

POLICIES OF MONETARY AND NON-MONETARY BENEFITS AND OTHER REMUNERATION

Policies of monetary and non-monetary benefits and other remuneration (hereinafter referred to as the Policies) of NNLP Collective Management Organization – Intellectual Property Owners Association (hereinafter referred to as the Association) provide general regulations for remuneration and benefits for the members of the Association management board, supervisory board, rightsholders' board, managers and other persons, such as monetary and non-monetary benefits, pension supplements and other remuneration. These Policies were developed in accordance with the Association's charter and effective Georgian legislation. Policies shall be fair and transparent.

1. Definitions

- 1.1 Remuneration – monetary or non-monetary assets, such as wages and salaries, royalties, pension supplements and/or service fees, payment of which is provided by the Association to the members of management board, supervisory board, rightsholders board, Association managers and employees;
- 1.2 Benefits – additional benefits to the members of management board, supervisory board, rightsholders' board, Association managers and employees that can be of financial or non-financial nature (awards, bonuses, professional training etc.);
- 1.3 Management board – association's management body responsible for setting of the Association's strategic orientation and management of the everyday activities;
- 1.4 Supervisory board – Association's body ensuring control of proper exercising of the authorities provided for by the Law of Georgia on Copyright and Related Rights (hereinafter referred to as the Law) and charter of the Association;
- 1.5 Rightsholders board – Association's body the authorities of which are determined by the Association's charter;
- 1.6 Managers – persons responsible for management and representation of the Association, also heads of the specific services/departments of the Association;
- 1.7 Association employee – person participating in the Association's activities on the basis of the labor contract and/or service agreement.

2. General principles of the policies

- 2.1 Amount of remuneration provided for by the policies shall be based on the market data and the Association's existing or forecasted budget.
- 2.2 Remuneration of the Association employees and managers shall be suitable to the Association's incomes that are related to the amounts of the royalties.
- 2.3 Remuneration of the supervisory board members (if any) shall be determined on the basis of the fair remuneration principle, in proportion with the managers' remuneration and shall be no less than 30% lower.
- 2.4 Remuneration shall be lucrative, proper, fair and reasonable, ensuring attraction and maintaining of the competitive and highly qualified professionals.
- 2.5 In determining the remuneration, the person's professional skills, education, experience and achievements, work scope, load and other factors shall be taken into consideration.
- 2.6 Remuneration may be fixed and/or earned (compensation for performance).

3. Terms and conditions of remuneration and assignments

- 3.1 Association shall ensure payment of the royalties to the members of management board, supervisory board and rightsholder board who, simultaneously, are the Association members.
- 3.2 For the heads of services/departments, the Association ensures payment of remuneration on the basis of the employment agreements with the Association.
- 3.3 For the persons authorized to manage and represent the Association, the latter ensures payment of remuneration on the basis of the employment agreements with the Association.

3.4 Labor remuneration to the Association employees shall be paid on the basis of the labor agreements with the Association.

3.5 Association shall pay the service fees on the basis of the service contracts made with the Association.

3.6 In addition to or independently from the labor remuneration and/or service fees, the Association shall be entitled to provide health insurance and/or travel costs to the members of management board, supervisory board, rightsholders board, Association managers and/or employees.

3.7 Association shall be entitled to ensure payment of the assignment costs and/or travel insurance costs to the members of management board, supervisory board, rightsholders board, Association managers and/or employees.

3.8 Association ensures payment of the royalties to the Association members only, in accordance with the regulations and policies approved by the Association and legislation of Georgia. If the members of management board, supervisory board, rightsholders board, Association managers and/or employees are simultaneously the Association members, the Association shall ensure payment of the relevant royalties. This shall not prevent and shall not contradict to receiving of the other monetary and non-monetary benefits by the above mentioned persons from the Association.

3.9 Association shall be entitled to appoint and/or cancel various additional financial benefits to the members of management board, supervisory board, rightsholders board, Association managers and/or employees.

3.10 Association shall be entitled to appoint and pay for the persons specified in the Policies direct and/or indirect financial benefits.

3.11 In the period of the assignments of the managers and Association employees, their positions and relevant remuneration shall be maintained.

3.12 The members of management board, supervisory board, rightsholders board shall be entitled to perform various paid work at the same time, unless such work causes conflict of interests, making impossible to properly perform the member's activities at the Association.

3.13 In the event of termination of the labor agreement and/or services, the issue of the labor remuneration and related compensation shall be regulated by the effective legislation and labor agreements and/or service contracts between the parties.

3.14 Work time of the management board, supervisory board, rightsholders board members is the part of calendar time, during which they shall exercise their rights and obligations, implying the Association's activities and relevant participation in the board sessions and meetings.

3.15 Work time, rest time and breaks of the managers and employees of the Association shall be regulated by the labor and/or service agreements.

4. Stimulation regulations

4.1 Association shall be entitled to provide, in addition to remuneration, stimulation of the members of management board, supervisory board, rightsholders board, Association managers and/or employees.

4.2 Stimulation types are as follows:

- One-time financial benefits (bonuses or awards);
- Professional trainings for improvement of qualification, conferences, educational events;
- Non-financial stimulation (issuance of commendation etc.).

4.3 Grounds for stimulation can be particular work achievements or diligently performed work.

5. Transparency

5.1 Association shall ensure storage of the information about the remuneration and benefits to the members of management board, supervisory board, rightsholders board, Association managers and employees in accordance with the legislation of Georgia.

5.2 Information specified in Section 5.1 of these Policies is confidential information and shall not be issued independently, about any specific persons. Association makes this information publicly available only in a manner provided for by Georgian legislation.

5.3 Association ensures preparation of the Association's transparency report annually and such report shall be available at the Association's website. Annual transparency report contains information about total amount of the remuneration paid to the Association chairman, members of the management board, rightsholders' board other commissions and boards, as well as the managers, as well as other benefits provided to them.

5.4 Confidential information shall be stored safely, in well-organized manner. In case of request, the above mentioned information shall be provided to the authorized persons, in a manner provided for by Georgian legislation.

6. Revision and adjustment of the Policies

6.1 Association periodically provides revision of these Policies. On the basis of the above mentioned, Association shall be entitled to make relevant changes to this document.