

General Policy of AGICOA GmbH regarding the Deduction of Administrative Costs (Section 31(2) VGG [*German Collecting Societies Act*])

(Version September 30, 2016)

1. Administrative costs are all justified and documented administrative costs accruing for the rights administration in the course of business. They also include depreciation on tangible and intangible assets serving the business operation.
2. The revenues of the Company are subject to deduction of the budgeted administrative costs in the year of distribution to the entitled persons. As far as the budgeted administrative costs are insufficient to cover the actual costs in any distribution year, the difference shall be taken from the working capital reserve (WCR) set aside by the Company. If the budgeted administrative costs result in amounts exceeding the actual costs in the year of distribution, the difference shall be added to the WCR. In the event that the WCR covers more than the budgeted administrative costs of the preceding 24 months, the excess amount shall be added and distributed to the entitled persons within the next distribution.
3. Any amendment to this General Policy shall require the consent of the shareholders' meeting and of the advisory board.