



FAQ Responses Regarding RMLC/GMR Conditional Settlement

SUBMISSION TO GMR REQUIRED BY JANUARY 31, 2022 TO PARTICIPATE

1. How were rates determined, and why wasn't a revenue-based model used?

The license fees offered in your long-term GMR license were established in the settlement negotiations between RMLC and GMR by reference to your current GMR interim license price. The original interim license prices were established in December 2016 as the result of a litigation-related compromise between RMLC and GMR to allow stations that wished to continue to play GMR's music after January 1, 2017 to purchase a license while the litigation played out. At that time, RMLC and GMR did their best to fairly allocate an industry-wide pricing structure across all stations, which included accounting for differences between station formats. The interim license fees remained flat for more than four years, and only increased one time in March of 2021. RMLC and GMR negotiated the conditional settlement by reference to the current interim license prices.

The resulting conditional settlement fee structure reflects a commitment by GMR to treat all similarly situated radio stations consistently and to ensure that radio stations, like yours, have access to the performance rights you currently need as well as those you may need in the future as your business evolves and grows. Accordingly, the settlement rate structure is consistent with rates that other radio groups previously agreed to with GMR directly, and the license covers a broader scope of rights than the current interim license. The conditional settlement also reflects changes in the licensing landscape, including growth in GMR's roster, since the parties filed these lawsuits five years ago.

Because the fees and terms of the license are the product of the parties' settlement agreement, they are not subject to negotiation.

In the event you determine an update needs to be made to the list of stations your company owns as set forth in Schedule 1 attached to the license GMR sent to you, please contact GMR at radiolicensing@globalmusicrights.com, and they will assist you.

2. Where can stations get a complete list of artists to reference who are part of the GMR catalog?

A complete list of all songs, writers, publishers and shares represented by GMR is available to download via GMR's website at <https://globalmusicrights.com/CatalogRequest>. You may also refer to their list of represented writers on their website at <https://globalmusicrights.com/Catalog>.

3. What happens if not enough stations sign the conditional agreement? Will GMR reach out to those stations that did sign?

The conditional settlement will not become final unless and until a sufficient percentage of radio stations have opted in by signing the license agreement that RMLC and GMR negotiated. If an insufficient percentage of radio stations sign the license, the license GMR sent you will be invalid, the entire settlement will be void, and the litigation will continue. In those circumstances, GMR has not made any commitment to offer any other license to any radio stations after the current interim license expires on March 31, 2022. That means, if this settlement fails and the litigation continues, there is no guarantee GMR will make another license available to your company, much less at the prices in this settlement.

4. The license doesn't appear to distinguish between a station that plays music and a news/talk station. Other rights organizations have a different (lower) structure for talk. Did GMR take a similar approach?

Although the settlement terms do not explicitly refer to different rates based on station format, because the license fees offered in your long-term GMR license were established in the settlement negotiations between RMLC and GMR by reference to your current interim license prices, they take into account the format of each station.

5. For the interim agreement, there doesn't appear to be a breakdown of "per station" rate. For the current license offer, station breakdowns are listed. How did GMR come up with a particular station's rate?

As explained in more detail in response to question 1 above, the license fees offered in your long-term GMR license were established in the settlement negotiations between RMLC and GMR by reference to your current GMR interim license price. As was the case with your license fees in the GMR interim licenses, your total license fee equals the sum of the license fees allocated to each of your stations.

6. Other rights organizations reach out to help our state broadcasters associations with events and talent. Will GMR have a similar, friendly approach to support our industry?

You may reach out to GMR directly at radiolicensing@globalmusicrights.com to ask any questions related to events held by your company or state broadcasters association.