

Paid audiovisual content services for commercial use

Pricelist for performing rights royalties

Valid as of 1 January 2017.

Paid audiovisual content services for commercial use

The performing rights royalty for services providing paid audiovisual content is determined as a percentage of AV service provider's revenue subject to royalty. The royalty shall be at least the minimum payment mentioned below. This price list does not apply to services only containing music or music videos.

The royalty percentage of an AV service is determined on the basis of the profile of the content it provides. If the service has advertising revenues as well, the royalty for the advertising revenue shall be paid according to the price list for free-to-end user AV services based on the share of music in the content.

Determining the content profile of channels, channel packages, or programme libraries

News, sports, current affairs: Almost 100 % of content is news, sports, and/or current affairs. Share of music max. 15%.

Focused on news, sports, and/or current affairs: May contain content other than news, sports, and/or current affairs. The share of the aforementioned is however at least 60% of the overall content.

Mix: Contains content from various program profiles. The share of both news, sports and/or current affairs and entertainment is less than 60% of the overall content.

Focused on entertainment: May contain content other than entertainment, but the share of entertainment is at least 60% of the content.

Entertainment: Almost 100% of content is content which has a high share of music (movies, scripted drama, children's programmes). Share of music max. 75%.

The profile of an entire channel, channel package, or programme library is not affected by the inclusion of a single channel, channel package, or programme that deviates from the profile in question.

The price covers both VOD services and linear pay-TV channels and pay-TV packages or combinations thereof. The price is charged for each channel package separately.

The minimum payment is a fixed price based on the content profile of the channel package or service, and does not depend on the number of channels or programme libraries included in the package.

The channel-specific fixed price applies when determining the price for a single linear pay-TV channel. The content of the channel may consist of various types of programmes: news, sports, current affairs, documentaries, reality, comedy series, etc.

| Content profile | Sports | Focused on sports 60% | Mix | Focused on entertainment 60% | Entertainment |
|--|--------|-----------------------|--------|------------------------------|---------------|
| Royalty percentage | 0.65% | 1.25% | 1.75% | 3% | 3.5% |
| Minimum payment of the package or service EUR/month/package or service subscribed | 0.40€ | 0.80€ | 1.50€ | 1.90€ | 2.00€ |
| Channel-specific fixed price, EUR/month/channel subscribed | 0.069€ | | 0.187€ | 0.241€ | |

Royalty calculated from the subscription fee prior to value-added tax. The amount of value-added tax at the time of calculation according to the valid tax legislation is added to the final calculation

Application of this price list requires a specific agreement with Teosto about the use of music in AV content. The price list is intended for broadcaster companies and AV services operating in Finland.

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Example 1

Channel package contains 15 channels:

| | | |
|-----------------------|---|--|
| 8 film/movie channels | } | 11 entertainment channels (73% of package content) |
| 3 children's channels | | 4 news, sports, and current affairs channels |
| 4 sports channels | | 27% of package content |

= Entertainment-focused channel package (over 60% of package content is entertainment)

Although the channel package contains content other than movies, scripted drama, and children's programmes, it is entertainment-focused on account of over 60% of the package content being entertainment. The package remains entertainment-focused even if small changes are made to the content.

Example 2

Sports and entertainment in the programme library:

| | | |
|---------------|---|---|
| Sports | } | Sports make up at least 60% of the entire content |
| Entertainment | | Entertainment makes up at most 40% of the content |

= Sports-focused programme library (over 60% of the content is sports)

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