Standalone Non-portable Subscriptions, Mixed Use =
Subscription services accessible on desktop computers that play music whether the computer is online or offline

1. **CALCULATE THE ALL-IN ROYALTY POOL**

   - **ALL-IN ROYALTY POOL**
   - **THE GREATER OF**
     - 11.4% of the Music Service Revenue
     - 22% of the Total Cost of Content

2. **CALCULATE THE PAYABLE ROYALTY POOL**

   - Separate the Mechanical Royalties from the Performance Royalties in the “ALL-IN ROYALTY POOL”
   - **MECHANICAL ROYALTIES**
   - **PERFORMANCE ROYALTIES**
   - **THE GREATER OF**
     - 30¢ for each qualified subscriber per month

3. **ALLOCATE PAYABLE ROYALTY POOL**

   - **PAYABLE ROYALTY POOL**
   - **TOTAL NUMBER OF “PLAYS”**
   - **ROYALTY PER “PLAY”**

   (Allocation is based on the number of “plays”)

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Determining subscriber-based royalty floor: Family Plans = 1.5 subscribers/month; Student Plans = 0.5 subscribers/month.

Determining number of plays: If sound recording play time is over 5 minutes, adjust the number of plays by adding .2 plays for each additional minute or fraction thereof (i.e., 5:01 - 6 mins = 1.2 plays).

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