

# Production Company Primary Exploitation Licence Agreement

NAME OF LICENSEE	("the Licensee")
REGISTERED ADDRESS OF LICENSEE	
COMMENCEMENT OF AGREEMENT	("the Commencement Date")
END DATE OF AGREEMENT	("the End Date") (subject to the terms of Annex A/B)

The terms of this Agreement are contained in the attached Annexes A, B, C and D

**Signed by an authorised signatory for and on behalf of the Licensee:**

\_\_\_\_\_ **Date:** \_\_\_\_\_

**Signed by an authorised signatory for and on behalf of the Mechanical-Copyright Protection Society Ireland Limited ("MCPSI"), contracting for and on behalf and as agent of its associated societies:**

\_\_\_\_\_ **Date:** \_\_\_\_\_

**ANNEX A**

**SPECIAL CONDITIONS**

***[This section can be used for:***

***(i) Details of any deposit paid by the Licensee and how it will be held (e.g. until the end of the Term in an interest-bearing account); or***

***(ii) Variations to the standard Terms and Conditions***

***(iii) Provisions relating to a Licensee that is a holding company which amend clause 10.1 to permit 100% owned subsidiary companies to benefit from the licences granted under the Agreement, subject to the Licensee taking on full liability for performance of the obligations under the Agreement and for any breach of the terms and conditions]***

## **ANNEX B**

### **STANDARD TERMS AND CONDITIONS**

#### **1. Definitions**

- “Agreement”** means this licence agreement.
- “Authorised Exploitation”** means:
- (a) the broadcast of the relevant Programme on the Television Channel in the Territory; and
  - (b) the making available in the Republic of Ireland of each episode of the Programme during a 30 day window before and a 30 day window after the date of first broadcast of the episode; and
- the making available in the Republic of Ireland of all episodes of the Programme during a 30 day window after the date of first broadcast of the final episode of the relevant Programme.
- “broadcast” or “broadcasting”** shall have the meaning means an electronic transmission of visual images, sounds or other information which (a) is transmitted for simultaneous reception by members of the public and is capable of being lawfully received by them, or
- (b) is transmitted at a time determined solely by the person making the transmission for presentation to members of the public and which is not excepted as provided for at subclause 1 below and references to “broadcasting” shall be construed accordingly.
1. Excepted from the definition of “broadcast” is any internet transmission unless it is:
- (i) a transmission taking place simultaneously on the internet and by other means;
  - (ii) a transmission of recorded moving images or sounds forming part of a programme service offered by the person responsible for making the transmission, being a service in which programmes are transmitted at scheduled times determined by that person

<b>“Commercial Work”</b>	means each Musical Work the copyright in which is owned or controlled in the United Kingdom and the Republic of Ireland by MCPSI (or an MCPSI member or an affiliated society or an affiliated society member) but excluding Production Music Works.
<b>“Delivery Date”</b>	means, in relation to a Programme, the date of delivery of the final version of the Programme to the Television Channel, or where the Programme consists of a series of episodes, delivery of the final episode.
<b>“Making available”</b>	shall have the meaning ascribed thereto in section 40(1)(a) of the Copyright and Related Rights Act as amended.
<b>“MCPS”</b>	shall mean the Mechanical Copyright Protection Society Limited of 29-33 Berners Street London W1T 3AB.
<b>“Music Programme”</b>	<p>means a programme where the musical audio material and/or audio-visual material with a musical soundtrack is the primary theme and not merely secondary or incidental to the storyline or documentary material featured in the programme. A “Music Programme” includes but is not limited to the following (including any combination thereof):</p> <p>A programme which consists of:</p> <ul style="list-style-type: none"> <li>(a) one or more audio-visual live music performances by an artist, a group or a number of artists and/or groups;</li> <li>(b) an audio-visual documentary where the featured subject matter is one or more music artists, groups, songwriters or composers or a musical style or genre;</li> <li>(c) one or more promotional audio-visual productions which have a music sound recording as their main element;</li> <li>(d) audio-visual programming which has music as its primary theme, including, without limitation, archive collections of previously exploited television material;</li> <li>(e) an audio-visual recording of a music award event.</li> </ul>
<b>“Musical Work”</b>	means any work consisting of music and any lyrics or words written to be used with the music (if applicable). It includes any part of such a work.

<b>“PMSR”</b>	means any production music sound recording being a sound recording (as opposed to a Musical Work) the copyright in which is owned or controlled in the United Kingdom and the Republic of Ireland by MCPSI or any member (or any affiliated society or affiliated society member) and where such party has authorised MCPSI to license such recordings as so-called production or library music.
<b>“Production Music”</b>	means Production Music Works and PMSRs.
<b>“Production Music Rate Card”</b>	means for any Programme delivered to the Television Channel after 31 July 2010, the MCPSI production music rate card currently in force on the date of first broadcast of the first episode of the Programme  The current MCPSI production music rate card is available upon request from <a href="mailto:mcps.licensing@imro.ie">mcps.licensing@imro.ie</a>
<b>“Production Music Work”</b>	means any Musical Work: <ul style="list-style-type: none"> <li>(a) embodied on a PMSR; and</li> <li>(b) the copyright in which is owned or controlled in the United Kingdom and the Republic of Ireland by MCPSI (or an MCPSI member or an affiliated society or an affiliated society member).</li> </ul>
<b>“Programme”</b>	means a programme or series of episodes of a programme produced by the Licensee that is not a Music Programme.
<b>“Programme Related Material”</b>	means, in relation to a Programme, a piece of ancillary audio-visual material that is connected to a Programme and is created by the Licensee at the time of production of that Programme, including Re-versions. By means of example only, this may be ‘backstage footage’ or a ‘best-of’ or highlights programme.
<b>“Re-version”</b>	means a piece of audio-visual material that is produced by editing the content of a Programme into a different form. Re-versions will comprise substantially the same content as was contained in the original Programme, but may include some new content, provided that it is related to the original content.
<b>“Repertoire Work”</b>	means Commercial Works, Production Music Works and PMSRs, but excludes (i) any musical work forming part of a dramatico-musical work and (ii) commissioned music (i.e. Musical Works specially commissioned from MCPS composer/writer members).
<b>“Sponsorship Message”</b>	means any item which includes a specific audio and/or visual reference to a Programme sponsor.

<b>“Television Channel”</b>	means, in respect of the relevant Programme, the television channel in respect of which such Programme has been commissioned or, where the Programme is a licence fee secured programme, the channel which has secured the right of first broadcast in the Republic of Ireland.
<b>“Term”</b>	means the period starting on the Commencement Date and ending on the End Date or any earlier termination of the Agreement in accordance with clause 9.
<b>“Territory”</b>	means Ireland (commonly known as the Republic of Ireland and Northern Ireland in respect only of simultaneous retransmission of public service channels from Ireland in Northern Ireland only.)
<b>“Use”</b>	means each unit of 30 seconds (or part thereof) of a Repertoire Work which is included in an episode of the Programme. Each inclusion of a Repertoire Work (or part thereof) shall constitute a separate Use (although the inclusion of a Production Music Work and the PMSR on which it is embodied shall together constitute only one Use), even if the duration of such use is less than 30 seconds. All copies of Repertoire Works including those which might constitute acts of copying permitted under Part II of the Copyright and Related Rights Act 2000 shall be included when calculating the number of Uses under this Agreement.

## 2. Rights Licensed

2.1 Subject to the terms and conditions set out in this Agreement, MCPSI hereby grants to the Licensee a non-exclusive licence during the Term to:

- (a) reproduce (including by way of synchronisation) Repertoire Works in the Territory into Programmes solely for the purpose of the Authorised Exploitation; and
- (b) reproduce (including by way of synchronisation) Repertoire Works in the Republic of Ireland into Programme Related Material solely for the purpose of supplying such Programme Related Material to a third party (or for retaining the material itself) for online and mobile exploitation.

Any copying of Repertoire Works for purposes beyond those set out in (a) and (b) above is not licensed under this Agreement.

## 3. Extent of the Licence

3.1 This Agreement does not extend to or permit the inclusion of any adaptation of any Repertoire Work in an episode of the Programme unless the relevant MCPSI member has expressly consented thereto for the purposes of the Agreement. By way of example only, this applies to:

- (a) making any arrangement of the music; or

- (b) making any alteration to the lyrics, save for any minor change which does not alter the meaning thereof; or
- (c) any sampling (as that expression is commonly used in the music industry) of the music and/or lyrics or
- (d) reproduction in the form of a sample of the music and/or lyrics; or
- (e) using with music lyrics other than those written to be used with the music or authorised for use with the music; or
- (f) using with lyrics music other than that written to be used with the lyrics or authorised for use with the lyrics.

3.2 The Agreement does not extend to the reproduction of any Commercial Work:

- (a) in the form of a parody, pastiche or burlesque of any Commercial Work or of any composer or writer of any Commercial Work or any band or other group of artists which includes any composer or writer of any Commercial Work; or
- (b) where there is a derogatory, facetious, obscene or demeaning reference to the Commercial Work, its composer(s) and author(s) or the performing artist; or
- (c) without prejudice to clauses 3.3 and 3.4 below, in any manner which is likely to or causes the public to believe that the Commercial Work (or the composer(s) thereof) is endorsing or promoting any product or service, or the views expressed in the Programme.

Whether a use of a Commercial Work breaches this clause 3.2 shall be decided by MCPSI in its reasonable discretion.

3.3 For the avoidance of doubt, the licences granted under this Agreement do not cover the use of any Repertoire Work with any advertising where:

- (a) such Repertoire Work is incorporated into such advertising; or
- (b) such Repertoire Work is otherwise presented in such a way that a reasonable person might associate the Repertoire Work with the advertising.

3.4 The licences granted under this Agreement do not cover the use of any Commercial Work with any Sponsorship message where:

- (a) such Commercial Work is incorporated into such Sponsorship Message; or
- (b) such Commercial Work is otherwise presented in such a way that a reasonable person might associate the Commercial Work with the Sponsorship Message.

3.5 The use of any Commercial Work in title and/or credit sequences is excluded from

this Agreement. Commercial Works for use in title and/or credit sequences must be licensed in advance individually with the copyright owner or via MCPSI.

- 3.6 The licences granted under this Agreement do not cover the use of any Repertoire Work in a Programme or a Music Programme which has a Delivery Date after the end of the Term
- 3.7 All rights not specifically granted under this Agreement are hereby reserved, and the parties hereby agree that no implied licences are to be construed hereunder.
- 3.8 The acts of broadcasting and making available of Repertoire Works within the Programme and within Programme Related Material are not licensed hereunder.
- 3.9 The provisions of this Agreement authorise the making of the Programme for the Authorised Exploitation only. In the event that a copy of the Programme or the soundtrack thereof is made or used in any way for any other purpose (including, without limitation, retail sale, rental and/or lending, cinematic performance) whether by any party to this Agreement or any other party then that copy shall not be licensed under this Agreement. MCPSI reserves all rights including those of the members of MCPS and the affiliated societies and the affiliated society members to take action in relation to any such copy.
- 3.10 This Agreement only covers Repertoire Works. It does not extend to other rights or interests, including (by way of example only), sound recordings other than PMSRs, films, dramatic works, performers' rights, moral rights or rights in performances. MCPSI, for and on behalf of MCPS and its members, warrants that all the necessary performers' waivers and consents have been obtained from the relevant performers insofar as their performances are embodied on PMSRs.
- 3.11 It is the responsibility of the Licensee to obtain all necessary licences in relation to any Musical Work (or part thereof) which is not a Repertoire Work, and nothing in this Agreement applies in relation to any such Musical Work or sound recording or film producing any such Musical Work.
- 3.12 Nothing in this Agreement affects the moral rights of authors of Repertoire Works whether subsisting in the Republic of Ireland or any other territory.

#### **4. Licence Fees – Commercial Works**

In respect of Commercial Works, the Licensee shall pay to MCPSI the licence fees set out in Annex C of this Agreement. These licence fees and the associated exploitation of Repertoire Works are offered by MCPSI on a strictly non-precedential basis and shall be subject to review upon expiry or termination of this Agreement.

#### **5. Licence Fees – Production Music**

In respect of Production Music, the Licensee shall pay to MCPSI the licence fees set out in Annex D of this Agreement.

#### **6. Payment**



- 6.1 All payments and sums referred to in this Agreement are subject to VAT.
- 6.2 MCPSI will issue invoices as set out in Annexes C and D to this Agreement. All invoices are due for payment in full within 28 days of the date of issue (“the Due Date”).
- 6.3 Without imposing any obligation on MCPSI to accept late payment and without prejudice to any rights and remedies MCPSI may have by virtue of any failure of the Licensee to pay the licence fees specified in this Agreement by the Due Date, MCPSI will be entitled to charge interest on the licence fees from the Due Dates at 3% above the Allied Irish Bank plc base rate. MCPSI shall in addition be entitled to charge interest at the same rate where payment is later than it would otherwise be as a result of the Licensee failing to deliver full and accurate reporting information in accordance with the timescales set out in clause 7 below.

## **7. Reporting**

- 7.1 In respect of the licence granted under clause 2.1(a) above the Licensee shall supply to MCPSI within 14 days (or within 28 days, where this is agreed in advance by MCPSI) of the Delivery Date full and accurate details of all Repertoire Works copied into each episode of a Programme and the name of the television channel on which the Programme is to be (or has been) first broadcast.

The Licensee’s reports must be in the format attached at Schedule 1 or such alternative format which the Licensee uses to report to broadcasters, provided that:

- (a) such format complies with MCPSI’ reasonable requirements; and
  - (b) it contains all the information that MCPSI requires (as set out in Schedule 1).
- 7.2 In respect of the licence granted under clause 2.1(b) above, the Licensee shall supply to MCPSI full and accurate details of all Repertoire Works copied into each piece of Programme Related Material 14 days (or within 28 days, where this is agreed in advance by MCPSI) from the date that such material is made available to the public for the first time. The Licensee’s reports must be in the format attached at Schedule 1.
- 7.3 The Licensee shall also supply MCPSI with any further information or documentation in its possession, power, custody or control (and will supply MCPSI with reasonable assistance to obtain any further information or documentation not in its possession, power, custody or control) reasonably requested by MCPSI at any time, in order to enable MCPSI to verify the Musical Works which are contained with a Programme or to verify that the Licensee is abiding by the terms and conditions of this Agreement.
- 7.4 MCPSI reserves the right to charge additional royalty fees in respect of those Uses of Repertoire Works which are reported inaccurately to MCPSI. Furthermore, MCPSI shall be entitled to charge royalty fees on any Uses of Repertoire Works that are not initially reported by the Licensee (when reporting is delivered for a Programme) but are subsequently identified, as well as those Uses that cannot be identified as

Repertoire Works at the time that reporting is initially processed by MCPSI but are subsequently found to be Repertoire Works. The royalty fee charged per additional Use identified will be based on the Use fees referred to in Annexes C and D. MCPSI shall in addition have the right to charge interest at 3% above the Allied Irish Bank plc base rate.

- 7.7 In order to facilitate the preparation of reporting, MCPSI will (upon request) grant the Licensee access to its online works database(s), subject to the Licensee's acceptance of MCPSI' standard terms and conditions of access. For the avoidance of doubt, should MCPSI withdraw access to such a database or should a database become unavailable (whether temporarily or permanently) for any reason, this shall in no way affect the obligations of the Licensee to deliver full, accurate and timely reporting as set out in this clause 7.
- 7.8 The Licensee shall supply to MCPSI throughout the Term a fully completed notification form (in the form set out in Schedule 2) for each new Programme within 14 days of being commissioned to produce the Programme (or within 14 days of the Licensee commencing production, if the Programme has not been commissioned) and shall notify MCPSI in writing immediately should any information contained on the notification form change at any time subsequently, including but not limited to the Programme title and scheduled Delivery Date.
- 7.9 Upon request, the Licensee shall supply to MCPSI a copy of any Programme (or episode of a Programme) produced by it under this Agreement within 7 days of such a request following the Delivery Date, in order that MCPSI may confirm that the Licensee is complying with the terms and conditions of this Agreement.

## **8. Auditing**

- 8.1 The Licensee shall keep and make available for inspection upon reasonable notice, both during and for twelve months after termination of this Agreement, proper, detailed books and records relating to (a) the use of all Musical Works in Programmes, together with any supporting documentation relating thereto.
- 8.2 For the purposes of this clause 8, the Licensee shall allow upon reasonable notice access to its premises to inspect accounting and reporting records, but not more than once per annum. The duly authorised representatives of MCPSI shall be entitled to inspect, make extracts and take copies of any of the information and/or documentation available and to carry out such work as is, in their reasonable opinion, considered necessary to verify compliance with the provisions of this Agreement.
- 8.3 If tests under any audit and verification process indicate under-payment of the correct licence fees during the period for which monitoring has been carried out by or on behalf of MCPSI, then, without prejudice to MCPSI' other rights under this Agreement, the Licensee shall pay the amount of the underpayment plus interest based on the period from which the correct fee should have been paid to MCPSI to the date when it was actually paid (at the rate of 3% over the base rate current from time to time of Bank of Ireland).
- 8.4 If any audit and verification process discloses (a) under-payment of more than 7.5%

of the correct licence fees during the period for which monitoring has been carried out by or on behalf of MCPSI and/or (b) failures to report correctly amounting to at least 7.5% of the music usage during the period monitored by or on behalf of MCPSI, then, without prejudice to MCPSI' other rights under this Agreement, the Licensee shall pay, in addition to the payment referred to in clause 8.3, MCPSI' reasonable costs of such audit and verification within 28 days of receipt of MCPSI' VAT invoice therefore.

8.5 For the avoidance of doubt, books, records and accounting records as referred to in clauses 8.1 and 8.2 above shall be deemed to include data, information and records held on computers.

## **9. Termination of Agreement**

9.1 Either party shall have the right to terminate this Agreement immediately by notice to the other party if:

- (a) the other commits a material breach of this Agreement which is not capable of remedy; or
- (b) the other commits a material breach of this Agreement which is capable of remedy but which has not been so remedied within 14 days of notice thereof;
- (c) the other is dissolved, becomes insolvent or otherwise unable to pay its debts, ceases to trade, has a trustee, administrator or receiver appointed, has a resolution passed for its winding up or liquidation or makes a general assignment, arrangement or composition with or for the benefit of its creditors.

9.2 Where MCPSI terminates this Agreement as a result of the non-payment of licence fees by the Licensee, any episode(s) of a Programme made during the period in which the licence fees were unpaid (whether in full or in part) shall be deemed to be unlicensed.

9.3 Any breach of clause 3.2 of this Agreement shall be deemed to be a material breach incapable of remedy for the purposes of clause 9.1(a). In the case of termination in these circumstances, the licence granted under this Agreement shall not apply to the episode(s) of the Programme containing the material which breached clause 3.2 (as well as any episode made after the date of termination).

9.4 For the avoidance of doubt, any exploitation of Repertoire Works by the Licensee following termination of this Agreement will be unlicensed.

## **10. Other**

10.1 Other than as set out herein, this Agreement is personal and the Licensee shall not assign, sub-contract or otherwise transfer this Agreement or any of its rights or obligations under this Agreement in whole or in part without the prior written consent of MCPSI, not to be unreasonably withheld or delayed.

- 10.2 The Licensee acknowledges that this is a 'blanket' licence agreement, and that for both parties to take advantage of the administrative simplicity of such a licence, the mechanism for calculating the licence fees must take account of all copying of Repertoire Works, including where some such copying might fall within one of the exceptions set out in Part II Chapter III of the Copyright and Related Rights Act 2000 as amended.
- 10.3 No delay or omission in exercising any right or remedy hereunder shall operate as a waiver thereof or of any other right or remedy and no single or partial exercise thereof shall preclude any other or further exercise of any other rights and remedies.
- 10.4 No waiver shall be binding or effectual unless expressed in writing and signed by the party giving it and such waiver shall be effective only in the specific instance and for the purpose given.
- 10.5 If this Agreement creates any rights which would in the absence of this provision be enforceable by any person not a party to this Agreement, such rights shall not be enforceable.
- 10.6 This Agreement shall be construed in accordance with the laws of Ireland and the parties submit to the exclusive jurisdiction of the Irish courts.

#### **ANNEX C**

##### **COMMERCIAL MUSIC – LICENCE FEES**

The licence fees for Commercial Music shall be calculated on a per-Programme basis, as follows:

1. Where a Programme consists of a single episode, once reporting has been received for that Programme in accordance with clause 7.1 or 7.2 (as applicable), it will be analysed by MCPSI and the Commercial Music licence fees will be calculated based on the fees per Use listed in the table below. MCPSI will then send the Licensee an invoice for the licence fee. Where a Programme consists of a number of episodes, then invoicing shall take place monthly or quarterly (at MCPSI' discretion) and there shall be no obligation on MCPSI to wait until reporting all episodes have been delivered before it starts to invoice the Licensee.

## Commercial Music Rate Card

2. In respect of the licence granted under clause 2.1(a) of this Agreement, the total number of Uses in the Programme shall be calculated and multiplied by the appropriate Use rate. The resulting licence fee covers the supply of the Programme by the Licensee to the Television Channel for an initial number of broadcasts (together with the making available of the Programme on-demand, as detailed in the definition of Authorised Exploitation), as indicated. Where the Television Channel wishes to undertake additional broadcasts over and above

Channel	Commercial Music Rates per 30 secs	
		Rate
RTE		€ 90.00
TnG		€ 45.00
TV3		€ 60.00
3e		€ 45.00
Local TV Stations		€ 30.00

this allowance, the Licensee shall pay an additional licence fee in respect of each such broadcast, based on the 'additional broadcast' Use rate set out above.

3. Where the Television Channel wishes to undertake additional broadcasts over and above those covered by any licence fees that MCPSI has already invoiced, the Licensee shall notify MCPSI in writing as soon as it receives notice of the additional broadcasts itself so that MCPSI may calculate the additional licence fees due and invoice the Licensee accordingly. For the avoidance of doubt (and without prejudice to MCPSI' rights under this Agreement), nothing in this clause shall prevent MCPSI from issuing invoices earlier should it become aware of additional broadcasts prior to receiving written notification of them from the Licensee.
4. In respect of the licence granted under clause 2.1(b) of this Agreement, the

Licensee shall pay a one-off fee to MCPSI for each piece of Programme Related Material, based on the number of Uses of Commercial Works in the Programme Related Material multiplied by the Use rate set out above. This fee shall become due once the piece of Programme Related Material is made available to the public for the first time. Once the Licensee has reported to MCPSI in accordance with clause 7.3 above, MCPSI will invoice the Licensee for the relevant amount.

5. The Licensee acknowledges that MCPSI may not be able to identify all Uses of Commercial Works at the time that it initially receives reporting for a Programme from the Licensee. MCPSI shall be entitled to reprocess reporting at later dates and where Uses of Commercial Works are identified that have not previously been invoiced, to raise an invoice for the relevant licence fee, which the Licensee shall pay in accordance with clause 6.2.

## **ANNEX D**

### **PRODUCTION MUSIC – LICENCE FEES**

The licence fees for Production Music shall be calculated on a per-Programme basis, as follows:

1. Where a Programme consists of a single episode, once reporting has been received for that Programme, in accordance with clause 7. it will be analysed by MCPSI and the Production Music licence fees will be calculated based on the fees per Use listed in the Production Music Rate Card [www.mcps.ie](http://www.mcps.ie) and is attached. MCPSI will then send the Licensee an invoice for the licence fee. Where a Programme consists of a number of episodes, then invoicing shall take place monthly or quarterly (at MCPSI' discretion) and there shall be no obligation on MCPSI to wait until reporting all episodes have been delivered before it starts to invoice the Licensee.
2. In respect of the licence granted under clause 2.1(a) of this Agreement, the total number of Uses in the Programme shall be calculated and multiplied by the appropriate Use rate. The resulting licence fee covers the supply of the Programme to the Television Channel for an unlimited number of broadcasts.
3. Where the Television Channel of a Programme is in category T2 (as set out in the Production Music Rate Card), and the relevant Programme is subsequently broadcast on a category T1 television channel, the Production Music licence fees will be calculated based on the fees per Use listed in the Production Music Rate Card
4. In respect of the licence granted under clause 2.1(b) of this Agreement, the Licensee shall pay a one-off fee to MCPSI for each piece of Programme Related Material, based on the number of Uses of Production Music Works in the Programme Related Material multiplied by the Use rate set out in the Production Music Rate Card. This fee shall become due once the piece of Programme Related Material is made available to the public for the first time. Once the Licensee has reported to MCPSI in accordance with clause 7.3 above, MCPSI will invoice the Licensee for the relevant amount.
5. MCPSI will aggregate durations of the same Production Music Work contained in a single episode of a Programme and shall apply the relevant Use rate to the total aggregated duration of that Production Music Work when calculating licence fees for the episode in accordance with this Annex D.
6. In certain circumstances, a per programme rate cap shall apply to the licence fee payable for Production Music. The following calculation shall determine whether the cap will apply:
  - (i) calculate the total fee due in respect of Production Music for each individual episode of the Programme (after any aggregation has been performed, as set out above).

- (ii) if the figure arrived at above is equal to or greater than the per programme rate set out in the Production Music Rate Card then for each episode of the Programme the applicable rate cap shall apply.

For the avoidance of doubt, this cap applies to Production Music only.

- 7. The Licensee acknowledges that MCPSI may not be able to identify all Uses of Production Music at that the time that it initially receives reporting for a Programme from the Licensee. MCPSI shall be entitled to reprocess reporting at later dates and where Uses of Production Music are identified that have not previously been invoiced, to raise an invoice for the relevant licence fee, which the Licensee shall pay in accordance with clause 6.2.

The Appendix to this Agreement contains worked examples illustrating how MCPSI will undertake the licence fee calculation process.

#### **Schedule 1**

MCPSI Reporting Format

#### **Schedule 2**

Programme notification form





