General Policy of GWFF regarding the Deduction of Administrative Costs
(Section 31(2) VGG [German Collecting Societies Act])
(Version from July 17, 2019)

1. Administrative costs are all justified and documented administrative costs accruing for the rights administration in the course of business. They also include depreciation on tangible and intangible assets serving the business operation.

2. The Company applies an administrative cost rate determined on the basis of the preceding five (5) fiscal years unless the distributions of the current year justify the application of a lower percentage. The revenues of the Company are subject to deduction of administrative costs at a rate of currently 4.02% in the year of distribution to the entitled persons. As far as the applied administrative cost rate is insufficient to cover the actual costs in any distribution year, the difference shall be taken from the working capital reserve (WCR) set aside by the Company. If the applied administrative cost rate results in amounts exceeding the actual costs in the year of distribution, the difference shall be added to the WCR. In the event that the WCR covers more than the administrative costs of the preceding 24 months, the excess amount shall be distributed to the entitled persons.

3. In view of the size of the Company, the costs are not directly attributed to the individual right categories. The administrative cost rate is applied equally to all right categories.

4. Any amendment to this General Policy shall require the consent of the shareholders’ meeting and of the advisory board.