

## THE COLLECTIONS OF REMUNERATIONS FROM PHONOGRAMS AND/OR MUSIC VIDEOS USERS

SPPF collects in full transparency the rights due to its members, holders of related rights, with respect to Equitable Remuneration, Private Audio and Audiovisual Copy Remuneration.

The SPPF also collects rights from foreign counterparts with whom it has representation agreements: PPL (United Kingdom), VPL (United Kingdom), GVL (Germany), SIMIM (Belgium), IMAGIA (Belgium) and SENA (The Netherlands). Other agreements are being negotiated with other foreign companies.

It carries out its collection missions as part of voluntary or compulsory collective management and as part of a legal license.

### DIRECT COLLECTIONS

SPPF implements the collective management of the right to authorize, granted to producers of phonograms and videograms respectively in Articles L. 213-1 and L. 215-1 of the French Intellectual Property Code (IPC), on the basis of the optional management mandates entrusted to it by its members, by concluding, on the basis of the provisions of Article L. 324-5 of the IPC, general contracts of common interest with phonogram and/or video music users, for which it directly collects a remuneration.

In practice, this collective management mainly covers large-scale uses of recorded music that producers cannot easily control and for which they cannot individually exercise their exclusive right.

➤ **Phonograms**

SPPF directly collects the remuneration, for reproduction, communication to the public and/or making available to the public the phonograms included in its Corporate Register from the following users:

USERS	REMUNERATIONS
<b>Televisions<sup>1</sup></b>	- 2% of annual turnover and annual usage rate of phonograms or optional flat rate pricing based on annual turnover bands
<b>Sound for public places (providing background music programs):</b> - on physical media - by satellite/ADSL/ - by means of automatic broadcasting systems	- 15% of annual turnover in proportion to the use of the SPPF repertoire (with a guaranteed minimum based on the number of hours of reproduction of phonograms) - 15% of annual turnover in proportion to the use of the SPPF's social directory (with a guaranteed minimum per site) annual turnover (with a minimum guaranteed per site) - 15% of annual turnover in proportion to the use of the SPPF's social repertoire (with a guaranteed minimum based on tranches of phonograms reproduced)
<b>Users of telephone on hold music<sup>2</sup></b> <b>Providers of telephone on hold music</b>	- number of telephone lines giving access to music on hold (+ on-hold on mobile) - number of reproductions of phonograms
<b>« Traditional » podcasting</b> <b>« Native » podcasting</b>	- 15% of the annual turnover pro rata temporis of the duration of the phonograms in the SPPF repertoire (with a guaranteed minimum)
<b>Producers of live performances and theatres</b>	- Percentage of annual turnover per performance according to duration of use of phonograms in the SPPF repertoire
<b>Listening of extracts on the Internet (≤ 90 seconds):</b> - Websites incidentally broadcasting extracts of phonograms - Music streaming and downloading websites	- annual fee (and, if applicable, annual number of excerpts played) - annual fee according to annual turnover brackets
<b>Webradios semi-interactive (with or without subscription)</b>	- 25% of annual turnover in proportion to the use of the SPPF repertoire (with a guaranteed minimum based on tranches of unique visitors or monthly subscribers)

<sup>1</sup> Collection is carried out by the SCPA (a joint non-trading company between the SPPF and the SCPP) on behalf of the SPPF for the reproduction and communication to the public of phonograms included in its corporate register.

<sup>2</sup> Collection is carried out by the SCPA, pursuant to an agreement entered into in January 2002, from users of telephone on hold music for the communication to the public of phonograms from its corporate register. Rates are available on the website: [www.lascpa.org](http://www.lascpa.org).

### ➤ *Music videos*

SPPF directly collects the remuneration related to the reproduction and communication to the public of the music videos in its corporate register from:

- ❖ Publishers of public or private audiovisual communication services (television channels),
- ❖ Internet music television channels (excluding broadcasts on sharing sites such as Youtube and Dailymotion and on community sites such as Facebook, Instagram and Twitter)
- ❖ Public places.

The remuneration collected by SPPF is based, depending on the channels, on annual turnover with a guaranteed minimum or a remuneration based on the broadcast.

## INDIRECT COLLECTIONS

For certain uses of phonograms and music videos, producers may not exercise their exclusive right; these exceptions to the exercise of the exclusive right are provided for by law.

SPRE, for Equitable Remuneration, and COPIE FRANCE, for Private Audio and Audiovisual Copy, collect remuneration from users on the basis of regulatory rates approved by a joint administrative committee and published in the Official Journal of the Republic.

They then transfer the sums thus collected to the collective management organizations representing the various rights holders (authors, producers and performers), which distribute them to their respective members.

### ➤ *Equitable Remuneration*

Producers and performers may not oppose the broadcasting of commercial phonograms on radio, television and their simultaneous and complete cable broadcast, their direct communication in a public place other than a live performance (nightclubs, restaurants and cafés, bars with a musical background, shopping centers, retails, hairdressers...).

These uses, referred to in Article L. 214-1 of the IPC, are governed by the laws applicable to legal licenses, which constitute an exception to the exclusive right of these holders.

In return, these users are required to pay a remuneration fee called “Equitable Remuneration”.

SPRE collects the Equitable Remuneration from these users and then transfers the sums it collects, according to the legal distribution method, to the collective management organizations of phonogram producers (50%) and performers (50%).

➤ ***Private Audio Copying***

Remuneration for Private Audio Copying is paid by manufacturers, importers or intra-Community purchasers of blank analogue and digital recording media to the collective management company, i.e., COPIE FRANCE.

These remunerations are then transferred, according to the legal distribution method, to the copyright collecting (50%), phonogram producers (25%) and performers (25%) societies.

➤ ***Private Audiovisual Copying***

COPIE FRANCE is also in charge of collecting the remuneration due for Private Audio-visual Copying from the manufacturers and importers or intra-Community purchasers of blank analogue and digital recording media.

These remunerations are then transferred, according to the legal distribution method, in equal shares (33.33%) to the collective management organization of videogram producers and performers.

➤ ***Simultaneous and full broadcasting of music videos***

SPPF collects from ANGOA and AGICOA sums collected from French and foreign television channels whose programs containing music videos from its corporate register are broadcasted simultaneously and in their entirety in France and abroad.