

Eshkolot the Israeli Artists Company for Performers' Rights Ltd.

Rules for Distributing Royalties for Artistic Performances

* These rules are written in the masculine form for convenience purposes only, however, are designated for both men and women, as one.

1. **Definitions**

In these Rules, the following terms shall have the meaning ascribed alongside them, unless the written content requires otherwise:

- 1.1. **"Performing Rights Law"** – Performers and Broadcasters Rights Law, 5784 – 1984, as amended from time to time, and regulations promulgated therefrom.
- 1.2. **"Performing Artist"** or **"Performer"** – any person who acts, sings, plays music, dances, or performs in any other manner, any literary, artistic, dramatic, or musical work, as defined in the Performing Rights Law.
- 1.3. **"Impression"** – according to its definition in the Performers Rights Law.
- 1.4. **"Child Performer"** – a Performing Artist who at the time of the Impression of any artistic performance is 16 years or less (he has not yet turned 17).
- 1.5. **"Adult Performer"** – any Performer who is not a Child Performer.
- 1.1. **"Eshkolot"** and/or the **"Company"** – Eshkolot the Israeli Artists Company for Performers' Rights Ltd., PC No. 52004312.
- 1.6. **"Eshkolot's Articles"** – Eshkolot's Articles, as approved by the Company's General Meeting on June 1, 2021, and as shall be amended from time to time in the future.
- 1.7. **"Copyright Law"** – Copyright Law, 5768 – 2007, as amended from time to time, and regulations promulgated therefrom.
- 1.8. **"Artistic Work"** – any literary work (book, story, play), artistic work (any entertainment piece written in advance, choreography), dramatic work (screenplay) or musical piece (song based on melody and words written in advance).
- 1.9. **"Artistic Performance"** or **"Performance"** – performance of any Artistic Work by a Performing Artist.
- 1.10. **"Blank Cassette Levy"** – in accordance with its definition in the Copyright Law.
- 1.11. **"Clear Artistic Performance"** - Poetry according to a melody, acting piece according to a script, satirical skit, dance according to choreography, etc.
- 1.12. **"Audio Performance"** – Performance of an Artistic Work that is externally expressed by the Performing Artist's voice only.



- 1.13. **“Visual Performance”** – Performance of an Artistic Work that is externally expressed by the Performing Artist’s physical movements only.
- 1.14. **“Audio – Visual Performance”** – Performance of an Artistic Work which is externally expressed through the Performing Artist’s voice and physical movements.
- 1.15. **“Extras Part”** – a role performed by a person who does not have any wording nor any special artistic ability (dance, song, or playing any music) who appears as one character among multiple individuals in the background of a scene, when his character has no impact on the narrative, but rather completes the requested atmosphere or otherwise.
- 1.16. **“Bit Part”** – A Performance of an Extras Part that includes one line of text.
- 1.17. **“Media Performance”** – a person’s appearance through listed forms of media and does not include any Artistic Performance by him.
- 1.18. **“Performing Rights”** – the right to perform any work in public, broadcast, make available to the public, lease, or the right to receive consideration for any of these foregoing activities, as defined in the Copyright Law.
- 1.19. **User”** – Individual, entity and/or corporation that uses Eshkolot’s Repertoire in the scope of its activities, in one or more of the following manners:
 - 1.19.1. Impressions – according to its definition in the Performers Rights Law.
 - 1.19.2. Broadcast – according to its definition in the Performers Rights Law.
 - 1.19.3. Secondary Broadcast – according to its definition in the Performers Rights Law.
 - 1.19.4. Made Available to the Public – as defined in the Copyright Law.
 - 1.19.5. Publicly Playing / Public Display – playing or presenting an Artistic Performance in public places and businesses, i.e., venues, hotels, cafes, country clubs, stores, local radio, local councils, which do not have any exact figures about the Performer and playing/ display minutes. Note: Collecting royalties for publicly played/ displayed work is in collaboration with Eilam.
- 1.20. **“Occasional Performer”** – a Performer who meets the following cumulative conditions.
 - 1.20.1. He never sent a Transfer of Rights Deed to the Company, neither according to the outdated version nor the updated version.
 - 1.20.2. In the past or present he did not / does not earn a living/ livelihood from work as a Performing Artist in any of the following areas – singer, actor, dubber, cantor, magician, dance, entertainer.
 - 1.20.3. He did not study Performing Arts a formal or non-formal institution if any kind – music, singing, acting, dubbing, acting, etc.
- 1.21. **“Royalties”** – amount of money that a Performer is entitled to receive for broadcasting/ playing/ displaying his Impressed Work.



- 1.22. The “**Rules**” – these Rules in their current format, or as amended, whether express or pursuant to any law.
- 1.23. “**Band**” – any musical composition of at least 3 Performers who jointly perform an Artistic Performance.
- 1.24. “**Backup Singer**” – any non-featured singer used as a vocal assistant to the solo artist and creates vocal harmonies.
- 1.25. “**Broadcast Reports**” – the broadcast schedule for television and radio stations.
- 1.26. “**Broadcast List**” – Information received from Broadcasting entities/ Users/ producers which include the names of Performing Artists, Performances, and broadcast times for every Performance.
- 1.27. “**General Revenues**” – All Royalties received from entities that do not have any practical feasibility and/or financial feasibility from whom Broadcast Reports can be received and distribute the Royalties according to the reports and actual music played, including (but not limited to) – public playing, local radio, government offices, Blank Cassette Levy, etc.
- 1.28. “**Simultaneous Broadcast**” and/or “**Simultaneous**” – any broadcast made parallel with several Users, for example – different children channels broadcasted on diverse platforms.
- 1.29. “**Member**” – as defined in the Company’s Articles.

2. Classification and Definition of Works

- 2.1. “**Song**” – a verbal and musical Artistic Work performed by one or several voices (choir / Band / duet / Backup Singers).
- 2.2. “**Dubbing**” – Artistic Work (including an animated film) where voices are recorded and exchanged in a dramatic Artistic Work displayed on a screen, following the completion of the Work’s production.
- 2.3. “**Dubbed Film**” – An Artistic Work that is Dubbed, whose length is more than 60 minutes, was produced as an autonomous Work and is not part of a series of Works produced at adjacent times.
- 2.4. “**Narration**” – reading a literary Artistic Work in the background without seeing the Performer.
- 2.5. “**Opening**” – a Song heard at the beginning of a film / series/ Dubbed series/ Dubbed film that is related to the program.
- 2.6. “**Closing**” – a Song heard at the end of a film / series/ Dubbed series/ Dubbed film that is related to the program.
- 2.7. “**Music Radio**” – a song played on the radio.



- 2.8. **“Drama Radio”** – a radio program where stories, or part of an entire narrative is presented through vocal means (radio play).
- 2.9. **“Entertainment Radio”** – an update broadcasted on radio.
- 2.10. **“Signal Radio”** – signal radio/ and vocal Opening /Closing only.
- 2.11. **“Artistic Guideline”** or **“One-Off Guideline”** – a one-off guideline that occurs when a Clear Artistic Performance is performed.
- 2.12. **“Film”** – an Israeli film, or co-production based on a film whose producers are Israeli and was filmed entirely/ partially in Israel.
- 2.13. **“Series”** – a television series composed of several episodes, with a consecutive storyline based on a screenplay produced by Israelis (or coproduction where one of the producers is Israeli) and was filmed entirely/ partially in Israel.
- 2.14. **“Mini-Series”** – a series that does not include more than eight (8) episodes.
- 2.15. **“Daily Series / Soap Opera”** – a Series that includes fifty (50) episodes or more in a season.
- 2.16. **“Stand-Up”** – a comedic monologue based on a screenplay presented in an entertaining manner for different situations.
- 2.17. **“Skit”** – a short dramatic, comic, or satirical Work or collection of these Works.
- 2.18. **“VTR”** – a short, recorded segment from an entire Work.
- 2.19. **“Puppeteer”** – a person who operates a puppet and simultaneously narrates or simultaneously dubs text based on a script.
- 2.20. **“Clip”** – visual performance of a Song. A video clip produced for a Song that is jointly performed.
- 2.21. **“Literary Piece”** – reading a segment of poetry or prose.
- 2.22. **“Play”** – the broadcast of a complete or a segment form a play / musical.
- 2.23. **“Periodical Broadcast”** – highly frequent and constant broadcast.
- 2.24. **“Internet Series”** – a partially scripted Internet series, which is characterized by short episodes.
- 2.25. **“Dance”** – artistic movement of the Artist’s body which is choreographically based.
- 2.26. **“Silent Film”** – a film without any soundtrack based on body and facial movements and at times there are subtitles for the dialogue between the characters.

3. Background

Eshkolot operates pursuant to the Performers Rights Law as the representing Royalties organization for all Performing Artists in Israel: Actors, Singers, Dances, Dubbers, Entertainers, with the exception of instrumentalist musicians represented by EILAM. Eshkolot grants its Users “umbrella licenses” which allows them to use all Performances of the Performers in Israel, without limitation,



for the periods defined in the different agreements with each individual User, in consideration of the Royalties that were agreed upon for the period with each User.

4. Eshkolot's Repertoire

Eshkolot distributes Royalties and is the rights owner of Artistic Performances that were performed and their Impressions that were Broadcasted / Played / Presented in Israel by User, including all the provisions in Chapter 2 of these Rules. The following are not included in Eshkolot's Repertoire:

- 4.1. Any media appearance during an interview.
- 4.2. Any media appearance for a commercial.
- 4.3. Any media appearance in a program / documentary film unless it is a Clear Artistic Performance.
- 4.4. Any media appearance in any reality program unless it is a Clear Artistic Performance.
- 4.5. Any media appearance during any food program, game show or other guest program (that does not include any Artistic Guideline / One-Off Guideline as defined in section 2.11 of these Rules).
- 4.6. Any media appearance that includes independent documentation (for example – social media influencers).
- 4.7. Any other media appearance whose definition does not include a Clear Artistic Performance.
- 4.8. Any media performance that includes Extras Part or Bit Part.

5. Designation of the Funds Distributed between Users (Broadcasting Entities)

Eshkolot distributes Royalties based on the revenues of each of the Users (which are not under General Revenues), according to the following designated rules:

- 5.1. **Stage A** – A percentage of the Company's operational expenses (which include all the Company's expenses, including amounts transferred to the aid fund for underprivileged Artists and support amounts for Unions – in accordance with the Company's Articles) are deducted from amounts received from a given User.

For example – If in a given year the Company's operational expenses were NIS 3 million, while in a given year the Company's revenues were NIS 20 million, the percentage of the Company's expenses is 15%. Then, if for example, a given User paid the Company NIS 1 million, an amount of NIS 150,000 will be deducted and the amount designated for Royalties for this User will be NIS 850,000 at the end of Stage A.

- 5.2. **Stage B** – An amount of 0.4% designated to amend any mistakes for failing to receive proper and missing reports from the Broadcasting Entities is deducted (to the extent that the amount is not used in a specific year, it shall be carried over for distribution for the following year).



5.3. **Stage C (and final stage)** – The relative share of the Company's General Revenues shall be added to the amount designated for distribution at the end of Stage A, according to the User's relative share from the Company's total revenues from the Users without General Revenues. This is the "**Designated Amount for Distribution.**"

For example – If a certain User paid the Company NIS 1 million in a year and the Company's total revenues from Users which are not General Revenues stands at NIS 10 million, then the User's share in the Company's revenues from Users that are not General Revenues is 10%. If, for example, the Company's total General Revenues for that year was NIS 2 million, then 10% is NIS 200,000, then the amount calculated at the end of Stage B (NIS 850,000) shall be added and the total Designated Amount for Royalties for the User's use of Eshkolot's Repertoire is NIS 1,050,000.

The method of distributing the General Revenues is attached as Exhibit A.

6. Calculating the Value of a User's Usage Minutes for Audio-Visual Broadcasts (that are not VOD)

Stage A – Calculating the Total Broadcasting Minutes by the User

At this stage, all information is gathered from the Broadcasting Reports received by each User for the broadcasts for which the User paid to Eshkolot. The received information includes all Works broadcasted, the identity of the Performing Artists and the number of broadcasting minutes for all Artists for each Work. At this stage, the total number of broadcasting minutes reported for each individual User for that year is received.

Stage B – Calculating the Initial Broadcasting Minute Value

The Designated Amount for Distribution for the User's uses are divided by the total broadcasting minutes and the result is the **Initial Broadcasting Minute Value.**

It is important to explain! Since every User pays differs Royalties and the total broadcasting minutes are different for each User, broadcasting minutes are different for each User, for example, a Performing Artist shall receive NIS 1 per broadcasting minute for a Song performed with User A and NIS 2 per broadcasting minute with User B.

Stage C – Inputting Factors according to Types

At this stage, every Artist's broadcasting minutes are multiplied according to his different types of Performances (in accordance with the provisions in Chapter 2) for the following factors:



Classification	Coefficient for Adult Performer	Coefficient for Child Performer
Song	1	1
Guideline ¹	0.35	0.18
Film	2.1	1.1
Mini – Series ²	2.1	1.1
Series	1.1	0.6
Daily Series/ Soap Opera ³	0.6	0.3
Literary Piece	1	0.5
Dance	1	0.5
Stand-Up	1	0.5
Skit	1	0.5
Play	1	0.5
Song	1	1
Puppeteer	1.1	1.1
VTR	1	0.5
Clip	1	0.5
Internet Series	0.5	0.25
Dubbing	0.25	0.13
Dubbed Film	0.5	0.25
Opening	0.25	0.13
Closing	0.25	0.13

¹ Only with respect to a Guideline that includes a Clear Artistic Performance.

² Daily Series / Miniseries that is a collection of Skits/ compensated Skits

³ Daily Series / Miniseries that is a collection of Skits/ compensated Skits



Narration	0.5	0.25
Periodic Broadcast	0.1	0.1

After the multiplication, the initial minute value is updated so that it is consistent with the Designated Amount for Distribution. **Broadcasting Minute after Factors Value.**

Stage D – Rating⁴

After inputting the updated Broadcasting Minute after Factor Value, the Performing Artist's Broadcasting Value is multiplied according to the Artistic Works the Artist participated in and the rating is executed:

Five first broadcasts:	Fully compensated for the Broadcasting Minute after Factors Value.
6-10 broadcasts per year:	50% compensation for the Broadcasting Minute after Factors Value.
11 + broadcasts per year:	10% compensation for the Broadcasting Minute after Factors Value.

After the rating, the initial minute value is updated again so that it is consistent with the Designated Amount for Distribution. This is **Broadcasting Minute after Rating Value.**

Stage E – Coefficient for an Occasional Performer

After inputting the updated Broadcasting Minute after Rating Value, the Occasional Performer's Broadcasting Minute Value is multiplied by a coefficient of 0.1. This the **Broadcasting Minute Value after Occasional Performances.**

Stage F – Age Supplement

At this stage, Members over the age of 67⁵, are entitled to a relative Royalties supplement according to the Royalties they are entitled to receive (without Occasional Performers) according to their Broadcasting Minutes according to the following age breakdowns:

Artists over the age of 67	Receive a 40% supplement on the Royalties they are entitled to receive
Artists from the age of 70	Receive a 55% supplement on the Royalties they are entitled to receive

⁴ Existing rating for multiple channel broadcasters – Hot, Yes, Partner TV, Celcom TV. Does not exist for VOD Broadcasts.

⁵ The eligible age is updated once a year on January 1st.



At the end of the stage, the Royalties amount is received for every Artist for each of his Performances on a Broadcasting Entity for that Year. Obviously, the initial minute value will be updated so that it is consistent with the Designated Amount for Distribution. This is the **Final Broadcasting Minute Value and the Final Designated Amount to be paid to the Artist.**

7. Calculating the User's Usage Minute Value made available to the Public for Audio – Visual Performances (VOD)

Stage A – Calculating the Total Broadcasting Minutes by the User

At this stage, all information is gathered from the Broadcasting Reports received by each User for the broadcasts made available to the public for which the User paid to Eshkolot. The received information includes all Works made available to the public, the identity of the Performing Artists, the number of broadcasting minutes for all Artists for each Work, and the number of times. After that, the 80% of the Works ordered the least are cut. The product of the minutes of the Works multiplied by the order quantity of each of the Work's results in the total of minutes made available to the public as used when being made available to the public by each individual User for that year.

Stage B – Calculating the Initial Broadcasting Minute Value

The Designated Amount for Distribution for the User's uses are divided by the total minutes made available to the public and the result is the **Initial Broadcasting Minute Value.**

It is important to explain! The calculation method that multiplies the Work minutes by the number of orders of the Work results in billions of minutes, and thus the value of the minute made available to the public will always be lower by hundreds than the broadcasting minute value. On the other hand, every Artist will have significantly more minutes made available to the public credited in his favor.

Stage C – Inputting Factors according to Types

At this stage, every Artist's minutes made available to the public are multiplied according to his different types of Performances (in accordance with the provisions in Chapter 2) for ordinary broadcasting factors.

After the multiplication, the initial minute value is updated so that it is consistent with the Designated Amount for Distribution. This is the **Minute Made Available to the Public after Factors Value.**

State D – Coefficient for an Occasional Performer

After inputting the updated Broadcasting Minute after Rating Value, the Occasional Performer's Broadcasting Minute Value is multiplied by a coefficient of 0.1. This the **Broadcasting Minute Value after Occasional Performances.**

Stage E – Age Supplement

At this stage, Members over the age of 67 are entitled to a relative Royalties supplement derived from the Royalties they are entitled to receive according to their minutes made available to the public according to the age breakdown for ordinary broadcasts.

At the end of the stage, the Royalties amount is received for every Artist for each of his Performances on a Broadcasting Entity for that Year. Obviously, the initial minute value will be updated so that it is consistent with the Designated Amount for Distribution. This is the **Final Minutes Made Available to the Public Value and the Final Designated Amount to be paid to the Artist.**

8. Calculating the User's Usage Minute Value made available to the Public for Audio Broadcast (radio)

Stage A – Calculating the Total Broadcasting Minutes by the User

At this stage, all information is gathered from the Broadcasting Reports received by from ACUM's system, ON AIR. The received information includes all Works broadcasted, the identity of the Performing Artists and the number of broadcasting minutes for all Artists for each Work. At this stage, the total number of broadcasting minutes reported for each individual User for that year is received.

Stage B – Calculating the Initial Broadcasting Minute Value

The Designated Amount for Distribution for the User's uses are divided by the total broadcasting minutes and the result is the **Initial Broadcasting Minute Value.**

Stage C – Inputting Factors according to Types

At this stage, every Artist's broadcasting minutes are multiplied according to his different types of Performances (in accordance with the provisions in Chapter 2) for the following factors:

- Music Radio 1.0
- Drama Radio 0.7
- Entertainment Radio 3.6
- Signal Radio 0.25

Stage D – Coefficient for an Occasional Performer

After inputting the updated Broadcasting Minute after Rating Value, the Occasional Performer's Broadcasting Minute Value is multiplied by a coefficient of 0.1. This the **Broadcasting Minute Value after Occasional Performances**

Stage E – Age Supplement

At this stage, Members over the age of 67 are entitled to a relative Royalties supplement derived from the Royalties they are entitled to receive according to their broadcasting minutes according to the age breakdown for ordinary broadcasts.

At the end of the stage, the Royalties amount is received for every Artist for each of his Performances on a Broadcasting Entity for that Year. Obviously, the initial minute value will be updated so that it is consistent with the Designated Amount for Distribution. This is the **Final Minutes Value and the Final Designated Amount to be paid to the Artist.**

9. Calculating the Value of a User's Usage Minutes for Public Playing

Stage A – Calculating the Total Broadcasting Minutes by the User

At this stage, all information is gathered from sampled information for public playing received from ACUM. The received information includes all Works broadcasted, the identity of the Performing Artists and the number of broadcasting minutes for all Artists for each Work. At this stage, the total number of broadcasting minutes reported for each individual User for that year is received.

Stage B – Calculating the Initial Broadcasting Minute Value

The Designated Amount for Distribution for the User's uses are divided by the total broadcasting minutes and the result is the **Initial Broadcasting Minute Value.**

(There are no various coefficients for public playing).

Stage C – Coefficient for an Occasional Performer

After inputting the updated Broadcasting Minute after Rating Value, the Occasional Performer's Broadcasting Minute Value is multiplied by a coefficient of 0.1. This the **Broadcasting Minute Value after Occasional Performances.**

Stage D – Age Supplement

At this stage, Members over the age of 67 are entitled to a relative Royalties supplement derived from the Royalties they are entitled to receive according to their broadcasting minutes according to the age breakdown for ordinary broadcasts.

At the end of the stage, the Royalties amount is received for every Artist for each of his Performances on a Broadcasting Entity for that Year. Obviously, the initial minute value will be updated so that it is consistent with the Designated Amount for Distribution. This is the **Final Minutes Value and the Final Designated Amount to be paid to the Artist**

10. Calculating the Performing Artist's Broadcasting Minutes for a Work

Calculating the distribution of a Performing Artist's broadcasting minutes for a work takes place on an individual bases for every Performing Artist participating in the performance of a Work, as follows:

10.1. Film / Mini-Series / Series/ Daily Series/ Soap Opera / Skit / Play

Distribution of minutes is done according to the Broadcasting Entities reporting of every Artist's relative share in a Work when the total minutes of the Performers in an episode is equal to the length the episode is broadcasted. For example, you can see how minutes are distributed in the Work by Actors, as reported by the User:

In the event that detailed information regarding timing as detailed in the table above was not received from the Broadcasting Entity, the distribution is made according to a Broadcast List received from the Broadcasting Entity, which lists the names of the main actors (no more than 20% of the total Actors participating in the episode/ Film) and for two that 40% of the broadcast minutes are equally distributed between the Actors defined as main actors and 60% of the broadcast minutes are divided equally distributed the actors defined as supporting actors (without Extras).

Season 1, Episode 7 Series Example	Work Time	00:27:31	
Name of the Performing Artist	Screen Time	Percentage in the Work	Relative Screen Time for Royalties
Actor A	00:10:02	15.24%	00:04:12



Actor B	00:22:33	34.25%	00:09:26
Actor C	00:05:01	7.62%	00:02:06
Actor D	00:10:07	15.37%	00:04:14
Actor E	00:02:00	3.04%	00:00:50
Actor F	00:03:55	5.95%	00:01:38
Actor G	00:12:12	18.53%	00:05:06

10.2. Dubbing

Occurs according to a Broadcast List received from the Broadcasting Entity, which lists the names of the main actors, and for two that 40% of the broadcast minutes are equally distributed between the Actors defined as main actors and 60% of the broadcast minutes are divided equally distributed the actors defined as supporting actors.

10.3. Audio Work Performed as a Band (including any Clips)

Royalties are distributed according to the Band members' declarations in the "consent form for distribution of Royalties in a Composition" submitted to Eshkolot. If there are any Backup Singers during the Performance, an amount of 15% shall be deducted from the distribution amount and distributed to the Backup Singer/s.

10.4. Duet/ Audio Work Performed by Several Featured Artists that are not in a Band, Opening and Closing

Total minutes of the Work equally distributed between the Performers.

10.5. Backup Singers

Royalties are distributed as follows:

85% of the time for the reported Audio Work is designated for features artists.

15% of the time for the reported Audio Work is designated for backup singers according to the Backup Singers' declarations on the "Backup Singer declaration form" submitted to Eshkolot.



Exhibit A – Distribution of Royalties for Public Playing and General Revenues

Sector	Proposed Distribution Method
Local Radio	Relative distribution between audio broadcasters (corporate radio, Galatz, Gal Galatz)
Flights	To be relatively distributed between all broadcasters
Halls and Venues	According to ACUM's repertoire for happy occasions
Local Authorities	50% according to ACUM's repertoire to local authorities; 50% distributed in a relative manner between audio-visual broadcasters (without dubbing)
Hotels	50% according to ACUM's repertoire to hotels; 50% distributed in a relative manner between audio-visual broadcasters (without dubbing)
Gyms and Country Clubs	40% distributed in a relative manner between audio-visual broadcasters (without dubbing); 60% will be added to the distribution of local authorities – ACUM's repertoire.
Businesses – Stores	Relative distribution between audio broadcasters (corporate radio, Galatz, Galgalatz)
Water Parks and Attractions	50% - relative distribution between audio broadcasters (corporate radio, Galatz, Galgalatz); 50% - distribution according to ACUM to local authorities
Cellular	Relative distribution between all broadcasters
Restaurants and Cafes	Relative distribution between audio broadcasters (corporate radio, Galatz, Galgalatz)
Private copy	Relative distribution between all broadcasters



Internal Royalties Distribution Method within a Broadcasting Entity Holding Several Broadcasting Channels/ Radio Stations (and does not have multiple channels)

Stage A, the total number of minutes used to weigh⁶ the coefficient for both channels together is calculated for **the total weighted minutes**.

Stage B, a calculated percentage of the weighted minutes of every channel from the total weighted minutes. **This is the percentage of the channel's weighted minutes**.

Stage C, a calculation of the relative distribution share for each channel according to the weighted broadcasting minutes. **This is the distribution amount before ratings**.

Stage D, a calculation of **the** percentage rating for all channels in the sample month for which Royalties are distributed – hereinafter, **Total Rating Percentage**.

Stage E, a calculation of the rating percentage for each channel from the Total Rating Percentage, which is - **the Relative Rating Percentage**.

Stage F, the distribution amount before ratings for each channel shall be multiplied by the Relative Rating Percentage and will be normalized according to the general distribution amount resulting in **the Distribution Amount for Every Channel**.

For example (an example only – the numbers are not binding)

General Distribution Amount – NIS 2,000,000

⁶ Weighing the minutes is an actual minute multiplied by the minute coefficient. In other words, when 100 minutes of a Series is broadcasted, it is 1.1, then the total weighted minutes will be 110.

Stage	A'	B'	C'	D'	E'	F'	
Channel	Weighted Minutes	Weighted Minutes Percentage	Distribution Amount before Rating	Rating	Relative Rating	Distribution Amount	After Normalization
Sample 1	70,000	53.85%	NIS 1,076,923	11.5%	70.99%	NIS 764,482	NIS 1,481,141
Sample 2	60,000	46.15%	NIS 923,077	4.7%	29.01%	NIS 267,806	NIS 518,859
סה"כ	130,000	100%	NIS 2,000,000	16.2%	100%	NIS 1,032,288	NIS2,000,000