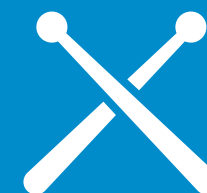
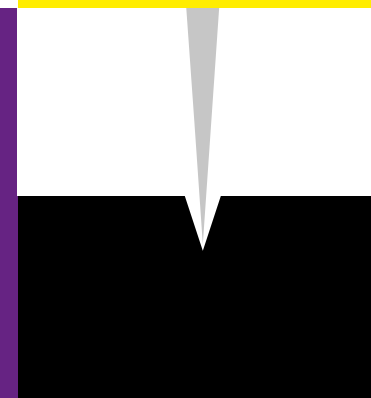


OSA TARIFF
OF ROYALTIES

CONCERTS, LIVE MUSIC PRODUCTIONS

valid from 01/06/2022



I. Normal use



Normal use means any use of musical works in the form of live performances, e.g. concerts, balls, dances, fashion shows, music productions to dance to, closing balls of dancing lessons etc., which is not covered by Part II. Special use.

Tariff for normal use

Royalty is calculated as a percentage of total revenues from admission fees (less VAT) determined in accordance with Part IV, clause 14. To calculate the royalty, non-paying spectators are taken into account in the determination of total revenues. The indicated percentage rates are applied successively, only to the indicated range of revenues. This means that where the revenues amount to CZK 100,000, the royalty is equal to 8% of CZK 80,000 and 7.25% of CZK 20,000. In the case of music productions where no admission fee is payable, the minimum admission fee of CZK 50 (net of VAT) is considered the basis for the calculation. Revenues are therefore determined as the total number of the event attenders multiplied by CZK 50 net of VAT.

Minimum royalty (MR)

municipality with a population of 1,000 and less	municipality with a population of over 1,000 up to 80,000	municipality with a population of over 80,000
CZK 393.51	CZK 477.84	CZK 562.16

Calculation basis from admission fee revenues net of VAT	Royalty percentage rate
CZK 80,000 and less	8.00%
CZK 80,001 to CZK 400,000	7.25%
CZK 400,001 to CZK 1,000,000	6.50%
CZK 1,000,001 to CZK 5,000,000	5.75%
more than 5,000,000	4.50%

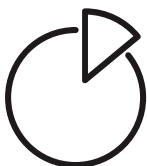
Royalty is calculated from total revenues from the fees charged for admission to the music production. If some spectators have free admission to the music production or if the admission is lower than CZK 50 net of VAT, the admission of CZK 50 net of VAT shall be used for the purposes of the calculation with respect to those persons. VAT, if included in the admission, shall be deducted from the admission fee.

II. Special use



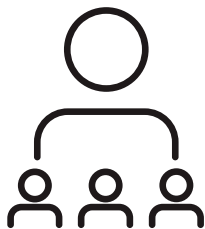
Live music in pubs, restaurants or cafés with the capacity of 50 persons or less and without admission fee – These are the cases where musical works are performed solely by visitors of the establishment, as they say at the table, without any claim for a fee for the performance, and where the music creates neighborly atmosphere in the establishment. Music productions may still be advertised or promoted, e.g. in social media or in the form of posters. The rate further applies to repeated live music productions in establishments with the capacity of 50 persons or less and without admission fee where it is a regular background music to create the atmosphere of the establishment, performed by a maximum of two performers (e.g. piano performance plus signing). The rate shall not apply to productions in music clubs or similar establishments.	CZK 163.42 per production
Ceremonies – (weddings, funerals, matriculations, graduations) – it applies only where the music production is part of fee-based services.	CZK 80.94 per ceremony
Live performance during a sports event – music only during breaks (ice-hockey, football etc.). If a separate concert is held as part of a sports event (e.g. at the start / end of the event), the royalty shall be calculated according to Part I. Normal use.	CZK 1.68 per spectator
Live performance during a sports event – music as an integral part of the program (ice-show, sports and dancing competitions etc.). If a separate concert is held as part of a sports event (e.g. at the start / end of the event), the royalty shall be calculated according to Part I. Normal use.	CZK 4.48 per spectator
Parade – music only to march to (carnival, grape harvest festivities etc.)	CZK 1.68 per spectator
Corporate events – the royalty shall be calculated according to Part I. Normal use; calculation of total revenues is based on the admission fee of CZK 200 net of VAT per spectator.	
Street music production – without admission fee, organized by the performer.	CZK 224.86 per production
Dance classes with live music	
30 or less persons	CZK 168.64 per dancing lesson
over 30 persons – for each additional commenced 10 persons at the dancing lesson, the following amount shall be added	CZK 56.20 per dancing lesson

III. Discounts



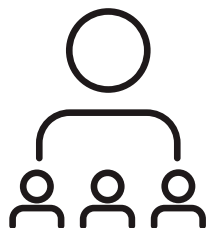
Prom with live music	Discount for the use of works at a prom. The discount applies only to the use of musical works in the form of live performance.	50%
Repeated productions	Repeated productions (e.g. for music clubs) mean productions held at the same place under the same conditions (same admission fee and similar number of visitors). The discount for holding 4 and more music productions within a month.	10%
Educational music production	Educational music productions for schools and pre-schools, young offender institutions etc.	5%
Share of the represented OSA Repertoire	For music productions with the participation of three and more bands or performers (e.g. festivals), the share of compositions by unrepresented authors in the total number of compositions played is taken into account. The discount may be applied only where the operator of music production provides OSA with lists of the works used by all performers.	0%-20%
	For live music performances where, of the works regularly used, more than 75% are not included in the OSA Repertoire (in particular events including folklore or traditional folk songs). The discount may be applied only where the operator of music production provides OSA with lists of the works used by all performers.	50%

IV. Common provisions



1. This tariff sets out the rates of royalties of the collective management organization OSA – Ochranný svaz autorský pro práva k dílům hudebním, z.s. (“OSA”) for the granting of a license to use musical works of authors and other rights holders whose rights OSA manages (“OSA Repertoire”) as part of use in the form of live performance under Section 19 of Act No. 121/2000 Sb., the Copyright Act, as amended (“CA” or “Copyright Act”) in cases where the works are performed by performers at concerts, dances, balls, the so-called tafel music, festivals, fashion shows, sports events, competitions, variety shows, festivities, corporate events, advertising and promotional events.
2. A musical work according to this tariff shall mean any musical work and any verbal work used in connection with a musical work.
3. The rates of royalties are stated exclusive of VAT which shall be added at the standard rate according to general legislation.
4. The minimum royalty is considered the minimum value of the OSA Repertoire regardless of the scope of use of the OSA Repertoire. Where the resulting royalty under Part I. Common use, calculated from the total admission fee revenues, does not exceed the rate of minimum royalty, the minimum royalty shall apply.
5. Cases not regulated by this or any other tariff shall be handled by agreement.
6. This tariff shall replace any previous tariffs which set the rates of royalties for the granting of a license to use the works as specified in this tariff.
7. This tariff shall come into force and take effect on 1 June 2022.
8. The rates listed in this tariff are in tariff A. Tariff A applies if the operator fulfils its obligations in a proper and timely manner. Proper fulfilment of obligations means sending an application for permission to perform OSA works no later than 5 days before holding a music production, sending a list of musical works (playlist) that will be used in the production before holding the music production or within 15 days of the music production. The playlist must include full names of the compositions used, including the names of authors and, in the case of lyrics, the names of lyrics authors. Furthermore, the operator may not have any overdue liabilities towards OSA at the time of issuing the draft license agreement and must meet, on a regular basis, their other obligations by the due date and in accordance with the Copyright Act. Tariff B applies where these conditions are not met. In the case of live music performances, tariff B is equal 1.15 times tariff A as specified herein.
9. From 1 January 2023, the rates of royalties and minimum royalties expressed in nominal amounts in CZK (i.e. not as a percentage rate) shall be increased annually from the beginning of the year by the inflation rate for the previous year. In accordance with Section 98f CA, the inflation rate is considered to be the increase in the average annual index of consumer prices of household goods and services as a whole expressed as a percentage change in the average price level for the last 12 months compared to the ratio for the previous 12 months, expressed as a percentage, as published by the Czech Statistical Office every calendar year for the previous year. After publication of the inflation rate according to the previous sentence, the royalty rates valid for the given year shall be increased in the tariff for the next year. The rates thus increased shall be rounded down to two decimal places.
10. **Organizing charity events**
In the case of organizing charity events, the share of total revenues used for charitable purposes shall be taken into consideration when calculating the royalty. In addition, account will be taken of the nature of the event and the choice of settlement with performers.
11. **Cabaret, variety, talk show**
In the case of organizing cabaret or variety shows with a program including a musical element (e.g. talk show), account shall be taken of the share of the musical element in the program.
12. **Number of attenders**
If the operator does not reliably document the number of attenders and the number of tickets sold within 15 days of the music production (ticket sales document, documents from the municipality which collects charges on admission fees etc.), the royalty calculation will be based either on the venue capacity (i.e. the capacity stated in the occupancy permit) or the number of attenders will be determined as follows – 1.5 person per 1 m² for music productions held in the open air.

IV. Common provisions



13. Admission fee and total revenues

Admission fee means a fee the payment of which gives the attendee the right to attend a cultural or social event in which musical works are used. Any other designation of the fee (e.g. seat reservation, participation fee, club fee, membership fee etc.) is irrelevant. If the ticket entitles the attendee to attend a multiday production, the admission fee for the performance (one day) will be calculated by dividing the total admission fee by the number of days of the production for which the admission fee was paid. For the purposes of calculating the average admission fee, any voluntary admission fee, free admission and admission fee lower than CZK 50 net of VAT are considered an admission fee in the amount of CZK 50 net of VAT. Weighted average will be used to calculate the average admission fee. If the operator fails to report total sales or specific sales of tickets in individual price categories in the form of official sales documents from individual distributors or its own accounting documents, the admission fees of less than 30% of the price of the most expensive ticket will not be taken into account when calculating the royalty. An admission fee as part of other services (refreshments, gifts etc.) is taken into account on the basis of a calculation of material costs documented by the operator, up to 50% of the price of the admission fee.

14. Procedure for determination of the amount of revenues to be used for calculation of royalty

To determine total revenues, it is necessary to specify the sales of all tickets in individual price categories and the number of spectators who attended the music production for free – those will be included in the calculation as if they paid an admission fee of CZK 50 net of VAT. On the basis of those data, OSA will add up the revenues in individual price categories and determine the royalty.

Here is a simple example of the calculation:

A music concert was attended by 2,000 people. Of those, 1,000 paid a full admission fee of CZK 275 inclusive of VAT (CZK 250 net of VAT), 800 paid a reduced admission fee of CZK 165 inclusive of VAT (CZK 150 net of VAT), and 200 attended the concert for free.

a) Total revenues for the purposes of determining the royalty are: $1,000 \times \text{CZK } 250 + 800 \times \text{CZK } 150 + 200 \times \text{CZK } 50 = \text{CZK } 380,000$

b) OSA royalty is determined as follows: $8\% \text{ of CZK } 80,000 + 7.25\% \text{ of CZK } 300,000$. The royalty amounts to **CZK 28,150 net of VAT**.

Total revenues amount to CZK 380,000, of which:		
Calculation basis	Rate	Royalty
CZK 80,000	8%	CZK 6,400
CZK 300,000	7.25%	CZK 21,750
Total		CZK 28,150

15. Advance license agreement

In the case of granting a license to use the works for music productions with estimated admission fee revenues exceeding CZK 500,000 (net of VAT) or organizing a music production with estimated turnout exceeding 10,000 spectators, tariff A will apply where the operator enters into a license agreement with OSA before holding the production and, on the basis of the license agreement, makes an advance payment of 50% of the estimated royalty and duly meets its obligations under the license agreement. The amount of the advance payment will be determined using the basis for calculating the royalty from the last year of the production or on the basis of the estimated turnout and estimated revenues of the production (e.g. according to the capacity of the production venue, number of advance tickets, ticket price etc.).



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