

IRF

DOMESTIC DISTRIBUTION

RULES

1. Generic distribution I

- 1.1 The distributions received by the IRF from the exploitation of copyrights and ancillary copyrights of the collecting societies, including any financial income, are distributed after deduction of all costs associated with the administration of the IRF and the business-related provisions (see below). The IRF reimburses the travel expenses of the members of the Assembly of Delegates, the Board of Directors and the Distribution Committees (Art. 31 para. 1 of the IRF Articles of Association). Meeting expenses that can be individually allocated to meetings of foreign or domestic representatives are reflected separately in the Foreign or Domestic distribution.
- 1.2 The annual distribution sum is divided into a domestic and a foreign share decided by the Delegates (see Articles of Association Art. 11 letter b). The foreign portion shall be distributed in accordance with the foreign distribution regulations adopted by the Foreign Distribution Committee. The domestic portion shall be distributed in accordance with the following provisions of these regulations.

2. Generic distribution II

- 2.1 Of the general distribution sum available for domestic use, 10% is allocated to radio and 90% to television.
- 2.2 The radio share according to Section 2.1 above shall be split in equal parts between private radio broadcasters and the SRG [Swiss National Broadcasting Corporation].
- 2.3 The TV share according to Section 2.1 (general distribution) shall be split between private TV broadcasters and the SRG according to a ratio of 28% for private broadcasters and 72% for SRG.

3. Radio distribution

- 3.1 75% of the radio share of the private broadcasters according to Section 2.2 is distributed according to technical reach and 25% according to market share.
- 3.2 In the distribution by technical reach, channels with a technical reach of less than 3% are not included.
- 3.3 Radio channels which do not serve the purpose of transmitting actual radio programmes – such as music only channels (from 90% music rate) for which Mediapulse does not provide market data, shall not be included in the general distribution.

4. TV distribution

- 4.1 Of the total television sum of the private broadcasters according Section 2.3, the revenues from CT 12 are distributed according to market shares. Of the remaining revenue, 40% is distributed according to reach and 60% according to market share.
- 4.2 A TV programme that generates remuneration of less than CHF 3,000 per annum shall not be included in the general distribution.
- 4.3 Channels which do not serve the purpose of transmitting actual TV programmes - such as channels which transmit only teleshopping or lotteries - shall not be included in the general distribution.
- 4.4 Pay TV channels are not re-transmitted within the scope of art. 22 Swiss Copyright Act ("SCA") and therefore do not participate in the revenues from re-transmission tariffs (art. 10 para. 2 lit. e or art. 37 para. 1 lit. a SCA in conjunction with art. 22 para. 1 SCA). They are also not covered by the tariff CT 12. They are included in the general distribution of the tariff revenues derived from tariffs that cover these channels. Private channels which are re-transmitted within the scope of art. 22 para 1 SCA and whose distribution or relevance is proven on the basis of the statistics on technical reach of Suissimage or the referencing by Mediapulse shall in any case receive a remuneration of at least CHF 500 per channel and year of use (base amount).

5. General provisions

- 5.1 Pursuant to these rules, Swiss broadcasters shall be entitled to receive remuneration provided that they hold rights which are subject to mandatory collective rights management and that they have entered into a rights management agreement with the IRF.
- 5.2 In the TV distribution, only programs referenced by Mediapulse are taken into account (proviso base amount according to Section 4.4. above). Wherever these rules refer to the broadcasters' reach and/or the market share, the relevant statistics are provided by Mediapulse. Wherever the broadcasters' technical reach is used within these rules, the relevant statistics are provided by Suissimage.
- 5.3 If there are reasonable doubts as to the evaluations pursuant to Section 5.2 above for individual programmes in connection with Section 3.2 or 4.2, a participation in the distribution may be provided for these broadcasters in individual cases on the basis of a lump-sum financial arrangement to be evaluated individually in each case. The necessary examination will be carried out by the IRF on the basis of a substantiated application of the broadcaster concerned.
- 5.4 The rights are granted to the IRF with effect from January 1 of the previous year in which the mandate agreement was concluded. For retroactive claims of further previous years (limitation period: max. 5 years) the Distribution Committee is entitled to set up adequate, business-related provisions.
- 5.5 The period of limitation for claims of members or clients from the mandate agreement is 5 years. The members or clients are obliged to inform the management of all their channels and their current identification by 31.12. of the collection year. Any distribution

decisions based on missing information are at the expense of the respective member or client.

- 5.6 The confidentiality of broadcaster data shall be guaranteed. The members of the Distribution Committee are obliged to maintain confidentiality with regard to the broadcaster data of which they have obtained knowledge in connection with the performance of their duties.

6. Validity

These regulations apply to the general distribution up to and including collecting year 2025. The base amount according to Section 4.4 will be paid from the collecting year 2021.

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