



ICE Services Ltd

Pay-out policy

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1. Introduction

The purpose of this document is to define how, when and why ICE Services will pay collected monies to rights-holders, SPV's, direct publishers and other customers, and how ICE Services will pay amounts due to these entities regularly, diligently and accurately.

It is important to note that while ICE Services invoices and collects money for the licensing of online royalties, it does not own the rights it licences, as such the money it receives does not belong to it.

ICE Services is not responsible for the distribution of this money to the ultimate members (excepting where special contractual obligations apply for SPV's), but rather it is responsible for passing monies collected to its customers for onwards distribution. This process is referred to as the pay-out.

As part of the pay-out process a commission and/or service fee is charged and it is this that equates to revenue within ICE Services.

It is therefore the intention of ICE Services to pay-out cash received in a timely fashion so as to not build up large cash balances.

2. Withholding tax

It is noted that cash receipts may not represent the full invoiced amount as a result of withholding tax rather than simply a part payment. In this event the systems have been designed to accommodate the withholding tax element and allow cash to be matched accordingly.

For the purposes of clarity all payout amounts are net of any withheld tax.

3. Currency

ICE Services will invoice in multiple currencies and receive cash in multiple currencies, as such all payouts will occur in the currency of the original invoice so as to mitigate where possible the effects of exchange.

4. Bank and VAT details

While the administration of the payout process is outsourced it is ICE Services responsibility to ensure that the service provider has the correct bank and VAT details stored within the CODA system.

5. Payout for transactional invoices

ICE Services will make a regular monthly pay-out of all monies received for transactional invoicing. The date of this pay-out shall be in line with the agreed Customer SLAs, so as to allow the receiving parties to process the receipt, DIF and GLINT files for their own distributions and accounts prior to month end.

In exceptional circumstances additional pay-outs may be made on an ad-hoc basis where large receipts of money have been received or where contractual obligations exist for further distribution that would be breached if funds were received within the time frame above.

As per the Cash Management Policy, part payments for invoices may be matched and processed as part of this monthly cycle.

6. Payout for lump sums and Advances

It is the intention of ICE Services to follow a similar process to that for transactional invoices for pay-outs of lump sum receipts, however it is expected that there are likely to be more exceptions to the monthly payment cycle within this form of invoicing. Such exceptions may include arrangements with specific direct publisher customers or their SPV's to have their share lump sums paid through within a set agreed timeframe from the date on which ICE Services receives payment.

It should also be noted that part payments for lump sums should not occur and as such should not form part of any lump sum pay-out. It is recognised however that there may be exceptional circumstances where this does occur and is agreed by ICE Services finance for payout. In this event a manual process would be required to pay this money out to customers.

7. Multi-currency cross recoupment

Where a lump sum invoice has been raised in one currency but the usage data comes in in another then it is the policy of ICE Services that the usage and hence the recoupment invoice should be translated into the original currency of the invoice.

To facilitate this the monthly average exchange rate based on the month of the invoice must be used.

8. Reconciliation

The outsourced service provider will prepare Balance Sheet Reconciliations for royalty creditor, commission accruals and lump sums and will provide them to ICE Services for review. Once both Parties have agreed the Balance Sheet Reconciliations ICE Services will approve them