

Based on the provisions of Item 1 of Paragraph 1 of Article 25 of Collective Management of Copyright and Related Rights Act (hereinafter: CMCRRA) The General Assembly of AIPA, k.o. (hereinafter: AIPA) at its session on the 18 December 2019 has adopted the

STATUTE

GENERAL PROVISIONS

Seat and business address

Article 1

- (1) The name of the collective management organisation (hereinafter: CMO) is Zavod za uveljavljanje pravic avtorjev, izvajalcev in producentov avdiovizualnih del Slovenije, k.o. The short name is AIPA, k.o. (hereinafter: AIPA).
- (2) The seat of AIPA is in Ljubljana.
- (3) The business address is Dvorakova ulica 5 and Kersnikova 12, 1000 Ljubljana. The business address listed in the registry is Dvorakova ulica 5, 1000 Ljubljana.
- (4) AIPA conducts business without a seal.
- (5) AIPA and its constituent organs conduct business in Slovene language with the exception of relations grounded in representation agreements with foreign CMOs and/or foreign umbrella organisations.
- (6) In international relations AIPA also uses the translated name which in English goes as follows: Collecting Society of Authors, Performers and Film Producers of Audiovisual Works of Slovenia, k.o.

Entity status

Article 2

AIPA is a collective management organisation as defined in CMCRRA.

The relationship between the founders and the CMO

Article 3

- (1) For the time of operations as a CMO or the validity of the authorisation as a CMO the founders renounce all management rights in the entity in favour of the members of the CMO.
- (2) As long as AIPA holds the authorisation for the collective management of rights, the founders have no additional benefits or rights compared to the rights bestowed on the other right holders by the CMCRRA or this Statute.

Neutral terminology

Article 4

All terms in this Statute and its subordinate internal acts which are expressed in the masculine form also apply to the feminine.

ACTIVITIES OF AIPA

The types of protected works and of the rights managed by the CMO on these works

Article 5

(1) AIPA manages and protects:

1. the rights of co-authors of audiovisual works (hereinafter: AV works), namely the author of the adaptation, the author of the screenplay, the author of the dialogue, the director of photography, the principal director, the composer of music specifically created for use in the audiovisual work, and the principal animator, if the animation represents an essential element of the audiovisual work (hereinafter: the co-authors), particularly:

- the right to an equitable remuneration for making a sound or visual fixation of AV works done within the scope of private or other internal use;
- the right of rebroadcasting in the case of cable retransmission of AV works (hereinafter: cable retransmission right);

2. the rights of performers, whose performances are used in AV works on videograms (hereinafter: performers), on these performances, particularly:

- the right to an equitable remuneration for making a sound or visual fixation of their performances in AV works done within the scope of private or other internal use;

3. the rights of film producers on videograms:

- the right to an equitable remuneration for making a sound or visual fixation of their performances in AV works done within the scope of private or other internal use;

(2) In accordance with the authorisation of the Slovenian Intellectual Property Office (hereinafter: the responsible body) the royalties pertaining to the right to an equitable remuneration for making a sound or visual fixation of their performances in AV works done within the scope of private or other internal use (hereinafter: the right to an equitable remuneration) are only being distributed by AIPA among the entitled right holders.

Business activities

Article 6

- (1) The main mission and the only activity of AIPA is the collective management of rights according to the authorisation of the responsible body.
- (2) As a CMO AIPA conducts primarily the following activities:
 1. licensing the use of the works from the repertoire of copyright works under similar conditions for similar types of use;
 2. negotiating in good faith and concluding joint agreements, as defined in Article 44 of CMRRA, with representative user organisations;
 3. publishing joint agreements and informing the users of relevant tariffs;
 4. concluding and publishing agreements with foreign collective management organisations;
 5. supervising the use of copyright works from its repertoire;
 6. invoicing the users for the use of copyright works from its repertoire, collecting royalties and recovering debt from past due invoices;
 7. distributing collected royalties to entitled right holders in accordance with royalty distribution and pay-out rules that are known in advance;
 8. pays out distributed royalties to the entitled right holders;
 9. claims protection of copyright from courts and other government bodies and provides an account of such actions to the authors.
- (3) In accordance with the CMCRRA AIPA may execute administrative and technical activities related to collective management of another collective management organisation.

Outsourcing by contractor

Article 7

- (1) AIPA may transfer the execution of its administrative and technical activities related to collective management from Items 5 to 7 of Paragraph 2 of Article 6 of this Statute to another collective management organisation or legal entity (hereinafter: contractor) by contract.
- (2) The contractor may not transfer the execution of these activities to another entity.
- (3) The management of AIPA is responsible for supervising the contractor.
- (4) The contract with the contractor shall include all activities, transferred by AIPA onto the contractor. The contract and its amendments come into power after confirmation by the General

Assembly with the majority of at least three quarters of voting rights present at the session. The cancellation of the contract is subject to a decision of the management of AIPA.

MEMBERSHIP

General conditions for membership

Article 8

- (1) Any holder of a right collectively managed by AIPA has the right to become a member if he fulfils the conditions stipulated in this Statute.
- (2) Any person representing the right holder, an association of right holders, or another CMO may also become members of AIPA, if they fulfil the conditions stipulated in this Statute.
- (3) Right holders onto whom copyrights or related rights have been transferred by law, contract or other legal transaction must prove their ownership of the rights by providing an appropriate contract or other appropriate document from which their ownership or entitlement is undoubtedly clear.

Conditions for membership - co-authors

Article 9

The right holder of co-author's rights may become a member of AIPA if he:

- submits a filled-out and signed mandate to AIPA for the managements of his rights and
- is a right holder of at least one of the rights collectively managed by AIPA for co-authors, and
- the combined duration of AV works, on which he has rights collectively managed by AIPA, is at least 90 minutes, except if he is a right holder of the principal animator or the principal director of animated films, in which case the duration must be at least 5 minutes.

Conditions for membership - performers

Article 10

The right holder of performer's rights may become a member of AIPA if he:

- submits a filled-out and signed mandate to AIPA for the managements of his rights and
- is a right holder on a performance collectively managed by AIPA for performers, and
- the combined duration of AV works with his performances on videograms is at least 90 minutes.

Conditions for membership - film producers

Article 11

The right holder of film producer's rights may become a member of AIPA if he:

- submits a filled-out and signed mandate to AIPA for the managements of his rights and
- is a right holder on a videogram collectively managed by AIPA for film producers, and
- the combined duration of AV works on his videograms is at least 90 minutes, except for animated AV works with a principal animator, where the duration must be at least 5 minutes.

Conditions for membership - collective management organisations

Article 12

A collective management organisation may become a member of AIPA if:

- it has a status of a collective management organisation and has requested membership in AIPA, and
- manages at least one of the rights managed by AIPA, and
- is a member of one of the umbrella organisations from the spectrum of rights managed by AIPA.

Conditions for membership - right holder associations

Article 13

The association of right holders may become a member of AIPA if:

- it is a legal entity, and
- its members are right holders of rights collectively managed by AIPA, and
- the members of the association fulfil the conditions from Articles 9, 10 and 11 of this Statute, and
- no member of the association is also a member of AIPA.

Conditions for membership - right holder associations

Article 14

(1) The representative of the right holder may become a member of AIPA if:

- he submits a filled-out and signed mandate to AIPA for the managements of the rights of the right holder, and the mandate of the right holder to the representative, and
- the right holder being represented fulfils the conditions from Articles 9, 10 and 11 of this Statute, and
- the right holder being represented is not a member of AIPA.

- (2) In case the person from Paragraph (1) of this Article represents two or more right holders he can be a member of AIPA until he fulfils the conditions of Paragraph (1) of this Article for at least one of the right holders.

Equality between members and right holders

Article 15

AIPA manages the rights of its members and the rights of non-member right holders equally.

Becoming a member and duration of membership

Article 16

- (1) The given mandate is understood also as a request for membership in AIPA, unless the right holder expressly states that he does not wish to be a member.
- (2) The management of AIPA shall decide upon the request within 30 day of receiving the mandate. If the request is denied, AIPA shall send a written explanation to the right holder.
- (3) The members may exercise their rights as members from the moment they are accepted into membership and entered into the membership list.

Becoming a member and duration of membership

Article 17

- (1) The management of AIPA periodically, at least once a year before every call of the General Assembly, verifies if the membership conditions of the member are still met.
- (2) The membership is automatically renewed if the conditions are met and the renewed membership lasts until the membership termination.

Rights of members

Article 18

- (1) The members have a right to participate and co-decide at the General Assembly.
- (2) They may be nominated into the Supervisory board under the conditions of the CMCRRRA and this Statute.
- (3) The members also have other rights according to the CMCRRRA and this Statute.

Termination of membership

Article 19

- (1) The membership terminates by:
- the termination of AIPA,
 - the loss of legal entity status or the death of the member,
 - the right holder no longer being compliant with the membership conditions from this Statute and/or from CMCRRRA,
 - the member's wilful withdrawal from membership.
- (2) If a member no longer complies with the membership conditions, AIPA's management must notify him in writing. The notice must be substantiated. The membership in AIPA is terminated after the expiration of the deadline for an appeal or with the date when the management's decision on the appeal comes into force.
- (3) A member may withdraw from the membership in AIPA at any time by sending a written statement of withdrawal from membership. The statement comes into force the day after it is received. The statement of withdrawal from membership does not mean a withdrawal of the given mandate.

List of members

Article 20

- (1) If the membership request is approved, AIPA immediately adds the right holder onto the membership list, which exists with the intention to ensure an efficient administration of members' rights.
- (2) The membership list includes the following data:
1. name and residence or the firm and seat of the member;
 2. other contact information to identify and locate the right holder (telephone and/or fax number, email address);
 3. tax ID number;
 4. number or voting rights of the member;
 5. total number of members, and
 6. total number of voting rights.

List of right holders

Article 21

The right holders who gave their mandates to AIPA but did not wish to become members are added into a list of right holders, which exists for security of legal transactions and consists of the following data:

- name and residence or the firm and seat of the member;
- other contact information to identify and locate the right holder (telephone and/or fax number, email address);
- tax ID number.

Withdrawal of mandate

Article 22

- (1) A member or a right holder can withdraw their mandate partially, only for certain rights or for certain copyright works or for certain territories.
- (2) If the mandate is withdrawn by a member, the membership is also terminated only partially reflecting the scope of the withdrawal.
- (3) The withdrawal of a mandate comes into force with the beginning of a new financial year.

Publication and updating of the lists

Article 23

- (1) The lists of members and of right holders are available on AIPA's website to the members, to right holders, which gave their mandates to AIPA, and to the responsible body, with the exception of the data regarding the residency, contact details and tax ID number of natural persons.
- (2) The list of members and the list of right holders are regularly updated. The management of AIPA adds the data of new members or right holders within a reasonable time period after receiving their data and appropriate proof of copyright ownership.
- (3) At least once a year, at the latest before every distribution or every call of the General Assembly, the management of AIPA verifies the data on copyright ownership and if the right is still copyright protected.

GOVERNANCE

Governing bodies

Article 24

AIPA's governing bodies are:

- the General Assembly,

- the Management, and
- the Supervisory Board.

GENERAL ASSEMBLY

General Assembly

Article 25

- (1) The General Assembly consists of all AIPA members, divided into three categories or right holders, namely:
 - right holders of co-author's rights;
 - right holders of performer's rights;
 - right holders of film producer's rights.
- (2) Right holders may exercise their rights in person or through a representative. The right holder's personal representation before a collective management organisation always has priority over being represented before a collective management organisation for that same right by a third person.

Calling of the general Assembly and the session

Article 26

- (1) The General Assembly meets in sessions at least once per year.
- (2) The General Assembly is notified of the session at least 15 days prior to the session taking place.
- (3) The General Assembly is called by the management. The call can also be issued by the Supervisory Board of AIPA.
- (4) The General Assembly shall also be convened on the initiative of AIPA members, on the condition that they possess at least 5% of all the voting rights. The agenda and proposals for decisions must be submitted along with such an initiative.
- (5) In the case from the previous Paragraph, the notification for the session must be sent at the latest two months from the date the initiative was received by AIPA.

Article 27

- (1) The call of the General Assembly shall be published on the website of Agencija Republike Slovenije za javnopravne evidence in storitve (Agency of the Republic of Slovenia for Public Legal Records and Related Services) (hereinafter: AJPES) and on AIPA's website.
- (2) Along with the call for the General Assembly all the materials shall also be published on AIPA's website.

- (3) AIPA shall send a notification of the call of the General Assembly containing the proposed agenda and the propositions of the decisions to all its members. The management shall decide on the manner of informing the members.
- (4) The notification of the call of the General Assembly containing the proposed agenda and the propositions of the decisions along with all the materials shall be sent to the responsible body. The members may also view them at the business address of AIPA according to the notification of the call of the General Assembly.

Article 28

- (1) The General Assembly is led by the Chairman of the General Assembly which is nominated at the session itself.
- (2) The General Assembly confirms the minute-writer, who must be a notary.
- (3) The minutes of the General Assembly session, which are compiled throughout the session by the minute-writer, are signed by the Chairman. The minutes include:
 - the place and date of the session,
 - the number of total voting rights present at the Assembly,
 - the number of total voting rights present, separately for each category of right holders and, when necessary, separately for each right,
 - adopted decisions, and
 - the results of voting.
- (4) The minutes are published in seven (7) days from the session at AIPA's website.

List of present members

Article 29

- (1) At the General Assembly a list of present members, and of represented members and their representatives is made, which includes:
 - their name,
 - address or firm and seat
 - number of voting rights of a particular member,
 - the total number of voting rights, separately for each category of right holders and, when necessary, separately for each right, and
 - the total number of voting rights, present at the Assembly.
- (2) The responsible body may attend the General Assembly sessions with a representative without voting rights.

Exercising membership rights at the session

Article 30

- (1) Each member has one (1) vote.
- (2) In issues pertaining to the right of cable retransmission the decisions are taken by members who are right holders of this right.
- (3) In issues that pertain to the right to an equitable remuneration the decisions are taken by the members in those categories of right holders to which the issue pertains and are right holders of this right.
- (4) Any member who is a right holder in more than one category of right holders at the same time decides on questions in each of the categories, in which he is a member. Such a member has one vote in each of the categories of right holders.
- (5) Legal entities are represented at the session by their legal representative according to the law which provides for the type of legal entity represented, or by another person mandated by the legal representative, provided that they present such a mandate.

Original and non-original right holder

Article 31

- (1) The original right holder is a person or legal entity which:
 - is an original co-author of an AV work (hereinafter: original co-author),
 - is an original performer of a performance, used in an AV work on a videogram (hereinafter: original performer), or
 - is an original film producer of a videogram with an AV work (hereinafter: original film producer).
- (2) For the purposes of exercising the rights at the General Assembly heirs and universal legal successors are considered original right holders. In case of multiple heirs they must select one person to exercise the voting rights of the original right holder at the General Assembly session, and they must provide AIPA with proof of this selection.
- (3) The non-original right holder is a person or legal entity, which has gained the rights on the basis of a legal presumption, a legal transaction, or a court decision.

Voting quorum of the general Assembly

Article 32

- (1) The quorum is always established at the level of each category of right holders and, when necessary, at the level of each right.

- (2) Voting quorum is achieved if at least one half of all voting rights of an individual category of right holders, or at least one half of all voting rights of an individual right managed by AIPA, are present at the General Assembly session.
- (3) In case the agenda of the General Assembly session contains questions pertaining to all of the categories of right holders and that the quorum is not achieved at the beginning of the session, the quorum is achieved, if after fifteen (15) minutes after the beginning of the session there are at least:
- 20 votes of co-authors,
 - 20 votes of performers, and
 - 10 votes of film producers present at the session.
- (4) In case the agenda of the General Assembly session contains questions pertaining only to the right to an equitable remuneration, the quorum is achieved, if after fifteen (15) minutes after the beginning of the session there are at least as many votes present as stipulated in the previous Paragraph.
- (5) In case the agenda of the General Assembly session contains questions pertaining only to the right of cable retransmission, the quorum is achieved, if after fifteen (15) minutes after the beginning of the session there are:
- 10 votes of right holders of the right to cable retransmission present.
- (6) In the notification of the upcoming session the convenor of the Assembly defines, which questions shall be decided by all members and which shall be decided only by members of individual categories of right holders or right holders of individual rights.

Voting at the general Assembly

Article 33

- (1) The common collective management issues and issues pertaining to all categories of right holders are decided upon by members of each and all categories of right holders. The decision is adopted if:
- the members of each of the category of right holders have adopted it with a majority of the voting rights present at the session, and
 - the majority of the entire general Assembly has adopted it.
- (2) In case of issues pertaining only to the right to an equitable remuneration only the original right holders of this right decide on the issue. The decision is adopted if:
- the members of each of the category of right holders have adopted it with a majority of the voting rights present at the session, and

- the majority of the entire general Assembly has adopted it.
- (3) In case of issues pertaining only to the collective management of the right of cable retransmission only the right holders of this right decide on the issue. The decision is adopted if:
- the members of the category of right holders of this right have adopted it with a majority of the voting rights present at the session
- (4) In all cases where the CMCRRA demands a qualified majority of the voting rights present at the session this qualified majority must be achieved in each of the category of right holders in order for the decision to be adopted.

Representation at the General Assembly session by a representative

Article 34

- (1) Any member of a CMO may, in accordance with this Statute, the CMCRRA, the Companies Act, the Obligations Code, and any other applicable legislation pertaining to representation and mandates, bestow the power of attorney on any third person to represent him and vote at the General Assembly session in his name, as long as such a mandate does not result in a conflict of interests.
- (2) Such a representative has rights at the General Assembly session that are equal to the rights of the member who has bestowed the power of attorney to the representative. The instructions to the representative must be clearly evident from the mandate which must be submitted for each particular General Assembly session.
- (3) Exercising the membership rights through a representative prevents exercising the membership rights of the right holder in person or vice versa, which the right holder must make clear at the moment of registering for the General Assembly session.

Article 35

The representative must submit the mandate to the CMO at least 3 working days prior to the General Assembly session.

Responsibilities of the General Assembly

Article 36

The General Assembly decides on:

- adopting and amending the Statute;
- royalty distribution rules, to which the right holders are entitled;
- rules on using the non-distributable royalties;

- rules and policies on investing royalties into bank deposits and the use of income from these deposits;
- rules on business costs and expenses;
- rules regarding dedicated funds;
- rules on risk management, if the general assembly does not decide to empower the supervisory board to make these decisions;
- using the non-distributable royalties;
- nominating the auditor;
- adopting the annual report;
- consents to purchase, sell or take a mortgage on a real estate, if the general assembly does not decide to empower the supervisory board to make this decision;
- consents to taking loans or credit insurances, if the general assembly does not decide to empower the supervisory board to make this decision;
- consents on mergers, establishments of branches, or acquisitions of shares in contractors;
- nominating and terminating the office of the supervisory board members, as well as their financial and non-financial receipts and benefits;
- confirming contracts and amendments to contracts with contractors, and
- the adopting of the Financial Plan and other issues in accordance with the law that provides for the status of AIPA as a legal entity.

SUPERVISORY BOARD

Supervisory Board

Article 37

- (1) The Supervisory Board consists of 6 members.
- (2) The members nominate to the Supervisory Board:
 - two (2) members who are original co-authors and right holders of the right to an equitable remuneration,
 - two (2) members who are original performers and right holders of the right to an equitable remuneration,

- two (2) members who are original film producers and right holders of the right to an equitable remuneration,

whereby three (3) of them must also be right holders of the right of cable retransmission.

- (3) The Supervisory Board members are nominated for a period of three (3) years, whereby a system of annual rotation is applied to ensure continuity of work. Each year only the members of one of the category of right holders (original co-authors, original performers, and original film producers) are nominated in this repetitive sequence: original co-authors, original performers, and original film producers. Members of the Supervisory Board can be re-nominated.
- (4) The members of the Supervisory Board must nominate a president from among themselves at each change in the membership of the Supervisory Board.
- (5) The president of the Supervisory Board conducts the work of the Supervisory Board and represents AIPA against the Management.
- (6) If a nomination of new members to the Supervisory Board is not successful, the mandates of the existing members are extended until the nomination of new members at the next General Assembly session, unless the current member of the Supervisory Board has resigned.

Conditions for nominations to the Supervisory Board

Article 38

- (1) Only a member of AIPA may be nominated as a member of the Supervisory Board. An heir may not be a member of the Supervisory Board.
- (2) Membership in the Supervisory Board is not possible for any person which cannot be a member of a governing or supervisory body according to the legislation which provides for legal entities.
- (3) Each member of the Supervisory Board shall submit individual written statements about the conflict of interests to the General Assembly each year. The statement must include information about:
 - all interests that the Supervisory Board member have in AIPA;
 - all receipts, received from AIPA or any contractor in the previous financial year, including receipts for supplementary pension insurance and all other bonuses in any form;
 - all royalties received from AIPA in the previous financial year;
 - the existence of any actual or possible conflict between their personal interests and the interests of AIPA or between their own obligations towards AIPA and obligations towards any other natural person or business entity.
- (4) In case some circumstances that are incompatible with membership in the Supervisory Board arise for a member or all of the members of the Supervisory Board, the General Assembly shall

relieve this member or all members of the Supervisory Board, respectively, before the expiration of his or their mandate.

- (5) The mandate of a member of the Supervisory Board is terminated, if:
- the member dies,
 - the member loses his legal capacity,
 - the member resigns, or
 - the member is relieved by the General Assembly.
- (6) If the mandate of a member of the Supervisory Board is terminated before it would otherwise expire, the mandate of the newly nominated member of the Supervisory Board shall last until the moment of the otherwise normal expiration of the mandate of the member he is replacing.

Responsibilities of the Supervisory Board

Article 39

- (1) The Supervisory Board supervises the Management's conduct of business of AIPA, the execution of the adopted decisions of the General Assembly, and performs other tasks in accordance with the CMCRRRA.
- (2) The Supervisory Board decides on:
- adopting the Rules of Business of the Supervisory Board,
 - nominating the Management,
 - the Management's receipts, benefits, and other financial and non-financial benefits, and the Management's severance pay.
- (3) The Supervisory Board may demand data from the Management that are necessary to exercise supervision, even if these include personal or other protected data.
- (4) Following the Audit of the Annual report which the Management must submit to the Supervisory Board, the Supervisory Board must then review the Annual Report according to the CMCRRRA and prepare a written report on its findings for the General Assembly.
- (5) The Supervisory Board reports to the General Assembly at least once a year.

Responsibilities of the Supervisory Board

Article 40

- (1) The Supervisory Board meets in sessions, usually once per month, which are convened by the president.
- (2) The Supervisory Board's voting quorum is achieved, if at least one member from each category of right holders and the president are present at the time of decision making.

- (3) The Supervisory Board may adopt decisions also in sessions through correspondence using the information technology, except when deciding on the president of the Supervisory Board.
- (4) The Supervisory Board's voting quorum in session through correspondence is achieved, if all members of the Supervisory Board are present in the session through correspondence.
- (5) Each member of the Supervisory Board has one vote.
- (6) The decision is adopted with a majority of cast votes. In case of equal votes pro et contra, the president's vote is the deciding one.

Article 41

The members of the Supervisory Board are entitled to a bonus for their work in the Supervisory Board and to a meeting attendance fee. The size of the bonus and of the attendance fees is determined by the General Assembly.

Article 42

Minutes of the Supervisory Board's meetings are taken in written form and signed by the president.

Responsibilities of the Supervisory Board members

Article 43

- (1) Any member of the Supervisory Board conducts his activities to the benefit of AIPA, its members, and right holders, whose rights are collectively managed by AIPA, with the due care and diligence of an honest business person.
- (2) The Supervisory Board members are jointly liable to AIPA for damages, which are a result of misconduct on their part with regard to their obligations, unless they prove that they acted honestly and conscientiously.

MANAGEMENT

Composition, tasks and responsibilities of the Management

Article 44

- (1) The Management represents AIPA.
- (2) The management is in the form of a single person, which is the General Manager of AIPA (hereinafter: the Manager).
- (3) The Manager is nominated by the Supervisory Board for a period of four years. The Manager can be re-nominated. Mutual rights and obligations between the Manager and AIPA are defined in a contract, which is concluded by the president of the Supervisory Board on behalf of AIPA.

- (4) The Manager represents AIPA and conducts the business of AIPA autonomously, without limitations and at his own responsibility.
- (5) The Manager regularly, at least once quarterly, reports to the Supervisory Board of the business activities of AIPA, particularly of the collected royalties and business expenses, whereby these data must be segmented by the type of copyright, the type of copyright work and the type of usage.
- (6) The Manager conducts the business to the benefit of AIPA, its members, and right holders, whose rights are collectively managed by AIPA, with the due care and diligence of an honest business person.
- (7) The Manager is liable to AIPA for damages, which are a result of misconduct on their part with regard to their obligations, unless they prove that they acted honestly and conscientiously.
- (8) The Manager organises the business activities of AIPA.

Conditions for the nomination of the Manager

Article 45

- (1) The Manager cannot be a person, which cannot be a member of a governing or supervisory body according to the legislation which provides for legal entities.

Statement of the Manager on the conflict of interests

Article 46

The Manager shall submit a written statement about the conflict of interests at the General Assembly session each year. The statement must include information about:

- all interests that the Manager has in AIPA;
- all receipts, received from AIPA or any contractor in the previous financial year, including receipts for supplementary pension insurance and all other bonuses in any form;
- all royalties received from AIPA in the previous financial year;
- the existence of any actual or possible conflict between his personal interests and the interests of AIPA or between his own obligations towards AIPA and obligations towards any other natural person or business entity.

Working bodies

Article 47

The Manager may organise working bodies for dealing with individual issues regarding the activities of AIPA as a CMO. The scope, composition and timeframe of activities for such bodies are defined by the Manager when nominating each individual working body.

MANAGEMENT OF ASSETS

Sources and management of financial income

Article 48

The sources of financial income for conducting the business activities of AIPA are:

- royalties and remunerations from collective management of rights;
- income from bank deposits;
- income from managing royalties and/or remunerations for other CMOs on the basis of a representation agreement;
- income from executing administrative and technical activities for another collective management organisation, whereby such income can be used only to lower its own business expenses;
- income from other potential sources, including but not limited to donations, gifts, etc.

Article 49

(1) AIPA holds separate accounts, as dictated by CMCRRRA, for:

- collected royalties and remunerations, and income from bank deposits, separately for each individual type of right, and separately for the right holders of co-authors' rights, the performers' rights and the film producers' rights;
- any potential own assets and income from these assets as well as income from management of royalties and/or remunerations for other CMOs based on a representation agreement for each individual type of right separately.

(2) AIPA may use the collected income from the first Item of the previous Paragraph of this Article only for pay-outs to right holders, following the Royalty Distribution Rules which are known in advance.

Business expenses

Article 50

(1) The business expenses are expenses, connected to the management of AIPA and are reasonable and necessary for the execution of business activities.

- (2) The General Assembly of AIPA defines the maximum percentage of business expenses with regard to the collected royalties and income from bank deposits by adopting the Rules on Business Expenses.
- (3) The business expenses are subtracted from the income of AIPA, whereby AIPA takes into account the highest allowed percentage of the expenses.

Distribution of royalties and remunerations

Article 51

AIPA regularly, carefully and precisely distributes and pays out collected royalties and remunerations among the right holders in accordance with rules known in advance.

Dedicated funds

Article 52

- (1) AIPA organises dedicated funds according to the rules on dedicated funds and according to the CMCRR provisions on dedicated funds.
- (2) The assets of these funds are held in separate accounts, so that the sums are clear and evident, and that they can be separately presented for each individual type of right and type of usage, and, if possible, separately for right holders of coauthors' rights, performers' rights, and film producers' rights.

PUBLICITY OF WORK AND COMMUNICATION

Communication to members and right holders

Article 53

- (1) AIPA shall ensure the possibility of written and electronic communication to its members and the right holders, whose rights it collectively manages, including the communication for the purposes of exercising the rights of its members.
- (2) AIPA shall publish all information, relevant to itself, its members, and the right holders, whose rights it collectively manages, on its website. It also provides right holders with the possibility to use AIPA web portal.
- (3) AIPA may also notify right holders in written form.

Communication to users

Article 54

AIPA shall provide information, whether a particular AV work, a performance, used in an AV work on a videogram (hereinafter: performance), or a videogram is protected within 15 days of the received request from the user.

Communication to the public

Article 55

- (1) AIPA shall inform the interested public of its activities primarily through its website.
- (2) On its website AIPA shall openly publish information, documents and data, for which the CMCRRRA stipulates that they should be accessible to the public, and regularly updates them.
- (3) The annual reports of AIPA, together with the Auditor's report shall be published on its website for at least five years from the date they were adopted.

The right of a right holder to insight

Article 56

- (1) AIPA shall provide a possibility of insight into AIPA's documentation and data to the right holder, whose rights it collectively manages, upon his substantiated demand.
- (2) The right holder shall sign a business secret non-disclosure statement prior to the insight into the documentation and data. The right holder is liable both criminally and for any damages, resulting from his disclosure of AIPA's business secrets to third persons.
- (3) AIPA shall send at least once a year to each right holder, whom it has assigned or paid out a royalty, the information on:
 - the time period, for which the royalties or remunerations have been paid out;
 - the royalties or remunerations, assigned to the right holder, presented separately according to individual rights and types of usage;
 - the royalties or remunerations, paid out to the right holder, presented separately according to individual rights and types of usage;
 - the deductions connected to business expenses;
 - the deductions connected to the dedicated funds;
 - all the royalties or remunerations, assigned to the right holder but not yet paid out, presented separately by time periods to which they pertain;
 - the contact information of the right holder kept with the intention of his identification.
- (4) AIPA shall in electronic form at least once a year provide foreign collective management organisations, for which it manages rights on the basis of a representation agreement, the information on:
 - the royalties or remunerations, collected on the basis of the representation agreement;

- the deductions connected to business expenses;
- the deductions connected to the dedicated funds, if the foreign collective management organisation gave its consent for them;
- whom the license for the use of copyright works, pertaining to the representation agreement, was granted to;
- the General Assembly decisions, if such decisions pertain to the management of right according to the representation agreement.

Repertoire and insight

Article 57

- (1) The repertoire is a list of all works, on which AIPA manages the rights.
- (2) The repertoire is published on AIPA's website and is publicly available.
- (3) The repertoire is managed in electronic form and regularly updated. AIPA includes newly obtained data on protected works and rights into the repertoire, provided that they are substantiated with appropriate documentation.

Collecting and analysing data

Article 58

- (1) AIPA collects the data on AV works, performances and videograms with AV works, on which it manages rights, and on rights, which it is managing on the basis of right holder mandates or the law:
 - from members, right holders or their representatives;
 - from local databases accessible to it;
 - from foreign collective management organisations;
 - from international umbrella organisations in the field of rights, managed by AIPA, and their databases;
 - by executing its obligations from Article 35 of CMCRR.
- (2) By executing the activities of collective management of rights AIPA analyses the following types of data:
 - usage of works;

- data on works;
 - personal and other data, necessary to identify and find right holders and to pay out their due royalties and remunerations.
- (3) Every member or right holder must submit a list of his protected works along with all the data that could influence the distribution or the pay-out of royalties or remunerations.
 - (4) Members and right holders are obliged to report any changes to their data, which is necessary for AIPA to exercise its authorisation, of their own accord and without AIPA's explicit demand.
 - (5) Members, right holders, and their representatives are obliged to report full and truthful data to the collective management organisation.
 - (6) The collective management organisations bears no responsibility for potential irregularities in the distribution of royalties or remunerations which are a result of an incompletely or falsely reported data by the member, right holder, or his representative.

CONFLICT RESOLUTION

Conflict resolution

Article 59

- (1) The Manager is responsible for resolving conflicts between AIPA, its members and right holders, or foreign collective management organisation, with which AIPA has a representation agreement, or between AIPA and the users.
- (2) All writings with regard to conflict resolutions shall be sent by AIPA in written form via regular or electronic mail. Writings intended for foreign right holders shall be sent also in English.
- (3) The deadlines in the provisions of this Chapter of the Statute begin from the date when the writing was sent or the date AIPA adopted a decision, unless stated otherwise. The date of dispatch is visible on the envelope of the letter in case of regular mail. In case of electronic mail the date of dispatch is evident in the message header.
- (4) The deadlines are counted by calendar days. If the deadline expires on a Saturday, Sunday, holiday or other work-free day, the deadline expires on the expiry of the first next working day.
- (5) Writings (e.g. appeals, amendments) that are received past due date shall be rejected.
- (6) AIPA may extend the deadlines from this Statute or from its writing upon receiving a substantiated request with appropriate proof, but only once and at the most for 30 days.

Appeal

Article 60

- (1) Any member, right holder, or a foreign collective management organisation, with which a representation agreement is concluded may file an appeal with AIPA regarding the relationship between AIPA and the appellant, particularly with regard but not limited to:
- membership conditions, applying for and terminating the membership;
 - the mandate for rights management;
 - collecting and distributing the royalties or remunerations;
 - business expenses;
 - the insight into the repertoire;
 - other relationships between the appellant and AIPA.
- (2) Any user may file an appeal with AIPA regarding the relationship between AIPA and the appellant, particularly with regard but not limited to:
- incurrance of a remuneration obligation;
 - payment periods;
 - the obligation to report usage of protected works;
 - the information regarding a protected work;
 - other relationships between the appellant and AIPA.

Appeal procedure

Article 61

- (1) The appeal must be filed at the latest in 20 days from the date of dispatch of the writing or a AIPA's decision.
- (2) The appeal is deemed to be in good time if it was posted with registered post on or before the last day of the deadline.
- (3) The appeal shall be substantiated and shall include precise description of the alleged violations or irregularities. The appellant shall state all facts, on which he is basing his claim, and shall include evidence, with which these fact are substantiated, and shall demand the elimination of the alleged violation or irregularity.
- (4) In case the appellant does not submit evidence, that would confirm his allegations, the Manager shall reject the appeal as unfounded. The Manager, upon his diligent and thorough examination of each evidence separately and all evidence jointly, decides which fact are deemed proven.

- (5) The Manager must decide on the appeal within a period of 30 days from the date of receiving the appeal. Alternatively, he must inform the appellant in this same period of 30 days that he requires more time to decide, in which case he must state the new deadline in his writing to the appellant.
- (6) In case the appeal pertains to the amount of royalty pay-outs, the appeal does not stay the pay-out.
- (7) The Manager may decide to allow the appeal or to refuse it as unfounded.
- (8) In case the Manager allows the appeal, AIPA eliminates the identified violation or irregularity at the latest in 5 working days from the Manager's decision coming into power. Alternatively, AIPA must inform the appellant in this same period of 5 working days that it requires more time to eliminate the violation or irregularity, in which case it must state the new deadline in its writing to the appellant.
- (9) The decision regarding the appeal must be in writing, adequately explained, and is final on the 30th day from the date of dispatch of the decision. A lawsuit is possible against such a final decision before the court with competence over the matter.
- (10) Regardless of the outcome of the appeal, each party bears its own costs of the appeal. The costs, incurred by finding or presenting the evidence, are borne by the party, which suggested the presentation of a particular piece of evidence.

Double claims

Article 62

- (1) A double claim is a claim of two or more identical rights managed by AIPA on the same AV work and/or performance and /or videogram with an AV work, whereby the total percentage of claimed identical rights within the same category of rights exceeds 100%.
- (2) A double claim is not a conflict between AIPA and the right holder. It is a conflict of ownership of rights between two or more competing right holders and/or claimants (hereinafter: conflicting parties).
- (3) Until an out-of-court or a court settlement is reached, the pay-outs of royalties and/or remunerations are withheld.
- (4) Provisions for double claims do not apply to:
 - statute-barred claims for pay-outs of royalties and remunerations;
 - claims, where a decision to resolve the identical double claim has already been made upon which an erasure of data from the AIPA repertoire or other AIPA database has resulted, however, the claimant comes forward with a new legal basis for an identical input into AIPA repertoire or other AIPA database;

- double claims resulting from claims by the same subject, which have been made in the name of multiple right holders. Such double claims must be resolved by the subject himself. Until an agreement between right holders has been reached and AIPA has been informed of it, the pay-outs of royalties and/or remunerations are withheld.

(5) AIPA is not responsible for pay-outs to conflicting parties made prior to the double claim.

Double claim procedure

Article 63

- (1) Upon learning of a double claim AIPA notifies all conflicting parties and requests them to amend their claims or inform AIPA of a commencement of a procedure to resolve the conflict (e.g. a lawsuit, arbitration, mediation) within 60 days.
- (2) Upon receiving a settlement or an agreement or a decision on the conflict resolution of the conflicting parties AIPA shall amend the data in its databases and repertoire accordingly.
- (3) If the notified conflicting parties do not inform AIPA of the commencement of a procedure to resolve the conflict or submit a settlement or an agreement or a decision on the conflict resolution of the conflicting parties within the deadline from the previous Paragraph, AIPA shall erase the conflicting data from its databases and the repertoire, and transfer the withheld royalties and/or remunerations to the distribution fund.

TRANSITIONAL AND FINAL PROVISIONS

Transitional provision

Article 64

The system of annual rotation of the nomination of the Supervisory Board members according to Paragraph 3 of Article 37 of this Statute shall come into force after the expiration of mandate of the Supervisory Board members, which have been nominated on the basis of the transitional provision in Article 61 of the Statute from 20 June 2019.

Distribution of AIPA's assets

Article 65

- (1) In case AIPA's authorisation is terminated all the assets, acquired by AIPA during the period when the terminated authorisation was still in force, all collected and not yet paid out royalties and remunerations, incomes from bank deposits, and dedicated funds shall be distributed to right holders at the latest in 12 months upon the authorisation termination decision coming into force.
- (2) The distributions shall be conducted according to the distribution rules that were in force on the day the authorisation termination decision was issued. The assets, which cannot be distributed

according to these rules, are distributed according to the same shares with regard to royalties and remunerations, distributed to right holders according to the distribution rules.

- (3) In case AIPA is terminated and under the conditions it owns assets that do not need to be distributed in accordance with Article 76 of CMCRRA, these assets shall be distributed according to the liquidation procedure rules, stipulated in the Institutes Act.

Final provisions

Article 66

- (1) With the date of acceptance of this Statute, the Statute from 20 June 2019 is no longer valid.
- (2) AIPA recommends the registration of this Statute into the court registry in 14 days from its acceptance.
- (3) This Statute comes into force on the day it is adopted by the General Assembly.

In Ljubljana on 18 December 2019