

General principles for deductions from the fees received for rights and from revenue from investing the fees

1. Deduction of administrative expenses

1.1. To cover the costs incurred by the Estonian Authors' Society (hereinafter: EAÜ) on exercising the economic rights of authors and their rights holders, EAÜ may deduct the relevant administrative expenses from the fees received for granting the rights to use works (hereinafter: Fees for Rights) or from the revenue earned by investing the Fees for Rights.

1.2. The EAÜ general meeting annually approves the amount of administrative expenses incurred by EAÜ in the previous year and decides on the amount of administrative or commission fees applied by EAÜ, i.e. the extent to which EAÜ is allowed to deduct its administrative expenses from the Fees for Rights in the respective year.

1.3. The EAÜ general meeting uses the following bases for establishing the applicable rates of administrative or commission fees:

1.3.1. the budget for the relevant year;

1.3.2. the expenses related to providing a particular service;

1.3.3. the licensing expenses related to a particular field of use;

1.3.4. the expenses related to the distribution of the Fees for Rights related to a particular field of use;

1.3.5. the expenses related to the payment of the Fees for Rights.

1.4. The rates of administrative or commission fees applied by EAÜ are available to the public on the EAÜ website www.eau.org

1.5. If the actual administrative expenses incurred by EAÜ in the respective year were lower than the amounts that EAÜ deducted as administrative or commission fees from the Fees for Rights, EAÜ is obliged to:

1.5.1. set off the administrative fees by directing unspent administrative fees to redistribution and subsequent payment to the rights holders, and/or

1.5.2. transfer the unspent administrative fee to the funds.

2. Deductions related to social and cultural services

2.1. In addition to administrative or commission fees, EAÜ has the right to deduct expenses related to the social and cultural services provided by EAÜ from the Fees for Rights received from other collective management organisations. EAÜ has the right to make deductions related to social and cultural services only from the Fees for Rights received from those collective management organisations that have given EAÜ their explicit consent to such deductions when concluding the relevant representation agreement.

2.2. EAÜ agrees on the amount or rate of deductions related to the provision of social and cultural services individually with each collective management organisation when concluding a representation agreement.

2.3. EAÜ transfers the deductions related to social and cultural services from the Fees for Rights to a relevant special reserve fund (hereinafter: Social and Cultural Fund).

2.4. EAÜ uses the money transferred to the Social and Cultural Fund:

2.4.1. to pay allowances to elderly or disabled EAÜ members;

2.4.2. to finance various music, art and other cultural projects both on EAÜ's own initiative and on the basis of applications.

2.5. The procedure for applying for cultural project grants from EAÜ is available to the public on the EAÜ website www.eau.org.

2.6. The EAÜ Board decides on the use of the money transferred to the Social and Cultural Fund, especially the awarding of grants. The EAÜ is obliged to report on these decisions at the regular general meeting of EAÜ.

