



Pursuant to Articles 165 and 166 of the Law on Copyright and Related Rights (“Official Gazette of the Republic of Serbia”, Nos. 104/2009, 99/2011, 119/2012, 29/2016 – CC decision and 66/2019) and Articles 12 and 22 of the Law on Associations (“Official Gazette of the Republic of Serbia”, Nos. 51/2009, 99/2011 – other laws and 44/2018 – other law), and in accordance with Article 24 of the Statute of SokoJ of March 10, 2010, on April 26, 2021, the Assembly of SokoJ adopts the

STATUTE of SokoJ – Organization of Music Authors of Serbia

I GENERAL PROVISIONS

History and legal predecessors of the Organization

Article 1.

SokoJ – Organization of Music Authors of Serbia (hereinafter: the Organization) was founded in 1950 by composers associated in the Association of Yugoslav Composers (SAKOJ). Since 1997, the name of the Organization and its organizational form have been changed several times, so SokoJ – Serbian Music Authors’ Organization is the legal successor of the Association of Yugoslav Composers (SAKOJ), the Association of Yugoslav Composers’ Organizations – Copyright Protection Society (SOKOJ) and SokoJ – Organization for Protection of Music Copyright.

Article 2.

SokoJ – Serbian Music Authors’ Organization is a non-profit organization that unites composers, lyricists, music arrangers and other copyright holders, natural persons and legal entities who have acquired pecuniary rights to musical works in accordance with the law, in order to achieve the goals of the Organization envisioned in this Statute.

Subject of the Statute

Article 3.

This Statute regulates:

- 1) the name and head office of the Organization,
- 2) the appearance and content of the seal of the Organization,
- 3) representation and agency of the Organization,
- 4) making the work of the Organization public,
- 5) the goals and activities of the Organization,
- 6) the conditions for membership in the Organization, method of joining and termination of membership,
- 7) the rights, obligations and responsibilities of members of the Organization,
- 8) the internal organization of the Organization, i.e. its bodies, their powers, composition, manner of election and recall, duration of the mandate and manner of decision-making,
- 9) the manner of deciding on status changes and termination of the Organization,
- 10) the procedure for amendments to the statute and the procedure for the adoption and amendment of other general acts of the Organization,
- 11) the treatment of the property of the Organization in case of its termination,
- 12) the procedure for adoption of financial and other reports,
- 13) the manner of resolving disputes and conflicts of interest,
- 14) other issues of importance to the Organization.



Name

Article 4.

The name of the Organization is: Sokoj – Organizacija muzičkih autora Srbije.

The abbreviated name is: Sokoj.

The name of the Organization in English is: Sokoj – Organization of Music Authors of Serbia. The name of the Organization in French is: Sokoj - Organisation des auteurs de musique de Serbie.

The name of the Organization is used in Serbian language, in Cyrillic script. For the purposes of international cooperation, names in English and French are also used.

Head Office

Article 5.

The head office of the Organization is in Belgrade, Mišarska 12–14.

The decision on the head office is made by the Assembly upon proposal of the Managing Board.

The Organization carries out its activities on the territory of the Republic of Serbia.

Seal

Article 6.

The Organization has a round seal with the text: “Organization of Music Authors of Serbia” along the rim, “Sokoj” in the center and “Belgrade” at the bottom of the seal.

Representation and Agency

Article 7.

The organization is represented by the Director.

In certain tasks, the Organization may be represented by other persons designated by the Director within the limits of the obtained mandate for representation, i.e. agency.

Membership in international organizations (International activity)

Article 8.

Sokoj – Organization of Music Authors of Serbia is a member of the International Confederation of Societies of Authors and Composers (CISAC) and the International Bureau of Societies for the Protection of Recording Rights and Mechanical Reproduction Rights (BIEM).

The Organization may also join other related international organizations.

Publicity of work

Article 9.

The work of the Organization is public.

The publicity of work is accomplished:

- 1) by regularly informing users and the interested public through the media and publications in electronic form on the website of the Organization about:
 - a) the categories of rightsholders it represents,
 - b) the pecuniary rights it exercises,



- c) the categories of users of musical works and other natural persons or legal entities which are required to pay fees,
 - d) the content of general acts of the Organization (statute, tariff, distribution plan, etc.), the number and list of bilateral agreements concluded with foreign organizations,
 - e) information on authorized representatives and
 - f) the working hours;
- 2) by providing information on the repertoire and the conditions under which it exercises rights, to any interested user or other person who has a legal interest;
 - 3) by informing members through the authors' portal about:
 - a) the list of members of the current convocation of the Assembly, the Managing Board, the Supervisory Board and the Authors' Council,
 - b) annual business reports and
 - c) holding sessions and decisions of the Assembly, the Managing Board, the Supervisory Board and the Authors' Council.

II GOALS AND ACTIVITIES

Article 10.

The main goals of the Organization are:

- 1) protection of authors and other musical works rightsholders, and exercise of their rights in accordance with the law, this Statute and other general acts,
- 2) improvement of authors' social and material position, and advancing the protection and exercise of their rights,
- 3) realization of authors' professional interests and protection of their status,
- 4) influencing the adoption of laws and bylaws that further improve and protect the interests of authors and other musical works rightsholders,
- 5) cooperation with domestic and foreign organizations for protection and exercise of rights, competent ministries and state and other bodies and organizations of importance for the work of the Organization and exercise of rights of authors and other rightsholders,
- 6) informing authors about the application of legal regulations.

The Organization also performs a cultural mission, stimulating the promotion of domestic music at concerts and in the media in various ways.

Article 11.

The Organization performs the activity of collective exercise of the following pecuniary rights of authors of musical works with words or without words:

- 1) the right to reproduce the work,
- 2) the right to place in circulation copies of the work,
- 3) the right to rent copies of the work,
- 4) the right to perform,
- 5) the right to present,
- 6) the right to transmit performance or presentation,
- 7) the right to broadcast,
- 8) the right to satellite broadcast,
- 9) the right to rebroadcast and cable rebroadcast,
- 10) the right to public communication, including interactive making of the work available to the public,
- 11) the right of public communication of the broadcast work,



- 12) the right of public communication of the work from a sound or image carrier,
- 13) the right to a private copying remuneration charged for the import or sale of technical devices and empty sound, image and text carriers which can reasonably be assumed to be used for reproduction of musical works for personal non-commercial needs of natural persons,
- 14) the right to remuneration in the case of lending.

Article 12.

Based on the law, authorizations of authors and rightsholders, and the license issued by the Intellectual Property Office, the Organization is the only entity in the Republic of Serbia authorized to collectively exercise the rights of all authors and copyright holders in musical works, regardless of whether they have concluded a contract with the Organization or not, except for those authors and rightsholders who have explicitly excluded themselves from the collective exercise of rights.

The authors and rightsholders exclusively assign exclusive pecuniary rights to the Organization by contract, and authorize the Organization to:

- 1) conclude agreements on non-exclusive assignment of the right to use musical works with users;
- 2) take measures in order to collect fees from users for the use of musical works;
- 3) collect fees;
- 4) control the execution of contractual and legal obligations of users and the use of the repertoire of the Organization;
- 5) initiate and conduct proceedings before courts, administrative and other competent bodies for the exercise of those rights entrusted to the Organization;
- 6) distribute and pay collected royalties to rightsholders, in accordance with the provisions of the Distribution Plan and other acts of the Organization.

Article 13.

The Organization ensures the exercise of the rights of domestic authors and rightsholders abroad and foreign authors and rightsholders on the territory of the Republic of Serbia, on the basis of laws, international agreements and agreements with foreign copyright organizations.

Article 14.

In addition to the activities of collective exercise of copyright, the Organization may, in accordance with the law, perform activities that accomplish artistic, professional or social interests of rightsholders, as well as administrative and technical services in the name and on behalf of another organization, or in its own name and on behalf of another organization, based on a written agreement.

Article 15.

In accordance with this Statute and other acts, the Organization equally applies the unique principles, criteria and procedures for exercising copyright to all authors and rightsholders whose rights it exercises.

III MEMBERSHIP

Article 16.

Members of the Organization are authors and rightsholders who have exclusively assigned to the Organization, by contract, exclusive pecuniary rights in the works of which they are the authors, i.e. in which they are rightsholders, as follows:

- natural persons with permanent or temporary residence on the territory of the Republic of Serbia, or with the citizenship of the Republic of Serbia,
- legal entities with their registered office on the territory of the Republic of Serbia.



Members exercise their rights directly through the Organization.

For persons under the age of 18, as well as for persons deprived of legal capacity, the contract with the Organization is concluded by a legal representative or guardian.

Article 17.

In addition to other rights arising from the law, this Statute and other general acts, members particularly have the right:

- 1) to participate in the work of the Organization in the manner provided by this Statute;
- 2) to enjoy protection of and economic benefit from their works;
- 3) to elect and be elected to the bodies of the Organization;
- 4) to be informed about the work of the Organization.

In addition to other obligations arising from the law, this Statute and other general acts, members particularly have the obligation:

- 1) to perform the assumed obligations towards the Organization;
- 2) to keep the property of the Organization;
- 3) to act in accordance with the goals and within the activities of the Organization;
- 4) to protect the reputation of the Organization;
- 5) to address the bodies of the Organization before initiating court or other proceedings when resolving disputes on rights and conflicts of interest, especially when they are of importance to the Organization and the entire membership.

In addition to other responsibilities arising from the law, this Statute and other general acts, members are especially responsible for:

- 1) damage caused to the Organization,
- 2) violation of general acts of the Organization,
- 3) public action against the Organization and contrary to the goals of the Organization,
- 4) violation of interests of the Organization.

Article 18.

In order to discuss certain topics within the scope of work of the Organization, a session of the Plenum of the Organization may be convened.

The views of the Plenum are not binding, and if the majority of the present members express positive opinion, the views of the Plenum may be forwarded to other bodies of the Organization.

The Plenum is an open meeting, organized as needed, which can be attended by all members of the Organization interested in issues of common interest, which fall within the scope of work of the Organization.

The session of the Plenum is scheduled by the Managing Board, either on its own initiative, or on the initiative of the Supervisory Board, the Authors' Council, or at least 30 members of Sokoj.

All members of the Organization present at the session of the Plenum have the right to equal participation in the discussion and an equal share in determining the views of the Plenum.



Article 19.

Membership in the Organization ceases by:

- 1) voluntary resignation of the rightsholder from the Organization, by exclusion from the collective exercise of rights or complete transfer to another organization, of which the rightsholder is obliged to inform the Organization in writing;
- 2) termination of the contract by the Organization or termination by agreement between the Organization and the rightsholder, all under the conditions provided by the contract, acts of the Organization and the law;
- 3) death of a natural person, i.e. termination of a legal entity;
- 4) exclusion due to damaging the reputation of the Organization and/or causing significant material damage to the Organization.

In the case referred to in Paragraph 1, Item 4 of this Article, if the damage caused to the reputation of the Organization/material damage to the Organization is minor, or if there are significant mitigating circumstances, instead of exclusion, one or both of the following measures may be imposed on the member, by decision of the Assembly:

- 1) expulsion from membership in the bodies of the Organization and the Authors' Council, which shall apply from the day of the decision on expulsion until the first election cycle;
- 2) prohibition of candidacy for membership in the bodies of the Organization, in the first election cycle starting from the day of making the decision on prohibition.

Termination of the contract by the Organization referred to in Paragraph 1, Item 2 of this Article may occur in case of non-compliance with general and other acts of the Organization.

In cases provided for in Paragraph 1, Item 1 of this Article, the exercise of rights through the Organization ceases on the last day of the calendar year in which the grounds for termination of membership occurred, while in the case provided for in Paragraph 1, Item 3 of this Article in part concerning legal entities, the exercise of rights through the Organization ceases at the moment of termination of the legal entity.

Termination of the contract by the Organization, termination of the contract by agreement or due to death of a member – a natural person, do not affect the exercise of rights through the Organization.

In the case referred to in Paragraph 1, Item 4 of this Article, the term “significant” means such damage, the total amount of which is at least fifteen average net salaries in the Republic of Serbia, according to the latest officially published data of the republic authority responsible for statistics.

Decisions on exclusion from the membership of the Organization are made by the Assembly.

Article 20.

In order to preserve the dignity of the profession and the reputation of the members of the Organization, to affirm the mission and goals of the Organization, as well as to raise awareness of the importance of copyright protection of music authors in the general public, the Organization adopts a Code of Professional Ethics.

The Code of Professional Ethics contains a set of rules on the professional conduct of the members of the Organization.

The decision on the adoption of the Code of Professional Ethics is made by the Assembly upon the proposal of the Managing Board.



For violation of the Code of Professional Ethics, the following measures may be imposed on the members of the Organization:

1. warning,
2. public reprimand with announcement at the session of the Managing Board, and
3. public condemnation with announcement at the session of the Assembly and publication on the website of the Organization, with notification of the members of the current convocation of the Assembly.

The rules on the conditions and procedure for imposing these measures are regulated in more detail by the Code of Professional Ethics.

IV BODIES OF SOKOJ

1. *General provisions*

Article 21.

The bodies of Sokoj are:

1. the Assembly,
2. the Managing Board,
3. the Director,
4. the Supervisory Board.

In the event that, through the election process in the Assembly, a position of a member of the Managing Board or the Supervisory Board cannot be filled, because an insufficient number of candidates applied, or the candidate(s) did not receive a sufficient number of votes in the election process, the body of the Organization missing a member may temporarily appoint members (no more than two) from among the current convocation of the Assembly. The members appointed in such manner shall perform this function until the next election session of the Assembly, which must be held within six months from the day of the election session of the Assembly, at which the member(s) of a body could not be elected.

In the event that the members of a collective body or the professional working body of the Assembly are unjustifiably absent from three sessions of the body, i.e. the working body of the Assembly, in a period of twelve months, the body of which they are members has the right to suspend them for a period of six months, or until the next session of the Assembly, at which decisions shall be made on their status in the body, i.e. the professional working body of the Assembly of which they are members. During the suspension, the suspended members are not entitled to compensation for work in the body. If there is not enough information to decide on the justification of the absence at the session when the absence occurred, the body or professional working body of the Assembly whose members are suspended shall determine the justification of the absence at the first session following the session when the absence occurred.

The Managing Board and the Supervisory Board may also hold sessions electronically.

The Assembly of Sokoj may hold sessions electronically in a manner that is regulated in more detail by the Rules of Procedure of the Assembly. If a session is held electronically, its work is principally performed without discussion, which also applies to election sessions of the Assembly.

Members of the Managing Board and the Supervisory Board are entitled to remuneration for their work in these bodies, in accordance with a decision brought by the Managing Board. Members of the current



convocation of the Assembly, who attend a session, if they are not members of the Managing Board, Supervisory Board or the Authors' Council, are entitled to compensation for work at that session, as well as compensation for transportation costs, if they come from outside the place of the head office of the Organization, all in accordance with the decision brought by the Managing Board.

Article 22.

A person who is in conflict of interest may not be a member of a body of the Organization. All members of the governing bodies give written statements whether they are in conflict of interest before taking office, and later once during the calendar year, which also applies to owners of publishers of musical works. Members of collective bodies give their statements at the first session of the calendar year, and the Director by the end of January of the current year. Statements are published on the authors' portal.

In the sense of this Article, a person who is the owner, co-owner, director, member of a managing body or is in a managerial position within which they can decide on the business policy of a natural person or a legal entity which has a status of a user of musical works, and any other natural person who, according to other grounds and circumstances, may justifiably be considered to be of interest to a member of a body of the Organization, for the duration of the said circumstances and for six months after termination thereof, is considered to be in conflict of interest, and particularly:

- 1) spouse or common-law partner of a member of a body of the Organization,
- 2) blood relative in the direct line of a member of a body of the Organization, and in the collateral line concluding with the second degree of kinship,
- 3) adopter and adoptee of a member of a body of the Organization,
- 4) in-law relative of a member of the body of a Organization, concluding with the first degree of kinship.

In terms of the provisions of this Article on conflict of interest, a natural person who uses musical works in accordance with the law, regardless of whether they have concluded a contract for the use of musical works with the Organization, has the status of a user of musical works.

For the purposes of this Article, a person is not considered to be in conflict of interest if they are:

- 1) an organizer of an author's concert or a publisher of an author's edition, in accordance with the acts of the Organization,
- 2) an organizer of a non-commercial concert or event or festival, or a publisher of editions intended for the promotion of Serbian music, for projects financed by the Ministry in charge of culture or education, or by provincial or city funds, or by the Cultural benefits fund of the Organization,
- 3) a so-called one-time user of musical works due to family or similar circumstances (weddings, baptisms, family or corporate celebrations, etc),
- 4) a music editor, festival selector or artistic director,
- 5) a member of a governing body of an association of music authors and/or performers which has published a sound carrier for non-commercial purposes, exempt from payment of fees.

The procedure for determining the existence of conflict of interest and the procedure in case of established existence thereof shall be determined by a general act issued by the Managing Board. The initiative for determining the existence of conflict of interest is submitted to the Supervisory Board, which submits its opinion on the existence or non-existence of a conflict of interest to the Managing Board. Based on the opinion of the Supervisory Board, the Managing Board makes a decision, which is final.



The mandate or membership in the body of the Organization of a person who has been determined to be in conflict of interest shall be terminated by a decision of the Managing Board on the existence of conflict of interest.

Article 23.

The members of the governing bodies are obliged to act conscientiously in performing their function, in accordance with the best standards of the profession and to the best of their knowledge.

Members of the bodies of the Organization have the right to accurate, complete, timely and clear information necessary for the exercise of their competencies, while members of other bodies of the Organization, the Authors' Council and employees of the Professional Service of the Organization are obliged to provide them with timely information, as needed.

Members of the bodies of the Organization are obliged to keep confidential information and business secrets related to the work of the Organization or relevant to it.

Article 24.

Members of the bodies of the Organization and the Authors' Council who have been dismissed by the Assembly may not run again for members of the bodies of the Organization, within 12 months starting from the day of the decision on dismissal.

2. Assembly

Article 25.

The Assembly is the highest governing body of the Organization.

The Assembly makes decisions at its sessions.

All members of the Organization are members of the Assembly. Due to the large number of members of the Organization, decisions are made by the current convocation of the Assembly, which represents all members of the Organization, and whose composition is determined by the Managing Board, based on the criteria provided by this Statute.

Article 26.

A member of the current convocation of the Assembly may be:

1. an author, who is a member of the Organization, and cumulatively meets the following conditions:
 - a) has a permanent residence in the Republic of Serbia or is a citizen of the Republic of Serbia,
 - b) has at least 10 registered works that have been disclosed or published,
 - c) has a contract on the exclusive assignment of pecuniary authors' rights to the Organization for a continuous period in the last 5 accounting years,
 - d) is not in conflict of interest referred to in Article 22 of the Statute;
2. a publisher of musical works, which is a member of the Organization, and cumulatively meets the following conditions:
 - a) has a registered head office on the territory of the Republic of Serbia,
 - b) has concluded a contract with the Organization on the exclusive assignment of pecuniary authors' rights to the Organization,
 - c) represents at least 10 authors, at least one of which is a domestic author, or has concluded at least three subpublishing contracts,



d) represents a repertoire of at least 500 works registered with the Organization.

If the same natural person or legal entity is a majority owner of two or more publishers who, according to the provisions of Paragraph 1, Item 2 of this Article, qualify for membership in the current convocation of the Assembly, all cited publishers may have a maximum of one representative in this convocation.

Provided that they meet the conditions specified in the previous two paragraphs of this Article, the current convocation of the Assembly consists of:

- 60 authors of serious and jazz music, ranked by average realized royalties,
- 180 authors from the genre of popular music, ranked by average realized royalties,
- up to 15 representatives of publishers of musical works, ranked by realized royalties, provided that each publisher may not have more than one authorized representative who can attend sessions of the current convocation of the Assembly and participate in the discussion and decision-making.

The realized royalties in the accounting year are considered to be the sum of royalties that the author, i.e. rightsholder obtained through the Organization on all bases in that accounting year. The average realized royalties are considered to be the average for the last five accounting years.

Article 27.

An author or a publisher who does not wish to be a member of the current convocation of the Assembly shall submit a statement of non-acceptance of membership in the current convocation of the Assembly in writing to the Managing Board and the Professional Service of the Organization.

An author or a publisher, member of the current convocation of the Assembly, who did not attend (in person, through an authorized representative or attorney) two consecutive regular or extraordinary sessions of the current convocation of the Assembly in the last 24 months (including the current month of the session), and did not justify their absence, shall be excluded from membership in the current convocation of the Assembly.

In case referred to in Paragraphs 1 and 2 of this Article, the next author on the List of authors of serious or jazz or popular music, or on the List of publishers, shall become a member of the current convocation of the Assembly, in accordance with the procedure established by this Statute.

Article 28.

The decision on acquiring or terminating the status of a member of the current convocation of the Assembly is made by the Managing Board in the form of a List of members of the current convocation of the Assembly, which is, based on criteria set by the Statute, determined once for each calendar year, after the distribution of royalties for the previous calendar year, and no later than September 30 of the current year.

The decision on acquiring or terminating the status of a member of the current convocation of the Assembly is made by the Managing Board, after previously obtaining the opinion of the Supervisory Board.

If, after determining the List of members of the current convocation of the Assembly:

- 1) a person who should be a member of the current convocation of the Assembly in accordance with the Statute, declares in the manner provided for in Article 27, Paragraph 1 that they do not accept membership in the current convocation of the Assembly,



- 2) a person who should be a member of the current convocation of the Assembly in accordance with this Statute, is excluded from membership of the current convocation of the Assembly, in the manner provided by this Article, and under the conditions set out in Article 27, Paragraph 2 of this Statute,
- 3) a member of the current convocation of the Assembly is terminated from membership in the Organization, in accordance with Article 19 of this Statute,
- 4) a member of the Assembly is found to be in conflict of interest, in accordance with Article 22, Paragraph 2 of this Statute,

the Managing Board states the termination of membership (i.e. the fact that the person from Item 1 of this Paragraph did not become a member of the current convocation of the Assembly) by a decision on amending the List of members of the current convocation of the Assembly, as well as the fact that the next author on the List of authors of serious or jazz or popular music, or on the List of publishers becomes a member of the current convocation of the Assembly, all in accordance with this Statute.

The amended List of members of the current convocation of the Assembly shall be published on the notice board and on the website of the Organization within three days from the day when the change was determined.

Article 29.

The list of members of the current convocation of the Assembly is published on the notice board and on the website of the Organization.

The rights and obligations arising from membership in the current convocation of the Assembly are acquired or cease to be valid by establishing a new List of members of the current convocation of the Assembly.

Article 30.

The Assembly:

1. adopts the Statute of the Organization and decides on its amendments;
2. adopts the Distribution Plan and decides on its amendments;
3. adopts the Rules of Procedure of the Assembly;
4. considers and decides on the reports of the Managing Board;
5. considers and decides on the reports of the Supervisory Board;
6. considers and decides on the reports of the Authors' Council;
7. determines the basic business policy and adopts the Financial Plan of the Organization;
8. considers and decides on the annual business reports of the Organization;
9. decides on the membership of the Organization in related international organizations;
10. decides on the termination of contracts on exclusive assignment of pecuniary rights, i.e. on exercise of rights with rightsholders;
11. decides on expulsion from the membership in the Organization, upon previously obtained opinion of the Managing Board;
12. decides on imposing measures due to violation of the Code of Professional Ethics;
13. elects and dismisses members of the Managing Board;
14. elects and dismisses members of the Supervisory Board;
15. elects and dismisses members of the Authors' Council;
16. decides on status changes of the Organization;
17. decides on termination of the Organization;
18. decides on the change of the name of the Organization;



19. decides on the complaints of rightsholders to their removal from the membership in the Organization;
20. decides on the selection and dismissal of a certified auditor, and decides on the auditor's reports;
21. adopts the decision on the proposal of projects for the allocation of funds from the Cultural Benefits Fund;
22. adopts a decision on the distribution of funds from the Social Benefits Fund;
23. approves taking out loans and bank loans, granting loans and securing loans, as well as purchasing, selling or pledging immovable property owned by the Organization;
24. performs other tasks in accordance with the law, the Statute and other general acts of the Organization.

Article 31.

The regular session of the Assembly is held once a year, and an extraordinary session of the Assembly can be convened if necessary.

The regular session of the Assembly is convened by the Managing Board, by a decision containing the time and place of the session, the proposed agenda and accompanying material.

An extraordinary session of the Assembly may be held at the initiative of the Managing Board or at the proposal of the Supervisory Board, the Authors' Council, or at least one third of the members of the current convocation of the Assembly. The initiative, i.e. the proposal for convening an extraordinary session, must be in writing, and must contain the issues proposed to be considered with an appropriate explanation of the reasons that justify the extraordinariness and urgency. Along with the initiative, i.e. the proposal for holding an extraordinary session of the Assembly, the proposed agenda and accompanying material shall be attached. If the conditions for holding an extraordinary session of the Assembly are met, it is convened by the Managing Board by official duty, in the manner provided for in the previous paragraph.

In the event that an extraordinary session of the Assembly is convened on the proposal of at least one third of the members of the current convocation of the Assembly, the members of the current convocation of the Assembly must support the proposal with their own signature. Proposers shall send the proposal with the required number of signatures, by regular mail or by e-mail (scanned), to the Managing Board through the Professional Service of the Organization. Signatures may be collected on several forms, so that in total there is a sufficient number of signatures, in terms of the provision of Paragraph 3 of this Article. All collected signatures must be submitted together, at once, and in case of insufficient number of signatures, the proposal shall be rejected.

An extraordinary session of the Assembly must be held no later than 30 days from the day of submitting a proper request for its convening.

All members of the current convocation of the Assembly are invited to the session of the Assembly, according to the List of members of the current convocation of the Assembly current at the time of its convening, in accordance with the Rules of Procedure of the Assembly, as are the representatives of the Professional Service required for the successful holding of the session.

In accordance with the law, representatives of the state body responsible for supervising the work of organizations for the collective exercise of rights are invited to sessions of the Assembly. Members of the Supervisory Board are also invited to the sessions of the Assembly, in accordance with the control function entrusted to them by this Statute. Guests of the Assembly, such as prominent authors,



rightsholders who are not members of the current convocation of the Assembly, representatives of related foreign or international organizations, as well as experts in the field on the Assembly's agenda, may also be invited to the session of the Assembly. All persons who attend the session of the Assembly in accordance with this paragraph, have no right to vote, and are invited in accordance with a decision of the Managing Board.

Article 32.

At regular sessions of the Assembly, the presence of at least one fifth of the total number of all members of the current convocation of the Assembly is required for valid work and decision-making. At extraordinary sessions of the Assembly, the presence of at least one third of the total number of all members of the current convocation of the Assembly is required for valid work and decision-making.

Each member may authorize another person to participate in the work as an attorney and vote on their behalf at a session of the Assembly. The attorney may only be a member of Sokoj or a lawyer. The power of attorney is valid if it is certified by a notary, applies to a single session of the Assembly, and must be delivered to representatives of the Professional Service no later than five days before the beginning of the session. One attorney may represent only one member of the current convocation of the Assembly. A legal entity may authorize its director, other employee or legal representative to attend a session of the Assembly, by a power of attorney issued on its memorandum.

The Assembly decides on all issues within its competence by a simple majority of votes of the present members of the current convocation of the Assembly, unless it is adopting the Statute or deciding on the amendments thereof, in which case it decides by a simple majority of all members of the current convocation of the Assembly.

The Assembly defines its work in more detail in the Rules of Procedure of the Assembly.

3. *Managing Board*

Article 33.

The Managing Board manages the work of the Organization in accordance with the general acts of the Organization and the decisions of the Assembly.

The Managing Board has thirteen members, elected by the current convocation of the Assembly from among its members, who elect the President and two Vice-Presidents of the Managing Board from among their members. The composition of the Managing Board must be such as to achieve adequate representation of genres and representatives of publishers, so that there are four authors from the genre of serious and jazz music, seven authors from the genre of popular music, and two representatives of publishers.

Candidates for members of the Managing Board from the genre of serious and jazz music may be nominated by at least ten authors of serious and jazz music who are members of the current convocation of the Assembly.

Candidates for members of the Managing Board from the genre of popular music may be nominated by at least ten authors from that genre who are members of the current convocation of the Assembly.

Candidates for members of the Managing Board from among the publishers may be nominated by at least ten authors who are members of the current convocation of the Assembly.



The term of office of a member of the Managing Board is four years from the moment of election. One person may be elected as a member of the Managing Board for a maximum of two consecutive terms.

A member of the Managing Board who ceases to meet the conditions to be on the List of members of the current convocation of the Assembly of the Organization during their term of office, shall continue to be a member of the Managing Board until the expiration of their term.

The Assembly, at its sessions, may dismiss the Managing Board as a whole or its individual members before the expiration of their term, at any time, especially in case of actions contrary to the law and acts of the Organization, gross violation of rights and obligations, or in case of an established existence of conflict of interest.

Prior to the possible dismissal, the members of the Managing Board must be given an opportunity to make a statement on the reasons for their dismissal at a session of the Assembly. When voting on dismissal, only if it is being decided on dismissal of an individual member, the member whose dismissal is being decided does not have the right to vote.

Article 34.

The Managing Board:

1. adopts acts in accordance with the law and this Statute, and in particular:
 - a) the Rules of Procedure of the Management Board,
 - b) the Rulebook on music usage reports (logs),
 - c) the Rulebook on business secrets,
 - d) the Rulebook on conflict of interest,
 - e) the Rulebook on accounting and accounting policies,
 - f) the Fire protection rules,
 - g) the proposal of Rules on cultural benefits and the proposal of Rules on social benefits, which are adopted by the Assembly within the Distribution Plan,
 - h) tariffs for which no agreement was reached,
 - i) other acts in accordance with the law and acts of the Organization;
2. determines the current policy of obtaining and distributing funds;
3. determines general calculations of royalties on all bases;
4. decides on concluding contracts with foreign collective copyright management organizations and other related foreign and international organizations;
5. determines the List of members of the current convocation of the Assembly;
6. appoints and dismisses the Director of the Organization;
7. prepares and schedules sessions of the Assembly, and in the case of an election session of the Assembly, also performs the activities of announcing the elections and receiving candidacies;
8. decides in the second instance on authors' appeals and complaints to the decisions of the Authors' Council;
9. interprets the provisions of the Statute, having previously consulted with the Director of the Organization;
10. gives an opinion on the possibility of termination of contracts on exclusive assignment of pecuniary rights and exclusion from the membership in the Organization, which is forwarded to the Assembly;
11. decides on individual applications for aid from the Social Benefits Fund, based on the authorization of the Assembly;
12. performs other tasks in accordance with the law, this Statute and other general acts of the Organization.



Article 35.

The Managing Board can work and decide validly if more than half of the total number of members are present.

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

The Managing Board regulates its work in more detail in the Rules of Procedure of the Managing Board.

Article 36.

The Managing Board is accountable for its work to the Assembly.

The President of the Managing Board submits a Report on work to the Assembly. The Report is submitted at each regular session of the Assembly.

Article 37.

The Managing Board may form collective and independent working bodies (council, commission, working group, expert group, rapporteur, etc.) by decision, to consider certain issues within its competence and provide proposals, opinions, expert analyzes, interpretations and explanations.

The decision on formation of a working body determines the jobs for which the body is formed, the composition of the body, the amount of compensation for its work, as well as the manner and deadlines in accordance with which it reports on its work to the Managing Board.

Article 38.

In the event that membership of a member of the Managing Board is terminated for any reason provided by law or this Statute, the Managing Board may validly work and make decisions as long as it has a sufficient number of members for a quorum.

When termination of membership referred to in Paragraph 1 of this Article occurs, an extraordinary election session of the Assembly must be convened in a timely manner, so that it is held within six months from the day of said termination of membership. If membership of two or more members of the Managing Board is terminated, an extraordinary election session of the Assembly must be convened within the period referred to in this paragraph, counting from the day of termination of membership of the member of the Managing Board whose membership was terminated first. Elections may also be held during a regular session of the Assembly, provided that the date of its holding is within the deadline provided for in this paragraph.

4. Director

Article 39.

The Director manages the work of the Professional Service of the Organization.

The Director organizes the work process, in accordance with the law and general acts of the Organization.

The Director adopts and applies acts related to the activities and work organization of the Professional Service of the Organization (including, above all, the Rulebook on the organization and systematization of jobs), signs the Collective Agreement, adopts all other general and individual acts in order to conduct



business, manage the Professional Service of the Organization and represent the Organization and supervises the work of the Professional Service of the Organization.

The Director may authorize other employees of the Professional Service of the Organization to adopt certain general and individual acts within his competence, and to sign the appropriate documentation and correspondence.

In case of sudden, extraordinary or unforeseen circumstances, or due to a need for an expert opinion, the Director may, upon notifying the Managing Board, form collective and individual working bodies (commission, working group, expert group, rapporteur, etc.) by decision, to consider certain issues within his competence and provide proposals, opinions and expert analyzes, interpretations and explanations. External consultants may also be engaged within the working bodies. The decision on formation of a working body determines the jobs for which the body is formed, the composition of the body, the amount of compensation for its work, as well as the manner and deadlines in accordance with which it reports on its work to the Director.

The Director may request the Managing Board or the Supervisory Board to take a position on issues within his competence, which are of particular importance for the operations of the Organization.

Article 40.

The Director is appointed and dismissed by the Managing Board, and the Director is accountable for his work to the Managing Board.

The term of office of the Director lasts four years, with the possibility of re-election, whereas the Managing Board may dismiss the Director before the expiration of the term, in accordance with Paragraphs 3 and 4 of this Article.

The Managing Board may dismiss the Director at any time, in the event of actions contrary to the law and acts of the Organization, due to a gross violation of rights and obligations, or due to an established existence of conflict of interest.

Prior to the possible dismissal, the Director must be given a period of at least eight days to make a statement on the existence and validity of the reasons for dismissal, by letter to the Managing Board.

5. *Supervisory Board*

Article 41.

The Supervisory Board is a control body, which monitors and supervises the work of the Organization and its other bodies.

The Supervisory Board has five members, three of which are elected as representatives of the current convocation of the Assembly who are authors from the genre of popular music, one as a representative of members of the current convocation of the Assembly who are authors from the genre of serious and jazz music and one as a representative of publishers of the current convocation of the Assembly.

The members of the Supervisory Board elect the President of the Supervisory Board and one Vice-President from among their members.

The term of office of a member of the Supervisory Board is four years from the moment of election. A member of the Supervisory Board may be elected for a maximum of two consecutive terms.



A member of the Supervisory Board who ceases to meet the conditions to be on the List of members of the current convocation of the Assembly of the Organization during their term of office, shall continue to be a member of the Supervisory Board until the expiration of their term.

Article 42.

The Supervisory Board:

1. controls the application of the Statute, tariffs of fees and other acts and decisions of other bodies of the Organization;
2. controls the business operations of the Organization;
3. controls the List of members of the current convocation of the Assembly;
4. controls the existence of an actual or possible conflict of interest;
5. gives opinions at the request of other bodies of the Organization, in accordance with the Statute.

Article 43.

The Supervisory Board may validly work and decide if more than half of the total number of members are present.

The Supervisory Board makes decisions by a majority vote of the total number of members of the Supervisory Board.

The Supervisory Board regulates its work in more detail in the Rules of Procedure of the Supervisory Board.

Article 44.

The Supervisory Board is accountable for its work to the Assembly.

The President of the Supervisory Board submits a Report on work to the Assembly. The Report is submitted at each regular session of the Assembly.

Article 45.

In order to perform tasks within its competence more successfully, the Supervisory Board may exceptionally hire an expert authorized to audit financial operations, as well as other experts to perform tasks necessary for the exercise of its control competencies, by a decision. The same decision determines the amount of compensation for the persons hired.

In the event that membership of a member of the Supervisory Board is terminated for any reason provided by law or this Statute, the Supervisory Board may validly work and make decisions as long as it has a sufficient number of members for a quorum.

When termination of membership referred to in Paragraph 1 of this Article occurs, an extraordinary election session of the Assembly must be convened in a timely manner, so that it is held within six months from the day of said termination of membership. If membership two or more members of the Supervisory Board is terminated, an extraordinary election session of the Assembly must be convened within the period referred to in this paragraph, counting from the day of termination of membership of the member of the Supervisory Board whose membership was terminated first. Elections may also be held during a regular session of the Assembly, provided that the date of its holding is within the deadline provided for in this paragraph.



Article 46.

The Assembly, at its sessions, may dismiss the Supervisory Board as a whole or its individual members before the expiration of their term, at any time, especially in case of actions contrary to the law and acts of the Organization, gross violation of rights and obligations, or in case of an established existence of conflict of interest.

Prior to the possible dismissal, the members of the Supervisory Board must be given an opportunity to make a statement on the reasons for their dismissal at a session of the Assembly. When voting on dismissal, only if it is being decided on dismissal of an individual member, the member whose dismissal is being decided does not have the right to vote.

6. Joint meeting of the Managing Board, the Supervisory Board, the Authors' Council and the Director

Article 47.

A joint meeting of the Managing Board, the Supervisory Board, the Authors' Council and the Director may be convened to discuss issues of particular importance for the work of the Organization.

At the joint session referred to in the previous paragraph, joint opinions of an advisory nature may be formulated, which may be forwarded to the Assembly if necessary.

A joint meeting of the Managing Board, the Supervisory Board, the Authors' Council and the Director is scheduled by the Managing Board, either on its own initiative or on the initiative of the Supervisory Board, the Authors' Council, or the Director.

V AUTHORS' COUNCIL

Article 48.

The Authors' Council is a permanent professional working body of the Assembly, which has a control and regulatory function in connection with the implementation of the Distribution Plan.

The Authors' Council has nine members, elected by the current convocation of the Assembly from among its members, who elect the President and one Vice-President of the Authors' Council from among their members. The composition of the Authors' Council must ensure adequate representation of genres, so that there are three authors from the genre of serious and jazz music, and six authors from the genre of popular music.

The term of office of a member of the Authors' Council lasts four years from the moment of election, without limitation of the number of terms. Members of the bodies of the Organization or the Authors' Council who have been dismissed by the Assembly may not be reappointed as members of the Authors' Council within 12 months, starting from the day of the decision on dismissal.

A member of the Authors' Council who ceases to meet the conditions to be on the List of Members of the current convocation of the Assembly of the Organization during their term of office, shall continue to be a member of the Authors' Council until the expiration of their term.

Article 49.

The Authors' Council:

1. proposes the Distribution Plan, except for the rules related to cultural and social benefits;
2. proposes amendments to the Distribution Plan;



3. controls the implementation of the Distribution Plan and, in this regard, gives opinions and interpretations at the request of other bodies of the Organization, especially for the purposes of control by the Supervisory Board;
4. decides on authors' appeals regarding the application of the Distribution Plan;
5. deals with issues of professional ethics and rules of conduct of members of the Organization, which are regulated by the Code of Professional Ethics.

The Authors' Council may also hold sessions electronically, in a manner that is regulated in more detail by the Rules of Procedure of the Authors' Council.

The Authors' Council may perform professional tasks within its competence in smaller expert commissions formed by its members.

The Authors' Council regulates its work in more detail in the Rules of Procedure of the Authors' Council.

Article 50.

Members of the Managing Board, the Supervisory Board, and the Director may not be elected as members of the Authors' Council during their term of office.

The Managing Board and the Director are obliged to regularly inform the Authors' Council on all important issues within the competence of the Authors' Council. The information referred to in this paragraph shall be provided in writing no later than the session following the event about which the information is provided, or orally at the session itself, with the minutes stating the content of the information provided.

Article 51.

The Authors' Council is accountable for its work to the Assembly.

The President of the Authors' Council submits a Report on work to the Assembly. The Report is submitted at each regular session of the Assembly.

In the event that membership of a member of the Authors' Council is terminated for any reason provided by law or this Statute, the Authors' Council may validly work and make decisions as long as it has a sufficient number of members for a quorum.

When termination of membership referred to in Paragraph 3 of this Article occurs, an extraordinary election session of the Assembly must be convened in a timely manner, so that it is held within six months from the day of said termination of membership. If membership of two or more members of the Authors' Council is terminated, an extraordinary election session of the Assembly must be convened within the period referred to in this paragraph, counting from the day of termination of membership of the member of the Authors' Council whose membership was terminated first. Elections may also be held during a regular session of the Assembly, provided that the date of its holding is within the deadline provided for in this paragraph.

Members of the Authors' Council are entitled to remuneration for their work in that body, in accordance with the Rulebook on Remuneration brought by the Managing Board.

Article 52.

The Assembly, at its sessions, may dismiss the Authors' Council as a whole or its individual members before the expiration of their term, at any time, especially in case of actions contrary to the law and acts



of the Organization, gross violation of rights and obligations, or in case of an established existence of conflict of interest.

Prior to the possible dismissal, the members of the Authors' Council must be given an opportunity to make a statement on the reasons for their dismissal at a session of the Assembly. When voting on dismissal, only if it is being decided on dismissal of an individual member, the member whose dismissal is being decided does not have the right to vote.

VI ASSETS AND FINANCIAL OPERATIONS

Article 53.

The Organization provides funds for distribution to authors from:

- 1) collected fees (fees for exercising rights),
- 2) income from property and rights,
- 3) income from the provision of administrative and technical services to other organizations (in the name and on behalf of them, or in its own name and on behalf of them),
- 4) income from activities which accomplish the artistic, professional or social interest of rightsholders and
- 5) other income, in accordance with the law.

Article 54.

The expenses of performing the activities of the Organization are deducted from the funds listed in the previous Article.

The amount of expenses of performing activities is determined by the Managing Board, and it must be in accordance with the Financial Plan of the Organization for a particular business year.

The amount of expenses may not exceed 30% of income in the business year, except for justified and explained reasons, and based on a decision of the Assembly.

The structure of expenses is determined by the Director of the Organization.

Article 55.

From the collected funds from Article 53 of this Statute, after deducting the expenses of performing the activities of the Organization, the amount of up to 10% for cultural and social benefits is deducted, in accordance with a decision of the Managing Board and international agreements.

The aforementioned funds constitute a special Fund for Cultural and Social Benefits.

The decision on the percentage distribution of funds from the said Fund is made by the Managing Board for each repartition year.

Decisions on the distribution of funds for cultural and social benefits are made by the Assembly, whereas individual requests for aid from the Social Benefits Fund may be decided on by the Managing Board, on the basis of authorization of the Assembly. The decision on the distribution of funds intended for cultural benefits is made by the Assembly upon a proposal of the Managing Board.



Article 56.

The funds and property of the Organization are disposed by the Assembly, i.e. persons authorized to do so by law, this Statute and decisions of the competent authorities.

The financial operations of the Organization are managed by the Director, in accordance with the law and the decisions of the Assembly and the Managing Board.

The Director is responsible for the lawful use of funds.

VII LIABILITY

Article 57.

The Organization is a legal entity with rights, obligations and responsibilities arising from the law and this Statute. The Organization shall be liable for its obligations with all its assets.

The members of the bodies of the Organization shall be jointly and severally liable for the damage they cause to the Organization by their decision, if that decision was made with gross negligence or with the intention of causing damage. A member who separated his opinion during the decision process shall not be liable for the damage referred to in this paragraph. The existence of a separate opinion shall be proved by the minutes or by other means provided by law.

The existence of damage, its amount, the circumstances under which it occurred, who caused the damage and how it shall be compensated, are determined by a Commission, in accordance with the Statute.

The procedure for determining the liability of members for damaging the reputation of the Organization, causing disturbances in the work of the Organization, etc. is initiated on the basis of a decision of the Supervisory Board, the Managing Board or the Assembly. In the first instance, the liability is decided by a Commission, whose members are appointed by a special decision and in each individual case by the Managing Board. The Commission consists of three members, who elect a president from among themselves. The Commission is obliged to enable each member whose liability is being decided to make a statement on the facts on which the decision to initiate the procedure is based. The member has the right to appeal the decision of the Commission, which is decided by the Managing Board. In case of serious violations for which a measure of expulsion from the Organization or termination of the contract between the Organization and the member can be imposed, the decision on the appeal is made by the Assembly.

If the compensation for damage is not realized in accordance with the provision of Paragraph 3 of this Article, the competent court shall decide on the compensation for damage.

Notwithstanding the provisions of the previous paragraph, if it is decided on the liability of members of the Managing Board, the Commission is formed by the Supervisory Board, and the appeal is decided by the Supervisory Board.

Representatives of the Organization shall be liable for damage caused to the Organization with intent or gross negligence.



VIII PROFESSIONAL SERVICE OF THE ORGANIZATION

Article 58.

The Organization shall establish a Professional Service for the activities of exercising and protecting copyright of music authors, administrative and other professional and auxiliary tasks.

The internal organization and work of the Professional Service is regulated by acts brought by the Director in accordance with the law, general acts of the Organization and decisions of the Assembly and the Managing Board.

IX TRANSITIONAL AND FINAL PROVISIONS

Termination of the Organization

Article 59.

The Organization shall cease to operate by a decision of the Assembly of the Organization, and in other cases provided by law.

In the event of termination, the Organization shall establish a domestic non-profit legal entity to achieve the same or similar objectives, as the recipient of the property.

Funds in the account of the Organization at the time of its termination, other fixed assets owned by the Organization, as well as funds credited to the account of the Organization within three years from the termination of the Organization, based on claims arisen prior to the moment of termination of operation, shall be used for regulating and settling all obligations of the Organization arisen prior to the moment of termination of its operation, towards members, third parties and other creditors of the Organization.

The funds that remain as the property of the Organization, after settling the obligations referred to in Paragraph 3 of this Article, shall be transferred to the legal entity referred to in Paragraph 2 of this Article.

Article 60.

Any member of the Organization may submit a proposal for the adoption of a new Statute, as well as a proposal for amendments to the current Statute.

Article 61.

All general acts of the Organization must be in harmonized with the Statute within six months of its entry into force.

Within the period referred to in Paragraph 1 of this Article, members of the bodies of the Organization and the Authors' Council must be elected in terms of their composition as prescribed by this Statute.

If the session of the electoral Assembly, necessary for harmonization of the composition of the bodies of the Organization and the Authors' Council, cannot be held regularly due to force majeure, state of emergency, pandemic, etc., it shall be organized electronically no later than the deadline referred to in Paragraph 1 of this Article.

The terms of office of the members so elected shall be deemed to be the first term in terms of the rules on successive terms provided for in this Statute.



Persons who have entrusted the Organization with the exercise of rights in works before the date of entry into force of this Statute, retain the status of members of the Organization and all rights arising from membership.

Article 62.

The Statute shall be published on the notice board and on the website of the Organization.

Upon its entry into force, the Director shall submit a copy of the Statute to the Intellectual Property Office.

This Statute shall enter into force on the eighth day from the day of its publication and shall apply immediately after its entry into force.

On the day this Statute enters into force, all provisions of the Statute adopted by the Assembly of the Organization on March 10, 2010 shall cease to be valid.

Chairman of the Assembly,

Nikola Čuturilo, sgd.