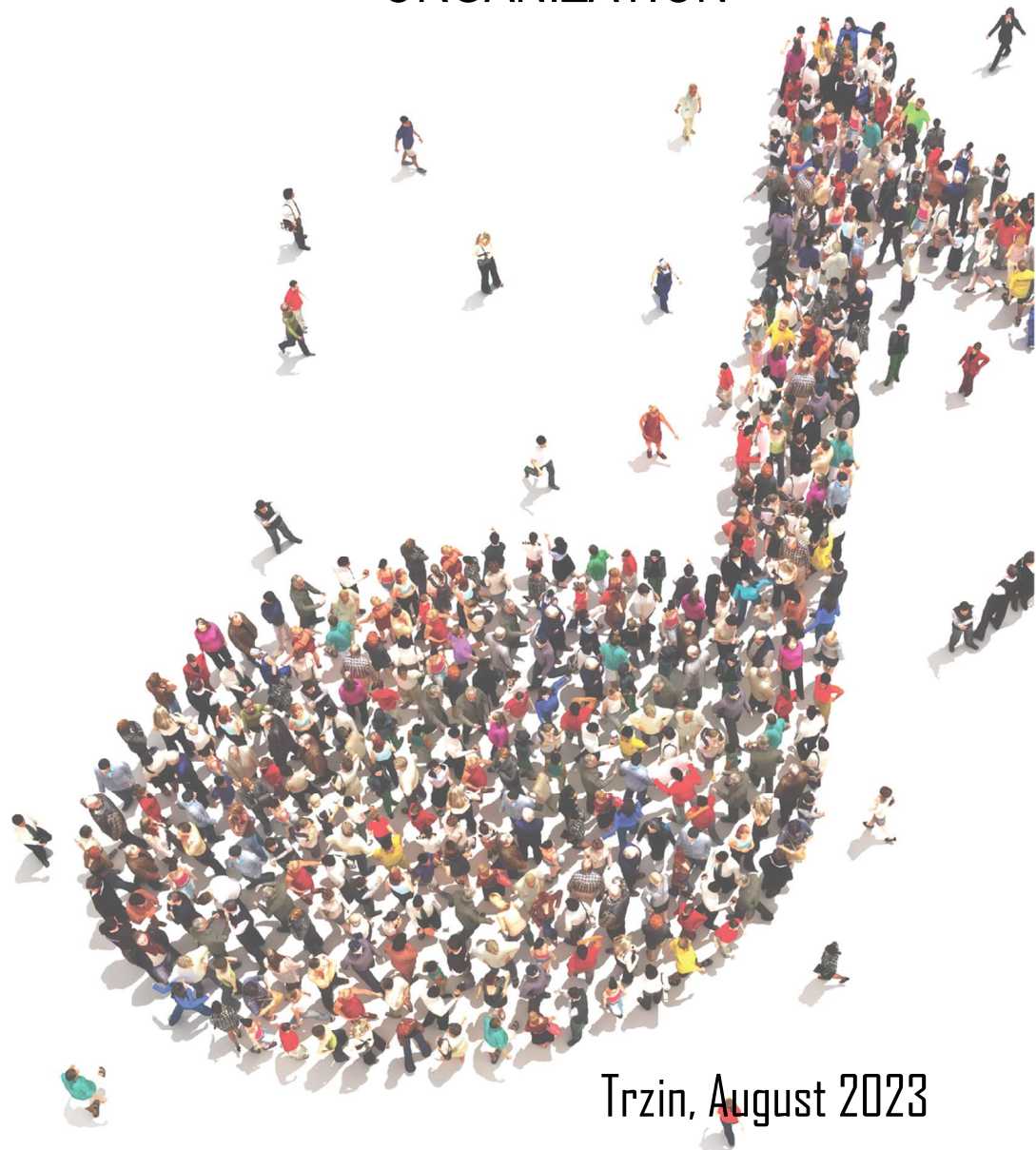




SAZAS

DISTRIBUTION RULES

BY SAZAS COLLECTIVE
ORGANIZATION



Trzin, August 2023

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GENERAL PROVISIONS

Article 1

The distribution rules determine the basic principles, policies, and methods of distribution and payment of royalties that SAZAS Society (hereinafter: the Society) collected based on copyrights for musical works, presented in annual accounting statements and the General Settlement, and in accordance with the Society's Statute.

Article 2

The distribution rules together with their amendments are adopted by the General Assembly and they enter into force with the beginning of the following financial year, unless specifically determined otherwise.

The Management is responsible for the preparation and enforcement of written rules. The Management shall ensure that the rules are fair, accurate, transparent, and cost-effective, as well as establish a system which ensures that the information, used for the distribution of royalties, shall be based on statistically reliable sources that present the actual and fair use of works in the Republic of Slovenia.

Article 3

The distribution rules are regularly reviewed and updated if necessary. The Management shall closely cooperate with the competent specialist service to ensure that the articles requiring changes are reviewed thoroughly and in due time. There can be various reasons for reviewing and amending the rules. Especially the following shall be taken into account:

- changed licensing terms for repertoire works or new forms of repertoire use;
- changed costs or data formats used for the distribution of collected royalties, which could result in the change of processing costs;
- changed technological capabilities;
- dissatisfaction of authors and rights holders with current provisions;
- changes in legislation and international standards.

Article 4

In cooperation with the specialist service, the Management shall draft articles changes that shall be formed as clearly as possible. Before drafting the changes, the specialist service shall conduct appropriate research of the potential influences of changed policies on the distribution of royalties.

Article 5

The Society shall employ the same conditions to enforce the copyrights of authors and rights holders for musical works.

Article 6

Within reasonable costs, the Society shall diligently implement all necessary measures for the identification of authors and rights holders and determination of their location. To do this, the Society shall use all available sources of information. The information have priority in the following order of precedence:

- registry of registered works kept by members, authors, or rights holders that authorized the Society,
- registries of registered works kept by foreign collecting societies,
- unambiguous information by the users, and
- unambiguous information from the World Wide Web or other sources.

Article 7

If at the time of preparing the settlement, the Society shall not have available appropriate information for the foreign collecting society repertoire work used and shall recognize at least one of the authors of the said work, the total amount of the collected royalties for this work shall be paid to the account of the collecting society that represents the said author (CISAC CTR13-0250R1 binding rules, pertaining to Insufficient Documentation).

The works that meet the criteria for this type of works, are marked with the "Warsaw work" identifier in the database.

Article 8

Should it not possible to unambiguously identify any of the authors or rights holders despite implementing the above-mentioned measures, the royalties collected for this work, shall be retained and kept on a special account.

Article 9

The Society shall give the represented authors or rights holders, and the collecting societies with which it has concluded an agreement on representation, information about copyrighted works for which the rights holder could not be identified or located, in three months after the settlement has been made or until December 31 at the latest.

The information from the previous paragraph shall include the following data, provided that the Society shall dispose of such data:

- The title of the copyrighted work,
- The name of the rights holder,
- The performer of the musical work,
- The name or company name of the publisher, film producer or producer of phonograms, and
- Any other information which might be helpful in identifying the rights holder.

Article 10

Should it occur that even after carrying out all the necessary measures from the previous article, the Society shall not be able to identify or locate the rights holder, a year after the three-month deadline indicated in paragraph one has passed, the Society shall publish information from paragraph two of the previous Article on their website.

Article 11

If three years after the end of the financial year in which the royalties were collected, the latter still cannot be distributed despite all the measures have been carried out, the unallocated royalties shall become undistributed. The information about these works is removed from the Society's website.

DISTRIBUTION OF ROYALTIES

Article 12

The royalties shall be distributed according to the General Settlement. The General Settlement shall include all revenues from the financial year, which were paid by 28 February of the following year, and the payments from previous years, which were not yet included in the distribution. The distribution shall include amounts which were paid after the deadline, but not later than 30 June, exceed EUR 100,000, and those, the inclusion of which does not incur additional costs and additional data processing.

The General Settlement shall include the following data:

- The list of repartition classes, included in the settlement;
- Distribution of paid revenues into classes according to the types of copyrights, types of use and periods;
- The format of the document and source of information for determining the amount;
- The method of inclusion of revenue into individual classes (whole, partial, proportionate), with pertaining explanation;
- Distribution of interests and other special revenues and stimulation based on Article 40, 41, 47, and 48 of this Rules;
- The amount and contents of the protection costs related to a certain accounting period and the method of their distribution into individual funds;
- The statistical sample for the processing of programme data, and
- Information about the excluded schedules of used works from Article 17 of these Rules.

Article 13

The distribution and payment of collected royalties from the country is carried out once per year, nine months after the conclusion of the financial year at the latest, unless this is not possible due to objective reasons or it is determined otherwise by these Rules.

The royalties from abroad for domestic authors and rights holders shall be paid quarterly after the documentation, received from foreign collecting societies, shall be processed. The settlement and payment of royalties is carried out in accordance with the provisions of these Rules.

Article 14

The authors and rights holders shall receive paid royalties no later than 14 days after the settlement is carried out. The royalties are paid per area, specifically:

- General rights (radio, television, public radio or television broadcasting, public broadcasting of phonograms etc.);
- Public performance (concerts, events etc.);
- Mechanical rights;
- Interactive online use;
- Compensations for private and other internal reproduction;
- Small rights from abroad;
- Mechanical rights from abroad.

The royalties are paid when the amount exceeds the minimal amount, which is EUR 15.00 gross.

The royalties that do not exceed the minimal amount, are kept on the authors' or rights holders' accounts for a period of five years, and are paid when the minimum amount, determined in the previous article, is exceeded.

Should it occur that the amount of unpaid royalties cannot be paid after five years, the collecting organization shall transfer the five-year amount to the beneficiary's account, unless there are objective reasons, which are not stated on the Society's website, that prevent the same.

Article 15

The accounted for royalties intended for foreign collecting societies are paid out at least once per year, after receiving the appropriate documentation for the payment (invoice, verified tax documents), and not later than 9 months after the end of the financial year.

Article 16

The royalties for performed musical works differ according to the categories based on individual rights and types of use determined by the tariff. Individual rights and tariffs are divided into repartition classes that combine same type users in classes.

At the same time, the revenues based on individual tariffs covering several rights, are divided into individual rights according to the information about the use of individual rights from the representative sample of users.

Article 17

The royalties are accounted for based on information about the used works that the Society receives from the users. Based on this Rules, the General Settlement shall determine the user schedules and the processing method of the latter to carry out the settlement.

The information about the used works for which a reasonable doubt regarding accuracy and credibility exists (for example significant deviation of information compared to the results of the monitoring, the total duration of works in schedule exceeding the time frame in which the works were played), may be excluded from the settlement. In such cases the Society shall make their best efforts to obtain accurate information, except if this would mean disproportionately high costs.

Article 18

To ensure a fairer distribution of costs arising from the processing of data, the Society shall use the following methods to distribute the costs between authors and rights holders more fairly:

Full sample (census) – accounting for costs according to the full sample includes the collection and processing of data as well as payment for each individual use of a musical work in the settlement period. This method is appropriate especially in cases when the revenues are high enough to enable full processing of data, or if the structure of musical work use is so diverse that a sample that would be representative of the actual use of works (e.g. concerts) cannot be determined.

Sample – when the collection and processing of information is not possible due to the nature of the musical work use and available funds (especially due to the large quantity of works and low income), a sample of works is determined based on the actual use. When determining the sample, two methods are used:

Determining the minimal number of occurrences of the work in schedules of the user in the accounting period, which is necessary to include the work into the settlement. This method is effective especially for users with a large quantity of broadcasting and a relatively low width of the used repertoire (e.g. radio broadcasting or broadcasting on musical televisions).

Determining the number of days and/or the time zone in the accounting period included in the settlement. According to this method, all data are processed on determined days in determined time zones. This method is effective especially in cases when the above sampling method is not appropriate due to the specific use of musical works or the wide use of repertoire with low

repeatability, and where the use of a full census would be too expensive and disproportionate in relation to the revenue from use (e.g. musical works used in a classical TV programmes).

Analogy – it is used when the use of a full census or sample is not appropriate, especially due to the expensive collection of data (e.g. the use of music by small users, where the acquisition of a statistically significant sample would be very expensive and disproportionate in relation to the revenue from use) or where repertoire use is so broad and extensive and revenue so low that the data processing would not be reasonable. This method of royalty distribution uses information that are similar (analogue) to the actual use of works.

The analogy is also used in cases when the user only submits partial data required to carry out the settlement by the determined deadlines. In such cases the Society shall first withhold the payment of collected royalties. In the event that the user does not submit the data in reasonable time, the Society shall distribute the royalties according to the analogy method.

When appropriate, the combination of different methods of data processing can be used for the same type of use.

Article 19

Based on the General Settlement and information about the works carried out, individual settlement for royalty payment is prepared for domestic authors and rights holders. The individual settlement is sent to the author or rights holder together with the payment or not later than two months after the payment of the royalty.

Article 20

The information about the royalties is a business secret and can only be disclosed at the request of the author or rights holder in question, or at the request of a court or another competent authority, or if this is provided by applicable law.

Article 21

The author or rights holder can request a new settlement or a correction of the same if they believe that the royalties for performances that were reported in users' regular programmes were not accounted for or were accounted for incorrectly.

The request for a new settlement or a correction of the same shall be filed in writing, not later than in 30 (thirty) days after identifying the alleged violation or irregularity, which is not older than one year. Such request shall include an explanation and appropriate evidence shall also be attached. Based on the evidence, the Management shall decide whether or not the request is justified.

The author or rights holder who has not delivered appropriate information which would enable correct identification of their works and payment of royalties, cannot request a new settlement or a correction of the same, but they can request the payment of royalties that the Society accounted for based on the information at their disposal.

EVALUATION OF WORKS

Article 22

If the Society issues a permit to the user and the amount of the royalty depends on the value that a user creates using copyright works, the value of each broadcast is not known in advance.

In the evaluation of works, the Society shall determine the number of points depending on the duration, method of use and/or the genre or the ensemble by which the work was performed.

How and when this type of evaluation is used, is defined hereinafter.

The total number of points in each class is calculated based on the sample, the method of the use of musical works, genres and ensemble. The value of a point is determined so that each point in the class has the same value, which means that the amount of royalties in one class is divided by the number of all points in the class.

The amount of royalties collected in each class, the number of points, the accounted for minutes and the value of points for each class shall be published on the Society's website every time a settlement is carried out.

Article 23

The duration of works is calculated in full minutes. If the duration of a work exceeds a full minute by more than 30 seconds, the next full minute is accounted for.

If the duration of an individual use of work or its fragment is shorter than 30 seconds, the total duration of all repetitions and fragments of the work for one user within one month shall be rounded in accordance with paragraph 1 of this Article.

SCORING OF WORKS

Article 24

Musical works, broadcast in radio and television programmes in the context of **advertising messages, self-advertising videos or announcements of broadcasts which are up to 60 seconds long**, shall be evaluated irrespective of the category, ensemble or duration

with 0.25 points.

For musical works used as referred to in the previous paragraph, a maximum value of 2,5% of the class value shall be accounted for.

Article 25

Intro – The use of a musical theme or phrase at the beginning or the end of a programme or show, to separate the same show (audio illustrations, jingles) or several different shows, which are played in radio and television programmes regardless of category and ensemble, is evaluated with

3 points per minute.

Article 26

Background music – Uncommissioned musical work or a passage from a musical work that is used:

- as background music or a sound illustration (background) in non-artistic voice programmes (news, on-the-spot reports, talk shows, etc.),
- or as uncommissioned accompanying music in shows from other artistic genres (poetry, prose, drama) regardless of the category and ensemble are evaluated with

1 point per every minute.

Article 27

Commissioned musical works, used as background music, for which the author has not transferred material rights to the contracting entity, shall be evaluated irrespective of the category, ensemble or duration with

0.25 points per minute.

Article 28

Independently used musical works that are broadcast in radio and television programmes, are subject to secondary broadcasting, broadcasting retransmissions or public broadcasts by phonograms or videograms, shall be classified in a particular genre in terms of their character, form, and ensemble, in which the work had been performed. A work is classified in individual categories according to the registration of the work or other authentic and reliable available data.

Article 29

Independently used musical works or works, used in the foreground, shall be evaluated according to the genre and ensemble:

CLASSICAL MUSIC

Category 11 Music performed with one or two instruments, an instrument and voice (or an instrument and one-, two- or three-voice choir), one to three vocal soloists, two- and three-voice choir is evaluated with

12 points per every minute.

Category 12 Music for the music ensemble up to nonet, with or without a vocal part (or choir) for four to eight vocal soloists or a four- to eight-voice choir is evaluated with

20 points per every minute.

Category 13 Music for a chamber orchestra (string or mixed) with or without a vocal part, for vocal groups with more than eight soloists or for more than eight-voice choirs is evaluated with

30 points per every minute.

Category 14 Music for the symphony orchestra with or without a vocal part (choir) is evaluated with

40 points per every minute.

Category 15 Classical works of electronic music with or without a vocal part, regardless of the number of parts or lines of thought is evaluated with

8 points per every minute.

POPULAR MUSIC

Category 21 Dance music, popular music, pop and rock songs, folk songs or compositions in inspired by folk songs, chansons, pieces of operettas or musicals, marching songs and medleys performed by a soloist or an ensemble or produced with an electro acoustic process, with or without a vocal part are evaluated with

5 points per every minute.

Category 22 Works from category 21 performed by a large ensemble or an orchestra with at least 10 special parts with or without a vocal part are evaluated with

10 points per every minute.

Category 23 Works from category 21 performed by a large popular ensemble or an orchestra with at least 15 special parts with or without a vocal part, are evaluated with

15 points per every minute.

Category 24 Works from category 21 performed by a light or symphonic orchestra with or without a vocal part are evaluated with

20 points per every minute.

Category 25 Works of folk music from category 21 performed by an instrumental trio with or without vocals and/or with one additional instrument are evaluated with

10 points per every minute.

Category 26 Folk music works from category 21 performed by an instrumental quintet with or without a vocal part are evaluated with

12 points per every minute.

MORE COMPLEX FORMS OF POPULAR MUSIC, JAZZ, AND JAZZ ROCK MUSIC

Category 31 Complexer forms of popular music: smaller works of concert nature, fantasies, rhapsodies, overtures, suits, concertinas, concerts, jazz and jazz rock music performed by a soloist or an ensemble with or without a vocal part are evaluated with

10 points per every minute.

Category 32 Works from category 31 performed by popular, brass or big band orchestras with or without a vocal part are evaluated with

15 points per every minute.

Category 33 Works from category 31 performed by a large popular or a large wind orchestra with or without a vocal part are evaluated with

20 points per every minute.

Category 34 Works from category 31 performed by a light or symphonic orchestra with or without a vocal part are evaluated with

25 points per every minute.

Article 30

Classification of works in categories of classical music (11, 12, 13, 14 or 15), popular music (23 or 24) or more complex forms of popular music (31, 32, 33 or 34) must be confirmed by the Society's classification expert.

The Society shall hire music experts for the classification of works and to resolve technical issues.

Article 31

At the request of the author, the specialist service, the management, or at their own initiative, the music expert may verify whether the work was classified in the appropriate category, and may reclassify the work if established that it was not classified correctly.

The specialist service shall inform the author of such change and offer them the possibility to file a justified written appeal.

Article 32

If there are no data available to indicate the category of the work, the work is evaluated according to the initial category of the genre, in which it was classified.

Article 33

A musical work is evaluated with a single point, regardless of whether it is performed with or without lyrics.

If a musical work, which was originally registered as if having lyrics, is performed without them, the author of the lyrics shall receive an appropriate share of royalties according to the contract or based on their actual contribution to the creation of the musical work.

RIGHT TO BROADCASTING

Article 34

The right to broadcasting is the exclusive right to communicate the work to the public using radio or television programme signals, intended for the public, namely by wireless means (including satellite) or by wire (including cable or microwave systems).

Examples of such use are primarily terrestrial and satellite radio and television broadcasting, on-line broadcasting and primary broadcasting of radio or television programmes via cable and IP systems.

Article 35

The following repartitioning classes shall be established in the statement of accounts for broadcasting rights:

- 100 Radio programmes of Radio-television Slovenia (RTV Slovenija) with nation-wide coverage
- 101 Themed radio programmes of RTV Slovenija with predominantly classical music
- 102 Radio programmes of RTV Slovenija with regional coverage
- 103 Radio programmes of RTV Slovenija, intended for minorities
- 110 Commercial radio stations
- 120 Radio stations of special importance
- 130 On-line radio programmes (non-interactive use of musical works on the World Wide Web)
- 200 Television programmes of RTV Slovenija with nation-wide coverage
- 201 Television programmes of RTV Slovenija with regional coverage
- 210 Local and non-commercial television programmes of special importance
- 220 Commercial television programmes with nation-wide coverage
- 230 Music TV stations

Article 36

The assets in individual classes, with the exception of RTV Slovenija radio and television programme classes, shall be distributed among the schedules of individual radio or television programmes according to the broadcaster's payment for this schedule. If the amount paid for individual programmes is not clear from the information from the broadcaster, the broadcaster's royalty is distributed between schedules, depending on how often a particular programme was listened to or watched.

Article 37

The revenues from RTV Slovenija are distributed as follows:

Class	Percentage of payments
100 Radio programmes of RTV Slovenija with nation-wide coverage	45%
101 Themed radio programmes of RTV Slovenija with predominantly classical music	15%
102 Radio programmes of RTV Slovenija with regional coverage	15%
103 Radio programmes of RTV Slovenija, intended for minorities	1%
200 Television programmes of RTV Slovenija with nation-wide coverage	22%
201 Television programmes of RTV Slovenija with regional coverage	2%

Schedules of individual stations, included in one class, form a single class.

RADIO BROADCASTING (RB)

Article 38

With the purpose of ensuring a fair distribution of costs, the following sampling methods are established for the processing of radio programmes:

Method	Annual payment for a programme
Census	more than EUR 150,000
A sample with parts that have more than 5 repetitions on the radio station	more than EUR 100,000
A sample with parts that have more than 10 repetitions on the radio station	more than EUR 2,000
Analogy	EUR 2,000 and less

Article 39

An individual author or rights holder may collect a maximum of 1,000 points in one calendar month on one radio programme for the use of their creative opus as an intro or background music.

Article 40

Musical works, performed in radio programmes, intended for the presentation of one or more musical authors, shall be evaluated in accordance with the provisions of Article 92 of this Policy, so that the value of the point is multiplied by a

quotient of 2.

Article 41

The value of the point of the musical work, performed in themed radio programmes with predominantly classical music genres (categories 11, 12, 13, 14 or 15), with which authors raise the cultural level in the musical field, shall be multiplied by a

quotient of 6.

Copyrighted works that comply with the provisions from the preceding paragraph, are those classified in categories 11, 12, 13, 14 and 15, created by living composers of classical music, irrespective of their nationality, membership or collecting society managing their rights.

Article 42

(Ceased to be valid.)

NON-INTERACTIVE USE ONLINE (OB)

Article 43

Non-interactive use online includes online radios or webcasting, the use of music on a website without the possibility to choose, and simultaneous terrestrial broadcasting and online broadcasting called simulcasting.

The royalties for simulcasting paid by the broadcasters as part of broadcasting are classified according to broadcasting retransmission classes.

Article 44

Broadcasting of online radio programs (non-interactive use online) (OB) is subject to the same provisions as radio broadcasting.

BROADCASTING OF TELEVISION PROGRAMMES (TB)

Article 45

With the purpose of ensuring a fair distribution of costs, the following sampling methods are established for the processing of television programmes:

Commercial TV stations:

Method	Annual payment for a programme
Census	more than EUR 200,000
A sample with parts that are played every other day	more than EUR 150,000
A sample with parts that are played every fourth day	more than EUR 100,000
A sample with parts that are played every eighth day	more than EUR 50,000
A sample with parts that are played on the 1st and 15th of the month	more than EUR 20,000
Analogy	EUR 20,000 and less

Local non-commercial television programmes of special importance are processed according to the census for broadcasters who pay more than EUR 2,000 per year and submit relevant data for distribution. Royalties for broadcasters, who pay less than EUR 2,000 or whose schedules are not suitable for processing, are distributed by the analogy method.

The provisions of Article 88 of this Policy shall apply to the data processing of music TV stations.

Article 46

Musical works, performed in television programmes as sound illustration (for example a test signal, TV telops, teletext, multimedia info channels, etc.) or in the context of broadcasting of a radio programme via television, are evaluated in accordance with the provisions of Article 83 of this Policy, so that the value of the point is multiplied by a

quotient of 0.25.

Article 47

Musical works, performed in television programmes, intended for the presentation of one or more musical authors, shall be evaluated in accordance with the provisions of Article 83 of this Policy, so that the value of the point is multiplied by a

quotient of 2.

Article 48

Musical works, performed in television programmes with predominantly musical content or in the context of a television recording of a concert or a music festival, shall be evaluated in accordance with the provisions of Article 83 of this Policy, so that the value of the point is multiplied by a

quotient of 3.

RIGHT TO PUBLIC PERFORMANCE (PR)

Article 49

The right to public performance includes the exclusive right to communicate the musical work to the public in a live performance. This mainly includes concerts and events, where live performers perform musical works, as well as concerts and events, where the performer uses a phonogram as a mean of performing (for example, performances with a music matrix or performances by DJs, which do not necessarily include their original songs).

Article 50

The following repartitioning classes shall be established in the statement of accounts for the right of public performance:

- 300 Concerts of classical music
- 310 Concerts of popular music
- 320 Concerts with mixed repertoire
- 330 Entertainment events – census
- 340 Entertainment events – sample

Article 51

Only royalties for concerts and events that have been fully-settled are included in the statement of account. Royalties for concerts and events that have not been fully-settled are reserved and included in the account once they are fully-settled.

The amount of royalties for concerts and events referred to in the previous paragraph shall be determined in the General Settlement.

Article 52

The royalties, collected for a concert or event, are accounted for based on the same point regardless of the method of use, genre, or category.

Article 53

The revenues from concerts in classes 300, 310, and 320 and the revenues from entertaining events in class 330, for which an amount of over EUR 200 was paid, are processed based on the census, so that the royalty for the event, collected by the user after the deduction of costs, is divided by the songs performed at the concert or event in question according to the duration of each performance.

Article 54

If there are several equal groups of performers performing at a concert or event, the royalty shall be distributed by the performed songs according to the duration of each song.

If a featured act and an opening act perform at a concert or event, the royalties shall be distributed among the performed works, so that a maximum of 10% of the revenue is distributed to the schedule of the opening act.

Article 55

The revenues of entertaining events in class 340 are accounted for based on a sample of average performers' schedules. The schedules of the performers, included in the statement of account, are the schedules performers, exceeding a gross amount of EUR 150 for events in each tariff group.

If there are several performers performing at an event, each performer shall receive a proportional share of the royalties paid for the event, in order to calculate the census for the inclusion in the sample.

Article 56

Paid events, for which there is no suitable schedule at the time of the settlement, shall be reserved until the schedule is submitted or for a maximum of 5 years.

Article 57

Concerts and events, where a royalty of more than EUR 1,000 gross is collected, shall be accounted for quarterly and shall be paid no later than two months after the end of the quarter.

For such concerts and events, costs in the share of 15% are accounted for.

RIGHT TO PUBLIC BROADCASTING

Article 57a

The right to public broadcasting includes the exclusive right to broadcast a musical work over a speaker, a screen, or a similar device in a place outside the original space or location.

This also includes live streaming of concerts where the user cannot choose when they will watch the concert.

Article 57b

The following repartitioning classes shall be established in the statement of accounts for the right of public performance: 350 live streaming of the performance (stream or live stream concerts)

Article 57c

To distribute royalties collected for stream or live stream concerts, the provisions of this Rules shall apply (*mutatis mutandis*), which are used for the distribution of royalties, collected for public performances.

RIGHT TO PUBLIC BROADCASTING WITH PHONOGRAMS AND VIDEOGRAMS

Article 58

The right of public broadcasting with phonograms and videograms is the exclusive right to communicate works recorded on phonograms or videograms to the public.

This mainly includes the broadcasting of phonograms and videograms in night clubs, restaurants and bars, stores, and the like. This also includes music broadcasting at events, where phonograms and videograms are used to broadcast music. A specific example of broadcasting with videograms are cinemas.

Article 59

The following repartitioning classes shall be established in the statement of accounts for broadcasting rights: classes among which the revenues acquired for this right are distributed:

Radio group:

501: distribution according to radio programme schedules of RTV Slovenija

502: distribution according to commercial and non-commercial radio programmes

Public performances group

503: distribution according to concert schedules, including live stream performances

504: distribution according to the class of events, including live stream performances

Sound carriers group

505: phonograms from the financial year

506: phonograms from the the 5 years preceding the financial year

507: older phonograms

Cinemas

400: Cinemas

Article 60

The revenues are distributed among the following groups in the following percentages:

- Radio group: 70%
- Public performances group: 20%
- Sound carriers group: 10%

The revenues within the group are distributed as follows:

- The radio group: Based on the ratings of single radio stations.
- Public performances group: Based on the ration between concert classes and event classes.

The 502 class also includes revenues from major users (paying at least EUR 2,000 of royalties per year) which broadcast phonograms in their premises according to predefined schedules that can we obtained. Each of these schedules is assigned the revenue (after deducting the costs) paid by the user. Such schedules are processed according to Article 38.

Article 61

Radio programmes of RTV Slovenija shall be included in the distribution sample for class 501 in accordance with provisions applicable to classes 100, 101, and 102. All musical works from class 101 and all songs from classes 100 and 102 that have been played in the respective class at least 15 times per year are accounted for. The sample also includes all the works belonging to authors with a large opus of songs and would not be included in the statement of account due to the previous provision. Authors with a large opus are those who recorded more than 40 different copyrighted works in the repartition class 501. Musical works, used as intros and background music, are not included in the settlement.

Each radio programme shall be distributed a percentage, established based on the recorded daily ratings of the radio programme in the accounting year.

Article 62

Programme data from the sample of classes 110 and 120 shall be included in the sample for distribution of class 502. Musical works, used as intros and background music, are not included in the settlement. The remaining songs are included in the sample as follows:

- For all categories, excluding works from categories of folk music (25 and 26):

All works, which were played more than 150 times, are included in the statistical sample.

The statistical sample also includes all the works belonging to authors with a large opus of songs and would not be included in the statement of account due to the previous provision. Broadcasts, included in the statement of accounts based on a large opus, are multiplied by a

quotient of 0.5.

The author with a large opus has recorded more than 50 different copyrighted works in this repartition class.

- For works in folk music categories (25, 26):

The statistical sample includes all works that have been played more than 30 times.

The statistical sample also includes all the works belonging to authors with a large opus of songs and would not be included in the statement of account due to the previous provision. Broadcasts, included in the statement of accounts based on a large opus, are multiplied by a

quotient of 0.5.

Authors with a large opus have recorded more than 50 different copyrighted works in this repartition class.

The amounts of class 502 are distributed among individual radio programmes included in the statistical sample, depending on the ratings of the radio programme in the accounting year and on the percentage of payments made by users into class 110. Each of the above criteria is taken into account with a ½ weight.

Article 63

For the distribution of class 503, schedules of performed works included in class 310 (concerts of popular music) and 320 (concerts of mixed repertoire) shall be used, taking into account all works with more than 2 repetitions in the class and recorded on sound carriers. The settlement shall take into consideration the amount of royalties accounted for per work in class 310.

Article 64

For the distribution of class 504, schedules of performed works, tariff groups 1A-2B - Entertainment events and karaoke, 1B-1 - Dance halls or other premises, 2B-2 - Local festivities, 2B-4 - New Year's Eve celebrations and 2B-5 - Carnival shall be used, taking into account all works that have more than 4 repetitions in the class and are recorded on sound carriers. The settlement shall take into consideration the amount royalties accounted for per work in class 330 or 340.

CINEMAS

Article 65

The tariff for cinemas covers the use of musical works in several forms: use of musical works in films, use of musical works in advertisements and film trailers before the start of the film, and use of background music on publicly accessible premises.

The revenues shall be distributed as follows:

- use of music in films or concert broadcasts: 85%,
- use of works in advertisements and trailers before the start of the film: 5%,
- use of background music on publicly accessible premises: 10%.

Article 66

The collected royalties for the use of music in films and concerts shall be distributed based on cue sheets and according to the number of viewers, who purchased the ticket to see the film.

The royalties collected for a film without a cue sheet are kept until the documentation is submitted or up to 3 years.

After this period, the collected royalties become undistributed royalties according to the Act Regulating Collective Management of Copyright and Related Rights (ZKUASP).

Article 67

The royalties collected for the use of works in advertisements and trailers are included in the distribution of royalties for public television broadcasting.

Article 68

The royalties collected for the use of background music on publicly accessible premises are included in the distribution of royalties in class 500 (public broadcasting with phonograms).

RIGHT TO SECONDARY BROADCASTING

Article 69

The right to secondary broadcasting is the exclusive right to communicate a broadcast work to the public over a speaker, a screen, or a similar device.

A typical example of such broadcasting is broadcasting in restaurants and bars, stores and the like.

Article 70

The following repartitioning classes shall be established in the statement of accounts for secondary broadcasting rights:

- 510 Public TV performances, according to the schedules of RTV Slovenija
- 511 Public TV performances, according to the schedules of local TV stations
- 512 Public TV performances, according to the schedules of commercial stations
- 513 Public TV performances, according the schedules of music TV stations
- 520 Public radio performances, according to the radio programmes schedules of RTV Slovenija
- 521 Public radio performances, according to commercial and non-commercial radio programmes.

Article 71

The sample for the distribution of the collected royalties in classes 510 to 513 shall be based on works broadcast on TV stations, included in the sample for the distribution of royalties for television broadcasting. Each TV station schedule shall be distributed a percentage of the amount, established based on the recorded daily ratings of the TV programme in the accounting year.

The sample for the distribution of the collected royalties in classes 520 and 521 shall be based on works from the sample of classes 501 and 502. Each station schedule shall be distributed a percentage of the amount, established based on the recorded daily ratings of the radio programme in the accounting year.

RIGHT TO BROADCASTING RETRANSMISSION

Article 72

The right to broadcasting retransmission is the exclusive right to broadcast simultaneous, unaltered and unabridged programme signals, which were initially broadcast with the work, if such retransmission is conducted by someone other than the original broadcasting organization (retransmission operator), regardless of how the operator acquires the programme signals for this purpose.

(2) If the initial broadcasting is conducted via the internet, this is not considered broadcasting retransmission. Broadcasting retransmissions is any retransmission conducted through internet access service, if such retransmission occurs in a managed environment, where the retransmission operator ensures a safe retransmission to authorised users only.

(3) Broadcasting retransmission also includes the communication to the public in cases when a broadcasting organization initially and without public access broadcasts its programme signals to the retransmission operator which is not a broadcasting organization (direct broadcasting) and the latter conducts a public retransmission. The broadcasting organization and the retransmission operator collaborate in the joint communication to the public, and each party must obtain the author's authorisation for its contribution.

Article 73

The following repartitioning classes shall be established in the statement of accounts for broadcasting retransmission rights:

- 700 Cable retransmission by RTV Slovenija
- 701 Cable retransmission of local and non-commercial TV stations
- 702 Cable retransmission of commercial TV stations
- 703 Cable retransmission of music TV stations
- 710 Cable retransmission of foreign TV programmes
- 720 Cable retransmission of radio programmes of RTV Slovenija
- 721 Cable retransmission of commercial radio programmes, radio programmes of special importance and non-commercial radio programmes.

Article 74

The revenues from cable retransmission are distributed among individual groups in the following percentages: 90% television programmes - 10% radio programmes.

Article 75

The amounts are distributed to individual programmes according to their ratings and based on public broadcasting schedules.

Article 76

The royalties for the use of music from foreign television programmes, for which the Society does not have schedules for the use of musical works, or where the data processing would result in disproportionately high costs, shall be accounted for at the station and sent to the collecting society, with which the Society has concluded a contract on reciprocal representation and has relevant distribution information at its disposal.

Article 77

From royalties for the use of musical works on foreign television programmes, which the Society does not divide according to the schedule of broadcast works, 15% of the amount (after deduction of costs and deductions for dedicated funds) is allocated to domestic subpublishers. This amount is proportionally distributed based on the amount of the publisher's royalty arising small rights from the country in the current accounting period.

RIGHT OF REPRODUCTION

Article 78

The right of reproduction is the exclusive right to save the work on a material or other carrier, either directly or indirectly, temporarily or permanently, in whole or partly, and by whatever means or in any form.

This includes the reproduction of music on sound or sound and image carriers, such as reproduction on cassettes, compact discs, DVDs, memory sticks, and the like.

Article 79

The Society manages the right of reproduction based on a contract or the authorisation, given by the author or the rights holder. The rights of foreign entities are exercised in accordance with the contract on reciprocal representation, concluded by the Society with foreign collecting societies.

Article 80

The following repartitioning classes shall be established to account for the right of reproduction:

600 Reproduction on phonograms

610 Reproduction on videograms.

Article 81

The royalties for works, recorded on phonograms or videograms, are accounted for in accordance with the provisions of the standard contract, concluded between the Society and users.

The royalties, referred to in the previous paragraph, shall be paid based on the user's reports on the recorded works and the number of phonograms sold or on the basis of the circulation for works, issued as one-time projects in accordance with the published tariff of the Society for the reproduction of copyrighted musical works to phonograms and videograms.

Royalties are settled and paid only for the works of those authors, whose rights are managed by the Society based on valid authorisations to collectively manage the right of reproduction or contracts for the right of reproduction concluded with foreign collecting organizations.

Article 82

The royalty accounted for a single phonogram or videogram, is distributed to the authors in proportion to the duration of their works, recorded on a phonogram or videogram.

Article 83

If the published work is created in cooperation with several authors, the royalty is distributed according to the registration of the work, or in accordance with general terms for the registration of the work and distribution among co-authors, in the event that the work was not registered.

Article 84

The amount (percentage) of the costs arising from rights management for domestic authors is determined by the Assembly of the Society.

The amount of the costs arising from rights management for foreign authors is determined in contracts on reciprocal representation, concluded between the Society and foreign collecting societies. The amount of contract costs for the management of foreign authors' rights is the same as the amount of the costs for the management of domestic authors' rights and is aligned in contracts on reciprocal representation every time any changes are made.

Article 85

(Ceased to be valid.)

COMPENSATION FOR PRIVATE AND OTHER INTERNAL REPRODUCTION (BT)

Article 86

The author has the right to receive fair compensation for reproduction of musical works with sound and visual recording and for photocopying their work, conducted in accordance with the terms of private and other own use from Article 50 of the Copyright and Related Rights Act (ZASP).

Article 87

The royalties for private and other internal reproduction are distributed to eligible authors based on the legislation, or a contract on reciprocal representation with a foreign collecting society.

Article 88

The following repartition classes shall be established for the distribution:

Radio group:

- 801 Distribution according to radio programmes schedules of RTV Slovenija
- 802 Distribution according to commercial and non-commercial radio programmes

Public performances group

- 803 Distribution according to concert schedules, including live streaming
- 804 Distribution according to event schedules, including live streaming

Television group

- 811 Distribution according to television programme schedules of RTV Slovenija
- 812 Distribution according to commercial and non-commercial television programme schedules

Sound carriers group

- 821 Phonogram sales
- 822 Videogram sales

Article 89

The revenues are distributed among the following groups in the following percentages:

- Radio group: 20%
- Public performances group: 20%
- Television group: 20%

- Group of sound carriers: 40%.

The ratio between individual classes within a group is determined as follows:

- The radio group – based on the ratings of single radio stations;
- The public performances group – based on the ration between concert classes and event classes;
- The television group – based on the ratings of individual TV stations;
- The sound carriers group – based on the sales of phonograms and videograms.

THE USE OF WORKS ON THE INTERNET AND THE RIGHT TO MAKE THE WORKS PUBLICLY AVAILABLE

Article 90

The right of making available to the public is the exclusive right to make the works publicly accessible by wire or wireless means, in a way that enables individuals to access it from a place and at a time that they choose.

Typical examples of this kind of use are online music services, online information portals, mobile ringtones, etc.

In its nature, the right is inseparably linked to the right of reproduction, so in this type of use the collected royalties are divided between the so-called small rights and mechanical rights. To what extent a royalty is considered a small right and to what extent it is considered a mechanical right, is determined as follows.

Article 91

The Society manages the right of making the works publicly available on the basis of a contract or authorisation, given by the author or the rights holder. The rights of foreign authors or rights holders shall be exercised in accordance with contracts on reciprocal representation, concluded by the Society with foreign collecting societies, except in the case of cross-border licensing.

In the case of cross-border licensing, the Society collects royalties only for authors and rights holders, who have directly authorized the Society.

Article 92

The royalties for used works are accounted according for in accordance with the provisions of the standard contract concluded between the Society and the provider of the online music service.

The royalties, referred to in the previous paragraph, shall be paid on the basis of the provider's reports.

The royalties are accounted for and paid only for works of the authors, whose rights are managed by the Society pursuant a valid authorisation for the collective management of the right to make works available, or a contract for the right of reproduction concluded with a foreign collecting organization.

Article 93

The following repartitioning classes shall be established for the distribution of the right to make works publicly available:

900 (Permanent) download – use in non-physical form (small right)

910 On-demand streaming content and temporary download (free of charge) – use in non-physical form (small right)

920 On-demand streaming content and temporary download (with subscription) – use in non-physical form (small right)

- 930 Ringtones – use in non-physical form (small right)
- 950 (Permanent) download – reproduction
- 960 On-demand streaming content and temporary download (free of charge) – reproduction
- 970 On-demand streaming content and temporary download (with subscription) – reproduction
- 980 980 Ringtones – reproduction.

Article 94

When using the works on the internet, the royalties settlement is divided between the interactive right of making works publicly available (OD), which represents the use in non-physical form (small right) and the interactive right of reproduction (MD), which is accounted for according to the distribution applicable for mechanical rights.

The ratio between rights is as follows:

Type of use	OD	MD
Download	25%	75%
On-demand streaming content and temporary download (free of charge)	75%	25%
On-demand streaming content and temporary download (with subscription)	75%	25%
Ringtones	25%	75%

OTHER REVENUES

Article 95

Other revenues include the following:

- interests and exchange differences,
- interests on late payments,
- reimbursement of court costs,
- civil penalty in accordance with the ZASP,
- additional payments for infringements and
- other revenues, other than royalties.

Article 96

Other revenues cover the total amount of operating costs. Provided that other revenues exceed the amount of operating costs, the difference in the amount shall be allocated to all the classes proportionally, according to the amounts paid in individual classes.

Article 97

Revenues, derived from civil penalties or additional payments, are distributed in the class, for which the royalty to which a civil penalty or an additional payment refers, was collected.

If there is more than one such class, revenues from a civil penalty or additional payments are proportionally distributed according to the percentage of paid realization of these classes.

COSTS

Article 98

Costs that cannot be allocated directly to a class or right, are charged to repartition classes proportionally in accordance with the share that of each of these classes have regarding the total amount, unless otherwise determined in this Policy.

The allocation shall be made as part of the General Settlement.

ROYALTIES FROM ABROAD

Article 99

The Society exercises the rights of domestic authors whom it represented abroad on the basis of contracts on reciprocal representation concluded with foreign collecting societies. These contracts acknowledge the policies for collection and distribution activities of collecting societies enforcing the rights of authors in their territories.

Article 100

The Society accounts for the received royalties quarterly and pays the amounts no later than two months after the end of the quarter.

The Society shall distribute all paid royalties among the authors of works, for which it received payment and suitable data for distribution from other collecting societies.

Should the Society not receive suitable documentation in a timely manner, the payment shall be postponed to the next quarter.

Article 101

Since the data on royalties from abroad are already pre-processed by foreign collecting societies, the processing cost is lower compared to the processing of royalties from Slovenia, and it amounts to 5% of the paid royalties.

Article 102

Business policies in the case of erroneous payments are as follows:

- **Underpayment:** Paid revenue shall be proportionally distributed to the authors represented by the Society. At the same time, work documentation shall be submitted to the collecting society that has collected the royalty. If there is a discrepancy of more than EUR 10.00, a deduction in accordance with CISAC best practice examples (Debit and Credit Payment Adjustments CTR11-0787R1) is made to the collecting society that collected the royalty. If the amount of the deduction is higher than the equivalent of USD 500.00, the collecting society that collected the royalty shall be notified of the same in advance.
- **Overpayment:** The Society shall distribute the paid royalties to the authors represented by it in the amount stated in work documentation. The work documentation is submitted to the collecting society that collected the royalty. If there is a discrepancy of more than EUR 10.00 per work, the overpaid royalty is returned to the foreign collecting society that collected the royalty. If there is a discrepancy of less than EUR 10.00 per work, the difference is proportionally distributed to the rest of the work from the statement of account, thereby increasing the value of the point in the statement.

- **Erroneous payment:** If the Society received a royalty for work, for which it does not represent any of the authors or rights holders, this is considered an erroneous payment. In case of an erroneous payment which is higher than EUR 10.00 per work, the royalty is returned to the foreign collecting society. In case that the erroneous payment is lower than EUR 10.00 per work, the payment is proportionally distributed among the rest of the works from the statement of account, thereby increasing the value of the point in the statement.
- **Payments under the Warsaw Policy:** The payment is made to all authors and rights holders for works in accordance with the work documentation at the disposal of the Society. If a royalty, which is not intended for any author or rights holder, who gave authorisation to the Society, is higher than EUR 10.00, the latter shall be returned to the collecting organization which collected it, together with the pertaining work documentation. If a royalty, which needs to be returned, is lower than EUR 10.00, the latter shall be proportionally distributed among the rest of the works from the statement of account, thereby increasing the value of the point in the statement, and the collecting society that collected the royalty is only submitted the work documentation.
- **Uncopyrighted works:** If the Society receives royalties for uncopyrighted work, the royalty is paid to the authors because it is assumed that the work is protected according to local laws.
- **Adjustments:** Paid revenue is distributed proportionally to the authors of the work, represented by the Society.
- **Deductions:** If the collecting society that has collected a royalty makes a deduction in accordance with the CISAC best practice examples (Debit and Credit Payment Adjustments CTR11-0787R1), an attempt shall be made to compensate such deductions within the same statement of account. If that is not possible, the deduction shall be expressed in the reduced value of the point in the statement of account. If the reduction of the point has a significant effect on the amount of the received royalty, such adjustment is made manually.

Article 103

Revenues for individual work shall be distributed to the authors of the work represented by the Society based on the registration of the work or other relevant documentation at the disposal of the Society.

The publisher's share is accounted for according to the contract for each territory, whereby the publisher shall inform the Society about the parameters of the contract, concluded with a foreign sub-publisher.

Article 104

In the event that another collecting society erroneously distributes the royalties for a work, the Society shall send the society in question the work documentation, provided that the Society has at its disposal the registration submitted by the author or rights holder. If the work is not registered, the royalties shall be distributed according to the data of the foreign collecting society.

Article 105

If another collecting society pays royalties for private and other internal reproduction in a lump sum, the amount shall be distributed proportionally to authors, who have received an accounted amount based on settlements from the collecting society in question in the accounting period, unless otherwise stated in the received documentation.

Article 106

The royalties received by the Society for the cable retransmission of Slovene radio and television programmes are distributed based on pre-processed schedules and samples for the distribution of

royalties from Slovenia.

OTHER PROVISIONS

Article 107

If the information contained in the registration submitted by the author do not match the data in the programmes (duration, ensemble, etc.), the royalty is distributed based on the data from the programme (radio or TV programme, phonogram or other relevant user's schedule), the authenticity of which is unambiguous.

Article 108

If there is no data in the programme for the proper distribution of royalties, such data are supplemented with information from the documentation available to the Society, or other available resources.

If the data on the duration of the work cannot be determined from the documentation referred to in the first paragraph of this Article, the duration of:

- a) extensive works (sonatas, symphonies, etc.) shall be shortened by 8 minutes, and
- b) all other works and passages from extensive forms shall be shortened by 3 minutes.

The royalty for performed passages of an individual part is accounted for according to the duration, indicated in the programme.

Article 109

If an overture or an orchestral intermezzo of a staged musical work (opera, operetta) is performed independently, the royalty is distributed according to the rules for works without lyrics.

Article 110

For the work, performed as part of the joint programme of several radio or television stations, the royalty shall be charged as if the work on each radio or television station was broadcast separately.

TRANSITIONAL PROVISIONS

Article 111

(Ceased to be valid.)

Article 112

All provisions regarding the right of making works publicly available (Article 14 – the part referring to interactive online use – and Articles 90 to 94) are applicable in case and in the scope of the license issued to the Society by the Slovenian Intellectual Property Office.

Article 113

All provisions, relating to cross-border licensing, apply in the case and scope of the license, issued to the Society by the Slovenian Intellectual Property Office.

Article 114

To distribute royalties, collected after the adoption of these rules, which refer to the period before the adoption of these rules and which require further processing, these rules are fully applicable. In other cases, these royalties are distributed in accordance with distributions for individual periods, which have already been carried out.

Final Provisions

Article 115

These Distribution Rules were adopted by the Assembly of the Society on 31 August 2023, and shall enter into force the next day after their adoption.

On the day when this Distribution Rules enter into force, the Distribution Rules from 27 June 2018 together with all their amendments cease to be valid.