

Translation from Latvian into English

**Association**

**LATVIAN PERFORMERS' AND PRODUCERS' ASSOCIATION**

**ARTICLES OF ASSOCIATION**

**2017**

## **I GENERAL PROVISIONS**

1. Latvian Performers' and Producers' Association (hereinafter – the Association) is Association, which brings together performers and phonogram producers with a view to implement the collective management of rights of performers and phonogram producers, stands for the protection of rights and provision of protection of performers and phonogram producers according to the laws and regulations of the Republic of Latvia and international treaties to which the Republic of Latvia is a member, as well as performs other activities with no profit-making purpose and nature.

2. The name of the Association:

2.1. in Latvian: Latvijas Izpildītāju un producentu apvienība;

2.2. Translation of the name of the Association into English: Latvian Performers' and Producers' Association;

2.3. the short form: LaIPA.

3. The Association shall be guided in its activities by laws and regulations of the Republic of Latvia, Articles of Association and decisions adopted by bodies of the Association.

4. The Association is founded for an indefinite period. The Association operates in the territory of the Republic of Latvia and abroad.

5. The Association is a legal entity established and operating in accordance with laws of the Republic of Latvia, international conventions and treaties to which the Republic of Latvia is a party, and these Articles of Association. The Association has all the rights of a legal entity granted by legislation of the Republic of Latvia, including – to enter into contracts, acquire and dispose of property and non-property rights, be a participant in the court process. The Association has its own property, balance sheet, stamp, forms and other attributes, accounts with credit institutions.

6. The symbolism of the Association is made up of a stylized name of the Association.

7. The Association shall not be liable for the obligations of its members. Members of the Association shall not be liable for obligations of the Association, unless they have definitively and voluntarily assumed such responsibility.

## **II Objectives of the Association**

8. The objectives of the Association:

8.1. to perform the collective management of performers' and producers' property rights in the Republic of Latvia and abroad;

8.2. to improve the system of protection of performers' and producers' rights in the Republic of Latvia;

8.3. to promote favourable conditions for creative activities of performers and producers by exercising their rights and defending their economic interests;

8.4. to represent the economic interests of performers and producers in communication with users of fixed performances, phonograms and audiovisual works.

### **III ACTIVITIES OF THE ASSOCIATION**

9. The implementation of the objectives of Association is ensured by creative, organizational and economic activities of the Association.

10. In pursuit of the objectives set out in these Articles of Association, the Association carries out the following activities:

10.1. concludes collective management agreements with performers and producers of the Republic of Latvia and foreign countries, their heirs and other assignees regarding collective management of their rights in the territory of the Republic of Latvia and abroad;

10.2. concludes representation and other agreements with foreign organizations, companies or foundations dealing with collective management of related rights regarding collective management of rights of foreign performers and producers, their heirs or other assignees;

10.3. according to collective management agreements or interorganizational representation agreements of performers and producers or their assignees, represents the rights and legitimate interests of these right holders in relations with natural and legal persons, in all state, local-government, court and other institutions without additional authorization and in all matters relating to this type of activity;

10.4. develops remuneration rates (tariffs) payable to performers and producers, and general rules on the distribution of revenue from rights management;

10.5. concludes agreements with users of phonograms and audiovisual works on the use of phonograms and audiovisual works;

10.6. collects charges for the use of fixation of a performance, phonograms and audiovisual works, including for those types of uses for which according to legislation of the Republic of Latvia administration is required to be carried out collectively, i.e., by organisations for collective management of related rights;

10.7. distributes the remuneration collected and pays it to performers, producers, their heirs or assignees;

10.8. collaborates with organizations protecting related rights and copyright in the Republic of Latvia and abroad;

10.9. joins international performers' and producers' organizations;

10.10. organizes information collection or statistical research activities on the use of fixed performance, phonograms or audiovisual works;

10.11. distributes information about the rights of performers and producers, as well as about ways of ensuring their protection;

10.12. submits to the Saeima, government, local governments and other state and non-governmental institutions draft laws and proposals on matters affecting the interests of performers and producers;

10.13. organizes and participates in public events (workshops, conferences, congresses, symposia, commissions, committees and other events) in the Republic of Latvia and abroad in the interests of performers and producers;

10.14. carries out educational work on the issues of related rights and publishes printed, audio, audiovisual and other types of publications, disseminates information in mass media, as well as creates its own press releases and mass media;

10.15. advises members of the Association, represented performers and producers or their assignees on issues of related rights;

10.16. establishes premium, scholarship and special funds in the interests of performers and producers and to support the activities of performers and producers;

10.17. obtains possession of movable and immovable property, as well as carries out economic activities in connection with the use and maintenance of its property, participates in different events for the achievement of the objectives of Association;

10.18. receives donations and other material contributions and assistance to implement the objectives of Association set forth in these Articles of Association;

10.19. solves other issues related to the objectives of the Association.

11. The Association may carry out economic activities according to the procedure and to the extent specified in the legislation of the Republic of Latvia, which includes the following directions of action:

11.1. activities of professional organizations (91.12.);

11.2. activities of other non-classified organizations (91.33.), including organizing the collection and distribution of related-rights remuneration with the help of a commercial company established in accordance with the procedure prescribed in the legislation of the Republic of Latvia;

11.3. artistic and literary creation and interpretation (92.31.);

11.4. activities of cultural objects (92.32.);

11.5. other non-classified entertainment activities (92.34.);

11.6. publishing (22.1.);

11.7. polygraphic execution and related services (22.2.);

11.8. reproduction of records (22.3.);

11.9. activities in the field of law, accounting, bookkeeping and auditing services, advice on tax issues, market and public opinion research, advising in business and management (74.1.);

11.10. other activities if they are focused on achieving the objectives of the Association.

#### **IV JOINING, WITHDRAWAL AND EXCLUSION OF MEMBERS FROM THE ASSOCIATION**

12. A member of the Association may become:

12.1. any natural or legal person, which for the purposes of the Copyright Law is recognized to be a performer or producer or assignee thereof and which supports the basic principles, objectives of the Association and the Articles of Association thereof, as well as has entered into a collective management agreement with the Association.

12.2. performers' or producers' association, as well as other organisation for collective management, which supports the basic principles, objectives of the Association and the Articles of Association thereof, as well as has entered into a representation agreement with the Association.

13. If a legal person becomes a member of the Association, it shall authorize its representative to participate in the general assembly of the Association and if elected - the Council or the Audit Committee.

14. In order to become a member of the Association, the person or his or her authorized representative shall submit a written application to the Council of the Association and pay the entry fee in the amount specified by the general assembly of the Association.

15. The decision on accepting a person in the Association is made by the Council of the Association at the next Council meeting by members of the Council openly voting for admission. In case of a refusal, the decision of the Council must be motivated in writing, and the applicant is repaid the entry fee paid.

16. The decision of the Council on person's non-admittance as a member may be appealed in writing to the general assembly. If the general assembly also rejects the applicant's request, the applicant is not admitted as a member, and he or she may submit a repeated application no sooner than after one year.

17. Any Member of the Association may voluntarily withdraw from membership in the Association by submitting a written application to the Council. In this case, the entry fee is not repaid.

18. A member may be excluded from the Association by a Council decision, if:

18.1. the member fails to comply with the decisions of the general assembly and the Council;

18.2. the member fails to comply with his or her obligations and commitments made;

18.3. the member through his or her activities intentionally interferes with the achievement of objectives and fulfilment of tasks of the Association;

18.4. the member has caused material damage to the Association through his or her activities;

18.5. the member has caused moral damage to the Association through his or her activities;

18.6. the member has terminated the contractual relationship with the Association;

18.7. the member has not paid the entry fee;

18.8. if there is another reason.

19. The Council shall consider the issue of the exclusion of a member at the next meeting by inviting the member to be excluded and allowing him or her to express his or her point of view. The absence of the member to be excluded shall not serve as an obstacle to adopt the decision of the Council. The decision of the Council on the exclusion of a member from the Association and the motivation of this decision must be communicated in writing to the member to be excluded within five working days from the moment of adoption thereof.

20. A member who has withdrawn or been excluded from the Association, may be renewed after one year by a Council decision according to the procedures specified in Clauses 14 and 15 of the Articles of Association.

## **V MEMBERS' RIGHTS AND OBLIGATIONS**

21. Members of the Association shall have the following rights:

21.1. to participate in the administration of the Association and be elected to administrative bodies;

21.2. to nominate candidates for the election of the Council and the Audit Committee;

21.3. to receive information about the activities of the Association, including access to the minutes, decisions and orders of the general assembly, Council meetings and Audit Committee of the Association;

21.4. to express their opinion on issues affecting the activities of the Association, and make proposals for improvement thereof;

21.5. to propose amendments and supplements to the Articles of Association of the Association;

21.6. to participate in the general assembly of the Association and other events organized by the Association;

21.7. to participate in voting at the General Assembly of the Association;

21.8. to submit proposals for consideration of issues to the Executive Director and the General Assembly of the Association;

21.9. to receive the services which the Association provides to its members;

21.10. to withdraw from the Association by submitting a written notification to the Council.

22. Members of the Association shall have the following obligations:

22.1. to comply with the Articles of Association of the Association and implement the decisions of the General Assembly, the Council and the Executive Director;

22.2. to participate in General Assemblies, as well as elections of the Council and the Audit Committee;

22.3. to pay the entry fee;

22.4. to support and promote with active participation the implementation of the objectives and tasks of the Association;

22.5. not to delegate simultaneously to another collective management organization to collectively administer the same managed rights, related rights objects and territories, the management of which has been transferred to the Association;

22.6. to refrain from activities that could directly or indirectly damage the interests and reputation of the Association;

22.7. to participate in promoting the operational programs of the Association and the activities of the Association;

22.8. to ensure representation of their interests through authorized representatives.

## **VI ADMINISTRATIVE BODIES**

23. The administrative bodies of the Association are the Members' meeting (hereinafter – the General Assembly), the Council and the Executive Director.

### **General Assembly**

24. The highest decision-making body of the Association is the General Assembly.

25. The General Assembly is competent on the following issues:

25.1. to approve the Articles of Association of the Association, amendments and supplements thereto;

25.2. to determine the strategy of the Association;

25.3. to elect and recall members of the Council, evaluate the results of the work of the Council, approve remuneration and other material benefits of members of the Council;

25.4. to elect and recall auditors working in the Audit Committee;

25.5. to approve the annual budget of the Association;

25.6. to approve the Council's report on the results of the year;

25.7. to approve the annual transparency report; financial statement of economic activities for the previous calendar year and reports of the Audit Committee;

25.8. to determine the entry fee;

25.9. to approve the general rules on distribution of revenue from rights management;

25.10. to approve the general rules on the use of non-payable revenue from rights management;

25.11. to approve the general rules on deductions from revenue from rights management, including on management expenses and deductions for the provision of social, cultural and educational services;

25.12. to take a decision on self-liquidation and the legal status of the property concerned;

25.13. to solve other issues related to the activities of the Association;

25.14. to consider complaints about the work of the Council.

26. The regular General Assembly, according to a Council decision, shall be convened by the Executive Director not less than once a year by announcing the General Assembly and the agenda prepared by the Council. The General Assembly shall be announced in such a way that members of the Association receive information on the time, place and agenda of the General Assembly not later than two weeks before the General Assembly.

27. The extraordinary General Assembly, according to the Articles of Association, shall be convened by the Executive Director on the basis of a request made by the Council or at least 1/10 of the members not later than one month after receipt of the request. The request shall specify the reasons for convening and agenda of the general assembly.

28. The General Assembly is entitled to make decisions, if more than half of the members of the Association participate in it. If the General Assembly is not entitled to make decisions due to lack of quorum, a repeated General Assembly is convened no later than five weeks thereafter, which is entitled to make decisions with any number of members



present, provided that at least two members are present. Decisions are made by a simple majority, except in the cases referred to in Clause 31 of these Articles of Association.

29. Each member shall have one vote at the General Assembly. A member shall not have a right to vote, if the General Assembly is deciding on the entering into of a transaction with such member or the bringing of an action or the termination of a matter against such member.

30. A member, who is unable to attend the General Assembly of members, may be represented by an authorized representative based on a written power of attorney, unless this creates a conflict of interest. The power of attorney issued to the representative shall be valid for the respective General Assembly of members and must be submitted to the Association before the voting. The representative shall be obliged to vote in accordance with the principal's instructions. One authorized representative may represent one member at the General Assembly.

31. The General Assembly may adopt a decision concerning the liquidation and reorganization of the Association, if such a decision is adopted by a majority of  $\frac{3}{4}$  (three quarters) of votes of all members of the Association. Decisions of the General Assembly affecting amendments to the Articles of Association may be adopted if the majority of the members of the Association present vote for that. All votes take place openly, except where at least  $\frac{1}{4}$  of the participants of General Assembly request a secret vote.

32. The agenda of the General Assembly is prepared by the Council of the Association. The inclusion of other issues on the agenda of the General Assembly shall be decided during the General Assembly by members of the General Assembly by a simple majority.

33. The Council of the Association is required to prepare materials for the General Assembly and draft decisions on issues to be decided, which are included on the agenda.

34. Members who are not present at the General Assembly may participate in members' meeting and exercise their voting rights by electronic means.

34.1. A member, who wants to use the opportunity to participate in votes of the General Assembly by electronic means, is obliged to notify the Association not later than five working days before the day of the General Assembly;

34.2. Simultaneously with the notice of participation in the General Assembly by electronic means, a Member is entitled to submit to the Association proposals concerning the agenda announced by the General Assembly and proposals for candidates nominated for election of the Council and the Audit Committee of the Association;

34.3. Members, who have announced their participation in the General Assembly by electronic means, are obliged to submit votes on the issues included on the agenda of the General Assembly not later than until the day of the General Assembly. The General Assembly shall decide on the procedure and way in which votes by electronic means are accepted, with respect to the issues included in the actual agenda of the General Assembly;

34.4. The Association provides members with the opportunity to follow the General Assembly on-line by notifying about the way in which the respective right shall be exercised not later than three working days before the General Assembly;

34.5. Only those Members who, according to the procedure specified in this Clause, have notified the Association of their participation before the General Assembly shall be entitled to participate in the vote by electronic means;

34.6. A member, who participates in the General Assembly by electronic means, may not be elected as the Head of the General Assembly, recorder of the minutes, teller, auditor and member of the Council. Members who participate in the General Assembly and take decisions by voting via electronic means shall not be entitled to ensure that their interests are represented by authorized representatives, as well as represent other members of the Association themselves;

35. The General Assembly is chaired by the Executive Director according to a decision of the Council. At the beginning of the General Assembly, the identity of the members present and powers of their representatives, as well as the identity of those members, who have applied for participation in the General Assembly by electronic means, is clarified. Also, at the beginning of the General Assembly, two recorders of the minutes and tellers are appointed, as well as proposals for the agenda are discussed, accepted or rejected.

36. The process of the General Assembly is recorded. The minutes shall include:

36.1. name of the Association;

36.2. body (person), who convenes the General Assembly;

36.3. the venue and time of the General Assembly;

36.4. the time when the members were notified of the convening of the General Assembly and the manner of notification;

36.5. The total number of members of the Association and, if representatives of members participate at the meeting – the total number of members' representatives.

36.6. The number of members (members' representatives) present;

36.7. the number of members, who have applied for participation in the General Assembly by electronic means;

36.8. issues on the agenda;

36.9. the process and content of discussion of issues on the agenda;

36.10. the results of the vote, indicating the number of votes "in favour" or, "against" or "abstain" for each decision;

36.11. the decisions made.

36.12. The minutes of the General Assembly are signed by its Head and recorders. The minutes of the General Assembly shall be drawn up within ten working days after the General Assembly and published on the website of the Association.

### **Council and President of the Council**

37. The Council is the supervisory body of the Association, which represents the interests of the members between the General Assemblies and monitors the activities of the Executive Director. The Council is elected by the General Assembly for three years.

38. The Council consists of eight members of the Council, including the President of the Council. In order to ensure that interests and rights of all members of Association are represented at the Council, the members of the Council are nominated and elected according to the following proportion – 4 members are nominated by producers or their representatives and 4 members are nominated by the performers or their representatives. The Council elects the President of the Council by majority vote for the term of office of the Council according to the following principle – for one term the President of the Council is nominated from among the members of the Council who are performers, for the next term – from among the members of the Council who are producers, respectively.

39. Any member of the Council may terminate working in the Council by giving written notice to the President of the Council. In this case, the Council approves a new member of the Council from among those Council member candidates, who were nominated for the post of a Council member at the last General Assembly, but remained unelected due to minority votes. First of all, the opportunity to become a member of the Council is offered to a Council member candidate who represents the respective right holders and has received most votes. The newly elected member of the Council shall operate the post for the remainder of the term of office of the Council. If there is no such candidate, the Council continues working in incomplete composition or proposes the convening of an extraordinary General Assembly.

40. Meetings of the Council are convened by the President of the Council, if at least half of the members of the Council request it, but not less than four times a year. The Council is able to take decisions when at least five members of the Council are present. Decisions are taken by open vote with a simple majority of the members of the Council present. If the number of votes is the same, the vote of the President of the Council is decisive.

41. The Council is competent on the following issues:

41.1. to implement the strategy of the Association;

41.2. to admit new members, decide on the exclusion of members;

41.3. to develop and approve tariffs for use of performance fixation and phonograms;

41.4. to control the implementation of the decisions of the General Assembly;

41.5. to elect the Executive Director;

41.6. monitor the activities of the Executive Director;

41.7. to evaluate the results of the Executive Director's work, approve remuneration and other material benefits;

41.8. approve the general rules for risk management;

41.9. to approve the transactions concerning acquisition, alienation of immovable property and mortgage;

41.10. to approve mergers and associations, establishment of companies, acquisition of other companies or parts thereof;

41.11. to approve borrowings, loans and collaterals thereof, including guarantees,

41.12. to approve conditions concerning the rights of related rightholders represented by the collective management organization to issue licenses for the non-commercial use of their work and related rights objects;

41.13. to approve the agenda of the regular and extraordinary General Assembly;

41.14. to decide on membership of the Association in other public organizations, including foreign organizations;

41.15. to decide on the conclusion of agreements with organizations of the Republic of Latvia and foreign organizations;

41.16. to solve and decide on other issues that are not within the competence of the General Assembly and the Executive Director of the Association.

42. President of the Council is competent on the following issues:

42.1. to convene meetings of the Council not less than four times a year;

42.2. to manage the work of the Council and meetings of the Council;

42.3. to monitor compliance with the Articles of Association of the Association;

42.4. to report once a year to the General Assembly on the work of the Council;

42.5. to represent the Association in the Republic of Latvia and abroad;

42.6. to monitor the implementation of decisions of the General Assembly and the Council.

43. Members of the Council and the President of the Council shall perform their duties for remuneration (pay), the amount of which is determined by the General Assembly:

43.1. each member of the Council once a year provides to the General Assembly a report, including information about the following:

43.1.1. all his or her interests in the Association;

43.1.2. remuneration or any other form of benefit received from the Association in the previous financial year;

43.1.3. remuneration received from the Association in the previous financial year as the related rightholder represented by it;

43.1.4. an actual or potential conflict between personal interests and the interests of the Association or between liabilities to the Association and liabilities to third parties.

### **Executive Director**

44. The Executive Body of the Association is the Executive Director elected by the Council. The Executive Director manages and represents the Association in the interests of related rightholders it represents. In accordance with the work responsibilities approved by the Council.

45. The Executive Director shall perform his or her duties for remuneration (pay), the amount of which is determined by the Council.

46. The Executive Director may only be revoked, if there is an important and valid reason for it. In any case, such reason shall be considered the failure to fulfil obligations or improper fulfilment thereof, the inability to manage the Association, causing harm to the Association, as well as the loss of trust.

### **Audit Committee**

47. The Audit Committee of the Association consists of 3 (three) auditors who are elected by the General Assembly and of which one is elected the Chairman of the Audit Committee. The Audit Committee shall make decisions by a majority of votes.

48. Members of the Audit Committee may not be a member of the Council and the Executive Director, and they are accountable only to the General Assembly. The Audit Committee shall verify compliance with the Articles of Association, the implementation of decisions of the General Assembly and the Council, as well as control the financial and economic activities of the Association. The Audit Commission provides a report and opinion to the General Assembly once a year. The report of the Audit Committee is signed by all members of the Audit Committee. The opposite views are recorded in the annex to the report. A note is made in the report about the existence of objections.

49. The work of the Audit Committee is managed and organized by the Chairman of the Audit Committee. The Audit Committee reports to the General Assembly on any violations in the documentation of the Association and actions of the Executive Director or employees, which are found by the Audit Committee.

## **VII PROPERTY AND ASSETS OF THE ASSOCIATION**

50. The Association may own movable and immovable property, liquid assets and any

other property or property rights necessary for implementation of the objectives set out in the Articles of Association.

52. The assets of the Association consist of membership fees, management expenses, donations and other income authorized by the laws and regulations of the Republic of Latvia, including income from economic activities.

53. The assets of the Association are used for implementation of objectives and operation of the organization, for hiring employees, establishment of its own internal special funds to be used for implementation of the objectives provided for in the Articles of Association, as well as for covering other expenses to ensure the activities of the Association.

The new wording of the Articles of Association of the Association was approved by a decision of the general assembly from November 8, 2017. These Articles of Association are drawn up on 14 (fourteen) pages in 3 (three) copies.