

September 2021

# Press Publishers' Right Germany

Corint Media Distribution Plan  
(Convenience Translation)

1. All revenues generated by Corint Media (hereafter **“Total „RPP (Rights Press Publishers) revenues”**) on the basis of the Rights Management Contract Publisher for the exercise of its Rights and claims (hereafter jointly referred to as **“Rights”**) will be distributed following deduction of administrative costs as per Clause 3 a), the pay-out amount as per Clause 3 b), and the deduction for repaying investment costs to the rights holder regulated in Clause 3 c). No surpluses nor profits will be generated.
2. Corint Media's total RPP revenue consists of the income from the Rights that Corint Media is assigned with exercising by press publishers as per the Rights Management Contract. The Rights Management Contract categorises Rights on the basis of the following uses:
  - (a) Uses within services which main purpose is to search for online content (search engines, such as e.g. (as of May 2021) use by Google, Startpage);
  - (b) Uses within services which main purpose is to communicate and/or share information/content (in particular social networks and/or UGC services, such as e.g. (as of May 2021) use of Facebook, Instagram, Snapchat, YouTube);
  - (c) Uses within services which main purpose is to provide compiled access to portions of press publications (such as, completely and/or partially, articles or images) from various press publishers (such as e.g. (as of May 2021) Blendle).

For distribution purposes, the categories A, B and C are depicted according to the three usage types specified in the Rights Management Contract, and total RPP revenues will be grouped into categories A, B and C depending on the source of income from the exercise of Rights based on the various uses as per the aforementioned letters a), b) and c). These include A Revenues, which include revenues from the exercise of Rights as per letter a); B Revenues, which include revenues from the exercise of Rights as per letter b); and C Revenues, which include revenues from the exercise of Rights as per letter c).

3. Of all revenues allocated to categories A, B and C according to Clause 2, the following amounts will be deducted before distribution, whereby these deductions will be allocated to the three categories in relation to the amount of revenues of each of these categories:

- (a) First, 50% of the profits from the administrative costs accrued in the respective business year, and 100% of the costs solely allocated to the Press Publishers Curia (e.g., legal consultation and legal expenses for the exercising and assertion of RPP) will be deducted.
- (b) Each year, an amount to be determined by the members of the Supervisory Board for the Press Publishers Curia shall be allocated for distribution to press publishers. This is to ensure flexibility in the negotiation and agreement of future licensing contracts that benefits all rights holders. On the one hand, not all holders of copyright related right for press publishers are simultaneously concluding a Rights Management Agreement with Corint Media. On the other hand, it is at least conceivable and possibly desirable that Corint Media may, within the scope of potential licence agreements, enter into an indemnification obligation vis-à-vis users covering the rights of those press publishers whose rights are not assigned to Corint Media for management until after conclusion of such licence agreements.
- (c) A deduction is made to compensate for investment expenses: Some press publishers have shared the expenses for the exercise of copyright related rights for press publishers by Corint Media (previously VG media) as formerly regulated in German copyright law (hereafter: "investment expenses"). The German regulation served as the basis for the following copyright related rights for press publishers regulation in Art. 15 Directive (EU) 2019/790. Thus, to compensate these investment expenses incurred between 1 January 2014 and the date of resolution of this distribution plan, and following the first significant income - from the exercise of the copyright related right for press publishers from Art. 15 Directive (EU) 2019/790, now regulated in Sec. 87f et seq. of the German Copyright Act - hereafter "Copyright Act" - for a period of three years, one third of the total amount of these investment expenses will be deducted from the income from the exercise of Rights for each year, and be reimbursed pro-rata for their share in the investment expenses during the period preceding this distribution plan.
4. The revenues allocated to categories A, B and C (hereafter: "**Distribution Amounts A, B and C**") will be distributed to the rights holders of the Press Publishers Curia once per business year. The financial year shall be equivalent to the calendar year ("**Distribution Year**").
5. Concerning the distribution of the Distribution Amounts within categories A, B and C, only those rights holders are considered who have assigned the Rights for the respective uses to Corint Media on the basis of the Rights Management Agreement.
6. The individual Distribution Amounts A, B and C are distributed as described below:

The starting point is the respective allocation of each press publication to five (5) different "pots", it being understood that one press publication can be allocated to multiple pots if it meets the respective criteria. The benchmark for the per cent amounts of pots 2, 3, 4 and 5 in a total of 100% of the individual distribution sum is, depending on the individual usage types of categories A, B and C, the Rights to all press publications (domains) for which the Informationsgemeinschaft zur Feststellung der Verbreitung von Werbeträgern e. V. (IVW) records the number of visits.

- **Pot 1**  
2% of the distribution sum is allocated in equal allotments for each press publication (domain) for which Corint Media has been assigned Rights for management.
  - **Pot 2**  
9% of the total sum available for distribution shall be allocated according to the percentage share of reach "IVW general". This distribution group includes all press publications (domains) that fully or to a predominant extent meet the requirements for a press publication as defined by law, and for which IVW visits are logged.
  - **Pot 3**  
50% of the total sum available for distribution shall be allocated according to the percentage share of reach "IVW qualified". This distribution group includes all press publications (domains) that clearly meet the legal requirements of a press publication and the "legislative target group", and for which IVW visits are logged.
  - For pots 2 and 3, the percentage share of reach is calculated by including visits based on the data retrieved by the IVW. In order to calculate the percentage share of reach, the reach – being the total number of visits accruing to each press publication (domain) for the relevant financial year, as recorded by the IVW for each beneficiary who is a press publisher – shall be determined as a percentage of the visits achieved by all press publishers with their press publications in the respective pot.
  - **Pot 4**  
19.5% of the distribution sum, in addition, shall be only distributed among regional press publishers, the internal distribution to be based on the criterion of turnover and weekly circulation (average hard circulation of a title in the 2nd quarter of the respective business year as per IVW (subscription + single sales incl. ePaper) \* issues per week \* copy price (single sales price of last date of release in the month of May of the respective business year)). To calculate the proportion of profits, the profits accrued from one press publication (domain) shall be put in proportion to the profits that all regional press publishers in pot 4 achieve.
  - **Pot 5**  
19.5% of the distribution sum, in addition, shall be only distributed among national press publishers, the internal categorisation to be based on the criterion of turnover and weekly circulation (average hard circulation of a title in the 2nd quarter of the respective business year as per IVW (subscription + single sales incl. ePaper) \* issues per week \* copy price (single sales price of last date of release in the month of May of the respective business year)). To calculate the proportion of profits, the profits accrued from one press publication (domain) shall be put in proportion to the profits that all national press publishers in pot 5 achieve.
7. If, with regard to uses allocated to one category, Corint Media does not exercise the Rights for all press publications (domains) for which the IVW logs visits, the distribution amount for pots 2, 3, 4 and 5 is distributed as follows:

- (a) For pots 2 and 3, the range of press publications (domains) within the respective pot – meaning the total number of visits to these press publications logged by the IVW in the respective business year – shall be put in proportion to the visits to all “IVW qualified” and “IVW general” press publications for which the IVW logs visits.
- (b) For pots 4 and 5, the profits accrued for the press publications (domains) within the respective pot shall be put in proportion to the profits accrued for all regional or national press publishers for which the IVW logs visits.
- (c) The individual per cent shares of pots 2, 3, 4 and 5 shall be calculated by multiplying the per cent share of the respective pot as per Clause 6 with the ratio value of the respective pot as per Clause 7 a) or Clause 7 b). The per cent pot shares calculated in this manner are mutually adjusted, depending on their size ratio, such that their sum equals 98%, corresponding to the basis of the per cent distribution to pots 2, 3, 4 and 5 described in Clause 6.

The internal distribution criteria specified in Clause 6 remain unaffected.

8. Corint Media may,

- after careful consideration of all circumstances,
- in exceptional cases, giving detailed reasons
- and if verifiably serving the company purpose to a particular extent,

categorise a rights holder

- who is not or is only partially covered by the categorisation criteria of a distribution plan,
- and who is thus not involved in the non-cash benefits from the exercise of Rights corresponding to the economic significance of his Rights for the collective rights management,

in such a way that the economic significance of his Rights is adequately considered during its exercise in accordance with the Copyright Act and the Collecting Societies Act. The Supervisory Board may object to this categorisation.

9. The distribution plan has a duration of 2.5 years (30 months, beginning on 1 January 2022). With the exception of the regulation for compensating investment expenses as per Clause 3 letter c), the distribution plan is no longer valid after the 2.5 years and creates no prejudice for future distribution. The German Distribution Plan for Copyright Related Rights - Press of 2017 neither comes back into effect after expiry of this distribution plan, nor does it create prejudice for future distribution. The rights holders and responsible committees of Corint Media as per its bylaws must agree on a new distribution plan within the next 2.5 years which remains in effect after expiry of this distribution plan, and which, with regard to copyright related rights to digital press publications, considers digital distribution criteria that permanently meet the legal requirements of copyright and collecting societies.
10. Revenue generated by Corint Media from the exploitation of Rights transferred to it which is attributable to the Publishers Curia shall be deemed non-distributable in the event that the rights holder cannot be identified or located within three years following expiry of the financial year in which the royalties are

**Corint Media GmbH**

Lennéstr. 5, 10785 Berlin, Germany  
 info@corint-media.com  
 Phone: +49 (0)30 206 200 0  
 Fax: +49 (0)30 206 200 33

Chairman of the Supervisory Board: Dr. Torsten Rossmann  
 Managing Director: Markus Runde, Christoph Schwennicke  
 HRB 84636 AG Berlin-Charlottenburg, Germany  
 Tax-No.: 30/253/51333, VAT-ID: DE 225999462

Deutsche Bank AG Berlin, Germany  
 BIC: DEUTDE33XXX  
 IBAN: DE20 1007 0000 0071 1002 00

collected and Corint Media has undertaken the necessary measures pursuant to Sec. 29 Collecting Societies Act.

Such non-distributable revenue shall be regarded as other revenue attributable to the Press Publishers Curia and shall reduce the costs allocated to the latter. This shall be without prejudice to any claims on the part of the rights holder based on the Rights Management Contract.

11. Rights holders belonging to the Press Publishers Curia shall receive information on and clarification of the basis for calculating the distribution accruing to each rights holder. Unless a written objection is submitted within three months of the distribution being paid out, such distribution shall be deemed approved. Claims against Corint Media shall be subject to a limitation period of six months from the date of distribution. If in individual cases, the management or an agent commissioned by the latter fails to reach agreement with a rights holder, such rights holder may request the management to forward its objection to the Supervisory Board of Corint Media. Following consultation on the part of the Supervisory Board, the rights holder shall be notified of the result in writing.
12. For as long as Corint Media requires rights holders, for ensuring distributive justice, to participate in advance in the proportionate costs of administering and enforcing Rights in accordance with the provisions of the Deed of Assignment and the Shareholder Agreement (pre-financing period), the provisions of the present Distribution Plan shall apply accordingly for the purpose of determining the advance on costs payable by rights holders.
13. In the event that a rights holder fails to pay the advance on costs accruing to the latter pursuant to Clause 12 above for the entire pre-financing period, due to the fact that the relevant Rights are assigned to Corint Media at a later date, or the Deed of Assignment is terminated during the period of pre-financed enforcement of Rights, the following shall apply:
  - (a) Corint Media shall, together with the Rights of other rights holders, likewise administer and enforce the Rights of such rights holder insofar as these have been assigned to Corint Media with due effect.
  - (b) In the event that Corint Media is able to successfully enforce such Rights during the pre-financing period, the rights holder shall - along with the other rights holders - bear the prorated costs accruing to him pursuant to Clause 12. This shall likewise apply to costs incurring either prior to assignment of the Rights in the event of a subsequent assignment or following the effective date of termination in the event of premature termination of the Administration Agreement.
  - (c) **Compensation for the benefit accruing from retroactive takeover of costs:** The benefit accruing from only taking over costs retroactively shall be compensated in the form of an interest payment on the portion of the costs taken over on a retroactive basis in the amount of five percentage points *per annum* above the base rate.
  - (d) **Compensation for the benefit accruing from limited assumption of risk:** For each year in which no advance on costs pursuant to Clause 12 is paid, an amount equivalent to two percentage points shall be deducted from any distribution made to the rights holder. Such deduction shall be deemed consideration for the enhanced economic risk shifted to other rights holders which entails financing the enforcement of Rights even in the event of failure.

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