

On the assembly from 31 August 2023 (thirty-first of August two thousand and twenty-three) in accordance with point one of the first paragraph of the Act Regulating Collective Management of Copyright and Related Rights (Official Gazette of the Republic of Slovenia, No. 63/2016; and 130/22, hereinafter: ZKUASP), the Assembly of SAZAS Society (hereinafter: Society) adopted the

SAZAS SOCIETY

STATUTE

Name and Organisation of the Society

Article 1

(1) The name of the Society shall be SAZAS Society (hereinafter: Society).

(2) The Society is a legal entity of private law (society), governed by the Societies Act (hereinafter: ZDru-1).

(3) The Society is a collecting society in accordance with the provisions of the Act Regulating Collective Management of Copyright and Related Rights and the Copyright and Related Rights Act (hereinafter: ZASP).

Registered Office and Place of Business

Article 2

The registered office of the Society shall be in Trzin. The place of business of the Society shall be at Špruha 19 (nineteen), Trzin, Slovenia.

Stamp

Article 3

The Society shall operate with a stamp, which shall be:



Type of Protected Works and Rights Regulated by the Society

Article 4

(1) The Society is a collecting society, which, in accordance with the ZKUASP, the ZASP, and the authorization from the Slovenian Intellectual Property Office No. 800 (eight hundred)-3/96 (three

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through ninety-six), dated 12 March 1998 (twelve of March nineteen ninety-eight)

(hereinafter: Authorization), collectively manages the following rights for musical works:

- right of reproduction,
- right to public performance,
- right to public broadcasting,
- right to public broadcasting with phonograms and videograms,
- right to broadcasting,
- right to broadcasting retransmission,
- right to secondary broadcasting,
- right to public lending.

(2) The Society is a collecting organization which in accordance with the ZKUASP and the ZASP collectively and without obligation manages the following rights:

1. the right to make works available to the public,
2. the right to modification of works to be used by broadcasting organisations and online service providers.

(3) The Society is a collecting society, which, in accordance with the ZKUASP, the ZASP, and the authorization from the Slovenian Intellectual Property Office No. 800 (eight hundred)-3/96 (three through ninety-six), dated 12 March 1998 (twelve of March nineteen ninety-eight) (hereinafter: Authorisation) collectively manages copyrights of musical works in the following instances:

1. public communications of non-performing musical works (small music copyright), including cable retransmission;
2. reproduction of musical works on phonograms and videograms (mechanic rights);
3. leasing of phonograms and videograms with musical works;
4. public lending of phonograms and videograms with musical works;
5. reproduction and public communication of musical works in advertising up to 60 seconds;
6. reproduction of musical works with sound and visual recording for private or other personal use;

whereby the authorization relating to the reproduction of musical works with sound and visual recording for private or other own use applies only to the distribution of compensations to eligible authors.

(4) The Society is a collecting organization which in accordance with the ZKUASP and the ZASP collectively and without obligation manages the copyrights of musical works in the following instances:

1. to make works available to the public,
2. to modify works to be used by broadcasting organisations and online service providers.

The Society Activity and Status

Article 4a

(1) The Society:

1. Allows the use of repertoire of protected works under similar conditions for similar types of uses
2. Negotiates in good faith with representative associations of users and concludes joint agreements with the same in accordance with Article 44 of the ZKUASP;
3. Publishes joint agreements and informs the users about applicable tariffs;
4. Concludes and publishes representation agreements with foreign collecting organizations;
5. Monitors the use of copyright works from its repertoire;
6. Issues invoices to users for the use of copyright works from its repertoire, collects and recovers royalties;
7. Allocates the collected royalties to eligible right holders in accordance with pre-determined rules on the distribution and payment of collected royalties;
8. Pays royalties allocated to eligible right holders, and
9. Enforces the protection of authors' rights before courts and other State bodies, and issues authors invoices for the enforcement of above stated rights.

Article 5

- (1) Collective copyright management of musical works is the sole and principal activity of the Society.
- (2) In accordance with the legislation, the Society may perform administrative and technical tasks for other collecting societies.
- (3) The Society shall strive to obtain permits for the collective management of other rights.

Article 6

- (1) The right holders for musical works voluntary join the Society under the conditions laid down in this Statute. The Society is based on the principles of collective management, defined by the ZKUASP, the law of the European Union, Charter on copyright of the International Confederation of Societies of

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Authors and Composers (hereinafter: CISAC), and other international documents and is operating in accordance with all applicable regulations and this Statute.

- (2) The Society is a non-profit organization controlled by its members.
- (3) For the purpose and as part of its business operations, the Society may establish branches.
- (4) The Society may take membership in other collecting societies.

Article 7

(1) In accordance with the ZKUASP, the ZASP and the Rules on Distribution, the Society diligently collects and processes data on copyrights and other rights managed by it by observing provisions of the Personal Data Protection Act (hereafter: ZVOP-1).

The Society shall obtain information on copyright works and rights from the records of works registered by the members, authors, or right holders, who have authorized the Society, from the records of registered works of foreign collecting organizations, from unambiguous user data, from unambiguous data from the Internet or other sources, from international databases available to the Society, and by implementing the measures from Article 35 of the ZKUASP.

(2) The Society manages its repertoire in accordance with applicable legislation, in particular with the ZKUASP, the ZASP, the Rules on Distribution, the ZVOP-2, the present Statute, as well as international standards and rules. The Society shall keep its repertoire in electronic form.

(3) The repertoire of the Society is published on the Society's website and is thus publicly available. The repertoire of the Society can be accessed via the Society's website or in its physical form at the Society's registered office during office hours.

Fundamental Principle

Article 8

(1) The Society acts in the best interests of the rights holders by collectively managing rights and not imposing any obligations that are not objectively necessary to protect their rights and interests or to actually manage the said rights.

(2) The Society collectively manages copyrights for musical works in accordance with the ZKUASP, the ZASP, the Authorization, and the valid representation agreements with foreign collecting societies under the same rules and conditions for all right holders.

Authorisation from Rights holders

Article 9

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(1) The Society collectively manages the copyrights for musical works based on the authorisation from right holders. In case of obligatory collective management, the Society shall manage the copyrights for musical works without the authorisation from right holders, pursuant to the applicable legislation.

(2) The right holders authorise the Society to manage certain copyrights for a certain musical work and for the territories of their own choosing, irrespective of their citizenship or country of residence.

(3) Right holders may, regardless of the authorisation given to the Society, allow the use of their own copyright (musical) work for non-commercial purposes (e.g. for humanitarian, cultural, and educational purposes). The right holders shall notify the Society of the same no later than in 15 (fifteen) days after issuing such a permit, and at least 8 (eight) days prior the use provided for under this Article.

(4) The right holders may partially or fully suspend this authorisation. In this case they shall inform the Society of the same at least 1 (one) month before the revocation takes effect. The revocation of the authorization takes effect with the new financial year.

(5) The right holders are entitled to receive royalties collected by the Society in their behalf and for the use of their works until the revocation of the authorisation takes effect. Until the revocation of the authorisation takes effect, the right holders who are member of the Society have the same rights as other members of the Society.

(6) The Society notifies the right holders of their rights under this Article prior obtaining the authorisation.

Membership

Article 10

(1) A member of the Society may be the rights holder or a person representing the rights holder, a right holders association, or other collecting society, which does not perform compulsory collective management of copyrights and related rights in the territory of the Republic of Slovenia, provided it meets the requirements for membership set out in this Statute.

(2) The applicant presents a written request for membership. The authorisation the rights holder present to the Society, is considered an application for membership, unless the rights holder explicitly states that they do not wish to become a member of the Society.

(3) The Society decides on the membership application within 30 (thirty) days of receiving the application for membership or the authorisation. Should the Society reject the membership application, the reasons for rejection shall be communicated to the rights holder in writing.

Article 11

(1) The membership requirements for the author are the following:

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- Demonstrated ownership of copyright for published copyright musical works, which the Society manages directly based on the authorisation, and fulfilment of at least one of the following criteria:
 - o that in 3 (three) consecutive years, demonstrated for each individual year, the author has received royalties paid by the Society for copyrights for musical works managed by the Society in the amount of no less than the minimum annual revenue in the Republic of Slovenia as defined in accordance with the Social Assistance Payments Act (ZSVarPre), or that they have received royalties paid by the Society for copyrights for musical works managed by the Society in the amount of no less than the three times the minimum annual revenue in the Republic of Slovenia as defined in accordance with the Social Assistance Payments Act (ZSVarPre);
 - o that in 3 (three) consecutive years, demonstrated for each individual year, the author had at least 20 (twenty) musical works with a 100 (hundred) percent share of calculated musical works, or an appropriately higher number of musical works with smaller shares, which correspond to 20 (twenty) musical works with a 100% (hundred percent) share;
 - o that the author holds a relevant university degree in music art obtained in the Republic of Slovenia or a nostrification of the same obtained abroad;
 - o that the author has received a lawful award for their copyright work in the field of musical art.

(2) The membership requirements which are to be fulfilled by the rights holder, who is a natural or legal person that has not concluded a musical publishing contract:

- Demonstrated ownership of copyright for published copyright musical works, which the Society manages directly based on the authorisation, and fulfilment of at least one of the following criteria:
 - o that in 3 (three) consecutive years, demonstrated for each individual year, the author has received royalties paid by the Society for copyrights for musical works managed by the Society in the amount of no less than the minimum annual revenue in the Republic of Slovenia as defined in accordance with the Social Assistance Payments Act (ZSVarPre), or that they have received royalties paid by the Society for copyrights for musical works managed by the Society in the amount of no less than the three times the minimum annual revenue in the Republic of Slovenia as defined in accordance with the Social Assistance Payments Act (ZSVarPre);
 - o that in 3 (three) consecutive years, demonstrated for each individual year, the author had at least 20 (twenty) musical works with a 100 (hundred) percent share of calculated musical works, or an appropriately higher number of musical works with smaller shares, which correspond to 20 (twenty) musical works with a 100% (hundred percent) share;

(3) The membership requirements which must all be met by a legal person – rights holder that has concluded a musical publishing contract:

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- copyright demonstrated by a musical publishing contract, valid for the territory the Republic of Slovenia for at least 50 (fifty) published copyright musical works in the territory of the Republic of Slovenia, managed directly by the Society on the basis of the authorisation;
- that in 3 (three) consecutive years, demonstrated for each individual year, the legal person has received royalties paid by the Society for copyrights for musical works managed by the Society in the amount of no less than the minimum annual revenue in the Republic of Slovenia as defined in accordance with the Social Assistance Payments Act (ZSVarPre), or that it has received royalties paid by the Society for copyrights for musical works managed by the Society in the amount of no less than the three times the minimum annual revenue in the Republic of Slovenia as defined in accordance with the Social Assistance Payments Act (ZSVarPre);

(4) The membership requirements for the collecting society that must all be met are:

- demonstrated status of collecting society which is a full member of CISAC;
- demonstrate that as collecting society the society manages musical repertoire for copyrights for musical works managed by the Society in accordance with the authorization;
- demonstrate that is had concluded with the Society a contract on reciprocal representation for at least 3 (three) past consecutive years.

(5) The membership requirements for a rights holders association that must all be met are:

- demonstrate that the rights holders association unites exclusively authors or/and holders of copyrights for musical works who are collectively managed by the Society;
- demonstrate that no member of the rights holders association is not a member of the Society;
- demonstrate a joined copyright ownership of the rights holders association members for published copyright musical works which the Society, authorised by the members of the right holders association, manages directly, and demonstrate that in the last 3 (three) consecutive years the right holders association proved that it fulfilled at least one of the following requirements:
 - o that in 3 (three) consecutive years, demonstrated for each individual year, the association members have jointly received royalties paid by the Society for copyrights for musical works managed by the Society in the amount of no less than the minimum annual revenue in the Republic of Slovenia as defined in accordance with the Social Assistance Payments Act (ZSVarPre), or that they have received royalties paid by the Society for copyrights for musical works managed by the Society in the amount of no less than the three times the minimum annual revenue in the Republic of Slovenia as defined in accordance with the Social Assistance Payments Act (ZSVarPre);
 - o that in 3 (three) consecutive years, demonstrated for each individual year, the association members had together at least 20 (twenty) musical works with a 100 (hundred) percent share of calculated musical works, or an appropriately higher number of musical works with smaller shares, which correspond to 20 (twenty) musical works with a 100 (hundred) percent share;

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(6) The heirs as right holders meet the membership requirements in accordance with the requirements that were to be fulfilled by the deceased.

(7) The rights holder's representative may be a member of the Society, provided that the person whom they represent meets the membership requirements laid down in this Statute.

(8) The terms used in this Article shall have the following meaning when used in the acts of the Society:

The term "Music publisher" denotes companies or organizations involved in the management and marketing of copyrights in the catalogue of music works which they obtain based on contracts concluded with authors when the latter transfer their rights to the publisher. Music publishers are involved in concluding contracts with composers and lyricists based on which they take over the management of rights which they market in order to obtain payment for the musical works in question.

"Music sub-publisher" is a legal person which takes over part of the rights and promotional activities for the musical works from the main publisher in a specific geographical area or market segment.

"Music publishing contract" is a contract concluded between the author or the right holder and the music publisher when the author transfers economic rights or part of the rights to the music publisher. Such contract defines the terms and conditions for the transfer of rights for certain works to the music publisher, and the rights and obligations of contractual parties.

Article 12

(1) The fulfilment of membership requirements is assessed by the Management, which has to do it within 30 (thirty) days after receiving the membership application.

(2) If the membership requirements are fulfilled, the membership application shall be approved. The Society shall inform the applicant of the same in writing.

(3) The member status becomes effective on the day the rights holder is entered in the records of members.

(4) The membership lasts 1 (one) financial year and is renewed tacitly if the requirements are fulfilled. Each year, the Management assesses the fulfilment of the requirements for membership renewal.

(5) Should it conclude that the membership requirements are not fulfilled, the membership application is rejected in written together with an explanation or the membership is not renewed.

(6) An appeal against the decision of the preceding paragraph is possible. The appeal must be filed in writing within 15 (fifteen) days after the decision was communicated. The Management decides on the appeal. The decision on the appeal is final.

Article 13

(1) Immediately after the application for membership is approved, the Society shall enter the rights holder in the record of members which enables an effective management of members' rights.

(2) The above record of members includes:

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- a) name and address or company name and registered office of the member;
- b) other contact information to identify and locate the rights holder (phone number, fax number, e-mail address);
- c) VAT number;
- d) the number of member's voting rights;
- e) the total number of members and
- f) the total number of voting rights.

(3) The Society enters the right holders who authorised it for collective management of rights, but do not wish to become its members, into the rights holders record, for the purpose of ensuring the security of legal transactions. In addition, the record includes data from points a), b), and c) of the previous paragraph.

(4) The members record and the rights holders record are available to the members and right holders, whose rights are collectively managed, and to the competent authority. The records are available on the Society's website with the exception of information about the place of residence, contact details, and VAT numbers of natural persons.

(5) The Society shall regularly update data in both records.

(6) Members or right holders shall immediately inform the Society of any changes from points a), b), and c) of the second paragraph of this Article.

Article 14

(1) Members of the Society have the right to participate and vote at the Society's Assembly.

(2) Persons having management rights shall waive said rights for the benefit of collecting organisation members during the period of the use of the Statute or the period of the valid authorisation for the collective management of the right to make works available to the public.

Termination of Membership

Article 15

(1) The membership shall cease:

1. with the death of a member or termination of a legal person which is a member;
2. when the membership requirements as laid down in this Statute are no longer met;
3. with membership withdrawal.

(2) A member may withdraw from membership by presenting a written request. The termination becomes effective one day after the receipt of the withdrawal request by the Society.

Rights of Right Holders Who are not Members of the Society

Article 16

The Society manages the copyright for musical works of rights holders who are not members of the Society in the same way as the copyright of its members.

Bodies of the Society

Article 17

The management bodies of the Society include:

- the Assembly of Members;
- the Management Board, and
- the Supervisory Board.

Assembly of Members

Article 18

(1) The Assembly of Members shall include all members of the Society. All Members of the Society have the right to participate and vote at the Society's Assembly.

(2) Each member has 1 (one) vote. After the period of the last 3 (three) consecutive years of a membership status in the Society the number of votes is determined by the amount of royalties in the last 3 (three) consecutive years received from the Society in every single year, namely:

- a member who receives up to 1,000.00 (one thousand) EUR has 1 (one) vote
- a member who receives from 1,000.01 (one thousand and one) EUR to 4,000.00 (four thousand) EUR has 2 (two) votes
- a member who receives from 4,000.01 (four thousand and one) EUR to 10,000.00 (ten thousand) EUR has 4 (four) votes
- a member who receives more than 10,000.01 (ten thousand and one) EUR has 5 (five) votes.

(3) After having membership status for the period of 5 (five) consecutive years, the number of votes determined based on the amount of royalties from the preceding paragraph of this Article, doubles.

(4) A Member of the Society may authorize any other person to participate and vote at the Assembly in their behalf, provided that such authorization does not constitute a conflict of interests. Any authorisation is valid for one meeting and shall be submitted to the Management Board at least 8 (days) days prior to the Assembly. The authorised representative at the Assembly has the same rights as the member who authorised them. The authorised representative votes at the Assembly as instructed by the member who authorised them. The instructions for the authorised representative must be clearly stated in the authorisation.

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(5) The competitive body may participate at the Assembly meeting, but without voting rights.

Convening of the Assembly of Members

Article 19

(1) The Assembly shall be convened in cases specified by the ZKUASP or by this Statute or if this is beneficial for the Society. In any case, the Assembly shall be convened at least once a year.

(2) The Assembly meeting can be ordinary or extraordinary.

(3) In cases when it is not possible to hold the Assembly Meeting as a physical meeting at a definite location, the Assembly meeting may be carried out remotely. In this case, the convening and members' rights remain the same as if the meeting were held as a physical meeting at a definite location.

The remote Assembly meeting is attended by a notary chosen by the Management Board, who is in charge of ensuring the legality of the Assembly.

(4) The Assembly of the members must be convened by the Management Boards no later than 15 (fifteen) days before the Assembly meeting. The Assembly meeting may also be convened by the Supervisory Board.

(4) The Assembly meeting must be convened on the request of the members of the Society, whose voting rights amount to at least 5% (five percent) of all voting rights. The request for convening must include the agenda of the Assembly meeting and proposals for decisions. In such a case, the Assembly meeting shall be convened as soon as possible, but no later than 2 (two) months after the request has been submitted.

(6) The notice on convening the Assembly meeting, which must include the agenda and proposals for decisions, shall be communicated to all members. Convening of the Assembly of Members shall also be published on the website of the Agency of the Republic of Slovenia for Public Legal Records and Related Services (hereafter: AJPES), and on the website of the Society.

(7) All materials for the Assembly meeting along with the notice to convene shall be published on the website of the Society.

(7) To appropriately prepare for the implementation of the Assembly meeting and to ensure its undisturbed conduct of the meeting, the members of the Society or its authorised representatives are to report their participation at the ordinary or extraordinary meetings of the Assembly no later than 8 (eight) days prior to the meeting. The application for the participation at the Assembly meeting, the materials, and the notice to convene the meeting, are available on the Society's website.

Competences of the Assembly

Article 20

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(1) The Assembly decides on:

- the adoption of the Statute and any amendments thereof;
- the appointment, dismissal, remuneration and other monetary and non-monetary benefits of members of the Supervisory Board;
- the rules on the distribution of collected royalties to which the right holders are entitled to;
- the rules on the use of undistributed royalties;
- the rules on investing royalties in bank deposits and the use of revenues thereof;
- the rules on operating costs;
- the use of undistributed royalties;
- the rules on dedicated funds;
- the rules on risk management;
- the annual plan of foreseen operational costs;
- the approval of purchases, sales or mortgage on real estates;
- the approval of taking out loans or providing security for loans;
- the approval of mergers, the establishment of branches and the acquisition of ownership stakes in external contractors;
- the appointment of an auditor;
- the confirmation of the annual report;
- the approval of agreements with external contractors and amendments to the agreements;
- other issues regarding the ZDru-1;
- other issues, deriving from the ZKUASP or this Statute.

(2) The adoption of the Assembly's decision shall require the majority of the votes of those present at the Assembly's meeting, unless the ZKUASP or this Statute request a higher majority.

(3) The Assembly may validly act on all issues, except on the termination of the Society's operation, provided that all attending members represent a total of 20% (twenty percent) of all votes.

(4) The Statute and changes of the Statutes are adopted by the Assembly with a majority of at least 3/4 (three quarters) of the votes of the attending members.

Meeting of the Assembly of Members

Article 21

To ensure effective execution of member rights at the Assembly meeting, a list of attending and represented members and their authorized representatives is prepared, which includes the name and surname, place of residence or company and registered office, the number of voting rights held by the member, and the number of all voting rights present at the Assembly meeting.

Article 22

(1) The Assembly meeting is chaired by the Chairman of the Assembly appointed by the Assembly at the meeting. Until the Chairman of the Assembly is appointed, the Assembly meeting is led by the Management Board.

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(2) Minutes of the meeting shall be taken at each Assembly meeting and signed by the Chairman. The minutes shall contain the place and date of the session, the number of all voting rights present at the Assembly meeting, the decisions taken, and the outcome of the vote. The minutes shall be published on the Society's website of within 7 (seven) days of the Assembly meeting.

(3) The voting is generally public. A secret ballot shall be conducted if so required by the members who have secured together more than 50% (fifty percent) of votes of members present at the Assembly meeting.

(4) The adoption of the Assembly's decision shall require the majority of the votes of those present at the Assembly's meeting, unless the law or this Statute request a higher majority.

Article 22a

Upon invitation from the Society bodies, the Assembly meeting may be attended by guests or experts from certain fields of expertise addressed in the meeting, who shall not have voting rights.

The Assembly meetings may be attended by the Slovenian Intellectual Property Office without voting rights.

Article 22b

(1) The Assembly meeting is opened by the Management Board, who chairs the meeting until the chairmanship and the Chairman are appointed.

(2) After quorum is confirmed, the Management Board appoints a four-member chairmanship and the Chairman of the Assembly meeting to ensure smooth conduct of the meeting.

(3) The appointed Chairman proposes the appointment of a two-member verification commission and a person taking minutes. The Assembly Chairman proposes a voting on the proposed agenda of the Assembly meeting and other proposed decisions of the Assembly.

(4) The Assembly meeting is recorded.

(5) The Chairman of the Assembly gives the floor to those included in the debate. The Chairman may impose a time limit for single speakers included in the debate to keep the Assembly meeting within the time framework. Each person included in the debate can only discuss the issues pertaining to the individual point of the agenda. The Chairman may interrupt the person who does not stay on the subject of the discussion or replica despite previous warnings, who exceeds the pre-defined time for discussion or replica or requires that a person disrupting order in the meeting be removed. The Chairman is required to prevent any disruption of the person included in the debate.

Supervisory Board

Article 23

The Supervisory Board supervises the Management Board in managing the business operations of the Society and monitors the implementation of decisions, adopted by the Assembly.

(2) Natural persons having operational capability can be appointed as Members of the Supervisory Board.

(3) The Supervisory Board must report on its work to the Assembly at least once a year.

(4) Members of the Supervisory Board shall carry out their duties in favour of the Society, its members and the right holders whose rights are collectively managed with due care and diligence.

Article 24

(1) The members of the Supervisory Board shall elect a Chairman from among themselves. The Chairman of the Supervisory Board represents the Society before the Management Board.

Members of the Supervisory Board

Article 25

(1) The Supervisory Board shall be composed of 4 (four) members.

(2) The members of the Supervisory Board are appointed by the Assembly for a mandate of 5 (five) years. The number of mandates is not limited.

(3) A person who is a member of the Management Board cannot be appointed as a Supervisory Board member.

(4) Any natural person having operational capability or representative of legal person may become a member of the Supervisory Board, except the person who cannot become a member of management or supervising bodies in accordance with the law governing companies.

Competences of the Supervisory Board

Article 26

The Supervisory Board has the following competences:

1. Supervising the Management Board in managing the business operations of the Society;
2. accessing accounting books and operations of the Society for the purpose of conducting supervision activities;
3. it may request that the Management Board provides any information even if it contains personal or other protected information;
4. It decides on the appointment, dismissal, remuneration, severance pay, and other monetary and non-monetary benefits of members of the Supervisory Board;

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5. it may determine that certain types of business may only be conducted with its consent. If the Supervisory Board refuses the consent, the Management Board may request that the consent is decided upon by the Assembly. The decision by which the Assembly gives its consent requires the majority of at least three-fourths of the present voting rights.
6. upon the completion of the audit of the annual report submitted by the Management Board, the Supervision Board shall review the annual report and prepare a written report for the Assembly. In the report it has to indicate how and to which extent it has monitored the management activities of the Society during the financial year and give potential comments to the annual report;
7. it may require the management to recruit external experts to assist with supervision;
8. it may convene the Assembly;
9. other competences either in accordance with the valid legislation, this Statute, other acts of the Society or decisions of the Supervisory Board.

Meetings of the Supervisory Board

Article 27

- (1) A meeting of the Supervisory Board is convened by the Chairman of the Supervisory Board. The Supervisory Board shall be convened at least once per quarter. The meetings are ordinary or extraordinary. Upon agreement of the Supervisory Board, the meeting may be held by correspondence.
- (2) The management, specialist services or other individuals may be invited to attend a meeting of the Supervisory Board, but without voting rights.
- (3) Each member of the Supervisory Board has one vote. The Supervisory Board reaches quorum if at least three members are present in a vote. In order for a decision of the Supervisory Board to be valid, a majority of votes is required, if the vote is a tie, the Chairman of the Supervisory Board shall have the casting vote.
- (4) Minutes of the meeting shall be taken at each of the Supervisory Board meetings and signed by the Chairman.
- (5) The Assembly decides on the revenues and other monetary and non-monetary benefits of the Supervisory Board members.

Termination of function of a Supervisory Board Member

Article 28

The function of a Supervisory Board member terminates early in case of:

- death;
- resignation from the function;
- resolution or removal from the function by the Assembly.

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(2) Should the mandate cease early for a member of the Supervisory Board, the Assembly shall appoint a new member of the Supervisory Board according to the provisions of this Statute governing the appointment of the members of the Supervisory Board. The new member shall hold the mandate for until the mandate of the member of the Supervisory Board whom they substituted, would have terminated.

Management Board

Article 29

- (1) The Management Board represents the Society.
- (2) The Management Board manages the business activities of the Society in an autonomous way and at its own risk.
- 3) The Management Board has only one member, the Manager.

Article 30

- (1) The member of the Management Board is appointed by the Supervisory Board for a mandate of 5 (five) years. The number of mandates is not limited.
- (2) A member of the Supervisory Board cannot be a member of the Management Board.
- (3) Any natural person having operational capability may become a member of the Management Board, except the person who cannot become a member of management or supervising bodies in accordance with the law governing companies.

Article 31

The member of the Management Board shall carry out their duties in favour of the Society, its members and the right holders whose rights are collectively managed with due care and diligence.

Duties and Competences of the Management

Article 32

The Management Board has the following duties and competences:

1. it manages the business activities of the Society;
2. it implements decisions of the Assembly;
3. it manages the specialist service of the Society;
4. regularly or at least once each quarter, the Management Board shall report to the Supervisory Board on the operation of the Society and the conduct of business, particularly

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- the amount of operating costs and royalties collected, whereby all data must be recorded by type of copyright, type of copyright work and type of use;
5. it decides on all issues that are not in the Assembly's or the Supervisory Board's exclusive competence;
 6. it prepares the Society's annual report and all its components, including the annual business and financial plan, and submits it to the Supervisory Board after the completion of the audit;
 7. it may conclude contracts with various experts to provide consulting services to support the implementation of its tasks;
 8. it adopts the proposal for the distribution of royalties to the right holders (General Distribution) in accordance with the distribution rules adopted by the Assembly;
 9. it assesses the fulfilment membership requirements and decides on membership admission and membership renewal;
 10. it decides on appeals and requests of members, right holders and collecting societies with which the Society concluded a representation agreement;
 11. it proposes decision adoption to the Assembly;
 12. other competences according to the applicable legislation, this Statute, and other acts of the Society.

Termination of function of a Management Board Member

Article 33

The function of a Management Board member terminates early in case of:

- death;
- resignation from the function;
- resolution or removal from the function by the Supervisory Board.

Conflict of Interests

Article 34

(1) The members of the Supervisory Board and the member of the Management Board shall each present a written statement on the conflict of interest each year at the Assembly meeting, containing the following information:

- any interest that the members of the Management and the Supervisory Board have with regard to the Society;
- any revenue that the member received during the preceding financial year from the Society or a contractor, including contributions to supplementary pension insurance, and any other benefits in any form;
- all royalties that the member received from the Society in the preceding financial year;

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- the existence of any actual or potential conflict between the member's personal interests and the interests of the Society or between the member's obligations to the Society and duties to any other natural or legal person.

(2) Members of the Supervisory Board and the Management Board are jointly liable to the Society for damages resulting from a breach of their duties, unless they prove to have fulfilled their duties with fairness and diligence.

Specialist Service

Article 35

The Society has a specialist service department for the conduct of specialist services, which is managed by the management Board. The organisation and the duties of the specialist service are determined by the internal act on specialist job systematization adopted by the Management Board.

Article 36

(1) According to the Management Board's instructions, the Society 's specialist service department implements decisions regarding specialist tasks of the collective management of rights in accordance with the authorisation, the ZKUASP, and the ZASP.

(2) The Society's specialist service reports and is liable to the Management Board.

External Contractors

Article 37

(1) The Society may transfer administrative and technical tasks pertaining to the collective administration of rights according to the ZKUASP to another collecting organization or company (hereafter: External Contractor) by means of a contract.

(2) The contract concluded with an external contractor shall include all the activities that the Society is transferring to the external contractor. The contract and its amendment shall enter into force once approved by the Assembly with a majority of at least three-quarters of the voting rights present at the Assembly meeting.

(3) The Management Board decides on the termination of the contract with the contractor.

Funding of the Society

Article 38

The Society Assets include:

- gifts and bequests;;

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- assets acquired with the performance of administration and technical operations for another collecting organization, whereby such revenue may only be dedicated to the reduction of operating costs;
- donations and grants.

Collection and Distribution of Royalties

Article 39

(1) The Society shall diligently collect, manage, and distribute royalties. The Society operates in accordance with the ZASP, the ZKUASP, the ZDru-1, as well as applicable accounting standards and valid financial provisions and provisions of this Statute.

(2) The Society keeps two separate accounts for:

- collecting royalties and revenues acquired from bank deposits for individual types of copyright;
- potential own assets and revenues from such assets, as well as revenues from managing royalties for other collecting organization based on representation agreements for individual types of copyright.

(3) The Society keeps its books of accounts by using the system of double entry bookkeeping, adapted for its needs.

(4) To be part of the Society's assets, is also all movable and immovable property owned by the Society. Immovable property may be obtained, divested or otherwise availed of only based on the Assembly's decision.

(5) The Society shall use funds from the first indent of paragraph two of this Article, only for the purpose of distributing royalties to right holders in accordance with predetermined rules on the distribution of royalties. Business expenses may be deducted from the revenue described in the second paragraph of this Article.

(6) The rules on the distribution of collected royalties to the entitled right holders must take into account the actual use of each copyright work, where this is possible and economically viable with regard to the nature of the use of a copyright work and the costs of monitoring actual use.

(7) The distribution of collected royalties is set out in the Rules of distribution.

Article 40

(1) Operating costs are the costs that the Society incurs to adequately and reasonably manage the Society for the benefit of right holders, and the costs which are unavoidable for the implementation of the activities of the Society. The Society's costs are justified and documented.

(2) The Assembly shall define the maximum allowed percentage of operating costs in relation to royalties collected and revenues acquired from bank deposits.

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(3) The amount of costs and the methods of the use of operating costs is set out in the Policy on operating costs.

Article 41

(1) The Society shall regularly, diligently, and accurately allocate and pay collected royalties to eligible right holders in accordance with the Rules of distribution.

(2) When royalties cannot be allocated, the amounts in question shall be kept on a separate account of the Society as unallocated royalties. The procedure of the distribution of unallocated royalties is regulated by the Rules of distribution.

(3) In the event that despite all measures have been taken, the royalties cannot be allocated according to the Rules of distribution, three years after the end of the financial year in which they were collected they shall be considered undistributed (undistributed royalties) and the Society shall manage them in accordance with the ZKUASP, this Statute and the Rules on the use of undistributed royalties.

Dedicated Funds

Article 42

(1) The Society can set up various dedicated funds. Should the Society have any undistributed royalties, it must establish dedicated funds.

(2) Undistributed royalties are royalties which, after three years since the end of the financial year in which they were collected, could not be distributed despite all the measures have been taken.

(3) Dedicated funds are separate funds designed for the purpose of promoting cultural and artistic creation and dissemination of new copyright works in areas relevant to the preservation of cultural diversity, whereby funding must be allocated to undiscovered authors resident in the Republic of Slovenia, or for social or educational purposes of authors with permanent residence in the Republic of Slovenia.

(4) The amount allocated to a dedicated fund is defined by the Assembly with a majority of at least 3/4 (three quarters) of the votes of the attending members. The Society may dedicate a maximum of 10% (ten percent) of the royalties collected.

(5) Dedicated fund assets are kept separately on the Society's account for each fund.

(6) To ensure transparency of dedicated funds, the Society shall establish the Rules on dedicated funds.

Obligations of Members and Right holders

Article 43

1) Members or right holders shall provide the Society with all the data on copyright works and rights managed by the Society, as well as with all the data required for the payment of royalties and remuneration.

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(2) Every member or rights holder is to declare all their works with the Society and provide all information that could affect the distribution of royalties.

(3) Members or right holders shall immediately inform the Society of any changes of their data.

(4) Right holders who are not authors are to demonstrate the ownership of rights with an appropriate contract or other relevant act.

(5) The Society shall also acquire data on right holders from domestic and international databases which it has access to.

The Right of Access of Right Holders

Article 44

(1) Following a reasoned request from the rights holder whose rights are collectively managed by the Society, the latter shall immediately grant access to Society's documents and data. Before accessing the documents and data, the rights holder shall sign a trade secret statement. The rights holder shall be criminally liable as well as liable to payment of compensation in case of disclosure of the trade secrets to third persons.

Informing the Rights Holder and the Foreign Collecting Society

Article 45

(1) At least once per year, the Society shall use electronic or regular mail to communicate the following information to the rights holder to whom it allocated or paid royalties:

- the reference period for the payment of the royalty;
- the royalties allocated to the rights holder according to individual rights and type of use;
- the royalties paid to the rights holder according to individual rights and type of use;
- the deductions related to operational costs;
- the deductions related to dedicated funds;
- all royalties which have already been allocated to the rights holder but have not yet been paid per individual periods;
- the contact information of the rights holder for the purpose of their identification.

(2) At least once per year, the Society shall communicate to the foreign collecting societies in behalf of which it manages copyrights in accordance with the representation agreement the following information via electronic means:

- royalties collected based on the representation agreement;
- the deductions related to operational costs;
- the deductions related to dedicated funds;
- the beneficiary of the right to the use of copyright work subject to the representation agreement;
- decisions made by the Assembly, provided that such decisions affect the management of rights based on the representation agreement.

Informing the Public

Article 46

(1) The Society shall publish on its public website the following contents which will be freely available:

- the authorisation for the collective management of copyrights;
- the repertoire and the copyrights managed by the Society, and in case of managing copyrights for the online use of musical works, the territory covered;
- the requirements for becoming a member of a collecting society, the authorisation form template, and the terms to revoke the authorization;
- collective agreements concluded with representative user societies;
- a sample of a contract concluded with a user and the tariffs for specific types of uses;
- the names of foreign collecting societies with which the Society has concluded representation agreements, and the list of agreements;
- information about the Society's memberships in international societies;
- the Statute of the Society;
- the rules on the distribution of collected royalties to which the right holders are entitled to;
- the rules on the use of undistributed royalties;
- the rules on investing royalties in bank deposits and the use of revenues thereof;
- the policy on operating costs of the Society;
- the rules on dedicated funds;
- the rules on risk management;
- the information relating to the persons authorized to represent the Society;
- the list of persons who are members of the Society's bodies, excluding the Assembly of Members;
- information on copyright works for the rights holder who could not be identified or located;
- the number of members of the Society and the total number of voting rights;
- temporary tariffs;
- the adopted annual report and the auditor's report;
- the criteria used to determine tariffs, and
- the method of resolving disputes between the Society, its members and the rights holders, foreign collecting societies, and users.

(2) The Society periodically updates the published information referred to in the previous paragraph.

(3) The Society's communication with the public also includes:

- press releases, media articles, and press conferences; round tables, consultations etc.;
- e-news and announcements in the media.

Dispute Settlement

Article 47

(1) The Management Board shall be responsible for the settlement of disputes between the Society, its members, rights holders, or foreign collecting societies with which the Society concluded a representation agreement.

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(2) A Society member, rights holder or foreign collecting organization may file an appeal particularly regarding the authorisation for rights management, membership requirements, collection and distribution of royalties, and operational costs.

(3) The appeal shall be submitted in writing no later than 30 (thirty) days after the alleged violation or irregularity was determined, provided that such violation or irregularity did not occur more than one year ago, unless otherwise provided by this Statute of the law. The appeal must be accompanied by an explanation and the relevant evidence attached.

(4) The Management Board shall decide on the appeal within 3 (three) months after receiving it, unless otherwise provided in this Statute. The decision must be submitted in writing and explained. The decision on the appeal is final.

Annual Report

Article 48

(1) The annual report of the Society must be clear and transparent. It must reflect the true and fair presentation of the assets and liabilities of the Society, its financial position and profits of loss.

(2) The annual report and its components must be signed by the Management Board.

(3) Upon completing the audit of the annual report submitted by the Management Board, the Supervision Board shall review the annual report and prepare a written report for the Assembly. The report must indicate how and to which extent it has monitored the management of the Society during the financial year. The Supervisory Board must conclude the report with an indication of the observations about the annual report after the final review.

(4) The Assembly must decide on the adoption of the annual report no later than eight months after the end of the financial year.

(5) The annual report shall be made public together with the auditor's report and submitted to the Agency of the Republic of Slovenia for Public Legal Records and Related Services (AJPES) eight months after the end of the financial year.

Audit and Special Audit

Article 49

(1) The annual report of the Society must be audited by a certified auditor in the manner and under the conditions laid down by the act governing auditing in six months after the end of the financial year.

(2) In accordance with the provisions of the ZKUASP, a special audit may also be conducted.

Obligations of the Society

Article 50

- (1) The Society is liable for its obligations with its entire assets.
- (2) The members for the Society's have no liability for the Society's obligations towards third parties.

Termination of the Society's Operation

Article 51

- (1) The Society's operation terminates in accordance with the provisions of this Statute and under the conditions laid down by the applicable legislation.
- (2) In case of termination of the Society's operation and after the settlement of all its obligations, the Society's assets shall be distributed in accordance with the applicable legislation.
- (3) All assets acquired by the Society in the period of the valid authorization from the Slovenian Intellectual Property Office, collected and unpaid royalties, compensations, revenues from bank deposits, and assets in dedicated funds, are property of rights holders, whose rights were managed by the Society until the revocation of the authorisation. Such assets shall be distributed among the rights holders in 12 (twelve) months since the decision to withdraw authorization has entered into force.

Explanation of the Statute

Article 52

- (1) The provisions of the Statute and the Policy of the Society are interpreted by the Management Board.

Transitional Provisions

Article 53

Current Society members maintain their Society member status and retain their membership rights even after this Statute has entered into force. Current Society members are those individuals, who are members of the Society on the day when this Statute is adopted.

Article 54

The provisions from the second and fourth paragraph of Article 4 of this Statute shall be used until the authorisation from the competent body for collective management of additional right is revoked.

Final Provisions

Article 55

This Statute was adopted by the Assembly of Members of the Society on 27 June 2018 (twenty-seventh of June two thousand and twenty-three) and shall enter into effect on the day following its adoption.

On the day this Statute enters into force, the Statute of SAZAS Society of 27 June 2018 (twenty-seventh of June two thousand and eighteen) and the Rules of Procedure of the Assembly of 30 August 2018 (thirtieth of August two thousand and eighteen) shall cease to apply.

In Ljubljana, on 31 August 2023 (thirty-first of August two thousand and twenty-three)