

Music On Demand Licence



Summary of Key Terms and Conditions (Subject to Contract)

About this document	<p>This document is a summary of certain terms of the <i>PRS for Music</i>, Music On Demand Licence.</p> <p><i>The full terms and conditions will follow before 1st July 2009.</i></p>
What does the licence cover?	<p>The Music On Demand Licence covers performing and mechanical rights in musical works for on-demand streaming and limited/tethered download services where your service is not funded by subscription.</p> <p>The Music On Demand Licence also covers the following types of audio-visual usage:</p> <ul style="list-style-type: none">• 'Promo' music videos• Live concert performances• Combination of a musical work with images relating to the performer or composer of the work• Use of a musical work with an interview with an artist, composer, producer or other person involved in the creation of music, where the work used is associated with the interviewee
What does the licence exclude?	<p>The following rights are not covered by the Music On Demand Licence and would need to be cleared directly with publishers/ copyright owners:</p> <ul style="list-style-type: none">• Moral rights• Graphic rights• The right to 'adapt' a musical work• The 'synchronisation' of musical works with images (e.g. the filming of a music concert) for the purpose of online or mobile exploitation• The use of unauthorised arrangements, adaptations, parodies, burlesques and dramatico-musical works• The use of commercial musical works in contexts which the licensee ought reasonably to consider as being prejudicial to the public standing of the composer, artist featured or relevant copyright owners• The rights in sound recordings of musical works <p>Music use is not covered in all circumstances. In particular, the following uses would need to be licensed under separate licences or directly with publishers/ copyright owners:</p> <ul style="list-style-type: none">• Music used with advertising or sponsorship of any product or service• Music used in any audio-visual material other than that mentioned above• Mobile ringtones• Podcasting services• 'Simulcasting' of traditional scheduled broadcast services

Royalty Rate	Headline Royalty Rate	Minima
(you will have to pay the headline royalty rate or the minima, which ever is the greater)	10.50% (of Gross Revenue)	0.085p (per track streamed)

Territory	UK
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Accounting and reporting	<ul style="list-style-type: none"> • Services generating up to £500,000 Gross Revenue per annum will be subject to quarterly accounting • A fixed advance payment is charged on a quarterly basis and subject to a £50.00 minimum (plus VAT) • These quarterly instalments can be refundable throughout the term of the licence • Reporting on revenues and usage will be required within one calendar month of the quarter's end in our standardised format • Royalties are then payable for any balance above the quarterly advance • Services generating more than £500,000 Gross Revenue per annum may be subject to monthly accounting • Reporting on revenues and usage will be required within one week of the month's end in our standardised format • Royalty fees are then payable in arrears based on the past months reporting
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Eligibility	All applications will be subject to a credit check and <i>PRS for Music</i> approval
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Duration of the Licence	This Licence will run until 30 June 2012
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Application Process	Completion of the Application Form including additional service forms where applicable
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Contact details	<p>If you have any queries please call the Online Licensing Team on 020 7306 4991</p> <p>or email onlinelicensing@prsformusic.com</p>
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Gross Revenue Definition and Discounts

Gross Revenue	<p>Gross revenue is all revenue received by you (the licensee) either directly from your users (via subscription fees or paid for activities) or other revenue streams, including, but not limited to, advertising, sponsorship and commissions.</p> <p><i>For a full definition of gross revenue please refer to the full terms and conditions once published.</i></p>
Advertising	<p>Advertising revenue should be included as part of the total Gross Revenue where:</p> <ul style="list-style-type: none">• An audio or audio-visual advert (or sponsorship message) is included within a stream or download or plays before or while a file is downloaded• Only music is offered or• Music constitutes 75% or more of the area of the page. The space taken up by the advertising is ignored when carrying out the calculation• Revenue generated from sponsored searches, including click-through revenue from such searches is excluded <p>For a full explanation of when advertising revenue should be included as part of the Gross Revenue, please refer to the full terms and conditions.</p>
Discounts applied to Gross Revenue base	<p>Royalties are also subject to the following discounts and are applied against revenue only and not minima:</p> <ul style="list-style-type: none">• 5% to be deducted from advertising revenue to reflect the cost of obtaining advertising or sponsorship• 15% to be deducted from Gross Revenue where it relates to the provision of audio-visual material. <p>The above reductions apply until prices for audio-visual material converge with audio-only material</p>
Discounts for mobile permanent downloads and other mobile services	<p>Rates and minima are as for the services above, except that:</p> <ul style="list-style-type: none">• For mobile permanent downloads, the Gross Revenue is reduced by 15%• For all other mobile services, the applicable revenue is reduced by 7.5%• The above reductions apply until prices converge with non mobile prices