Royalty Rates Schedule VR-T-H-3

for the reproduction and distribution of works from GEMA’s repertoire as music videos (video clips and concert videos) on DVDs (digital versatile discs) for private use

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

I. Royalties

1. Percentage royalties

Per music video, the royalty shall amount to 8.7375% of the manufacturer’s highest published price for retailers excluding value-added text (PPD: published price to dealers) for the music video DVD in question. No bonuses, discounts, rebates in kind or other similar discounts, commissions or agency fees, etc., shall be deducted from the selling price.

The highest published prices for retailers are based on the published list prices that are in effect at the time of delivery of the music video DVD.

If no PPD or other published prices for retailers are available, other comparable list prices shall be taken as a basis. If the manufacturer is unable to provide the above-mentioned list prices, or if there is any doubt as to the price to be taken as a basis, the manufacturer shall reach an agreement with GEMA in due time about the calculation of the royalties, the outcome of which shall be consistent with the first paragraph above.

2. Minimum royalties

The minimum royalties apply in cases where the percentage royalties calculated in accordance with Point 1 above are lower than the minimum royalty.
Minimum royalties and maximum number of musical works or parts of musical works on a music DVD:

<table>
<thead>
<tr>
<th>Category</th>
<th>Number of protected musical works per music DVD</th>
<th>Minimum royalty per music DVD in €</th>
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<tbody>
<tr>
<td>DVD single/maxi single (playing time of up to 23 minutes)</td>
<td>Up to five musical works or twelve parts of musical works</td>
<td>0.2480</td>
</tr>
<tr>
<td>Long-play DVD (playing time of up to 80 minutes)</td>
<td>Up to 20 musical works or 40 parts of musical works</td>
<td>0.6199</td>
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3. Calculation of the minimum royalties

a) Compilations

Twenty-four protected musical works or 48 protected parts of musical works may be reproduced in a compilation on a music DVD, provided that re-released recordings of protected works or parts of works account for at least 50% of the DVD’s contents.

b) Exceeding the number of musical works and/or parts of musical works

If the manufacturer wishes to reproduce more protected musical works or parts of musical works than the amounts stated in Points 2 and 3a) above, the minimum royalty due for the music DVD in question shall be increased in proportion in accordance with the amount in the following paragraph c), except in the case of repeated reproduction of the same musical work with the same copyright owners or of parts of musical works involving the same copyright owners on the same music DVD, which are to be regarded as part of a musical work or as one musical work, depending on the particular case.

c) Complete musical works and parts of musical works

When complete protected musical works and/or protected parts of musical works are reproduced on a music DVD, each musical work with a playing time of up to five minutes shall count as five points and each part of a musical work with a playing time of up to one minute as one point. If a musical work has a playing time of more than five minutes or a part of a musical work has a playing time of more than one minute, the number of points shall be increased by one point for each additional minute of playing time.

The total number of points permitted is equal to the number of musical works indicated in Point 2 or Point 3a) above, each of which is evaluated as five points. Accordingly, the maximum numbers of points are as follows:

- DVD single/maxi single: 25 points
- Long-play DVD: 100 points
- DVD compilation: 120 points

Medleys published in printed form shall be regarded as complete musical works. Reproductions of parts of musical works involving the same copyright owners, and repeated reproductions of the same musical work with the same rights owners as referred to in paragraph b) above, shall be regarded as a complete musical work or part of a musical work, depending on the particular case.
d) Exceeding the playing time

If in accordance with Point 2 the total permitted playing time is exceeded by more than 60 seconds, the minimum royalty payable shall be increased in the same proportion in accordance with Point 2.

4. Pro rata royalties for percentage royalties and minimum royalties

Where a musical DVD contains musical works from GEMA’s repertoire and musical works not belonging to its repertoire, GEMA shall receive a pro rata royalty in line with Points 1 or 2 above or a pro rata minimum royalty in line with Point 3 above according to the proportion of the playing time of the musical works from its repertoire to the total playing time of the music DVD.

III. General Provisions

1. Scope of authorization

The authorization covers only the rights vested in GEMA for reproduction and distribution for private use.

The authorization does not cover any other rights, in particular rights pertaining to printed publication, rights for sheet music or printed lyrics, rights of public performance (communication to the public), broadcasting rights and manufacturing rights for broadcasting purposes. The rights of third parties shall remain unaffected in the case of rented or loaned works.

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.

Authorization is granted provided that the right to use the musical works from GEMA’s repertoire to produce a film or other audio and/or visual recordings on a music video DVD is or will be duly obtained directly from the copyright holder or from GEMA in accordance with the corresponding royalty rates.

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 prior to reproduction.

3. Delimitation

The royalty rates only apply to music videos on DVDs. They do not apply to multimedia DVDs (including DVDs with a ROM element or data link), to audio DVDs or to DVDs with film contents (film videos).

4. Scope

The above royalty rates only apply to distribution of music video DVDs via specialist retailers. These rates do not apply to music video DVDs distributed as supplements to magazines or other products or services, music video DVDs intended for the promotion of music video releases, and music video DVDs published for distribution via special distribution channels.

5. General agreement
Members of organizations that have concluded a general agreement with GEMA for the VR-T-H 3 tariff shall be granted a general-agreement discount on the applicable royalty rates upon conclusion of such an individual agreement.

Further information on GEMA’s tariffs and registration forms are available at www.gema.de.