Pursuant to Article 12 of the Law on Associations and Foundations of Bosnia and Herzegovina (*Official Gazette of Bosnia and Herzegovina*, Nos. 32/01, 42/03, 63/08 and 76/11) and Article 18 of the Articles of Association of the "Association of Composers-Music Creators", the General Meeting of the "Association of Composers - Music Authors", at the session held on 15 February 2016, adopted the following

ARTICLES OF ASSOCIATION
OF THE "ASSOCIATIONS OF COMPOSERS - MUSIC AUTHORS"

I- GENERAL PROVISIONS

Article 1

In accordance with Article 12 of the Law on Associations and Foundations of Bosnia and Herzegovina (hereinafter: the Law), these Articles of Association of the "Association of Composers-Music Authors" (hereinafter: the Association) shall regulate:

- the name, short name and Head Office of the Association;
- goals and activities of the Association;
- membership admission and termination procedure;
- contracts with authors;
- exercise of copyright;
- the bodies of the Association, the manner in which they are elected, the powers they have, the quorum and voting rules, the term of office duration, the persons authorised to convene the General Meeting, the conditions and method of dissolution, i.e. termination of operation;
- rules for generating, using and disposing of the Association's funds, as well as the body authorised to supervise the use of these funds;
- publicity of work;
- the method of submitting the financial statement and the work report;
- the procedure for amending the Articles of Association and adopting other general acts;
- description, form and content of the seal of the Association;
- representation of the Association;
- conditions and procedure for merger and division, i.e. termination of the Association;
- the procedure for the disposal of the remaining property and other assets in the event of dissolution or termination of the Association, and
- other issues of importance for the Association's organisation and operation.

Article 2

The basic principles of the Association are tolerance, democracy, diversity, voluntariness and openness. The Association is a non-partisan, non-governmental and non-profit organisation.

II - NAME AND SEAT OF THE ASSOCIATION

Article 3

The full name of the Association is:



"Association of Composers — Music Authors"

"Asocijacija kompozitora — muzičkih stvaralaca" (in Bosnian)

"Asocijacija skladatelja — glazbenih stvaralaca" (in Croatian)

"Асоцијација композитора – музичких стваралаца" (in Serbian)

The abbreviated name of the Association reads: AMUS, AMUS, AMUS, АМУС

The Association has a name in English. The full name of the Association in English is: "Association of Composers — Music Authors"

The short name of the Association in English reads: AMUS

The official seat of the Association is in Sarajevo, 22/II Obala Kulina bana Street.

Article 4

The Association has the status of a legal entity and it operates throughout the territory of Bosnia and Herzegovina.

The Association has its branches in Bosnia and Herzegovina, namely:

Banja Luka Branch, at 85 Kralja Petra I Karađorđevića Street and Mostar Branch at 6 Kneza Branimira Street.

Branches do not have the status of a legal entity and they perform the tasks and activities of the Association.

The scope of work of branches is determined by a special decision of the General Meeting of the Association.

III - SEAL AND STAMP OF THE ASSOCIATION

Article 5

The Association has a round seal with a 30 mm diameter, on the upper edge of which the full name of the Association in the Bosnian language in Latin script is written, i.e. "Association of Composers — Music Authors". The official seat of the Association: Sarajevo is written in the lower part of the seal, and the central part of the seal contains a short name of the Association: "AMUS".

The Association may have several seals, each of which must be numbered.

The creation, preservation and use of the Association's seal is regulated by a special Rulebook adopted by the Management Board.

Article 6

The Association can also have a stamp that is rectangular in shape, measuring 50x25 mm, which contains the full name of the Association "Association of Composers-Music Authors", as well as a field for entering the number and date.

IV - GOALS AND ACTIVITIES OF THE ASSOCIATION

Article 7

The goals and activities of the Association are:

- gathering of composers and music writers;

- cooperation with other artistic and similar associations, organisations and societies in the field of culture in the country and abroad;
- work on the development of BiH musical creativity and the preservation of its cultural heritage;
- encouraging and developing the need for music;
- organising seminars, expert meetings and consultations on matters of musical creativity and the application of regulations on the exercise of copyright and related rights;
- issuing publications for the purpose of carrying out the activities of the Association, in accordance with the Law;
- encouraging and developing professional and collegial relations between members of the Association and cultural workers in general;
- work on improving the social and material position of authors-creators, members of the Association;
- advocating for the creation and implementation of cultural policy at all levels of authority;
- concluding an agreement on the transfer of non-exclusive rights to users for the use of author's works from the Association's repertoire under equal conditions for the same types of users, for the same types of works and for the same ways of use;
- conclusion of collective agreements with representative user associations on conditions for the use of author's works;
- publication of the agreed tariff on the amount of fees for the use of author's works and familiarising users with the amount of these fees;
- collection of fees for the use of author's works;
- the distribution of fees charged or received to authors according to predetermined distribution rules;
- control over the use of author's works that make up the repertoire of the Association;
- instigation of and conducting the protection-related proceedings before courts and other state authorities in case of violations of rights of the Association;
- concluding contracts with foreign collective organisations and their associations;
- other activities related to the collective exercise of rights, that can reasonably make the costs of the Association's operations (educational and promotional activities to raise awareness of the need to respect copyright, its protection, etc.). The Association's promotional activities should include all radio stations and televisions registered with the Regulatory Agency for Communications of Bosnia and Herzegovina (RAK), for the equality of users;
- protection and collective realisation of copyrights of members of the Association in accordance with the Law on Collective Management of Copyright and Related Rights;
- creation of a database with associated elements (list/record of authors, list/record of author's works).

Article 8

The Association may entrust administrative and technical tasks related to the collective exercise of copyright referred to in Article 7 of these Articles of Association to another collective organisation or business company on the basis of a written contract, in

accordance with Article 3, paragraph 2 of the Law on the Collective Management of Copyright and Related Rights.

Article 9

The Association may perform other activities that are directly related to the goals of the Association referred to in Article 7 of these Articles of Association (publishing publications, books and professional literature).

The Association will perform all tasks within the framework of its activity in a way that ensures the achievement of the highest possible degree of efficiency, economy, frugality and transparency.

V - PROCEDURE FOR ADMISSION OF MEMBERS, TERMINATION OF MEMBERSHIP AND WITHDRAWAL FROM MEMBERSHIP

Article 10

Membership in the Association can be:

- regular; and
- part-time.

Authors who entrusted the Association with the exercise of their rights are regular members of the Association.

Music authors and other holders of rights to musical works, who have entrusted the exercise of their rights to the Association and who accept the Articles of Association of the Association, can become regular members of the Association.

Regular members-holders of rights from the previous paragraph are:

- natural persons - citizens of Bosnia and Herzegovina;
- foreign natural persons, holders of permanent residence permits, in Bosnia and Herzegovina; and
- legal entities registered in Bosnia and Herzegovina.

Part-time members of the Association may be chosen by persons whose work considerably contributes to the development of musical creativity and the protection of copyright and related rights in Bosnia and Herzegovina.
The decision on admission to part-time membership shall be made by the General Meeting of the Association.
The criteria for admission to part-time membership shall be set by the decision of the Association's General Meeting.

Article 11

One becomes a regular member of the Association by concluding a contract between the Association and the author on the exclusive transfer of copyright and property rights.

The contract referred to in the previous paragraph shall be concluded by the President of the Management Board of the Association on behalf of the Association.
In accordance with Article 15 and Article 16 of the Law on the Collective Management of Copyright and Related Rights, the Association cannot refuse an author's request to conclude a contract for the collective exercise of rights in the field of his activity, except in the case that the author has already concluded a contract for the collective exercise of his rights for the territory of Bosnia and Herzegovina with a foreign collective organisation.

The criteria, content and form of the contract referred to in paragraph 1 of this Article shall be determined by the Management Board of the Association by its decision.

The Association maintains a list of all Association members and records of all Association members in electronic form and it contains:

- first and last name, that is, the name of the Association member with the address of place of residence, that is, the head office;
- accession date and contract number;
- type of membership; and
- membership termination date.

The list of all members of the Association will be available on the website of the Association.

Article 12

Regular membership in the Association shall end by:

- voluntary resignation;
- termination of the contract between the author and the Association as referred to in Article 16 of the Articles of Association, unless it has been extended;
- by ceasing to be a legal entity.

Article 13

Every regular member of the Association can voluntarily withdraw from membership.

A member of the Association shall notify the Association in writing of his decision to withdraw from regular membership, after which the withdrawal from regular membership of the Association shall be recorded, about which the Management Board shall inform the General Meeting of the Association at its next session.

VI - RIGHTS, DUTIES AND RESPONSIBILITIES OF REGULAR MEMBERS OF THE ASSOCIATION

Article 14

The rights of the Association's regular members are:

- to elect and be elected to the bodies of the Association;
- to give proposals, opinions and suggestions;
- to monitor the work of the Association and start initiatives to resolve issues of interest to the Association;
- to be regularly informed about the work and results of the work of the Association;
- to protect their rights with the help of the Association;
- to participate in the activities of the Association, and
- to have insight into the work and administration of the Association.

Article 15

The duties of the Association's regular members are:

- to conscientiously and responsibly perform entrusted tasks and tasks related to the work and activities of the Association;
- to promote the goals and activities of the Association;
- to regularly carry out the assumed obligations towards the Association and implement the decisions, positions and conclusions of the Association's bodies;
- to comply with the provisions of these Articles of Association and other documents of the Association.

Each regular member of the Association can instigate proceedings before the competent court to determine the nullity of the Association's general act that was passed contrary to the provisions of the Articles of Association or another general act of the Association, no later than six months from the date of adoption of that act.

VII - CONTRACTS WITH AUTHORS

Article 16

The Association will exercise copyright based on the contract with the authors.

The contract referred to in paragraph 1 of this Article must contain, in particular:

- the provision on the exclusive transfer of the appropriate property right of the author to the Association;
- the author's order to the Association to exercise the transferred rights in its own name and for the benefit of the author;
- the type of works and rights that the Association exercises for the benefit of the author.

The duration of the contract referred to in this Article cannot be longer than five years. After the expiration of the contract from the previous paragraph, the contract can be indefinitely extended for the same periods.

Article 17

A regular member of the Association cannot exclude his individual works or certain forms of use of those works from the collective exercise of rights, unless otherwise stipulated in the contract between a regular member of the Association and the Association.

Article 18

An author who does not want to exercise his rights in a collective way, shall be obliged to inform the Association accordingly in writing.

The Association shall be obliged to treat authors who have not informed the Association that they will exercise their rights individually, equally with authors who have concluded an Agreement with the Association referred to in Article 9 of the Law on the Collective Management of Copyright and Related Rights.

VIII - EXERCISE OF COPYRIGHTS

Article 19

The Association shall exercise and protect copyrights, in accordance with the Law on Copyright and Related Rights, the Law on Collective Management of Copyright and Related Rights and the permission of the Institute for Intellectual Property of Bosnia and Herzegovina.

IX - BODIES OF THE ASSOCIATION, HOW THEY ARE ELECTED, AUTHORITIES THEY HAVE, QUORUM AND VOTING RULES, DURATION OF TERM OF OFFICE, PERSON AUTHORISED TO CALL THE GENERAL MEETING, CONDITIONS AND METHOD OF DISSOLUTION, I.E. TERMINATION OF OPERATION

Article 20

The bodies of the Association are:

- General Meeting
- Steering Board
- Supervisory Board
- Expert Service

General Meeting of the Association

Article 21

The General Meeting of the Association is the highest body of the Association.

The General Meeting of the Association consists of all regular members of the Association with equal voting rights.

The work of the General Meeting shall be managed by the Chairman of the General Meeting, and in his absence, the Vice-Chairman of the General Meeting of the Association, who is elected and dismissed by the Association General Meeting, shall assume the duty.

The term of office of the Chairman of the General Meeting and the Vice-Chairman of the General Meeting of the Association shall last four years, with the possibility of re-election.

The General Meeting meets at least once during the calendar year or on an as needed basis and aims to control the work of the Association by considering reports on the work of the Association.

The General Meeting shall be convened by the Chairman of the General Meeting, no later than 10 days before its session, and he chairs the Meeting.

The Chairman of the General Meeting shall be obliged to convene the General Meeting in the event that it is requested by at least 10% of the regular members of the Association or when requested by the Management Board of the Association.

10% of the regular members of the Association from the previous paragraph of this Article shall be identified according to the list of members of the Association as referred to in Article 11 of these Articles of Association.

If the Chairman of the General Meeting does not convene the General Meeting within 30 days in the cases referred to in the previous paragraph, the decision to convene the General Meeting shall be made by the Management Board of the Association.

Voting at the General Meeting session shall be public or secret, which shall be determined at the General Meeting session itself.

Before the start of the work of the General Meeting, the presence of regular members of the Association at the General Meeting session shall be verified.

The quorum of the General Meeting is 10% of the Association regular members referred to in Article 11 of these Articles of Association.

The exact number and composition as well as the manner of work of the General Meeting will be regulated by the General Meeting Rules of Procedure.

If it is determined that there is no quorum referred to in the previous paragraph, the Chairman of the General Meeting shall state that the conditions for holding and valid decision-making of the General Meeting have not been met, and he shall schedule a new session of the General Meeting within a period that cannot be shorter than 3 nor longer than 15 days.

The quorum for the new session of the General Meeting is 5% of the regular members of the Association, and the exact number and composition as well as the way the General Meeting works will be elaborated in the Rules of Procedure of the General Meeting.

The General Meeting shall make decisions by the majority of the members present.

Minutes shall be kept at the General Meeting session, in which all data on the work of the General Meeting shall be entered, especially the course of discussion, conclusions and data on voting.

The Minutes shall be signed by the Chairman of the Association General Meeting.

More detailed conditions on the manner of work of the General Meeting, as well as on the decision-making process at the General Meeting session, will be determined by the Association General Meeting Rules of Procedure, adopted by the General Meeting.

Article 22

The Chairman of the General Meeting shall perform the following activities:

- represents the Association in legal transactions;
- takes care of the organisation of the General Meeting and convenes its sessions;
- proposes the agenda of the session;
- chairs the sessions of the General Meeting;
- signs the acts of the General Meeting;
- takes care of the execution of decisions, conclusions and other documents of the General Meeting;
- carries out other tasks assigned to him by the General Meeting in accordance with the Law and these Articles of Association.

In the absence of the Chairman of the Association General Meeting, all tasks from the previous paragraph will be performed by the Vice Chairman of the Association General Meeting, with the exception of the tasks of representing the Association in legal transactions.

Article 23

The Chairman and vice Chairman of the Association General Meeting can be dismissed even before the end of their term of office:

- at their own request;

- if they do not attend the General Meeting session three times in a row without justifiable reasons;
- if their actions destroy the reputation of the Association, and
- in other cases provided by the Law, these Articles of Association and documents of the Association.

Article 24

General Meeting of the Association:

- adopts the Articles of Association, amendments to the Articles of Association;
- decides on merger, division and termination of operation, as well as on other status changes of the Association;
- adopts the annual plan and work programme of the Association;
- adopts the financial plan of the Association;
- considers and adopts the reports prepared by the Management Board and the Supervisory Board of the Association;
- appoints and dismisses the members of the Management Board and the Supervisory Board of the Association;
- appoints and dismisses the Chairman and Vice Chairman of the General Meeting of the Association;
- appoints persons authorised to represent the Association;
- passes and adopts the business cost plan;
- passes and adopts the annual plan for the distribution of the fees collected in accordance with the principles and rules of income distribution that are established in advance by the Articles of Association;
- makes and adopts decisions on funds for cultural and social purposes up to the limit prescribed by law;
- gives opinions on audit reports;
- passes internal acts of the Association;
- adopts Rules of Procedure of the Association General Meeting;
- adopts the basic principles and rules of income distribution, which ensure the proportionality, appropriateness and fairness of the distribution;
- nominates its members as candidates for the Copyright Council as defined by the provisions of the Law on the Collective Management of Copyright and Related Rights; and
- makes a decision on the opening of branches of the Association, on the proposal of the Association Management Board, and determines the composition and scope of work of the branches.

When appointing the Chairman of the General Meeting, Vice-Chairman of the General Meeting, members of the Management Board and members of the Supervisory Board of the Association, the General Meeting will take into account the regional, gender and genre representation of members of the Association.

Management Board

Article 25

The Management Board is the executive body of the Association.

The Management Board has a President, a Vice President and five members.

The members of the Management Board are elected and dismissed by the General Meeting of the Association.

The criteria for the selection of members of the Association Management Board are:

- that they are members of the Association;
- that they are citizens of Bosnia and Herzegovina;
- that they are not covered by Article IX, paragraph (1) of the Constitution of Bosnia and Herzegovina.

The term of office of the Management Board members lasts 4 (four) years with the possibility of re-election.

The President of the Management Board shall be the member of the Management Board who received the most votes of the General Meeting members during the voting for the Management Board members.

If the member of the Management Board referred to in the previous paragraph does not accept the position of President of the Management Board, the next member of the Management Board who received the most votes of the members of the General Meeting during the voting for members of the Management shall become the President of the Management Board.

The members of the Management Board shall elect the Vice President of the Management Board from among themselves.

The Management Board meets at least twice a month.

The agenda shall be proposed by the President of the Management Board.

The President of the Management Board convenes the meetings of the Management Board and chairs them, and in his absence the Vice-President of the Management Board of the Association assumes the duty.

The manner of work and decision-making of the Management Board is defined by the Rules of Procedure of the Management Board adopted by the Management Board.

The quorum for holding a session of the Management Board shall be a majority of all members of the Management Board.

The Management Board shall make decisions by a majority of the members of the Management Board present.

Article 26

The Management Board of the Association shall perform the following tasks:

- prepares the draft of the Articles of Association, their amendments, to be adopted by the General Meeting;
- implements the established policy, conclusions and other decisions made by the General Meeting;
- manages the assets of the Association;
- determines and proposes a financial plan for the realisation, use and disposal of the Association assets, which shall be adopted by the General Meeting;
- provides proposals, opinions and initiatives for the achievement of the goals and activities of the Association;
- submits an annual and periodic report on its work to the General Meeting for consideration and adoption;
- forms committees, boards and professional teams for the purpose of realizing the set goals and activities of the Association;
- determines the annual and semi-annual calculation of the execution of the income and expenditure plan of the Association;
- takes measures and activities to implement the work programme of the Association;
- determines the general calculations of royalties;
- prepares analyses, information and other materials for the General Meeting;
- elects and dismisses the secretary of the Association;
- elects and dismisses the Director General of the Expert Service of the Association;
- considers and adopts reports prepared by the General Director of the Expert Service of the Association;
- makes a decision on the organisation and tasks of the Expert Service of the Association;
- defines the organisation, tasks and way of working of the Expert Service of the Association;
- solves complaints of employees of the Expert Service at the second level;
- performs other tasks in accordance with the Law and these Articles of Association or if the General Meeting of the Association so determines.

Article 27

The Management Board and each of its members are individually responsible for their work to the General Meeting of the Association.

Article 28

The members of the Management Board can be recalled by the General Meeting of the Association even before the end of the term for which they were elected:

- at their own request;
- if they do not attend the sessions three times in a row, without justifiable reasons;
- if their actions destroy the reputation of the Association;
- in other cases provided by the Law, these Articles of Association and the Association's documents.

The final decision on the recall of a member of the Management Board shall be made by the General Meeting.

Article 29

Chairman of the Management Board:

- represents the Association in legal transactions;
- convenes the sessions of the Management Board on his own initiative or at the request of at least two members of the Management Board and manages its work;
- takes care of the implementation of the work programme, decisions, conclusions and guidelines of the General Meeting;
- takes care of the implementation of the work plan of the Management Board;
- prepares an annual and half-yearly report on its work and submits it to the Management Board for consideration and approval;
- signs documents adopted by the Management Board;
- maintains constant contacts with the public and promotes the goals and activities of the Association;
- performs other tasks assigned to him by the General Meeting and the Management Board of the Association.

In his absence, the Chairman shall be replaced by the Vice Chairman of the Association Management Board, except for representing the Association in legal transactions.

Article 30

The Management Board shall adopt its Rules of Procedure.

The Rules of Procedure of the Management Board shall regulate in detail the rights, obligations and responsibilities, the manner of work, voting and decision-making of the Management Board.

Article 31

The Association has a Secretary, who is elected and dismissed by the Management Board of the Association.

The term of office of the Secretary shall last five (5) years with the possibility of re-election.

The Secretary may be an employee of the Association, in accordance with the Law on Labour in the Institutions of Bosnia and Herzegovina.

Article 32

Secretary of the Association:

- performs administrative and technical tasks for the Management Board and General Meeting of the Association and assists them in the performance of their tasks;
- acting upon the orders of the Management Board, he prepares and implements permanent and occasional projects organised by the Association or in which the Association participates;
- attends the meetings of the Association Management Board, without the right to vote;

- according to the orders of the Management Board, performs other tasks related to the activities of the Association.

Supervisory Board

Article 33

The Supervisory Board has 3 (three) members.

Members of the Supervisory Board shall be elected by the General Meeting for a term of 4 (four) years, with the possibility of re-election.

The criteria for the selection of members of the Association Supervisory Board are:

- that they are members of the Association;
- that they are citizens of Bosnia and Herzegovina;
- that they are not covered by the provisions of Article IX, paragraph (1) of the Constitution of Bosnia and Herzegovina.

At least one member of the Supervisory Board must be an expert in economics.

Members of the Supervisory Board elect the chairman of the Supervisory Board from among themselves.

Members of the Supervisory Board cannot be the Chairman of the General Meeting, Vice-Chairman of the General Meeting or members of the Management Board of the Association at the same time.

Meetings of the Supervisory Board are held as needed, and are chaired by the Chairman of the Supervisory Board.

Sessions of the Supervisory Board shall be convened by the Chairman of the Supervisory Board, or at the request of the Chairman of the Management Board of the Association or an individual member of the Supervisory Board of the Association.

The Rulebook on the work of the Supervisory Board regulates in detail the rights, obligations and responsibilities, working methods, voting, quorum and voting rules, and decision-making of the Supervisory Board.

The quorum for holding a Supervisory Board session is the majority of all members of the Supervisory Board.

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

Supervisory Board:

- Supervises the implementation of the provisions of the Articles of Association and Acts of the Association, agreements, and conclusions and decisions of the General Meeting and the Management Board;
- Supervises the legality of the financial and material operations of the Association;
- Proposes measures to eliminate observed deficiencies;
- Submits a report on its work to the General Meeting at least once a year.
- Submits to the General Meeting a report on the amount of fees charged, the distribution of collected fees, the costs of the Association's operations, the

implementation of collective agreements and individual agreements with users and the implementation of agreements concluded with foreign collective organisations.

The Supervisory Board can hire appropriate experts to assist in the performance of tasks within its competence.

The Association Expert Service

Article 34

The Association has the Association Expert Service for the performance of professional, administrative and technical works for the purpose of achieving and representing the members of the Association in operations and procedures related to realisation of copyrights.

The organisation, tasks and work method of the Expert Service of the Association is regulated by a special act of the Association Management Board.

The tasks of the Expert Service of the Association are:

- Management of administrative, accounting and bookkeeping activities of the Association;
- Representing the Association before courts and other bodies and conducting proceedings on behalf and on behalf of the members of the Association, within the power of attorney of the Association's representative;
- International correspondence for the needs of the Association;
- Creation and archiving of author and co-author contracts;
- Drafting of the contract on the transfer of public performance rights,
- Negotiations with users or representative associations of users of the Association's repertoire;
- Drafting of the contract which collectively transfers other rights for the repertoire of the members of the Association;
- Collection of royalties according to the tariff of the Association or according to the tariff agreement reached with the user or a representative user association approved by the Management Board;
- Delivery and reception of applications for the use of works from the repertoire of the Association, submitted by users;
- Fee calculation according to submitted programmes of public performance of the work, in accordance with the Law and regulations of the International Confederation of Societies of Authors and Composers CISAC;
- Payment of royalties to authors' accounts;
- Calculation and payment of all taxes, in accordance with BiH laws;
- Giving professional opinions to members of the Association;
- Preparation of agreements on reciprocal representation with foreign collective organisations;
- Preparation of reports on the work of the Expert Service of the Association; and
- Other professional tasks assigned by the General Meeting and the Management Board of the Association.

For the tasks of collective protection, the Expert Service of the Association uses the database of users, authors and author's works of the Association and is obliged to maintain and develop it in accordance with the needs of the Association.

The Expert Service will perform its work in accordance with the Law on the Collective Management of Copyright and Related Rights, international rules and recommendations valid for the collective management of copyright and related rights, and other valid regulations.

Labour relations, rights, duties and responsibilities of employees in the Expert Service are regulated by employment contracts and in accordance with the Law on Civil Service in the Institutions of Bosnia and Herzegovina.

Article 35

The Association has a Director General of the Association Expert Service, who is elected and dismissed by the Management Board of the Association.

The Director General of the Association Expert Service shall be accountable to the Management Board of the Association.

The Director General of the Association Expert Service shall be the one ordering the implementation of the current work programme and financial plan of the Expert Service. The Director General of the Association Expert Service shall organise the work process and manage the operations of the Association Expert Service, within the scope of the Association's activities, and in accordance with the decisions of the Management Board of the Association.

Director General of the Association Expert Service shall:

- directly organise and implement the work of copyright protection and manage the work of the Association Expert Service,
- issue orders for the disposal of funds and assets intended for the protection of copyrights,
- approve expenses related to the protection of copyrights and directly supervise the work of the accounting department for whose legality he is responsible,
- be especially responsible for the calculation and payment of taxes and other public duties,
- be responsible for the legality of the payment of individual royalties, in accordance with the adopted Financial Plan of the Association.

The term of office of the Director General shall last 5 (five) years with the possibility of re-election.

By decision of the Association Management Board, the Director General of the Association Expert Service may be dismissed from office at any time in case of actions contrary to the law and the Association's Articles of Association.

X - MATERIAL AND FINANCIAL OPERATIONS OF THE ASSOCIATION

Article 36

The income of the Association consists of:

- income generated through the implementation of the Association's objectives and activities, as specified by the Articles of Association;
- fees for the use of author's works, which are charged from the users of those works in accordance with the current Law on the Collective Management of Copyright and Related Rights;
- voluntary contributions and gifts from public institutions, natural and legal persons, both foreign and domestic, in cash, services or property of any kind; and
- government subsidies and contracts with the state, public institutions, natural and legal persons, both domestic and foreign.

Article 37

The Association shall be obliged to keep records of the Association's property, in accordance with the applicable regulations. The Association shall be obliged to properly keep business books, in accordance with generally accepted accounting principles, and to prepare financial statements in accordance with the Law.

Article 38

The Association must perform all tasks within the scope of its business activities in a way that ensures the achievement of the highest possible degree of efficiency, good business, thrift and transparency.

The Association shall be obliged to adhere to international and generally accepted rules, standards and principles that are applied in the practice of collective exercise of rights, especially those related to expert services, to determine the amount of fees for the use of the work, documentation and its international exchange, and to calculate and distribute compensation to domestic and foreign authors.

The Association will keep acts and documents in accordance with the regulations on office operations.

Article 39

From total income generated, the Association shall allocate only funds to cover the costs of its operations, while all other funds must be distributed to its members (Article 7, paragraph 2 of the Law on the Collective Management of Copyright and Related Rights).

By way of exception, the decision of the Association General Meeting may stipulate that a certain percentage of funds be set aside for cultural purposes and assistance, including assistance for medical treatment and social needs of Association members.

The amount of expenses for settling the expenses referred to in paragraph 2 of this Article shall be determined by the Association General Meeting, in the Financial Plan of the Association.

Article 40

The Association shall adopt a work plan and programme for each business year, which is to be adopted by the General Meeting at the proposal of the Management Board.

The Management Board shall be obliged, at least once a year, to submit to the General Meeting a report on the material and financial operations of the Association, containing data on assets, income and expenses, and on the work of the Association and the Association Expert Service.

The Supervisory Board of the Association supervises the use of the Association's funds.

At least 10% of the regular members of the Association may request that one or more independent experts, at the expense of the Association, review and audit its operations, unless, based on this legal provision, such a review was already carried out in the same calendar year, in accordance with Article 19, paragraph 2 of the Law on Collective Management of Copyright and Related Rights.

Article 41

The assets of the Association consist of funds, things and rights that the Association acquires in accordance with the Law and these Articles of Association. For obligations to third parties, the Association is liable with its entire assets.

Article 42

For the performance of other professional, administrative, bookkeeping and other tasks, the Management Board of the Association, together with the Director General of the Association Expert Service, finds opportunities and solutions consistent with the Law and the principles of rationality in business. In order to carry out certain tasks, the Management Board can hire appropriate experts, for compensation, in accordance with the provisions of Article 47, paragraph 1 of the Law on Associations and Foundations, the Association's Financial Plan and the Association's capabilities.

XI - BASIC PRINCIPLES AND RULES FOR DISTRIBUTION OF ROYALTIES

Article 43

General

According to the basic principles and rules for the distribution of royalties, prescribed by these Articles of Association, the association distributes royalties to domestic and foreign authors and copyright holders.

The provisions of these Articles of Association ensure proportionality, appropriateness and fairness of distribution and prevent any arbitrariness.

The basic principles and rules for distribution of royalties, prescribed by these Articles of Association, are based on the method and extent of exploitation of musical works.

The distribution of royalties is made on the basis of data on the use of musical works obtained from electronic media (hereinafter: programme data).

Acceptable programme data are all correct data in a certain distribution class, for a certain calculation period, which were collected by the deadline for closing the documentation and are taken into account for distribution.

Distribution classes

The total collected royalties, after deducting the costs of the Association's work and allocations for cultural and social benefits and other possible deductions, as well as all necessary fiscal deductions in accordance with the law, are distributed to members through distribution classes and in accordance with these Articles of Association, as follows:

1. Broadcasting and rebroadcasting:

A) Radio broadcasting:
   1) National coverage;
   2) Regional coverage;
   3) Local coverage.

B) TV broadcasting:
   1) National coverage;
   2) Regional coverage;
   3) Local coverage.

C) Rebroadcasting

D) Satellite broadcasting.

2. Public performance:
   A) Concerts;
   B) Catering establishments with live music;
   C) Other events.

3. Public communication:
   A) Cinemas;
   B) General users.

4. Production and distribution of sound carriers or sound and image carriers;

5. Internet and other services:
   A) Download;
   B) Streaming:
   C) Webcast:
      1)Radio programme;
      2)TV programme.
   D) Ringtone;
   E) Simulcast;
   F) Podcast;
   G) Background.

Music categorisation

Within the meaning of these Articles of Association, there are the following types of music: popular, jazz and art.

Works other than art and jazz are categorised as popular music.

Each recorded piece of music is assigned an initial 1 (one) point, with the final number of points of the work being obtained by multiplying the initial point of the work, depending on the type of music, by the appropriate coefficient, and:

- 1 for popular music works;
- 3 for jazz music works;
- 6 for art music works.

Duration of the work

The duration of the musical work is its effective duration, which is specified in the programme data.

If data on the duration of the work cannot be determined either by the programme or by the author's application, for the works:

a) of a larger form (sonatas, symphonies, etc.) – it lasts 8 minutes;
b) for all other works – it lasts 3 minutes.

A musical work broadcast fragmentarily or as a whole several times on radio or television within the framework of a single programme for the purpose of learning, or as an illustration, will be considered as having been performed once.

Copyright shares in the work

Pursuant to these Articles of Association, copyright belongs to the author of the music in the work, the author of the lyrics in the work and the author of the arrangement in the work. Unless otherwise determined by agreement between the music author and the lyrics author, the author of the music in the work shall be entitled to 46% of the royalties, the author of the lyrics in the musical work shall be entitled to 32% of the royalties, and the author of the arrangement of the work shall be entitled to 22% of the royalties. In the case of art music works, the author of the music in the work shall be entitled to 80% of the royalties, and the author of the text in the work shall be entitled to 20% of the royalties. 100% of the royalties that belong to that type of work shall be distributed to the processor of domestic folk art creations and the author of a collection of domestic folk art creations.

The share that the author or other rights holder transfers to the publisher in works based on broadcasting, public performance and public communication (minor rights) cannot exceed 50%.

The total share allocated to sub-publishers cannot exceed 50% of the total share in the work. The sub-publisher's share may in no case exceed the share that the Association allocates to its own publisher members according to its rules.

Distribution of royalties

Royalty in the distribution classes 1A (Radio Broadcast), 1B (TV Broadcast), 3A (Cinema), 5C (Webcast) and 5F (Podcast) is calculated using the points system as follows:

1. One performance of the work is multiplied by a coefficient determined by proportionally adding funds collected from users from distribution classes 1C (Rebroadcasting), 1D (Satellite broadcasting) and 3B (General) to the royalties collected from each user individually from the distribution classes specified in the previous paragraph;
2. This amount is divided by the number of performed pieces reported by users from distribution classes 1A, 1B, 3A, 5C and 5F. Thus, the point value for one performance is obtained for each user individually;
3. The amount thus obtained is multiplied by the point value according to the type of music.

Class 2 (Public performance) royalties are calculated using the programme system, so that the amount for the concert indicated in the programme data, after deducting the costs of the Association's work, is distributed to the authors whose works are indicated in the programme data.

Royalties based on the production and distribution of sound media or sound and image media (SIM) are collected in accordance with the standard BIEM contract concluded by the Association with the SIM producer (publisher). Royalties are calculated and distributed on the basis of the recording plan (recording application) and the sales report submitted by the producer, and in proportion to the author's total share in the SIM.

Class 5E (Simulcast) royalties are transferred to Class 1 (Broadcasting and Rebroadcasting) by increasing the individual sum of the respective broadcaster and taking such amount when creating the sample.

Royalties in class 5A (Download), class 5B (Streaming), class 5D (Ringtone) and class 5G (Background) are made according to the number of streams or downloads.

Royalties charged in the calendar period, as a calculation period, are included in the distribution for that calculation period, regardless of which period of use it refers to.

The decision on the duration of the accounting period shall be made by the Management Board at least once a year.

Complaints about calculation

The author or other rights holder can submit a request for a subsequent calculation or correction of the calculation if he has not been calculated or considers that he has been incorrectly calculated compensation.

Objections shall be submitted in writing within 60 days from the day of receipt of the calculation. Complaints must contain the following information:

- name of the work to which the objection refers,
- period of use,
- the type of use, i.e. the name of the broadcaster and show, the name and location of the event and other information about use or information about scoring and reporting/registration of the work.

Subsequent calculation or correction of calculations resulting from incorrect data from the Application/Registration, incorrect administration or technical error is carried out by the Stream Service, no later than 30 days from the date of expiry of the deadline from the previous paragraph.

When performing a subsequent calculation or correction of the calculation, the Expert Service can take into account only those programme data that the users submitted until the end of the calculation period to which the complaint refers. Programme data submitted by users after the end of the accounting period to which the complaint refers will be taken into account in the first following accounting period.

The decision on the author's complaint shall be made by the Management Board, at the proposal of the Expert Service, no later than 30 days from the day of the subsequent calculation or correction of the calculation from the previous paragraph. The decision of the Management Board shall be final.

The Complaint Fund from which corrections to calculations, i.e. subsequent calculations, are to be paid consists of funds in the amount of 5% of the total amount of funds calculated for payment to authors for the relevant accounting period.

After each accounting period, funds from the Complaint Fund that have not been used shall be returned to the Distribution Fund in accordance with the decision of the Management Board.

XII - ACKNOWLEDGEMENTS AND PRIZES

Article 44

The Association can make decisions on awarding acknowledgements and prizes of the Association.

Acknowledgements and prizes shall be awarded by the Management Board, in accordance with the Rules of Procedure for awarding prizes adopted by the General Meeting of the Association.

XIII - CULTURAL AND SOCIAL FUND

Article 45

The fund for cultural and social purposes can be used exclusively for:

- cultural purposes;
- improving the pension, health and social status of members.

The amount of funds must not exceed 10% of the Association's net income, in accordance with Article 7, paragraph 2 of the Law on the Collective Management of Copyright and Related Rights (*Official Gazette of BiH*, No.: 63/10). The Management Board can form a committee for cultural purposes and a committee for social purposes, which will propose the method of distribution of these dedicated funds.

Procedures and means of managing funds will be defined by a special rulebook to be adopted by the General Meeting.

XIV - WORK OF EXTERNAL ASSOCIATES

Article 46

Certain professional or artistic tasks of the Association can be entrusted to persons who have the necessary knowledge and skills, based on a service contract, copyright or other appropriate contract, in accordance with the Law. Contracts, on behalf of the Association at the proposal of the Director General of the Association Expert Service, shall be concluded by the Chairman of the Management Board.

XV - PROCEDURE FOR AMENDING THE ARTICLES OF ASSOCIATION AND GENERAL ACTS OF THE ASSOCIATION

Article 47

The initiative to amend the Articles of Association can be submitted by at least 1/3 of the regular members of the Association or the Management Board. The initiative shall be submitted to the Association General Meeting in writing and with an appropriate explanation. Amendments to the Articles of Association shall be decided on by the Association General Meeting by a two-thirds majority of the regular members present.

Article 48

In addition to the Articles of Association, the Association's bodies can adopt other acts, that is:

- rulebooks;
- rules of procedure;
- decisions.

Acts of the Association must be consistent with the Law and the Articles of Association of the Association.

Article 49

Decisions shall be made in cases where this is expressly established by the Law and these Articles of Association, as well as in other cases when matters of importance for the achievement of the Association's goals and activities, and for the Association's employees, are regulated.

Article 50

The Rulebook shall prescribe the detailed provisions, procedure and mutual relations between the members of the Association, as well as the mutual relations of the Association's bodies in the exercise of their competences.

Article 51

The Rules of Procedure shall regulate the work method of the Association's bodies in more detail.

Article 52

Original copies of the Association's acts shall be kept in the Association's archive.

XVI - ASSOCIATION REPRESENTATION

Article 53

The Association shall be represented in legal transactions by the Chairman of the General Meeting of the Association and the Chairman of the Management Board of the Association within the scope of competences established by these Articles of Association.

Article 54

In proceedings in which the Association participates as a party in order to exercise its rights, duties and responsibilities before competent authorities, courts, etc., representatives of the Association may give a written power of attorney for representation to a lawyer or other professional person.

XVII - STATUS CHANGES AND TERMINATION OF THE ASSOCIATION, PROCEDURE FOR DISPOSAL OF REMAINING PROPERTY OR OTHER FUNDS OF THE ASSOCIATION IN CASE OF DISSOLUTION OR TERMINATION OF THE ASSOCIATION

Article 55

The Association can be merged or divided into another Association in accordance with the Law and these Articles of Association.

The decision on status changes from the previous paragraph shall be made by the General Meeting of the Association with a 2/3 majority of regular members.

Article 56

The Association ceases to operate voluntarily or by force of the Law in accordance with the provisions of Articles 51 and 52 of the Law on Associations and Foundations of Bosnia and Herzegovina. The initiative to terminate the operation of the Association can be initiated by at least 1/3 of the members of the General Meeting and the Management Board:

- if twice as much time has passed than the time established by the Association Articles of Association for holding the General Meeting, and the Association General Meeting was not held;
- if the number of members of the Association decreases below the number of three;
- in other cases determined by the Law and these Articles of Association.

The decision on the voluntary termination of the Association's operation shall be made by the General Meeting of the Association with a 2/3 majority of the present regular members of the Association.

Article 57

The Association shall be obliged to report any change in the registration in the Register of Associations to the competent Ministry within 30 days of the change, in accordance with the Law.

XVIII - DISPOSAL OF REMAINING ASSETS

Article 58

In the event of a decision on the termination of the Association's operation, the General Meeting shall adopt a liquidation plan, which determines the distribution of the Association's assets, rights and obligations.

The General Meeting shall appoint the liquidator of the Association's assets, to be tasked with drawing up the plan for the liquidation of the Association's assets.

In the event of the dissolution and termination of the Association, after the settlement of legal and contractual obligations, the assets will be transferred to another association that performs the same or similar statutory activities, based on the decision of the General Meeting.

XIX - PUBLICITY OF WORK

Article 59

The work of the Association is public.

Publicity of the work shall be achieved through direct information, through means of public information and the website of the Association.

The members of the Association will have an unhindered insight into the performance of activities in all areas where this Association operates, as well as in the planning of further activities.

The Chairman of the Management Board of the Association shall be responsible for the publicity of the work.

XX - TRADE SECRET

Article 60

The following is considered a trade secret of the Association:

- Data declared official secret by the General Meeting and the Management Board of the Association;
- Data that the competent government body communicates to the Association as confidential;
- Documents and data, the disclosure of which to an unauthorised person would be against the interests of the Association or its members and which are determined by the general act as trade secrets;
- The individual amount paid to a member of the Association as royalties.

XXI - TRANSITIONAL AND FINAL PROVISIONS

Article 61

The General Meeting of the Association shall be responsible for interpreting the provisions of these Articles of Association.

Article 62

These Articles of Association shall enter into force on the date of its adoption.

With the entry into force of these Articles of Association, the Articles of Association of the Association of Composers-Music Authors of 26 June 2002 shall become null and void.

Reference: 01/16
Sarajevo, 15/02/2016

CHAIRMAN OF THE GENERAL MEETING
Edin Dervišhalidović
/stamp and signature affixed/

I hereby certify that this translation fully corresponds to the original written in Bosnian.
Sarajevo, 13 March, 2023
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