

DUCAPRO

LICENSING TARIFFS

1. Introduction

This document sets out the tariffs and licensing structures that DUCAPRO administers for the purpose of collecting licensing fees for the use of music to pay royalties to the creators of the music, both locally and internationally. The licensing fees will be collected across the Dutch Caribbean Islands (Aruba, Curacao, Bonaire, St Maarten, Saba & St Eustacius) and will be used to pay the creators as well as a minimal overhead rate for DUCAPRO's operations.

Tariff structures are created by DUCAPRO's legal representatives and approved by DUCAPRO's Board in consultation with Management and are in accordance with the rules of the International Confederation of Authors and Composers (CISAC). They reflect the best efforts of the Board and Management to achieve fairness, accuracy, cost effectiveness, and transparency in a manner that also seeks to balance the differing interests of members and licensees.

2. General Principles

a. Tariffs/Licenses

DUCAPRO will issue tariffs or licences to music users for different types of music usage or performances. Licensing fees are calculated based on rules defined for each type of music use or performance, and music users will be invoiced appropriately. A music user may be invoiced for multiple tariffs/licenses based on how music is used or performed in or on their venue.

b. License Fees Invoice Schedule

Each tariff/license will have a frequency that applies to when music users are invoiced. Frequencies include annually, quarterly, monthly, or event based. The **Tariff/License Summary** table below provides details regarding the invoice frequency of the different tariffs/licenses administered by DUCAPRO. In some cases, licensees will be required to provide information (e.g., total revenue from event receipts sales, square meters of a room, number of hotel rooms) to DUCAPRO for the purposes of granting the license for the use of music. Again, music users may be invoiced for multiple tariffs/licenses.

c. Operating Costs

Like most music rights societies, DUCAPRO incurs operating costs and recovers them from the revenue collected. The operating costs include data collection and processing activities, maintaining a database of copyright information, negotiating with users or their industry representatives and issuing licences to them. The applicable administration rates vary from time to time and are subject to fluctuation, particularly as DUCAPRO commences its operations.

d. Tariffs/Licenses

At the time of this writing, DUCAPRO administers the following tariffs and music use/performance:

- General Licensing
- Commercial Radio Licensing

3. General Licensing (e.g., bars, restaurants, nightclubs, hotels, live performances, etc.)

Music played in public venues (e.g., background, live bands, DJs, etc.) and where playlists are provided, is covered by general licensing tariffs/licenses. DUCAPRO administers the following general licensing tariffs:

- General Licensing, representing the use of music in public spaces in the form of live music, recorded music, and background music. The public spaces include:
 - clubs and discos,
 - concerts and events,
 - fitness centres and gyms,
 - hotels and guest houses (guest rooms and restaurants),
 - restaurants, cafes, and bars.

Factors that are applicable for the calculation and frequency of licensee fees for these tariffs are outlined in the **Tariff/License Summary** table below.

4. Commercial Radio Stations Tariff/License

Each commercial radio station licensed by DUCAPRO is invoiced individually.

The commercial radio tariff/license is applied based on 2 scenarios, either (1) radio station gross revenue, or (2) estimated average number of spins/plays per hour.

Factors that are applicable for the calculation and frequency of licensee fees for these tariffs are outlined in the **Tariff/License Summary** table below.

a. Gross Revenue Calculation

Commercial radio stations will provide DUCAPRO with estimated gross revenue at the beginning of the year to grant the music use license to that radio station. The estimated gross revenue will be used to calculate the license fees to be paid by the radio station.

At the beginning of the next year, the radio station will provide actual gross revenue for the previous year which DUCAPRO will use to adjust the licensing fee for the previous year (“true-up”). At that time, the radio station will also provide estimated revenue for the coming year on which DUCAPRO will grant the license and collect the license fee for the coming year. Otherwise DUCAPRO will use the actual gross revenue from the previous year to calculate the license fees for the coming year.

b. Average Number of Spins/Plays

Commercial radio stations that are not gross revenue based (e.g., funded) will be granted licenses for music use by DUCAPRO based on an average spin/play per hour model.

Like the gross revenue model, a true-up activity will occur based on information provided to DUCAPRO from a radio monitoring service. Licensing fees will be adjusted (up or down) as applicable.

5. Tariff/License Summary

Tariff	Tariff Type	Tariff Description	Invoice Frequency	Tariff Effective Date	Basis for Tariff Calculation & Invoicing
General Licensing	Clubs and Discos	Live Music Only	Annual	2022-01-01	Sq. meter ranges, with a discount if drinks are served
		Live and Recorded Music	Annual	2022-01-01	Sq. meter ranges, with a discount if drinks are served
		Recorded Music	Annual	2022-01-01	Sq. meter ranges, with a discount if drinks are served
		Background Music	Annual	2022-01-01	Sq. meter ranges, with a discount if drinks are served
	Concerts & Events	Live and/or Recorded Music	Per Event	2022-01-01	% of gross revenue (receipts), discounts if drinks and/or food are served
	Fitness Centres & Gyms		Annual	2022-01-01	Base rate for 100 sq. meter, additional rate for 100 sq. meter increments
	Hotel & Guest Houses	Guest Rooms	Annual	2022-01-01	Per room rate (tiered structure) based on total number of rooms
		Restaurants	Annual	2022-01-01	Sq. meter ranges, with a discount if drinks are served
		Live & Recorded Music (Event Rooms)	Annual	2022-01-01	Sq. meter ranges, with a discount if drinks are served
	Restaurants, Cafes and Bars		Annual	2022-01-01	Sq. meter ranges
Radio	Radio Stations	Individual Commercial - Gross Revenue	Annual	2022-01-01	4% of radio station gross revenue
		Individual Commercial - Average Spins	Annual	2022-01-01	Average of 11 spins/plays per hour based on 24 hours per day