

B.3) Remuneration for Rental and Lending of audio-visual Works pursuant to § 27 UrhG Video Rental remuneration pursuant to Section 27(1) UrhG and for Lending by a publicly accessible Institution (library levy pursuant to Section § 27(2) UrhG)

Version from July, 2019

I) General Distribution Principles

- a) The revenues attributable to this rights category will be allocated to the following groups on the basis of empirical studies:
 - 1) U.S. films
 - 2) German and other foreign filmsMoreover, GWFF receives
 - 3) revenue for the authors of U.S. works
- b) The distribution is made on a calendar year basis (distribution period).
- c) Distribution criteria applicable in all groups:
DVDs put on the market for rental, quarter of market launch, theatrical release, average life of four (4) years of every DVD.
- d) The amount of provisions set up in the individual groups is equal to ten percent (10%) from 2012 on.

II) Special Distribution Principles

Part 1 U.S. Films

- a) The amounts received from VG Bild-Kunst, VG Wort and Gema per distribution year, together with the amounts for producers and U.S. authors received from ZBT for that year constitute the gross revenue for U.S. films.
- b) This gross revenue will be reduced by the costs, the provisions and the additions to the social and cultural fund (A.1.I. and B.3.d.) (distribution amount I).
- c) This distribution amount I will be split between MPA films (distribution amount II) and other U.S. films (distribution amount III) in accordance with their market shares.

The rental and lending market in Germany will be decisive for the determination of the market shares of the MPA films and the other U.S. films. As far as market data of independent market research institutes are available, the market shares will be determined on the basis of these market data. If no market data of independent market research institutes are available, the market shares will be determined by mutual agreement on the basis of the market surveys made by the member companies of MPA and IFTA with the approval by the advisory board of GWFF being required.

For the distribution periods from 2012 on, the market shares have been determined by the MPA member companies and the independent U.S. producers in the proportion 80% MPA films and 20% other U.S. films.

- d) These distribution amounts for US-film (distribution amount II MPA as well as the distribution amount III Other US-film will be distributed on the basis of the following criteria:
- 1) DVDs put on the market for rental, in each case classified by the quarter of market launch,
 - 2) title x multiplier **1** in the case of a film without theatrical exploitation,
 - 3) title x multiplier **2** in the case of a film with theatrical exploitation,
 - 4) assumed average life of four (4) years per DVD, in each case starting at the beginning of the quarter in which the title has been put on the market.
- e) The number of points of every title will be determined as follows:
- 1) in the first calendar year:

title x multiplier x factor

For titles launched in the first quarter, the factor is **4**, for titles launched in the second quarter, the factor is **3**, for titles launched in the third quarter, the factor is **2** and for titles launched in the fourth quarter, the factor is **1**.
If an entitled person does not notify the precise point in time at which the title has been put on the market, factor **1** applies to the title.
 - 2) In the second and third calendar years:

title x multiplier x factor

The factor for all these titles in these years is **4**.
 - 3) In the fourth calendar year:

title x multiplier x factor

For titles whose life expires in the first quarter, the factor is **1** and for titles whose life expires in the second quarter, the factor is **2** etc.
- f) The total number of points of all titles to be considered will then be determined and for every title the amount will be distributed which results from the number of points of the title in proportion to the total number of points.
- g) In the group U.S. films (B.3.Ia.a.1), the revenues attributable to every film are shared between the producers (50%) and the Guild of Directors (25%) as well as the Guild of Writers (25%) for the U.S. authors represented by them.

Part II German and Other Foreign Films

a) In the distribution group — German and other foreign films — the gross revenue is only composed of the amounts paid by VG Bild-Kunst and ZBT.

b) Assessment

The amount attributable to the group — other foreign films — per calendar year will be distributed, reduced by the costs of the Company, provisions, additions to the social and cultural fund in accordance with the regulations in A.1.I. and B.3.I.d..

c) The number of points to be allotted to each of these films is calculated analogous to B.3.II.1.e-f.

d) The distribution is made on a work-related basis to producers for the copyrights in audio-visual works of the group C I 1a and d to which they are derivatively entitled.