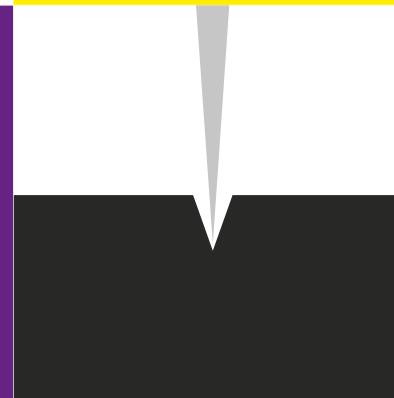


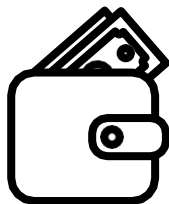
OSA TARIFF
OF ROYALTIES

Cinemas, film festivals and other projections

valid from 01/01/2023



I. Royalty



a) Film screenings on a regular basis

A film screening in a cinema or similar space and transmission of musical work performances at a place other than where the live performance takes place if the musical component does not form a dominant part of the transmission.

| VAT rate included in admission fee | Increased rate | Standard rate |
|------------------------------------|-----------------------------|-----------------------------|
| 10% and less | 1.35% | 0.90% |
| from 10.1% to 15% | 1.20% | 0.80% |
| more than 15% | 1.05% | 0.70% |
| no admission fee | maximum capacity × CZK 0.52 | maximum capacity × CZK 0.35 |

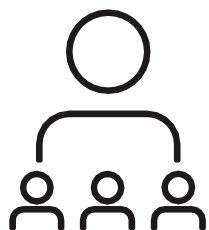
Royalty is calculated by multiplying the rate by net revenues of the cinema operator. **Minimum royalty amounts to CZK 179.21 per annual license granted.**

b) Screening of films and other audiovisual works on an irregular basis

| Performance of works | | Increased rate | Standard rate |
|--|-----------------------|------------------------|------------------------|
| Film festivals or similar screenings in a cinema or similar space | with admission fee | 1.35% | 0.90% |
| | without admission fee | CZK 0.52 per spectator | CZK 0.35 per spectator |
| Film or video/DVD screenings (not in cinemas) in the case of a single use of one audiovisual work | with admission fee | 1.35% | 0.90% |
| | without admission fee | CZK 0.52 per spectator | CZK 0.35 per spectator |
| Transmission of musical work performances at a place other than where the live performance takes place if the musical component forms a dominant part of the transmission (e.g. transmission of concerts and similar performances) | with admission fee | 3% | 2% |
| | without admission fee | CZK 1,07 per spectator | CZK 0.71 per spectator |

Royalty is calculated by multiplying the rate by net revenues of the cinema operator. **Minimum royalty amounts to CZK 179,21 per license granted.**

II. Common provisions



- 1.1. 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 performance of works from fixation under Section 20 of Act No. 121/2000 Sb., the Copyright Act, as amended (“CA” or “Copyright Act”) in cases where audiovisual works and audiovisual fixations are screened in cinemas or other premises where audiovisual works are screened regardless of the type of reproduction (e.g. sound track of a sound film or musical background of a silent film) and regardless of the genre of the film (e.g. feature film or short film). This tariff does not apply to cases where the screening of an audiovisual work is only an ancillary part of the program, exhibition or other similar event.
- 1.2. A musical work according to this tariff shall mean any musical work and any verbal work used in connection with a musical work. In accordance with the Copyright Act, an audiovisual work shall mean a work created by the arrangement of works used audio-visually, whether they are adapted or not, consisting of a number of recorded interlinked images evoking the impression of motion, either accompanied by sound or mute, perceivable by sight and, where accompanied by sound, also perceivable by hearing..
- 1.3. The rates of royalties are stated exclusive of VAT which shall be added at the standard rate according to general legislation.
- 1.4. The minimum royalty is considered the minimum value of the OSA Repertoire regardless of the scope of use of the OSA Repertoire.
- 1.5. Cases not regulated by this or any other tariff shall be handled by agreement.
- 1.6. The rates of royalties are set for each commenced calendar month of use unless otherwise stated.
- 1.7. 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.
- 1.8. This tariff shall come into force and take effect on 1 January 2023.
- 1.9. Licenses granted to operators under this tariff shall apply to public performance of musical works with or without lyrics in the screening of audiovisual works and audiovisual fixations, in particular films, in the screening of newsreels, advertisements, teasers and trailers, in the screening of slide presentations, at the opening, jubilee and similar gala film screenings, to fill intervals, as well as immediately before and after the performance, transmission of musical work performances at a place other than where the live performance of musical works takes place (hereinafter jointly as “Performance of Works”).
- 1.10. Licenses granted under this tariff shall not apply to other uses of the OSA Repertoire in cinemas, in particular in concerts, variety shows, entertainment evenings and similar events, or in the operation of cafés or provision of similar services. Relevant OSA tariffs in force need to be applied to such uses.
- 1.11. **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 quantified in the tariff for the next year and then the quantified rates shall be published. The rates thus quantified shall be rounded down to two decimal places or, in justified cases, to three decimal places.
- 1.12. This tariff is the result of negotiations on OSA royalty rates with the Association of Cinema Operators and the Union of Film Distributors.

III. Definitions



| | |
|------------------------------------|--|
| Increased rate | Increased rate is the rate of a normal royalty that will be used in the draft license agreement to calculate the royalty in all cases of performance of musical works where the conditions for calculation according to the standard rate are not met. |
| Standard rate | <p>The amount of royalty will be calculated in the draft license agreement according to the standard rate if the following conditions are met:</p> <ul style="list-style-type: none">a) The operator has applied for conclusion of a license agreement before the start of public performance of works or during the first 30 days of the starting date of the public performance, without prior negotiations with an OSA regional representative.b) The operator has applied to OSA for conclusion of a new license agreement for the period of continued performance of works within 30 days of termination of the license agreement.c) At the time of issue of a draft license agreement – application, the operator has no overdue liabilities to OSA and OSA has no records of any other pending obligations incurred by the operator from the use of works. <p>If the operator does not enter into a license agreement with OSA, they lose the right to have the royalty calculated according to the standard rate.</p> |
| Admission fee | Admission fee means the final price paid by a spectator for admission to individual cinematographic performances, including the cinematographic performance fee under Act No. 496/2012 Sb., on Audiovisual Works and Support for Film Industry and on the Amendment to Certain Laws (the Audiovisual Act). |
| Spectator | Each person who attends a cinematographic performance (film screening) in a cinema or similar space. |
| Net revenues | Net revenues for calculation of royalty mean the total amount of the actually collected admission fees, less VAT (if the operator is liable to pay the tax) and the cinematographic performance fee under the Audiovisual Act. |
| Cinematographic work (film) | Cinematographic work (hereinafter referred to as Film) is an audiovisual work and audiovisual fixation to be made available to the public by means of cinematographic performances. Audiovisual works or audiovisual fixations having the character of an advertisement are not considered a cinematographic work. In accordance with Section 62 of the Copyright Act, an audiovisual work means a work created by the arrangement of works used audio-visually, whether they are adapted or not, consisting of a number of recorded interlinked images evoking the impression of motion, either accompanied by sound or mute, perceivable by sight and, where accompanied by sound, also perceivable by hearing. |
| Cinematographic performance | Cinematographic performance means making a Film available to the public in a cinema or via similar means. |
| Discounts | <ul style="list-style-type: none">a) Upon conclusion of the license agreement, the royalty determined in accordance with the aforementioned principles may be further reduced at the request of the operator subject to Section 98e(3) of the Copyright Act, in particular where musical works are not used in the course of business or other gainful activity, or where the granting of a discount is justified for example by the purpose and circumstances of the use of musical works (e.g. taking into consideration the character or purpose of the event, the economic or commercial benefit, the scope of use of protected works or other objective and demonstrable grounds).b) Application of discounts Discounts are applied successively (each next discount is calculated from the amount after application of the previous discount). |



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