

Finnish Composers' Copyright Society Teosto

Statutes with amendments approved by the Annual General Autumn Meeting on 12 December 2018

FINNISH COMPOSERS' COPYRIGHT SOCIETY TEOSTO

STATUTES

NAME, DOMICILE AND PURPOSE OF THE ASSOCIATION

1§ Name of the Association

The name of the Association is Säveltäjien Tekijänoikeustoimisto Teosto r.y. (Finnish Composers' Copyright Society Teosto).

2§ Domicile of the Association

The domicile of the Association is Helsinki.

3§ Purpose of the Association

The Association is a non-profit organisation established to manage and administer musical and related literary copyrights in Finland and abroad as well as to promote creative Finnish music and its general conditions.

4§ Activities

The Association follows the development of copyright and copyright legislation in Finland and abroad, takes initiatives and makes the necessary proposals, provides information and carries out publishing activities as well as promotes the availability of Finnish music to the public.

The Association's activities also include the issuing of licences on the basis of copyright legislation, collecting remunerations and distributing royalties to rightholders entitled to them.

ORDINARY MEMBERS

5§ Ordinary Members of the Association

A music author or publisher who, during at most six distribution periods immediately preceding the year of application has received distributions pursuant to these statutes in the minimum amount confirmed by the General Meeting of the Association, is eligible for Ordinary Membership of the Association. A music author refers to a composer, arranger, lyric writer or author and the distribution period refers to the calendar year. The General Meeting of the Association decides on the more detailed eligibility requirements pertaining to publishing activities. A registered professional organisation representing music authors or publishers qualified in promoting the purpose and activities of the Association is also eligible for Ordinary Membership. The General Meeting of the Association decides on the more detailed eligibility requirements pertaining to such organisations.

Acquired Membership rights are maintained.

Applications for Ordinary Membership are made in writing to the Board of Directors, which admits new Ordinary Members and keeps a Membership register. The postal addresses of the Ordinary Members are entered into the Membership register. The General Meeting of the Association decides on the criteria for rejecting an application for Ordinary Membership.

The Board of Directors can call a person who has rendered outstandingly valuable service to the Association as an Honorary Member. An Honorary Member or Honorary Chairman is entitled to attend and speak at the General Meetings of the Association but is not entitled to vote unless he or she is an Ordinary Member of the Association.

The Board of Directors can call an Ordinary Member who has served as Chairman of the Association as an Honorary Chairman.

The Board of Directors decides the joining, membership and other fees. The Membership fee payable by private persons may vary from that payable by judicial persons.

6§ Duration of Ordinary Membership

Membership enters into force once the Board of Directors has approved the Membership application.

Ordinary Membership ceases on the death of a private person, in the event of dissolution of an organisation or foundation, or when an Ordinary Member resigns or is expelled from the Association.

7§ Resignation or expulsion from the Association

Any Ordinary Member can resign from the Association by giving a written notice to the Board of Directors or to the Chairman of the Board. An Ordinary Member can also resign at the Association's General Meeting by giving his or her notice of resignation to be recorded in the minutes of the Meeting.

The Association can expel an Ordinary Member based on grounds for dismissal prescribed in the Association Act. The decision on expulsion is made on the recommendation of the Board of Directors at the Annual General Spring Meeting. The expulsion takes place if at least three fourths of the Ordinary Members present at the Meeting support it. The Ordinary Member to be expelled has the right to be heard before his or her matter is decided.

The Board of Directors must immediately expel an Ordinary Member whose Membership has ceased entirely on the basis of the criteria specified in the statutes or for some other reason.

DECISION-MAKING

8§ General Meetings of the Association

The Association has two ordinary General Meetings a year, one in spring and the other in autumn. The Annual General Spring Meeting is to take place not later than in May, and the Annual General Autumn Meeting is to take place between September and December.

An extraordinary General Meeting is held if the General Meeting so decides, when the Board of Directors deems it necessary or if at least one tenth of the Ordinary Members of the Association so request in writing from the Board of Directors for dealing with an issue specified in the request.

The General Meeting can grant non-members the right to attend and to be heard at the meeting.

The Board of Directors may decide that Ordinary Members may, on specific conditions to be determined by the Board of Directors, participate in a General Meeting or an extraordinary General Meeting over a telecommunications connection or using some other technological device.

9§ Notice of General Meeting

The General Meeting of the Association convenes by notice of the Board of Directors. The notice of meeting is sent to each Ordinary Member by e-mail or text message (SMS), or by post to the address in the Membership register. The notice of the Annual General Spring and Autumn Meetings is sent at least three weeks before the meeting; the notice of an extraordinary General Meeting is sent at least ten days before the meeting.

10§ Voting right of Ordinary Members

Each Ordinary Member has one vote at the General Meeting of the Association.

At the General Meeting of the Association, the Ordinary Members are divided into two groups: music authors and music publishers. A registered professional organisation representing music authors or music publishers is assigned to the group it represents.

Every Ordinary Member present can act as a representative for an absent Ordinary Member from the same group and vote on behalf of that Ordinary Member by proxy given for the Meeting. An organisation or foundation that is represented in the Meeting by a representative cannot, however, act as a representative for another Ordinary Member. The authorisation for the representative must be issued in writing and it can only be issued for one Meeting at a time.

11§ Order of decision-making

Unless otherwise stipulated by these statutes, the following is required for the adoption of a decision:

1. the opinion receives more than half of the total votes cast,
2. in the event of a tie, the vote of the Chairman of the Meeting is decisive,
3. if the decision concerns the alteration of the statutes or the dissolution of the Association it must receive at least three fourths of the votes cast.

Decisions are conducted by open ballot unless an Ordinary Member present demands a secret ballot.

12§ Elections

The majority vote system is applied if elections are not unanimous (relative majority). If there is only one candidate, he or she must receive more than half of the votes cast to be elected. Elections take place by secret ballot. In the event of a tie, the election is decided by lot.

13§ Annual General Spring and Autumn Meetings

The agenda of the Annual General Spring Meeting is as follows:

1. The Meeting is opened.
2. The proxies of the Meeting representatives are checked, and the validity and quorum of the Meeting are confirmed.
3. The Chairman and other necessary officials of the Meeting are elected.
4. The Annual Report and Financial Statements by the Board of Directors, which have been made available to Ordinary Members in the Teosto online service no later than one week before the Meeting, are presented, along with the personal disclosures of private interests of the Chief Executive Officer and each Member of the Board of Directors.

5. The Auditor's Report is presented and the approval of the Financial Statements is decided on.
6. The Annual Transparency Report and Auditor's Report, which have been made available to Ordinary Members in the Teosto online service no later than one week before the Meeting, are presented, and the approval of the Annual Transparency Report is decided on.
7. A decision is made concerning the release from liability of the Board of Directors.
8. A decision is made concerning the use of surplus or the covering of a deficit.
9. The fees for the Members of the Board of Directors and the Auditor are decided on.
10. The Chairman and other Members of the Board of Directors are elected.
11. The Auditor is elected.
12. Other business mentioned in the notice of meeting is dealt with.

An Ordinary Member of the Association can submit a matter for decision at the Annual General Spring Meeting by a written statement, signed by at least five Ordinary Members, that is sent to the Board of Directors no later than at the end of February.

The agenda of the Annual General Autumn Meeting is as follows:

1. The Meeting is opened.
2. The proxies of the Meeting representatives are checked, and the validity and quorum of the Meeting are confirmed.
3. The Chairman and other necessary officials of the Meeting are elected.
4. The Business Strategy and Budget for the following calendar year are approved.
5. Other business mentioned in the notice of meeting is dealt with.

14§ Drawing up the minutes

The Chairman of the Meeting sees to it that minutes are duly kept of all decisions made at the meeting. The Chairman appoints a person present at the Meeting as a Secretary. The minutes are signed by the Chairman and the Secretary of the Meeting and confirmed by the examiners of the minutes.

ADMINISTRATION OF THE ASSOCIATION

15§ Duties and composition of the Board of Directors

It is the duty of the Board of Directors to:

1. represent the Association,
2. direct the Association's general activity in promoting creative music,
3. manage the assets of the Association and take responsibility for the Association's finances,
4. appoint and dismiss the Association's Chief Executive Officer,
5. oversee the work of the Association's office.

The Board of Directors consists of a Chairman and five other Members. Two Members of the Board of Directors must represent popular music authors, one must represent serious music authors and two must represent music publishers. Moreover, one Member of the Board of Directors must be a music author. A 'music author' refers to a composer, arranger, lyric writer or author.

The Annual General Spring Meeting first elects the Chairman of the Board of Directors and then the other Members of the Board of Directors from the Ordinary Members of the Association.

The Board of Directors annually elects two Deputy Chairmen from among its Members.

The term of office of the Members of the Board of Directors expires at the following Annual General Spring Meeting. The Board of Directors may sell, exchange and mortgage the property of the Association.

The Board of Directors appoints an Election Committee by the end of the calendar year preceding the Annual General Spring Meeting for the purpose of submitting candidates for Chairman and Members of the Board of Directors to the Meeting. These submissions are not binding upon the Annual General Spring Meeting. The term of office of the members of the Election Committee expires at the Annual General Spring Meeting.

16§ Meetings of the Board of Directors

The Board of Directors convenes by notice of the Chairman. A meeting notice must be given if three Members of the Board of Directors so request in writing from the Chairman.

The Board of Directors constitute quorum if, in addition to the Chairman or Deputy Chairman, three Members of the Board of Directors are present.

A decision is adopted if the opinion receives more than half of the total votes cast. The majority vote system is applied if elections are not unanimous (relative majority). If there is only one candidate, he or she must receive more than half of the votes cast to be elected. In the event of a tie, the Chairman of the meeting has the decisive vote, in elections the result is decided by lot.

17§ Chief Executive Officer

The Association has a Chief Executive Officer. The Board of Directors determines the duties and mandate of the Chief Executive Officer.

18§ Right to sign for the Association

The Chairman and Deputy Chairman of the Board of Directors have the right to sign the name of the Association each together with another Member of the Board; the Chief Executive Officer of the Association as well as officials separately authorised by the Board of Directors have the right to sign the name of the Association.

19§ Auditor

An accounting company approved by the Central Chamber of Commerce acts as the Auditor.

20§ Finance

The Association's financial year is the calendar year.

The Financial Statements for each financial year are submitted to the Auditor by the end of March of the following year.

MEMBERS

21§ Membership Agreement

Any composer, arranger, lyric writer and author who has musical or related copyright is entitled to join the Association if at least one of his or her works has been performed in public or recorded on an audio or video recording. The same criteria of joining the Association apply to rightholders who, on the basis of inheritance, will or marital right, have received copyright during the period of protection.

A publisher who continuously carries out publishing activities is entitled to join the Association as a publisher Member.

The Association and the rightholder or publisher joining the Association conclude a Membership Agreement. The Board of Directors confirms the content of the Membership Agreement and also determines the grounds and fees of joining the Association.

22§ Term of Membership

Membership enters into force once the rightholder has signed the Membership Agreement and paid the relevant fee.

Membership is in force for the entire duration of copyright protection unless the Agreement is duly terminated before that. After the death of a Member, the Membership transfers to his or her heirs/assignees.

Membership ceases entirely if the Association or the Member terminates the Membership Agreement entirely or, in the case of a publisher Member, the publishing organisation is dissolved. If the Member terminates the Agreement partially, the Membership ceases with respect to the parts of the Agreement that are terminated. If the Membership Agreement is entirely or partially terminated, the rightholder is entitled to receive such royalties that the Association has collected on the basis of the Membership Agreement.

OPERATION OF THE ASSOCIATION'S OFFICE

23§ Duties of the office of the Association

It is the duty of the Association's office to serve the Association's Members in all matters concerning musical and related literary copyright.

The Board of Directors determines the fees charged from the Members to cover the costs incurred by the Association for its services.

24§ Licences for making works available to the public

Based on its Membership Agreements and agreements with foreign copyright organisations, the Association grants licences for public performances of the works it administers and for making administered works available to the public. The Board of Directors defines the licensing terms.

25§ Licences for the reproduction of works

Based on its Membership Agreements and agreements with foreign copyright organisations, the Association grants licences for the public performances of works it administers and for making administered works available to the public. The Board of Directors defines the licensing terms.

26§ Other assignments

The Association may, against payment and on the decision of the Board of Directors, also perform other tasks in accord with the purpose of the Association.

27§ Legal actions

When rights under the Association's administration are infringed, the Association may, without separate authorisation, take legal action deemed necessary by the Board of Directors.

28§ Distributions

The Association assumes the responsibility for its obligations according to its Membership Agreements or other assignments only within the funds collected on the basis of these agreements and assignments.

In accordance with the Association's Membership Agreements and agreements with foreign copyright organisations, all royalties and other fees collected by the Association are distributed at periods determined by the Board of Directors. The distributions are carried out in accordance with the distribution and division rules approved by the General Meeting.

The royalties received from abroad on the basis of the reciprocal representation agreements or other assignments are paid to the rightholders concerned after the deduction of a commission fixed by the Board of Directors.

Royalties of rightholders who are not Members of the Association but for whose copyrights the Association has assumed liability to a third party are reserved until the closing of accounts of the year following the distribution year. These funds can thereafter, upon decision of the Annual General Spring Meeting, be transferred to the next distributions, unless the rightholder concerned has before that demanded his royalties in writing.

29§ Funds

The Association may administer funds that serve its general purpose. Decisions to establish or dissolve such funds, and decisions regarding their rules, operating principles and distribution of moneys, shall be adopted by the General Meeting on submission by the Board of Directors. The Board of Directors decides on increases to the capital of such funds and how the moneys paid into the fund will be invested, besides managing all general administrative matters related to such funds.

DISSOLUTION OF THE ASSOCIATION

30§ Use of funds if the Association is dissolved or ceases to operate

If the Association is dissolved or ceases to operate, the last General Meeting decides how the Association's funds are to be used for the purposes of promoting Finnish music.