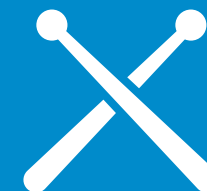
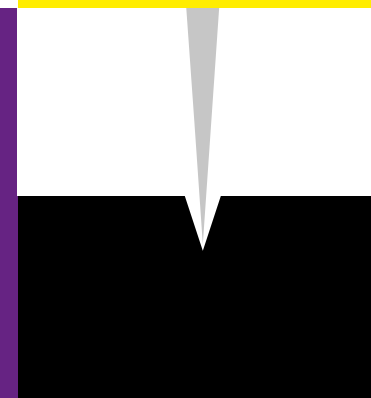


OSA TARIFF
OF ROYALTIES

CLASSICAL MUSIC CONCERTS

valid from 01/01/2023



I. Tariff for normal use



Royalty is calculated as a percentage of total revenues from admission fees (less VAT) determined in accordance with Part III, clause 13. 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 population of 1,000 and less	municipality with population of over 1,000 up to 80,000	municipality with population of over 80,000
CZK 452,93	CZK 549,99	CZK 647,04

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%

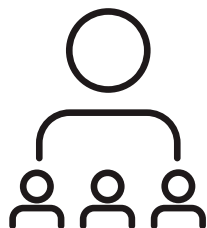
Royalty is calculated from total revenues from the fees charged for admission to the music production. If some spectators have free admission to the music production or if the admission fee is lower than CZK 50 net of VAT, the admission fee of CZK 50 net of VAT shall be used for the purposes of the calculation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

II. Discounts



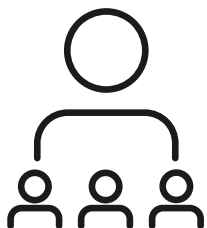
If the concert program includes less than ten compositions, the amount of the royalty for granting the license for use is reduced as follows in the performance of		
Discount for a share of unrepresented repertoire	two works protected by OSA	by 20%
	one work protected by OSA	by 40%
If the concert program includes ten and more compositions, the amount of the royalty is reduced as follows		
	when granting a license in the case of performance of a maximum of 2 musical works unprotected by OSA by	10%
	when granting a license in the case of performance of a maximum of 3-4 musical works unprotected by OSA by	20%
	when granting a license in the case of performance of a maximum of 5-6 musical works unprotected by OSA by	30%
	when granting a license in the case of performance of 7 and more musical works unprotected by OSA by	40%
Repeated productions	Repeated productions mean productions held at the same place under the same conditions (same admission fee and similar number of attenders). The discount for holding 4 and more music productions within a month. The discount for holding 4 and more music productions within a month.	10%

III. 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”) and in the performance of musical works with or without lyrics from audio and audiovisual fixations in music productions to listen to where classical music compositions are performed at concerts. This tariff does not apply to the performance of pop-music musical works.
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 January 2023.
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 works to OSA 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 to 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. **Music production**
A music production means a continuous performance held at a specific place and time. A continuous performance held in one day, at the same place without an admission fee or with an admission fee for the entire production, is considered to be one music production. For multiday festivals (and similar events) held at the same place without an admission fee or with an admission fee for the entire duration of the festival or individual days, a continuous performance held on each day of the festival is considered to be one music production. For festivals consisting of music productions held at different times or at different places (stages) with a separate admission fee, each of these productions is considered a separate performance. Song cycles and cyclical instrumental forms are considered to be one musical work for the purposes of this tariff.

III. Common provisions



11. Number of attenders

If the operator does not reliably document the number of attenders within 15 days of holding 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 on the rate of 1.5 person per 1 m² for music productions held in the open air.

12. Admission fee and gross revenues

Admission fee means a fee the payment of which gives the attender 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 attender 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 to be 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, 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. At corporate events with music production, CZK 200 net of VAT per spectator is considered the amount of the admission fee.

13. 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 classical 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



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