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To: Mati Kaalep <mati@eau.org>

Subject: Information from RAO (Russia)

Dear Mr. KAALEP,

Due to the situation in Ukraine and sanctions against Russian banks and financial system, we consider it is important to bring to your attention the following information.

Russian Authors' society (RAO) insists that creativity and art is a universal international language, which is designed to unite people, be a tool for achieving peace and understanding between peoples. A person and his right for self-realization has always been a center of creative industry development. Creativity, by its very nature, denies discrimination on any grounds. At all times, culture and creativity have been a healer of all sorts of vices of civilization. We are convinced that today this understanding should strengthen us in our striving to provide better opportunities for creativity, for the activities of people who, through their work, shape the global cultural environment.

Recently RAO has faced a problem with royalties' exchange in foreign currencies. The biggest Russian banks have come under blocking sanctions. Also, hard limits and restrictions were established within the country regarding all persons and companies for payments outside in foreign currencies. However, according to the RAO's operational bank, it has all the necessary technological capabilities for smooth operations. Sanctions do not affect the conduct of all operations in Russian Roubles (RUR) for some territories outside Russia.

Nevertheless, in order to continue the fulfilment of our obligations on royalties' payments for our sister CMOs abroad we are currently trying to find an overtake of the present situation.

We would like to suggest you a way for our mutual royalties' exchange – via our partner CMO in Georgia - GERA (<http://gera.ge/>, e-mail: info@gera.ge). In accordance with Georgian law, GERA can receive payments in Russian Roubles (RUR) and then convert them into USD or EURO in order to make payments to the respective CMOs.

Since GERA has the reciprocal representation agreement with RAO, we are ready to forward all due royalties to you via this society. In case your Society does not have relations with GERA we kindly ask you to contact GERA regarding establishing contractual relations between your Society and GERA in order for us be able to exchange royalties in favour of the rights holders, represented by your Society and RAO.

RAO and GERA have already implemented and successfully used an IT integration solution that allows to conduct transparent distribution and payments of remuneration at both sides.

Thus, the proposed approach allows us to ensure timely and stable remuneration payments in favour of the rights holders represented by our organizations.

As part of our preliminary negotiations, GERA expressed its willingness to assist in the implementation of the proposed solution without charging additional fees, excluding only the actual transaction costs of making payments.

This decision, of course, implies observance of the principle of reciprocity and, for its part, RAO expresses its readiness to expand the mandate of GERA under the relevant agreement regarding the RAO catalogue to the territory of your country in order to receive remuneration payments in favour of Russian authors.

Kind regards,

Ivan Zadorozhniy

Head of International Office



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