

AGICOA URHEBERRECHTSSCHUTZ GmbH



AGICOA Urheberrechtsschutz GmbH
Munich

Transparency Report for the fiscal year 2016
--non binding convenience translation--



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A. ANNUAL FINANCIAL STATEMENTS INCLUDING CASH FLOW STATEMENT FOR FISCAL YEAR 2016

I. Balance Sheet

ASSETS	31.12.2016	31.12.2015
	EUR	EUR
A. Fixed assets		
I. Intangible assets		
Software	57.833,13	60.757,41
II. Tangible assets		
Office equipment	7.987,00	13.927,00
	<u>65.820,13</u>	<u>74.684,41</u>
B. Current assets		
I. Accounts receivables and other assets		
1. Accounts receivable	1.659.881,92	1.732.785,57
2. Other assets	154.154,94	152.900,32
	<u>1.814.036,86</u>	<u>1.885.685,89</u>
II. Cash on hand and cash in banks	<u>42.265.776,34</u>	<u>50.895.412,39</u>
	<u>44.079.813,20</u>	<u>52.781.098,28</u>
C. Deferred charges	26.952,54	26.497,51
	<u>44.172.585,87</u>	<u>52.882.280,20</u>
LIABILITIES AND SHAREHOLDERS' EQUITY	31.12.2016	31.12.2015
	EUR	EUR
A. Shareholders' equity		
Capital subscribed	25.564,59	25.564,59
B. Reserves and accrued liabilities		
1. Pension reserves	345.351,00	322.546,00
2. Reserves for rightholders	42.190.870,82	51.853.438,02
3. Other accrued liabilities	59.500,00	29.500,00
	<u>42.595.721,82</u>	<u>52.205.484,02</u>
C. Liabilities		
1. Accounts payable	765.562,70	19.551,80
2. Other liabilities	785.736,76	631.679,79
	<u>1.551.299,46</u>	<u>651.231,59</u>
	<u>44.172.585,87</u>	<u>52.882.280,20</u>



II. Profit and Loss Statement

	2016	2015
	EUR	EUR
1. Revenue	21.299.069,39	22.615.688,40
2. Other operating income	15.610,87	16.411,93
3. Personnel expenses		
a) Salaries	-274.865,06	-277.791,03
b) Social security, pension	-25.198,56	-185.225,06
--thereof for pensions		
EUR 9.490,00 (I/y EUR 163.779,00)--		
4. Depreciation and amortization	-34.922,90	-34.065,97
5. Other operation expenses	-392.678,59	-371.040,31
6. Interest income	741,98	6.438,22
7. Interest expenses	-30.243,75	-12.077,00
8. Result from the ordinary operations	20.557.513,38	21.758.339,18
9. Provisions for reserves for rightholders	-20.557.513,38	-21.758.339,18
10. Net income	0,00	0,00

III. Cash Flow Statement

The following cash flow statement, which illustrates the change in cash and cash equivalents (change in liquidity), provides information about the liquidity situation and the financial development. In this context, the payment flows are assigned to the areas business operation, investment and finance.

	2016	2015
	TEUR	TEUR
Net income	0	0
+/- Depreciation and amortization of fixed assets	35	34
+/- Increase/decrease of reserves and accrued liabilities	-9.609	-5.264
-/+ Increase/decrease of accounts receivable and other assets, not assignable to investing or financing activities	71	-53
+/- Increase/decrease of accounts payable and other liabilities, not assignable to investing or financing activities	900	-550
= Cash flow from operating activities	<u>-8.603</u>	<u>-5.833</u>
- Additions to intangible assets	-26	-9
- Additions to tangible assets	0	-12
= Cash flow from investing activities	<u>-26</u>	<u>-21</u>
Cash flow from financing activities	<u>0</u>	<u>0</u>
= Change in cash and cash equivalents	-8.629	-5.854
+ Cash and cash equivalents at the beginning of period	50.895	56.749
= Cash and cash equivalents at the end of period	<u><u>42.266</u></u>	<u><u>50.895</u></u>

IV. Notes for Fiscal Year 2016

1. Application of the Handelsgesetzbuch [German Commercial Code (HGB)] and the Verwertungsgesellschaftengesetz [German Collecting Societies Act (VGG)]

AGICOA Urheberrechtsschutz GmbH having its registered office in Munich is entered under No. HRB 114001 in the Commercial Register at the Amtsgericht München [Local Court Munich].

The accounting, audit and publication regulations pursuant to Section 57 VGG and Sections 238 et seq. HGB and especially Sections 264 et seq. HGB apply to the Company except where the particularities resulting from the tasks of a collecting society do have to be considered. Unlike in the previous year, this resulted in the full application of the current accounting regulations of commercial law applicable to large companies in 2016.

The Bilanzrichtlinie-Umsetzungsgesetz [Accounting Directive Implementation Act (BilRUG)] has been applied from the commencement of the fiscal year 2016. The classification of the profit and loss statement has been adjusted accordingly to the new regulation. The total cost method applied so far has been maintained for the profit and loss statement.

2. Accounting and valuation principles

The intangible assets and tangible fixed assets are carried at acquisition cost less scheduled depreciation according to use. Depreciation is recorded straight-line over a useful life of five (5) years, in the year of addition on a pro rata temporis basis. Foreign currency additions were converted at the exchange rates applicable at the time of payment.

The accounts receivable, other assets, cash on hand and cash in banks are carried at their nominal value. They include all claims for which the Company received statements within the first three (3) months of the following year and which were performed during the period under review. The deferred charges contain expenses in 2016 which constitute expenditure after the balance sheet date.

The pension reserves correspond to the settlement amount pursuant to Section 253(1), second sentence, HGB. The bases for calculation are the "2005 G guiding tables" of Prof. Dr. Klaus Heubeck. The entry-age normal method has been applied and a salary and pension trend of 0.0% has been taken as a basis. The actuarial interest rate is 4.01% per annum.

The reserves for rightholders take account of distribution commitments to rightholders and liabilities of still uncertain amount, the latter estimated in accordance with prudent business principles.

The other accrued liabilities comprise all identifiable risks and uncertain obligations in an amount required in accordance with prudent business principles.

In the case of reserves with a residual term of more than one (1) year, the valuation pursuant to Section 253(2), first sentence, HGB has no impact in terms of amount since the interest income must be added to the relevant distribution reserve in view of the non-profit organization of the Company prescribed in Article 2, paragraph 2 of its Statutes.



The respective interest income is set off against the respective expenditure incurred for the addition to the reserve so as to give a fair and true picture of the earnings situation of the Company.

The liabilities are carried at their fulfillment amount. They include all liabilities for which statements were received with accounting periods until the balance sheet date which were paid in the first two (2) months of the new fiscal year.

To the extent that revenues were received in foreign currency, they were converted at the exchange rates applicable at the time of receipt. Accounts receivable in foreign currency were converted at the official mean rate of exchange as of the balance sheet date.

3. Notes to the financial statements

Balance sheet

The development of the fixed assets is represented in the statement of fixed assets.

The accounts receivable as of December 31, 2016 have been fully collected in the meantime. All accounts receivable are due in one (1) or less than one (1) year. The other assets include, in addition to tax receivables, the cash surrender value of a reinsurance policy in the amount of EUR 151k (EUR 138k in 2015) with a term of more than five (5) years; the term of the remaining other assets is one (1) or less than one (1) year.

The nominal capital entered in the Commercial Register amounts to DM 50,000. It is fully paid in. The mathematical conversion was made at the fixed conversion rate of 1.95583 DM/EUR. The nominal capital has not yet been changed over to Euro.

The fulfillment amount of the granted pension promises on the basis of the 10-year average with an assumed remaining term of fifteen (15) years (interest rate 4.01%) is EUR 345k. In application of the (previous) 7-year average and a remaining term of fifteen (15) years (interest rate 3.24%), the fulfillment amount would have been EUR 352k. Hence, the difference from the changed interest rate is EUR 7k. This difference is subject to a distribution ban.

The reserves for rightholders are obligations to rightholders, including the social fund and the film promotion fund. The other accrued liabilities in the amount of EUR 60k (EUR 30k in 2015) relate mainly to outstanding invoices and financial statements costs as well as the preparation and examination of the transparency report.

The accounts payable relate primarily to liabilities owed to rightholders under the statements/ settlements (also advance payments) made in 2016 and the preceding years for the periods 1988 through 2015. The full amount of liabilities is due within one (1) year.

The other liabilities are also due within one (1) year and include:

	12/31/2016	12/31/2015
	EUR	EUR
Liabilities for taxes		
VAT	703k	578k
tax deduction on the basis of Section 50a Income Tax Act	74k	46k
wage and church tax	9k	8k
	786k	632k

Profit and loss statement

Of the cable retransmission revenue, an amount of EUR 21,256k (EUR 22,538k in 2015) is attributable to cable retransmission rights Germany. An amount of EUR 43k (EUR 78k in 2015) is attributable to countries other than Germany due to spillover of German broadcasters in Denmark. Because of the business activity of the Company, most of the revenues are relating to different periods.

The first-time application of the new definition of revenue according to the Accounting Directive Implementation Act in the year under review has not resulted in any change in the apportionment of the revenue.

Income unrelated to accounting period is included in the revenue in an amount of EUR 3,299k (EUR 2,363k in 2015) and in the other operating income in an amount of EUR 1k (EUR 5k in 2015) as a result of release of reserves.

The total fee charged by the auditor for the fiscal year 2016 is composed of EUR 14k for auditing services and about EUR 15k for other assurance services.

The interest expenses include an interest loss of EUR 13k (2015: EUR 12k).

The provisions for reserves for rightholders, shown in a separate item of the profit and loss statement, correspond to the addition to reserves for rightholders. An amount of EUR 29,701k (EUR 27,198k in 2015) has been distributed or paid to the rightholders in the year under review.

4. Other information

Management

In the year under review, Prof. Dr. Ronald Frohne, Rechtsanwalt (Attorney-at-Law), Berlin, and Dr. Gertraude Müller-Ernstberger, Rechtsanwältin (Attorney-at-Law), Munich, were the managing directors each holding power of individual representation.

The protective clause pursuant to Section 286(4) HGB is applied.

Supervisory board

The following members have been elected at the shareholders' meeting of December 1, 2016:

- Tom de Lange, general manager, AGICOA Geneva
- Chris Marcich, president, AGICOA Geneva
- John Jacobsen, film producer, Oslo

The members of the supervisory board have not received remuneration in the fiscal year.

Advisory board

Pursuant to Article 11 of the Statutes, the Company has an advisory board consisting of six (6) persons who represent the interests of the rightholders. The advisory board has not received remuneration in the fiscal year.



Employees

As in 2015, the Company had no (salaried) employee besides the managing directors in the fiscal year under review.

Appropriation of net income

In accordance with the object and purpose of a collecting society, the Company showed no net income in the year under review. The amounts not yet distributed to the rightholders or the like are included in the reserves established for this purpose (see above).

Munich, August 16, 2017

AGICOA Urheberrechtsschutz GmbH
Geschäftsführung

Prof. Dr. Ronald Frohne

Dr. Gertraude Müller-Ernstberger



Statement of Fixed Assets in Fiscal Year 2016

	At cost				Accumulated depreciation				Net book value	
	1.1.2016	additions	disposal	31.12.2016	1.1.2016	depreciation of fiscal year	disposal	31.12.2016	31.12.2016	31.12.2015
	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR
I. Intangible assets										
Software	1.385.178,75	26.058,62	0,00	1.411.237,37	1.324.421,34	28.982,90	0,00	1.353.404,24	57.833,13	60.757,41
II. Tangible assets										
Office equipment	41.880,81	0,00	0,00	41.880,81	27.953,81	5.940,00	0,00	33.893,81	7.987,00	13.927,00
	1.427.059,56	26.058,62	0,00	1.453.118,18	1.352.375,15	34.922,90	0,00	1.387.298,05	65.820,13	74.684,41

B. MANAGEMENT REPORT FOR FISCAL YEAR 2016

GENERAL CONDITIONS AND BUSINESS

1. Economic environment

According to the annual economic report of the Federal Ministry for Economic Affairs and Energy for 2017, the German economy is in very good shape. The labor market showed a positive development and the inflation rate was about 0.5% on the average.

The European Central Bank continues its expansive monetary policy. The interest on deposits was still as in the previous year.

2. Broadband cable development

According to Statista, there were 32 million fixed broadband connections in Germany in 2016. The business of cable network operators was still generally growing. The undisputed market leaders are Unitymedia and Vodafone with more than 7 million connections each as well as Telecolumbus with almost 4 million connections. However, the growth of the cable network operators is driven by fast Internet connections and Pay TV rather than classical households. The average TV viewing time per day in Germany has remained substantially stable since 2005; however, there are indications of a development, in particular abroad, indicating increased use of non-linear services at the expense of the classical TV business.

Against this backdrop, the Company expects that the domestic and foreign cable retransmission revenues will rather decline in the years to come.

3. Legal outline conditions

The copyright and neighboring rights administration law has comprehensively been revised by the Act on the management of copyright and neighboring rights by collecting societies ("VGG" – Collecting Societies Act) which came into force on June 1, 2016. The basic principles of the German copyright and neighboring rights administration law have however been maintained. They still form the basis for the activity of the collecting societies.

Due to the new regulations of the Collecting Societies Act, the shareholders have adopted new Statutes on September 13, 2016, (notarially recorded on October 19, 2016).

COURSE OF BUSINESS

1. Field of activity

In the fiscal year 2016, the activities of the Company comprised, as in the past, the administration of cable retransmission rights in Germany and abroad in accordance with the Statutes.

Moreover, the Company – via ZWF – administers the rights of its rightholders in secondary exploitation of films as far as they are concerned by the fact that the operators of a distribution system simultaneously make the receivers available to the users (e.g. hotel TV systems, hospitals, prisons etc.).



The Company is a 49%-subsidiary of AGICOA Geneva.

2. Revenues

In the period under review, the Company recorded revenues of EUR 21,256k for cable retransmission in Germany including revenues of EUR 16,580k (EUR 17,898k in 2015) of GEMA and revenues of EUR 4,676k (EUR 4,640k in 2015) of ZWF. In addition, an amount of EUR 43k (EUR 78k in 2015) has been received for spillover of German TV-stations in Denmark.

As reported in previous years, the global cable agreement between the cable network operators and the rightholders – without private broadcasting stations – dated November 21, 1991 entered into force again for the period from January 1, 2003 to December 31, 2006 with a fixed remuneration of EUR 49 million per annum having been agreed upon. The film collecting societies received a share of EUR 17.85 million out of the annual fixed remuneration. The terms of the distribution of the remuneration for 2003 through 2006 internally as between the film collecting societies have been agreed upon at the end of 2004/at the beginning of 2005. The distribution largely corresponded to the distribution made previously. The distribution had to be adjusted after the joining of the collecting society TWF Treuhandgesellschaft Werbefilm mbH, Munich (TWF), which represents rights of advertising film producers and which gets 1.3% of the share of the collecting societies.

In April 2009, the following understanding has been reached on the global cable agreement for the years 2007 through 2012: a fixed remuneration of EUR 49 million has been agreed upon with ANGA Verband Deutscher Kabelnetzbetreiber e.V., Berlin, (ANGA) for 2007. For 2008 through 2012, the amounts to be finally paid will be determined after submission of the audited cable retransmission revenues of the cable network operators (3.3% and 3.1% respectively of the cable retransmission revenues) with a minimum remuneration of EUR 54 million per annum having been planned for 2009 through 2011. No notice of termination of the agreement has been given and, therefore, its term has been extended until December 31, 2018. The collecting societies cooperating within the scope of the “Münchner Runde” are also negotiating with ANGA and other network operators with respect to various additional services such as NetPVR, Instant Reload, Catch-up etc. These negotiations are still ongoing in part and short-term agreements have been entered into in part.

Repertory of the MPAA companies is being excluded in this context as a rule.

3. Interest result

There was a negative interest result of EUR 30k in 2016. This is mainly due to the negative interest charged on money in the bank (deposit charges).

4. Expenses

In 2016, expenses of EUR 712k (EUR 852k in 2015) have been incurred for the operation of the Company (after offsetting of income from increase of the cash surrender value of the reinsurance of EUR 14k (EUR 12k in 2015), the release of reserves and other income of EUR 2k (EUR 5k in 2015). The cost rate of the Company (including the interest result) is 3.9% related to the revenue and 2.9% related to the amounts paid out in the fiscal year.

5. Staff

AGICOA Urheberrechtsschutz GmbH efficiently fulfills the tasks required by law through a small team. The Company has no staff other than the two (2) managing directors. The work is otherwise performed by employees of the affiliated collecting society GWFF who have the required know-how. Substantial synergies and cost savings are realized in this manner.

6. Rightholders

The number of rightholders has also been increased in 2016.

7. Distribution of the revenues

In the fiscal year 2016, the statements have been prepared for the revenues received in 2015. In addition, payments on account of solved double registrations 1987 through 2015 and for late claims 2012 through 2015 have been made.

After reserves for films not yet registered have been set aside and after the statutory allocations to the social fund and the film promotion fund have been made, a total of EUR 29,701k (EUR 27,198k in 2015) has been paid to the rightholders.

8. Promotion

Out of the promotion funds, solidarity contributions are paid to AGICOA Geneva on an annual basis which serve to expand the central cable retransmission rights administration and the related collection in European and non-European countries.

FINANCIAL AND EARNINGS SITUATION

1. Earnings situation

The earnings situation of the Company is determined by its statutory status as non-profit organization as prescribed by law for collecting societies. Furthermore, it is inherent in the system that most of the cable retransmission revenue is relating to different periods because the amounts to be distributed are received, and passed on to the Company, by the administering institutions for different periods and the Company then issues the respective statements to the rightholders with time-lag. The balance of EUR 20,558k (EUR 21,758k) arising from all income and expenditure in 2016 is, as provision for reserves for rightholders, shown in full as reserves for rightholders in accordance with the Statutes.

2. Financial situation

As a result of the requirements of the law, the balance sheet and thus the financial situation of the Company are determined by items channelled through. The balance sheet is thus characterized by high cash amounts (EUR 42,266k in 2016; EUR 50,895k in 2015) and receivables from the institutions administering the funds (EUR 1,660k in 2016; EUR 1733k in 2015) while the fixed assets and the remaining current assets are of secondary importance. The main item on the liabilities side are the reserves for rightholders (EUR 42,191k in 2015; EUR 51,853k in 2015) while the remaining reserves and accrued liabilities and also the subscribed capital are secondary items.

In accordance with Section 25 VGG, the Company has adopted investment guidelines which provide that the Company may only make risk-free investments pursuant to Section 1807(1) BGB [German Civil Code] (in particular fixed-interest investments); especially investments in equities are not permitted. Due to the currently low return, the relevant income is very low. Moreover, the banks have started in 2016 to charge negative interest and/or deposit fees on credit balances on accounts. The liquid funds of the Company are exclusively in the form of fixed term deposits and current accounts at present.

MATERIAL RISKS AND CHANCES

1. Risk management

The Company has adopted the general risk management policy on December 1, 2016. The primary objective of the risk management is the controlled and effective handling of the business risks in the day-to-day business. There have been no risks threatening the Company's viability in 2016.

2. Risk report

The main risks which might have a substantial impact on the assets, liabilities, financial position and earnings situation of the Company are set out below:

2.1. Business environment

The income of the Company mainly depends on the agreements with the cable network operators. The current agreement with ANGA will be valid until December 31, 2018. However, it is already apparent that the negotiations on the continuation of the agreement will be difficult.

The cable network operators are interested in offering also additional services such as Catch-up, TV-Everywhere, Instant Reload and NetPVR. Currently, the Company does not hold/or holds only in part the rights necessary therefor. This may make the negotiating position more difficult.

The collecting societies TWF/VG Bild-Kunst attempt to increase their share of the revenue of the "Münchner Gruppe" for the benefit of the film authors of advertising clips. This might lead to a reduction of the share of the other collecting societies.

There is the risk of new collecting societies asserting claims. However, the Company does not know of any such intention. It is also possible that entitled persons represented by the Company decide to be represented by other collecting societies. However, this has been the case so far only in individual cases.

2.2. Finance

The drop in the interest level, the lower interest income and in particular the negative interest involve risks for the Company. The Company endeavors to avoid the risk of both negative interest and bad debt losses as far as possible through investments in accordance with the general investment policy (see „financial situation“ above).

2.3. Business processes

The business processes of the Company are substantially determined by the infrastructure technology. The Company ensures availability of the data and protection from unauthorized access by using modern hardware and software technology. The risk of loss of all data is reduced by data backup measures on a regular basis.

Internal controls (e.g. four eyes principle) help to minimize the risk. In view of the size of the Company no internal controlling department has been established.

2.4. Legal environment

The main risk inherent in the business operation of the Company is still the possibility of a change in the legal outline conditions regarding the remuneration claims for cable retransmission over the medium or long term.

The heavy lobbying efforts of the cable operators to remove the cable retransmission remuneration at the national and European levels as well as the attempts of broadcasters to acquire the cable retransmission rights directly from the producers represent a major risk. The Company also notes with concern the technical distribution of audio-visual works by direct injection - especially in our neighbouring states the Netherlands and Belgium - regarding which the European Court of Justice denied in its ruling No. C-325/14 that there is an act of communication to the public and thus retransmission. A similar development in Germany would lead to a substantial revenue loss of the Company. The Company counters these attempts together with other domestic and foreign collecting societies both at the national level and the EU level. In addition, the management is concerned that Section 20b UrhG in its present version might not cover further forms of retransmission such as IPTV, ADSL or retransmission via satellite platforms. In a response to the CAB/SAT Directive consultation initiated by the European Commission, the Company emphasized in October 2015 together with all other collecting societies the necessity of “functional” equality of all retransmission circumstances.

On September 17, 2015, the German Federal Supreme Court issued a ruling on the cable retransmission payment obligation of the condominium owners’ community “Rames”. This condominium owners’ community is composed of the owners of 343 condominiums. It operates a cable network in which it retransmits the TV and radio signal received from its own head-end station to the individual flats of the owners. It thereby grants the persons living in the condominiums access to TV and radio programs which contain copyrighted works and services. The German Federal Supreme Court ruled that this does not constitute communication to the public which is a prerequisite for cable retransmission triggering the payment obligation. According to the German Federal Supreme Court, no communication to the public is deemed to exist if such communication is limited to “certain persons” who are part of a “private group”. The collecting societies filed a constitutional complaint against the aforesaid ruling of the German Federal Supreme Court in December 2015 which has not been admitted by decision of the German Federal Constitutional Court of August 19, 2016. At its meeting of May 3, 2017, the German Bundesrat [Upper House of Parliament] has also approved the adoption of a resolution concerning the “draft bill on the harmonization of copyright law with the current requirements of the knowledge society (Urheberrechts-Wissensgesellschafts-Gesetz – UrhWissG)” which

recommends examining whether communal antennas should be exempted from the remuneration obligation. The collecting societies, represented by GEMA, have filed a statement in opposition on May 11, 2017 stating that the “Ramses” ruling is an individual decision and that the exemption from the remuneration obligation has been established in practice at the threshold of 75 residential units. In view of this customary practice, no legislative determination seems to be required. The impact thereof on the income of the Company is not foreseeable yet.

On March 16, 2017, the European Court of Justice rendered its judgment in re AKM vs. Zürs.net. C-138/16 on copyright and retransmission of programs of a public broadcaster through a local cable network.

Some passages of the grounds for the judgment may potentially call into question - at least in part - the licensing of (cable) retransmission. It may be concluded from the statements of the European Court of Justice that, in the opinion of the European Court of Justice, no act of communication to the public is deemed to exist in the case of (cable) retransmission of broadcasting signals if and when the station concerned may otherwise be received in the retransmission area e.g. via antenna. This might in large parts remove the legal basis for the licensing of (cable) retransmission.

Therefore, the rightholders of the “Münchner Gruppe” take the view that the European legislator should make clear that the retransmission of TV and radio programs always constitutes an act of communication to the public irrespective of the technical procedures used for the retransmission and independent of the territorial reach of the primary program.

2.5. Chances

The chance of the Company consists primarily in the extension of its scope of administration to cover also further forms of retransmission, e.g. IPTV, ADSL etc. The Company entered into agreements with Zattoo (Web TV), Magine- und Couchfunk, with Telekom and Vodafone for mobile TV and for Entertain-to-Go (NetPVR); however, due to the unclear legal classification of these new forms of transmission, it has not granted the MPAA-repertoire for all forms of transmission. A technologically neutral wording of Section 20b UrhG by modifying the CAT/SAT Directive and the related obligation to have recourse to a collecting society would make it possible to make a clear legal classification.

The Company supports the proposal of the European Commission of September 14, 2016 to issue a regulation with the objective of promoting the cross-border provision of online services, the transmission of TV and radio programs, and to facilitate the digital retransmission of TV and radio programs from other Member States via closed networks. This proposal provides for joint action at the level of the Union.



PRESUMABLE DEVELOPMENT

The distributions to the rightholders will be made as soon as possible also in the years to come. For 2017, the Company plans to distribute the amounts received in 2016. The management assumes that the revenue in 2017 will be somewhat less than in 2016. The consequences of the introduction of the VGG result in additional administrative efforts and thus in an increase in the cost rate of the Company.

C. BESTÄTIGUNGSVERMERK DES ABSCHLUSSPRÜFERS (German)

Wir haben den Jahresabschluss --bestehend aus Bilanz, Gewinn- und Verlustrechnung, Kapitalflussrechnung sowie Anhang-- unter Einbeziehung der Buchführung und den Lagebericht der AGICOA Urheberrechtsschutz GmbH, München, (vormals: AGICOA Urheberrechtsschutz-Gesellschaft mbH, München) für das Geschäftsjahr vom 1. Januar 2016 bis 31. Dezember 2016 geprüft. Die Buchführung und die Aufstellung von Jahresabschluss und Lagebericht nach den deutschen handelsrechtlichen Vorschriften sowie den ergänzenden Bestimmungen des Gesetzes über die Wahrnehmung von Urheberrechten und verwandten Schutzrechten durch Verwertungsgesellschaften (Verwertungsgesellschaftengesetz - VGG) und den ergänzenden Bestimmungen der Satzung liegen in der Verantwortung der gesetzlichen Vertreter der Gesellschaft. Unsere Aufgabe ist es, auf der Grundlage der von uns durchgeführten Prüfung eine Beurteilung über den Jahresabschluss unter Einbeziehung der Buchführung und über den Lagebericht abzugeben.

Wir haben unsere Jahresabschlussprüfung nach § 57 Abs. 1 S. 1 VGG und entsprechend den Vorschriften des § 317 HGB unter Beachtung der vom Institut der Wirtschaftsprüfer (IDW) festgestellten deutschen Grundsätze ordnungsmäßiger Abschlussprüfung vorgenommen. Danach ist die Prüfung so zu planen und durchzuführen, dass Unrichtigkeiten und Verstöße, die sich auf die Darstellung des durch den Jahresabschluss unter Beachtung der Grundsätze ordnungsmäßiger Buchführung und durch den Lagebericht vermittelten Bildes der Vermögens-, Finanz- und Ertragslage wesentlich auswirken, mit hinreichender Sicherheit erkannt werden. Bei der Festlegung der Prüfungshandlungen werden die Kenntnisse über die Geschäftstätigkeit und über das wirtschaftliche und rechtliche Umfeld der Gesellschaft sowie die Erwartungen über mögliche Fehler berücksichtigt. Im Rahmen der Prüfung werden die Wirksamkeit des rechnungslegungsbezogenen internen Kontrollsystems sowie Nachweise für die Angaben in Buchführung, Jahresabschluss und Lagebericht überwiegend auf der Basis von Stichproben beurteilt. Die Prüfung umfasst die Beurteilung der angewandten Bilanzierungsgrundsätze und der wesentlichen Einschätzungen der gesetzlichen Vertreter sowie die Würdigung der Gesamtdarstellung des Jahresabschlusses und des Lageberichts. Wir sind der Auffassung, dass unsere Prüfung eine hinreichend sichere Grundlage für unsere Beurteilung bildet.

Unsere Prüfung hat zu keinen Einwendungen geführt.

Nach unserer Beurteilung aufgrund der bei der Prüfung gewonnenen Erkenntnisse entspricht der Jahresabschluss den gesetzlichen Vorschriften und den ergänzenden Bestimmungen der Satzung und vermittelt unter Beachtung der Grundsätze ordnungsmäßiger Buchführung ein den tatsächlichen Verhältnissen entsprechendes Bild der Vermögens-, Finanz- und Ertragslage der Gesellschaft. Der Lagebericht steht in Einklang mit dem Jahresabschluss, entspricht den gesetzlichen Vorschriften, vermittelt insgesamt ein zutreffendes Bild von der Lage der Gesellschaft und stellt die Chancen und Risiken der zukünftigen Entwicklung zutreffend dar.

Lindau, den 18. August 2017

BAY GmbH
Wirtschaftsprüfungsgesellschaft
Rechtsanwaltsgesellschaft

Karl-Christian Bay
Wirtschaftsprüfer



D. REJECTED REQUESTS OF USERS REGARDING THE GRANTING OF RIGHTS OF USE

No requests of users regarding the granting of rights of use have been rejected in the fiscal year 2016.

E. LEGAL FORM AND ORGANIZATIONAL STRUCTURE

I. Legal bases

Formation	The Company exists in the legal form of a GmbH [<i>German limited liability company</i>] since June 26, 1987.
Name	<p>AGICOA Urheberrechtsschutz GmbH (formerly: AGICOA Urheberrechtsschutz-Gesellschaft mbH)</p> <p>The name of the Company has been changed by shareholder resolution of October 19, 2016.</p>
Seat	Munich
Statutes	The Statutes of the Company have been fully revised on the basis of the shareholder resolution of October 19, 2016. They have been entered in the Commercial Register on April 18, 2017.
Commercial Register	<p>The Company is entered in Section B, No. 114001, of the Commercial Register at the Amtsgericht München [<i>Local Court Munich</i>].</p> <p>The most recent entry was made on April 18, 2017. It comprises the new version of the Statutes in accordance with the shareholder resolution of October 19, 2016.</p>
Purpose	<p>The fiduciary administration of rights of use and remuneration claims which result from the Copyright Act in conjunction with international and/or bilateral conventions for domestic and foreign film producers, authors and other entitled persons as well as for film exploiters and film distributors deriving rights from the same, because of the wired or wireless retransmission of films and furthermore the distribution of the collected revenues to the entitled persons.</p> <p>The Company is a collecting society within the meaning of Section 2 VGG [<i>German Collecting Societies Act</i>]. It is not operated for profit.</p> <p>The authorization required for the activity of the Company pursuant to Section 1 UrhWG [<i>German Act on the Administration of Copyright and Neighboring Rights</i>] has been granted, subject to conditions, by notification of the President of the German Patent Office of August 10, 1994. The conditions are fulfilled. The Company is subject to supervision by the President of the German Patent and Trademark Office.</p>



Fiscal year	The fiscal year is the calendar year.
Shareholders	<p>As of December 31, 2016, the shareholding is as follows:</p> <p>51%: GWFF Gesellschaft zur Wahrnehmung von Film- und Fernsehrechten mbH, Munich</p> <p>49%: AGICOA Association de Gestion Internationale Collective des Oeuvres Audiovisuelles, Geneva.</p>
Nominal capital	<p>As of December 31, 2016, the nominal capital is DM 50,000.00 (EUR 25,564.59).</p> <p>The nominal capital of DM 50,000.00 is entered in the Commercial Register and fully paid up. The conversion has been made on the basis of the fixed exchange rate.</p>
Size of the Company	<p>The Company is a middle-sized company within the meaning of Section 267(2) HGB [<i>German Commercial Code</i>].</p> <p>Since the introduction of the new German Collecting Societies Act, the collecting societies must apply the provisions applicable to large corporations pursuant to Section 57(1) VGG [<i>German Collecting Societies Act</i>].</p>

II. Bodies of the Company

Managing directors	<p>In the fiscal year 2016, the managing directors were</p> <ul style="list-style-type: none">▪ Rechtsanwalt [<i>lawyer</i>] Prof. Dr. Ronald Frohne, Berlin▪ Rechtsanwältin [<i>lawyer</i>] Dr. Gertraude Müller-Ernstberger, Munich <p>By shareholder resolution of October 19, 2016, the representation regulation has been revised such that each of the managing directors represents the Company individually. Each of the two (2) managing directors already held power of individual representation on the basis of two (2) separate shareholder resolutions in the past.</p>
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Shareholders' meeting

The following resolutions have been adopted at the shareholders' meeting of September 13, 2016:

- approval of the financial statements for the year ended December 31, 2015
- discharge of the management for the fiscal year 2015
- election of the auditor for the fiscal year 2016
- necessary amendments of the Statutes due to the introduction of the new German Collecting Societies Act
- adjustment of the social fund and the promotion fund in accordance with the reserve amounts stipulated in the Distribution Plan

At the meeting of September 13, 2016, the advisory board approved these resolutions of the shareholders' meeting so that the same have taken effect according to Article 9 paragraph 2 of the Statutes of the Company.

The following resolution has been adopted at the shareholders' meeting of October 19, 2016:

- revision of the Statutes, in particular of the name, the purpose and the management

The following resolutions have been adopted at the shareholders' meeting of December 1, 2016:

- establishment of a supervisory board composed of three (3) members
- adoption of the Distribution Plan

At the meeting of December 1, 2016, the advisory board approved these resolutions of the shareholders' meeting so that the same have taken effect according to Article 8 paragraph 3 of the revised Statutes of the Company.

Supervisory board

In the fiscal year 2016, the Company has established a supervisory board pursuant to Section 22 VGG [*German Collecting Societies Act*] which has three (3) members in accordance with the Statutes. The rights and duties of the supervisory board are set forth in Article 10 of the Statutes.

The following members have been elected at the shareholders' meeting of December 1, 2016 for a term of four (4) years:

- Mr. Tom de Lange, managing director, Agicoa Association de Gestion Internationale Collective des Oeuvres, Geneva
- Mr. Chris Marcich, president, Agicoa Association de Gestion Internationale Collective des Oeuvres, Geneva
- Mr. John Jacobsen, film producer, Oslo

Advisory board

The honorary advisory board, which is composed of six (6) members in accordance with the Statutes and whose rights and duties are set out in Article 13 of the Statutes, was composed as follows in the fiscal year 2016:

nominated by the two (2) shareholders for a term of four (4) years:

- Mr. Klaus Hansen, Slagelse, Denmark
(nominated on November 16, 2015)
- Mr. Tom de Lange, Geneva
(renominated on November 16, 2015)

reelected as representatives of the entitled persons at the meeting of entitled persons of November 16, 2015 for a term of four (4) years:

- Mr. John Jacobsen, Oslo
- Mr. Chris Marcich, Brussels
- Mrs. Nicole La Bouverie, Brussels
- Mr. Miguel Angel Benzal, Madrid
- Mrs. Jane Saunders, Washington, D.C.
(as substitute advisory board member)

Two (2) advisory board meetings were held in the fiscal year 2016 on September 13, 2016 and December 1, 2016 respectively.

Meeting of entitled persons

The last meeting was held on November 16, 2015 – the meetings are held at intervals of three (3) years. At that meeting, the advisory board members named above were elected in accordance with the Statutes.

III. Entitled persons

Entitled persons (“rightholders“ until the time when the German Collecting Societies Act came into force) are domestic and foreign film producers, authors and other entitled persons as well as film exploiters and film distributors deriving rights from the same.

The entitled persons may transfer the following rights and claims to AGICOA GmbH for fiduciary administration on the basis of an Administration Agreement:

1. The right of simultaneous, unchanged and complete, analog and digital retransmission of broadcasts in Germany
 - 1.1. through cable or cable-like systems (e.g. broadband, telephone cable, fiber optic cable, open or closed network), IP-TV, OTT-services, microwave systems, via satellite, terrestrially, mobile radio (for example, without limitation, GPRS, UMTS, LTE) or other wired or wireless distribution paths;
 - 1.2. as live stream on the Internet or via another computer network (e.g. virtual private network (VPN)). This includes the linking and/or feeding into P2P streaming networks and any other provision of access to the live stream via a computer network for simultaneous reception and any other inclusion and/or any other adoption on websites, irrespective of whether in a separate browser window and regardless of what software is used;
 - 1.3. within the scope of an online video recorder (online personal video recorder) and other recording media which are only accessible via the Internet or any other computer network.
2. The right of making online broadcasts available to the public (Section 19a UrhG). This includes, in a supplementary manner, the right of reproduction (Section 16 UrhG) if and to the extent necessary for making the broadcast available to the public (for example, without limitation, instant restart, replay).
3. The right of communication of broadcasts to the public by way of simultaneous, unchanged and complete delivery of broadcast signals to provided receivers in hotels, hospitals, homes for the elderly, prisons, fitness and sports facilities and similar institutions pursuant to Sections 15 / 20b UrhG [*German Copyright Act*].
4. Other copyright claims derived from retransmission which can only be exercised collectively due to statutory provisions.

The granting of the rights covers all copyrights and neighboring rights (including those of performing artists) to which the entitled person is entitled, originally or derivatively, in films and/or audio-visual carriers.

The granting of these rights covers the territory of the Federal Republic of Germany.

AGICOA GmbH administers, via CAB, Copenhagen, also the rights from the spillover of German broadcasters in Denmark.



IV. Organization of the Company

The organization of AGICOA GmbH is structured in the following areas in accordance with its Statutes:

- administration of the rights transferred to AGICOA GmbH vis-à-vis the users of those rights
- fiduciary investment and administration of the collected amounts
- preparation and execution of the distribution of the collected amounts to the entitled persons

For the administration of the amounts collected on a fiduciary basis, the shareholders' meeting of AGICOA GmbH has adopted the investment policy principles on September 13, 2016 and the risk management policy on December 1, 2016 which have been defined in the investment guideline of AGICOA GmbH.

The Company efficiently fulfills the tasks required by law through a small team and a network of experienced and reliable service providers. The Company has no staff other than the two (2) managing directors. The work is performed by employees of the affiliated collecting society GWFF who have the required know-how. Substantial synergies and cost savings are realized in this manner.

F. DEPENDENT COLLECTING ENTITIES

AGICOA GmbH participates in the following civil law partnership without capital contribution:

- Zentralstelle für die Wiedergabe von Fernsehsendungen (ZWF), Bonn, management by GEMA

The collecting societies AGICOA GmbH, GÜFA, GWFF, VG Bild-Kunst, VFF and VGF formed the civil law partnership "Zentralstelle für die Wiedergabe von Fernsehsendungen" (ZWF) on December 14, 2006.

The purpose of ZWF is the administration of the rights in secondary exploitation of films administered by the individual ZWF societies as far as they are concerned by the fact that the operator of a distribution system simultaneously makes the receivers available to the users (e.g. hotel TV systems, hospitals, prisons etc.).

ZWF is responsible for the collection of the remuneration claims for the communication of TV programs (right of communication to the public pursuant to Section 22 *UrhG* [*German Copyright Act*] and cable retransmission right pursuant to Section 20b *UrhG* [*German Copyright Act*]).

AGICOA GmbH receives a share of 69.28% of the ZWF revenue for the broadcasting years from 2016 on.

G. REMUNERATION OF THE BODIES

The remuneration of the management amounted to EUR 300,063.62, including social security and pensions, in 2016.

The supervisory board members and the advisory board members serving in an honorary capacity have not received remuneration in the fiscal year 2016.

H. FINANCIAL INFORMATION

I. Rights revenue and use of rights revenue

The revenue cable retransmission Germany realized in the fiscal year 2016 amounts to EUR 21,299,069.39 (revenue pursuant to the profit and loss statement – see A.II.); thereof EUR 16,580,152.90 for cable network operators, EUR 4,675,483.63 for ZWF and EUR 43,432.86 for spillover of German broadcasters in Denmark.

This revenue cannot be used - i.e. the statements for the entitled persons cannot be prepared - already in the fiscal year of receipt, but only after completion of the fiscal year, i.e. after completion of the broadcasting year (calendar year) since, according to the requirements of the law and of the Distribution Plan, the receipts of a broadcasting year must be consolidated and be allocated to all broadcasts made in the broadcasting year in accordance with the Distribution Plan.

The data which are required as distribution basis, i.e. especially the broadcasts made over the whole broadcasting year, can only be determined after completion of the broadcasting year.

Some of the amounts to be distributed often can be collected only sometime after completion of the broadcasting year so that also the statements for the entitled persons can only be prepared thereafter.

Therefore, it has not yet been possible to distribute the aforesaid revenues in the fiscal year 2016. The total revenues of the fiscal year 2016 have, after deduction of the costs of the fiscal year 2016, been added in full (EUR 20,557,513.38) to the reserves for rightsholders and will be available for distribution in the next fiscal year

II. Cost of rights administration

The costs of the fiscal year 2016 shown in the profit and loss statement (see A. II.) are exclusively generated by the rights administration on behalf of the entitled persons. The Company does not provide any other services or benefits to the entitled persons or members.

In the fiscal year 2016, the Company has only administered cable retransmission rights pursuant to Section 20b UrhG [*German Copyright Act*] in Germany and, therefore, the costs are fully attributable thereto.

The costs are covered by the rights revenue pursuant to Section 31 VGG [*German Collecting Societies Act*], Article 4 of the Statutes and/or Part I Article 1 I. of the Distribution Plan. The Company has adopted general principles on the deduction of administrative costs in this regard.

According to the current version of these general principles of September 30, 2016, the budgeted administrative cost rate is deducted from the revenue in the year of distribu-

tion. If the budgeted administrative cost rate is insufficient to cover the actual costs of a distribution year, the difference is taken from the working capital reserve (WCR) set up by the Company. In the event that the budgeted administrative cost rate exceeds the actual costs of the year of distribution, the difference is added to the WCR. If and when the WCR covers more than the administrative costs of the preceding 24 months, the excess amount must be distributed to the entitled persons in addition to the next distribution amount.

The WCR is established for the first time effective January 1, 2017 amounting to EUR 1,500,000 (shareholder resolution of December 1, 2016).

For the settlement run [*Abrechnungslauf*] made in the fiscal year 2016 for the broadcasting year 2015, the budgeted costs of the fiscal year 2016 amounting to EUR 750,000 have been deducted from the gross distribution amount.

III. Amounts due to the entitled persons

a) Aggregate of the amounts allocated to the entitled persons

The rights revenue is distributed on the basis of the Distribution Plan for the remuneration paid by the cable network operators as compensation for the cable retransmission rights pursuant to Section 20b UrhG [*German Copyright Act*]. The Distribution Plan of AGICOA GmbH may be accessed on the website of the Company (www.agicoa.de).

In the fiscal year 2016, the main settlement run for cable retransmission rights for the broadcasting year 2015 has been made. Proceeding on the basis of a gross distribution amount of EUR 24,497,067.10, a net distribution amount of EUR 27,058,204.39 has been allocated to the entitled persons after deductions have been made and after amounts resulting from the release of reserves for non-registered works and other claims of third parties as well as withdrawals from the social fund and promotion fund respectively in accordance with the shareholder resolution of September 13, 2016 have been added.

Moreover, settlement runs for late claims 2012 through 2014 and 2013 through 2015 have been made in the fiscal year 2016, including solved double registrations in each case, with a distribution amount of EUR 3,176,152.41.

b) Aggregate of the amounts distributed to the entitled persons

The entitled persons are notified of the respective result of the settlement runs by way of distribution letters. After the formal requirements have been fulfilled (especially reconciliation of the film lists, confirmation and release by the entitled person, verification of the bank account, obtaining tax exemption notices, if any), the remuneration is remitted to the entitled person without undue delay. The fulfillment of the formal requirements by the entitled persons may take some time so that, in those cases, the remittance can only be made after the end of the year in which the settlement run is made.

An aggregate amount of EUR 29,701,204.64 has been distributed to the entitled persons in the fiscal year 2016. In this context, payments have been made on the basis of the aforesaid settlement run for 2015 as well as for late claims 2012 through 2014 and 2013 through 2015 and earlier fiscal years including solved double registrations as well as solved double registrations for 1987 through 2015.

c) Distribution dates

The main settlement run for cable retransmission rights for the broadcasting year 2015 referred to in a) above has been made on October 11, 2016.

The settlement runs for late claims 2012 through 2014 and 2013 through 2015 as aforesaid have been made on September 12, 2016 and December 8, 2016 respectively.

d) Aggregate of the amounts not yet allocated to the entitled persons

In addition to the revenues of EUR 21,299,069.39 received in 2016, the reserves for non-registered works and other claims of third parties, which must be set up out of the gross distribution amount pursuant to Part I Article 2 No. 2 of the Distribution Plan, in the amount of EUR 8,729,641.92 based on the settlement runs for the broadcasting years 2013 through 2015, which have been received in 2013 through 2015, have not yet been allocated to the entitled persons. The total of the amounts not yet allocated to the entitled persons is EUR 30,028,711.31.



e) Aggregate of the amounts allocated, but not yet distributed, to the entitled persons

The development of the amounts not yet distributed and the development of the social fund and the promotion fund result from the Table below which overall shows the development of the reserves for rightholders (see balance sheet, A.I.):

	As of 01/01/2016	Transfer	Payment Used	Addition	As of 31/12/2016
Reserves for rightholders	51.853.438,02	0,00	-30.220.080,58	20.557.513,38	42.190.870,82
Composition:					
- cable retransmission 2015	24.497.067,10	1.605.633,20	-24.410.563,02	0,00	1.692.137,28
- reserves for non-registered works and other claims of third parties (not yet allocated)	7.995.187,15	734.454,77	0,00	0,00	8.729.641,92
- payment impediments cable retransmission:					
-- amounts not called for, withdrawals by entitled persons after settlement runs or non-payment due to legal examination of the entitlement	9.827.952,75	204.407,94	-4.347.397,74	0,00	5.684.962,95
-- double registrations	3.532.283,48	955.504,09	-943.243,88	0,00	3.544.543,69
	45.852.490,48	3.500.000,00	-29.701.204,64	0,00	19.651.285,84
- social fund	3.225.448,74	-2.000.000,00	0,00	0,00	1.225.448,74
- promotion fund	2.775.498,80	-1.500.000,00	-518.875,94	0,00	756.622,86
- addition of the result from the 2016 profit and loss statement (see A. II.) (not yet allocated)	0,00	0,00	0,00	20.557.513,38	20.557.513,38
	51.853.438,02	0,00	-30.220.080,58	20.557.513,38	42.190.870,82

f) Delays in payment if the collecting society has not made the distribution within the distribution deadline

The distribution period of nine (9) months after completion of the fiscal year pursuant to Section 28 VGG [German Collecting Societies Act] has been changed in the Distribution Plan on December 1, 2016. The new distribution period applies from the fiscal year 2017 on.

g) Aggregate of the non-distributable amounts

There are no non-distributable amounts of the Company.

IV. Relations with other collecting societies

(1) GEMA, Munich: amounts received

GEMA collects the cable retransmission claims pursuant to Section 20b UrhG [*German Copyright Act*] from the cable network operators. In the fiscal year 2016, the Company received an amount of EUR 16,580,152.90 after deduction of the GEMA collection fee of EUR 282,545.80.

(2) CAB, Denmark: amounts received and amounts paid

The remuneration claims for spillover of German broadcasters in Denmark are administered by the collecting society CAB, Denmark, and passed on to the Company. In the fiscal year 2016, the Company received an amount of EUR 48,258.73 less 10% collection fee of CAB in the amount of EUR 4,825.87 for cable retransmission rights.

The Company paid in return to the collecting society CAB remuneration for cable retransmission rights Germany in the amount of EUR 144,457.77 after deduction of costs of EUR 4,485.72, reserves of EUR 20,301.75, social fund EUR 455.72 and promotion fund EUR 787.18; 15.825% German source tax had to be withheld thereof and to be paid to the tax office.

(3) GWFF Gesellschaft zur Wahrnehmung von Film- und Fernsehrechten mbH, Munich: amounts paid

The U.S. Guilds (Guild of Directors and Guild of Writers) have transferred their copyright remuneration claims also with respect to the cable retransmission rights to the collecting society GWFF for administration. The Company administers the claims from cable retransmission within Germany on behalf of GWFF.

In the fiscal year 2016, the Company has paid the claims of the Guilds from cable retransmission Germany for the broadcasting year 2015 and from late claims/solved double registrations in the amount of EUR 5,455,265.65 without deduction of costs or other deductions to GWFF which pays this remuneration to the Guilds after deduction of costs.



(4) Other collecting societies: amounts paid

Moreover, the Company has paid remuneration for cable retransmission Germany to the following collecting societies in the fiscal year 2016:

	Payment ¹⁾	Costs	Reserve	Social Fund	Promotion Fund
ANGOA, France	984.194,36	34.370,51	151.127,05	22.268,37	38.294,16
AV-TUOTTAJEN, Finland	1.036,39	29,67	142,57	3,94	6,36
BAVP, Belgium	2.506,96	84,63	356,71	55,90	93,59
EGEDA, Spain	34.825,52	1.395,26	4.608,05	144,92	311,12
FRF, Sweden	438.629,66	14.094,08	64.024,72	3.711,96	6.193,39
Screenrights, Australia	69.290,84	2.212,51	9.683,28	393,26	647,19
Suissimage, Switzerland	142.152,35	4.303,42	20.660,88	1.429,36	2.321,10
VAM, Austria	985.831,88	25.347,91	131.063,71	652,97	1.177,05
VGf, Germany	28.435,44	1.080,47	3.855,11	97,12	205,01
ZAPA, Poland	5.335,14	141,48	677,68	39,59	64,07

¹⁾ if applicable: amounts before deduction of taxes at source according to Section 50a EStG (German income tax act) as well as without VAT

I. SOCIAL AND CULTURAL PROMOTION

The Company is obligated pursuant to Section 32 VGG [*German Collecting Societies Act*] and according to the Statutes and the Distribution Plan of the Company to allocate amounts to the social fund and the promotion fund.

Social fund pursuant to Part I Article 2 II. of the Distribution Plan:

An amount equal to 3% of the amount to be distributed for the respective broadcasting year must be added to the social fund.

Promotion fund pursuant to Part I Article 2 III. of the Distribution Plan:

An amount equal to 5% of the distribution amount for the respective broadcasting year remaining after the addition to the social fund must be transferred to the promotion fund. Culturally important works or performances, in particular in the audio-visual area, as well as talented producers and directors in the film and television industry are to be promoted by the promotion fund.

In view of the high amounts cumulated from preceding years, it has been decided at the shareholders' meeting and at the advisory board meeting of September 13, 2016 each, to reduce the two funds and to add the withdrawn amounts to the distribution for the broadcasting year 2015.

The development of the social fund and the promotion fund is shown in the Table in H.III.e).

I. Social fund

In accordance with the resolution of the shareholders and the advisory board of September 13, 2016, no amount equal to 3% has been deducted for the social fund within the framework of the settlement run made in the fiscal year 2016 for the broadcasting year 2015.

It has also been decided that an amount of EUR 2,000,000 of the social fund will be released and be distributed together with the payment for the broadcasting year 2015.

II. Promotion fund

Likewise, no amount equal to 5% has been deducted for the promotion fund within the framework of the settlement run in the fiscal year 2016 for the broadcasting year 2015 in accordance with the resolution of the shareholders and the advisory board of September 13, 2016.

It has been decided at the same time that an amount of EUR 1,500,000 of the promotion fund will be released and be distributed together with the payment for the broadcasting year 2015.

In the fiscal year 2016, an amount of EUR 518,875.94 has been used for the promotion of AGICOA Geneva to extend the collection of copyright remuneration claims for cable re-transmission in European countries, especially Eastern Europe (solidarity contribution).



Anlagen (German)

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Anlage 1: Abkürzungsverzeichnis (German)

Abs.	Absatz
ADSL	Asymmetric Digital Subscriber Line
AG	Aktiengesellschaft
AGICOA GmbH	AGICOA Urheberrechtsschutz-Gesellschaft mbH, München
AGICOA Genf	AGICOA Association de Gestion Internationale Collective des Oeuvres Audiovisuelles, Genf, Schweiz
AKM	Staatliche genehmigte Gesellschaft der Autoren, Komponisten und Musikverleger registrierte Genossenschaft mbH, Wien, Österreich
ANGA	Verband Privater Kabelnetzbetreiber e.V., Berlin
ANGOA	französische Verwertungsgesellschaft
ARD	Arbeitsgemeinschaft der öffentlich-rechtlichen Rundfunkanstalten der Bundesrepublik Deutschland
ARGE Kabel	Arbeitsgemeinschaft Kabel
AV-TUATTAJEN	finnische Verwertungsgesellschaft
BAVP	belgische Verwertungsgesellschaft
BGB	Bürgerliches Gesetzbuch
BGH	Bundesgerichtshof
BilMoG	Bilanzrechtsmodernisierungsgesetz
BilRuG	Bilanzrichtlinie-Umsetzungsgesetz
bzw.	beziehungsweise
CAB	Dänische Verwertungsgesellschaft der Filmproduzenten im Bereich Weitersendung
d. h.	das heißt
DATEV	DATEV eG, Nürnberg
DHL	DHL International GmbH
DM	Deutsche Mark (Währung)
Dr.	Doktor (Titel)
DRS	Deutscher Rechnungslegungs Standard
EGEDA	spanische Verwertungsgesellschaft
EStG	Einkommensteuergesetz
etc.	etcetera
EU	Europäische Union
EuGH	Europäischer Gerichtshof
EUR	Euro (Währung)
EZB	Europäische Zentralbank
ff.	fortfolgende
FRF	schwedische Verwertungsgesellschaft
FRK	FRK Fachverband für Rundfunkempfangs- und Kabelanlagen, Lauchhammer



GdW	GdW Bundesverband deutscher Wohnungs- und Immobilienunternehmen, Berlin
GEMA	Gesellschaft für musikalische Aufführungs- und mechanische Vervielfältigungsrechte, Berlin
GmbH	Gesellschaft mit beschränkter Haftung
GÜFA	Gesellschaft zur Übernahme und Wahrnehmung von Filmaufführungsrechten mbH, Düsseldorf
GVL	Gesellschaft zur Verwertung von Leistungsschutzrechten mbH, Hamburg
GWFF	GWFF Gesellschaft zur Wahrnehmung von Film- und Fernsehrechten mbH, München
HGB	Handelsgesetzbuch
HRB	Handelsregister Abteilung B
IDW	Institut der Wirtschaftsprüfer in Deutschland e.V.
IPTV	Internet Protocol Television
i. H. v.	in Höhe von
i. Vj.	im Vorjahr
Kto.-Nr.	Kontonummer
LLP	Limited Liability Partnership
lfd.	laufendes
Magine- und Couchfunk	Magine Germany GmbH, Berlin-Mitte (TV Live Stream übers Internet)
Mio.	Million/en
MPAA	Motion Picture Association of America, Washington, D.C. USA (Verband der sechs großen amerikanischen Filmproduktionsgesellschaften)
mbH	mit beschränkter Haftung
NetPVR	netzwerkbasierter persönlicher Videorecorder (network based personal video recorder)
Nr.	Nummer
o. g.	oben genannt
p. a.	per annum (pro Jahr)
Prof.	Professor (Titel)
S.	Satz (in Verbindung mit Gesetzesverweisen)
Screenrights	australische Verwertungsgesellschaft
sog.	sogenannte
Suissimage	schweizerische Verwertungsgesellschaft
Telekom	Telekom Deutschland GmbH, Bonn
TEUR	Tausend Euro (Währung)
TV-Everywhere	mobiler Zugriff über z.B. Netzwerk-Websites oder Apps auf Fernsehsehungen
TWF	Treuhandgesellschaft Werbefilm mbH, München
u. Ä.	und Ähnliches
UPS	United Parcel Service



UrhG	Urheberrechtsgesetz
UrhWG	Urheberrechtswahrnehmungsgesetz
UrhWissG	Urheberrechts-Wissensgesellschafts-Gesetz
USA	United States of America
UStDV	Verordnung zur Durchführung des Umsatzsteuergesetzes
UStG	Umsatzsteuergesetz
VAM	österreichische Verwertungsgesellschaft
VFF	Verwertungsgesellschaft der Film- und Fernsehproduzenten mbH, München
VG Bild-Kunst	Verwertungsgesellschaft Bild-Kunst, Bonn
VGf	Verwertungsgesellschaft für Nutzungsrechte an Filmwerken mbH, Wiesbaden
VGG	Verwertungsgesellschaftengesetz
vgl.	vergleiche
VG Wort	Verwertungsgesellschaft WORT, vereinigt mit der Verwertungsgesellschaft Wissenschaft, München
Vodafone	Vodafone Kabel Deutschland GmbH, Unterföhring
WEG	Wohnungseigentümergeinschaft
Zattoo	Zattoo Europa AG, Zürich, Schweiz
ZAPA	polnische Verwertungsgesellschaft
z. B.	zum Beispiel
z.T.	zum Teil
ZDF	Zweites Deutsche Fernsehen, Mainz
Zürs.net	Zürs.net Betriebs GmbH, Zürs, Österreich
ZWF	Zentralstelle für Wiedergabe von Fernsehsendungen

Anlage 2: Bescheinigung des Abschlussprüfers zum Transparenzbericht (German)

An die **AGICOA Urheberrechtsschutz GmbH**, München
(vormals: AGICOA Urheberrechtsschutz-Gesellschaft mbH)

Gemäß § 58 Abs. 3 VGG haben wir die in dem jährlichen Transparenzbericht der AGICOA Urheberrechtsschutz GmbH (vormals: AGICOA Urheberrechtsschutz-Gesellschaft mbH), München, enthaltenen Finanzinformationen nach Nummer 1 Buchstabe g der Anlage zu § 58 Abs. 2 Verwertungsgesellschaftengesetz (VGG) sowie den gesonderten Bericht nach Nummer 1 Buchstabe h der Anlage zu § 58 Abs. 2 VGG für den Zeitraum vom 1. Januar 2016 bis 31. Dezember 2016 einer prüferischen Durchsicht unterzogen. Die Aufstellung des jährlichen Transparenzberichts nach den Vorschriften des VGG liegt in der Verantwortung der gesetzlichen Vertreter der Gesellschaft. Unsere Aufgabe ist es, eine Bescheinigung zu den in dem jährlichen Transparenzbericht enthaltenen Finanzinformationen nach Nummer 1 Buchstabe g der Anlage zu § 58 Abs. 2 VGG sowie dem gesonderten Bericht nach Nummer 1 Buchstabe h der Anlage zu § 58 Abs. 2 VGG auf der Grundlage unserer prüferischen Durchsicht abzugeben.

Wir haben die prüferische Durchsicht der in dem jährlichen Transparenzbericht enthaltenen Finanzinformationen nach Nummer 1 Buchstabe g der Anlage zu § 58 Abs. 2 VGG sowie des gesonderten Berichts nach Nummer 1 Buchstabe h der Anlage zu § 58 Abs. 2 VGG unter Beachtung der vom Institut der Wirtschaftsprüfer (IDW) festgestellten deutschen Grundsätze für die prüferische Durchsicht von Abschlüssen vorgenommen. Danach ist die prüferische Durchsicht so zu planen und durchzuführen, dass wir bei kritischer Würdigung mit einer gewissen Sicherheit ausschließen können, dass die in dem jährlichen Transparenzbericht enthaltenen Finanzinformationen nach Nummer 1 Buchstabe g der Anlage zu § 58 Abs. 2 VGG oder der gesonderte Bericht nach Nummer 1 Buchstabe h der Anlage zu § 58 Abs. 2 VGG in wesentlichen Belangen nicht in Übereinstimmung mit den in der Anlage zu § 58 Abs. 2 VGG enthaltenen Vorschriften aufgestellt wurden. Eine prüferische Durchsicht beschränkt sich in erster Linie auf Befragungen von Mitarbeitern der Gesellschaft und auf analytische Beurteilungen und bietet deshalb nicht die durch eine Prüfung erreichbare Sicherheit.

Auf der Grundlage unserer prüferischen Durchsicht sind uns keine Sachverhalte bekannt geworden, die uns zu der Annahme veranlassen, dass die in dem jährlichen Transparenzbericht enthaltenen Finanzinformationen nach Nummer 1 Buchstabe g der Anlage zu § 58 Abs. 2 VGG oder der gesonderte Bericht nach Nummer 1 Buchstabe h der Anlage zu § 58 Abs. 2 VGG in wesentlichen Belangen nicht in Übereinstimmung mit den Vorschriften der Anlage zu § 58 Abs. 2 VGG aufgestellt wurden.



Dem Auftrag, in dessen Erfüllung wir vorstehend benannte Leistungen für die AGICOA Urheberrechtsschutz GmbH (vormals: AGICOA Urheberrechtsschutz-Gesellschaft mbH) erbracht haben, lagen die Allgemeinen Auftragsbedingungen für Wirtschaftsprüfer und Wirtschaftsprüfungsgesellschaften in der vom Institut der Wirtschaftsprüfer e.V. herausgegebenen Fassung vom 1. Januar 2017 zugrunde. Durch Kenntnisnahme und Nutzung der in dieser Bescheinigung enthaltenen Informationen bestätigt der jeweilige Empfänger, die dort getroffenen Regelungen (einschließlich der Haftungsregelungen unter Nr. 9 dieser Allgemeinen Auftragsbedingungen sowie der Regelungen im Verhältnis zu Dritten gemäß Nr. 1 Abs. 2 der Allgemeinen Auftragsbedingungen) zur Kenntnis genommen zu haben und erkennt deren Geltung im Verhältnis zu uns an.

Lindau, den 25. August 2017

BAY GmbH
Wirtschaftsprüfungsgesellschaft
Rechtsanwaltsgesellschaft

Karl-Christian Bay
Wirtschaftsprüfer