Royalty Rates Schedule VR-AV DT-H 1

for the reproduction of works from GEMA’s repertoire on audiovisual data carriers (e.g. magnetic tape, diskette, CD-ROM, CD TV, CDI) and their distribution for personal – and private – use

Net amounts plus value added tax at the current rate of 7 %

I. General Royalty for Audiovisual Music Data Carriers

For audiovisual music data carriers (e.g. music clips) a royalty rate of 10 % is charged.

Where works from GEMA’s repertoire and musical works not belonging to its repertoire are reproduced simultaneously, GEMA shall receive a pro rata royalty according to the proportion that the number of works from its repertoire bears to the total number of reproduced works, provided that these works have approximately the same playing time. If the reproduced works do not have approximately the same playing time, GEMA’s pro rata royalty is calculated according to the proportion that the playing time of the works from its repertoire bears to the total playing time of all the musical works.

II. Royalties for Other Audiovisual Data Carriers

1. General royalty

The following royalty rates are charged for other audiovisual data carriers (games, educational and information contents, etc.) depending on the number of works or fragments of works from GEMA’s repertoire:

<table>
<thead>
<tr>
<th>Number of works from GEMA’s repertoire</th>
<th>Royalty rates per audiovisual data carrier</th>
</tr>
</thead>
<tbody>
<tr>
<td>up to 2 works or up to 4 fragments</td>
<td>2 %</td>
</tr>
<tr>
<td>3 to 4 works or 5 to 8 fragments</td>
<td>3 %</td>
</tr>
<tr>
<td>5 to 7 works or 9 to 14 fragments</td>
<td>4 %</td>
</tr>
<tr>
<td>8 to 12 works or 15 to 24 fragments</td>
<td>5 %</td>
</tr>
</tbody>
</table>
Royalty Rates Schedule VR-AV DT-H 1

13 to 18 works or
25 to 36 fragments 6 %

19 to 24 works or
37 to 48 fragments 8 %

over 24 works or
over 48 fragments 10 %

2. Other conditions

For any other audiovisual data carriers, which are not used primarily for their music content, the royalty rates listed above under No. 1. shall be reduced by 50 %.

Any reproduction of a work with a playing time not exceeding 1 minute and forty-five seconds shall be deemed to be a fragment, unless this means that the complete work has been reproduced.

Where complete protected works and fragments are reproduced, each work shall be counted as 2 points and each fragment as one point. In this case, the indicated number of fragments shall be used for the purpose of classification into the graduated scale of royalties. Graphically presented pot-pourris shall be regarded as complete works.

3. Optional royalty for games

For games on audiovisual data carriers, the producer can demand application of the following royalties per audiovisual data carrier, if in any particular case this should be more favourable for him.

<table>
<thead>
<tr>
<th>Total playing time of GEMA repertoire</th>
<th>Royalties in €</th>
</tr>
</thead>
<tbody>
<tr>
<td>up to 6 mins.</td>
<td>0.1562</td>
</tr>
<tr>
<td>from 6 – 12 mins.</td>
<td>0.2344</td>
</tr>
<tr>
<td>from 12 – 21 mins.</td>
<td>0.3125</td>
</tr>
<tr>
<td>from 21 – 36 mins.</td>
<td>0.3875</td>
</tr>
<tr>
<td>from 36 – 54 mins.</td>
<td>0.4687</td>
</tr>
<tr>
<td>from 54 – 72 mins.</td>
<td>0.625</td>
</tr>
<tr>
<td>over 72 mins.</td>
<td>0.7812</td>
</tr>
</tbody>
</table>

These optional royalties shall not apply to music games, i.e. for example not to games, where the works of music determine the object of the game and other customary features of games play a disproportionately minor role.
III. Basis for the Royalty

The royalty rates referred to under Sections I. and II. above shall be based on the highest price for dealers published by the producer (PPD) (excluding VAT) for the audiovisual data carriers in question. No bonuses, cash discounts, rebates in kind and similar discounts may be deducted from the selling prices.

The highest published prices for dealers (excluding VAT) are based on the relevant price lists published on the date of delivery of the audiovisual data carrier. Should no PPD or other published prices for dealers be available, other comparable price lists shall be taken as a basis.

If the producer is not in a position to provide the above-mentioned price lists or there is any doubt as to which price is to be taken as a basis, the producer shall in good time reach an agreement with GEMA about the calculation of the royalties, the outcome of which shall be consistent with the above paragraphs.

IV. Minimum Royalty

The minimum royalty applies in those cases where the percentage royalty as per Section II. No. 1. is lower than the minimum royalty and in case of free issues.

Per work from GEMA’s repertoire with a playing time of up to 3 minutes and per audiovisual data carrier: € 0.0511.

If the playing time of the work is longer than 3 minutes, EUR 0.017 shall be payable per audiovisual data carrier for each additional minute.

For any other audiovisual data carriers, which are not used primarily for their music content, the above royalty rates shall be reduced by 50 %.

V. Playing Time

Where it is possible to influence the playing time of musical works by programming means, the storage capacity used shall be taken into account for the calculations under Sections I., II. and IV. above.

VI. General Provisions

1. Scope of authorisation

The authorisation covers only the rights vested in GEMA with respect to reproduction and distribution for personal use without advertising.

The royalty rates do not, for example, take account of any compensation for the use of copies by rental to the public in the licensee’s own name and for its own account or by (re-)letting third parties or for communication to the public.

The authorisation is granted on condition that the right to use works from GEMA’s repertoire for the purpose of synchronising an audiovisual data carrier is or has been duly obtained from the right owners in question themselves or from GEMA as provided in the relevant royalty rates.
Royalty Rates Schedule VR-AV DT-H 1

The moral rights of authors shall not be violated.

2. Promotional Campaigns

Promotional campaigns, i.e. full versions, preview-copies (no full versions), teasers (short samples), demo tapes/cross promotion (no full versions), may be subject to special conditions within the contractual regulation with GEMA. In cases where there is no contract with GEMA, the present royalty rates or the applicable rates for the promotional usage concerned will apply.

3. Acquisition of authorisation in due time

The royalty rates shall only apply, if GEMA’s authorisation has been obtained in due time prior to reproduction.

4. Rights of third parties

Rights of third parties, for example in the case of using scores of music for which royalties have been paid, shall remain unaffected.

5. Scope of application

The royalty rates shall not apply to audio data carriers, phonograms or videograms (e.g. video tapes, laser discs (CD-V)).