



Production Company S4C Channels Primary and Secondary Exploitation Licence Agreement

NAME OF LICENSEE	("the Licensee")
REGISTERED ADDRESS OF LICENSEE	
COMMENCEMENT OF AGREEMENT	1 January 2017 ("the Commencement Date")
END DATE OF AGREEMENT	31 December 2019 ("the End Date") (subject to the terms of Annex A and B)

The terms of this Agreement are contained in this Cover Sheet and in the attached Annexes A, B, C and D and Schedules 1, 2 and 3

Signed by an authorised signatory for and on behalf of the Licensee:

Name: _____ **Position:** _____

Signature: _____ **Date:** _____

Signed by an authorised signatory for and on behalf of the Mechanical-Copyright Protection Society Limited ("MCPS"), contracting for and on behalf of itself and for and on behalf of and as agent of its various members and associated societies, and as agent for and on behalf of Phonographic Performance Limited ("PPL"):

Name: _____ **Position:** _____

Signature: _____ **Date:** _____

ANNEX A
SPECIAL CONDITIONS

[This section can be used for:

(i) Details of any deposit paid by the Licensee and how it will be held (e.g. until the end of the Term in an interest-bearing account); or

(ii) Variations to the standard Terms and Condition; or

(iii) Provisions relating to a Licensee that is a holding company which amend clause 13.1 to permit 100% owned subsidiary companies to benefit from the licences granted under the Agreement, subject to the Licensee taking on full liability for performance of the obligations under the Agreement and for any breach of the terms and conditions]

ANNEX B

STANDARD TERMS AND CONDITIONS

1. Definitions

“Ad-bumper” means a short piece of audio-visual material played at the start and end of commercial breaks during the broadcast of a Programme and which displays the name of the Programme but is not, for the avoidance of doubt, a Sponsorship Message.

“Advance” shall have the meaning set out in clause 6.1 below.

“Agreement” means this licence agreement.

“Authorised Exploitation” means:

- (a) the broadcast of the relevant Programme on the Television Channel(s) and the simultaneous retransmission of that broadcast via S4C’s website; and
- (b) the making available on demand of each episode of the Programme during a 35 day window before and a 35 day window after the date of first broadcast of the episode; and
- (c) the making available on demand of all episodes of the Programme during a 35 day window after the date of first broadcast of the final episode of the relevant Programme;
- (d) in respect of Production Music only, the making available on demand of an item of Made for Online Material on the Licensed GEOL Service.

Where the Licensee offers an episode of a Programme on demand in segments outside of its original linear formatting (unaltered in any other way), notwithstanding paragraphs “(b)” and “(c)” above, the Licensee may not separately make the entire episode (as a whole) available on demand.

“Additional Authorised Exploitation” means:

- (a) the copying and supplying to third parties of Programme(s) and Made for Online Material containing Production Music, or the retention of such Programme(s) and Made for Online Material by the Licensee, for all forms of communication to the public by such third parties or by the Licensee (including for the avoidance of doubt broadcast and on demand transmissions) throughout the world including but not restricted to terrestrial, satellite, cable, internet and mobile transmissions and for any non-theatric use on any media (“World Sales”); and
- (b) the manufacture and distribution worldwide for retail sale copies of Programme(s) containing Production Music on DVD (“Retail DVD Sales”); and
- (c) all of (a) to (b) above (“All Media”).

The Additional Authorised Exploitation granted hereunder shall not apply to the supply or retention of any Programme or any item of Made for Online Material until such time as (i) the Programme has had its first Terrestrial Broadcast within the United Kingdom; or (ii) the item of Made for Online Material has been made available on demand on the Licensed GEOL Service, as applicable.

For the avoidance of doubt, Additional Authorised Exploitation shall only apply in respect of Production Music. For the further avoidance of doubt, the Additional Authorised Exploitation granted hereunder

	does not grant the right to communicate to the public the Programmes containing Production Music.
“Ballet”	shall mean a choreographic work having a story, plot or abstract idea, devised or used for the purpose of interpretation by dancing and/or miming, but does not include country or folk dancing, nor tap dancing, nor precision dance sequences.
“broadcast” or “broadcasting”	shall have the meaning ascribed thereto in section 6 of the Copyright Designs and Patents Act 1988 as amended.
“Commercial Music”	means Commercial Works and PPL Sound Recordings
“Commercial Music Primary Exploitation Licence Fees”	means the licence fees set out in Annex C.
“Commercial Work”	means each Musical Work the copyright in which is owned or controlled in the United Kingdom and the Republic of Ireland by MCPS (or an MCPS member or an affiliated society or an affiliated society member) but excluding Production Music Works.
“Contract Year”	means any one of the periods 1 January to 31 December during the Term.
“Cue Sheet”	means a document, in the form set out in Schedule 3, containing the relevant reporting information.
“Delivery Date”	means, in relation to a Programme, or an item of Made for Online Material, the date of delivery of the final version of the Programme to the Television Channel, or Made for Online Material to the Licensed GEOL Service, or where the Programme consists of a series of episodes, the date of delivery of each individual episode to the Television Channel.
“Dramatico-Musical Work”	shall mean any Ballet, opera, operetta, musical, musical play or work of a similar nature in so far that it consists of words and music expressly written therefor.
“Excluded Work(s)”	means any Musical Work(s) which MCPS notifies to the Licensee as being excluded from the licences granted under this Agreement. An up-to-date list of Excluded Works will be available at the following website address www.prsformusic.com/ipc .
“Licence Fees”	means the Primary Exploitation Licence Fees and the Secondary Exploitation Licence Fees.
“Licensed GEOL Service”	means an LD/ODS or Permanent Download Service on the website(s) owned or controlled by the Licensee or (where the relevant item of Made for Online Material has been commissioned or acquired) the applicable broadcaster.
“Limited Download / On Demand Streaming Service (LD/ODS)”	shall mean a service (or the relevant part of a service) whereby a User may receive audio-visual material by streaming on-demand via a Network (where the time and place at which such audio-visual material is received is selected by the User) and/or may download via a Network that audio-visual material but where such download may not be retained by the User on a permanent basis.
“Made for Online Material”	means audio-visual material commissioned and/or produced for primary exploitation on a Licensed GEOL Service.
“making available on demand”	shall have the meaning ascribed thereto in section 20(2)(b) of the Copyright Designs and Patents Act 1988 as amended.

“Music Programme”	<p>means a programme where the musical audio material and/or audio-visual material with a musical soundtrack is the primary theme and not merely secondary or incidental to the storyline or documentary material featured in the programme. A “Music Programme” includes but is not limited to the following (including any combination thereof):</p> <p>A programme which consists of:</p> <ul style="list-style-type: none"> (a) one or more audio-visual live music performances by an artist, a group or a number of artists and/or groups; (b) an audio-visual documentary where the featured subject matter is one or more music artists, groups, songwriters or composers or a musical style or genre; (c) one or more promotional audio-visual productions which have a music sound recording as their main element; (d) audio-visual programming which has music as its primary theme, including, without limitation, archive collections of previously exploited television material; (e) an audio-visual recording of a music award event.
“Musical Work”	<p>means any work consisting of music and any lyrics or words written to be used with the music (if applicable). It includes any part of such a work.</p>
“Network”	<p>shall mean the internet, a mobile network or any other wired or wireless network.</p>
“Period 1”	<p>means the period between the Commencement Date and the Start Date.</p>
“Period 2”	<p>means the period between the end of Period 1 and the End Date.</p>
“Permanent Download Service”	<p>shall mean a service (or the relevant part of a service), by which a piece of audio-visual material is communicated to the public via a Network in the form of a download and where such download may be retained by the User on a permanent basis.</p>
"Permitted Excerpts"	<p>refers only to Dramatico-Musical Works and shall mean excerpts where the use of all such excerpts in any Programme complies with all the following limitations:</p> <ul style="list-style-type: none"> (a) the total duration of the excerpts does not exceed 20 minutes in any single Programme; (b) the use is not a "potted version" of the Dramatico-Musical Work; (c) the use is not or does not cover a complete act of the Dramatico-Musical Work; (d) each excerpt is not presented in a "dramatic form" as defined below; and (e) as regards Ballets specifically devised for television or excerpts from existing Ballets, the total duration does not exceed 5 minutes. <p>A dramatic form shall be deemed to be created only by a performance in which there is a distinct plot depicted by actors and where the story of the Dramatico-Musical Work and/or its associated words is woven into and carries forward the plot and its accompanying action (a dramatic form shall not, for example, be deemed to be created by the use of costume, scenery, and/or any dance routine merely to provide an acceptable presentation of the</p>

work). For the purposes of this paragraph the word "actors" shall include actors, singers, mimics and/or puppets.

“PMSR”	means any production music Sound Recording being a sound recording (as opposed to a Musical Work) the copyright in which is owned or controlled in the United Kingdom and the Republic of Ireland by MCPS or any member (or any affiliated society or affiliated society member) and where such party has authorised MCPS to license such recordings as so-called production or library music.
“PPL Sound Recording	shall mean each Sound Recording the ownership or control of the relevant copyright in which shall be vested in PPL from time to time.
“Primary Exploitation Licence Fees”	means the Production Music Primary Exploitation Licence fees and the Commercial Music Primary Exploitation Licence Fees.
“Production Music Primary Exploitation Licence Fees”	means the licence fees set out in Annex D to this Agreement.
“Production Music”	means Production Music Works and PMSRs.
“Production Music Rate Card”	means for any Programme delivered to the Television Channel during the Term, the MCPS production music rate card currently in force on the Delivery Date of the Programme
“Production Music Work”	means any Musical Work: <ul style="list-style-type: none">(a) embodied on a PMSR; and(b) the copyright in which is owned or controlled in the United Kingdom and the Republic of Ireland by MCPS (or an MCPS member or an affiliated society or an affiliated society member).
“Programme”	means a programme or series of episodes of a programme produced by the Licensee.
“Programme Related Material”	means, in relation to a Programme, a piece of ancillary audio-visual material that is connected to a Programme and is created by the Licensee using some or all of the material produced at the time of production of that Programme (whether or not it appeared in the Programme itself), including Re-versions. By means of example only, this may be ‘backstage footage’ or a ‘best-of’ or highlights or extended coverage programme.
“Qualifying Programme”	means a Programme made for the purpose of Authorised Exploitation.
“Quarter”	means each successive period of 3 months, the first beginning on 1 January 2016
“Red Button Service”	means a digital service whereby additional linear content is “overlaid” in a conventional linear digital television channel giving the viewer the option of watching such content instead of (or in addition to) the main content available on the television channel.
“Re-version”	means a piece of audio-visual material that is produced by editing the content of a Programme into a different form. Re-versions will comprise substantially the same content as was contained in the original Programme, but may include some new content, provided that it is related to the original content.
“Repertoire Work”	means Commercial Works, Production Music Works and PMSRs, but excludes (i) commissioned music (i.e. Musical Works specially commissioned from MCPS composer/writer members) and (ii) Excluded Works except where the relevant MCPS member gives its

	prior written consent to the Licensee for the use of the Excluded Work(s) in accordance with the provisions of clause 4 of this Agreement.
“Sales Information”	shall have the meaning specified in Schedule 2.
“Secondary Exploitation Licence Fees”	means the licence fees set out in clause 6.
“Sponsorship Message”	means any item which includes a specific audio and/or visual reference to a Programme sponsor.
“Sound Recording”	shall have the same meaning as set out in section 5 of the 1988 Act.
“Start Date”	means the date on which the final signatory to the Agreement signs the Agreement.
“Television Channel(s)”	means the television channel currently known as “S4C” and the Red Button Services and such new channels as agreed between the parties, such agreement not to be unreasonably withheld by MCPS and subject always to agreement of the appropriate rates.
“Term”	means the period starting on the Commencement Date and ending on the End Date or any earlier termination of the Agreement in accordance with clause 12.
“Terrestrial Broadcast”	means a broadcast by means of ‘free to air’ wireless transmission (whether in analogue or digital form). For the avoidance of doubt, it does not include the broadcast via a cable service or by satellite.
“Territory”	shall mean the World excluding the USA and Canada.
“Use”	<ul style="list-style-type: none"> (a) in respect of Commercial Music, means each unit of 30 seconds (or part thereof) of a Commercial Work or a PPL Sound Recording which is included in an episode of the Programme. Each inclusion of a Commercial Work or a PPL Sound Recording (or part thereof) shall constitute a separate Use, even where this relates to the inclusion of a Commercial Work and the PPL Sound Recording on which it is embodied, and even if the duration of each such use is less than 30 seconds; (b) in respect of Production Music, means the inclusion of a unit of 30 seconds (or part thereof) of a Production Music Work and the PMSR on which it is embodied (which shall for the avoidance of doubt together constitute only one Use), even if the duration of such use is less than 30 seconds (save that the duration of each inclusion of the same Production Music shall be aggregated in order to establish the number of “Uses”, so that the inclusion of the same Production Music Work (and the PMSR on which it is embodied) four times for a duration of ten seconds each time within an episode of a Programme shall be treated as two “Uses”); (c) in respect of both Commercial Music and Production Music, all copies of Repertoire Works and/or PPL Sound Recordings including those which might constitute acts of copying permitted under Part I Chapter III of the Copyright Designs and Patents Act 1988 as amended shall be included when calculating the number of Uses under this Agreement. However, any copies made which would constitute copies under section 28A of the Copyright Designs and Patents Act 1988 as amended shall be excluded when calculating the number of uses under this Agreement.

2. Rights Licensed

2.1 Subject to the terms and conditions set out in this Agreement (and in particular, subject to the payment of the applicable licence fees set out in Annexes A, C and/or D, as applicable), MCPS hereby grants to the Licensee a non-exclusive licence during the Term to:

- (a) reproduce (including by way of synchronisation) (i) Repertoire Works in the United Kingdom into Programmes; and (ii) Production Music in the United Kingdom into Made for Online Material, solely for the purpose of the Authorised Exploitation (as applicable); and
- (b) reproduce (including by way of synchronisation) Repertoire Works in the United Kingdom into Programme Related Material solely for the purpose of supplying such Programme Related Material to a third party (or for retaining the material itself) for online and mobile exploitation, but only via websites and software applications owned or controlled by the Licensee or (where the relevant Programme Related Material has been commissioned or acquired) the applicable broadcaster; and
- (c) reproduce (including by way of synchronisation) Production Music in the United Kingdom into Programmes and Made for Online Material solely for the purpose of the Additional Authorised Exploitation.

In circumstances where the Licensee wishes to record into a Programme or an item of Made for Online Material, prior to supplying (or retaining) such Programme or Made for Online Material for any of the Additional Authorised Exploitations, alternative music to that originally recorded in the Programme or item of Made for Online Material, then MCPS shall grant to Licensee for the foregoing sole purpose the non-exclusive right to reproduce in the United Kingdom Production Music into Programmes for such purpose during the Term. The Licensee fees shall be those set out in Annex D.

2.2 Subject to the terms and conditions set out in this Agreement (and in particular, subject to the payment of the applicable licence fees set out in Annexes A, C and/or D, as applicable), MCPS, on behalf of PPL, hereby grants to the Licensee a non-exclusive licence during the Term to:

- (a) reproduce PPL Sound Recordings in the United Kingdom into Programmes solely for the purpose of the Authorised Exploitation; and
- (b) reproduce PPL Sound Recordings in the United Kingdom into Programme Related Material solely for the purpose of supplying such Programme Related Material to a third party (or for retaining the material itself) for online and mobile exploitation, but only via websites and software applications owned or controlled by the Licensee or (where the relevant Programme Related Material has been commissioned or acquired) the applicable broadcaster;.

2.3 Subject to the terms and conditions set out in this Agreement, MCPS hereby grants to the Licensee a non-exclusive licence during the Term to copy and supply to third parties (in addition to the Television Channels), or retain for itself, Qualifying Programmes containing Repertoire Works to or for:

- (a) all forms of communication to the public by such third parties (including for the avoidance of doubt broadcast and making available on demand) in the Territory (subject to clause 2.7 below) including but not restricted to terrestrial, satellite, cable, internet and mobile transmissions; and
- (b) viewing at non-fee paying television programme festival in the Territory; and
- (c) viewing by prospective purchasers of a Qualifying Programme, including for the avoidance of doubt, via the internet; and
- (d) educational establishments in the Territory for viewing by students as part of their studies, provided that no fee is charged to view such Qualifying Programme.

For the avoidance of doubt, the licence granted under this clause 2.3 does not grant the right to communicate to the public the Qualifying Programmes containing Repertoire Works.

2.4 In circumstances where the Licensee wishes to record into a Qualifying Programme (prior to supplying it as set out in clause 2.3 above) alternative music to that originally recorded in the Qualifying Programme, then, subject to the terms and conditions of this Agreement, MCPS hereby grants the Licensee, for the foregoing sole purpose, the non-exclusive right to reproduce in the United Kingdom Production Music into Qualifying Programmes during the Term.

- 2.5 For the avoidance of doubt, the authorisation granted under clause 2.3 above only applies in relation to Repertoire Works. It does not apply to PPL Sound Recordings or any other rights in Qualifying Programmes.
- 2.6 The licences granted under clause 2.3 only apply in respect of copying of Qualifying Programmes taking place within the United Kingdom and only for the purposes of exploiting the rights set out in clause 2.3 above. For the avoidance of doubt, this grant of rights to the Licensee does not affect any requirement for a third party to obtain relevant local licences in respect of restricted acts undertaken or authorised by that third party to obtain relevant local licences in respect of restricted acts undertaken or authorised by that third party in the course of the secondary exploitation of the programme. Nothing in this Agreement shall affect the rights of any party owning, controlling or administering the copyright in any Repertoire Work outside of the UK, including the right to control importation into and distribution within such country.
- 2.7 The licence granted in clause 2.3(a) above shall not apply to the supply of a Qualifying Programme until such time as the Qualifying Programme has had its first Terrestrial Broadcast within the United Kingdom.
- 2.8 If the Licensee wishes to supply Qualifying Programmes containing Repertoire Works for retail sale in the form of non-music VHS videos or non-music DVDs (falling within the scope of the MCPS AVP licensing scheme ("AVP") then the Licensee must apply for an AVP agreement (or equivalent other agreement if AVP is replaced).
- 2.9 If the Licensee wishes to supply Qualifying Programmes containing Repertoire Works for retail sale in the form of music DVDs (falling within the scope of the MCPS DVD1version 2 licensing scheme ("DVD1v2")) or then the Licensee must apply for a DVD1v2 agreement (or equivalent other agreement if DVD1v2 is replaced).
- 2.10 The Licensee must notify MCPS in writing if it wishes to exercise the rights granted under clause 2.3 for Period 2. Prior to exercising such rights, the Licensee must agree an advance against royalties with MCPS in accordance with clause 6.1(a) below.
- 2.11 Nothing in this Agreement shall prevent the Licensee from seeking from MCPS or PPL as applicable a licence covering only Repertoire Works or Sound Recordings as applicable in circumstances where the Licensee already has a valid licence in respect of the relevant Repertoire Works or PPL Sound Recordings as applicable.

3. Extent of the Licence

- 3.1 This Agreement does not extend to or permit the inclusion of any adaptation of any Repertoire Work in an episode of the Programme or Qualifying Programme, Programme Related Material or Made for Online Material, unless the relevant MCPS member has expressly consented thereto for the purposes of the Agreement. By way of example only, this applies to:
 - (a) making any arrangement of the music; or
 - (b) making any alteration to the lyrics, save for any minor change which does not alter the meaning thereof; or
 - (c) any sampling (as that expression is commonly used in the music industry) of the music and/or lyrics or
 - (d) reproduction in the form of a sample of the music and/or lyrics; or
 - (e) using with music lyrics other than those written to be used with the music or authorised for use with the music; or
 - (f) using with lyrics music other than that written to be used with the lyrics or authorised for use with the lyrics.
- 3.2 The Agreement does not extend to the reproduction of any Commercial Work:
 - (a) which, in relation to Qualifying Programmes only, exceeds 7 minutes in duration; or
 - (b) in the form of a parody, pastiche or burlesque of any Commercial Work or of any composer or writer or performer of any Commercial Work or any band or other group of artists which includes any composer or writer of any Commercial Work; or
 - (c) where there is a derogatory, facetious, obscene or demeaning reference to the Commercial Work, its composer(s) and author(s) or the performing artist; or

- (d) without prejudice to clauses 3.3 and 3.4 below, in any manner which is likely to or causes the public to believe that the Commercial Work (or the composer(s) thereof) is endorsing or promoting any product or service, or the views expressed in the Programme.

Whether a use of a Commercial Work breaches this clause 3.2 shall be decided by MCPS in its reasonable discretion.

3.3 The Agreement does not extend to the production and reproduction of any:

- (a) programming relating to a single composer or author, composer and/or author team and/or where all Commercial Works contained within the Programme and/or Qualifying Programme are by the same composer or author, or composer and/or author team; or
- (b) Music Programmes relating to a single music artist or record label and/or where all Commercial Works contained within the Programme and/or Qualifying Programme are performed by the same music artist or controlled by the same record label, unless such programme has been commissioned by or expressly approved by the relevant record company or the artist's management company.

For the avoidance of doubt, this Agreement extends to all Music Programmes other than those described in clause 3.3(a) and 3.3(b) above.

3.4 For the avoidance of doubt, the licences granted under this Agreement do not cover the use of any Repertoire Work with any advertising where:

- (a) such Repertoire Work is incorporated into such advertising; or
- (b) such Repertoire Work is otherwise presented in such a way that a reasonable person might associate the Repertoire Work with the advertising.

3.5 The licences granted under this Agreement do not cover the use of any Commercial Work with any Sponsorship message where:

- (a) such Commercial Work is incorporated into such Sponsorship Message; or
- (b) such Commercial Work is otherwise presented in such a way that a reasonable person might associate the Commercial Work with the Sponsorship Message.

3.6 The use of any Commercial Work in title and/or credit sequences is excluded from this Agreement. Commercial Works for use in title and/or credit sequences must be licensed in advance individually with the copyright owner or via MCPS.

3.7 Where any Repertoire Work forms part of any Dramatico-Musical Work, the licences granted under this Agreement shall not apply to the reproduction of:

- (a) the whole Dramatico-Musical Work;
- (b) any excerpt(s) from such Dramatico-Musical Work unless all of the following circumstances apply:
 - (i) the Programme contains only excerpt(s) within the definition of Permitted Excerpts; and
 - (ii) MCPS has not notified the Licensee in writing that the Member or the Foreign Society Member objects to the reproduction of any such Repertoire Work.

3.8 In any event, any licence hereunder only applies to the relevant Repertoire Works and not (by way of example only) to any underlying dramatic or literary work which forms part of the Dramatico-Musical Work or which such Dramatico-Musical Work is based on or uses.

3.9 All rights not specifically granted under this Agreement are hereby reserved, and the parties hereby agree that no implied licences are to be construed hereunder.

3.10 The acts of broadcasting and making available of Repertoire Works and PPL Sound Recordings within Programmes, Programme Related Material, Made for Online Material, and Qualifying Programmes are not licensed hereunder.

3.11 The provisions of this Agreement authorise the making of the Programme for the Authorised Exploitation and/or the Additional Authorised Exploitation and pursuant to clause 2.3 the supply to third parties of Qualifying Programmes only. In the event that a copy of the Programme and/or Qualifying Programme or the soundtrack thereof is made or used in any way for any other purpose (including, without limitation, retail sale, rental and/or lending, cinematic performance) whether by any

party to this Agreement or any other party then that copy shall not be licensed under this Agreement. MCPS reserves all rights including those of its members and the affiliated societies and the affiliated society members to take action in relation to any such copy.

3.12 This Agreement only covers Repertoire Works and PPL Sound Recordings. It does not extend to other rights or interests, including (by way of example only) films, dramatic works, performers' rights, moral rights or rights in performances. MCPS, for and on behalf of its members, warrants that all the necessary performers' waivers and consents have been obtained from the relevant performers insofar as their performances are embodied on PMSRs.

3.13 It is the responsibility of the Licensee to obtain all necessary licences in relation to any Musical Work (or part thereof) which is not a Repertoire Work, and nothing in this Agreement applies in relation to any such Musical Work or film producing any such Musical Work.

3.14 Nothing in this Agreement affects the moral rights of authors or performers of Repertoire Works and PPL Sound Recordings whether subsisting in the United Kingdom and the Republic of Ireland or any other territory.

4. Excluded Works

4.1 The licences granted under clause 2.1 do not permit the reproduction of an Excluded Work unless (i) the relevant MCPS member has expressly consented to its reproduction, (ii) the Licensee has entered into an agreement with the relevant MCPS member to this effect and (iii) evidence of such agreement has been provided to MCPS.

4.2 Where the Licensee has obtained the prior written consent of the relevant MCPS member for the reproduction of an Excluded Work in a Programme or Programme Related Material then the Excluded Work shall, in respect of the specific Programme or Programme Related Material for which the consent has been granted, be deemed a Repertoire Work and shall be licensed under this Agreement. The terms and conditions governing the reproduction of the Excluded Work set out in this Agreement will be subject to any specific terms and conditions agreed between the Licensee and the relevant MCPS member. Where a conflict arises between the terms and conditions agreed between the Licensee and the relevant MCPS member and the terms and conditions set out in this Agreement, then the former shall prevail over the latter in respect of the Excluded Work.

4.3 It is the responsibility of the Licensee to contact the relevant MCPS member directly for consent to reproduce Excluded Works.

4.4 MCPS will notify the Licensee of those Musical Works that are Excluded Works on or before the date of signature of this Agreement and the restriction on the reproduction of such Excluded Works pursuant to clause 4.1 shall apply to all Programmes and Programme Related Material with a Delivery Date following the relevant date of notification by MCPS. Thereafter, MCPS will notify the Licensee by email on or around the first working day of each month of any up-date to the list of Excluded Works. Any new Musical Works added to the list of Excluded Works will be Excluded Works in respect of all Programmes and Programme Related Material with a Delivery Date on or after the first working day of the second calendar month after the month in which MCPS provided notification of the new Excluded Works. By way of example, Excluded Works notified to the Licensee on the 1 July 2016 will apply to all Programmes and Programme Related Material with a Delivery Date on or after 1 September 2016.

5. Primary Exploitation Licence Fees

5.1 Where the Licensee exercises the grant of rights under clause 2.1 and 2.2 in respect of Commercial Music, the Licensee shall pay to MCPS the Commercial Music Primary Exploitation Licence Fees.

5.2 Where the Licensee exercises the grant of rights under clause 2.1 and 2.2 in respect of Production Music, the Licensee shall pay to MCPS the Production Music Primary Exploitation Licence Fees.

5.3 These Licence Fees and the associated exploitation of Repertoire Works and/or PPL Sound Recordings are offered by MCPS on a strictly non-precedential basis and shall be subject to review upon expiry or termination of this Agreement.

5.4 During the Term, in the event that the context of any Television Channel materially changes, MCPS will enter into good faith discussions with the representative trade body on the applicable rates in Annex C and Annex D. If no agreement is reached after a period of 3 months from the date of the material change, MCPS reserves the right to implement changes to the applicable rates in Annex C and Annex D.

6. Secondary Exploitation Licence Fees

6.1 Where the Licensee exercises the grant of rights under clause 2.3 above, the Licensee shall pay to MCPS:

- (a) in relation to secondary exploitation during Period 2 and in accordance with clause 2.10 above, a non-returnable advance against royalties for the remainder of the Term (the "Advance") to be agreed between the parties but subject to a minimum of £533 in relation to the exploitation of Repertoire Works; and
- (b) in relation to secondary exploitation at any time during the Term, the Secondary Exploitation Licence Fees, as defined in clause 6.3 below.

6.2 The Advance is recoupable against the Secondary Exploitation Licence Fees due during Period 2, but is non-returnable. For the avoidance of doubt, in the event that, the total Secondary Exploitation Licence Fees payable during Period 2 by the Licensee to MCPS is less than the total Advance paid, no part of the Advance shall be repayable to the Licensee by MCPS.

6.3 The Secondary Exploitation Licence Fee shall mean in relation to Repertoire Works in each Qualifying Programme the percentage of the Gross Sale Price calculated as follows:

$$\frac{\text{Total duration of Repertoire Works}}{\text{Total Duration of Programme}} \times 100 \times 8.5\% = \text{MCPS \% claim in Programme.}$$

6.4 For the avoidance of doubt, the Secondary Exploitation Licence Fees due under clause 6.1(b) shall be the aggregate of all Secondary Exploitation Licence Fees calculated pursuant to clause 6.3 above in respect of the supply of Qualifying Programmes, licensed under clause 2.3, during either Period 1 or Period 2.

7. Gross Sale Price

7.1 "Gross Sale Price" shall mean all amounts (in money or money's worth) received or receivable by the Licensee (or any associate, agent, representative or other affiliate of the Licensee) in consideration for the supply of a Qualifying Programme to a third party for the purposes set out in clause 2.3 of this Agreement subject only to the following deductions:

- (a) VAT;
- (b) any withholding tax not recoverable by the Licensee; and
- (c) a genuine refund paid by the Licensee as a result of the party to whom a Qualifying Programme was supplied not being able to broadcast or otherwise use that Qualifying Programme as a result of the failure to clear other third party rights or as a result of censorship requirements.

7.2 For the purposes of clause 7.1 above, the consideration paid to the Licensee may take any form, including (without limitation) cash funds, services, goods, agreements to purchase advertising or sponsorship, or other barter or contra deals.

7.3 Where a supply of a Qualifying Programme by the Licensee to another party is not on a true arms-length basis (for example, if supply is to an affiliated company of the Licensee), then the consideration for the purposes of clause 7.1 shall be deemed to be the fair market value of the Qualifying Programme.

7.4 If a package of programmes is sold including one or a number of Qualifying Programmes for an inclusive fee, the Licensee shall, for the purposes of clause 7.1 above, ascribe a proportion of the total revenue to the individual Qualifying Programmes in the package on a genuine market-value basis. MCPS is entitled to challenge the allocation of prices as between programmes included in the package, following which the Licensee agrees to re-consider in good faith such valuation.

8. Payment and Reconciliation

8.1 All payments and sums referred to in this Agreement are subject to VAT.

8.2 All invoices are due for payment in full within 28 days of the date of issue ("the Due Date").

8.3 Without imposing any obligation on MCPS to accept late payment and without prejudice to any rights and remedies MCPS may have by virtue of any failure of the Licensee to pay the licence fees

specified in this Agreement by the Due Date, MCPS will be entitled to charge interest on the Licence Fees from the Due Dates at 3% above the National Westminster Bank base rate. MCPS shall also be entitled to charge the higher of: (i) interest at 3% above the National Westminster Bank base rate; and (ii) £100 (on hundred pounds) in respect of each episode of a Programme or item of Made for Online Material within which a Use is identified, where payment is later than it would otherwise be as a result of the Licensee failing to deliver full and accurate reporting information in accordance with the timescales set out in clause 9 below.

- 8.4 In relation to the Primary Exploitation Licence Fees, MCPS will issue invoices as set out in Annexes C and D to this Agreement.
- 8.5 Where the Licensee exercises the grant of rights under clause 2.3 during Period 1, following submission by the Licensee of the Sales Information for Period 1 in accordance with clause 9.5 below, MCPS will calculate the Secondary Exploitation Licence Fee for Period 1 in accordance with clause 6.3 above. MCPS will invoice the Licensee for the amount due and the Licensee shall pay such invoice.
- 8.6 Where the Licensee exercises the grant of rights under clause 2.3 during Period 2, the Licensee shall pay to MCPS the Advance in instalments, the invoices for which will be issued by MCPS on a quarterly basis.
- 8.7 Following the end of the Term and following submission by the Licensee of the Sales Information for Period 2, MCPS will calculate the Secondary Exploitation Licence Fee for Period 2 in accordance with clause 6.3 above.
- 8.8 Where the Secondary Exploitation Licence Fee for Period 2 exceeds the Advance paid, MCPS will invoice the Licensee for the difference between the two (“the Balancing Payment”) and the Licensee shall pay such invoice.
- 8.9 The supply of a Qualifying Programme by the Licensee shall be regarded as one falling within Period 2 if the payment to the Licensee for that Qualifying Programme (or the *first* payment, if payment is to be in instalments) is made (or is due to be made) within Period 2.

9. Reporting

- 9.1 In respect of the licence granted under clause 2.1(a) and 2.2(a) above, the Licensee shall supply to MCPS within 14 days of the Delivery Date (i) full and accurate details of all Repertoire Works and PPL Sound Recordings copied into each episode of a Programme and each item of Made for Online Material; and (ii) the name of the television channel on which the Programme is to be (or has been) first broadcast and the details of the Licensed GEOL Service on which the item of Made for Online Material is to be (or has been) first made available on demand.

The Licensee’s reports must be in the format attached at Schedule 3 or such alternative format which the Licensee uses to report to broadcasters, provided that:

- (a) such format complies with MCPS’ reasonable requirements; and
- (b) it contains all the information that MCPS requires (as set out in Schedule 3).

- 9.2 In respect of the licence granted under clause 2.1(b) and 2.2(b) above, the Licensee shall supply to MCPS full and accurate details of all Repertoire Works and all PPL Sound Recordings copied into each piece of Programme Related Material 14 days from the date that such material is made available to the public for the first time. The Licensee’s reports must be in the format attached at Schedule 3.
- 9.3 In respect of the licence granted under clause 2.1(c) above, the Licensee shall inform MCPS of the Additional Authorised Exploitations the Licensee wishes to license, at any time prior to the supply by the Licensee of the relevant Programme or Made for Online Material to a third party (or the retention of the same by the Licensee) for the form of Additional Authorised Exploitation so licensed.
- 9.3A In respect of the licence granted under clause 2.1 (where the Licensee wishes to record alternative music to that originally recorded in the Programme or Made for Online Material for any of the Additional Authorised Exploitations), the Licensee shall supply to MCPS full and accurate details of all Production Music copied into each Programme or item of Made for Online Material, at any time prior to the supply by the Licensee of the relevant Programme or Made for Online Material to a third party (or the retention of the same by the Licensee) for the form of Additional Authorised Exploitation so licensed. The Licensee’s reports must be in the format attached at Schedule 3.

- 9.4 In respect of the Licence granted under clause 2.3 above for Period 1, the Licensee shall in respect of each Qualifying Programme supply to MCPS a Cue Sheet within 14 days of the Start Date. Such Cue Sheet may be supplied in Excel format, either on disk or via email.
- 9.5 In respect of the Licence granted under clause 2.3 above for Period 1, the Licensee shall supply to MCPS all Sales Information, in the format set out in Schedule 2 within 14 days of the Start Date.
- 9.6 In respect of the Licence granted under clause 2.3 above for Period 2, the Licensee shall in respect of each Qualifying Programme supply to MCPS a Cue Sheet by the end of the Quarter in which the Qualifying Programme is first supplied pursuant to this Agreement. Such Cue Sheet may be supplied in Excel format, either on disk or via email.
- 9.7 In respect of the Licence granted under clause 2.3 above for Period 2, the Licensee shall supply to MCPS the Sales Information, in the format set out in Schedule 2, on a quarterly basis and within one month of the end of the Quarter in which the Qualifying Programme was supplied to a third party pursuant to clause 2.3 of this Agreement.
- 9.8 Unless notified otherwise, the Licensee will send (a) the Sales Information for the attention of the Television Licensing Manager, MCPS Broadcast Licensing at MCPS's registered address or by email to [welshtvprogrammes@prsformusic.com](mailto:welshstvtvprogrammes@prsformusic.com)
- 9.9 For the avoidance of doubt, where the Licensee records Production Music into Qualifying Programmes pursuant to clause 2.4, then it must provide to MCPS a Cue Sheet which incorporates details of such dubbed Production Music (and not the *original* cue sheet).
- 9.10 The Licensee shall also supply MCPS with any further information or documentation in its possession, power, custody or control (and will supply MCPS with reasonable assistance to obtain any further information or documentation not in its possession, power, custody or control) reasonably requested by MCPS at any time, in order to enable MCPS to verify the Musical Works and/or Sound Recordings which are contained with a Programme (and/or Qualifying Programme) or to verify that the Licensee is abiding by the terms and conditions of this Agreement.
- 9.11 MCPS reserves the right to charge additional royalty fees in respect of those Uses of Repertoire Works and/or PPL Sound Recordings which are reported inaccurately to MCPS. Furthermore, MCPS shall be entitled to charge royalty fees on any Uses of Repertoire Works and/or PPL Sound Recordings that are not initially reported by the Licensee (when reporting is delivered for a Programme) but are subsequently identified, as well as those Uses that cannot be identified as Repertoire Works and/or PPL Sound Recordings at the time that reporting is initially processed by MCPS but are subsequently found to be Repertoire Works and/or PPL Sound Recordings. The royalty fee charged per additional Use identified will be based on the Use fees referred to in Annexes C and D. MCPS shall in addition have the right to charge interest at 3% above the National Westminster Bank base rate.
- 9.12 In order to facilitate the preparation of reporting, MCPS will (upon request) grant the Licensee access to its online works database(s), subject to the Licensee's acceptance of MCPS' standard terms and conditions of access. For the avoidance of doubt, should MCPS withdraw access to such a database or should a database become unavailable (whether temporarily or permanently) for any reason, this shall in no way affect the obligations of the Licensee to deliver full, accurate and timely reporting as set out in this clause 9.
- 9.13 The Licensee shall supply to MCPS throughout the Term a fully completed notification form (in the form set out in Schedule 1) for each new Programme or item of Made for Online Material within 14 days of being commissioned to produce the Programme or Made for Online Material (or within 14 days of the Licensee commencing production, if the Programme or Made for Online Material has not been commissioned) and shall notify MCPS in writing immediately should any information contained on the notification form change at any time subsequently, including but not limited to the Programme title / or Made for Online Material title, and scheduled Delivery Date.
- 9.14 Upon request, the Licensee shall supply to MCPS a copy of any Programme (or episode of a Programme), Programme Related Material or item of Made for Online Material produced by it under this Agreement within 7 days of such a request following the Delivery Date, in order that MCPS may confirm that the Licensee is complying with the terms and conditions of this Agreement.

10. Auditing

- 10.1 The Licensee shall keep and make available for inspection upon reasonable notice, both during and for twelve months after termination of this Agreement, proper, detailed books and records relating to (a) the use of all Musical Works and/or Sound Recordings in Programmes and/or Qualifying Programmes and/or Made for Online Material, together with any supporting documentation relating thereto; and (b) the supply of reporting to Television Channels in accordance with clause 9.2 above (c) any income or other consideration received (or receivable) by or on behalf of the Licensee in

relation to the supply of Qualifying Programmes, together with any supporting documentation relating thereto. Where any agreement between the Licensee and MCPS and/or PPL replaces this Agreement or licenses substantially the same activities (the "Replacement Agreement"), the twelve month time-limit referred to above shall begin following termination or expiry of the Replacement Agreement.

- 10.2 For the purposes of this clause 10, the Licensee shall allow upon reasonable notice access to its premises to inspect accounting and reporting records, but not more than once per annum. The duly authorised representatives of MCPS shall be entitled to inspect, make extracts and take copies of any of the information and/or documentation available and to carry out such work as is, in their reasonable opinion, considered necessary to verify compliance with the provisions of this Agreement.
- 10.3 If tests under any audit and verification process indicate under-payment of the correct licence fees during the period for which monitoring has been carried out by or on behalf of MCPS, then, without prejudice to MCPS' other rights under this Agreement, the Licensee shall pay the amount of the underpayment plus interest based on the period from which the correct fee should have been paid to MCPS to the date when it was actually paid (at the rate of 3% over the base rate current from time to time of National Westminster Bank Plc).
- 10.4 If any audit and verification process discloses (a) under-payment of more than 7.5% of the correct Licence Fees during the period for which monitoring has been carried out by or on behalf of MCPS and/or (b) failures to report correctly amounting to at least 7.5% of the music usage during the period monitored by or on behalf of MCPS, then, without prejudice to MCPS' other rights under this Agreement, the Licensee shall pay, in addition to the payment referred to in clause 10.3, MCPS' reasonable costs of such audit and verification within 28 days of receipt of MCPS' VAT invoice therefor.
- 10.5 For the avoidance of doubt, books, records and accounting records as referred to in clauses 10.1 and 10.2 above shall be deemed to include data, information and records held on computers.

11. Confidentiality

Neither party shall disclose to any third party any confidential information of the other party (so long as it remains confidential) received pursuant to this Agreement, save that MCPS may disclose confidential information of the Licensee to PPL, PRS, PRS for Music Limited, to members of PRS and MCPS and PPL members, to societies affiliated to MCPS or PRS or PPL, and to MCPS's and PPL's professional advisors (where such advisors are under a duty of confidentiality in relation to information so received) for purposes connected with the administration of rights in Musical Works and/or PPL Sound Recordings.

12. Termination of Agreement

- 12.1 Either party shall have the right to terminate this Agreement immediately by notice to the other party if:
- (a) the other commits a material breach of this Agreement which is not capable of remedy; or
 - (b) the other commits a material breach of this Agreement which is capable of remedy but which has not been so remedied within 14 days of notice thereof;
 - (c) the other is dissolved, becomes insolvent or otherwise unable to pay its debts, ceases to trade, has a trustee, administrator or receiver appointed, has a resolution passed for its winding up or liquidation or makes a general assignment, arrangement or composition with or for the benefit of its creditors.
- 12.2 Where MCPS terminates this Agreement as a result of the non-payment of Licence Fees by the Licensee, any episode(s) of a Programme or item(s) of Made for Online Material made during the period in which the Licence Fees were unpaid (whether in full or in part) or any Qualifying Programme copied pursuant to clause 2.3 of this Agreement during the period in which the Licence Fees were unpaid (whether in full or in part) shall be deemed to be unlicensed.
- 12.3 Any breach of clause 3.2 of this Agreement shall be deemed to be a material breach incapable of remedy for the purposes of clause 12.1(a). In the case of termination in these circumstances, the licence granted under this Agreement shall not apply to the episode(s) of the Programme containing the material which breached clause 3.2 (as well as any episode made after the date of termination) or if a Qualifying Programme any episodes copied pursuant to clause 2.3 of this Agreement.
- 12.4 For the avoidance of doubt, any exploitation of Repertoire Works or PPL Sound Recordings by the Licensee following termination of this Agreement will be unlicensed.

- 12.5 No Licence Fees already paid (or payable) to MCPS shall be returnable (or credited) to the Licensee upon termination of this Agreement.
- 12.6 Termination of this Agreement for whatever reason shall be without prejudice to any rights which have already accrued to the parties under this Agreement.
- 12.7 In the event that one of the 'larger rightsholders' (under the so called "MCPS larger rightsholder agreement", these being, as at the date of this agreement, Sony ATV Music Publishing Europe (which for the purposes of this clause shall also include EMI Music Publishing Europe), Universal Music Publishing Group or Warner/Chappell) notifies MCPS of its decision to withdraw its repertoire from the IPC licensing scheme operated by MCPS, MCPS shall be entitled to terminate this Agreement with no less than three months' written notice to the Licensee, such notice to take effect the subsequent year as of 1 January. In such circumstances, MCPS shall notify the Licensee of alternative licensing arrangements, including any modified IPC licensing scheme to be operated by MCPS.

13. Other

- 13.1 Other than as set out herein, this Agreement is personal and the Licensee shall not assign, sub-contract or otherwise transfer this Agreement or any of its rights or obligations under this Agreement in whole or in part without the prior written consent of MCPS, not to be unreasonably withheld or delayed.
- 13.2 This Agreement sets forth the entire agreement of the parties in relation to the subject matter hereof and each of the parties hereto acknowledges that it has not entered into this Agreement in reliance on any representation or term not contained in this Agreement. This Agreement shall not be modified or varied except by a written instrument signed by the parties hereto.
- 13.3 The headings to the clauses in this Agreement are included for ease of reference only and are not part of this Agreement and are not to be taken into account in its construction.
- 13.4 The parties respectively shall and shall procure that any other necessary party within its control shall execute and do all such documents acts and things as may be reasonably be required on or subsequent to completion of this Agreement for securing each of the obligations of the respective parties under this Agreement.
- 13.5 If any provision of the Agreement is or becomes illegal, void or invalid, that shall not affect the legality and validity of the other provisions, which shall continue in full force and effect.
- 13.6 Neither party to this Agreement shall be liable to the other party for any failure to perform any or all of its obligations hereunder is due to or attributable to acts, events, omissions or accidents beyond the reasonable control of the defaulting party, including a so-called act of God, fire, lockout, strike or other official labour dispute, union problem, riot or civil commotion, terrorism, satellite failure, failure of technical facilities not within the reasonable control of the defaulting party, act of public enemy, enactment, rule or order or act of government, such act or event being deemed an event of force majeure. Each party to this Agreement undertakes to use all reasonable endeavours to notify the other party as soon as practicable of the incidence and termination of any event of force majeure.
- 13.7 The Licensee acknowledges that this is a 'blanket' licence agreement, and that for both parties to take advantage of the administrative simplicity of such a licence, the mechanism for calculating the licence fees must take account of all copying of Repertoire Works and/or PPL Sound Recordings, including where some such copying might fall within one of the exceptions set out in Part I Chapter III of the Copyright Designs and Patents Act 1988 as amended (except such copies will not include copies made which would constitute copies under section 28A of the Copyright Designs and Patents Act 1988 as amended).
- 13.8 No delay or omission in exercising any right or remedy hereunder shall operate as a waiver thereof or of any other right or remedy and no single or partial exercise thereof shall preclude any other or further exercise of any other rights and remedies.
- 13.9 No waiver shall be binding or effectual unless expressed in writing and signed by the party giving it and such waiver shall be effective only in the specific instance and for the purpose given.
- 13.10 If this Agreement creates any rights which would in the absence of this provision be enforceable by any person not a party to this Agreement, such rights shall not be enforceable.
- 13.11 This Agreement shall be construed in accordance with the laws of England and Wales and the parties submit to the exclusive jurisdiction of the courts of England and Wales.

ANNEX C

COMMERCIAL MUSIC PRIMARY EXPLOITATION LICENCE FEES

The Commercial Music Primary Exploitation Licence Fees shall be calculated on a per-Programme basis, as follows:

- Where a Programme consists of a single episode, once reporting has been received for that Programme in accordance with clause 9.1 or 9.2 (as applicable), it will be analysed by MCPS and the Commercial Music Primary Exploitation Licence Fees will be calculated based on the fees per Use listed in the applicable table[†] below. MCPS will then send the Licensee an invoice for the licence fee. Where a Programme consists of a number of episodes, then invoicing shall take place monthly or quarterly or on the basis of a defined number of episodes (at MCPS' discretion) and there shall be no obligation on MCPS to wait until reporting all episodes have been delivered before it starts to invoice the Licensee.

Table 1: Licence Fees applicable from 1 January 2017 to 31 March 2017

Channel	Initial transmissions covered	MCPS		PPL	
		Primary broadcast	Prog Related Material	Primary broadcast	Prog Related Material
S4C Digital	5 tx +/- 35 day VOD	£50	£15	£50	£15
Red Button	n/a	£16	£11	£16	£11

Table 2: Licence Fees applicable from 1 April 2017 to 31 December 2017

Channel	Initial transmissions covered	MCPS		PPL	
		Primary broadcast	Prog Related Material	Primary broadcast	Prog Related Material
S4C Digital	5 tx +/- 35 day VOD	£51	£15	£51	£15
Red Button	n/a	£16	£11	£16	£11

[†]At the start of the each subsequent calendar year, the licence fees set out in Table 2 of this Annex C shall increase by the percentage change in RPI over the 12 month period up to October the previous year. For example, effective from 1 January 2018 the licence fees in Table 2 shall increase by the percentage change in RPI over the 12 month period up to October 2017.

- In respect of the licence granted under clause 2.1(a) and 2.2(a) of this Agreement, the total number of Uses in the Programme shall be calculated and multiplied by the appropriate Use rate. The resulting licence fee covers the supply of the Programme by the Licensee to the Television Channel for an initial number of broadcasts (together with the making available of the Programme on-demand, as detailed in the definition of Authorised Exploitation), as indicated. Where the Television Channel wishes to undertake additional broadcasts over and above this allowance, the Television Channel shall be liable for clearing these rights and paying the additional licence fee in respect of each such broadcast.
- In respect of the licence granted under clause 2.1(b) and 2.2(b) of this Agreement, the Licensee shall pay a one-off fee to MCPS for each piece of Programme Related Material, based on the number of Uses of Commercial Works and PPL Sound Recordings in the Programme Related Material multiplied by the Use rate set out above. This fee shall become due once the piece of Programme Related Material is made available to the public for the first

time. Once the Licensee has reported to MCPS in accordance with clause 9.2 above, MCPS will invoice the Licensee for the relevant amount.

4. The Licensee acknowledges that MCPS may not be able to identify all Uses of Commercial Works and/or PPL Sound Recordings at the time that it initially receives reporting for a Programme from the Licensee. MCPS shall be entitled to reprocess reporting at later dates and where Uses of Commercial Works and/or PPL Sound Recordings are identified that have not previously been invoiced, to raise an invoice for the relevant licence fee, which the Licensee shall pay in accordance with clause 8.2.

ANNEX D

PRODUCTION MUSIC PRIMARY EXPLOITATION LICENCE FEES

The licence fees for Production Music shall be calculated as follows:

1. MCPS may at its sole discretion agree with the Licensee a single one-off licence fee to cover the use of Production Music under this Agreement in an entire series or to cover the Licensees' use of Production Music under this Agreement on an annual basis. In such circumstances, the amount of the licence fee and the terms of invoicing shall be subject to agreement between the parties and shall be detailed separately in Annex A.
2. In all other circumstances, the licence fees for the use of Production Music under this Agreement shall be calculated in accordance with the applicable table[†] below:

Table 1: Licence Fees applicable from 1 January 2017 to 31 March 2017

Item	Licence Category	S4C / All Media*	UK / All Media**	Worldwide / All Media***	Ex-UK / All Media****
1	Single Cue (i.e. Use)	£21	£35	£70	£35
2	Single Work (i.e. a single Production Music Work)	£45	£75	£150	£75
3	Single Production	£165	£275	£550	£275
4	Single Series (subject to a maximum of 8 episodes or Productions)	£595	£1,000	£2,000	£1,000
5	Annual Deal - Single IPC (i.e. where the Licensee is a single production company)	<i>Negotiable</i>	From £2,500	From £5,000	From £2,500
6	Annual Deal - Group IPC (i.e. where the Licensee is a group company contracting on behalf of a number of wholly owned subsidiary production companies)	<i>Negotiable</i>	<i>Negotiable</i>	<i>Negotiable</i>	<i>Negotiable</i>

* S4C/All Media covers (i) the uses described in the Authorised Exploitation in respect of the Television Channels and S4C's website only; and (ii) the uses described in the Additional Authorised Exploitation but only to the extent that such uses take place in the United Kingdom. As such, the World Sales use within Additional Authorised Exploitation will not apply.

** UK/All Media covers the uses described in Authorised Exploitation and Additional Authorised Exploitation but only to the extent that such uses take place in the United Kingdom. As such, the World Sales use within Additional Authorised Exploitation will not apply.

*** Worldwide/All Media covers the uses described in Authorised Exploitation and Additional Authorised Exploitation.

**** Ex-UK/All Media covers the uses described in Additional Authorised Exploitation but only to the extent that such uses take place outside of the United Kingdom.

Table 2: Licence Fees applicable from 1 April 2017 to 31 December 2017

Item	Licence Category	S4C / All Media*	UK / All Media**	Worldwide / All Media***	Ex-UK / All Media****
1	Single Cue (i.e. Use)	£21	£36	£71	£36
2	Single Work (i.e. a single Production Music Work)	£46	£77	£153	£77
3	Single Production	£168	£280	£560	£280
4	Single Series (subject to a maximum of 8 episodes or Productions)	£595	£1,000	£2,000	£1,000
5	Annual Deal - Single IPC (i.e. where the Licensee is a single production company)	<i>Negotiable</i>	From £2,500	From £5,000	From £2,500

6	Annual Deal - Group IPC (i.e. where the Licensee is a group company contracting on behalf of a number of wholly owned subsidiary production companies)	<i>Negotiable</i>	<i>Negotiable</i>	<i>Negotiable</i>	<i>Negotiable</i>
---	--	-------------------	-------------------	-------------------	-------------------

†At the start of the each subsequent calendar year, the licence fees for items 1, 2 and 3 set out in Table 2 of this Annex D shall increase by the percentage change in RPI over the 12 month period up to October the previous year, and MCPS shall be entitled to increase the licence fees for items 4 and 5 on the same basis. The increased licence fees shall apply to Production Music used in Programmes, Programme Related Material and Made for Online Material with a Delivery Date on or after 1 January. For example, effective as of 1 January 2018 the relevant licence fee shall increase by the percentage change in RPI over the 12 month period up to October 2017.

* S4C/All Media covers (i) the uses described in the Authorised Exploitation in respect of the Television Channels and S4C's website only; and (ii) the uses described in the Additional Authorised Exploitation but only to the extent that such uses take place in the United Kingdom. As such, the World Sales use within Additional Authorised Exploitation will not apply.

** UK/All Media covers the uses described in Authorised Exploitation and Additional Authorised Exploitation but only to the extent that such uses take place in the United Kingdom. As such, the World Sales use within Additional Authorised Exploitation will not apply.

*** Worldwide/All Media covers the uses described in Authorised Exploitation and Additional Authorised Exploitation.

**** Ex-UK/All Media covers the uses described in Additional Authorised Exploitation but only to the extent that such uses take place outside of the United Kingdom.

Schedule 1

Programme notification form

**Production Company Primary Exploitation Licence Agreement
Schedule 1 - Programme Notification Form**

A	Licensee Details			
Company Name:				
Contact Name:				
Contact Number:				
B	Programme notification			
Please list details of Programmes that are to be licensed under the IPC blanket licence agreement and indicate whether there is likely to be an exploitation of Programme Related Material via online or mobile platforms				
Programme title and brief synopsis		Television Channel (if applicable)	Final Delivery Date	Mobile or online exploitation of Programme Related Material (Y/N)

Schedule 2

Format for Sales Information

Programme	Acquiring Party	Territory	Exploitation	Gross Payment	W/H Tax	Gross Sale Price

Where:

- 'Programme' is the title of the Qualifying Programme
- 'Acquiring Party' is the party to whom the Licensee supplied the Qualifying Programme
- 'Territory' is the territory (or territories) of broadcast for which the Qualifying Programme is supplied
- 'Exploitation' is the form of exploitation for which the Qualifying Programme is supplied (by reference to the categories in clause 2.3. In particular, the Licensee shall state whether the Qualifying programme has been supplied for Terrestrial Broadcast.
- 'Gross Payment' is the full consideration of the sale (calculated in accordance with clause 6) *before* withholding tax (if any) is deducted, but after deduction of VAT
- 'W/H Tax' is withholding tax on the Gross Payment (if any) but only to the extent not recoverable by the Licensee (or Acquiring Party)
- Gross Sale Price is the Gross Payment less withholding tax (if not recoverable) and is, for the avoidance of doubt, the sum defined in clause 7.

Schedule 3
Cue Sheet format

Schedule 3 - Production Company Primary Exploitation Licence Agreement

PROGRAMME TITLE:		TX DATE:		MUSIC ORIGIN		USE			
TELEVISION CHANNEL (IF APPLICABLE):		REPEAT TX:		C = Retail Product (CD or Tape)		B - Background			
EPISODE TITLE:				L = Production Music supplied on disc or on-line		F = Featured			
EPISODE NUMBER:				P = Performance (Live Artist)		S = Signature			
LICENSEE (PRODUCTION COMPANY) AND TELEPHONE NUMBER:				R = Specially Recorded					
CONTRACT NUMBER:				T = Soundtrack					
PRODUCTION NUMBER:				V = Video					
PLEASE INDICATE IF THIS CUE SHEET RELATES TO A PROGRAMME, PROGRAMME RELATED MATERIAL OR MADE FOR ONLINE MATERIAL (PLEASE REFER TO IPC LICENCE AGREEMENT FOR DEFINITIONS)		Final Delivery date:		ISAN:		A = Already cleared B = Bought out			
TIMECODE	MUSIC TITLE	COMPOSER, ARRANGER	PUBLISHER	PERFORMER(S)	RECORD LABEL & NO.	VIDEO LABEL & NO.	MUSIC ORIGIN	USE	DURATION