PRS for MUSIC DIGITAL MUSIC LICENCE FOR PODCASTS & AUDIOBOOKS

The Digital Music Licence For Podcasts and Audiobooks is designed for websites / platforms and digital service providers (DSPs) making Podcasts and Audiobooks available to UK consumers.

The following information must be supplied as part of the application process:

- Company name / charity / sole trader name etc.
- Company / charity number
- Licensed service i.e. web address/ name of app
- Licence fee
- Start of licence term / expiry date

Key features

The following explanation of key features is for information only and shall not form part of your contract. Details of the licence terms and conditions should be read in full. Your contract shall be made up of the AFL, the Commercial Terms as set out below, the Special Conditions as set out below, and the Digital Music Licences Standard Terms and Conditions.

The part of any digital services (including websites) that offer <u>audio</u> Content to a UK audience will need this licence if the Content contains our members' repertoire (regardless of whether the Content is produced by the platform, or made available to download or stream on demand on the platform).

This licence only covers the use of audio-only Podcasts and Audiobooks.

Rights Granted

- The communication to the public of PRS for Music Repertoire Works.
- The communication to the public of PMSRs.
- Associated mechanical rights for making the audio content available for on demand and download on the Licensed Service.

Your licence shall be for 12 months, after which point it shall automatically terminate and you will need to purchase a new licence if you are continuing to operate your service.

Restrictions & Exclusions

No synchronisation rights have been granted under this licence for the initial fixation of Repertoire Works into Podcasts or Audiobooks. Creators / producers of Content will be required to license those rights from the rightsholders directly or via our website (in those instances where we are mandated to do so).

Podcasts and Audiobooks must be communicated to the public on the Licensed Service in their entirety. Any music content included within Podcasts and Audiobooks must not be accessible on the Licensed Service as individual tracks or independent from the remainder of the Content on the Podcast or Audiobook.

No audio-visual content is covered under the Digital Music Licence for Podcasts & Audiobooks.

Music usage excluded from the scope of this licence is:

- Interactive Webcasting or Webcasting of Internet radio stations
- Streaming, on demand or downloading of content for education
- Streaming, on demand or downloading of fitness content
- Streaming, on demand or downloading in the context of an online Worship service
- Streaming, on demand or downloading of music-focused content
- Music downloads

Organisations creating or providing any of these services will be required to take out a licence under the relevant PRS For Music licensing scheme.

COMMERCIAL TERMS

Royalty Fees

All Licensees must pay an annual minimum fee of **<u>£188 (+ VAT)</u>**, which permits the communication to the public of 12,368 music hours within Podcasts and Audiobooks in a 12-month period on the Licensed Service.

Licensed Services which exceed 12,368 music hours in a 12-month period will be charged an additional royalty of **<u>£0.0152 / 1.52p</u>** per additional Music Hour communicated to the public (i.e. the "**Rate Per Music Hour**").

All Royalty Fees paid by the Licensee shall remain subject to adjustment based on validated reporting and subject to the provisions set out under clause 8 of the Digital Music Licences Standard Terms and Conditions.

Example Royalty Fee Calculation

| Estimated total monthly listens (streams/downloads) [A] | [A] e.g. 100,000 |
|---|-----------------------|
| Estimated music minutes per Podcast and/or Audiobook [B] | [B] e.g. 6 |
| Estimated annual Music Hours [C] | [C] e.g. 120,000 |
| | C = (A X 12) X B / 60 |
| Estimated Licence Fee | C X RPMH |
| | e.g. £1,824 |

If your annual music hours [C] is less than or equal to 12,368 please purchase your licence via the selfserve part of our <u>website</u>.

If your annual music hours [C] is more than 12,368 please complete the AFL. Once we receive your AFL you will receive a reference number and you will be contacted by someone in our team to assist with setting up your licence.

The above Royalty Fees will be adjusted by inflation each year on the anniversary of the launch (12 August) and will be tied to the CPI rate from June of each year.

SPECIAL CONDITIONS

1. Scope

1.1 These special conditions apply to the Digital Music For Podcasts and Audiobooks. These conditions shall be incorporated into, and should be read in conjunction with, the Digital Music Licences Standard Terms and Conditions, available to review from the *PRS for Music* website (<u>www.prsformusic.com</u>), as updated from time to time. In the event of a conflict between the Digital Music Licences Terms and Conditions and these Special Conditions, these Special Conditions shall take precedence.

2. Definitions

"Audiobook" means an audio-only digital file or files comprising both music and speech in the form of the narration of an entire book, where the music within the Audiobook cannot be disaggregated into individual tracks.

"Audiobook Service" means a service (or the relevant part of a service) whereby Audiobooks (as opposed to individual Musical Works or PMSRs) containing music may be communicated to the public via a Network to Users.

"Excluded Service" means either:

- (a) any service (or the relevant part of a service) which falls within the scope (from time to time) of any of the following MCPS/PRS licensing schemes:
 - (i) MCPS Karaoke and MIDI scheme;
 - (ii) MCPS Music-on-hold scheme;
 - (iii) MCPS & PRS Music Services B2B;

- (iv) MCPS Premium Telephone Line Services scheme;
- (v) PRS Premium Telephone Line Services scheme;
- (vi) MCPS & PRS Joint Ringback scheme;
- (vii) MCPS & PRS B2B Music Preview scheme;
- (viii) MCPS & PRS Joint Digital Fitness scheme;
- (ix) MCPS & PRS Joint Digital Schools scheme;
- (x) MCPS & PRS Joint Further & Higher Education scheme;
- (xi) MCPS & PRS Joint Digital Worship scheme; or

(b) any service which is a:

- (i) General Entertainment Download Service;
- (ii) General Entertainment On Demand Service:
- (iii) Interactive Webcast Service;
- (iv) Music Download Service;
- (v) Music Download Karaoke Service;
- (vi) Music On Demand Service;
- (vii) Music On Demand Karaoke Service;
- (viii) Online Worship Service;
- (ix) Interactive Webcast Service
- (x) Webcast Service,

each as defined in the Digital Music Licences Standard Terms and Conditions.

"Music Hour" means sixty minutes of music communicated to the public as part of the Licensed Service by a user of the Licensed Service.

"**Permitted Service**" means a Podcasting Service and/or an Audiobook Service.

"Rate Per Music Hour" or "RPMH" means the royalty rate included above.

3. Special Conditions

- 3.1 For the avoidance of doubt, this licence does not grant any licence (to the extent that such a licence may be required by the Licensee) covering the initial fixation of Repertoire Works into Podcasts or Audiobooks.
- 3.2 The "**Content**" definition in Clause 1 of the Digital Music Licences Standard Terms and Conditions shall be amended, for the purpose of this licence (but save with respect to the definition of any Excluded Service) to "Audio-only Material other than content consisting of a Ringtone."
- 3.3 The "**Podcast**" definition in Clause 1 of the Digital Music Licences Standard Terms and Conditions shall be amended, for the purposes of this licence, to "*an audio-only programme that contains both music and speech where the music within the Podcast cannot be disaggregated into individual tracks.*"
- 3.4 The "**Podcasting Service**" definition in Clause 1 of the Digital Music Licences Standard Terms and Conditions shall be amended, for the purpose of this licence, to "a service (or the relevant part of a service) whereby Podcasts (as opposed to individual Musical Works or PMSRs) containing music may be communicated to the public via a Network to Users".
- 3.5 For the purposes of this licence Clause 2.1 of the Digital Music Licences Standard Terms and Conditions shall be amended to;

"(a) to reproduce Repertoire Works and PMSRs incorporated into Content on servers within the Server Territory for the purpose of transmitting the same to Users (for the User's own private and noncommercial use) by means of the Licensed Services; and (b) where the Licensed Service expressly authorise the temporary or permanent reproduction of Repertoire Works and PMSRs incorporated into Content on Users' Data Storage Devices, to cause such copies to be made in the Territory for the User's own private and non-commercial use; and

(c) to communicate to the public (as that term is defined in the Act) and to authorise the communication to the public of PMSRs incorporated into Content within the Territory solely as part of and for the purposes of the provision of the Licensed Services. "

- 3.6 In Clauses 3.10 and 3.11 of the Digital Music Licences Standard Terms and Conditions, all references to "*Podcasting Service"* shall be replaced with "*Podcasting Service and/or Audiobook Service"* and all references in Clauses 3.10 (a) and (d) and 3.11 to "*Podcast"* shall be replaced with "*Podcast and/or Audiobook"*.
- 3.7 Clauses 3.11(b) and 3.11(c) are disapplied for the purposes of this licence.
- 3.8 For the purposes of this licence the Music Declaration form can be found on our website <u>here</u>.
- 3.9 Any Licensed Service which uses more than 12,368 Music Hours in a 12-month period will be required to submit reporting in arrears on a quarterly basis in keeping with the Music Usage Declaration form.
- 4 For the avoidance of doubt any Licensed Service which uses up to 12,368 Music Hours in a 12-month period shall not be required to submit quarterly reporting but may be asked to supply reporting on an ad hoc basis to validate their Music Hours in accordance with Clause 6.1 of the Digital Music Licences Standard Terms and Conditions.