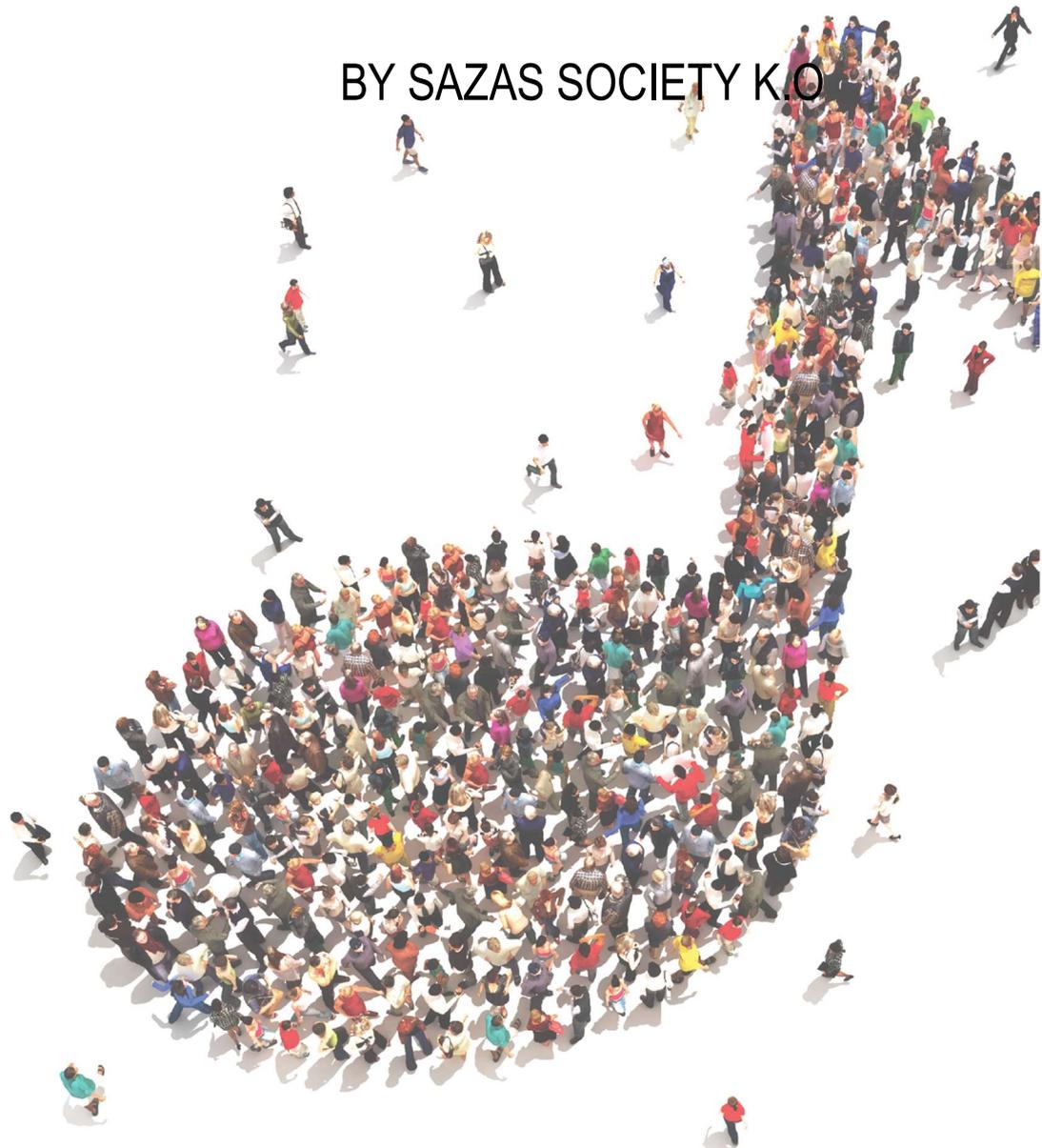




# RULES ON THE USE OF UNDISTRIBUTED ROYALTIES

BY SAZAS SOCIETY K.O



*At its meeting from 31 August 2023 and in accordance with the 4th indent of the first paragraph of Article 25 of the Collective Management of Copyright and Related Rights Act (Official Gazette of the Republic of Slovenia No. 63/2016 and 130/22, hereinafter: ZKUASP), the Assembly of Members of SAZAS (hereinafter: Society) adopted the following:*

## RULES

### ON THE USE OF UNDISTRIBUTED ROYALTIES

#### **Article 1**

These rules specify the amount of funds and the methods of the use of undistributed royalties and compensations for the use of musical works that the Society collects according to the provisions of the Copyright and Related Rights Act (hereinafter: ZASP), the ZKUASP, and the permission of the Slovenian Intellectual Property Office.

#### **Article 2**

The provisions of these rules shall be observed in accordance with the provisions of the ZKUASP, the ZASP, and the Statute of the Society (hereinafter: Statute).

#### **Article 3**

The Society shall regularly, diligently, and accurately allocate and pay collected royalties to eligible rights holders (hereinafter: beneficiaries) in accordance with predetermined rules on the distribution of collected royalties.

The Society shall strive for the distribution of royalties to beneficiaries whose musical works have actually been used.

The distribution on royalties to beneficiaries is conducted in accordance with the rules on distribution as established in the Rules on Distribution, the Statute, the ZKUASP, as well as international acts, agreements, and guidelines.

In accordance with the provisions of the ZKUASP, the Society shall conduct the allocation and payment of collected royalties as soon as possible, but no later than nine (9) months after the end of the financial year in which they were collected, unless this is not possible for objective reasons that are not attributable to the Society or its contractor. Objective reasons are those related to the reporting of users, identification of the rights holders' rights, or the coordination of information about copyrighted works.

If royalties cannot be allocated, the amounts in question shall be kept on a separate account of the Society as unallocated royalties.

In accordance with the ZKUASP, the Society shall take all necessary measures to identify and locate the rights holders by inspecting the data on rights holders, members and rights holders' records, and other available data.

#### **Article 4**

Should the Society have undistributed royalties, it shall use them to establish dedicated funds without interfering with the rights holders' right to demand that these amounts be paid by the Society according to the general rules on the limitation period of the applications.

Dedicated funds are established according to the Rules on Dedicated Funds.

#### **Article 5**

The Society's annual report shall include the amount of undistributed royalties and their usage.

#### **Article 6**

These rules become effective the day following their adoption at the Society's Assembly.

On the day when these rules enter into force, the Rules on the Use of Undistributed Royalties adopted by the Society on 18 October 2017 cease to be valid.

#### **Article 7**

The Society shall publish these rules on its website.