act.

12.3. The unidentified income shall be kept in accounts separately. In the course of 3 years as of the end of the year in which it has been collected, it shall be distributed on a quarterly basis and paid out to those copyright holders whose works have been identified additionally or to those copyright holders that have been determined or found additionally.

12.4. The method of using the income that is not identified within 3 years as of the end of the year in which this income was collected shall be stipulated by the Statutes of the Cultural, Social and Educational Fund.

Final provisions / Article 13

13.1. The schedules to these Distribution Rules – Categories of Works and Distribution Key – form integral parts hereof.

13.2. Amendments to these Distribution Rules enter into force as on the day of their approval by the General Assembly. In compliance with Article 1.3., these Distribution Rules shall govern the distribution of royalties for compositions used after 1 January of the calendar year following the meeting of the General Assembly.
These Distribution Rules shall apply and govern distributions as of 1 July of the calendar year as of the meeting of the General Assembly whenever these Rules can apply with regard to the set distribution periods.
The provisions of Article 5.5.3. hereof shall govern the distribution of royalties used as of 1 January 2014.
The provisions of Article 5.2.1.1. f) are effective as of 19 May 2016.

13.3. The Distribution Rules in this wording were approved by the General Assembly on 25 May 2026.

Schedule 1 to the Distribution Rules

General principles for all categories

1. Whenever individual parts of cyclical compositions are performed (unless notified separately), the duration considered will be always proportional. If only a part of a musical work has been used without knowing the duration of use, the Creative Committee shall determine the duration in such case.

2. If there are any differences between the duration of the work specified in the report and the actual duration as found out by OSA, e. g. from a studio recording, OSA will invite the eligible copyright holders to correct the report. If no mutual agreement is reached on this issue, the duration shall be determined based on the duration of the work as found out by the Creative Committee.

3. Classical music compositions that have been performed in another ensemble that it is specified in the report will be included, in this case of use, in category 2, unless the author notifies such different version; compositions from categories 9 and 10 will be included in category 8 in a similar case.

4. The works that include also non-musical elements in addition to the musical element, e. g. melodramas, works tied to visual or other components etc. (it does not apply to background, film and scenic music) will be included in an applicable category and the duration will be determined based on the musical element.

5. A work without submitted scoring shall be included in category 7. Scoring or a recording can be submitted for the inclusion in category 8. However, the submission of documented materials does not guarantee automatic inclusion into a higher category.

6. It is necessary to submit a recording or scoring as well, if any, in case of electro-acoustic compositions.

7. For the purposes of the inclusion of works in categories 3, 4 and 5, the piano, cembalo, harp, accordion and dulcimer, if they are scored on two or more staffs, are regarded as two voices, organ as three if it is scored on three staffs.

8. The inclusion of a work in a category applies to a musical work and lyrics related thereto. The reports of lyrics are not included in categories separately, except for the cases when the copyright holder in respect of a musical work failed to register his work or failed to enter into an agreement with OSA; then the Creative Committee shall decide to include the work in an applicable category based on the registration of the lyrics.

9. The length of the work does not affect the inclusion of the composition in the relevant category. Only in the case where the duration of the work is not indicated on the notification of the work or on the playlist, the average duration specified for the relevant category will be used in the calculation of the live performance performances.

Categories of works

CLASSICAL MUSIC

Category 1
- simple children's solo or choral songs with or without accompaniment
- simple arrangements of folk songs, dances and free license works
- simple arrangements of copyrighted works
- simple instructive compositions

Average duration for live public performance: 3 min 30 sec.
Coefficient for radio and television broadcasts: 1
Coefficient for concert performance: -

Category 2
- complex arrangements of folk songs, dances and free license works;
- complex arrangements of copyrighted works;
- complex instructive compositions.

Average duration for live public performance: 7 min
Coefficient for radio and television broadcasts: 1.25
Coefficient for concert performance: 0.5

Category 3
- chamber pieces scored for no more than three parts
- vocal works for 1 to 4 voices a cappella or accompanied by 1 or 2 instruments
- electro-acoustic music

Average duration for live public performance: 8 min
Coefficient for radio and television broadcasts: 1.5 under 20 min (inclusive) 1.75 over 20 min
Coefficient for a concert performance: 2

Category 4
- chamber pieces scored for 4 to 10 parts
- vocal works for more than 4 real voices accompanied by 3 to 6 instruments or performed a cappella

Average duration for live public performance: 11 min
Coefficient for radio and television broadcasts: 2
Coefficient for concert performance: 3

Category 5
- instrumental pieces for chamber ensembles scored for more than 10 parts
- vocal-instrumental compositions with a chamber ensemble
- separate sections (overture, aria, ballet number etc.) of a chamber opera

Average duration for live public performance: 15 min 30 sec
Coefficient for radio and television broadcasts: 2.25
Coefficient for concert performance: 4.5

Category 6
- instrumental compositions for symphonic orchestras
- vocal-instrumental compositions with a symphonic orchestra
- separate sections of operas and ballets (overture, aria, ballet number etc.) with a symphonic orchestra
- works for a brass symphonic orchestra comparable to works for a symphonic orchestra (e. g. a concert, a symphony, a symphonic poem, etc.)

Average duration for live public performance: 18 min
Coefficient for radio and television broadcasts: 2.5
Coefficient for concert performance: 5.5

Author improvisation, relaxation and meditation music, background music, music for music libraries, jingles and improvised forms from the area of classical music shall be included in category 7.

Film and scenic music and music for music libraries scored for more than 11 parts from the area of classical music shall be included in category 8.

POPULAR MUSIC

Category 7
- popular music of all genres / styles with or without lyrics
- applied/utilitarian music (background music, music libraries, theme songs, jingles etc.)
- relaxation and mediation music, instructive compositions
- arrangements of folk songs, dances and free license works
- arrangements of copyrighted works
- original improvisations

Average duration for live public performance: 3 min
Coefficient for radio and television broadcasts: 1
Coefficient for concert performance: -

Category 8
- complex compositions with or without lyrics
- complex arrangements of folk songs, dances and free license works
- complex arrangements of copyrighted works
- complex medleys
- sentences of suites, sections of musicals, film and scenic music and music for computer games (along with the title of the film/performance/computer game);
- complex compositions for brass orchestras, rock and jazz music in extended form (up to 11 voices)

Average duration for live public performance: 5 min
Coefficient for radio and television broadcasts: 1.25
Coefficient for concert performance: 1.5

Category 9

- works of popular music in large forms: scored (when created, not arranged additionally) for big bands, brass orchestras (12 or more voices) or symphonic orchestras.

Average duration for live public performance: 7 min
Coefficient for radio and television broadcasts: 1.5
Coefficient for concert performance: 1.5

MUSICAL WORKS THAT CANNOT BE CLEARLY CLASSIFIED
AS WORKS OF CLASSICAL OR POPULAR MUSIC

Category 10
Average duration for live public performance: 9 min 30 sec
Coefficient for radio and television broadcasts: 1.75
Coefficient for concert performance: 3.5

Schedule 2 to the Distribution Rules

General provisions / Ar ticle 1

1.1. Shares in royalty distributions shall be at all times governed by a written agreement among the authors of the work that reflects their creative contribution in the most credible manner. If no such agreement has been concluded, the shares for popular music will be determined on the basis of this Distribution Key, and the shares for classical music will be governed by Article 1.3.

The royalties will be distributed between all the authors of popular music and lyrics at a 50:50 proportion unless the authors agree otherwise.

A new rule does not have retroactive effects for works registered before the effective date of this amendment to the Distribution Rules.

1.2. Determination of shares in royalties assigned to the authors of the work and the publisher is at all times governed by their written agreement in the publishing agreement or the manner of its determination shall be laid down therein.

1.3. The Creative Committee will determine the shares in the royalties assigned to the author of the music and the author of the lyrics in the area of classical music (in the absence of an agreement among the authors), taking account of the true duration of the musical and textual component of the work. This provision will also apply if additional music or lyrics are created to a musical work. In case additional music or additional lyrics are created for a free work, the determination of shares shall be governed by this Distribution Key.

1.4. If more composers have participated in the creation of the musical part of a work, the share assigned to the composers shall be divided among them in equal shares.

1.5. If more lyricists have participated in the creation of the lyrics of a work, the share assigned to the lyricist shall be divided among them in equal shares.

1.6. If more arrangers have participated in the arrangement of a musical work, the share assigned to the arranger shall be divided among them in equal shares.

1.7. If the original copyright holders have not assigned a share in royalties to the author of authorized sub-lyrics, the sub-lyricist is entitled to 10% share provided that the shares of the holders of copyrights to the original work remain unaffected thereby.

1.8. If more sub-lyricists have participated in the creation of the a local version of lyrics or on other edits of the lyrics, the share assigned to the sub-lyricist shall be divided among them in equal shares.

1.9. The arrangers of medleys of unprotected musical works (potpourri) are entitled to 6/12 of performing rights and to 100 % of mecha nical rights.

1.10. If a work is issued in a co-edition of more publishers, the share assigned to the publisher shall be divided among them in equal shares unless agreed otherwise.

1.11. The following international abbreviations shall be used in this Distribution Key:

C - composer (compositeur)
A - lyricist (auteur)
SA - sub-lyricist, lyrics editor (sous-auteur)
AR - arranger (arrangeur)
E - publisher (éditeur)
SE - sub-publisher (sous-éditeur)

Performing rights and mechanic al rights without the publisher's share / Article 2

The following distribution keys will apply in the absence of a written agreement among the authors of the work regarding their shares in royalties.

PERFORMING RIGHT S
2.1. Copyrighted works

	C	A	SA	AR
Works without lyrics	**100 %**	-	-	-
Arrangement of works without lyrics	**83,33 %**	-	-	**16,67 %**
Works with lyrics	**50 %**	**50 %**	-	-
Musical arrangements of works with lyrics	**37,50 %**	**50 %**		**12,50 %**
Works with sub-lyrics	**50 %**	**25 %**	**25 %**	-
Musical arrangements of works with sub-lyrics	**37,50 %**	**25 %**	**25 %**	**12,50 %**

2.2. Arrangements of unprotected (so-called DP - domain public) works, i.e. free license works, folk songs, spirituals etc.

	C	A	SA	AR
Musical arrangements of works with or without lyrics	DP	DP/ -	-	**50 %**
Arrangements of music and lyrics	DP	DP	**25 %**	**25 %**
Music additionally set to lyrics	**100 %**	DP	-	-
Arrangements or sub-lyrics	DP	DP	**50 %**	-
Lyrics additionally set to music	DP	**100 %**	-	-

MECHANICAL RIGHTS
2.3. Copyrighted works

	C	A	SA	AR
Works without lyrics	100 %	-	-	-
Arrangements of works without lyrics	91,5 %	-	-	8,5 %
Works with lyrics	50 %	50 %	-	-
Arrangements of works with lyrics	41,5 %	50 %	-	8,5 %
Works with sub-lyrics	50 %	25 %	25 %	-
Arrangements of works with sub-lyrics	41,5 %	25 %	25 %	8,5 %

2.4. Arrangements of unprotected (so-called DP - domain public) works, i.e. free license works, folk songs, spirituals etc.

	C	A	SA	AR
Musical arrangements of works with or without lyrics	DP	DP/ -	-	100 %
Arrangements of music and lyrics	DP	DP	50 %	50 %
Music additionally set to lyrics	100 %	DP	-	-
Arrangements or sub-lyrics	DP	DP	100 %	-
Lyrics additionally set to music	DP	100 %	-	-

Performing rights and mechanic al rights with the publisher ‘s share / Article 3

A relationship between the author and the publisher comes into existence on the basis of a con-cluded publishing license agreement that contains a provision on shares in royalties. If a publisher assigns a work under a publishing sub-license agreement, the publisher‘s share for the performing rights may be increased to no more than 50 % for the territory where the work is assigned.

PERFORMING RIGHT S

3.1. Copyrighted works with the publisher’s share

	C	A	SA	AR	E
Works without lyrics	66,67%	-	-	-	33,33 %
Arrangements of works without lyrics	50 %	-	-	16,67 %	33,33 %
Works with lyrics	33,33 %	33,33 %	-	-	33,33 %
Arrangements of works with lyrics	29,17 %	33,33 %	-	4,17 %	33,33 %
Works with sub-lyrics	33,33 %	16,67 %	16,67 %	-	33,33 %
Arrangements of works with sub-lyrics	29,17 %	16,67 %	16,67 %	4,17 %	33,33 %

3.2. Arrangements of unprotected (DP - domain public) works, i.e. free license works, folk songs, spirituals etc. with the publisher’s share

	C	A	SA	AR	E
Musical arrangements of works with or without lyrics	DP	DP/ -	-	33,33 %	33,33 %
Arrangements of music and lyrics	DP	DP	16,67 %	16,67 %	33,33 %
Music additionally set to lyrics	66,67 %	DP	-	-	33,33 %
Arrangements or sub-lyrics	DP	DP	33,33 %	-	33,33 %
Lyrics additionally set to music	DP	66,67 %	-	-	33,33 %

MECHANICAL RIGHTS

3.3. Copyrighted works with the publisher's share

	C	A	SA	AR	E
Works without lyrics	60 %	-	-	-	40 %
Arrangements of works without lyrics	51,5 %	-	-	8,5 %	40 %
Works with lyrics	30 %	30 %	-	-	40 %
Arrangements of works with lyrics	21,5 %	30 %	-	8,5 %	40 %
Works with sub-lyrics	30 %	15 %	15 %	-	40 %
Arrangements of works with sub-lyrics	21,5 %	15 %	15 %	8,5 %	40 %

3.4. Arrangements of unprotected (DP - domain public) works, i.e. free license works, folk songs, spirituals etc. with the publisher's share

	C	A	SA	AR	E
Musical arrangements of works with or without lyrics	DP	DP/-	-	60 %	40 %
Arrangements of music and lyrics	DP	DP	30 %	30 %	40 %
Music additionally set to lyrics	60 %	DP	-	-	40 %
Arrangements or sub-lyrics	DP	DP	60 %	-	40 %
Lyrics additionally set to music	DP	60 %	-	-	40 %