

Royalty Rates Schedule VR-BT-H 3

for the reproduction and distribution of works contained in film productions from GEMA's repertoire for first use of original video productions and secondary use of motion pictures and TV movies - excluding music videos - on DVD (digital versatile disk) by the video retail trade for private use

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

I. Scope of application

The royalty rates apply exclusively to videos intended for publication and distribution via the video retail trade within the scope of the creator's standard video catalogue business for private use.

The royalty rates apply to DVDs (digital versatile disks).

The royalty rates do not apply to videos intended as supplements to magazines or other products or services or for distribution via special distribution channels or to special publications outside the scope of the video catalogue business for the video retail trade.

II. Royalties

1. Percentage royalties

The remuneration per video is 5.875% of the proceeds of the licensee. These proceeds are calculated by multiplying the sales price (excluding value-added tax) for the retailer responsible for distribution to consumers by the quantity produced. In calculating the proceeds, discounts or other deductions may not be subtracted directly or indirectly or diminish the basic royalty. This applies in particular but not only to:

- Discounts
- Bonuses
- Reductions (e.g. stock-value adjustment)
- Contributions to advertising expenses (e.g. placement)
- Central cost sharing (e.g. storage costs, del credere)
- Setting off items (e.g. from sets)

2. Pro rata calculation

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The royalty for works from GEMA's repertoire is calculated on the basis of the proportion of the playing time of the works from GEMA's repertoire to the film's total playing time as the sole or principal content of the video (pro rata calculation).

3. Minimum royalty

The minimum royalties apply in cases where the royalties calculated in accordance with Points 1 and 2 above are lower than the minimum royalties.

The minimum royalty for works from GEMA's repertoire amounts to €0.2325 per video recording, taking into account the pro rata calculation under Point 2 above, or to 0.5294% of the price basis as per Point 1 above, depending on which amount is higher.

4. Minimum budget royalties

In the case of videos, the minimum budget royalties for works from GEMA's repertoire apply at the earliest one year after the original release date, calculated from the beginning of the accounting period of the first delivery.

The minimum budget royalty for works from GEMA's repertoire amounts to €0.155 per video recording, taking into account the pro rata calculation under Point 2 above, or to 0.5294% of the price basis as per Point 1 above, depending on which amount is higher.

Scope

The royalties apply to distribution in Germany.

III. General Provisions

1. Scope of the authorization

The authorization covers only the reproduction and distribution rights held by GEMA for private use.

The royalty rates do not take account of any compensation for the use of copies rented to the public in the licensee's own name and on its own account or by third parties who (re-)rent the recordings.

The authorizations of the copyright holders as regards the right to use works from GEMA's repertoire for the purpose of making a movie or other video recordings (film making rights) must be obtained.

The copyright holders' right of publicity must not be violated.

The copyright holders' authorization must be obtained whenever advertising is directly or indirectly associated with the use covered by the tariff.

2. Obtaining authorization in due time

The royalty rates only apply if authorization has been obtained from GEMA in due time.

3. Rights of third parties

The rights of third parties, for example in the case of rented or loaned works, remain unaffected.

Members of organizations that have concluded a general agreement with GEMA for the VR-BT-H 3 tariff shall be granted a general-agreement discount on the royalties as per Section II (1 and 3) upon conclusion of such an individual agreement.

4. Entry into force

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The royalty rates apply from 1 January 2014.

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