

IRF

DISTRIBUTION RULES

FOREIGN ALLOCATION

1.

Domestic and foreign allocation

The available annual distributable amount arising from the exploitation of copyright and neighbouring (related) rights according to the IRF balance of accounts shall be split into a domestic and a foreign share based on a 30/70 ratio. The domestic share shall be distributed in line with domestic distribution rules which are determined by the domestic distribution committee. The foreign share shall be distributed in line with these rules pursuant to the following provisions.

2.

Foreign distribution

2.1 Reach and scope of rights

For distribution purposes, an equal emphasis shall be given to the broadcasters' reach and scope of rights.

2.1.1 Broadcasters' reach

¹ Broadcasters shall be allocated a point value in line with their reach as shown in the following table:

Broadcasters' reach	Points
More than 35	10
30 - 34.99	09
25 - 29.99	08
20 - 24.99	07
15 - 19.99	06
10 - 14.99	05
05 - 9.99	04
1.5 - 4.99	03

² Broadcasters below a reach of 1.5 % shall not be included in the distribution.

2.1.2 Scope of rights

¹ Broadcasters shall be allocated a point value in line with their scope of rights as shown in the following table:

Scope of rights	Points
more than 60%	10
40 – 59.99 %	06
20 – 39.99 %	03
Less than 20%	02

² Point value 2 shall cover neighbouring rights (related rights) of broadcasters as well as their copyright if it amounts to less than 20%. Point value 2 shall also be applicable to broadcaster for whom no copyright can be established.

³ It is the duty of the broadcaster to provide evidence on the scope of the rights acquisition for Switzerland and the Principality of Liechtenstein. Any rights share higher than 20% shall be first considered for a distribution if the evidence for the rights has been submitted within three months after the end of the collection year for which the broadcaster has made claims.

2.2 Factors for full and special interest programmes

Full (or comprehensive) programmes shall be double-weighted, whereas special interest programmes such as news, sports, music and similar programmes shall only be single-weighted.

2.3 Teleshopping, channel sharing

¹ Broadcasters which do not serve the purpose of transmitting actual TV programmes - such as teleshopping or lottery channels etc., shall not be included in the distribution.

² Programmes which are re-transmitted via channel sharing, can be distributed as one programme upon request by the broadcaster.

2.4 Factors for Pay TV

Pay TV stations do not participate in the income from re-transmission (Art. 22 URG, Swiss Copyright Act). They are included into the distribution with a factor which correlates to the ratio of the tariff income the pay TV stations participate in compared to the total amount generated by tariff-based collections.

2.5 General provisions

¹ Only those programmes shall be considered for distribution that have been referenced by Mediapulse. Wherever the broadcasters' reach is mentioned within these rules, it refers to the TV statistics by Mediapulse. Reach shall be referred to as the daily net reach in %, (AvRch-%, measured in blocks of 30 seconds of consecutive use). The

target groups shall be all cable households including their guests. Time shifted viewing shall be measured across 24 hours in the last seven days. If there is reasonable doubt on the Mediapulse broadcasters' reach measurements for individual programmes with respect to the lower threshold pursuant to item 2.1.1 of these distribution rules, it is possible, in individual cases, to include such broadcasters in the distribution based on a financial lump-sum solution which has to be individually evaluated. The IRF shall undertake the necessary verification upon a substantiated application by the respective broadcaster.

² If the prerequisites for the classification of a programme pursuant to the provisions of these rules change, they shall be considered in the distribution taking place per 1 January of the following year. Broadcasters which have not been transmitted during a whole year shall not be considered for that year in the distribution.

³ Broadcasters shall be obliged to notify the IRF without delay of any changes which could influence the classification of the programme pursuant to the provisions of these rules.

⁴ If the broadcaster fails to inform the IRF in time, the IRF shall be entitled to retroactively adjust the classification for the programme from the point in time when the change in circumstances occurred, and to reclaim any outstanding amounts at the expense of the broadcaster, respectively to offset these against the credit balance of the broadcaster.

⁵ Broadcasters shall qualify if they have entered into a rights management agreement. The rights assignment shall take place with effect from 1 January of the calendar year during which the contract was concluded.

⁶ The statutory limitation period for claims arising from these rules shall be 5 years.

Validity and transitional provision

These rules shall enter into force for the first time for the distribution 2017. In terms of a transitional provision, the lower limit for the distribution year 2017 shall be set at 1.75 broadcasters' reach. These rules shall supersede any previous regulations.
