

**POLICIES OF STORAGE, PROCESSING AND CONFIDENTIALITY OF THE DATA RECEIVED FROM THE  
MANUFACTURERS AND IMPORTERS OF THE EQUIPMENT AND CARRIERS, AS WELL AS STATE  
ORGANIZATIONS AND INSTITUTIONS**

**Whereas:**

- N(N)LP Collective Management Organization – Intellectual Property Owners Association, ID: 404574475 (hereinafter referred to as the Association) is a non-entrepreneurial (non-commercial) legal entity, accredited in accordance with Georgian legislation that, for the purposes of these Policies (hereinafter referred to as the Policies) act as the data processor;

**1. Definition of terms**

- Information/documentation: entirety of the data obtained from the manufacturers and importers of the equipment and material carriers, as well as the relevant state institutions of commercial, legal, accounting or other nature necessary for calculation of the payable royalties, their collection and distribution;
- Relevant subject: persons authorized by the Association for obtaining and processing of the information/documentation and responsible for protection thereof, needing obtaining and processing of the information to perform their job duties;
- Processing of information/documentation: any actions on information/documentation, in particular, collection, recording, storage, change, restoration, withdrawal, use or disclosure, in any form, grouping or combining, erasing or destruction;
- Manufacturer/importer: manufacturers/importers of the equipment and material carriers used for reproduction of the compositions for personal purposes;
- State institution: legal entity of public law within the sphere of administration of the Ministry of Finance of Georgia – Revenue Service and Legal Entity of Public Law – National Statistics Service of Georgia;
- Royalties: monetary assets received by the Association from the manufacturers and importers and payable to the authors and other holders of the copyright.

**2. Introduction:**

2.1 Requirements of these Policies shall be applicable to the information/documentation provided by all manufacturers/importers, other persons and state institutions, as well as to all employees of the Association, irrespective of their contractual or other status.

2.2 Association clearly acknowledges that information/documentation provided by the manufacturers/importers and/or state institution, regarding the contents and nature thereof, is significant and confidential. Hence, the Association shall ensure their secrecy. Consequently, Association is oriented to ensure confidentiality of information provided by the manufacturers/importers and state institutions to the Association.

2.3 Policies sets the conditions for collection, storage and processing of the information provided by the manufacturers/importers and state institutions to the Association, as well as grounds and purpose of use of such information and persons with whom such information can be shared.

2.4 For the purposes of these Policies, confidential information shall mean the document / information obtained by the Association from manufacturers/importers and state institutions.

2.5 Rights of the manufacturers/importers and state institutions are protected by the legislation of Georgia.

2.6 List of the relevant subjects shall be approved by the order of general director of the Association; any change of the relevant subject shall be approved in the same form.

2.7 For the purpose of compliance with the confidentiality requirements, the Association shall ensure delivery of the relevant trainings.

2.8 Within the scopes of these Policies, the relevant subject and the Association make confidentiality agreement.

### **3. Grounds for collection, storage and processing of information/documentation**

Grounds for development of these policies are as follows:

- Law of Georgia on Copyright and Related Rights;
- Regulations on storage and processing of the Information obtained from the manufacturers and importers of the equipment and material carriers, as well as state organizations and institutions by the organization for management of the property rights on the collective basis and identification of the relevant state organizations and institutions approved by the Order No:398 of 10 October 2023 of the government of Georgia on approval of the Regulations on storage and processing of the Information obtained from the manufacturers and importers of the equipment and material carriers, as well as state organizations and institutions by the organization for management of the property rights on the collective basis and identification of the relevant state organizations and institutions
- Agreements made between the importers and/or manufacturers and the Association
- Other legal and subordinated acts.

#### 4. Purpose of the Policies

4.1 Purpose of these Policies is providing confidentiality of the information obtained from the state institutions, importers and/or manufacturers for calculation of the royalties by the Association in accordance with the standards and mechanisms set by these Policies. In addition, the relevant subjects acknowledge significance and necessity of protection of confidentiality of the information received and processed by them, as per legislation and these Policies.

### **5. Types of the information/documentation and purpose of their processing**

5.1 To calculate the royalties payable to the authors and/or other holders of the copyright, Association uses the information/documentation received from the manufacturers and importers, as well as from the relevant state organizations and institutions, including, but not limited to, the following:

- a) In case of production of the equipment and material carriers, information about the manufacturer, manufactured equipment and material carriers, their types, quantities and cost price;
- b) In case of the imported equipment and material carriers, information about the importers, types, quantities and customs value of the equipment and material carriers;
- c) Importer's/manufacturer's identification data: name, registration no, location address and other contact information.

5.2 Association uses the information/documentation for calculation of the royalties payable to the authors and/or other rightsholders, in case of reproduction of the compositions by the natural persons for personal use, their collection and distribution.

### **6. Regulations for information/documentation processing and storage**

6.1 To ensure confidentiality of the information/documentation, Association uses its material-technological and human resources. Association ensures safe storage of information/documentation.

6.2 Association processes the information/documentation in both, material and electronic formats.

6.3 Registration, processing and storage of the information received in material or electronic format shall be provided by the specially assigned relevant subject.

### **7. Rules for processing and storage of hard copies of the information/documentation**

7.1 Relevant subject shall store received hard copies of information/documentation in the safe locker installed in the room with the suitable locking system. The lock shall be equipped with the code system, and only relevant subject shall have the access rights

7.2 Relevant subject shall ensure that the safe locker was permanently locked.

7.3 Relevant subject, if he/she needs to leave the room in the course of processing of the hard copies of information/documentation, shall place the information/documents into the safe locker. The relevant

subject, leaving the work area, shall not leave the information/documentation without attention so that the other persons can gain access to them.

7.4 Upon completion of processing of the information/documentation, the relevant subject shall place full documentation into the safe locker.

7.5 In case of making copies of the documents, upon completion of their processing, the relevant subject shall ensure destruction of the copies and place the original documents into the safe locker.

7.6 Sealing and storage of the hard copies of the documents shall be provided in full or in part for the period required for processing of the information/documentation for the further period of collection and distribution of the royalties.

7.7 Sealing and storage shall be provided by the relevant subject. Information/documentation shall be stored so that exclude access to and familiarization with the documents by the external persons, at highest probability.

7.8 Upon expiry of the term specified by these Policies, the relevant subject shall ensure destruction of the processed documents so that their restoration was impossible.

## **8. Rules for processing and storage of the information/documentation in electronic format**

8.1 To keep confidential received information/documentation, the relevant subject shall ensure registration of the electronic documentation/information and their storage in the following form:

8.2 Information-documentation depository:

8.2.1 Information/documentation shall be stored in the Firebird database with the embedded security and access control.

8.3 Interface and authorization

8.3.1 Access to information/documentation can be provided by means of web application developed using PHP and JavaScript. Authorization of the relevant subject is provided by means of username and password. Passwords shall be deleted by bcrypt algorithm, ensuring high degree of security.

8.4 Access of the relevant subject

8.4.1 Access to the database for the relevant subject shall be provided only from the work place. Access to the information/documentation shall be provided by web interface or EDP VPN (Open VPN AES-256-CBC encryption).

8.5 Communication:

8.5.1 For protection of the transmitted information SSL, HTTPS and TIS 1.3 are used. Communication is provided by reliable channels, ensuring secure data exchange.

8.6 Backup copy:

8.6.1 Backup up copies are permanently saved. Snapshots of the file system is stored on the separate server in the same local network. Transmission of the backup copies via LAN is provided by the encrypted channels, using SSH.

## **9. Procedures of processing of the information/documentation by the relevant subject**

9.1 Association ensures data security at all stages of processing and storage.

9.2 Relevant subject shall be entitled to use the confidential information and disclose it to the other persons only within the scopes of performing of his/her job duties. In such case, he/she shall draw up the written document to be signed by the relevant subject and a person gaining access to the documentation/information.

9.3 If electronic sharing/transfer of the information/documentation to the relevant subject is required, their transfer shall be provided via secure communication system, provided that the receiver shall undertake the obligation to keep confidential such information/documentation.

9.4 Relevant subject shall ensure periodical updating of the passwords of the information/documentation depository/server.

9.5 Relevant subject shall ensure that the user name and password of the server was not transferred or disclosed and/or his/her actions or omissions did not cause transfer, familiarization or disclosure of the information/documentation without the Association's consent.

9.6 In case of leaving of the work area, in the course of processing of the information/documentation on the virtual server, the relevant subject shall ensure closing of the server, to restrict third parties' access to the information/documentation.

#### **10. Grounds for disclosure of information/documentation**

10.1 Relevant subject shall disclose the information/documentation only in the following cases:

10.2 Cases directly specified by the legislation;

10.3 On the basis of the court decision;

10.4 By the Association, for protection of the rights / for the royalties – to the relevant persons (commission of the organization for management of the property rights on the collective basis, state departments, law enforcement authorities);

10.5 With the notarized consent of the information/documentation owner (importer/manufacturer)/

#### **11. Responsibility**

11.1 Association represents that it will not disclose and will not use the confidential information/documentation and disclose it only in cases provided for by Georgian legislation and these Policies. In such case, the Association shall ensure providing of the relevant information to the importer/manufacturer, upon request.

11.2 Relevant subject shall ensure signing of the confidentiality agreement.

11.3 In case of non-compliance with these Policies, any person shall be responsible in accordance with Georgian legislation.

#### **12. Information storage term**

12.1 Association shall store received information/documentation for the term required for achievement of the information processing goals and fulfillment of the obligations under Georgian legislation, but for no more than 10 (ten) years term.

12.2 Association shall ensure destruction of the outdated information/documentation so that to exclude any possibility of restoration thereof.

12.3 If required, these Confidentiality Policies shall be periodically updated by the Association.

#### **13. Revision and adjustment of the Policies**

13.1 Association shall periodically revise the Policies. On the basis of the above, the Association is entitled to make relevant amendments to this document.