
STATUTES
OF ORGANIZATION FOR
COLLECTIVE ADMINISTRATION OF PERFORMERS’ RIGHTS

I
GENERAL PROVISIONS

Article 1
Organization for Collective Administration of Performers’ Rights (hereinafter: Organization) is a nonprofit organization founded for administrating and improving goals of collective administration of property rights of the performers, to which the protection of these rights has been entrusted by law, agreement or otherwise.

Article 2
The performer right is a related right comprising ethical and property rights.

Property rights of the performer last for 50 years from the date of the emergence of performance. If the performance is recorded and legally published during this period of time, the right lasts for 50 years from the first publishing date, dependable on which of the two dates is earlier.

Article 3
In this Article of Organization, the performance is seen as an immaterial property emerging from personal engagement of the performer during the sound or sound-visual performance of the musical or on stage work of art, which doesn’t have to be protected.

In this Article of Organization, an performer is a physical person that takes personal engagement in performance of already existing musical or on stage work of art.

The holders of rights are other physical or legal persons, who have come to possession of property rights on performance in a legal way.

Article 4
The Article of Organization is the fundamental Act of the Organization. Other general or individual acts provided by Organization Authorities must stand in compliance with the Article of Organization.

Any provisions of another general or individual act, provided by Organization Authorities, not complying with the Article of Organization are not valid.

Article 5
This Article of Organization regulates the following:

1. The name and the place of business of the Organization;
2. The semblance and the content of the stamp;
3. Manner of making the work and activities public;
4. Targets which the Organization is to accomplish and scope of target accomplishing;
5. Activities of Organization, including the type and the subject of rights administered collectively through the Organization;
6. Terms and way of enrollment and termination of membership;
7. Rights, obligations and responsibilities of members;
8. Internal management of the Organization, i.e. Organization Authorities, conflict of interest between members, authority of entities, structure and method of election and recall, term periods and the decision making method;
9. Procedure for amending the Article of Organization and making Amendments on this and other general acts of Organization;
10. Representation of Organization;
11. Way of earning the resources for accomplishing the Organization’s target and disposal of funds;
12. Method of deciding on Amendments of the Article of Organization and dissolution;
13. Organization property proceedings in case of dissolution;
14. Financial and other reports adopting procedures, including the annual financial statement; and
15. Other issues.

II

NAME AND PLACE OF BUSINESS OF THE ORGANIZATION

Article 6

Article 7
The place of business is in Belgrade, Majke Jevrosime street No. 38. Organization performs its activities on the territory of Republic of Serbia and abroad.

Article 8
The Organization is in possession of steal and stamp. The stamp is rectangular, with the full name of the Organization imprinted, as follows: Organization for Collective Administration of Performers’ Rights.

The seal is rounded and contains the following inscription “Organization for Collective Administration of Performers’ Rights” on the edge, and “PI” and “Beograd, Majke Jevrosime 38” in the center.

Article 9
Organization may enroll in related international organizations and associations, as well as federations.

Article 10
Organization is a legal person with rights, obligations and responsibilities provided by laws, Articles of Association and these Statutes, and shall be held responsible for these obligations with its property.

Organization performs its activities in compliance with the law, Articles of Association, Statutes and other general acts, as well as with regulations of federation whose member it is.

Article 11
The Organization is represented by the Manager. The Manager has the authority to represent the Organization in foreign trade. The Manager makes agreements on behalf of the Organization and performs other legal activities related to activities and management of the Organization and represents the Organization in front of state and other authorities.

The Manager may authorize another person to represent the Organization, within the scope of his authorizations.
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III
PUBLICITY OF ORGANIZATION’S ACTIVITIES

Article 12
The activities of Organization are public.

- The publicity of the activities is insured by:
  - informing the users and interested publicity on a regular basis through mass media and providing information on the Organization’s web page electronically about:
  - categories of right holders represented by the Organization;
  - property rights established by the Organization;
  - categories of users who are the subjects of protection and other physical or legal entities, obliged to pay remuneration;
  - the content of general acts of the Organization (Statutes, tariff, distribution plan, etc.);
  - the number and the list of bilateral agreements concluded with foreign organizations;
  - data on authorized representatives and  
    - working hours;
      - giving information on repertoire and requirements under which the performer rights are provided to him/her to all users or other entities with legal interest;
      - making the following information available on Organization’s web site:
    - lists of assembly members, managing board and Supervisory Board;
    - annual business reports;
    - information on sessions of the assembly (date, time, place, agenda, decisions of assembly) and
    - decision of the managing and Supervisory Boards.

IV
TARGETS AND ACTIVITIES

Article 13
Target to be accomplished by the Organization is improvement of the collective administration of performers’ rights, protection of which was entrusted to the Organization by law, agreement, order or otherwise.

Article 14
Activity of the Organization is collective administration of performers’ rights, which are the following:

- The right to interactively make the performance available to the public by wire or wireless means;
- The equitable remuneration for broadcasting and rebroadcasting of performance from recording published on a sound carrier;
- The equitable remuneration for public communication of performance from a recording published on a sound carrier;
- The equitable remuneration for public communication of performance broadcasted from a recording published on a sound carrier;
- The right to a private copy remuneration from importation, i.e. sale of technical devices and empty sound and video carrier, for which it can reasonably assumed that shall be used for reproduction of performance for personal noncommercial needs.
Article 15
Pursuant to the law, agreement or order of the performers and holders of the rights, as well as to agreement with related foreign organizations, the Organization performs the activity of collective administration of performers’ rights on the territory and abroad, except for the rights of those performers and holders of rights whose rights have specifically been exempted.

The Organization applies unique methods, standards, processes and criteria to all cases of administration of performers’ rights and holders of performers’ rights that have been entrusted to the Organization by law, agreement, order, or an agreement with a certain related foreign organization.

Article 16
During the performing of Organization activity towards the users of performance, an authorization to the Organization to perform activities on behalf of all performers i.e. holders of rights, administration of which is included in its activities is assumed.

Article 17
In case of realization of exclusive property rights, the performers and holders of rights assign their property rights solely to the Organization by an agreement, with order for Organization to make agreements on its own behalf but for the account of performer or holders of rights, on nonexclusive assignment of those rights with the users of subject to protection.

In case of realization of the right to remuneration, the performers and holders of rights give an order to the Organization to collect the remuneration from users on its own behalf but for the account of performer and holders of rights.

Performer or holder of rights who did not sign an agreement with the Organization on exclusive assignment of rights to the Organization, may give a written notification to the Organization, of realization of his/her rights individually, except in cases where collective administration of rights is required by law.

The Organization must, upon their request, inform the users about the names of performers, i.e. holders of performers’ rights from the Article 3 of this document.

Article 18
The Organization controls the exploitation of subject to protection from its repertoire, in compliance with local regulations.

The Organization protects the rights entrusted to it for collective administration in court or other authorities, in compliance with positive regulations.

Article 19
The Organization provides collective administration of property performers’ rights of foreign holders in territory and inland holders abroad, pursuant to the agreement with corresponding foreign organizations.

Article 20
In addition to performing the activity of collective administration of performers’ rights, the Organization may, in compliance with positive regulations, perform the activity of realization of artistic, professional or social interest of holders of rights, as well as provide administrative and technical services on behalf and account of other organization, upon written agreement.
Article 21
The members of the Organization are inland performers of musical or on stage works of art that have entrusted the realization of their rights to the Organization and registered their performances to the Organization under an agreement or order, in terms of Article 17, paragraphs 1 and 2 of the Statutes.

A member of Organization may be any other inland person that has legally acquired the transferable property rights of the performer of musical or on stage works of art (holders of rights), that has entrusted the realization of his/her rights to the Organization and registered the performances to the Organization under an agreement or order, in terms of Article 17, paragraphs 1 and 2 of the Statutes.

The Organization keeps records of its members.

Article 22
The realization of property rights of the performer, for which the collective administration is not mandatory, ends with the written notice of termination of the agreement given by the performer or holder of the rights, or by a decision of the Managing Board of the Organization.

The Managing Board may cancel the agreement to the performer or holder of rights in case of non-compliance with the acts of the Organization or decisions of Organization Authorities, infringement of Organization’s reputation or other justified cases.

The realization of rights ceases at the end of a calendar year, in which the agreement was canceled by the performer or holder of rights, i.e. by a decision on termination of agreement made by the Managing Board.

VI
CONFLICT OF INTERESTS

Article 23
The person that is the owner, co-owner, member of the governing body or a singular governing body, or has any other managerial position, in scope of which it can decide about the business policy of the entities, which in relation with the Organization, have the status of performance user, may not be elected into the Organization body of authority, during the time of abovementioned circumstances, and one year after following that period, because of the conflict of interests.

Aside from abovementioned circumstances, any physical or legal person in status of performance user is in conflict of interests, regardless of whether the person has, as the performance user, concluded an agreement with the Organization or not.

VII
INTERNAL MANAGEMENT

Article 24
The Organization bodies of authority are:
1. The Assembly
2. The Managing Board
3. The Manager
4. The Supervisory Board
5. The Council for control and distribution of collection of charge for public communication, as a joint body of the collective organizations Sokoj, OFPS and Organization PI.

THE ASSEMBLY

Article 25
The Assembly is the highest authority of the Organization.

Article 26
The Assembly consists of all Organization members, who take part in its activities through the Annual Session of the Assembly, for economical and organizational reasons.

The Annual Session of the Assembly consists of all Organization members, who have applied for positions in the Annual Session of the Assembly, in accordance with the Statutes.

Article 27
The Annual Session of the Assembly consists of Organization members who have submitted the written application for position in the Annual Session of the Assembly in the following year to the Organization Managing Board by October, 1st of the current year.

The Managing Board may make a decision on extension of application period specified in the paragraph above, but the application period may be extended only until October, 10th of the current year.

Article 28
The Managing Board determines the preliminary list of members of the Annual Session of the Assembly for the following year until the December, 15th of the current year, and this list is published on the web page of the Organization under the Organization Members section.

Article 29
The Supervisory Board is obliged to approve the preliminary List of members of the Annual Session of the Assembly from the Article 28, until the December, 20th, for the following year.

The List of members of the Annual Session of the Organization Assembly is formed upon the approval of the preliminary List by the Supervisory Board.

Article 30
The List of members of the Annual Session of the Assembly is published on the bulletin board and Organization web page immediately upon the Supervisory Board approval.

Rights and responsibilities of the members of the Annual Session of the Assembly are acquired or revoked on January, 1st of every year, in accordance with the provisions of the Statutes.

Article 31
The Assembly has a president and a vice president, elected from the members of the Assembly to a five year period, with the possibility of reappointment.

The president and the vice president of the Assembly may be resolved of duty or resign from the office.

The decision on the president and vice president appointing or resolving is made by the Organization Assembly, upon proposal of 10 members of the Annual Session of the Assembly.

The decisions from the preceding paragraph are made by the majority of the total number of the members of the Annual Session of the Assembly, in compliance with provisions from the Article 35 of the Statutes.

The president and the vice president of the Assembly are considered registered in terms of the paragraph 2 of the Article 26 of the Statutes, until the expiration of their mandates.

Article 32
The jurisdictions of the Assembly are the following:

- Adoption of the Statutes and deciding on their amendments;
• Determination of the general requirements and joint principles of the collective administration of the performers’ rights and the requirements of distribution of the actual remuneration in accordance with those principles;
• Adoption of the financial plan and financial reports and the annual business report of the Organization;
• Adoption of the Plan for distribution of the performers’ fees and remunerations and deciding on its amendments;
• Adoption of Regulations of its activities;
• Reviewing and deciding on the Managing Board report;
• Reviewing and deciding on the Supervisory Board report;
• Deciding on joining of the Organization to other international associations and associating to related organizations and federation joining;
• Electing and resolving of the Managing Board members;
• Electing and resolving of the Revision Board members;
• Decisions on amendments of the Statutes;
• Decisions on the changing of the name of the Organization;
• Decision on cessation of Organization activity and
• Performing of other activities in compliance with the law, Statutes and other general acts.

Article 33
The sessions of the Assembly may be regular or extraordinary.

A regular session of the Assembly is held at least once a year.

The decision on the convening a regular session of the Assembly is made by the Managing Board, on its own initiative, or on proposal of at least one third of the members of the Annual Session of the Assembly, and in period of up to 30 days from the date of submitting of the proposal for convening of the Assembly that must be in written form.

The decision on convening a extraordinary session of the Assembly is made by the Managing Board, on its own initiative, or on proposal of the Supervisory Board or of at least one third of the members of the Annual Session of the Assembly, and within 15 days from the date of submitting of the proposal for its convening, in writing and reasoned.

All members of the Annual Session of the Assembly according to the current List of members of the Annual Session of the Assembly are invited to attend the Assembly when the Assembly is convening.

Article 34
The president chairs the Assembly, i.e. the vice president in case of his/her absence.

In case the president and the vice president are unable to attend the session, the Assembly shall elect a chairman for that specific session of the Assembly.

The Assembly may validly perform its activities and make decisions if at least 25% of the total number of members of the Annual Session of the Assembly is present.

If the session of the Assembly could not have been held due to the lack of quorum from the preceding paragraph, it shall be convened again within 15 days and the quorum requirement shall be fulfilled by 20% of the present members of the total number of members of the Annual Session of the Assembly.

Article 35
Every member of the Annual Session of the Assembly has the right to one vote.
The Assembly makes the decisions on all issues in its jurisdiction upon the rule of the simple majority of votes of the present members of the Annual Session of the Assembly.

The decision on electing and resolving of the president and the vice president of the Assembly, and the members of the Managing and the Supervisory Boards is made by the majority of votes of the members of the Annual Session of the Assembly.

The decision on issues of the amendments of the Articles of Association, i.e. Statutes and cession of the Organization activity is made by a majority of two thirds of the votes of the total number of members of the Annual Session of the Assembly.

Notwithstanding the provision from the previous paragraph, the Decision on Article of Organization amendments in order for them to comply with the positive regulations and other binding acts of the competent authorities is made by the simple majority of votes of the members of the Annual Session of the Assembly.

The activity of the Assembly is described in greater detail in the Assembly Rules of Procedure.

THE MANAGING BOARD

Article 36
The Organization Managing Board (hereinafter: the Managing Board) consists of seven members.

A member of the Managing Board may be any competent person, whereby at least 3 members of the Managing Board must be the members of the Organization, while at least 2 members of the Managing Board must be experts.

An expert in the sense of the previous paragraph is a person with university education in the domain of law, economy or management.

A person that is not a member of Organization may be elected for the member of the Managing Board, if with his/her contribution to the national culture, his/her reputation or credits in certain areas this person may be of importance for performing the activities under jurisdiction of the Organization or may contribute to accomplishing of Organization’s targets.

The members of the Managing Board are elected and resolved by the Assembly, following the procedure given in Statutes.

Article 36a
The Managing Board is selected by the Assembly, on proposal of authorized proposers, by a majority of votes of the members of the Annual Session of the Assembly.

The authorized proposals are:
- At least 10 members of the Annual Session of the Assembly and
- At least 5 founders.

Every authorized proposer may submit a List with 7 candidates for the Managing Board members to the Assembly. If the performer of the activities of professional services is hired in the sense of the Article 58 of the Statutes, during the making of the List of candidates for the members of the Managing Board, the authorized proposer is obliged to take the suggestions of the performer of professional services into consideration when proposing experts in the sense of the Article 2 and 3 and the Article 36 of the Statutes.
The authorized proposers are obliged to submit the List of candidates for the members of the Managing Board no later than March, 31st of the year of mandate expiration. The Assembly votes on election of the List of candidates for the Managing Board members, on the first regular session in the year of mandate expiration.

Every List of candidates must be signed and certified by an authorized proposer and must contain basic biographical information on candidates.

The president of the Assembly first determines if the candidates from the proposal of the List for the Managing Board members meet the requirements from the Article 36 of the Statutes and the requirements provided in the previous paragraph of this Article.

If the List of candidates for the Managing Board members is not submitted according to the provisions of the previous paragraph of this article, the List shall be discarded.

By electing of the List of candidates for the Managing Board members, the Managing Board is elected as well.

The Assembly shall vote on the Lists of candidates for the Managing Board members simultaneously and the List with the acquired majority of votes shall be elected. If none of the Lists acquires the sufficient number of votes, the voting shall be repeated on the same session of the Assembly. If after the repeated voting none of the Lists acquires the sufficient number of vote, the procedure of the Managing Board election shall be restarted, in compliance with the provisions of this Article. In this situation, the authorized proposers are obliged to submit new proposals within 30 days from the date of unsuccessful elections.

A Managing Board member may simultaneously be a member of the Annual Session of the Assembly.

The Managing Board mandate lasts for 5 years from the election date, with the possibility of reappointment.

The member of the Managing Board may submit a written resignation followed by an explanation. The Assembly may, upon proposition of the Managing or Supervisory Boards, or on proposition of at least 10 members of the Annual Session of the Assembly, resolve a member of the Managing Board, in case of acting contrary to law, or acts of this Organization, gross violation of the rights and responsibilities, negligence, disloyalty, and in cases of conflict of interests.

The decision on dismissal may be made solely upon an argued proposal and after a procedure in which all relevant circumstances have been determined and in which the Managing Board member against whom the procedure is initiated is enabled to make a statement on all circumstances.

The Assembly makes the decision from the previous paragraph in compliance with provisions of the Article 35 of the Statutes, and this decision is final.

Once the proposal for dismissal of the Managing Board member has been submitted, the Managing Board may with a two-thirds majority of the total number of member votes make a decision on the suspension of the Managing Board member, against whom the dismissal proposal had been submitted, but no longer than six months.

In case of resignation, dismissal, loss of legal or working capacity, death or in other cases of membership termination of one of the Managing Board members before the expiration of the mandate, the authorized proposer who had proposed the member whose mandate ceased in this way, is obliged to submit a proposition for a new candidate for the vacant position in the Managing board to the Assembly without delay, and no longer than within one month. The Assembly elects a new member of the Managing Board in accordance with the procedure described in the Article 35 of the Statutes. The mandate of the newly elected member of the Managing Board expires with the expiration of the mandate of the Managing Board.
Until the new member is elected, the Managing Board decides validly in incomplete composition. The Managing Board may not make decisions validly if, due to mandate expiration of individual members, the number of Managing Board members is less than five.

The mandate of the elected Managing Board lasts until the election of the new Managing Board.

If the mandate of the Managing Board expires before the election of the new board, the members of the existing Managing Board continue to perform their activities until new members have been elected.

Article 37
The jurisdictions of the Managing Board are the following:

- Adoption of all general acts, except Statutes, Plan for distribution of the performers’ fees and remunerations and acts on job classification
- Negotiation, conclusion and implementation of the Agreement on the collection of the single fee (remuneration of producers of phonograms and Performers’ fees) in compliance with Law on Copyright and Related Rights;
- Negotiation, conclusion and implementation supervision of the Agreement on charging a private copy remuneration, in compliance with Law on Copyright and Related Rights;
- Negotiation, conclusion and implementation supervision of the Agreement with the executor of extension work;
- Employment of the independent auditor;
- Determination of the current policy of acquisition and distribution of resources;
- Setting out of the general calculations of the Performers’ fee on all bases;
- Determination of the proposal for financial plan that provides all costs of the Organization activity including the maximal planned allocations for cultural purposes or for improvement of the pension, health and social status of the members of the Organization;
- Making decisions on financial contributing to the cultural purposes or improvement of the pension, health and social status of the members of the Organization;
- Determination of the second degree upon complaints of holder of rights regarding the application of the general acts of the Organization;
- Deciding on opening of the new regional branches outside the headquarters;
- Deciding on assignments of the professional services and commissions;
- Deciding on establishment of professional departments;
- Deciding on changing of the Organization headquarters location;
- Adoption of its Rules of Procedure
- Appointing of the Manager;
- Preparation of the Assembly sessions and
- Performing of other activities in compliance with the law, Articles of Association, Statutes and other general acts.

Article 38
The Managing Board can perform the activities and make decisions validly if more than one half of the total number of members is present at the session.

The Managing Board makes decisions by the majority of votes of the total number of members of the Managing Board.

The activities of the Managing Board are provided in greater detail in the Rules of Procedure of the Managing Board.

Article 39
The Assembly is responsible for the activities of the Managing Board.

The president of the Managing Board submits the report on the activities of the Managing Board on every regular session of the Assembly.
THE MANAGER

Article 40
The Manager of the Organization (hereinafter: the Manager) is appointed by the Managing Board and he/she reports to the Managing Board for his/her activities.

The Manager’s mandate lasts for 5 years, with the possibility of reappointment, except that the Manager can be relieved of duties before the mandate expiration by a decision adopted by the Managing Board.

The Manager may be relieved of duties by the Managing Board at any time, in the case of acting contrary to the law or acts of the Organization, gross violation of rights and responsibilities, negligence, disloyalty and in the case of conflict of interests, and when that is estimated to be in the Organization’s best interest, except that this dismissal cannot violate the contractual rights of the resolved person.

Article 41
The Manager of the Organization organizes and manages the working process and business activities of the Organization, in compliance with the decisions made by the Assembly and the Managing Board, he/she also represent the Organization in communication with the third parties and is held responsible for the legality of the Organization’s activities.

The Manager adopts and implements the act on job classification and implements the acts and decisions of competent authorities of the Organization.

The members of the Managing and Supervisory Boards have the right to ask questions in his field of jurisdiction, in written form. The manager shall also reply to these questions in written form.

THE SUPERVISORY BOARD

Article 42
The Supervisory Board is a supervisory authority that follows and controls the Organization’s business activities. The Supervisory Board consists of 3 members elected from among the members of the Organization by the Assembly, out of which a president of the Supervisory Board is elected.

The Assembly elects the Supervisory Board upon proposal of the authorized proposers, by a majority of a total number of votes of the members of the Annual Session of the Assembly.

The authorized proposers are:

- At least 5 members of the Annual Session of the Assembly, or
- At least three founders.

The election of the Supervisory Board or its individual members in case of resignation, dismissal, loss of business or working capacity, death or other cases of cessation of membership of individual members of the Supervisory Board before the mandate expiration is done by the procedure set for the Supervisory Board.

The mandate of the Supervisory Board lasts for 5 years.

The members of the Supervisory Board may be relieved of duties or submit a resignation to their position any time before the expiration of the mandate.
The decision on dismissal of the members of the Supervisory Board is made by the Organization Assembly, on proposal of the Supervisory Board or at least 5 members of the Annual Session of the Assembly, following the determined procedure for dismissal of Supervisory Board members.

Article 43
The jurisdictions of the Supervisory Board are the following:

- Control of the Organization’s acts and decisions implementation;
- Control of the financial management of the Organization;
- Control and approval of the List of the Assembly members; and
- Interpretation of the Statutes.

Article 44
The Supervisory Board may perform its activities and make decisions validly if more than one half of the total number of members is present.

The Supervisory Board adopts the decisions by a majority of votes of the total number of members.

Article 45
The Assembly is responsible for the performing of the activities of the Supervisory Board.

The president of the Supervisory Board submits the Report on the activities of the Supervisory Board for every regular session of the Assembly.

Article 46
In order to successfully perform affairs in its jurisdiction, the Supervisory Board relies on the report of a person qualified for audits of financial operations.

THE COUNCIL FOR CONTROL OF COLLECTION AND DISTRIBUTION OF THE REMUNERATION FOR PUBLIC PERFORMANCE

Article 46a
The Council for control of collection and distribution of the remuneration for public performance is a joint body of collective organizations Sokoj, OFPS and the Organization PI (hereinafter: collective organizations).

The Council controls the implementation of the agreement concluded between collective organizations, in compliance with the Article 156, paragraph 5 of the Law on Copyright and related rights, and audits the control of collection and distribution of the collected remuneration and gives directions on collection and distribution of the remuneration between organizations.

The Council consists of three members, one from each collective organization.

The member of the Organization PI is the president of the Managing Board of this Organization. In case of absence of the president of the Managing Board, the member of the Council is the Manager.

The Manager assists the president of the Managing Board to perform activities for the Council.

The Council is obliged to adopt the Rules of its procedures.

EXPERT WORKING GROUPS
Article 47
The Managing Board may adopt the decision on establishing Council of Performers, as an expert working group of the Organization, with mainly advisory function. The Council of Performers shall provide advice and references upon the request of the Managing Board during decision-making on election of the recipient of founds for cultural purposes, improvement of pension, health or social status of Organization members, or in other situations, if needed.

In case described in paragraph 1 of this Article, the Council of Performers is a collegial body that consists of 3-5 members, who also are members of the Organization.

Members of the Council of Performers are prominent performers of different musical genres, who can contribute to target accomplishment of the Organization by their previous work and knowledge of the problem of improvement of performer rights.

LIABILITY

Article 48
Members of Organization bodies are jointly liable for damages to the Organization caused by their decision, if that decision was adopted by gross negligence or intentionally, except if individual members have separated their opinion to a record during the process of decision making.

Reimbursement procedure shall be initiated upon the decision of the Managing Board.

Provisions of this Article shall be applied to activities of Organization’s representative.

VIII
ASSETS AND ORGANIZATION’S FINANCIAL AFFAIRS

Article 49
The following assets shall be provided by the Organization for accomplishing of targets, determined in the Statutes:
- Income from remuneration collected from the users by the Organization;
- Income collected by the Organization for share of the performers in single equitable remuneration for phonograms producers and performers;
- Income collected by the Organization for share of the performers in private copy remuneration;
- Income from property; and
- Extraordinary incomes and other incomes in compliance with the law.

Organization’s operating costs and assets for cultural purposes and improvement of pension, health and social status of Organization members are being deducted from the income gained from collected remuneration and stated sources, and all the remaining assets are distributed to performers and holders of rights, in compliance with the Plan of Distribution.

Article 50
The total amount of Organization’s operating costs is determined by the Managing Board, in accordance with the Financial Plan of the Organization for specified business year.

The total amount of assets intended for cultural purposes and improvement of pension, health and social status of Organization members must not exceed 10% of the net income of the organization on annual level.

The decision of the amount described in the previous paragraph is made by the Managing Board, in accordance with the Financial Plan of the Organization for specified business year.
Article 51
Total operating costs of the Organization from the Article 50 of the Statutes are financed from income realized on property, as well as from income realized on performance remuneration. The costs financed from the income realized on performance remuneration may not exceed 30% of income realized in this way on annual level.

Exceptionally and in justified circumstances, upon decision of the Assembly, a different amount of costs may be adopted.

Article 52
A proposition of the Financial Plan for the following business year is adopted by the Organization, within six months from the end of that business year.

Regular financial reports determine the financial status and business results of the Organization, in compliance with the Accounting and Auditing Law.

Article 53
The Manager manages the financial activities, in compliance with the law and decisions of the Assembly and Managing Board.

The Manager is held liable for lawful use of assets in accordance with the Financial Plan of the Organization.

IX
AMENDMENTS OF THE STATUTES

Article 54
The Organization may make a statutory change of the legal status upon the decision of the Assembly, in compliance with positive regulations.

Statutory changes are absorption, merging and division of the Organization.

Article 55
Absorption is a transfer of the total property of one organization to the other organization upon the Agreement on Absorption. Absorption is entered in the Register of the association. By entering of the Absorption in the Register, the absorbed organization ceases to exist, and the absorber continues the activities under previously registered name.

Article 56
Merging is the procedure of establishing a new organization to which the total property of the two or more merging organizations is transferred.

The merged organizations cease to exist, and the newly established organization is considered a new organization to which the provisions of the Law on Associations and Associations Establishing are applied.

Article 57
Organization may be divided to two or more organizations in compliance with positive regulations.

The decision on division shall have the legal effect of the Articles of Association.

The divided organization ceases to exist and the establishment provisions of the Law on Associations are applied to the newly established organizations, when the registration procedure is over.

Organizations emerged from the division are jointly responsible for the liabilities of the divided organizations. Organizations emerged from the division enter into the Register after the dividing of assets, rights and liabilities (division balance).
X

PERFORMANCE OF PROFESSIONAL ACTIVITIES

Article 58
The Organization hires employees, in compliance with the Law on Copyright and Related Rights, and adopts the job classification.

By a separate Agreement, the Organization may entrust the performing of the expert service professional activities to a legal person (the executor of expert service professional activities), on behalf and for the account of the Organization if this person complies with the requirements set forth in the Statutes.

The requirements mentioned in the previous paragraph are the following:

1) That the executor of the professional activities has performed the service of administration of copyrights and related rights for at least fifteen years continuously at the moment of conclusion of the agreement on performing of the expert service professional activities;
2) That the performer of professional activities permanently employs at least 10 persons, of which at least two jurists, an economist and two collaborators experienced in performing of financial settlements and complementation payment;
3) That the executor of professional activities is capable of putting business premises to disposal to the Organization with the suitable communication and IT equipment of at least 50 square meters in one of central municipalities in Belgrade; and
4) That the executor of professional activities is ready to be obliged by an agreement to perform all expert service activities, i.e. all necessary professional and technical operations for the Organization within the period of at least 5 years.

Activities of expert service and necessary professional and technical operations from this Article mostly include forming, maintenance and updating of performer and holder of rights database, software development and its usage for data processing, communication with the performers and holders of rights, keeping of records, support of the accounting and legal services of the Organization, financial settlements and payment services, consulting and management service for the Organization’s authorities, and other.

Agreement on performing of expert service activities that employs the executor of expert service activities is concluded and supervised by the Managing Board, except that members elected upon proposal of the executor of expert service activities shall not have the right to vote.

XI

TERMINATION OF ORGANIZATION ACTIVITIES

Article 59
Organization shall cease the performance of its activities upon the decision of the Assembly or state competent authority.

In case of termination of Organization’s activities, the Organization shall, as the recipient of the property, establish an inland nonprofit legal person for accomplishing of those and similar targets.

The assets that are on the account of the Organization in the moment of termination, other elementary assets in property of the Organization, and the assets that shall be attached to the account within the period of three years from the termination of the activities of the Organization, and upon demand arising from the moment of such termination, shall be used for regulating and settlement of the obligations of the Organization, that have arisen until the moment of termination of Organization’s activities, towards members, third parties and other creditors of the Organization.
The assets that remain as Organization’s property after settlement of obligations from this Article shall be transferred to the legal person from the paragraph 2 of this Article.

XII
OTHER ISSUES

Article 60
Every member of the Organization may initiate proceedings before the competent District Court for determination of invalidity of the general act of the Organization that was adopted contrary to the Statutes or other general act of the Organization, i.e. for determination of invalidity of individual acts of the Organization, that was adopted contrary to the law, Statutes or other general acts of the Organization, within fifteen days from learning about the act, and at latest within six months from adoption of the act.

Determination of the invalidity of the act referred to in paragraph 1 of this Article, the rights vested by the third dutiful entities are not endangered.

The procedure for determination of invalidity of the act referred to in the paragraph 1 of this Article is conducted according to provisions of the law regulating the litigation.

XIII
TRANSITIONAL AND FINAL PROVISIONS

Article 61
The authorities of the Organization shall within one year from adoption of those amendments of Statutes coordinate the acts, so that the Organization’s activities are in compliance with the provisions of Statutes.

All general acts of the Organization remain valid in parts that are not in contrast with provisions of Statutes.

Article 62
The current convocation of the Assembly shall conduct the authorizations of the Assembly until adoption and entering into force of the new List of members of the Annual Session of the Assembly in compliance with the Statutes. After establishment of the Annual Session of the Assembly, in accordance with the Statutes, the Assembly shall elect the president and the vice president of the Assembly, the Managing and Supervisory Boards of the Organization, in accordance with provisions of the Statutes.

The current president and vice president of the Assembly, and the Managing and Supervisory Boards continue to perform their activities until the election of the new performers of those activities, in accordance with the previous paragraph of this Article.

Article 63
Interpretation of the Statutes and their individual provisions is performed by the Supervisory Board.

Article 64
The Statutes shall have legal effects on the eight day of their posting on the bulletin board and Organization web page.

The President of the Assembly

Ivan Illic