

CERTIFIED TRANSLATION FROM SERBIAN INTO ENGLISH

Tariff of fees for radio and television stations

Tariff of fees (fees and commissions) for radio and television stations was made on the basis of the Opinion of the Commission (Board) on Copyright and Related Rights dated December 5, 2011.

The tariff was published in the Official Gazette No. 98 of 12/23/2011 and it entered into force eight days following its publication.

Based on the opinion of the Commission for Copyright and Related Rights No. 4797/11/1 of December 5, 2011 and pursuant to Article 200 of the Law on Copyright and Related Rights ("Official Gazette of the Republic of Serbia" No. 104/09)

Sokoj – Serbian Music Authors Organization

Is publishing the following

TARIFF OF FEES CHARGED BY SOKOJ ON THE BASIS OF MUSIC WORKS BROADCAST ON RADIO AND TELEVISION STATIONS

Article 1

This tariff shall determine the height of the royalties for the broadcasting of musical works from the repertoire of Sokoj (hereinafter referred to as: the repertoire) on the basis of broadcasts on radio and television programs, as well as the terms of repertoire use, time and mode of payment of the fee (royalty) and conditions of use for which the amount of the fee (royalty) shall be increased or decreased.

Article 2

The repertoire of Sokoj (hereinafter referred to as: the repertoire) is composed of musical works:

1. Local (home) authors and copyright holders, members of Sokoj, who have by contract/agreement assigned/ceded their rights to Sokoj, pursuant to Article 153 of the Law on Copyright and Related rights;
2. Local (home) authors and copyright holders, members of Sokoj, whose rights are protected by Sokoj under Article 180 of the Law on Copyright and Related Rights;
3. Foreign authors and copyright holders, whose rights are protected by Sokoj based on Article 186 of the Law on Copyright and Related Rights.



Article 3

User shall be obliged to obtain license for broadcasting music repertoire by entering into a contract/agreement on non-exclusive licensing rights.

The license to broadcast music repertoire through broadcasting does not include a license to broadcast over the Internet.

Article 4

User is obliged to deliver to SokoJ data on revenues, with separate bases of acquisition and until the 15th of the month for the preceding month, as well as to provide a copy of the Income Statement (Profit and Loss Account) in the final account, no later than 15 March of the current year for the preceding year. In addition to the Income Statement, the user shall be required to submit relevant financial and other documentation from which the basis for calculation of compensation can be reliably determined.

Based on data from the income statement for the immediately passed business/fiscal year, the advance payment for the current year can be determined, which shall be calculated and applied until the final showdown, which SokoJ and user shall determine by contract/agreement.

The final settlement of remuneration for one business/fiscal year, SokoJ will prepare on the basis of the annual accounts of the user and the financial and other documentation.

If the user does not supply data for the final calculation of the fee within the deadline, SokoJ will make a final calculation on the basis of the data on total operating revenues from the Income Statement, according to the Business Registries Agency, i.e. the National Bank of Serbia.

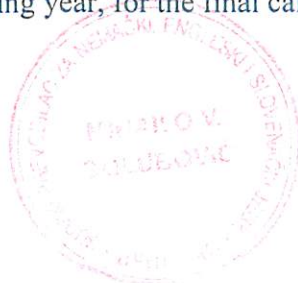
Shall the same user broadcast via radio and television, and does not delineate separately revenues from radio broadcast, and separately from television broadcast, the fee shall be calculated in such manner, that on the basis of fixed percentages for radio, i.e. for television, the average rate shall be calculated.

Article 5

The basis for calculation of fee/remuneration and application of percentage shall be comprised by the total revenues realized within the radio, i.e. television broadcasts, including too the revenue realized through interventions of state authorities (revenues from the budget, subsidies, grants, etc.).

The basis for the calculation of the fee can be reduced on the basis of the costs and expenses of advertising agencies, up to the amount of actual costs of entering into marketing contracts/agreements, and up to 15% maximum.

The costs and expenses of advertising agencies shall be determined on the basis of the documentation that the broadcaster has to submit to SokoJ, along with the data on realized revenues, by the 15th of the respective month for the preceding month, i.e. at the latest by 15 March of the current year for the preceding year, for the final calculation of the fee.



Article 6

The height of the percentage shall be determined by the quantity of the music repertoire in relation to the total duration of the program.

The datum on the quantity of the music repertoire in relation to the total duration of the program the user is required to report to Sokoј and thus to be classified in a particular category. Sokoј shall reserve the right to compare and harmonize the data reported on the participation of the musical repertoire with reports of the authorized monitoring agency.

TV BROADCASTING

Music Repertoire Quantity	% of Total Revenues
up to 10%	2.20%
from 10% to 20%	2.70%
from 20% to 50%	3.20%
from 50% to 80%	3.70%
in excess of 80%	4.20%

Minimum fee/remuneration for the TV broadcasting of musical works, as the lowest amount of compensation for the use of the repertoire, shall be calculated according to the number of inhabitants within the service area of coverage, as follows:

Population of the Beam/Coverage Area	Number of Points
up to 10,000	2,000
from 10,001 to 30,000	2,500
from 30,001 to 100,000	3,000
from 100,001 to 300,000	4,000
in excess of 300,000	6,000

For TV stations of the civil sector, the minimum fee shall be charged in the amount of 50% of the established amounts.

RADIO BROADCASTING

Music Repertoire Quantity	% of Total Revenues
up to 30%	2.50%
from 30% to 50%	3.00%
from 50% to 65%	3.50%
from 65% to 80%	4.00%
in excess of 80%	4.50%

Minimum fee for radio broadcasting of musical works, as the lowest amount of compensation for the use of the repertoire, shall be calculated according to the number of inhabitants in the service area of coverage, as follows:



Population of the Beam/Coverage Area	Number of Points
up to 10,000	2,000
from 10,001 to 3,000	2,500
from 30,001 to 100,000	3,000
from 100,001 to 300,000	4,000
in excess of 300,000	6,000

For TV stations of the civil sector, the minimum fee shall be charged in the amount of 50% of the established amounts.

Article 7

User shall be obliged, by the 15th of each month for the preceding month, to deliver the list of broadcasted music works in the form prescribed by SokoJ.

Article 8

If the broadcaster has a contract with SOKOJ and if within the agreed terms he shall:

- report relevant data for the calculation of the fee,
- deliver credible lists of works broadcasted, in the form prescribed by SokoJ and
- he pay the fee/remuneration/compensation in its entirety pursuant to the account of SokoJ,

he shall be granted a discount of 10% to the amount of fee/remuneration/compensation.

Article 9

Shall a broadcasters owe SokoJ in excess of three times the monthly fee, or shall a broadcaster not submit to SokoJ lists of works broadcasted for a period longer than three months, he shall be considered unauthorized user of musical works. Such a broadcaster will be reported to RDA for further procedure, pursuant to Article 20 of the Broadcasting Act. In doing so, SokoJ shall reserve the right to charge in court, as well as the right to take every and all other legal measures.

Article 10

The value of points shall amount to 11.00 dinars, VAT not included.

Depending on the region in which the seat of the user is situated, the following coefficients shall be applied to the amounts of royalties, expressed in lump sum:

- for the territory of Beograd/Belgrade, Novi Sad, as well as for tourist resorts 1.00
- for the region of Vojvodina 0.90
- for the region of Central and Western Serbia 0.80
- for the region of Eastern and Southern Serbia 0.70.



Article 11

This tariff shall come into force eight days after its publication in the Official Gazette of the Republic of Serbia.

Number 01-6588/3

Dated in Beograd (Belgrade) on 12/19/2011

Chairman of the Managing Board of
Sokoj - Serbian Music Authors Organization
Srdjan Hofman, sgd.

- End of Translation -

