

**STATUTES of FILMJUS**  
(Hungarian Society for the Protection of  
Audiovisual Authors' and Producers' Rights)

- amended and consolidated version -

## I. THE SOCIETY'S NAME

1. The society's name: FILMJUS FILMSZERZŐK ÉS ELŐÁLLÍTÓK SZERZŐI JOGVÉDŐ EGYESÜLETE (hereinafter referred to as „the Society”)
2. The Society's abbreviated name: FILMJUS
3. The Society's English name: FILMJUS HUNGARIAN SOCIETY FOR THE PROTECTION OF AUDIOVISUAL AUTHORS' AND PRODUCERS' RIGHTS
4. The Society's German name: FILMJUS UNGARISCHER VEREIN ZUR WAHRUNG DER URHEBERRECHTE DER AUDIO-VISUELLEN SCHAFFENDER UND FILMPRODUZENTEN
5. The Society's French name: FILMJUS SOCIÉTÉ HONGROISE POUR LA PROTECTION DES DROITS DES AUTEURS ET DES PRODUCTEURS AUDIOVISUELLES
6. The Society's abbreviated name in all foreign languages: FILMJUS

## II. DEFINITIONS

In the present Statutes, the following terms shall be construed in the following manner.

### 7. **Film/audiovisual work**

In the application of the Statutes, any kind of motion picture work is considered a film, regardless of the method of recording, especially feature films, television shows, documentaries, educational films, animated films (including computer animation), video clips, any kind of video work, etc.

### 8. **Audiovisual Author**

The authors of a film are the audiovisual authors that are stipulated in the currently effective copyright law.

### 9. **Heirs**

The heirs to an audiovisual author are the natural persons, legal persons, or de facto corporations that have obtained the audiovisual author's pecuniary rights or any partial entitlement by means of inheritance - including inheritance based on legal claims, testamentary dispositions, compulsory share of inheritance claims, and any other right that falls under the same judgment as these - and whose status as heir has been verified by a certificate of inheritance, a non-appealable decree for the distribution of the estate, a non-appealable court verdict, or an equivalent domestic or foreign

notarized document.

**10. Right holder**

Audiovisual authors or their heirs, or film producers **or their successors** who, on the basis of law, the present Statutes, and other regulations, are entitled to share the royalties that are generated as a result of the Society's activities.

**11. Film producers**

**11.1.** Natural persons, legal persons or de facto corporations complying with the conditions specified in Act LXXVI of 1999 on copyright, (hereinafter CA or the Copyright Act) shall be considered as producers.

**11.2. Independent film producer**

A film producer operating as a business association is considered to be independent, if:

- the share of a public or a commercial media service provider with a nationwide coverage area, is not larger than 25% in the company and
- the annual revenues received from a public or a commercial media service provider with a nationwide coverage area is not larger than the 30% of the annual income of the company.

**III. THE SOCIETY'S HEADQUARTERS**

**12.** The Society's headquarters: 1088 Budapest, Bródy Sándor utca 14; First Floor, #1, Hungary

**IV. THE SOCIETY'S CHARACTER, PURPOSE, AND ACTIVITIES**

**13. The Society's character and purpose**

**13.1.** The Society is a national organization.

**13.2.** It is the purpose of the Society to protect the interests of the affected right holders, in particular to pursue collective rights management through the practice of its activities within the framework of the Copyright Act and the related regulations in order to protect the rights of authors and their heirs, film producers and their successors as well as other impacted rights holders.

**13.3.** It is the purpose of the Society to cooperate with other Hungarian and foreign organizations that are engaged in joint copyright and neighboring rights management.

**13.4.** It is, moreover, the Society's purpose, as a professional and legal representative body for its audiovisual authors members, to promote the development of laws pertaining to the motion picture profession, with the aim of working for the creation of the legal and contractual conditions for exercising rights regarding the so-called primary rights of audiovisual authors, within the framework of which the Society - on the basis of a mandate - can perform, concerning all existing and future Hungarian or foreign films and other audiovisual works (hereinafter films), the mediation of individual contracts on the domestic and foreign use of these films, the conclusion of a contract of exploitation in the name of the mandator or – if so authorized by the mandate – in the Society's own name, the making of a binding statement for the mandators. Furthermore, the Society may issue an invoice on the remuneration for the exploitation in its own name and may also receive this remuneration. The Society shall only use the revenue realized as a result of this activity to reduce its costs. The Society may establish a legal entity or a company without legal entity in order to pursue this activity. In case of such a mandate or the establishment of such company, the procedures to be followed must be regulated in the Rules of Operation and Organization (hereafter: ROO). The Society shall not be an unlimited liability member of a company.

**13.5** It is a purpose of the Society to provide cultural-social support to the film authors and film producers in accordance with the relevant laws.

#### **14. The Society's activities**

14.1. Collective rights management for audiovisual authors and producers, based on law and the decision of the rightholders, according to the resolution of the minister in charge. The bulletin on the resolution of the minister in charge is the appendix of the present statutes. The revenues realized by the activity of collective rights management and deducted by the reasonable administrative costs are distributed by the Society among the affected rightholders, according to the distribution rules of the Society, irrespective of the fact whether the rightholder is member of the Society or not.

14.2. The Society represents audiovisual authors and independent producers – as far as royalties not collected by FilmJus are concerned - in the course of negotiations and conclusion of contracts with the organization entitled to collect the royalties, and with parties obliged to pay royalties. The claims falling under the scope of collective rights management are enforced and exercised by the Society in its own name and as its own claims in litigations. The Society shall enforce its claim in litigations without any other party obliged to be involved in the procedure.

14.3. The Society performs the activities specified in Clauses 14.1 and 14.2 for the benefit of foreign right holders on the basis of mutual or unilateral reciprocity agreements with foreign copyright protection organizations that are engaged in the same activities as the Society, and it establishes and maintains membership in the multilateral non-government international organizations of these organizations.

14.4. The Society keeps records of the works that lie within the scope of the Society's collective rights management as well as the concerned right holders.

14.5. On the basis of authorization, the Society manages rights jointly for other

concerned right holders who are not members of the Society.

14.6. The Society cooperates in preparing laws that concern audiovisual authors and independent producers and in coordinating such bills.

14.7. The Society represents the interests of the members and, in particular, ensures legal representation in matters concerning copyright in connection with collective rights management and matters that have a close material relation with it in accordance with the Rules of Operation and Organization (hereinafter ROO).

14.8. The Society is entitled to create a support fund according to the Copyright Act, for the cultural and social support of audiovisual authors and producers from the remunerations distributable, from the remunerations undistributable for being due to unknown rightholders and to rightholders of unknown residence, from membership fees and incomes deriving from activities not connected with the Society's collective right management. The support fund can be distributed by the organization or organizations created for this purpose.

### **15. The nature of the Society's activities**

15. The Society pursues the activities listed in Clause 14. as non-profit activities.

15. 2. The Society shall not pursue any political activity, its organization is independent from any political party and it shall not provide financial support for any such organization. The Society shall not perform any political party activity, it shall not nominate a candidate for the Parliamentary or municipal (county or capital city) elections.

15.3. The Society has to comply with the operational and management rules set in the Copyright Act, concerning collecting societies.

## **V. THE SOCIETY'S REVENUES**

16. Membership fees

17. Revenues deriving from the collective rights management specified in Clause 14, from these the Society deducts a reasonable amount of administrative costs for maintenance.

18. The revenue of the activity specified under point 13.4 and the occasional donations to the Society made by private individuals and legal persons.

## **VI. MEMBERSHIP RULES**

19. All concerned right holders are entitled to join the Society - by giving authorization for collective rights management in accordance with the Society's appropriate regulations - in accordance with the following conditions.

19.1. Audiovisual authors, whether considered resident or non-resident in accordance with the laws concerning foreign currency, who are natural persons and request to be a

member in writing, accepting the Statutes of the Society and who - prior to the submission of a membership application - have produced a work which is to be taken into account in the distribution according to the Rules of Distribution of the Society or cooperated in the production of such work in a creative manner, and this work has already been set to programme and communicated to the public by any national, regional or local, linear or on-demand audiovisual media service provider, can be members of the Society.

19.2. Heirs to audiovisual authors can also be members of the Society, if they fulfil the conditions stipulated in Clause 9.

19.3. Film producers that fulfil the conditions stipulated in Clause 11.1 of the Statutes and their successors having acquired the economic rights of the film producer and their position as successors is proved by domestic or foreign notarial document or private document, can also be members of the Society.

20. The Society can have only ordinary members. There is no honorary or supporting membership.

21. Persons intending to join the Society must be familiar with and accept the Society's Statutes and make a statement of joining as a condition for membership in the Society.

22. The Executive Committee of the Society, in order to decide on whether to accept someone as a member, is entitled to examine whether the audiovisual author or producer who submitted the membership application actually did cooperate in creating or producing the film and whether or not the film or films in question were ever shown in public. Within this framework, the Executive Committee is entitled to reject applications for membership.

23. Audiovisual authors and their heirs can only be members of the Society, if they issue a statement when they join the Society as to whether they are executives, senior officers, or members/employees with the right of representation at any so-called Hungarian or foreign non-independent (compare with Clause 11.2) film-producer, audiovisual program producer, media service provider organization. If audiovisual authors or their heirs hold such positions, they can only become members of the Society, if when they join the Society, they promise voluntarily and in writing that they will not hold any office-holder position in the Society.

24.1. Membership commences once a candidate has been accepted as a member. The Executive Committee decides, if a candidate can be accepted as a member. The private individuals who participated in the Society's founding general meeting, declared the establishment of the Society, and accepted the Statutes, shall become members of the Society by applying the provisions stipulated in Chapters VI and VII of the Statutes.

24.2. Audiovisual authors, heirs, and producers who would like to become members must submit membership applications to the Society. The Executive Committee decides on the applications at the next meeting on the basis. If an applicant fulfils the membership requirements specified in the Statutes, the Executive Committee will accept the applicant as a member. Membership commences on the day the Executive

Committee makes its decision.

25. Membership terminates upon a member's resignation, expulsion, death, or termination.

25.1. Members must send the Executive Committee a written statement concerning their intention to resign, and the Executive is obliged to announce the resignation at its next meeting. Then, the Executive Committee removes the resigning member's name from the members' list and provides the resigning member with written notification thereof. Membership terminates on the day the Executive Committee determines the resignation.

25.2. Members who, despite written notice of the representative of the Society, do not fulfil their obligations within the deadline specified in this written notice to the Society or otherwise severely damage the Society's interests can be expelled from the Society. The Board makes the decision concerning expulsion on the basis of the Executive Committee's recommendation. The member's membership terminates on the day the Board makes the decision on the termination of membership. An expelled member is entitled to take legal proceedings for the annulment of the expulsion decision within 30 days of notice.

### **Members' Rights and Obligations**

26. The Society's members are entitled to do the following:

26.1. On the basis of the Society's activities pursued in accordance with Clause 14.1, the members are entitled to share the royalties to which they are entitled after distribution.

26.2. Members are entitled to participate in the Society's activities and events, they request information in the FilmJus newsletter at least once a year, or on the website of FilmJus and make proposals in accordance with the present Statutes and the Society's other regulations.

26.3. Members are entitled to elect and be elected to the Society's bodies in accordance with the provisions of the present Statutes.

26.4. The members of the Society who are scriptwriters are entitled to establish the Society's Scriptwriter Section, the operation of which is regulated by the ROO.

26.5. The Scriptwriter Section is entitled to delegate one member to serve in the Board in an advisory capacity, who has the right of consultation.

26.6. The members of the Society who are independent film producers are entitled to establish the Society's Producers Section, the operation of which is regulated by the ROO.

26.7. The Producers Section is entitled to delegate one member to serve in the Board in an advisory capacity, who has the right of consultation.

27. The Society's members are obliged to do the following:

27.1. The Society's members are obliged to pay membership fees.

27.2. The Society's members are obliged to authorize the Society to perform the collective rights management specified in Clause 14.1.

27.3. The Society's members are obliged to provide the Society with the necessary data for the Society to perform collective rights management and deduct the taxes (advances) and other public dues specified in law - including the appropriate personal data - and to notify the Society of any changes in these data.

27.4. In the case of nomination to any position in the Society (membership in the Board, the Executive Committee, the Supervisory Board, or other bodies or committees created by the Society), the Society's members are obliged to state whether any change has taken place since they joined the Society with regard to being an executive, senior officer, member or employee with the right of representation in a domestic or foreign so-called non-independent producer organization according to Clause 11.2., audiovisual program producer, media service provider organization.

27.5. The Society's members are obliged to give their consent to the Society to manage the data listed in Clause 27.3 and to disclose these data to third parties if so stipulated by law or if it is otherwise necessary for collective rights management.

27.6. The members of the Society who are audiovisual authors are obliged to report to the Society concerning their newly made and used works and the film producers are obliged to report to the Society concerning the films that they have produced in accordance with the regulations stipulated in the ROO. The person who is obliged to make the report bears responsibility for damages stemming from failure to report a work.

28. The member of the Society shall not endanger the execution of the purposes of the Society.

## **VII. OTHER CONCERNED RIGHT HOLDERS**

29. The Society also performs collective rights management on behalf of other right holders who do not become members in accordance with the Copyright Act. The ROO regulates the activities that can be pursued by the Society on behalf of other right holders who are not members.

## **VIII. THE SOCIETY'S ORGANIZATION**

30. Election and recall of the members of the Board and the Supervisory Board.

30.1. The members of the Society elect directly the members of the Board and the Supervisory Board. This right is exercised at the Electoral Meeting. The Electoral Meeting has to be convened once every four (4) years (ordinary election). Extraordinary meeting has to be held in case a new member has to be elected to the Board or the Supervisory Board for membership termination for any reason or in order to secure the



quorum of the Board and the Supervisory Board and furthermore if the members of the Society propose to recall a member of the Board or the Supervisory Board according to the Statutes. In case of extraordinary election, the Electoral Meeting has to be convened within three months from arising of the reason of election.

30.2. The Electoral Meeting is convened by the Executive Committee.

30.3. Members must be notified on the convocation of the Electoral Meeting with an invitation that contains the place, time of election, agenda of the Electoral Meeting, and information on the method of nomination and election, Clauses 30.6 and 30.7. of the Statutes and execution of the elective right. Invitations must be sent out at least 30 days before the Electoral Meeting.

30.4. A member who is a natural person can only participate in the Electoral Meeting in person, he/she cannot exercise his/her rights in the Electoral Meeting by his/her representative. The business or other organization whether legal person or not shall be represented by its court registered representative or the authorized proxy of this representative. The authorization must be issued in a private deed with full probative effect. The representative is obliged to adequately certify his/her right to representation.

30.5. An attendance sheet must be prepared of the members who are in attendance at the Electoral Meeting. The attendance sheet must include the members' names, addresses or headquarters, and, in the case of non-private individual members, the names of their representatives. The chair of the Electoral Meeting and two authenticators of the minutes authenticate the attendance sheet with their signatures. The President of the Society shall act as chairman at the Electoral Meeting, if unable to attend, the members of the Society shall elect a person from themselves to act as chairman. For the time of election of the Board of the Society the president of the society shall transfer the chairman function to a member of the Society who is not a member of the Board. The attendants of the Electoral Meeting shall elect one person from themselves to take the minutes and two others to authenticate the minutes. A person can be elected for taking or authenticate the minutes and - if it is necessary - being a chairman, in case she/he is able to participate in the whole time of the Electoral Meeting.

30.6. The election is valid if more than half of the society members is present at the Electoral Meeting.

30.7. If the repeated Electoral Meeting is convened by the Society with the original invitation for any time within 15 days of the date of the original Electoral Meeting regarding the matters that on the original agenda, election shall be valid regardless of the number of attendants.

30.8. Members are entitled to decide only upon the nomination of the members of the Board and the Supervisory Board, the list concerning the nominated persons, the voting and – if the conditions of the recall are fulfilled – the recall.

30.9. If the present Statutes orders open vote, vote can be cast by hand, ballot or any electronic device. In case of using electronic device, it is needed to have in advance a statement in private deed with full probative affect - from the person or organization

executing the technical arrangement of the voting – on that the device records the number of the votes, content and the result of the voting (voting data) reliably and faithfully and furthermore the device renders it possible to make copy about the voting data and to inform the members about them.

30.10. Members of the Board and the Supervisory Board can be nominated by open nomination. The four-membered nomination committee elected and assigned by the Board makes a proposal on the members of the Board and the Supervisory Board. In the course of nomination it has to pay attention to the proper rate of the right-holders (directors, screenwriters, directors of photography and producers), affected by the collective right management activity of the Society. All members of the Society have the right to propose nominees to the Board and the Supervisory Board. Those Society members, who participate in the Electoral Meeting can decide on putting members on the nomination list with an open vote and a simple majority of the votes.

30.11. Three elected tellers make a list alphabetically containing the nominees (list of nominees).

30.12. The members of the Society elect the members of the Board and the Supervisory Board from the nominees by a secret vote in the following way: a list of nominees supplied by the member shall be considered a valid vote only if it contains such a number of unambiguous voting marks as indicated on the ballot, without correction beside the names of the nominees at the most as much number of members should be elected to the Board and the Supervisory Board according to the Statutes.

30.13. The nominees who receive the most of the votes – counted separately for the number of members of the Board and the Supervisory Board set by the Statutes - compared with all of the valid votes shall be considered elected members of the Board and the Supervisory Board. If there are more nominees on the list that may be elected to members of the Board or the Supervisory Board, in case of equal number of votes voting shall be repeated concerning the nominees affected and obtained a decisive number of votes.

30.14. The two (2) nominees, who received the most of the votes following the elected members of the Board and the Supervisory Board in order, shall be considered as supplementary members of the Board and the Supervisory Board. As far as supplementary members are concerned, in case of equality of votes, the older nominee shall be considered as elected.

30.15. If the member of the Board or the Supervisory Board defaults her/his obligations towards the Society deriving from membership and stated in the Statutes or in any other internal regulation of the Society, or fails to comply with the conditions of membership regulated in the Statutes, or if she/he is unable to carry out her/his function permanently, he/she has to be recalled.

30.16. It is possible to recall the member of the Board or the Supervisory Board, if she/he behaves in a way that endangers the achievement of the aim of the Society or interferes seriously the interests of the Society.

30.17. It is possible to recall the member of the Board or the Supervisory Board also if at least 10% (ten percent) of the members of the Society propose the recall together with naming the new member nominated instead of the member of the Board or the Supervisory Board proposed to be recalled. In this case, it is not necessary to explain the proposal beyond the reference to mistrust.

30.18. The proposal on the recall of the member of the Board or the Supervisory Board has to be delivered to the Executive Committee in a written form, with the proper explanation. The list of the proposers' names – which consists legibly the name, address or seat and the signature of the member or in case the member is an organization, the signature of its representative - has to be enclosed to the proposal.

30.19. The members decide upon the recall with secret vote and a simple majority of votes at an extraordinary Electoral Meeting convoked for this reason. The affected member shall not participate in the decision on the recall.

30.20. In case of the Board or the Supervisory Board member's death, resignation or termination of membership, a supplementary member replaces her/him. Among the supplementary members, the one received most of the votes or in case of equality of votes, the oldest one is entitled to replace the member. If there is no supplementary member or in case of recall of the member of the Board or the Supervisory Board, the rules of the Statutes shall be applied for the election of a new member with the difference that the election shall be arranged only concerning the new member. In case of recall and election, based on the Clause 30.17., if the member of the Board or the Supervisory Board expressly accepts her/his nomination the person indicated as a nominee by the proposal shall be considered as a nominee.

30.21. Minutes must be taken of the Electoral Meeting, that contain the following:

- a) The Society's name;
- b) The time and place of election, the number of participants;
- c) The name of the chair of the Electoral Meeting, the keeper of minutes, the authenticators of the minutes, and the people who count the votes;
- d) The course and the most important events of the election;
- e) The preliminary nominations, the nomination proposals and the valid nominations during the election;
- f) The results of the election and the recalls if any, within this the number of valid and invalid votes, and within the valid votes the number of votes for and against each nominee;
- g) Any possible objections made by members against a decision if the person who protests so requests.

30.22. The minutes shall be signed by the chair of the Electoral Meeting, and the minutes secretary and confirmed by two duly chosen authenticators. The attendance

sheet must be enclosed to the minutes.

30.23. The result of the election shall be published on the website of the Society. Any member is entitled to request information concerning the Electoral Meeting from the Executive Committee on the basis of the authenticated copies of the Electoral Meeting's minutes. The information shall include the number of participants, the list of nominees, the result of the election and the recalls if any and within this the number of valid and invalid votes, and within the valid votes the number of the votes for and against each nominee. The members of the Society are entitled to view the minutes and request copies of them - at their own expense.

## **31. THE BOARD**

31.1. The Board is the supreme body of the Society.

31.2. The following fall within the exclusive jurisdiction of the Board:

31.2.1. Acceptance and modification of the Statutes,

31.2.2. Acceptance and modification of the ROO and the Rules of Distribution including the support-policy, which must not contradict the Statutes,

31.2.3. Decision on the union of the Society's with another non-profit organization and on the winding up.

31.2.4. Election and recall of the members of the Creation Committee from among the members of the Society and the election and recall of the members of the Executive Committee and the President from among the members of the Board and settlement of the salary - if any - of the Creation Committee, the Executive Committee and the President,

31.2.5. The Board has the Executive Committee and the Supervisory Board reported every year and it accepts the report,

31.2.6. Decision on the separation, base and amount of the allowance available for the rightholders' interests in accordance with the purposes of the Society,

31.2.7. Ad hoc decision on the usage of the remuneration incomes in the interest of the rightholders, in accordance with the regulation of the Statutes and the Distribution Rules (support policy) concerning usage for such purposes,

31.2.8. Settlement of the annual budget and acceptance of the financial report of the Society.

31.3. The Board is not entitled to assign its jurisdiction regulated in Clause 31.2.

31.4. The Board consists of 15 members. Its members are elected for four years by the members of the Society according to the regulations of the Statutes. The members of the Board can be reelected. The membership function in the Board terminates at the end of the first valid election of the members of the Board, held after the expiration of

the four-year-long period, in case of the member's death, resignation, recall or termination of her/his membership in the Society.

31.5. The Board shall be convened at least twice a year. The Board shall be also convened in case the Court orders so, or at least 1/3 of the Society's members requires it in a written form, indicating the reason and the purpose. If it is necessary, the Board may be convened anytime.

31.6. The Board shall be convened by the Executive Committee. In case the Electoral Meeting elects a new Board, the invitation to the Electoral Meeting shall include the invitation to the first meeting of the new Board. In this case, the first meeting of the Board shall be convened to the closest possible date after the Electoral Meeting.

31.7. The members shall be informed by a written invitation on the convening of the Board, including the place, date and the agenda of the meeting. Invitations shall be sent at least 15 days before the meeting of the Board.

31.8. The invitation shall include – in addition to the data mentioned in the previous Clause – information on the effects of no quorum and on the exercise of the voting right.

31.9. The member can participate only personally at the meeting of the Board.

31.10. An attendance sheet shall be made on the members attending the Board meeting indicating the name and address of the member and - if the member is a representative of a film producer company - the name of this producer company. The attendance sheet shall be confirmed by the signature of the chair of the meeting and those two members, who authenticate the minutes.

31.11. The chair of the Board meeting is the President of the Society, if she/he is unable to attend, the members of the Board elect a chair from among them.

31.12. The participants at the meeting elect a minutes secretary and two members, who will authenticate the minutes from among them, in accordance with Clause 31.20.4.

31.13. The Board is quorate if minimum 50% of the members plus one person are present.

31.14. If the Board is not quorate, the second Board meeting convened with the original invitation for any time within 15 days of the date of the original Board meeting, shall be quorate concerning the matters on the original agenda regardless of the number of members attending.

31.15. The quorum can be determined for each agenda item in consideration of departures during the Board meeting.

31.16. The Board can only make decisions on matters not specified in the invitation if all members are present at the Board meeting and 50% of the members plus one person consent to make the decision.

31.17. The Board usually makes its decisions with an open vote on the basis of a simple or qualified majority of the votes. The Society's administrative and representative bodies must be elected by a secret vote. A simple majority of votes entails 50% of the members in attendance plus one vote. A qualified majority consists of two thirds of the votes cast by the members in attendance. A qualified majority of votes is necessary in the case of agenda items concerning changing the Society's name, headquarters, or activities and in the case of agenda proposals concerning the termination of the Society or its merger with another organization.

31.18. Election of the Executive Committee, the Creation Committee and the President: The nomination committee, elected and assigned by the Board, proposes the nomination of members to the Executive Committee, the Creation Committee and the President. In the course of making the proposal, the nomination committee has to pay attention to the proper proportion of all rightholders' groups (directors, directors of photography, screenwriters, producers) affected by the Society's collective right management activity. The members of the Board decide on putting members on the nomination list with an open vote and a simple majority of the votes. The election of the members of the Executive Committee, the Creation Committee and the President takes place according to Art. 30.11 - 30.13. of the present Statutes.

31.19. For the recall of members of the Executive Committee, Art. 30.15 – 30.19. shall be applied.

31.20. Minutes must be taken of the Board meeting containing the following:

31.20.1. The Society's name, the time and place of the Board meeting,

31.20.2. The names of the chair of the Board meeting, the keeper of minutes, the authenticators of the minutes, and the people who count the votes,

31.20.3. The agenda of the Board meeting, important events, proposed motions, decisions concerning agenda items, the number of votes for and against each decision, the number of people abstaining from each vote, the number of people who might have departed in the course of the proceedings so that the total sum of the numbers is the same as the number of people who were originally present and quorum can be determined, any possible objections made by members against a decision if the person who protests so requests.

31.20.4. The minutes shall be signed by the chair of the Board meeting and the keeper of minutes, and authenticated by two duly chosen voting members who are present at the close of the Board meeting. The attendance sheet must be enclosed to the minutes.

31.20.5. Any member is entitled to request information concerning the Board meeting from the Executive Committee on the basis of the authenticated copies of the minutes of the meeting. The Society's members are entitled to view the minutes and request copies of them at their own expense.

## **32. THE EXECUTIVE COMMITTEE**

32.1. The Executive Committee is the Society's supreme administrative and representative body.

32.2. The scope of the Executive Committee's authority extends to all matters that the present Statutes expressly assign to the Executive Committee's jurisdiction as well as all matters, even those not expressly assigned to the Executive Committee's jurisdiction in the Statutes that are not referred by the present Statutes to the jurisdiction of the Board. With the exception of the exclusive powers specified in Clause 32.3, the Executive Committee is entitled to assign its powers to the President or the Chief Executive Officer in accordance with the provisions of the ROO.

32.3. The following fall within the exclusive jurisdiction of the Executive Committee:

32.3.1. The Executive Committee reports to the Board every year,

32.3.2. The Executive Committee submits proposals to the Board concerning those matters that belong to the exclusive powers of the Board, with the exception of the matters listed in Clauses 31.2.1-31.2.5,

32.3.3. The Executive Committee elects and removes the Chief Executive Officer. It exercises employer rights with regard to the Chief Executive Officer (if the Chief Executive Officer has been employed or has other legal relations with the Society aimed at work) and principal's rights in the case of commission or assignment,

32.3.4. The Executive Committee makes decisions concerning membership issues.

32.3.5. The adoption and modification of the Society's communications on tariffs (tariffs), if the Society accepts membership regulations the Membership Regulation and all other internal rules, if they are necessary to have, beyond the Statutes, Distribution Rules and ROO.

32.4. The Executive Committee consists of five members. Its members are elected by the Board for four years, according to the regulations of the Statutes. The members can be reelected. The membership in the Executive Committee terminates at the end of the first valid election of Executive Committee after the expiration of the four-year-long definite term, furthermore, in case of the Executive Committee member's death, resignation, recall or the termination of her/his membership in the Society.

32.5. The ROO regulates within the framework of the present Statutes the convening of the Executive Committee, the attendance, quorum, decision-making, the taking of minutes, and other issues regarding the operation of the Executive Committee.

## **33. THE SUPERVISORY BOARD**

33.1. The Supervisory Board is an internal body of the Society that is created by the members. The Supervisory Board is entitled to request reports and information from the Society's administrative and representative bodies, the President, the Chief Executive Officer, and the Society's executive employees and examine the Society's books and

documents.

33.2. The Supervisory Board is obligated to examine the annual reports to be submitted to the Board, the budget, the balance sheet, and the profit and loss account. The chairman of the Supervisory Board presents the results of the examination to the Board and the Executive Committee. Without this, no valid decisions can be made concerning the annual and four-year reports, the budget, and the balance sheet.

33.3. The Supervisory Board consists of three members. Its members are elected for four year terms. The members can be reelected. The membership in the Supervisory Board terminates at the end of the first valid election of Supervisory Board after the expiration of the four-year-long definite term, furthermore, in case of the Supervisory Board member's death, resignation, recall or the termination of her/his membership in the Society.

33.4. The Supervisory Board's order of business regulates the manner in which the Supervisory Board is convened, attendance, quorum, the manner in which decisions are made, the minutes, and other issues regarding the operation of the Supervisory Board. The Supervisory Board determines its own order of business.

33.5. The members of the Supervisory Board may attend all meetings of the Board, with the right of consultation.

33.6. If the Supervisory Board realizes unlawful activity or any matter or malpractice that conflicts the Statutes or the decision of the Board, it informs the Executive Committee immediately in a written form, in a serious case it proposes the convening of the Board to the Executive Committee, immediately in a written form.

## **34. THE PRESIDENT**

34.1. The President is the executive officer and professional representative of the Society'. The President independently represents the Society vis-à-vis Hungarian and foreign persons and authorities. The President is entitled to sign independently for the Society; that is, the President independently writes his full name beneath the Society's pre-written, stamped, or printed name in accordance with his valid statement of procuration. The joint signatures of the President and the chief Executive Officer or the chief Accountant are necessary for the disposal over the bank account. The President may assign his representative rights concerning a specific group of affairs – except the disposal over the bank account – to the chief Executive Officer or employees or commissioners of the Society.

34.2. If the President is hindered in representation, the chief Executive Officer and the chief Accountant will be entitled to sign jointly on behalf of the Society; that is, the signatories will jointly write their full names beneath the Society's pre-written, stamped, or printed name. If the President is hindered in representation the joint signatures of the Chief Executive Officer and the chief Accountant are necessary for disposal over the bank account.

34.3. If the Chief Executive Officer is carrying out the tasks of the chief executive officer within the framework of a social and public assignment, the President will carry out the



tasks specified in the first sentence of Clause 35.3.

34.4. The President is a member of the Executive Committee and the chair of its meetings. Should he be incapacitated, the Executive Committee elects a chair.

34.5. The President is elected by the Board for four years. Articles 30.15-30.19 of the Statutes shall be applied accordingly for the recall of the President. The President can be reelected. The presidency terminates at the date of registration of modification by the Court following the first valid election of President after the expiration of the four-year-long definite term, the resignation, the termination of the President's membership in the Society or the recall, and furthermore in case of the President's death.

34.6. The President bears responsibility for the performance of obligation of the Society to report stipulated in the laws on accounting and for keeping the books of the Society in accordance with the regulations. The President makes annual reports to the Executive Committee concerning the Society's activities, assets, and the amount of royalties collected and distributed. This report constitutes the basis of the report to be submitted to the Board of the Society.

### **35. THE CHIEF EXECUTIVE OFFICER**

35.1. The Chief Executive Officer is the Society's administrative and representative body. The position of the chief executive officer can be filled within the framework of employment, other legal relations aimed at work, or social and public assignment. The Chief Executive Officer is obligated to perform the tasks that are assigned to her/him in his employment contract or assignment contract.

35.2. The Executive Committee elects and assigns the Chief Executive Officer on the basis of Clause 32.3.3 of the present Statutes for an indefinite period in accordance with the Executive Committee order of business regulations. The regulations that govern the election of the Chief Executive Officer must be appropriately applied to removing the Chief Executive Officer. Normally, the Executive Committee exercises employer rights and the rights of the principal with regard to the Chief Executive Officer.

35.3. The Chief Executive Officer has individual responsibility for the Society's work organization, and she/he exercises employer rights with regard to all of the Society's employees. This rule does not have to be applied if the Chief Executive Officer carries out his tasks within the framework of an assignment. The Chief Executive Officer exercises the rights of the principal with regard to the Society's mandantees. The Chief Executive Officer is entitled to make decisions on all matters that the law or the present Statutes do not refer to the jurisdiction of another body or the Society's superior bodies. The Chief Executive Officer's decisions cannot contradict the decisions of the Society's superior bodies. The President is not considered the Society's superior body.

35.4. The Chief Executive Officer and persons granted advisory capacity by the Chief Executive Officer are entitled to attend the meetings of all of the Society's bodies that are specified in the present Statutes or in other internal regulations.

35.5. Should the Chief Executive Officer be incapacitated in representing the Society, he/she may be replaced – except concerning the disposal over the bank account – with

two employees or mandatees duly authorized for such representation in the ROO. The Chief Executive Officer is entitled to assign his/her right of representation concerning a specific group of affairs – except the disposal over the bank account – to employees or mandatees of the Society specified in the ROO.

35.6. The chief executive officer function terminates in case of the Chief Executive Officer's death, recall, resignation and the termination due to any other reason of the employment or assignment contract concluded for an indefinite term.

## **IX. OTHER PROVISIONS**

36. Within the framework of the applicable laws and the present Statutes, the Society is entitled to issue additional regulations, other than those mentioned in the present Statutes, with regard to other matters concerning its operation.

37. In case the Society is wound up without legal successor, the remaining property – after the satisfaction of the creditors' claims – shall be distributed among the members of the wound Society and those film directors, directors of photography, screenwriters and film producers, who mandated the Society with the collective right management, in the same rate as the above mentioned rightholders shared the royalties according to the last distribution of the Society.

38. Clause VI. of the present Statues includes the Membership Rules of the Society.

Budapest, 23th March, 2012

I, the undersigned György Kabdebó certify that the consolidated text of the above constituting document corresponds to its content in force according to the amendments of constituting document.

György Kabdebó  
President

