



Ochranná asociace zvukařů – autorů, z.s.

COLLECTIVE MANAGEMENT ORGANISATION

ROYALTY DISTRIBUTION RULES

Ochranná asociace zvukařů – autorů, z.s. (Protective Association of Sound Engineers)

Národní 41, 110 00 Praha 1 company number: 266 30 192

Ref. no. MV ČR: VS/1-1/53797/03-R

BOOK ONE
GENERAL PROVISIONS

Article I
Basic provisions

- (1) On the basis of the decision¹ of the Ministry of culture of the Czech Republic, the citizens association – Protective association of Sound Engineers – authors (hereafter only “**collective rights manager**” or “**OAZA**”) was according to Section 96 et seq. granted the permission to perform the collective management of the rights of the persons, to whom the economic copyright pertain for the **works of masters of sound** (hereafter only “**works**”).
- (2) **Collective rights management** is² the full management of the economic copyrights or rights related to copyright of the rightholders to their works made public or offered to be made public, to artistic performances, audio and audio-visual recordings exercised for their joint benefit. The rightholder is a person who is entitled to hold:
- a) economic copyright or economic right related to copyright,
 - b) a statutory authorization to exercise economic rights to a work,
 - c) a contractual exclusive authorization to exercise a collectively managed right for the entire duration of the economic rights and combined with the right to grant sublicences, at least for the territory of the Czech Republic.
- (1) **Royalty distribution rules** provides for the basic rules for distribution and payment of the remuneration from the exercise of rights, proceeds from the investment of the remuneration from the exercise of rights and proceeds from surrendered unjust enrichment (hereafter only “**remuneration**”) to the holders of the economic copyright (hereafter only “**represented rightholder**”), in connection with the use of items of protection collectively managed by OAZA and also managed by all the partners in the Czech Republic and abroad, with whom OAZA has concluded the agreement on representation in the exercise of rights, collectively managed thereby.
- (2) The collective rights manager is obliged, under his own name and on behalf of the represented rightholders to claim damages; the application of the royalty distribution rules on the billing of the proceeds from the damages among the rightholders is excluded.
- (3) The respective amounts of the royalties is prescribed by the Remuneration tariff of OAZA and by the individual agreements, concluded with the users of the works or persons obliged to pay special remuneration, or, if applicable, by the mutual agreements with the foreign partner associations or directly by the Copyright Act or its implementing regulation³.

Article II
Rightholders

- (1) Every holder of the rights to the works of master of sound has the right to request the protective association to represent him; thus the right to be represented has every person who is entitled to hold the economic copyright, or the authorisation pursuant to the Copyright Act to exercise the economic rights to a work or the contractual exclusive authorisation to exercise a collectively managed right for the entire duration of the economic rights and combined with the right to grant sublicences, at least for the territory of the Czech Republic.

¹Decision dated 15.11.2006, ref.no. 10450/2003

²the Copyright Act Section 95 (1), (2), (3)

³Regulation of the Ministry of Culture of the Czech Republic no.. 488/2006 Sb.

- (2) Regarding the representation, OAZA enters into the “**Economic copyright representation agreement**”, which establishes the contractual relationship between the collective rights manager and the rightholder.
- (3) Regarding the provisions of the Copyright Act, the collective management is executed also in relation to the rightholders who have not entered into the agreement according to par.2. In such cases, the relevant provisions of the Royalty distribution rules apply accordingly also on “the rightholders not contractually represented” and must be construed within this meaning.
- (4) The represented rightholder is obliged to notify the collective rights manager without undue delay about each created work, or if applicable, about a newly acquired right to this work. The notification must be provided on a special form issued by OAZA named as “Ohláška děl” (notification of works), in which the rightholder is obliged to state truthfully all the required information that is necessary for the exercise of the collective management. The notification of the work can also be sent by electronic means. The rightholders shall send this notification without undue delay after acquiring the rights. If needed, the rightholder is obliged to prove his/her authorship, or, if applicable, the fulfilment of the statutory requirements for granting the status of the rightholder (such as the inheritors or employers⁴).
- (5) If there is more than one author towards one item of protection (such as co-authorship), the rights may be exercised only through one common representative, who shall be entitled to this item of protection towards OAZA. His/her authorization to represent shall be proved by a written power of attorney with authenticated signatures of the participants.
- (6) The rightholder is entitled to the billing and payment of the remuneration and proceeds from surrendered unjust enrichment, if applicable.
- (7) OAZA must enable the rightholder to inspect the correctness of the amount paid out to him as remuneration or as the proceeds from the surrender of unjust enrichment, if any.
- (8) The rightholder is obliged to notify OAZA without undue delay of any changes in personal data or bank account information. This data is confidential and OAZA may not use them contrary to the purpose for which they were provided.
- (9) The rightholder has the right to access the Annual report on activities and economic management of OAZA.

Article III Scope of the representation

- (1) According to the decision of the Ministry of Culture of the Czech Republic mentioned above in footnote 1, OAZA exercises the collective management of the following rights in the scope stated in this decision (according to the legal state as of the date of the decision becoming final).
- (2) Rights subject to compulsory collective rights management
 - a) **right to remuneration** for making a reproduction for personal use on the basis of audio and audio-visual fixation by the transfer of its content by means of a **technical device to blank record carrier** of such fixation according to Section 97d (1)(a)(3) of the Copyright Act; this right includes only the distribution of remuneration which is, based on the granted authorization, collected by the collective rights manager of OSA – Copyright Protective Association for Music Rights,
 - b) **right to equitable remuneration for the rental of the original or a reproduction of work fixed in an audio or audio-visual fixation** according to Section 97d (1)(b) of the Copyright Act; this right includes only the distribution of remuneration which is, based on the granted authorization, collected by the collective rights manager of OSA – Copyright Protective Association for Music Rights,
 - c) **right to use of works by cable retransmission** according to Section 97d (1)(c) of the Copyright Act.
- (3) Rights subject to the regime of expanded collective management

⁴Such as Section 58 et seq. of the Copyright Act

- a) **right of performing the broadcast of the work** according to Section 12 (4)(f)(4) and Section 23 of the Copyright Act,
- b) **right to broadcast the work by radio or television** according to Section 12 (4)(f)(2) and Section 21 of the Copyright Act,
- c) **right to perform the non-theatre work** live or from fixation and right to **transmitting the performance of the work** according to Section 1 (4)(f)(1) and 19 and 20 of the Copyright Act.

(4) Rights subject to voluntary collective rights management

- a) **right to reproduce the work** according to Section 12 (4)(a) and Section 13 of the Copyright Act,
- b) **right to distribute an original or a copy of the work** according to Section 12 (4)(b) and 14 of the Copyright Act,
- c) **right to communicate the work to the public** by making the work available in such a way that anybody may access it from a place and at a time individually chosen by them, especially by using a **computer or similar network** according to Section 12 (4)(f) and 18 (2) of the Copyright Act.

(5) The economic copyright of the rightholders are collectively managed by OAZA

- a) in case of rights according to par.2 as statutory representation, where it is not important whether the rightholder entered into an agreement with the collective rights manager, or
- b) in case of rights according to par.3 based on a representation agreement for the mentioned rights.

(6) In case of rights according to par.2 and b, the amount of remuneration is stipulated by the agreement between the relevant collective rights managers. In case of the remaining rights (par.2 and par.3), the amount of remuneration is based on the Remuneration tariff of OAZA, which is issued by the Board of Directors of OAZA.

BOOK TWO

RULES ON MANAGEMENT OF THE REMUNERATIONS OF THE COLLECTIVE RIGHTS MANAGER

Article IV

Basic principles of the royalty distribution rules of the collective rights manager

- (1) These royalty distribution rules shall be applied for distribution of royalties and proceeds from the unjust enrichment collected by OAZA. For the distribution of royalties collected by the foreign collective rights managers, it is necessary to apply the legal regulation established by the mutual agreements.
- (2) When distributing and paying out the remuneration from the exercise of rights and proceeds from the investment of the remuneration from the exercise of rights, the collective rights manager shall take into consideration only such rightholders whose rights in respect of the same protected items, or, as the case may be, of the same types of works, are managed by him collectively on a contractual basis, or who are registered for that purpose in his register, while he does not take into consideration the works which have not been published by far. If the collective rights manager has collected the royalties for the rightholders who he is acquainted with but who are not registered in his register of rightholders, he shall call upon them to subscribe to the register.
- (3) Collective right manager distributes and pays out the remuneration in accordance with these Royalty distribution rules at the latest within 9 months from the end of the accounting period in which the royalties were collected, unless objective reasons would hinder him from the compliance with the time limit. Where the remuneration is not possible to distribute or pay out within the time limit according to this paragraph because the rightholders could not be determined or found, he shall keep this remuneration separately in the accountancy and it must be handled according to the rules set by the General Meeting.
- (4) Collective rights manager shall within three months after the distribution and payment of the remuneration according to paragraph 3 of this Article make the information on works, for which one or more rightholders

were not determined or found, available by appropriate means to the rightholders for whom he performs the collective management and to the collective rights manager for whom he manages the rights on a contractual basis. Collective rights manager shall take all measures necessary to determine or to find the rightholders pursuant to the previous sentence. Within one year at the latest since the time limit according to this paragraph, the collective rights manager shall publish in an appropriate way the available information about the rightholder who was not determined or found. If the collective rights manager has not been able to distribute the remuneration even within three years since the end of the accounting period in which the royalties were collected, because the rightholders were not determined or found, the General Meeting shall decide how to use such remuneration.

(5) For the purpose of these Royalty distribution rules, the management of the income from the exercise of rights (hereafter only “collected royalties”) is divided into the three following stages:

- a) financial statement
- b) distribution
- c) payment

(6) According to these Royalty distribution rules, two types of author’s remuneration are subject to the financial statement, distribution and payment:

- Remuneration for creating the work, that has been at least once used in the territory of the Czech Republic, and
- Remuneration for the use of work.

(7) Regarding the stage of the **financial statement**, each rightholder is included thereto and thus he is entitled to the “share in the collected royalties”, unless other provisions of the Royalty distribution rules provide for otherwise, if

- a) the author’s works, also those previously created, were properly notified by the rightholder at the latest by 31 May following the calendar year in which the royalties were collected⁵, or if the collective rights manager clearly found and determined the author’s work, which was used in a way according to the Article III, and the relevant rightholder with a corresponding record in the register maintained by the collective rights manager,
- b) user of the work paid the collective rights manager the corresponding royalty,
- c) in case of the foreign rightholders, the mutual agreement with the foreign collective rights manager ensures basically the same performance for the domestic rightholders. In case the determination whether the foreign author’s works were used in compliance with the concluded mutual agreement was associated with unreasonably high expenses, the Board of Directors, after the discussion with the Supervisory Body, may decide to settle the obligations from the mutual agreement by lump-sum payment determined by the Board of Directors based on the assumption of the scope of the use.

(8) Regarding the stage of **distribution**, only such rightholder is included, who is entitled to the share in the collected royalties and the rightholder has, within the statutory time limits anticipated by these Royalty distribution rules, concluded the representation agreement with the collective rights manager or has at least subscribed to the register of the collective rights manager. If the rightholder does not declare the relevant will (conclude the agreement or subscribe to the register) towards the collective rights manager within the specified time limits, his share in the collected royalties will be further managed according to the provisions of these Royalty distribution rules.

(9) Regarding the stage of **payment**, only such rightholder is included, who is included into the stage of distribution and who notifies the collective rights manager of his correct banking information or requests the remuneration in the relevant amount to be paid to him in cash in the office of the collective rights manager. If the rightholder does not declare the relevant will (notifies the collective rights manager of his

⁵It is not necessary that the rightholder notifies the works repeatedly. For the purpose of distribution of remuneration it is satisfactory if the works were duly notified and supplemented for newly created works.

correct banking information or requests the remuneration in the relevant amount to be paid to him in cash) towards the collective rights manager within the specified time limits, his share in the collected royalties will be further managed according to the provisions of these Royalty distribution rules.

(10) OAZA is obliged to pay the share in the collected royalties from the exercise of rights that are subject to compulsory collective management to the rightholders who are neither contractually represented by OAZA, nor have subscribed to the register, for the period of 3 years retroactively from the year when the rightholder requested it, and

a) he is entitled to the share in the collected royalties,

b) entered into the representation agreement or submitted an additional application to the register, and

c) on the OAZA form properly notified the works, that have been used, including their use,

and the collective rights manager pays out the remuneration according to the current amount of the value of a point arising from the Royalty distribution rules. Remuneration and proceeds from the surrendered unjust enrichment, if any, shall be added to the collected remuneration from the other rights.

(11) Pursuant to the Copyright Act, the collective rights manager is entitled to request the reimbursement of purposeful costs. The amount of costs and its specification for individual use shall be approved annually by the Board of Directors of OAZA based on the annual financial statement certified by the auditor, which is subsequently confirmed and approved by the General Meeting of OAZA.

(12) Royalties collected from the identified sources are distributed and paid out directly to the rightholders with regard to the established supporting documents according to Article V (2), i.e. the collected royalty for the specifically used works is paid to the rightholder according to paragraph 8 of this Article.

Within the framework of the distribution stage, the accounting period for the payment of royalties collected from the non-identified sources is the past calendar year.

Article V

Supporting documents to the financial statement

(1) The supporting document for the financial statement is the collection collected based on the contractual relations with the users, persons required to pay special remuneration, foreign collective rights managers.

(2) The supporting document for the financial statement is the distribution database which includes the rules of point awarding system (see Article IX) depending on the frequency of the use of works and containing, in particular, data from the following documents:

a) economic copyright representation agreements,

b) notification of the works,

c) notification of the use of work notified by the rightholder or the user,

d) register of the use of works maintained by the collective rights manager,

e) agreements with the collective rights managers who obtained the permission from the Ministry of Culture of the Czech Republic and mutual agreements with the foreign collective rights managers,

f) other corresponding documents maintained by the collective rights manager in the relevant registers.

(3) The register of the use of works is maintained for the purpose of exclusion of the arbitrary procedure during the distribution of the collected royalties and contains data that are necessary to exercise the collective management (such as name and surname, or name, registered office and company number of the holder of the right to the item of protection, and specification of the use), and also the point awarding for the corresponding mode of use.

Article VI Reserve fund

- (1) The reserve fund is established from the collected royalties and proceeds from the surrendered unjust enrichment, if applicable. The Reserve fund is not established from the identified sources.
- (2) The amount of the Reserve fund is set by the General Meeting with regard to the supporting documents of the distribution database.
- (3) Funds from the Reserve fund may be used if there are any extraordinary situations or circumstances justifying such use, and if used to cover extraordinary expenses, in particular, to satisfy the non-barred claims of the authors, who are not contractually represented, and legitimate complaints. These claims and complaints are settled so that the claims from the complaints are paid first and subsequently the other claims are paid
- (4) The Board of Directors of OAZA decides on the account balance after the expiry of the general statutory limitation period, taking into consideration that it may be used to support the culturally significant works, the development and support of culture and artistic community; in case of use of the account balance on the support of the culturally significant works, culture and artistic community, the decision of the Board of Directors is subject to the approval by the Supervisory Board.

Article VII Collection fund

- (1) Collected royalties and proceeds from the surrendered unjust enrichment are for the purpose of the Royalty distribution rules called “**collection**”. Management and billing of the collection are executed separately in section A/ and B/ according to the level of identification of the rightholder and on the basis of the user environment in which the item of protection was used. The collection arising from the exercise of the collective management is divided into:

Section A/ - Identified collection

It is a collection from sources in cases where it is clear who is the rightholder and for which work the collection was collected (direct identifiability).

- A.1. Reproduction and distribution of works⁶
- A.2. Internet and other similar uses⁷
- A.3. Performing the non-theatre work live and transmission of such performance⁸
- A.4. Television and radio broadcasting⁹

Section B/ - Non-identified collection

These are the sources of collection from which it is not possible to directly identify who is the rightholder and for which work was the collection collected.

- B.1. Remuneration from blank record carriers¹⁰
- B.2. Remuneration from rental of recordings¹¹

⁶Article III (4) a) and b) of RDR

⁷Article III (4) c) of RDR

⁸Article III (3) c) of RDR

⁹Article III (3) b) of RDR

¹⁰Article III (2) a) of RDR

¹¹Article III (2) b) of RDR

B.3. Cable retransmission of the works¹²

B.4. Performing the non-theatre work from fixation and transmission of such performance¹³

B.5. Performing radio and television broadcasting of works¹⁴

(2) In the Collection fund, the remunerations collected in Section A and the remunerations collected in Section B are managed separately, with regard to the possibility of identification of the author and user environment in which the work was used.

Article VIII Distribution of the Collection fund

(1) The identified collection is paid out directly to the specific rightholder after the deduction of the costs of the management of these rights in the amount of 10% up to 15% depending on the specific circumstances of the use. The statement of the costs is always presented to the author.

(2) The amount of the costs spent on the execution of the collective management based on the financial statement certified by the auditor shall be deducted from the overall proceeds from the management of rights from the non-identified collection. Regarding the remaining part of the non-identified collection, the General Meeting determines a share for the purpose of satisfaction of additional claims of the authors which shall be withheld in the collection for the period of 3 year. Such withheld sum shall be transferred to the Reserve fund. The remaining part of the non-identified collection without the withheld share shall be divided among the legitimate rightholders according to the rules in Article IX.

Article IX Distribution of the non-identified collection

Non-identified collection is distributed according to these rules:

- a) awarding the technology of creation of individual **works of master of sound** according to these coefficients (**coef.T**):
 - i. **M** multichannel (Dolby technology and similar) 1,0
 - ii. **S** mono/stereo sound 0,9
- b) awarding **the type of work (coef. D)** in letter b) of the given types of works

1. audio production

	Audio	coef. D
Musical work	A	0,7
Spoken word	R	0,2
Others	O	0,04

For the purpose of distribution of the royalties in the area of audio production, the following definitions shall apply:

- **musical work** is an individual sound work, which is not included among other minor musical works
- **spoken word** is, in particular, radio and drama production

¹²Article III (2) c) of RDR

¹³Article III (3) c) of RDR

¹⁴Article III (3) a) of RDR

- **other minor musical work** is a sound work, which does not meet the attributes of a musical work, such as commercial, trailer, jingle, theme song, idents and other works not included in the category A and R

2. audio-visual production:

FILM	Film process	Television process
Original version	1	0,7
Dubbing	0,2	0,05

CYCLE	Film process	Television process
Original version	0,4	0,06
Dubbing	0,12	0,02

OTHERS	Film process	Television process
Minor work	0,06	0,02
Commercial	0,04	0,01
Trailer, ident, jingle	0,04	0,01

For the purpose of distribution of the royalties in the area of audio-visual production, the following definitions shall apply:

- **original version** (both in case of film and cycle) is a sound work, that is the author's component of the original film work.
- **minor work** is an audio-visual work, that does not meet the attributes of a film (both in its original version and dubbing), cycle (both in its original version and dubbing), documentary, commercial, trailer, ident, jingle and at the same time it meets the requirements for author's work of a master of sound.
- **documentary** is an audio-visual work, that does not meet the attributes of a film (both in its original version and dubbing), minor work, commercial, trailer, ident, jingle and at the same time it meets the requirements for author's work of a master of sound where the subject matter of the work is decisive as regards its classification into a relevant category
- **jingle** is an audio-visual formation identifying a particular radio station or a program. If the use of such an audio-visual work exceeds three repetitions per day, the use beyond that range will not be included in the distribution.
- **ident** is a short audio-visual formation fulfilling the function of separating individual programs. If the use of such an audio-visual work exceeds three repetitions per day, the use beyond that range will not be included in the distribution.
- **trailer** is an audio-visual work the purpose of which is to promote a particular program and inform about the time of its broadcasting. If the use of such an audio-visual work exceeds three repetitions per day, the use beyond that range will not be included in the distribution.
- **commercial** is an audio-visual work the purpose of which is to find and convince the user of goods and services, and which is distributed on behalf of the ordering party for payment or other consideration. If the use of such an audio-visual work exceeds three repetitions per day, the use beyond that range will not be included in the distribution.

- c) the scope of the work (R) is composed of the length of the work (footage) in minutes, that is rounded up for a full minute,

- d) reflecting the coefficient of the share (coef. P), according to which the co-authorship is determined by percentage,
- e) reflecting the coefficient of the age of the work (coef. S), the value of which is derived from the year in which the work was created in the following way:

dubbing (both in case of audio-visual work and cycle) is a replacement of the original sound component part of the work for a new one, with a different language version. This new language version is rated at 40 % of the remuneration calculated, while the remaining 60 % of the remuneration belongs to the author of the original audio band, provided that it complies with the conditions for allocation.

1. AV production

Age of work		coef. S		
[year]	FILM	CYCLE	OTHERS – minor work	OTHERS – commercial, trailer, ident, jingle
1	1,0	1,0	1,0	1,0
2	1,0	1,0	0,2	0
3	1,0	1,0	0,15	0
4	0,9	0,9	0,1	0
5	0,8	0,8	0,09	0
6	0,7	0,7	0,08	0
7	0,6	0,6	0,07	0
8	0,5	0,5	0,06	0
9	0,4	0,4	0,05	0
10	0,3	0,3	0,04	0
11 and more	0,2	0,2	0,04	0

2.AUDIO production

Age of work		coef. S	
[year]	category A	category R	category O
1	1,0	1,0	1,0
2	0,9	0,2	0,2
3	0,8	0,17	0,15
4	0,7	0,16	0,1
5	0,6	0,15	0,09
6	0,5	0,14	0,08
7	0,4	0,13	0,07
8	0,3	0,12	0,06
9	0,2	0,11	0,05
10	0,1	0,1	0,04
11 and more	0,1	0,1	0,04

Explanatory notes:

1. The age of work is counted in years since the year of creation of the work.
2. The year of reference is always a year for which the remuneration is paid out.

f) Remuneration is distributed according to the following rules:

1. a point value (**BhD**) is assigned to each work, notified by the author¹⁵ according to the following formula:

$$\text{BhD} = \text{coef. T} * \text{coef. D} * \text{R} * \text{coef. P} * \text{coef. S}$$

2. a point value of the use of the work (**BhU**) is assigned to each determined use according to the following formula:

$$\text{BhU} = \text{BhD} * \text{coef. U} * \text{coef. M}$$

Category	TV stations	coef. U
A	Nova, ČT 1, Prima, ČT 2, ČT :D, ČT art	3
B	TV Barrandov, Nova Cinema, Prima COOL, Prima krimi, Prima MAX, Prima LOVE, Nova Action, Prima ZOOM	1
C	others	0.3

The Copyright Commission decides on the classification of the channel as regards the relevant category. The average annual viewing figures of the channel in the period for which the royalty is distributed is taken as an auxiliary criterion. In this context, the 4+ methodology is used.

¹⁵Article II (4)

Inclusion into the relevant category is always notified by the Copyright Commission through the OAZA.EU website at the latest by 31.7. of the following year.

Explanatory notes to the table:

1. Regarding TV, 4 all channels in category A and B are monitored this monitoring is ensured by the office of OAZA
2. Authors may notify also the use of other broadcasters, i.e. ensure the monitoring themselves.
3. Each individual discovered use (monitoring, playlist, discovered by the author) increases the value; the author notifies the use by means of OAZAIS information system or by using a particular form.
4. Legitimate complaint may be raised by the author only in respect of the monitored use, the value of use is maintained.

Category	Radio stations	coef. U
A	Impuls, Radiožurnál, Frekvence 1, Evropa 2, Blaník, ČRo 2, ČRo 3	3
B	Kiss, Country, Beat, Fajn, Proglas, ČRo D-Dur	1
C	others	0.3

Explanatory notes to the table:

1. Regarding TV, 4 all channels in category A and B are monitored this monitoring is ensured by the office of OAZA
2. Authors may notify also the use of other broadcasters, i.e. ensure the monitoring themselves.
3. Each individual discovered use (monitoring, playlist, discovered by the author) increases the value; the author notifies the use by means of OAZAIS information system or by using a particular form.
4. Legitimate complaint may be raised by the author only in respect of the monitored use, the value of use is maintained.

Number of uses	coef. M	
	Audiovisual work	Audio work
Up to 20	1.0	1.0
21 – 25	0,9	1.0
26 – 30	0,8	1.0
31 – 35	0,7	1.0
36 – 40	0,6	1.0
41 – 45	0,5	1.0
46 – 50	0,4	1.0
51 – 55	0,3	1.0
56 – 60	0,2	1.0
61 – 65	0,1	1.0
66 and more	0,01	1.0

Explanatory notes to the table:

1. The number of uses is the overall number of uses per remunerated period,
2. Only the number of uses which exceeds higher awarding is included in the group corresponding to the relevant number of uses. For example, 22 uses are calculated using the coef. M in the following way: 20 uses will be calculated with coef. M = 1 and 2 uses with coef. M = 0,9,

3. as a basis, each author shall be loaded with overall number of all the points for the notification of the works (**cpBhD**). Overall number of all the points of the author regarding the determined uses of his works (**cpBhU**) shall be added to this basis **cpBhD**, and then the overall number of all the points of the author shall be calculated by adding the number of points for the notification (**cpBhD**) to the determined uses (**cpBhU**) in the following way:

$$\text{cpB} = \text{cpBhD} + \text{cpBhU}$$

4. the overall number of collected points of all the rightholders (**cpB_NP**) shall be determined
5. the value of a point towards the overall collection shall be determined according to the following formula:

$$hB = \text{Collection} / cpB_NP$$

6. the remuneration of the rightholder (**O**) shall be determined according to the following formula:

$$O = hB * cpB$$

- b) according to the above mentioned rules, the determined remuneration is paid out to the author in the distribution dates¹⁶.

Article X Complaints

- (1) The represented rightholder is entitled to raise objections against the distribution of royalties within three months from the financial statement. The objections shall be raised by serving thereof to the address of the registered office of the Association or by electronic means to the address reklamace@oaza.eu, accompanied by the evidence proving the use of works, if applicable.
- (2) In cases of clearly unjustified complaint, OAZA may charge the costs incurred in connection to the examination of the complaint.
- (3) OAZA is entitled to assess the veracity of the notifications submitted by the rightholders. The rightholder is obliged to remove the discovered deficiencies, or return the incorrectly paid out sum, if applicable; failure of which will result in unilateral setting off of the sum by OAZA.
- (4) Provisions regarding the statutory bar of the claim are governed by the generally applicable legal regulation.

BOOK THREE

FINAL PROVISIONS

Article XI Transitional provisions

- (1) Remuneration from the exercise of right according to Article III (2)(b) (rental of audio and audio-visual recordings) are not collected by the collecting organization of OSA. The rules on distribution of the royalties will be applied if the collective rights manager ensures the exercise of this right.

Article XII Final provisions

- (1) The Annex to the Royalty distribution rules contains relevant decisions of the Board of Directors of OAZA, if any, which are published at the OAZA website.
- (2) The Royalty distribution rules, and all its written amendments and appendices, are enforceable and effective as of the day of the approval thereof by the General Meeting of OAZA and according to these Royalty distribution rules the royalties will be distributed in the dates after the date when such General Meeting was held.
- (3) Changes to the Royalty distribution rules may be done only in accordance with the provisions of the Constitution of the citizens association OAZA.

¹⁶Article IV (9)

In Prague on 18 June 2020

Person responsible for the authenticity of the Royalty distribution rules and the wording thereof

prof. Ing. Karel Jaroš
Chairman of the OAZA Board of Directors