

Royalty Rates Schedule VR-BT-H 4

for the reproduction and distribution of works from GEMA's repertoire in videos on DVD (digital versatile disk) for private use as supplements to magazines or other products or services, for promotion of video releases, and for distribution via special distribution channels

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

I. Scope of application

1. The royalty rates apply exclusively to videos distributed as supplements to magazines or other products or services, videos intended for the promotion of video releases, and videos published for distribution outside the scope of the video-catalogue business and/or via special distribution channels (distribution channels other than the video retail trade) for private use. The royalty rates also apply to publication and distribution by mail-order companies or organizations having the character of a members' club.
2. The royalty rates apply to DVDs (digital versatile disks).

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 products (e.g. from sets)

If the licensee uses fixed or recommended retail prices and these prices are generally paid by the public, the royalty is calculated as 5% of these prices (excluding value-added tax).

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 €0.1313 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. Scope

The royalties apply to distribution in Germany.

III. General Provisions

1. Scope of the authorization

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

Licensees who have concluded agreements with GEMA on videos subject to the current royalty rates, are granted a discount of 20% on the royalties as per Section II (1 and 3) under these agreements.

4. Entry into force

The royalty rates apply from 1 January 2014.

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