

Pursuant to Copyright and Related Rights Act (“Official Gazette of Montenegro”, No. 37/11) and Non-governmental Organisations Act (“OG RME”, Nos, 27/99, 09/02, 30/02, “OG ME” No. 11/07 and “OG ME”, No. 39/11) the Assembly of the NGO Organisation for the Protection of Rights of Music Authors of Montenegro - PAM CG adopted on 8 September 2011 the Statute of NGO Organisation for the Protection of Rights of Music Authors of Montenegro - PAM CG and on 12 June 2012 and 3 May 2014 the amendments to the Statute - a consolidated version

## **STATUTE**

### **NGO, Organisation for the Protection of Rights of Music Authors of Montenegro - PAM CG**

#### Article 1

NGO Organisation for the Protection of Rights of Music Authors of Montenegro - PAM CG is a not for profit organisation for the collective administration of musical copyrights acting on its own behalf and for the account of its members to administer musical copyrights in their published copyright works save for the rights of authors and copyright owners who have explicitly excluded their rights from such protection and of those whose protection has been duly cancelled under PAM CG internal rules.

Subject to laws, international conventions and agreements with foreign organisations and societies of authors, PAM CG shall also administer musical copyrights of foreign authors and holders of musical copyrights in Montenegro.

The Organisation shall be a legal person with all the rights, duties, and responsibilities pertaining to it under law and this Statute.

#### Article 2

Pursuant to Copyright and Related Rights Act, PAM CG shall be the legal successor to the Organisation for the Protection of Rights of Music Authors of Montenegro “PAM CG”, established under the Decision of the Intellectual Property Office of Serbia and Montenegro, No. 22100/1-05 of 9 January 2006.

## **NAME AND REGISTERED OFFICE**

#### Article 3

The Organisation carries out its activities under the following name: **NGO ORGANISATION FOR THE PROTECTION OF RIGHTS OF MUSIC AUTHORS OF MONTENEGRO - PAM CG.**

The short name shall be: **PAM CG.**

#### Article 4

PAM CG has its registered office at the following address: Podgorica, Dr Vukasina Markovica 100-112.

#### SEAL AND STAMP

#### Article 5

PAM CG shall have a round seal with the name and registered office of the Organisation inscribed.

PAM CG may have more than one seal, each of which must be numbered.

PAM CG stamp shall be rectangular in shape and shall have the name, registered office and address inscribed.

The rules governing the use, storage and destruction of its seal and stamp shall be set by the PAM CG Rulebook.

#### Purpose and activities

#### Article 6

PAM CG shall be established and operate for the following purposes: assembly of music authors, exercise of their common professional interests and protection of rights arising from their creativity, promotion of the socio-economic status of creators in the field of music, development of Montenegrin music creativity and protection of its heritage, and protection of copyrights held by PAM CG members.

PAM CG essential purposes of its operation shall be to:

1. provide encouragement to music creativity and act towards the promotion of contemporary Montenegrin authors;
2. cooperate with other art organisations and similar organisations in the area of culture in Montenegro towards the promotion of Montenegrin art creativity;
3. safeguard Montenegrin music heritage and implementation of other cultural values;
4. cooperate with counterpart organisations, associations and societies abroad;
5. organise music events, professional gatherings and seminars on issues relating to music creativity and culture;
6. issue musical works, written works on music and other publications;
7. protect musical copyright;
8. participate, through state and other bodies and organisations, in cultural policy design and its implementation in accordance with the purposes referred to in Para.1 hereof;
9. promote and nurture expert and collegiate relations amongst members and cultural workers in general;
10. engage in other activities necessary for PAM CG to serve its purposes.

TYPES AND OBJECT OF PROTECTION ADMINISTERED COLLECTIVELY  
AND RULES WITH RESPECT TO MEMBERS AND USERS OF OBJECTS OF  
PROTECTION

Article 7

PAM CG shall engage in collective management of the following musical copyrights:

- 1) right of recording and copying;
- 2) right of putting copies of work into circulation;
- 3) right of renting out copies of work;
- 4) right of performance;
- 5) right of presentation;
- 6) right of transmission of performance or presentation;
- 7) right of broadcasting;
- 8) right to public communication, including interactive making of a work available to the public;
- 9) right of public communication of the work broadcast;
- 10) right of public communication of a work from a phonogram or videogram;
- 11) right of authors to a special remuneration from import and sale of technical devices and blank carriers of sound, picture or text for which it may reasonably be assumed that they will be used for such multiplication.

Membership rules

Article 8

Eligible to become PAM CG members on equal terms shall be all music authors (authors of music, arrangement and lyricists) having concluded with PAM CG an Agreement on Exclusive Transfer of Copyright Ownership for the whole world whose rights are effectively exercised.

Subject to PAM CG prior consent, a member may entrust the protection in a particular state to another collective management organisation.

At the request of an author, or rights-holder, PAM CG shall conclude a representation agreement on terms that are equal to those for members of that category.

Uniform principles, criteria, and procedure for the exercise of musical copyright shall be applied uniformly to all the authors and holders of musical copyright whose rights are managed by PAM CG.

An agreement with PAM CG shall be concluded for the period not longer than five years.

A PAM CG member or a rights-holder may not exercise their rights individually for the duration of the representation agreement.

Article 9

Pursuant to the Statute, members shall have equal rights, in particular to:

- 1) participate in the work,
- 2) be informed about the overall work, and
- 3) exercise other rights as laid down by PAM CG internal rules.

## Duties of members

### Article 10

Members may not authorise other physical or legal persons to exercise their copyright in Montenegro and/or abroad, nor can exercise them on an individual basis without prior consent of PAM CG.

### Article 11

Members shall do the following on a regular basis:  
inform PAM CG about any changes in their personal data (residence, giro account, etc); register on a regular basis their works with PAM CG using the prescribed form; submit a copy of each of the publishing agreement they conclude with a national or international publisher, as well as all other types of agreement relating to an order or exploitation of their works.

A rights-holder who decides to exercise their rights individually shall communicate such decision to the Organisation, which shall notify the users that it has agreements with.

## Disciplinary responsibility of members

### Article 12

Disciplinary measures for PAM CG members include revocation of membership and a warning.

A member may be excluded from PAM CG:

- 1) if their public activity is contrary to the PAM CG purposes;
- 2) if they have been convicted of a particularly dishonest offence;
- 3) if through their conduct or behaviour in PAM CG or in relation to it, acting contrary to the principles of membership work and activity as set out in the Statute or another internal rule has caused a serious disturbance in the work, harmed the reputation of or caused PAM CG significant material or moral damage.

A warning shall be issued to a member whose conduct has lead to PAM CG reputation being tarnished, disturbance in PAM CG operation or has caused PAM CG material or moral damage, unless the consequences of such conduct are such that they call for exclusion of the member and unless it can be expected that the member will not continue the conduct which is harmful to PAM CG.

### Article 13

A disciplinary procedure shall be initiated at the request of the executive director.

Disciplinary responsibility shall be subject to the Court of Honour.

The Court of Honour shall be composed by the executive director and two members appointed by the Managing Board for each individual case.

The decision of the Court of Honour shall be subject to appeal with the Managing Board within 8 days of the date of service of the decision of the Court of Honour.

Proceedings before the Court of Honour and the appeal proceedings shall be regulated by a separate rulebook.

## Cessation of membership

### Article 14

Membership shall cease

1. by voluntary termination,
2. by dismissal, and
3. upon one's death.

PAM CG may cancel representation to an author that it has a representation agreement with under the terms laid down by the internal rules governing copyright protection.

A member shall notify PAM CG in writing of their voluntary termination of membership or transfer to a different organisation.

## Rules applying to users

### Article 15

At the request of any user or association of users, the Organisation shall conclude, under equal terms, an agreement on non-exclusive transfer of rights to use the PAM CG repertory.

PAM CG may turn down the request from Para. 1 hereof only to the user who has violated on multiple occasions the rights of its members.

Where the agreement from paragraph 1 is not concluded, the right requested shall be considered transferred if the user pays to PAM CG or deposits with a notary public or a court the amount that equals the fee for the exploitation of object of protection as set by the tariff.

## PAM CG BODIES

### Article 16

PAM CG bodies shall be:

- 1) ASSEMBLY,
- 2) MANAGING BOARD,
- 3) EXECUTIVE DIRECTOR, and
- 4) SUPERVISORY BOARD.

### ASSEMBLY

### Article 17

PAM CG Assembly shall be composed of its members.

## Article 18

The Assembly shall have the powers to:

1. adopt the Statute and take decisions on its amendments;
2. adopt the reports of the Managing Board;
3. adopt the report of the Supervisory Board;
4. establish the common principles and general conditions for the collective management of musical copyrights, with or without lyrics;
5. adopt annual financial statements;
6. adopt the work plan for the next year and the report for the previous calendar year;
7. take decisions on the fees payable to the members of the Managing and Supervisory Boards;
8. elect and dismisses the Managing Board;
9. elect the Supervisory Board from among its own members;
10. appoint an auditor;
11. elect representatives in international organisations;
12. adopt its Rules of Procedure;
13. adopt its Rulebook governing distribution and royalties;
14. take decisions on the cessation of work and distribution of assets;
15. at the request of the Managing Board, address issues within its responsibility relating to the PAM CG operation;
16. take decisions on other issues that the Statute does not place under the authority of other bodies, and
17. take decisions on the administration of assets.

## Article 19

The Assembly, within not longer than three months of expiry of a business year, shall adopt the following at its annual meeting:

1. annual report, together with its financial statement of accounts, which includes in particular the report on the implementation of joint agreements with users and the report on the implementation of agreements with foreign organisations, etc;
2. annual report of the Supervisory Board on the compliance of operation with law and internal rules;
3. annual report by a licenced financial auditor on the compliance of operation with law and internal rules;
4. measures by which to remove the irregularities identified, in case such irregularities were identified in the reports submitted by the supervisory body or an auditor;
5. proposal of the financial plan for the next business year.

## Article 20

The presence of Assembly members or absentee member representatives in an Assembly session shall be established on the basis of the attendance list.

The attendance list shall be signed by the Assembly chairperson and secretary.

Assembly sessions shall be chaired by the Executive Director unless otherwise decided by the Assembly.

#### Article 21

The Assembly decisions shall be valid only provided the present and the represented absentee members control at least 1600 votes in the Assembly.

In case there is no quorum required for work and decision making, another session shall be scheduled by the Executive Director with the same agenda and without a quorum set.

The notice for a repeated Assembly session shall be posted on PAM CG website.

#### Article 22

The minutes from an Assembly session shall be made within not more than three days of the date of the session.

The minutes from an Assembly session shall include the following as a minimum:

- 1) date, place and time of session;
- 2) names of the following: chairperson, secretary of the session, person certifying the minutes, members of the assembly working bodies, where such bodies have been set up;
- 3) quorum;
- 4) agenda;
- 5) information on the method and results of voting, and
- 6) adopted decisions.

The minutes from an Assembly session shall be signed by the chairperson and at least one member duly authorised by the Assembly.

The copies of the power of attorney and the voting tickets of all the attendees of the Assembly session shall be filed together with the minutes of the session.

#### Article 23

The Assembly shall be convened at least once a year.

The Assembly sessions shall be called by the Executive Director on the proposal of the Managing Board or a minimum of one half of the members.

### **METHOD OF CONVENING SESSIONS AND CONTENT OF NOTICES INFORMING MEMBERS OF AN ASSEMBLY SESSION, VOTING PROCEDURE AND THE NUMBER OF VOTES REQUIRED FOR DECISIONS ON INDIVIDUAL ISSUES**

#### Article 24

A notice of an Assembly session shall be published in a print media distributed in the territory of Montenegro and posted on the Organisation website not later than 30 days before the date of the session.

The notice shall include information on the following:

1. venue of the session;
2. date and time of the session;

3. agenda, together with information on where the members can have access to the material and proposed decisions submitted for consideration at the Assembly.

The Assembly may also be convened at the request of the Intellectual Property Office.

The materials, together with the proposed decisions to be considered at the Assembly, shall be made available for examination by all the members at the seat of PAM CG for at least 20 days before the session is convened.

#### Article 25

The Assembly shall take decisions within its powers with a minimum of 1400 votes of the members present or duly represented. The decision on the termination of work and sale of the business premises shall be taken by the Assembly and requires minimum 2500 votes.

The Assembly may not take decisions on issues not included in the agenda unless the Assembly session is attended by the members holding 2200 votes in the Assembly.

Voting can be done using voting tickets if so decided by the members present or duly represented having minimum 2000 votes.

#### Article 26

In case of any changes made to the agenda, a notification of such change shall be posted on the webpage 10 days before the date of the session.

### CRITERIA FOR THE ESTABLISHMENT OF A RATIO BETWEEN THE SCOPE AND EXTENT OF EXPLOITATION OF OBJECT OF PROTECTION AND THE NUMBER OF VOTES HELD BY AN ASSEMBLY MEMBER

#### Article 27

The value of a vote held by an Assembly member shall be established based on the scope and extent of exploitation of copyright musical work in all the categories for an accounting year in accordance with this Statute.

The Assembly members who have earned under 100 euro in royalties in a given accounting year shall not be entitled to take part in the decision making.

The Assembly members who have earned in a given accounting year the royalties as follows:  
from 100-300 euros, shall be entitled to 1 vote;  
from 300-1000 euros, shall be entitled to 10 votes;  
from 1000-2000 euros, shall be entitled to 100 votes;  
over 2000 euros, shall be entitled to 150 votes.

The corrections to the votes in the Assembly shall be made in proportion to the increase/decrease of the funds to be distributed amongst Montenegrin authors in a given accounting year. The corrections are made on an annual basis when the amount to be distributed to Montenegrin authors is increased/reduced by 20%.



## MANAGING BOARD

### Article 28

The Managing Board shall have 5 members, of whom:

- 3 authors of popular music (one each for pop and folk music, and the third member can be from a different genre);
- 1 author of artistic or classical music;
- 1 member shall be nominated by the Director of the Organisation.

The Managing Board shall appoint its President from among its members.

By Assembly decision, individual members of the Managing Board may be dismissed before the end of their term of office.

Members of the Managing Board shall be elected by the Assembly, with the voting taking place for each individual member.

The Managing Board may work in full capacity and take valid decisions only provided minimum 2/3 of its members are present.

The Managing Board decisions require minimum 2/3 majority of votes.

The Director shall attend all the sessions of the Managing Board, unless otherwise decided by the Managing Board.

The Managing Board shall be accountable to the Assembly for its work.

### Article 29

The Managing Board shall have the powers to:

1. manage all the activities between two Assembly sessions;
2. adopt internal rules, save for those within the authority of the Assembly;
3. determine general accounting of royalties from all sources;
4. takes decisions in the review proceedings on appeals filed by rights-holders relating to the implementation of the Rulebook governing the distribution, under the decision of the Court of Honour and other internal rules;
5. establish the current policy of collection, administration and allocation of funds;
6. appoint and dismiss the Executive Director;
7. adopt the Rules of Procedure for the Managing Board, and
8. take decision on other issues relating to the work plan and financial plan.

### Article 30

Members of the Managing Board shall adhere to the principles of due care and due diligence in taking decisions.

The Managing Board members shall have the duty in particular to:

1. act with due care and for the benefit of PAM CG as a whole;
2. act with due diligence and in compliance with the rules of profession in taking decisions;
3. ensure due implementation of adequate measures for the control of operation and obligations taken by PAM CG;

4. participate in the consideration of all the issues subject to the decisions of the Managing Board;
5. use their authority for the benefit of PAM CG only, including also their duty:
  - not to use PAM CG assets for their personal needs as if it were their own;
  - not to use confidential information held by PAM CG for their personal gain;
  - not to misuse their office for personal enrichment on the account of, or to the detriment of PAM CG, and
  - not to use possibilities available to PAM CG for making deals for their own benefit.

## EXECUTIVE DIRECTOR

### Article 31

The Executive Director shall manage all PAM CG operation towards the implementation of the current work programme and financial plan, represent PAM CG, and be accountable for legality of work.

The Executive Director shall act as the party ordering the implementation of the financial plan and shall submit the proposal of the financial plan to the Assembly.

The Executive Director shall be appointed by the Managing Board for a five-year term of office, upon which he is eligible for reappointment.

The Executive Director shall be accountable to the Managing Board.

## SUPERVISORY BOARD

### Article 32

Supervisory Board shall:

- 1) supervise the compliance of PAM CG operations with law and internal rules;
- 2) submit a report to the Assembly on annual financial statements and business reports;
- 3) adopt a Rulebook on its work.

### Article 33

The Supervisory Board shall have three members.

Members of the Supervisory Board shall elect a president from among themselves.

Members of the Supervisory Board shall serve for a term of office of five years.

Under a decision of the Assembly, the Supervisory Board or its individual members may be dismissed before the expiry of their term of office.

The Supervisory Board may work in full capacity and take valid decisions only provided at least two members are present, and shall take its decisions by the majority of votes.

## TARIFF SETTING PROCEDURE

### Article 34

Tariffs shall determine an adequate amount of fees for individual forms of exploitation of copyright musical works in accordance with the Law.

At the request of a representative association of users, PAM CG shall negotiate the tariffs and, provided an agreement has been reached, conclude an agreement.

A joint agreement can also be concluded by the Organisation directly with a single user of an object of protection where that is a single user in Montenegro engaged in the activity using the objects of protection.

The Managing Board shall negotiate tariffs and conclude joint agreements.

## BASIC CRITERIA FOR DETERMINING THE EXPENSES INCURRED IN THE CONDUCT OF THE ACTIVITIES

### Article 35

PAM CG undertakes to distribute among its members the entire revenues earned with the exception of the following:

- 1) funds determined to cover the expenses for the Organisation operation;
- 2) funds determined for social and cultural purposes in the Organisation as well as for the promotion of national music creativity (monetary allowances, scholarships, support to the development of minority cultures, etc) up to 10% of the revenues earned in accordance with the annual plan for the distribution of revenues, subject to the consent of the Organisation members.

The share of expenses incurred during the operation in a calendar year may be up to 35% of the overall revenues made by PAM CG. In exceptional circumstances, the Assembly may approve a higher share of expenses.

### Article 36

The final calculations shall determined in the final balance sheet on the basis of the actual expenses presented.

## RULES GOVERNING THE DISTRIBUTION OF REVENUES TO MEMBERS

### Article 37

The rules governing the distribution of revenues to the members shall be set out in the Rulebook governing Distribution, as adopted by the Organisation Assembly.

## SUPERVISION OF FINANCIAL ASSETS

### Article 38

Financial resources shall be subject to the supervision of the Supervisory Board, which shall submit a report to the Assembly.

The Managing Board shall act in accordance with the obligations set out by the Statute to supervise the implementation of the financial plan and the plan of revenue distribution.

The Assembly shall review and adopt the reports of a licenced independent auditor on the audit of financial statements (Balance sheet, Income statements and Cash flow statement, accounting policies and notes filed with financial statements, as well as the compliance of Organisation operation with law and internal rules).

Assembly members having not less than 10 percent of votes may require that an independent expert be retained once a year to examine a particular aspect of Organisation operation, and produce a report which shall be sent to all the members.

### TYPES AND CONTENT OF REPORTS WITH MANDATORY SUBMISSION TO MEMBERS AND SUPERVISORY BOARD

### Article 39

PAM CG shall submit the following to the members and the relevant authority within maximum three months of the end of a business year:

- 1) annual report, together with financial reports on Organisation operation, including in particular the report on the implementation of joint agreements with users and the report on implementation of agreements with foreign organisations;
- 2) annual report of the supervisory board on the compliance of Organisation operation with law and internal rules;
- 3) annual report of a licenced financial auditor on financial statement and compliance of Organisation operation with law and general regulation;

PAM CG shall submit the following to the relevant authority within three days of the date of their adoption, establishment, or conclusion:

- 1) its internal rules (statute, rulebooks, etc);
- 2) tariffs, together with the amount of royalties for individual user categories;
- 3) distribution plan for funds derived from collected royalties;
- 4) distribution plan for funds intended for social and cultural purposes;
- 5) general conditions governing the agreements concluded with members and users;
- 6) joint agreements concluded with user associations;
- 7) agreements with foreign organisations;
- 8) decisions of the Assembly and of other bodies of the Organisation;
- 9) annual report on the distribution of funds;
- 10) decisions of courts and other relevant bodies before which the Organisation appears as a party.

PAM CG shall promptly notify the relevant authority of any change of persons duly authorised for representation.

At the request of a relevant authority, and not later than within three days of the date of such request, PAM CG shall deliver the requested information and data within its authority.

## INFORMING MEMBERS AND THE PUBLIC OF PAM CG OPERATION

### Article 40

PAM CG shall inform its members via its webpage of any financial statements, reports received from broadcasters in the format in which they were received, and other data about its work.

## TRANSITIONAL AND FINAL PROVISIONS

### Article 41

PAM CG shall cease its operation either under an Assembly decision or by force of law.

In the event PAM CG ceases its operation, the decision relating to its overall assets shall be made by the Assembly in accordance with law.

### Article 42

This Statute shall enter into force on the eighth day following its publication in the “Official Gazette of Montenegro”.

Chairperson of the Assembly,  
Božidar Raičević, signed

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*I, Vesna Bulatovic, a permanent court interpreter/translator for English appointed under the Decision of the Ministry of Justice No. 03-1102/95 hereby certify that this translation is a true translation of the original document issued in Montenegrin.*

*Podgorica, 10 July 2015*