

Pursuant to Art. 18, Statute of NGO Organisation for the Protection of Rights of Music Authors of Montenegro - PAM CG ("PAM CG"), PAM CG Assembly at its session of 23 November 2014 enacted the amendments to the Rulebook on Royalty Distribution - consolidated text

RULEBOOK ON ROYALTY DISTRIBUTION

-consolidated text-

GENERAL PROVISIONS

Article 1

The Rulebook on Royalty Distribution ("Rulebook") governs the **fundamental principles for the protection of rights of music authors as well as of holders of copyright** that PAM CG protects on the basis of the powers granted to it under Copyright Act, and the **criteria for the distribution of royalties** PAM CG collects from users of music works on the basis of the following:

- right of public broadcasting,
- right of public performance,
- right of public communication of works from phonograms or videograms and of broadcast works,
- right to recording, copying, and circulation of copies of works.

Article 2

PAM CG is engaged in collective management of copyrights in the country and abroad for:

- authors and copyright holders who have transferred their rights to PAM CG under Copyright and Related Rights Act;
- national authors and copyright holders whose rights are protected by PAM CG under Copyright and Related Rights Act;
- foreign authors and copyright holders whose rights are protected by PAM CG under Copyright and Related Rights Act and reciprocal representation agreements concluded with foreign organisations.

Article 3

An author or copyright holder who has concluded an agreement with PAM CG may not simultaneously authorise a physical or legal person to administer his rights, nor can administer such rights himself.

An author or copyright holder who has concluded an agreement with PAM CG may not arrange special terms for the exploitation of his works in the country and abroad, particularly those relating to the amount of royalties and any waivers of royalties, without prior permission and consent by PAM CG.

If an author or copyright holder acts in contravention of the terms of this article, PAM CG may cancel protection to such author or copyright holder.

Article 4

An author or copyright holder may cancel protection by PAM CG at any time, with the protection on the basis of the right of broadcasting, public performance and communication to the public ceasing upon the expiry of the calendar year in which PAM CG has received such cancellation, and the protection of the rights of recording, copying and putting into circulation of the copyrighted works ceasing upon the expiry of the accounting quarter during which PAM CG was notified of the cancellation.

A cancellation may not be accepted in respect of an author or copyright holder who has been paid an advance of his royalty until such debt has been settled.

PAM CG may cancel protection to an author that it has concluded an agreement with under the terms set out by general regulations governing the protection of copyright.

Article 5

Authors whose rights are protected by PAM CG under an agreement may be allowed to entrust their protection to another organisation for the territory where such organisation conducts collective administration of rights.

Individual decisions on this issue shall be made by the PAM CG Managing Board upon request of the author concerned.

The author shall be allowed to enter into membership of a foreign organisation as of 1 January of next year.

PAM CG members may unilaterally notify PAM CG that they want their copyright protected by a foreign organisation, subject to the decision of the Managing Board.

Article 6

PAM CG shall administer, on the territory of Montenegro, the rights of public performance of works and rights of mechanical reproduction of works by foreign authors and copyright holders provided their works enjoy protection under the Copyright Act and pursuant to international conventions and other agreements concluded between Montenegro and other countries, as well as pursuant to reciprocal agreements concluded between PAM CG and international organisations for the protection of copyright.

REGISTRATION OF WORKS

Article 7

An author, or a copyright holder shall register his works with PAM CG using the prescribed form, filling out all the data that are material to a proper protection of copyright and distribution of royalties. Authors (authors of lyrics and authors of music) file in the registration form for a copyrighted work, and a copy of such registration shall be communicated to the author of the arrangement by PAM CG expert services.

Where a copyright is provided protection without registration, PAM CG administers protection on the basis of available data.

Article 8

An author, or a copyright holder shall send PAM CG a copy of every publishing agreement that it signs with a national or foreign publisher.

An author, or a copyright holder shall send PAM CG a copy of every agreement that it signs with a producer of a commercial film, TV film, or TV series, for the use of music in a film or series, as well as any other types of agreements on an order or use of musical works.

Article 9

For national works published abroad or created in cooperation with foreign authors the data registered by foreign copyright organisations shall be accepted as correct unless the author submits the necessary documentation (registration of work, publishing agreement, etc) within 60 days of the date when PAM CG invited the author to submit such documentation.

Article 10

The documentation amending the data on already registered works shall be taken into account by 31 December of the current year.

Data on any amendments submitted after such deadline shall be taken into account for the next royalty accounting.

CATEGORISATION OF WORKS

Article 11

A musical work (an original or redaction) shall be categorised into a class depending on its character, form and/or composition of performers performing it.

A work shall be categorised on the basis of the data available to PAM CG.

The Scoring and Complaints Committee (“Committee”) shall be convened where necessary or following the request filed by an author or copyright holder. The Committee shall be appointed by the PAM CG Managing Board. The Committee shall carry out the following:

- a) determine, on the basis of the evidence submitted (score or a recording), the class that a work is categorised into, following the Rulebook, and issue and decision thereon;
- b) other work relating to protection of copyright, upon request of the Managing Board.

Any complaints against the Committee decision shall be filed with the PAM CG Managing Board for its decision, which shall be final.

GENERAL ACCOUNTS

Article 12

The royalties collected shall be distributed into different distribution classes, depending on their use.

Article 13

This Distribution Plan shall set out the following distribution classes:

1 Broadcasting and re-broadcasting

- A. TV broadcasting at the national public TV service
- B. Radio broadcasting at national public radio service
- C. Radio broadcasting
- D. TV broadcasting
- E. Cable re-transmission

2. Public performance

- A. Concerts of artistic music
- B. Concerts of popular music
- C. Catering businesses with live music
- D. Other public events

3. Public communication

- A. Public communication of works broadcast
- B. Public communication of works from phonograms and/or videograms
- C. Interactive making of a work available to the public

4. Production and distribution of phonograms or carriers of sound and picture

Article 14

If royalties from one broadcaster have been collected in a lump sum for all radio and TV broadcasts of that user, the total amount shall be distributed as follows:

- 60% into the distribution class of radio broadcasts,
- 40% into the distribution class of TV broadcasts.

If royalties have been collected in a lump sum from TV and radio national public broadcasters, the total amount shall be distributed as follows:

- 90% for TV broadcasts,
- 10% for radio broadcasts.

Article 15

Distribution classes 1C (Radio broadcasts) and 1D (TV broadcasts) shall be increased by the royalties collected from national channels in class 1C (Cable re-transmission) on the basis of the reports from cable operators and the decision of the Managing Board.

From the royalties collected in class 1E Cable re-transmission, for the work intended for foreign channels, after administrative fees and amount for cultural and social issues have been deducted, up to 15% can be distributed to class 2A, subject to the decision of the Managing Board.

Article 16

The fees collected from the classes that are not subject to reporting requirements - logging of playlists 3A, (Public communication of works broadcast) and 3B (Public communication of works from a phonogram and videogram) shall be distributed in accordance with the decision of the Managing Board.

Article 17

Special fees collected for import and sale of technical devices and blank carriers suitable for multiplication and reproduction of music shall be distributed on the basis of the Managing Board decision in the following proportion: 30% to class 1A and 1B, 30% into class 1C and 1D, and 40% into class 4 (Production and distribution of carriers of sound or carriers of both sound and picture).

Article 18

Extra receipts earned as part of regular operation shall be paid into the royalties distribution funds in accordance with the Managing Board decision made for each accounting period.

Article 19

General accounts shall be determined by the Managing Board.

Article 20

General accounts by distribution classes includes the following:

- a) amount of royalties collected,
- b) administrative fees,
- c) fund for the distribution of royalties,
- d) value of a point, for the distribution classes where royalties are determined based on a scoring system.

The net fund for each class shall be the amount remaining after overall operating expenses have been deducted. Operating expenses include the following:

- a) collection expenses,
- b) distribution expenses,
- c) protection expenses,
- d) other expenses.

Operating expenses are debited from all the funds at identical percentage.

The Managing Board may decide not to debit operating expenses from the fund for the distribution class - Concerts of artistic music 3A.

Article 21

A calendar year shall be a general accounting period.

In distribution classes 2, 3C and 4, the accounting period may be shorter and the calculation of royalties is made including the administrative expenses that, along with the determination of the accounts period, is projected by the Managing Board for these distribution classes.

The payment of royalties thus calculated to authors and copyright holders is made according to the accounts made and is recorded as advance payment in these distribution classes, with Individual accounts including also the correction of the advance payment once the general accounts has established the actual amount of expenses in the distribution classes concerned.

Article 22

The Fund for the development of music creativity and social benefits debits the royalties collected after taxes have been paid in all the distribution classes save for part of class 3C where royalties are distributed on the basis of production and distribution of carriers of sound or carriers of sound and picture and class 4 (mechanical rights).

The percentage applied by the Fund for the development of musical creativity and social benefits shall be established by the Managing Board for every general accounting period in accordance with the Statute, bilateral reciprocal representation agreements with foreign organisations.

Article 23

Extra receipts earned during regular activities in a calendar year shall be included in the overall amount for royalties distribution.

Part of extra receipts shall be used to increase the funds of all classes, in proportion to their share in the overall amount for royalties distribution.

INDIVIDUAL DISTRIBUTION

Article 24

Royalties for copyrighted works shall be distributed according to the reports - music playlists received by PAM CG in accordance with the Rulebook on programme reports - playlists.

All the collected programmes shall be taken into account for distribution purposes, except for the following:

- a) programmes of those basis for collection whose receipts are not in proportion to the distribution expenses;
- b) unreliable, unclear, and illegible programmes as defined by the Rulebook on programme reports - playlists;
- c) programmes for which royalties have not been collected.

Article 25

Receipts not covered by programmes (receipts from cable re-transmission and receipts from tourist-catering businesses (with and without accommodation) and earned on the basis of public broadcasting of music by mechanical reproduction devices shall be distributed on the basis of the decision of the Managing Board.

Article 26

The collected content of broadcast programme shall be posted on PAM CG web page.

Article 27

Royalties for public performance shall be calculated and paid to national and international authors at least once a year for the previous year. Where possible, PAM CG Managing Board may decide to make several payments annually.

Royalties earned abroad shall be paid to national authors immediately after the payment lists received from foreign copyright organisations have been processed.

If foreign organisations make payment lists with incomplete or false data on authors and copyright holders, PAM CG shall complete or correct the data using the existing documentation. In such cases, the payment deadline may be postponed by not longer than 6 months from the date the royalties were received.

Article 28

An individual statement of accounts shall be delivered to the author or copyright holder together with the payment.

Royalties shall be paid to national authors and copyright holders only where the net amount to be paid exceeds the minimum threshold set by PAM CG Managing Board. Royalties below such threshold shall be credited to the account of the author or copyright holder and paid in the accounting year in which their total exceeds the minimum.

Notwithstanding the above, royalties may be paid earlier upon request of an author or copyright holder.

Royalties earned abroad shall be paid to national authors and copyright holders after protection expenses have been deducted, irrespective of the net amount. The amount of protection expenses shall be set by PAM CG Managing Board.

If the total royalties received from an individual foreign copyright organisation does not exceed the minimum amount set by PAM CG Managing Board, the author shall not be delivered the statement of accounts for such organisation.

Article 29

An author or a copyright holder may be granted, upon personal request and on the basis of the decision of PAM CG director, an advance payment of royalties for the next financial year starting from 1 January of next year in the amount of 50% of royalties paid to such author for the previous year.

Notwithstanding the above, upon a reasoned request of an author or copyright holder, PAM CG Managing Board may approve an advance payment of up to 100% of royalties paid to such author in the previous year. The advance payment may be paid within seven days of the date of decision by the Managing Board.

Article 30

An author or copyright holder who has earned royalties abroad may be paid an advance payment of such royalties upon his request in the amount of 50% of the net amount payable to such author.

The advance payment may be paid on condition that PAM CG has received the royalties and the payment lists from the foreign organisation.

Article 31

All the data on royalties earned by individual authors and copyright holders shall be deemed an official secret.

These data may be disclosed solely upon request of the author or copyright holder that the data refer to, as well as upon request of a court.

Article 32

An author or copyright holder may file a request for a subsequent statement or a correction of a statement of accounts if he feels his royalties were not calculated or were calculated erroneously.

Requests for a subsequent statement or a correction of a statement of accounts shall be addressed within one month of the date PAM CG received complete documentation.

Requests for a change of categorisation of a musical work shall be processed by the Committee within one month of the date complete documentation was received.

Irrespective of the type of performance of a musical work (with or without lyrics, in choreography, etc), a request for change of categorisation may be filed by an author or copyright holder.

Article 33

The requests from Art. 26 shall be submitted to PAM CG within not longer than 15 days of the date of receipt of individual statement of accounts.

The information included in the request shall be supported by evidence (score, recording, official confirmation etc) within not longer than 15 days of the date the request was made.

Article 34

Publicly performed or broadcast musical works shall be assigned points as follows:

100) unregistered works, i.e. works without supporting documentation, irrespective of their duration

0.50 points

A viso music

101) Use of musical motives from the existing music fund for opening/closing of programmes or shows (news, documentaries, drama, etc), for marking parts of the same show (sound cues, jingles or music effects in commercials) or several different shows, irrespective of the category, band, or duration

0.20 points

102) use of specially composed musical motives included in group 101, for opening, closing and segmentation or programmes or shows irrespective of their category, band or duration

0.25 points

Curtain music

103) Use of existing musical works or their fragments as curtain music in non-artistic (speech) programmes (news, reports) but also as background music in shows that belong to other artistic genres (poetry, prose, drama, TV series, film) irrespective of the category or the composition of performers

1 point per minute

104) specially composed curtain music and background music from Group 103, irrespective of the category or the composition of performers

2 points per minute

Popular music

105) folk music and dance in simple arrangement, as well as “gusle”¹ songs, irrespective of duration

3 points

106) Jazz music

4 points per minute

107) march songs, mass and children’s songs, with or without vocal part

2 points per minute

108) works of popular, pop, rock, rap music, new folk music, works in the spirit of traditional folk city songs, chansons, excerpts from operettas and musicals, potpourri music, performed by soloists or ensembles, with or without vocal sections

3 points per minute

109) Works from Groups 107 and 108 performed by an orchestra (minimum 10 instrumentalists), with or without vocal section, shall be assigned **twice the number of points** for the group they were originally classified into;

110) Works from Groups 107 and 108 performed by a large orchestra or a jazz orchestra (minimum 15 instrumentalists), with or without a vocal section, shall be assigned **three times as many points** as the groups they were originally classified into;

111) Works from Groups 107 and 108 performed by a review orchestra (over 20 instrumentalists), with or without vocal section, shall be assigned **four times as many points** as the groups they were originally classified into;

112) Works from Groups 107 and 108 performed by a symphony orchestra (over 25 instrumentalists), with or without vocal section, shall be assigned **five times as many points** as the groups they were originally classified into;

¹ “gusle” is a traditional string instrument

Improvisations

113) Improvisations with or without visual and verbal instructions, irrespective of the composition of performers

10 points

Artistic music

114) Musical works for one to two instruments, an instrument and voice, an instrument and single to four-vocal choir, one to four vocal soloists, or two to four vocal choirs

12 points per minute

115) Musical works for an ensemble up to a nonet, with or without vocal section (or a choir), for five to eight vocal soloists, or five to eight vocal choir

20 points per minute

116) Musical works for string and chamber orchestra, with or without vocal section; for a vocal ensemble of over eight soloists, or choirs of more than eight vocals, works of electro-acoustic music; as well as musical works from Group 115, presented in a score by 12 to 16 independently led sections

30 points per minute

117) Musical works for a symphony orchestra with or without vocal section (or a choir), as well as works from Group 116, presented in a score by 17 or more independently led parts

38 points per minute

Article 35

For musical works with or without lyrics performed in the following classes:

- 2A Concerts of artistic or classical music
- 2B Concerts of popular music

Royalties shall be calculated by distributing the amount collected and indicated in the programme concerned among the authors whose works made part of the programme, in proportion to their respective duration.

OTHER PROVISIONS

Article 36

Classified into Class 3 A - Concerts of artistic or classical music shall be public concert performances that were assigned points in accordance with the provisions of Article 34, section - Artistic music only where the concert concerned dominantly includes the works of this genre.

Article 37

Where the data from the registration of works filed by the author do not correspond to the data found in the programmes (with respect to duration, composition of performers, etc), royalties shall be distributed on the basis of the data from the programmes that are considered reliable (radio and TV programmes).

Where neither the composer's registration nor the programme include the data on performers, the work shall be assigned points on the basis of its duration, according to the original group of the category it was classified into.

Article 38

Where the duration of a work cannot be established based on either the programme or author's registration, the works:

- a) of a larger format (sonata, symphony, etc) shall be recorded as lasting for eight (8) minutes;
- b) and all other works shall be recorded as lasting for three (3) minutes.

For the purpose of calculating royalties of a work performed in classes 3A - Concerts of artistic or classical music and 3B - Concerts of popular music, taken into account shall be full duration of the work as listed in the programme of radio-television broadcasters, or the duration indicated on the phonogram or videogram concerned.

Where the work was neither performed on the radio nor recorded on a phonogram, the data on its duration shall be copied from the author's registration or from the document submitted by the foreign society of authors.

Royalties for the fragments of a work shall be calculated according to its duration as indicated in the programme.

When the royalties collected from a single concert or other public event in respect of an individual author exceed the threshold amount as set by the inter-state agreement of organisations for the collective administration of rights of music authors (amounts above 1000 euros), royalties shall be calculated and paid out to the author within one month of the date the royalties were collected for such concert or event.

Article 39

If a work was not performed in the original, and the programme does not indicate the name of the arranger, the entire royalties shall be credited to the author of the original work.

Where based on other data it may be established that the work was performed in the arrangement as per the registration, the arranger shall be credited a corresponding share of the royalties.

Where several arrangements have been registered with respect to a single work, and the data contained in the programme do not indicate whose arrangement the work was performed in, a royalty share that belongs to the arranger shall be credited to the composer of the copyrighted work.

Article 40

Where a copyright work was not performed according to the original score, it shall be classified according to the character of arrangement and assigned points according to the composition in which it was performed.

Article 41

Where a fragment or entire musical work is performed on radio or television several times within a single show for educational purposes or as an illustration, the work shall be considered to have been performed once.

Article 42

A musical work shall be assigned the same number of points irrespective of whether it is performed with or without lyrics.

Article 43

A composer shall not receive royalty for lyrics where his musical work was written to a text of free or non-protected authors.

Article 44

A royalty for musical works created through cooperation of several persons (co-authors), unless otherwise provided by their agreement, shall be distributed as follows:

1. Copyrighted works

Composer	72%	Lyricist	28%
Composer	50%	Arranger	50%
Composer	40%	Arranger 32%	Lyricist 28%

2. Non-copyrighted works

Arranger 32%

3. Adaptations of traditional works (where lyricists and composers are not known)

Arranger 75%

For published works, the publisher shall receive the agreed share of royalty, while the remaining royalty shall be distributed among co-authors as set out by this Article.

Article 45

Unless otherwise provided by an agreement, a royalty for a collection of musical works shall be distributed as follows:

- | | |
|---|-----|
| a) author of the collection | 25% |
| b) authors whose works are included in the collection | 75% |

The royalty for each work shall be determined in proportion to its duration in relation to the duration of entire collection.

In case of a published collection, the publisher shall receive the agreed royalty share, while the remaining royalty shall be distributed among the co-authors as set out by this Article.

Creating a collection of copyrighted musical works is subject to prior written approval of the authors whose works are included in the collection.

Article 46

The arrangement (adaptation) of a copyright work shall be understood to mean written adaptation of original work such as the following: change of form, harmony, rhythm, composition of performers etc.

Any arrangement (adaptation) of a copyrighted work shall be subject to a written consent by the composer or holder of copyright to the work without lyrics (musical work without lyrics and/or with written consent of the author of lyrics and of holder of copyright for a work with lyrics (musical work with lyrics).

Article 47

For any transcription, redaction and instrumentation of a free or non-copyrighted work the author shall be credited 16% of royalties for that type of work.

Upon request of the author, the Committee may set a bigger share for arrangement, transcription, redaction and instrumentation where the work is considered to be of greater artistic or technical value.

Article 48

An arranger of a free or non-copyrighted work shall be credited 32% of the royalties for that type of work.

An arranger of folk musical works shall be credited 75% of royalties for that type for work.

Article 49

An author of adaptation of copyrighted lyrics in a musical work shall receive 50% of the royalties for the lyrics on condition he submits approval by the author of the original lyrics or in other cases as set out by the Copyright and Related Rights Act.

An author of adaption of non-copyrighted lyrics in a musical work shall receive a share of the royalties referred to in paragraph 1 hereof.

Article 50

Where a music-literary show (musical story, recital, etc) includes a composition or fragment thereof that has or has not been specially ordered for the show, royalties shall be calculated as if the musical works were performed independently.

Where the musical story is an indivisible unit, royalties shall be divided based on the agreement concluded between the author of music and author of lyrics.

Article 51

Where overtures and orchestra intermezzi of a music-theatre work (opera, operetta) are performed separately, royalties shall be calculated like for a work without lyrics.

Article 52

Royalties for works broadcast as part of joint programmes by radio-television broadcasters shall be calculated as if the works were broadcast by each of the respective broadcasters separately.

Article 53

The duration of works performed under certain classes shall be calculated in full minutes.

Where the duration of a work is longer than a minute by over 30 seconds, the duration shall be rounded up to the next whole minute.

Article 54

Royalties for works of foreign repertory shall be calculated according to the terms of this Rulebook, the agreement on reciprocal representation concluded with foreign societies of authors, as well as on the basis of the documentation submitted by such societies for the works of their members.

Article 55

The distribution of royalties between authors and copyright holders in a single work who are members of one or several foreign societies shall be done on the basis of their shares as set in the documentation of the foreign societies concerned.

Where the documentation does not include the data on the shares held by authors and copyright holders who are members of different foreign collective management societies, the remuneration for such work shall be distributed in accordance with the rules of the society that the composer is a member of.

Article 56

Where there is a discrepancy in the data provided by different foreign societies in respect of the same work, royalties for such work shall be blocked until the issue between the societies concerned has been settled.

Article 57

Where the documentation for a performed work is missing, and the programme data and other documentation available clearly indicate the composer of the work, the entire royalties shall then be credited to the society that the composer is a member of.

Where the programme does not clearly indicate the full name of the author of the performed work, and it may be assumed on the basis of other data (such as nomenclature) that the author is

protected, such work is then entered in a separate (circular) list which is then communicated to foreign collective management societies in order to obtain the documentation needed.

According to the rules of international organisations BIEM/CISAC, works whose total royalties do not exceed the euro equivalent of \$10 for a single accounting period shall not be entered in the circular list.

Article 58

In case of a work of a national or foreign author published in the country, or of a work of a national author published abroad, the royalty share that belongs to the producer-publisher shall be set in a written agreement. The publisher shall be credited the agreed share for the year in which the work was published.

The agreed shares for producers-publishers and sub-publishers for the right to public performance may not exceed the shares set out by the rules of The International Confederation of Societies of Authors and Composers (CISAC).

III. RIGHT TO FIXATION, REPRODUCTION AND DISTRIBUTION OF COPIES OF WORK

Article 59

PAM CG administers the fixation rights of musical authors of Montenegro under the Copyright and Related Rights Act and individual agreements.

PAM CG administers the fixation rights of foreign authors on the basis of reciprocal representation agreements concluded with foreign collective management societies.

Article 60

The administration of fixation copyrights is subject to the Copyright and Related Rights Act and the rules of Bureau International de l'Édition Mécanique (BIEM)

Within the meaning of the rule from the previous paragraph hereof, an author may not grant exclusive right of recording his work to a single producer.

1. PHONOGRAMS (records, tapes, CDs, DVDs, etc)

Article 61

Royalties for works recorded on phonograms shall be collected in accordance with the Copyright and Related Rights Act and a standard agreement that PAM CG concludes with phonogram producers.

The royalties from paragraph 1 hereof shall be collected on the basis of the producer's report on the recorded works and the number of phonograms sold.

Royalties are collected for the works of all authors that PAM CG provides protection to within the meaning of the Copyright and Related Rights Act and individual agreements.

Article 62

The amount of royalties collected for a single phonogram shall be distributed to the authors in proportion to the duration of their respective works recorded on that phonogram.

Article 63

The royalties calculated for one recorded work within the meaning of Article 62, paragraph 1 of this Rulebook shall be distributed as follows:

- a) if the musical work is the creation of a single author, 100% of the royalties shall be credited to the author of the musical work.
- b) if the work is the creation of several persons (co-authors), the royalties shall be divided as per their written agreement.

In the absence of such an agreement, the royalties shall be divided between musical works with and without lyrics, subject to the terms of Article 44 and other relevant provisions of this Rulebook.

Article 64

The distribution of royalties to foreign authors is subject to the provisions of this Rulebook and the agreements on reciprocal protection of mechanical reproduction rights that PAM CG concludes with foreign societies of authors, as well as on the basis of the documentation submitted by such societies.

2. PHONOGRAMS AND VIDEOGRAMS (videotapes, DVDs, etc)

Article 65

Royalties for works recorded on phonograms and videograms shall be collected in accordance with the provisions of a standard agreement that PAM CG concludes with producers of phonograms and videograms.

The royalties from paragraph 1 hereof shall be collected on the basis of the producer's report on the recorded works and the number of phonograms and videograms sold.

Royalties shall be collected for the works of the authors that PAM CG provides protection to under the Copyright and Related Rights Act and individual agreements.

Article 66

The amount of royalties collected for a single phonogram or videogram shall be distributed to the authors whose works are fixed on that phonogram or videogram.

Article 67

The amount of royalties collected for a single phonogram or videogram shall be distributed to the authors in proportion to the duration of their works fixed on that phonogram or videogram.

Article 68

The royalties calculated for a single recorded work within the meaning of Article 67 of this Rulebook shall be distributed as follows:

- a) where a work is the creation of a single author, 100% of the royalty is credited to the author of that musical work.
- b) where a work is the creation of several persons (co-authors), the royalty shall be divided in accordance with their written agreement.

Where there is no such written agreement, the royalties shall be divided as per Article 44 and other relevant provisions of this Rulebook.

Article 69

Royalties that belong to foreign authors shall be distributed in accordance with this Rulebook and provisions of the agreement on reciprocal protection of mechanical reproduction rights that PAM CG concludes with foreign societies of authors as well as on the basis of the documentation submitted by such societies.

OTHER PROVISIONS

Article 70

Royalties for fixation rights shall be collected, calculated and paid on a quarterly basis.

Royalties shall be paid out after protection expenses have been deducted.

Article 71

An author or copyright holder may request an advance payment for the next accounting period following the expiry of one month from the regular payment of royalties.

The advance payment shall be calculated on the basis of regular monthly producer's reports on the number of phonograms/videograms sold that carry the works of the member who has made the request.

The advance payment shall be paid out on condition that PAM CG has the amount of money available (producer's advance or regular payment).

Article 72

An author or copyright holder may request a subsequent statement of accounts or a correction of a statement where his royalties have not been calculated or have been calculated erroneously.

Such requests shall be filed with the Managing Board within thirty days of the date of receipt of the statement of accounts.

The Managing Board shall issue a decision on the request within fifteen days.

TRANSITIONAL AND FINAL PROVISIONS

Article 73

This Rulebook on the protection of copyright and distribution of royalties shall enter into force as of the date of its adoption.

Chairperson of PAM CG Assembly
Bozidar Raicevic (signed)