



## **Statute of the Association**

### **'Art. Copyright. Cultural Education'**

#### **1. Name of the Association**

1.1. The name of the Association is '*Art. Copyright. Cultural Education*' [in Latvian: 'Māksla. Autortiesības. Kultūrizglītība.' or M.A.K.] (hereinafter: the Association).

#### **2. Aims of the Association**

2.1. The aims of the Association are as follows:

- Protection of copyrights and collective rights management in accordance with the applicable Latvian national and international laws in respect of artworks produced by visual artists (painting, graphics, textile art), visual plastic artists (sculpture, ceramics, glass art, installations), art designers (functional design, metal design, environmental art, interior design, fashion art, clothing design, advertising, form design, industrial design, spatial design, woodwork design, graphic design, jewellery, universal design and other types of design), audio-visual media artists (art of visual communication, stage designing, decorations, performance), artists working in the audio-visual media art subdivision 'Motion. Image. Sound' (animation, digital photo, image and motion, light, digital video, text and image, typography, computer graphics, three-dimensional computer graphics, mixed media compositions), as well as works produced by applied artwork authors, architects (architectural projects – spatial solutions, landscape design projects, architectonic solutions, conceptual design, drawings, models) and art experts (visual arts, cultural history, cultural theory, restoration), including translations;
- Collective rights management for Latvian and foreign visual art copyright holders in the Republic of Latvia;
- Registration of visual art works of Latvian artists, creation and maintenance of a database of visual art works;
- Provision of legal assistance to Latvian artists and art experts working in the field of visual arts;
- Protection of the rights (including professional, economic, social, moral rights) of Latvian artists in the field of visual arts and their legal interests in law enforcement agencies and in relations with other natural persons or legal entities without limitation;
- Promotion of creative activities of Latvian authors of visual art works, promotion of arts development and preservation of cultural and historical values in Latvia;
- Promotion and development of arts development, cultural education and financial support for talented art students;



- Creation of collections and depositories of works of art and cultural and historical artefacts;
- Supervision and protection of the art history and cultural heritage;
- Career development for young artists and designers by enhancing their knowledge and skills in the field of intellectual property management, their ability of integrating themselves into the cultural development processes, the labour market, the art market, and in the development of cultural and creative industries and cultural economic development;
- Working for the public benefit and seeking to acquire the public benefit organisation status.

### **3. Period of Activity of the Association**

3.1. The Association has been set up for an indefinite period of time.

### **4. Admission, Resignation and Expulsion of Members to/from the Association**

4.1. In view of the fact that the Association is a copyright collective management organisation, its members shall be individual holders of copyright or related rights and associations thereof, including other collective management organisations, which agree to comply with the member admission requirements as provided herein.

4.2. The Association is obliged to ensure that each holder of copyright or related rights represented by this organisation is admitted to membership therein.

4.3. If an applicant for the membership in the Association fails to comply with any of the applicable requirements set forth herein, fails to observe the member admission rules or has previously been expelled from the Association for violation of its Statute, the Association shall be entitled to take a motivated decision to refuse admission to the applicant and issue the decision to the applicant in writing.

4.4. The Association may refuse admission to membership therein to any person who:

- is involved in terrorism or works for an anti-government, extremist or criminal organisation;
- poses threat, by his/her behaviour or actions, to the Latvian state and public security, the constitutional democracy, state independence or territorial integrity;
- has a criminal record;
- propagandises, popularises or advocates (including, but not limited to, the use of websites) any kind of violence, mutual hate, aggression, religious animosity or intolerance, or incites racial, national or ethnic hatred.

4.5. A decision on admission of a new member shall be taken by the Board of the Association. The Board must review a membership application within two weeks



from receipt of all necessary documents. When reviewing an application, the Board may choose to invite the Applicant to appear before the Board and voice his/her opinion. Non-appearance of the Applicant is not an obstacle to the adoption of a decision. The Board must notify the Applicant of the adopted decision within one week from the effective date thereof.

4.6. The Board's decision to refuse admission to an Applicant may be appealed by the Applicant in writing to the General Meeting of Members. If the application is declined by the General Meeting of Members, the Applicant shall not be admitted to membership in the Association, and he/she may only file a repeated application for the membership upon expiration of a one-year period.

4.7. A Member may resign from the Association at any time by giving notice to the Board in writing.

4.8. A Member may be expelled from the Association by decision of the Board if:

4.8.1. the Member has delayed payment of a membership fee for more than 6 months;

4.8.2. the Member fails to comply with the General Meeting and Board decisions;

4.8.3. the Member defaults his/her/its responsibilities and obligations;

4.8.4. the Association has information indicating that the Member falls under any of the criteria set forth in Paragraph 4.4 hereof.

4.9. An issue of expulsion of a Member from the Association shall be reviewed by the Board in the presence of the respective Member who shall be invited to appear before the Board and voice his/her opinion. Non-appearance of the Member is not an obstacle for the Board to adopt a decision. The Board decision regarding the expulsion of a Member must be notified to the respective Member within five days of the effective date of the decision.

## **5. Rights and Obligations of Members**

5.1. Members of the Association are entitled to:

5.1.1. Take part in the management of the Association;

5.1.2. Obtain information about the Association's activities, and make themselves familiar with any minutes, decisions and directives issued by the executive bodies of the Association;

5.1.3. Take part in all events organised by the Association, submit proposals on the Association's activities and improvement thereof, express and defend their opinions.

5.2. Members of the Association are obliged to:



5.2.1. Observe the Statute of the Association and comply with all decisions of the Meeting of Members and the Board;

5.2.2. Make regular payments of membership fees;

5.2.3. Support, through active participation, the implementation of the Association's aims and objectives.

5.3. A Member may be charged with specific responsibilities by decision of the Meeting of Members or by decision of the Board. Before charging any Member with extra responsibilities, which are different from those of other Members, the respective Member's consent must first be secured.

## **6. Structural Units of the Association**

6.1. By decision of the Meeting of Members, the Association may establish its territorial and other structural units.

6.2. The activities, rights and obligations of such a structural unit, as well as its relations with the Association, shall be governed by the Charter of the Structural Unit which is subject to approval by the Meeting of Members of the Association.

## **7. Proceedings of the Meeting of Members**

7.1. The Meeting of Members is the highest decision-making body of the Association.

7.2. All Members of the Association are entitled to take part in the Meeting of Members. A Member may take part in the Meeting either in person or by proxy, through one's authorised representative, unless there is a conflict of interest. The Power of Attorney issued to such a representative must be valid for the respective Meeting of Members. The representative shall be obliged to vote as instructed by the Member. One authorised representative may not represent more than one Member.

7.3. An annual Meeting of Members shall be convened by the Association once a year, not later than 31<sup>st</sup> day of March.

7.4. An extraordinary Meeting of Members may be convened on the initiative of the Board or upon written request of at least one tenth of the Association Members indicating the reason for the convening.

7.5. Notice of a Meeting of Members shall be made at least two weeks prior to the day of the Meeting by sending an electronic invitation to each Member's email address as indicated in the Member's contact details submitted to the Association.

7.6. A Meeting of Members shall be deemed duly constituted to transact business if more than half of the Association Members are present thereat.

7.7. If a Meeting of Members cannot be deemed duly constituted to transact business due to a lack of quorum, a repeated Meeting of Members shall be convened within



five-week time, which will be duly constituted with the presence of at least two Members.

7.8. The Meeting of Members shall make decisions by a simple majority of Members present. Decisions related to amendments to the Statute and termination or continuation of the Association's activities shall be made by at least two thirds of Members present.

7.9. Member who cannot be present at the Meeting in person may take part therein and realise their rights via electronic means of communication, such as *Skype* and the like. If a Meeting of Members is held by electronic means of communication, voting must be conducted by identifiable voters. When a Meeting of Members makes decisions using electronic means of communication, electronic voting results must be evidenced by a printout from the electronic archive materials and appended to the Minutes of the Meeting in the form of an Annex. Such minutes shall be signed at the next Meeting of Members by all Meeting executives, who took part in the debates and voting, to certify the authenticity of the Annex and the decisions made.

## **8. Executive Body**

8.1. The executive body of the Association is the Board which is composed of one Member of Board.

8.2. The Board is entitled to transact any business unless it is within the exclusive competence of the Meeting of Members.

8.3. The Board shall perform its duties on a non-repayable basis until the Council of the Association reviews the Board performance and approves remuneration and other material benefits for the Board Members as provided for in the applicable regulatory enactments of the Republic of Latvia.

## **9. Council of the Association**

9.1. The Council of the Association is the supervisory body of the Association which represents Members' interests during the interim between Meetings of Members and supervises the activities of the Board of the Association.

9.2. The Council of the Association shall be composed of at least three Council Members. Council Members shall elect a chairman from among themselves who will organise the Council's proceedings.

9.3. Neither the Association Member, nor any persons who have entered into an employment relationship with the Association are eligible to be elected as Members of the Council.



9.4. The Council shall be elected for a period which is not longer than three years. Council Members are elected and recalled by decision of the Meeting of Members. Council Members may not delegate their powers to any third persons.

9.5. A Council Member may leave his/her office at any time at a notice to the Association. When a Council Member resigns from his/her post, the Meeting of Members elects a new Council Member to fill the vacancy for the rest of the current Council's term.

9.6. If the Council is unable to transact business without the appointment of a new Council Member pending the Meeting of Members, the Council shall instruct the Board of the Association to appoint a provisional Council Member to fill the vacancy in the interim.

9.7. The Council of the Association shall be deemed as having a quorum if more than half of the Council Members are present thereat. The Council shall make decisions by a simple majority of voting Council Members present.

9.8. The Council of the Association shall have the following powers and duties:

1) To supervise the functioning and performance of the Board Members of the Association;

2) To supervise delegation of the Association's functions to dependent management entities, including supervision of the Association's Board activities related to controlling such dependent management entities;

3) The powers delegated to the Council by the Meeting of Members are as follows:

1. *Election and recall of Board Members;*
2. *Assessment of the performance of and approval of remuneration and other material benefits for Members of the Board;*
3. *Appointment and recall of an Auditor;*
4. *Approval of general rules of risk management;*
5. *Approval of real property acquisition, alienation and mortgage transactions;*
6. *Mergers and merger approvals, setting up companies, buying companies or shares in a company;*
7. *Approvals of money borrowed or lent out and approvals of security for the same, including guarantees;*
8. *Approval of terms and conditions for holders of copyright and related rights represented by the Association to issue licences for non-commercial use of their works and related right objects (provided that the above decision-making and approval powers may only fall within the competence of the Council of the Association after first having the relevant issues reviewed basically by the Meeting of Members).*

9.9. The Council of the Association has the following rights:



- 1) To request a report from the Board regarding the Association's current situation at any time and familiarise themselves with all the Board's proceedings;
- 2) To verify the Association's documentation;
- 3) To convene a Meeting of Members or delegate the task of convening thereof to the Board if so needed for the benefit of the Association;
- 4) To determine and approve of remuneration and other material benefits for the Association's Board Members as provided for in the applicable laws of the Republic of Latvia.

9.10. The Council of the Association holds regular meetings, submits a report on its activities at least once a year to the Meeting of Members, and informs about its decisions on issues delegated to the Council which are made in the interim between Meetings of Members.

9.11. Each Council Member shall submit a report to the Meeting of Members on a yearly basis containing such information as listed in Section 14(5) of Law on Collective Management of Copyright.

## **10. Structure and Proceedings of the Internal Audit Body Inspecting Business and Financial Operations of the Association**

10.1. The Association's financial and business operations shall be audited by the Association's Internal Audit Body composed of a Sworn Auditor.

10.2. The Auditor of the Association is appointed by the Meeting of Members for an indefinite period of time. The Auditor may also be appointed by the Council of the Association if the relevant task is delegated to the Council by decision of the Meeting of Members.

10.3. Neither the Association Members nor their family members are eligible to be appointed Auditor of the Association.

10.4. The Auditor of the Association shall:

10.4.1. Verify the Association's annual report, including the income and expenditure statement and the charitable contributions and donations statement, and audit the Association's assets and financial resources;

10.4.2. Issue an opinion with regard to the Association's budget and annual report;

10.4.3. Verify the accounting data included in the annual transparency report and provide the auditor's opinion on the Association's annual transparency report;

10.4.4. Assess the Association's accounting and paperwork;





10.4.5. Provide recommendations for improvement of the Association's financial and business operations.

10.5. The Sworn Auditor conducts an audit at least once a year.

10.6. The Sworn Auditor makes decisions in the form of opinions and reports.

### **11. Rights of Holders of Copyright or Related Rights Represented by the Association**

11.1. At the request of a holder of copyright or related rights, the Association may enter into a collective management agreement undertaking management of any freely selected material rights of the holder of copyright or related rights with regard to freely selected kinds of works or related right objects and territory if: 1) the rights, works or related right objects to be managed, as well as the territory where such management is to take place, falls into the Association's scope of activities; 2) there is no reasonable reason to refuse to undertake such collective management.

11.2. The Association shall conclude a collective management agreement in writing indicating the material rights and works or related right objects which are designated by the holder of copyright or related rights to be managed by the collective management organisation.

11.3. In cases when the Association represents any holder of copyright or related rights without entering into a collective management agreement as provided for in the applicable regulatory enactments, such holders of copyright or related rights shall be entitled to claim due compensation from the Association depending on the rights revenue received.

11.4. Regardless of the basis for representing, the Association shall apply equal terms and conditions to the management of the rights of any holder of copyright or related rights represented by the Association, including as regards the compensation amount, costs of management, collection and distribution of rights revenue, and disbursement of compensation.

11.5. When entering into a collective management agreement, and in such case as mentioned in Section 5(3) of the Law on Collective Management of Copyright, a holder of copyright or related rights shall be entitled to issue licences for non-commercial use of its works or related right objects even if the said holder of copyright or related rights has already entrusted the Association to manage the respective material rights, or if the rights are managed collectively.

11.6. The Association shall work out regulations to be observed by the represented holders of copyright or related rights when issuing licences for non-commercial use of its works or related right objects. Such regulations may not unreasonably affect or limit the copyright or related right holder's right to issue the said licences. The





regulations shall be executed as an Annex to the Collective Management Agreement which is entered into between the Association and the respective holder of copyright or related rights.

11.7. A holder of copyright or related rights shall be entitled to terminate a Collective Management Agreement or collective management of certain rights, works, or other subject-matter, in respect of freely selected territories, by giving the Association at least a six-month notice unless the Agreement provides for a different notice period.

11.8. The Association may provide for in a collective management agreement that termination thereof or termination of collective management of certain types of rights, works, or other subject-matter referred to above shall become effective at the end of the relevant financial year.

11.9. The Association shall continue to manage such rights revenue for the benefit of a holder of copyright or related rights which are collected in the interests of such holder of copyright or related rights: 1) for a period of time before terminating the relevant collective management agreement or collective management of certain types of rights, works, or other subject-matter; 2) according to licences which have been issued before the termination of the collective management agreement or collective management of certain types of rights, works, or other subject-matter.

## 12. Membership Fee

12.1. The Association Members pay a membership fee in the amount of EUR 12 (Twelve euro) on a yearly basis, not later than the 31<sup>st</sup> day of December of each calendar year.

12.2. The Association Members having the status of a student and acquiring higher education in the academic studies programme 'Art' shall be exempt from payment of a membership fee.

12.2. Any Members of the Association who are willing to support the Association may choose to make a voluntary contribution of any amount to the Association's bank account LV34UNLA0055000126751 (AS SEB banka) indicating 'Support to the M.A.K. Association' [in Latvian: 'Biedrības M.A.K. atbalstam'] as the purpose of payment.

For and on behalf of the Association '*Art. Copyright. Cultural Education*':

Jeļena Rapoporte, Member of the Board \_\_\_\_\_

The Statute was approved on 18 April 2019, Riga.