



**Agreement governing the  
Assignment and Administration of  
Rights for Producers of  
Sound Recordings**

**Agreement No.:** \_\_\_\_\_  
(to be completed by GVL)

Between

**Name of company:**

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**Address:**

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

– hereinafter referred to as “rights holder” –

and

**Gesellschaft zur Verwertung von Leistungsschutzrechten mbH (GVL)  
Podbielskiallee 64, 14195 Berlin  
Postfach 33 03 61, 14173 Berlin**

– hereinafter referred to as “GVL” –

the following Agreement governing the assignment of rights is hereby concluded:

## Article 1 Assignment of Rights

The rights holder assigns the rights, currently in existence and those accruing thereto during the period of this Agreement to GVL such that GVL may exercise those rights in its own name towards third parties as follows:

1. all legal claims and entitlements to receive appropriate shares (cf. Article 86 UrhG - Urheberrechtsgesetz, German Copyright Act) and/or equitable remuneration in respect of
  - a) conventional broadcasting by means of radio and television including of performances on published sound recordings by broadcasting enterprises (cf. Article 78 II (1) UrhG);
  - b) cable retransmission of sound recordings contained in programmes who are retransmitted simultaneously, unaltered and unabridged through cable or microwave systems (Art. 78 II UrhG)
  - c) communication to the public of performances recorded onto sound recordings or contained in conventional broadcasts or transmitted in accordance with Article 1 (2) - (5), or of performances based on the making available to the public (cf. Article 78 II (2) and (3) UrhG);
  - d) direct or indirect copying of audio or audio-visual recordings onto other audio or audio-visual media for purposes of private or other personal use (cf. Article 54 I UrhG);
  - e) mechanical reproduction/copying of sound recordings used in conventional school radio broadcasts or transmissions in accordance with Art. 1 no. 2-5, in so far as such copied recordings shall not have been erased at the end of the school year (cf. Article 47 II UrhG);
  - f) mechanical reproduction/copying and distribution of sound recordings made for collections for use in churches, schools or for other educational purposes by students or teachers, limited however to 10,000 copies at a time (cf. Article. 46 IV UrhG);
  - g) rental and lending of published sound recordings (cf. Article. 27 UrhG) as from July 1st, 1994; for recordings published after July 1st, 1995, this applies only if the producer has authorised the rental of the sound recording;
  - h) the non-commercial reproduction of sound recordings for and their distribution to handicapped persons as long as this is necessary to enable them the perception of the sound recordings (cf. Article. 45a II UrhG);
  - i) the making available to the public of sound recordings for teaching and research purposes (cf. Article . 52a IV UrhG);
2. the right exceeding Article 86 UrhG concerning the non-interactive transmission of performances recorded onto published sound recordings or conventionally broadcasted performances via IP-TV and subject to the usage of new transmission standards for mobile reception or in mobile networks; this shall however be on a non-exclusive basis;
3. the right exceeding Article 86 UrhG concerning the non-interactive transmission of sound recordings in multi-channel services especially in a digital format (cf. Article 85 I UrhG); this shall however be on a non-exclusive basis;

4. the right exceeding Article 86 UrhG concerning the non-interactive transmission of sound recordings via simulcasting or webcasting via internet or mobile networks; this shall however be on a non-exclusive basis;
5. the non-exclusive right to make available performances recorded onto published sound recordings or conventionally broadcasted in accordance with Art. 1 No. 1a) via podcasting;
6. the non-exclusive right to make available published sound recordings as background music on websites. For the avoidance of doubt, transmissions within closed proprietary systems (intranet) or closed private networks (intranet and/or VPN) or via mobile phone network configurations are excluded from the scope of this Agreement;
7. the right to authorise the manufacture of single copies of sound recordings against payment (cf. Article 85 I UrhG)
  - a) for the purpose of conventional radio or television broadcasts by broadcasting enterprises and providing copies under the conditions laid down in the currently valid broadcasting agreement;
  - b) in connection with published tariffs or concluded collective contracts:  
  
for the purpose of public or non-public performance by the reproducer;  
or for the purpose of archiving;  
  
except for reproductions to be included in a database; an exception thereto constitutes if it is a database set up directly by the organiser of the public performance or the party engaged by the organiser for said event, for the purpose of public performance in accordance with Article 78 II (2), (3) UrhG;
  - c) for the purpose of non-commercial manufacture and exploitation of a film;
  - d) for the purpose of a non-interactive transmission via IP-TV and by using new transmission standards for mobile reception or via mobile networks in accordance with Article 1 item 2 of this Agreement.
  - e) for the purpose of non-interactive transmission of sound recordings in multi-channel services, particularly in digital format in accordance with Art 1, item 3 of this Agreement;
  - f) for the purpose of non-interactive transmission in the form of simulcasting or webcasting via the internet or mobile networks in accordance with Art. 1 item 4 of this Agreement;
  - g) for the purposes of podcasting in accordance with Art. 1 item 5 of this Agreement;
  - h) for the purpose of background music on websites in accordance with Art. 1 item 6 of this Agreement;

8. as regards audio-visual recordings which contain musical performances or extracts therefrom recorded onto audio records and which do not have a playing time of longer than ten minutes:
- a) the right to conventional broadcasts by broadcasting enterprises (cf. Art. 94 I UrhG) in comprehensive and specialist TV programming (except for specialised music programmes);
  - b) the right to conventional broadcasts by broadcasting enterprises (cf. Art. 94 I UrhG) in specialised music programmes (which would be those programmes with a content of the relevant audio-visual carriers of over 70%)
  - c) the non-exclusive right to non-interactive transmissions in accordance with Art. 1 item 2 of this Agreement via IP-TV and subject to the usage of new transmission standards for mobile reception or in mobile networks;
  - d) the non-exclusive right to non-interactive transmissions in multi-channel services in accordance with Art 1 item 3 of this Agreement;
  - e) the right to simulcast via internet or mobile networks;
  - f) the non-exclusive right to make available performances recorded on published audio-visual recordings or transmitted by conventional broadcasts pursuant to Article 1 item 7a via podcasting;
  - g) the legal claims to receive equitable remuneration from cable retransmission, copying, public performance, rental, lending and distribution corresponding with items 1. b) to 1. i) above;
  - h) the right for mechanical reproduction/copying corresponding with items 7. a) to 7 g);
- as well as all and any claims and entitlements to receive remuneration which may only be legally administered by a copyright administration organisation irrespective of the playing time.
9. with respect to sound recordings, the non-exclusive right to make copies and to distribute via physical storage media of any kind, to make copies and make available to the public (Article 19a UrhG), also via internet, and by using new transmission standards for mobile reception or via mobile networks, and the rights mentioned in item 8 c) (Article 85 I UrhG), for specified and previously broadcast programmes of the radio and TV stations in accordance with the following regulations:
- a) in the case of TV broadcasts this applies to individual film and series productions which were produced by the TV broadcaster or on its behalf for its own broadcasting purposes, and where the music recordings were merely used for dramaturgic accompanying purposes (with the exception of music films) as well as for all programmes which fulfil the criteria in item 3. (b) to (d) in Annex 2.
  - b) in the case of radio broadcasts this applies for radio plays which were produced by the radio broadcaster or on its behalf for its own broadcasting purposes, and where the music recordings were merely used for dramaturgic accompanying purposes (with the exception of radio plays with a music-related main subject) as well as for all programmes which fulfil the criteria in item 3. (b) to (d) in Annex 2.
10. the entitlement to assert claims in and outside of the courts for injunctions, destruction and damages in cases of any infringement of rights assigned hereby under items 2. to 9. above;

11. neighbouring rights of the performing artists assigned to the rights holder as previously defined in items 1. to 9 above; this includes the broadcasting right according to Art. 78 I (2) UrhG insofar as the utilization of published sound recordings in multi-channel services should be regarded as "broadcasting";
12. authors' rights assigned to the rights holder as previously defined in items 8 and 10 above.

### Article 1a Definitions

For the purpose of this Agreement, the following definitions shall apply:

- (1) "Database" as covered by this Agreement shall mean a collection of musical sound recordings arranged in a methodical or systematic way and accessible with the help of electronic or other means and of which the obtaining requires a substantial investment.
- (2) "IP-TV" as covered by this Agreement shall mean the transmission of broadband multimedia services on the basis of an internet protocol (IP). IP-TV shall exclusively be the non-interactive transmission of such services in IP based electronic networks outside the internet (World Wide Web).
- (3) "New transmission standards for mobile reception" as covered by this Agreement shall mean those which enable the non-interactive transmission of programme signals via satellite or terrestrial signals to mobile end user devices (e.g. DVB-H).
- (4) "Mobile network services" as covered by this Agreement shall mean the transmission channels used for public mobile telephony (e.g. UMTS) as long as they are exclusively used for the non-interactive transmission of programme signals.
- (5) "Multi-channel services" as covered by this Agreement shall mean services in which sound or audio-visual recordings are transmitted via at least two parallel channels by wire or wireless means without substantial editorial contribution and without interactive elements, - especially via satellite or cable - except transmissions via Internet. The user should not have any influence on the particular programme he receives.
- (6) "Simulcasting" as covered by this Agreement shall mean the non-interactive, simultaneous, unaltered and not permanently storable transmission ("Streaming") of sound recordings included in a conventional broadcast via commonly accessible pages on the internet (World Wide Web) or mobile network services.
- (7) "Webcasting" as covered by this Agreement shall mean the non-interactive and not permanently storable transmission of a programme via commonly accessible pages on the internet (World Wide Web) or mobile network services on one or more channels, when the primary purpose of the service is not to sell, advertise or promote particular products or services other than sound recordings, live concert or other music-related events and as long as the criteria of Annex 1 to this Agreement are fulfilled.
- (8) "Podcasting" as covered by this Agreement shall mean the making available to the public of a conventional broadcast already used for broadcasting purposes for the non-permanent ("Streaming")

or permanent (“Download”) storage via commonly accessible pages on the internet (world wide web) or mobile network services through the broadcaster, as long as the criteria of Annex 2 to this Agreement are fulfilled.

- (9) “Background Music on Websites” as covered by this Agreement shall mean the making available to the public of sound recordings as background music on sites accessible to a user of the Internet (World Wide Web) by means of a general purpose web browser capable of accessing substantially all other Internet services, as long as
- the transmission takes place as a non-interactive, unaltered transmission of sound recordings (“Streaming”) by means of or via the computer of a user, and it excludes the making of copies of the transmitted sound recordings by the user and
  - it meets the criteria set out in the operating conditions for background music on websites (cf. Annex 3).

## Article 2 Limitations of the Assignment

- (1) The assignment of rights under Art. 1 above shall take effect only for the purpose of administration within the Federal Republic of Germany.
- (2) This limitation shall not be applicable to agreements concluded with foreign cable broadcasting companies, and in so far as GVL grants rights in respect of territories outside the Federal Republic of Germany in agreements concluded with broadcasting enterprises and radio advertising companies of the Federal Republic of Germany. Such limitation shall also not be applicable in so far as agreements are concluded with foreign collecting societies concerning mutual administration of neighbouring rights of performing artists and/or producers of sound recordings.
- (3) The assignment of rights in accordance with Art. 1 shall not include the use for advertising purposes.
- (4) The rights holder reserves the right to exercise the powers provided for in broadcasting agreements to exclude the copying of sound and/or audio-visual recordings if the artists involved so wish and where applicable, the powers provided in licensing agreements to exclude the making available of specific sound and /or audio-visual recordings. The rights holder also reserves the right to exclude sound and/or audio-visual recordings from any sort of copying if any of the artists involved has not given his consent. The rights holder is obliged to inform GVL about such reservations in writing. The assignment of rights in this Agreement does not include the right to license Background Music on Websites according to Article 1 item 6, as well as Internet-transmissions (webcasting or podcasting) subject to Art. 1 items 4, 5 and item 8 f) of this Agreement, which do not comply with the operating conditions listed in Annexes 1, 2 and 3 of this Agreement. Not included are also rights for the use of sound recordings as so-called “ringback tones”.
- (5) In cases where GVL has not yet concluded collective contracts or not yet established tariffs, it needs to obtain prior approval of the rights holder in each individual case.

### Article 3 Duties of the rights holders

- (1) The rights holder shall be under a duty at all times to provide GVL with the references and information necessary for the ascertainment and administration of his rights and claims and those assigned to him from performing artists, and furthermore to provide the details necessary for the establishment and execution of a distribution plan and to make the required documentation available for these purposes. GVL shall also be entitled to obtain such necessary information and details directly by itself if necessary.
- (2) The rights holder communicates to GVL his bank account and gives instant information about possible changes. GVL shall not be liable for misdirected money transfers based on incorrect information. The rights holder is obliged to reimburse GVL for any over-payments received as a result of incorrect, incomplete, or unclear details.
- (3) The rights holder is obliged to inform GVL about any change of residence or registered office and of any changes affecting the company.

### Article 4 Assignment of rights holder's claims

The rights holder's claims against GVL may only be further assigned with the approval of GVL. GVL shall be entitled to make its approval conditional upon payment of a handling fee. The general statutory provisions shall apply to legal succession among the parties.

### Article 5 Duration of the Assignment

- (1) This Agreement shall commence on the day of signature by the parties involved and shall in the first instance be concluded for a fixed period of two distribution years.
- (2) This Agreement can be extended on application.
- (3) After a period of extension has been agreed by the parties, this Agreement shall be effective for an indeterminate period and may be terminated by giving six months' notice as per 31st December of any given year, at the earliest however as per the end of the third contractual year after the point of time of extension. Exceptions to the aforementioned shall be the transfer of rights according to Art. 1 items 2 to 6, as long as no claims for participation are involved, as well as according to Art. 1 item 8 a to f, including the relevant mechanical reproduction rights under items 7 and 8 h) from the beginning of the Agreement which may be terminated with three months' notice to the end of June or December of each year .
- (4) Should agreements with exploiters concluded or extended by GVL continue to be valid beyond the date of termination of this present agreement, this present agreement shall be extended with regard to the relevant assignment of rights according to the terms of the agreement with the exploiter. This shall not apply to the termination options mentioned in the previous paragraph 3, second phrase, with exception of no 7 a) and b) including the relevant mechanical reproduction rights.

- (5) Upon termination of this present agreement the rights involved shall without any special assignment return to the rights holder at the end of the calendar year in question.

## Article 6 Distribution

- (1) The Articles of Association of GVL in the version valid for the time being shall be deemed an integral part of this Agreement. Future amendments of this Agreement decided by the Advisory Council, e.g. with regard to new rights or new means of utilisation shall become part of this Agreement when written notice of the amendments has been given to the rights holder and the rights holder agrees to the amendments. Silence will be taken to signify consent when the rights holder does not object to the amendments within six weeks after the written notice has been posted; the rights holder shall be informed about this legal consequence in the written notice.
- (2) The following principles shall prevail in respect of distribution:
- a) The remuneration collected by GVL in respect of the exploitation of sound recordings shall be divided equally between producers and performing artists.
  - b) The remuneration collected by GVL in respect of the exploitation of audio-visual recordings shall be divided equally between producers and performing artists, after previous deduction of 60% for producers.
  - c) The remuneration collected by GVL in respect of the rental and lending of films shall be divided equally between producers and performing artists, after previous deduction of 40% for performing artists.
  - d) The remuneration collected by GVL in respect of cable retransmissions of artistic performances, which are not covered by lit. a) and b), are due to the performing artists.

## Article 7 Miscellaneous

Place of performance and jurisdiction shall be the registered office of GVL.

Place, Date

Signatures

### This is an unofficial translation:

Please note that the translation of the "**Wahrnehmungsvertrag**", the Agreement governing the assignment and administration of rights, is a free translation into English and is provided as a service by GVL and shall serve for orientation purposes and your files only. The translation is provided solely for the convenience of English speakers. In the event of a discrepancy between the English translation and the German version, the version in the official language shall prevail.

Please sign the German original of the Wahrnehmungsvertrag.



## Annex 1

### OPERATING CONDITIONS WEBCASTING

A webcaster is required to comply with the following operating conditions to be eligible for a licence pursuant to this Agreement:

#### 1. No advance publishing

The webcaster shall not publish or cause to be published, by means of an advance programme schedule or prior announcement, the titles of the specific tracks or the names of albums incorporating such tracks to be transmitted, or, other than for illustrative purposes, the names of the featured recording artists. This clause does not disqualify a transmitting entity that makes a prior announcement that a particular artist will be featured within an unspecified future time period.

#### 2. Music programme

The webcaster shall not webcast in any 3-hour period:

- (a) more than 3 different songs from a particular album, including no more than 2 consecutively, or
- (b) more than 4 different songs by a particular artist or from any compilation of songs, including no more than 3 consecutively.

#### 3. Archived and looped programming

The transmission shall not be part of:

- (a) an archived programme of less than 5 hours in duration; or
- (b) an archived programme of 5 hours or greater in duration that is made available for a period exceeding 2 weeks; or
- (c) a continuous programme, which is of less than 3 hours duration.

#### 4. Repeat of other programmes

The transmission shall not be part of an identifiable programme in which performances of sound recordings are rendered in a predetermined order, other than an archived or continuous programme, that is transmitted:

- (a) more than 3 times in any 2-week period that have been publicly announced in advance, in the case of a programme of less than 1 hour in duration; or
- (b) (more than 4 times in any 2-week period that have been publicly announced in advance, in the case of a programme of 1 hour or more in duration.:

## 5. Prohibition of use in advertising and synchronisation

The webcaster shall not knowingly perform the sound recording as such or as part of a service that offers transmissions of visual images, in a manner that is likely to cause confusion, to cause mistake, or to deceive as to any affiliation or association of the copyright or related-rights holder or featured artist with the webcaster or a particular product or service advertised by the webcaster, or as to the sponsorship, or approval by the copyright holder, related-rights holder or featured recording artist of the activities of the webcaster other than the performance of the sound recording itself.

## 6. Defeat scanning and copying by recipient

The webcaster must either talk over or cross-fade subsequent sound recordings used in the course of the webcast programmes. Should this not be possible in an individual case, the time lapsed between two webcast sound recordings must not be longer than 0.25 seconds.

The webcaster shall use effective technologies, insofar as such technologies are commercially available and can be implemented without imposing unreasonable costs, which aim to prevent:

- (a) a transmission recipient or any other person or entity from automatically scanning the webcaster's transmissions alone or together with transmissions by other transmitting entities in order to select a particular sound recording to be transmitted to the transmission recipient; and
- (b) a transmission recipient from making copies, other than transient copies, of the sound recordings.

## 7. Accommodation of technical protection measures

The webcaster shall accommodate and not interfere with technical measures that are used by sound recording copyright holders to identify or protect copyrighted works, and that are technically feasible of being transmitted by the webcaster without imposing substantial costs on him or resulting in perceptible aural or visual degradation of the digital signal.

## 8. Transmission of copyright management information

**Subject to the conditions in Article 6 above:**

- (a) The webcaster shall identify in textual data the sound recording during, but not before, the time it is performed, including the title of the sound recording, the title of the album embodying such sound recording, if any, and the featured recording artist, in a manner to permit it to be displayed to the transmission recipient by the device or technology intended for receiving the service provided by the webcaster.
- (b) The transmission of the sound recording shall be accompanied, if technically feasible, by the information encoded in that sound recording, if any, by or under the authority of the copyright or related-rights holder of that sound recording, that identifies the title of the sound recording, the featured recording artist who performs on the sound recording, and related information.

## **9. No transmission of unlawful sound recordings**

The webcaster shall not transmit unauthorised recordings, including without limitation bootlegs or sound recordings that have not yet been made available for webcasting purposes in the territory where the webcaster has its establishment. The webcaster shall not re-mix, edit or otherwise modify sound recordings so that what is transmitted would be different from the original sound recording.

## **10. Automatic channel switching, buttons, and personalisation**

The webcaster shall not automatically and intentionally cause any device receiving the transmission to switch from one programme channel to another. The listener should, however, have the option to use pause and skip functionalities. Skip functions to skip individual titles or moving forward in a given time interval must be subject to intervals predefined by the webcaster, and the listener must not be able to individually influence those. The webcaster may also offer personalised programmes (preference functions). The preference function offers the listeners the option to inform the webcaster about their preferred genres, artists or sound recordings. The combination of skip and preference functions must not result in the transmission of specifically desired artists or albums. The combination of unlimited skip functions together with the preference function shall be excluded.

## **11. Safeguard of integrity of works and performances**

The webcaster shall exercise proper discretion in the choice and use of the sound recordings so as not to denigrate the artistic integrity of any copyright works or any performance embodied on any sound recording nor to subject any copyright works or performance embodied on any sound recording to derogatory treatment and it shall not perform the sound recording with any image that would have any of these effects or which is illegal or offensive.

## Annex 2

### OPERATING CONDITIONS PODCASTING

A broadcaster is required to comply with the following operating conditions to be eligible for a licence pursuant to this Agreement:

#### 1. Control via the broadcaster

The podcast of a broadcast must be made available using a server which is controlled by the broadcaster. The server shall only be accessible via the broadcaster's website. Access via other websites shall only take place subject to indicating the name of the broadcaster and the programme and are subject to permission by GVL.

#### 2. No further usage

The broadcaster must legally oblige the recipient of the podcast to use the programme only for private/personal use.

#### 3. Programme restrictions

- (a) the programme must not only contain music / sound recordings [back-to-back music] and shall not contain more than 3 subsequent tracks.
- (b) Programmes under 20 minutes of duration shall only contain excerpts of music tracks under 1 minute as long as this does not exceed half of the duration of the entire music track.
- (c) In cases where sound recordings are merely used as background music, and the contents of the sound recordings in the podcast does not exceed 10% of the total duration of the programme and the used sound recordings consist of excerpts shorter than one minute and less than half of the total duration of the actual track, then the provisions in no's 4, 6, 7 and 10 shall not be required.
- (d) Sound recordings used in programmes but where at least 50% of their used total duration are subject to voice-overs shall not be taken into consideration for the restrictions mentioned above under a) to c).

#### 4. Restrictions for making available

Podcasts may only be made available up to a maximum of 7 days after the broadcast of the relevant programme. They shall only be useable for the recipient up to a maximum of 7 days after the date where the recipient received the podcast ("timed-out function"). The broadcaster must use effective technology in order to guarantee this restriction.

#### 5. Interdiction of use for advertising purposes

The broadcaster must not use his services to advertise or sell certain products except for sound recordings.

## **6. Programme Scanning Prevention**

The broadcaster shall use effective technologies, insofar as such technologies are commercially available and can be implemented without imposing unreasonable costs, which aim to prevent that the podcast is passed on / transmitted further and can thus be scanned in a way which makes filtering out and reproduction of the sound recordings possible.

## **7. Support of technical measures**

The broadcaster shall support technical measures which are used by the record companies in order to identify and protect their sound recordings, as long as those technical measures can be transmitted without incurring substantial costs and without any noticeable interference of the transmitted signal.

## **8. Transmission of information for rights administration**

- (a) The broadcaster shall be able to transfer the following information about the sound recordings during but not prior to the transmission via a channel which makes this information available to the recipient on specially designed equipment: Title of the sound recording/track, possibly the name of the album which contains the track, and name of the performing artist.
- (b) If technologically feasible, the transmission of the sound recordings shall be accompanied by the information for these sound recordings about titles and performing artists implemented by the rights holders.

## **9. No transmission of unauthorised sound recordings**

The broadcaster must not transmit unauthorised sound recordings such as bootlegs (unauthorised recordings of live concerts) or recordings not yet released for public broadcast. The broadcaster must not alter the recordings via e.g. re-mixes or other arrangements so that they differ from the original recordings.

## **10. Automatic change of programme and personalised programmes**

The broadcaster must not support any appliances which enable the automatic switching from a programme channel to another. Furthermore no skip or fast-forward or rewind functions shall be included in the broadcaster's product. The broadcaster may, however, provide for a pause and a forward function as long as the skipping limit shall be preset by the broadcaster and are at least 5 minutes long. Such functions should in no way enable the listener to get from one sound recording to the next. No function shall enable the listener to create a personalised programme (e.g. relating to the offer of specific artists or the contents of specific albums).

## **11. Integrity of works and performances**

The broadcaster shall preserve the moral rights of the authors and the performing artists when using the sound recordings. The broadcaster must, in particular, refrain from any misrepresentation or other distortion which could compromise the standing and the reputation of these persons. This shall apply in particular in cases where sound recordings are used in connection with pictures or films.

## Annex 3

### OPERATING CONDITIONS BACKGROUND MUSIC ON WEBSITES

The following operating conditions must be complied with in the licensing procedure relating to the communication to the public of sound recordings in the form of background music on websites:

#### 1. Programme restrictions

The total length of all the tracks used as Background Music may not exceed 15 minutes.

The Streams may not include more than one track per artist and must have a minimum of 2 tracks.

#### 2. Technical requirements

The Streaming shall be done using non-downloadable formats. For Streaming, only audio transmission formats must be used. The streamed content must be legally purchased.

The Streams shall commence automatically on visiting the website or once a visitor to the website scrolls over a specific area of the website.

Visitors of the website may not have the ability to select, pause, rewind, replay certain tracks or, through whatever technical means, advance or retreat to a point in the Streaming programme ("skip" function).

So as to prevent the background music titles coming up in internet music search results or being detected by web-crawling services or so-called stream rippers, the titles of the tracks or the albums incorporating the tracks or the featured artists must not be used in the website metadata which facilitates a search for the tracks or the albums incorporating the tracks or the featured artists.

Linking to tracks is not allowed. The website must not allow, authorise or promote access to the tracks through other websites or services operated by third parties or the licensee itself.

The website shall use effective technologies, insofar as such technologies are commercially widely available and can be implemented without imposing unreasonable costs, which aim to prevent the visitors of the website from retransmitting or scanning the sound recordings to such an extent, that they can be filtered and copied.

#### 3. Prohibition of use in advertising or synchronisation

The website shall not advertise, announce or feature in any manner the titles of the specific tracks or the names of albums incorporating such tracks or the names of the featured recording artists.

The licensed website shall not carry third party advertising or suggest by implication or otherwise any endorsement by the artists of any product or service.

The website shall not synchronise the tracks with any particular visual materials.

The rights holders shall have the right to withhold any specific tracks or all tracks of an artist from the licence.

In the event that a performing artist should retroactively object to use of their recordings in the licensed website or in the event that the producer concerned has specific reasons to believe that such continued use will subject them to legal liability or negatively affect their relationship with the recording artist concerned

then upon notice to the licensee hereunder the licensee shall immediately remove such recordings from its website and/or substitute recordings by an alternative recording artist.

The operator of a website shall not re-mix, edit or otherwise modify sound recordings.

#### **4. Licensees**

Only one license can be granted to a single individual, association or business.

The licensed website pertains to a private individual or to an association or business that neither employs more than 10 full-time employees or consultants nor has a yearly gross revenue of no more than € 500,000. Where such association or business is part of a group of associations or businesses, or is part of or operates under a group of companies, then the aggregate staffing level and the aggregate gross revenue of all members of such group shall be taken into account for assessing the criteria for the purposes of this Agreement.

Website and/or entities offering digital music services are not eligible for the licence.

The licensee shall be responsible for clearing the rights required for the use of the underlying musical works.

#### **5. Prohibited contents**

The licensed websites may not contain or encourage, gambling, alcohol, tobacco, pornography, illegal drugs, music piracy, violence, profanity, vulgarity, offensive (including abusive or inappropriate) content as well as any illegal or unlawful content/activities. The foregoing includes, but is not limited to, copyright infringement (including file sharing), racism, homophobia, hatred, fraud, or infringement of the rights of others.