

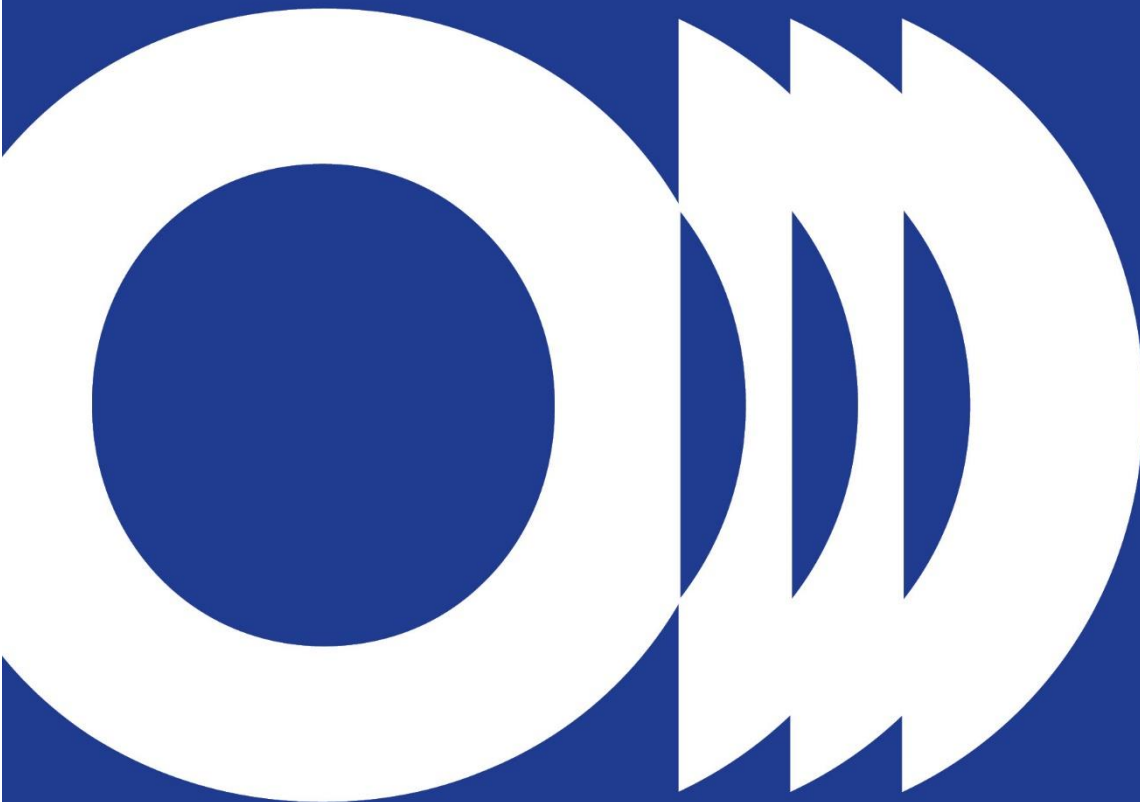
EBU

OPERATING EUROVISION AND EURORADIO

CODE OF FINANCE

**Adopted by the General Assembly in Geneva
on 2nd October 2020**

January 2021



INTRODUCTION

The Code of Finance implements the provisions laid down in Article 17 of the EBU Statutes, in accordance with Article 17.12.

The Code seeks to ensure that all EBU activities are properly funded and financially transparent, and that all Members, Associates and Approved Participants pay an equitable amount for the services they receive from the EBU.

The Code is structured in four parts:

1. Professional Association (Member Services)
2. Self-financed activities
3. Payment of Members' financial obligations
4. EBU Treasury policy

1. MEMBER SERVICES

Member Services provided by the EBU lie within the Professional Association. These are funded by the Membership fee paid by Members, in addition to the subscriptions paid by Associates and Approved Participants. Member Services include:

- Director General Office & Governance
- Legal and Policy
- Media and News
- Media Intelligence Services & Strategy
- Member Relations, Communications and Academy
- Sports (including media rights negotiations)
- Technology and Innovation

The relevant share of costs of the Corporate Services (e.g. Finance, Human Resources, Facilities & Workplace Management, Corporate Information Technology,) is charged internally to these sectors through transparent cost allocations.

1.1 Membership fee of EBU Members

1.1.1. Calculation of Membership fee

The Membership fee envelope is determined according to the financial needs of the Union, allowing the Association to operate properly and in a sustainable manner.

Each Member pays an annual Membership fee derived from its individual operating expenditure (OPEX) based on the formula given in [Annex 1](#).

The Membership fee is composed of the following sub-components:

- an Association fee
- a News Exchange fee
- a Radio and Music fee

Each Member fee is calculated relative to the whole Membership:

- each fee is derived from the Member's OPEX share of the total of all Members' OPEX,
- the fee is determined using the OPEX square root, on top of which capping rules are applied, ensuring a progressive transition from the model which was in place until 2020.

The capping system on each Member fee guarantees that, in any given cycle, there will be neither any increase in the total of the three sub-components set out above of more than 1%, nor any decrease of more than 10%, compared to previous cycle¹. Over a period of five cycles, maximum increases are limited to 5%, and decreases to 20%, compared to the 2020 fee level.

Within these boundaries, the three sub-components can vary according to the limits set out in Annex 1.

The Membership fee is subject to a minimum fee of CHF 45,000 and a maximum fee of CHF 4 000 000.

The same method shall be applied for Groups (Articles 3.15-3.19 of the Statutes), whereby each group Member shall pay a separate annual Membership fee in accordance with its individual OPEX.

Operating expenditure (OPEX) is defined as the amount of money expended on domestic and international broadcasting activities and services, including all overheads and broadcasting-related costs, such as income collection costs, copyright payments, orchestras.² Since international expenses are mostly linked to News services, it was decided to include 39% of Members' international expenses in the fee calculation, which are provided as a total figure in the EBU template distributed to Members; 39% being the weight of News Exchange funding in the overall Membership fee envelope.

The OPEX should be calculated based on the consolidated group financial accounts, including all legally owned entities.

Every two years, all Members shall supply the Permanent Services with a completed EBU template form, and all requested data should be attested by the CEO and CFO. At the same time, Members shall supply their latest set of accounts, clearly showing the operating expenditure.

If a Member fails to provide the relevant data specified in the EBU template form, the Permanent Services will invoice the Member with a penalty that amounts to 10% of the prior year's Membership fee. This penalty is paid back to the Member once the Permanent Services have been provided with the requested data.

¹Note that in cycle 2021-2022, there is no increase compared to the Membership fee 2020.

² Operating expenditure excludes such financial items as bank interest and loss on exchange.

The figures established in accordance with the foregoing shall constitute the basis of establishing the Membership fee for two consecutive years (the Membership fee cycle).

1.1.2. Entrance of a new Member

When an organization is admitted to the Membership, it shall provide the same financial information as that requested under 1.1.1 above for the most recently completed financial year to allow the calculation of the Membership fee according to Article 17.1 of the Statutes.

There will be no recalculation of the Membership fee for the whole Membership. The amounts paid by the new entrants will be accounted as additional revenue for the EBU and monitored by the Executive Board as part of the annual Treatment of the Result.

1.1.3. Resignation of a Member

The departing Member maintains all EBU rights and obligations for a twelve-month period from the date of receipt of its resignation letter. As part of this, the departing Member is obliged to pay the equivalent of one year of its existing Membership fee.

In a cycle following the departure of a Member, the total Membership fee envelope will be shared among the remaining Members of the Union according to the process described in Article 1.1.1.

Independently of the amounts due in respect of services provided at its request during the current financial year, a resigning Associate or Approved Participant shall pay the whole of its subscription for the financial year in the course of which it resigned.

1.2 Subscriptions of Associates and Approved Participants

In accordance with Article 17.2 of the Statutes, the subscriptions of Associates are fixed by the Executive Board with reference to the scale in Annexe 2 hereto on the basis of the value of EBU services to the recipient and the latter's financial capacities. The financial capacities of new Associates shall be assessed with reference to their operating expenditure at the time of application.

In accordance with Article 17.2 of the Statutes, the subscriptions of Approved Participants are fixed by the Executive Board based on the value of EBU services to the recipient and the latter's financial capacities.

Subscriptions of Associates and Approved Participants may be reviewed from time to time by the Executive Board.

2. SELF-FINANCED ACTIVITIES

Self-financed activities fall into two categories:

- **Mandatory Activities:** These are activities considered essential to most Members and/or where the active participation of all Members is necessary to maintain the quality of the service. To ensure the continuance and quality of these the Executive Board declares these activities mandatory for all Members. The funding of the necessary infrastructure costs of mandatory activities is secured and supported by the News Exchange and Radio and Music fees levied on all Members depending on whether they are a TV and/or Radio broadcaster.
- **User-pay activities:** These are activities which are not of universal interest to Members and which funded only by those Members (and other participants where appropriate) declaring an interest in their continuation through ongoing participation.

2.1 Mandatory Activities

2.1.1 Nature of Mandatory Activities

Mandatory Activities are determined by the Executive Board. These are reviewed periodically. Activities currently declared mandatory for all Members by the Executive Board are:

Television / video activities

- News Exchange

Radio / audio activities

- Sport coordination
- News coordination
- Music Exchange^{3*}

2.1.2 Funding of Mandatory Activities

Mandatory activities are funded by the News Exchange fee and the Radio and Music fee, determined by the method described under 1.1.1.

³ Also available to Associates that provide Radio services.

2.2 User Pay Activities

User Pay activities are activities or projects that are not of universal interest to Members. They are either:

- Available only to Members and funded by those Members declaring an interest in their continuation through continued participation, or
- Available to Members and non-members and funded subscriptions or tariffs.

User-pay projects will normally bear the total direct costs of the activity, including fixed costs, overheads, and any development costs.

Overall User-pay projects must be self-financed and break-even.

The sharing of the total cost of a project among participants must be determined by the group managing the project before any financial or contractual obligations are entered into.

Any modification of the above principles shall be approved by the Executive Board following a request by the Director General.

User Pay projects and activities vary from time to time. At present these include:

- **Activities for which costs are shared on a basis set by the relevant EBU Department Director with reference to Units:**
 - The Eurovision Song Contest
 - Other TV co-productions
 - Special Sports Operations
- **Activities for which costs are shared based on tariffs by the relevant EBU Department Director and agreed with the Euroradio User Group:**
 - Euroclassic Notturmo
- **Activities that may be commercial or available to third parties for which tariffs are set by the relevant EBU Department Director:**
 - Services to Members by the EBU offices and subsidiaries
 - Eurovision News Operations (News Events)
 - Technical services
 - Strategic Events
 - Eurovision Academy (partially funded by participant contributions)

2.3 Cost-sharing of self-financed activities

2.3.1 Basis of cost-sharing

The basis of cost-sharing for TV co-productions (including the Eurovision Song Contest) and Special Sports Operations is set with reference to Units.

Costs of self-financing activities that are not shared with reference to Units are allocated or charged on a basis or tariff agreed with the relevant Member bodies or set by the Executive Board, Director General or appropriate EBU Department Director as is appropriate to each activity.

2.3.2 Units

Individual Members' Operating Expenditure are converted to percentages that can then be used as the basis of sharing the costs of self-financed activities. Maximum variations compared to previous tariffs are +/- 10%, guaranteed by capping.

Any modification to this basis of calculation requires Executive Board approval following review by the Finance Group.

3. PAYMENT OF MEMBERS' FINANCIAL OBLIGATIONS

3.1 Membership fee, subscriptions

3.1.1 The Membership fee is payable on a quarterly basis every financial year.

3.1.2 The subscriptions of Associates and Approved Participants, as well as additional group members admitted under Article 3.16, must be settled in a single, annual payment, in advance.

3.2 Members' other commitments

Unless the Executive Board adopts special measures, Members' commitments with respect to Operational and User-Pays projects which result from cost-sharing or rates fixed at the beginning of a 2 year-cycle or per operation (rights, equipment, production, coordination) are payable by the deadline indicated on each invoice issued by the Permanent Services.

3.3 Treatment of Members' (including Associates') outstanding debts

Pursuant to Article 17.10 of the Statutes, the following provisions shall apply:

3.3.1 Debts older than 90 days

In case of any invoice not paid within 90 days of the date of issue, or more than 60 days overdue, the debtor will receive a final warning from the Chief Financial and Administrative Officer that sanctions in accordance with the EBU Statutes, Bye-Laws and Code of Finance will apply if the overdue debt is not paid.

The Chief Financial and Administrative Officer may initiate procedures, including blacklisting, to limit growth in the amount of debt due to the EBU. The Member will continue to be invoiced for the Membership fee, sports rights, and other obligations to the EBU and interest charges.

3.3.2 Debts older than 150 days (Sanction Level 1)

Any invoice not paid within 150 days of the date of issue or more than 120 days overdue shall cause the debtor additionally to be denied access to some services and meetings. The services and meetings in question shall be selected carefully to cause inconvenience rather than a serious impact, but unless the Director General determines otherwise, they will include access to unilateral transmissions and special news and sports operations. Moreover, the Member will not be able to offer a candidate for election or re-election to any EBU Governance Body or Group or Committee. At EBU discretion participation in new Sports Rights may be withheld or may be granted subject to terms requiring payment of instalments four months in advance of the date the EBU is obliged to make payment for the rights.

3.3.3 Debts older than 210 days (Sanction Level 2)

Any invoice not paid within 210 days of the date of issue or more than 180 days overdue shall cause the debtor, in addition to the sanctions noted above, to be denied access to all services, including the Eurovision Song Contest and sports events, and all other multilateral activity except multilaterals for Sports Events to which the Member has subscribed for rights that have been paid in full (including interest on late payments). Access to the content exchanges shall be maintained. However, access to the Eurovision Song Contest and sports events may be allowed only if an agreed payment plan is in place with an established record of adherence (usually two months of payments under the plan) prior to the final Eurovision Song Contest commitment date (the withdrawal deadline) or the date of the sports event.

Access will continue to be allowed to all Assemblies, including the General Assembly and News, Sports, Legal & Policy, Radio, Television, Technical and Finance Assemblies, but not to other specialist groups or committees; attendance at Reference Groups will be decided on a case-by-case basis by the relevant Group Chairman and EBU Director.

Additionally, any unpaid sports rights obligations shall mean that the EBU will be free to offer these to the market for re-sale. If the EBU resells the rights the Member remains liable to the EBU for any shortfall between the consideration received and the amount guaranteed by the Member. This provision does not give the Member any right unilaterally to withdraw from any Sports Rights obligation.

3.3.4 Debts older than 270 days (Sanction Level 3)

In case of any invoice not paid within 270 days of the date of issue or more than 240 days overdue, access to the News Exchange shall be suspended, and the Executive Board shall automatically be asked to consider recommending to the General Assembly that the Member be expelled.

3.3.5 Lifting of Sanctions

Sanctions imposed upon a Member shall remain in force until the Member has regularized its financial position (i.e. it no longer has any debt older than 90 days or more than 60 days overdue) or an agreed payment plan is in place and being adhered to.

3.3.6 Members and Associates on payment plan or with debts older than 90 days

At EBU discretion participation in new Sports Rights may be granted subject to terms requiring payment of instalments four months in advance of the date the EBU is obliged to make payment for the rights.

3.4 Interest on arrears

3.4.1 For all invoices, interest on arrears is applied from 60 days after the invoice due date, except for Sports Rights invoices, where interest on arrears is chargeable if the invoice is not paid by the due date. The rate of interest shall be alternative reference rates⁴ + 3% when the EBU's cash balance in the invoiced currency is positive. Should the EBU need to borrow in a currency, the rate of interest shall be alternative reference rates + 6%.

3.4.2 A Member which is legally prevented from paying interest is obliged immediately to declare this to the EBU Chief Financial and Administrative Officer. In line with the solidarity principle, any such Member must also commit in writing instead to paying management charges for the administration of overdue receivables of equivalent value or making some other acceptable form of restitution. If interest charges are not paid and no such commitment is received, all future services (including new Sports Rights contracts) will be provided only following pre-payment of the full amounts due.

3.4.3 The Chief Financial and Administrative Officer may suspend the imposition of interest or agree some other form of payment plan on arrears in the case of specific debtors facing special circumstances of financial hardship. If such a payment plan, once agreed, is not respected, it will be regarded as cancelled, and the Member shall be subject to the sanctions appropriate to the age of the oldest debt.

3.5 Objections regarding invoices

Members have 30 days following the date of issue of a given invoice to notify the Permanent Services of any queries, objections, or requests for correction. It is not possible to act on objections received after that period. If an invoice is queried, this will be considered when the application of sanctions is considered. Interest or other charges shall not be charged on disputed invoices.

⁴ e.g. SARON for CHF, €STR for EUR or SOFR for USD

Interest or other charges will, however, continue to be charged if payment is delayed because the Member did not request a contract or invoice amendment in time for the invoice to be reissued prior to the due date.

3.6 Net payment

Any amounts charged by the EBU to its Members, Associates and Approved Participants or third parties must be paid net, free of any withholding taxes or other charges. If any invoice settlement is reduced by withholding taxes or other charges, interest charges and sanctions shall be applied on the outstanding balance in the same manner as for any other overdue debt.

The EBU shall make reasonable efforts, especially under reciprocal non-taxation treaties, to assist the debtor in recovering sums payable on account of such taxes or other charges.

Members may invoke this principle in their relations with other Members when the same situation arises.

4. EBU TREASURY POLICY

The EBU shall maintain a treasury policy under the responsibility of the Finance Group in accordance with Article 7.11.2 of the EBU Statutes. The text shall be made available to Members upon request.

The EBU treasury policy governs the management of all monies held by the EBU on its own account or on behalf of Members.

2 Annexes

ANNEX 1 MEMBERSHIP FEE - CALCULATION FORMULA

PREAMBLE

This annex details the rules of allocation of the Membership fees between Members.

Principle: The allocation of the Membership fees between Members is based on the corresponding Member's OPEX share in all Members' total OPEX, on top of which capping rules are applied.

Basis for calculation: For each 2-year cycle, collection of OPEX and update of the calculation for the next cycle happen in year 2. Therefore, OPEX collected refer to year 1. OPEX are reported in a template defining eligible and non-eligible expenditures and in local currency. The Permanent Services of the EBU convert OPEX collected in euro at the average FX rate of year 1 using the European Central Bank rate.

$$\begin{aligned} & \text{A Member OPEX (in EUR)} = O_i; \text{ Member A} \\ & \text{A Member OPEX square-root (in EUR)} = \sqrt{O_i} \end{aligned}$$

STEP 1 DETERMINING MEMBERSHIP FEE

ASSOCIATION FEE	NEWS EXCHANGE FEE	RADIO FEE	MUSIC FEE
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Total Membership fees to be shared among Members (in CHF) = F^A

The Association fee is shared among all Members. The News Exchange fee is shared among all Members with TV services and the Radio and Music fee is shared among all Members with Radio services. The subcomponents are shared between the relevant Members prorate their shares into relevant Members OPEX's square-root. This formula implies that each Member's Membership fee is relative to the total of all Members' OPEX. NB: International expenditure will be included for 39% in the basis of calculation of the Membership fees for all Members, starting in cycle 2 (2023-2024)

Sum of OPEX's square-root for a Member participating to each Membership fee subcomponent (in EUR) =

$$S^A = \sum_{i=1}^{N^A} \sqrt{O_i}$$

$$S^{NX} = \sum_{i=1}^{N^{NX}} \sqrt{O_i}$$

$$S^R = \sum_{i=1}^{N^R} \sqrt{O_i}$$

$$S^M = \sum_{i=1}^{N^M} \sqrt{O_i}$$

Share of a Member square-root OPEX in total participating Members' square-root OPEX (in %) =

$$\frac{\sqrt{O_i}}{S^A}$$

$$\frac{\sqrt{O_i}}{S^{NX}}$$

$$\frac{\sqrt{O_i}}{S^R}$$

$$\frac{\sqrt{O_i}}{S^M}$$

"Second players:" In some territories, PSM Members coexist with other Members of public service remit or of commercial nature. These "second players" on PSM Members' domestic markets have reduced access to the breadth of EBU services. As a result, they benefit from a reduction of -30% of their share in the total square-root OPEX. This -30% reduction has been determined from the estimated proportion of services they cannot access from the EBU. This 30% reduction may be reviewed from time to time as access to services of EBU for second players could evolve over time.

Incentive mechanism: In the News Exchange fee, each Member's share in the total square-root shall be reduced thanks to the number of news items contributed to the Exchange (in % of total contributions). The amount redistributed is set at 2.5m CHF and shared amongst members based on the number of news items contributed during the preceding twelve month. The News Committee and EVN Rules are governing these incitement principles.

The subcomponents of the Membership fee for each Member are calculated as a part of the total all Membership fees, prorate its individual share into the total relevant Members square-root OPEX:

$$\text{A Member Membership fee (in CHF)} F_i^A = \frac{\sqrt{O_i}}{S^A} \times F^A$$

$$F_i^{NX} = \frac{\sqrt{O_i}}{S^{NX}} \times F^{NX}$$

$$F_i^R = \frac{\sqrt{O_i}}{S^R} \times F^R$$

$$F_i^M = \frac{\sqrt{O_i}}{S^M} \times F^M$$

MEMBERSHIP FEE

$$\sum F_i = F_i^A + F_i^{NX} + F_i^R + F_i^M$$

MEMBERSHIP FEE

STEP 2 CAPPING THE MEMBERSHIP FEE

Maximum and Minimum fee

For each Member, the Membership fee is capped to comply with maximum and minimum fee levels.

NB: The impact of including international OPEX in cycle 2 is not subject to maximum and minimum capping rules

Maximum

The maximum Membership fee for each Member is defined as the lowest figure between either +5% increase compared to 2020 total fees level, or +1% increase compared to the previous cycle or the absolute maximum of 4'000'000 CHF.

$$\text{A Member maximum Membership fee (in CHF)} = \text{Max } F_{i, \text{Cycle } C} = \text{Min} ((1 + 1\%) \times F_{i, \text{Cycle } C-1}; (1 + 5\%) \times F_{i, 2020}; 4'000'000) + \text{impact of Member } i\text{'s International OPEX}$$

N.B.: in cycle 1 (2021-2022), no increase compared to the Membership fees 2020

ANNEX 1 MEMBERSHIP FEE - CALCULATION AND FORMULA

STEP Minimum

2.1 The minimum Membership fee for each Member is defined as the highest figure between either -20% decrease compared to 2020, or -10% decrease compared to the previous cycle or the absolute minimum of 45'000 CHF.
 NB: In the case of a Member whose 2020 fees are lower than the minimum fee set at 45 000 CHF, it shall reach the minimum fee thanks to a linear increase over 5 cycles (this increase prevails other capping rules until the minimum fee is reached).

$$\text{A Member Minimum Fee (in CHF)} = \text{Min } F_{i, \text{Cycle } C} = \text{Max} ((1 - 10\%) \times F_{i, \text{Cycle } C - 1}; (1 - 20\%) \times F_{i, 2020}; 45'000) + \text{impact of Member } i\text{'s International OPEX}^{**}$$

Impacts of maximum and minimum fee

The application of a maximum and a minimum fee results in a variation (increase or decrease) of a Member's Membership fee (Δ):

$$\Delta_{i, \text{Cycle } C} = \text{Max} (F_{i, \text{Cycle } C} - \text{Max } F_{i, \text{Cycle } C}; 0 + \text{Min } F_{i, \text{Cycle } C} - \text{Min } F_{i, \text{Cycle } C}; 0)$$

**N.B.: The impact of a Member's International OPEX is obtained by comparing F_i to the Membership fee obtained through the same model, but excluding all International OPEX from the calculation basis.

STEP Compensation by the other Members

2.2 Starting in cycle 2, the increases and decreases induced by the application of the maximum and minimum fees are to be absorbed by the other Members, so that the total Membership fees envelope remains constant.

$$\text{Sum of impacts (in CHF) on all Members} = \sum_{i=1}^N \Delta_{i, \text{Cycle } C}$$

The total Membership fees envelope vary marginally depending on the outcome of the sum of impacts (positive / negative).

A Member's range for absorption

If the sum of impacts is positive, it will be absorbed by the Members whose Membership fee is above their minimum capping limit (i.e. Members who can decrease without reaching their own limit set by caps).
 If the sum of impacts is negative, it will be absorbed by the Members whose Membership fee is below their maximum capping limit (i.e. Members who can increase without reaching their own limit set by caps).

$$\begin{aligned} \text{A Member's range for absorption (in CHF) = if total amount to absorb } < 0 & E_{i, \text{Cycle } C} = \text{Max} (\text{Max } F_{i, \text{Cycle } C} - F_{i, \text{Cycle } C}; 0) \\ \text{if total amount to absorb } > 0 & E_{i, \text{Cycle } C} = \text{Min} (\text{Min } F_{i, \text{Cycle } C} - F_{i, \text{Cycle } C}; 0) \end{aligned}$$

OR

$$\text{Sum of all Members' range for absorption (in CHF) = } \sum_{i=1}^N E_{i, \text{Cycle } C}$$

A Member's absorption

The final share of absorption for each Member is relative to the other Members' share (defined as its own share in the total capacity of absorption):

$$\text{Share of absorption for Member } i \text{ in all Members' capacity of absorption} = \frac{E_{i, \text{Cycle } C}}{\sum_{i=1}^N E_{i, \text{Cycle } C}}$$

$$\text{A Member absorption (in CHF) = } Y_{i, \text{Cycle } C} = \sum_{i=1}^N \Delta_{i, \text{Cycle } C} \times \frac{E_{i, \text{Cycle } C}}{\sum_{i=1}^N E_{i, \text{Cycle } C}}$$

MEMBERSHIP FEE

At this stage, the Membership fees includes the impact of maximum and minimum fee and Member's absorption of these impacts:

$$F_{i, \text{Cycle } C} = F_i + (\Delta_{i, \text{Cycle } C} + Y_{i, \text{Cycle } C})$$

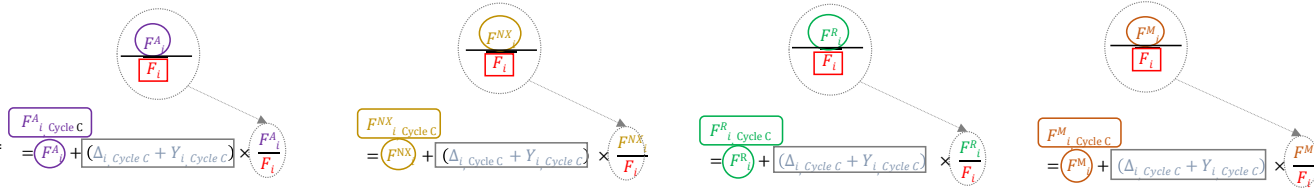
ANNEX 1 MEMBERSHIP FEE - CALCULATION AND FORMULA

STEP 2.3 Determining each subcomponent of the Membership fee

At this stage the Membership fee is divided between the subcomponents (Association fee, News Exchange fee, Radio and Music fee) in proportion to the financial weight of each subcomponent in the Membership fees envelope.

Financial weight of each subcomponent in a Member's Membership fee =

A Member's Membership fee (in CHF) =



$$F_{i, Cycle C} = F^A_{i, Cycle C} + F^{NX}_{i, Cycle C} + F^R_{i, Cycle C} + F^M_{i, Cycle C}$$

STEP 3 CAPPING SUBCOMPONENTS OF THE MEMBERSHIP FEE

ASSOCIATION FEE	NEWS EXCHANGE FEE	RADIO FEE	MUSIC FEE
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Capping limits for News and Music

Two subcomponents of the Membership fees have their own capping limits:

Maxima >

Minima >

Each Member's News Exchange fee cannot vary by more than 10% compared to the previous cycle

$$Max F^{NX}_{i, Cycle C} = (1 + 10\%) \times F^{NX}_{i, Cycle C - 1}$$

$$Min F^{NX}_{i, Cycle C} = (1 - 10\%) \times F^{NX}_{i, Cycle C - 1}$$

Each Member's Music fee cannot increase by more than 5% or decrease by more than 35% compared to the previous cycle

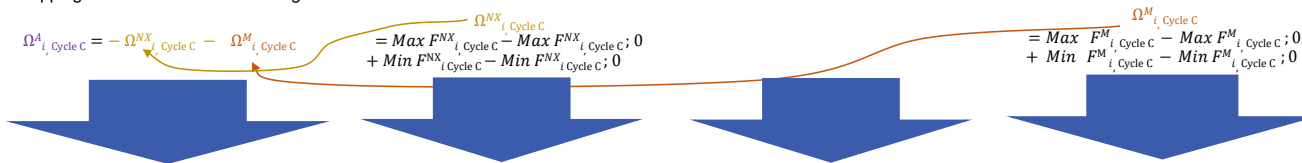
$$Max F^M_{i, Cycle C} = (1 + 5\%) \times F^M_{i, Cycle C - 1}$$

$$Min F^M_{i, Cycle C} = (1 - 35\%) \times F^M_{i, Cycle C - 1}$$

The Association fee is an adjustable variable

The Association fee is the adjustable variable in the total Membership fees envelope, ensuring that:

- the capping rules applied in step 2 on the Membership fee are respected;
- the variations induced by the introduction of capping limits for the News Exchange and the Music fees are absorbed in the same Member's Association fee.



$$\Sigma = 0$$

FINAL AMOUNTS (in CHF)

ASSOCIATION FEE	NEWS EXCHANGE FEE	RADIO FEE	MUSIC FEE
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The final Membership fee for each Member is composed by the subcomponents as indicated in step 3, rounded at the closest lower of upper hundred:

$$A \text{ Member's Membership fee (in CHF)} = F^A_{i, Cycle C, final} = F^A_{i, Cycle C} + \Omega^A_{i, Cycle C}$$

$$F^{NX}_{i, Cycle C, final} = F^{NX}_{i, Cycle C} + \Omega^{NX}_{i, Cycle C}$$

$$F^R_{i, Cycle C, final} = F^R_{i, Cycle C}$$

$$F^M_{i, Cycle C, final} = F^M_{i, Cycle C} + \Omega^M_{i, Cycle C}$$

$$F_{i, Cycle C, final} = F^A_{i, Cycle C, final} + F^{NX}_{i, Cycle C, final} + F^R_{i, Cycle C, final} + F^M_{i, Cycle C, final}$$

Annex 2

SCALE OF ASSOCIATES' SUBSCRIPTIONS

The Executive Board shall fix, and review from time to time as appropriate, the annual subscriptions of Associates' taking into account the value of the EBU services to the recipient and the latter's financial capacities. On the basis of this assessment, the Board will be responsible for assigning the appropriate scale level for the Associate within the following subscription scale:

Scale level	Subscription CHF
1	5,000
2	10,000
3	15,000
4	20,000
5	25,000
6	30,000
7	35,000
8	40,000
9	45,000
10	50,000
11	55,000
12	60,000
13	65,000
14	70,000
15	75,000