

STATUTES of FilmJUS

(Hungarian Society for the Protection of Audiovisual Authors' and Producers' Rights) - amended and consolidated version – in a unified structure with the amendments adopted on the 11th of February 2016

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 AUDIO-VISUAL 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 right holders, according to the resolution of the minister in charge. The revenues realized by the activity of collective rights management and deducted by the reasonable administrative costs are distributed and paid out by the Society among the affected right holders, according to the distribution rules of the Society, irrespective of the fact whether the right holder is member of the Society or not. The Society determines royalties and other terms and conditions of usage of the managed authors' rights and related rights, and if necessary, participates in the evolving of the tariffs related to the royalties not collected by them, as well as it authorizes usages regarding the rights managed by itself.
- 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 collective rights management 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 right holders and to right holders 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.
- 14.9. The right holder can terminate (exit) the collective rights management mandate of the Society according to the legal provisions in force, which dismissal enters into force only at the end of the financial year according to its notice and applies to only the uses happening after this.

15. The nature of the Society's activities

15. 1. The Society pursues the activities listed in Clause 14. as non-profit activities.
15. 2. The Society does not engage in any direct or indirect political activity, it is independent from political parties, it does not provide them any financial support or accept any financial support from them. The Society does not carry out any party political activity, it does not submit candidates on the Parliamentary elections, on the election of the representative bodies of counties, cities and county towns, the members of the European Parliament, mayors, local and minority representative bodies, as well as it does not support them in any ways.
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 AND THEIR MANAGEMENT

16. One of the revenue sources of the society is the membership fees. Membership fee is 1.200.- HUF/year. Members are obliged to pay in the membership fee each year until the 30th of June, on the postal check sent out or by transferring the amount to the bank account of the Society. Members entering the Society during the year are obliged to pay in a proportional membership fee calculated on the basis of the remaining months of the given year.
17. 1. The main revenues derive from the collective rights management, specified in Clause 14, from these amounts the Society deducts a reasonable amount of administrative costs for operation. Administrative costs are justified if they are reasonably necessary for carrying out the collective rights management activities, they are beneficial for the persons concerned and they arise provenly during regular and reasonable management.

- 17.2. Deductions can be made from royalty revenues to other purposes exclusively to purposes expressly specified by the present Statutes or by the Rules of Distribution within its framework, with the exception of obligations based on a statutory and regulatory decision or on an obligatory provision.
- 17.3. The Society performs the distribution of royalties as soon as possible, but at latest until the end of the third quarter of the following year, and until this deadline the Society will do everything in order to pay them out. In the case of unknown right holders or those whose whereabouts are unknown, the Society bends every effort in order to pay them out, in the course of which it acts in accordance with the Distribution Rules.
- 17.4. The Society leads a double-entry bookkeeping, it certifies its annual financial statements with an auditor. The Society keeps the following on separate accounts:
 a) royalty revenues and the income from the investment of royalties, as well as
 b) any existing own instruments and the income of such instruments, management fees or other activities.
 Furthermore, the Accounting Policy accepted by the Board contains the accounting rules.
- 17.5. The Society handles both the part of royalty revenues which can be invested temporarily, both its own assets with due diligence, in accordance with the regulations of the Investment and Risk Management Policy.
- 17.6. The Society disposes freely – in accordance with its operational objective - with its own assets which are not involved in distribution.
- 17.7. The Society does not provide credit or cover for credit.
18. Further revenues derive from the activity, specified under Clause 13.4., the results of which the Society can use primarily to reduce the costs of collective management, furthermore to distribute and pay out royalties to the rightholders. The revenues of the Society can include occasional donations 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 but no later than within 90 days with simple majority on the basis of the proposal of the President. 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. In case of refusal, there is no right of appeal.
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. The justification of the statement is not necessary. 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 fulfill 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 member may also be excluded in the case of falling short of membership payment through twelve months. A member may only be excluded in case of failing to pay the membership fee if following the expiration of an at least twelve months omission, the President calls on the member in writing – by tackling extension of time and penalties, namely by a warning to detention – to fulfill the membership fee arrears, which request remains unsuccessful following the additional deadline as well.

The Board makes the decision concerning expulsion on the basis of the Executive Committee's recommendation. The Board makes the decision on the exclusion with a simple majority on an open voting. The member concerned shall be invited to the meeting of the Board when deciding on the exclusion, in the invitation the member shall be warned that his absence does not prevent the decision. The member shall be given an opportunity to defend himself/herself.

The member's membership terminates on the day the Board makes the decision on the termination of membership. The decision on the exclusion shall be written down and shall be reasoned. In the explanatory the reason/reasons of the exclusion and their supporting evidence shall be revealed. The decision shall be communicated to the parties concerned within eight days by postal service with the warning to the opportunity of legal remedy. 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 receive 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 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 are entitled to establish professional sections. The operation of the sections is regulated by the ROO.
- 26.5. Each 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 fee.
 - 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 and shall not continue any activity which damages the reputation 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 cannot exercise his rights in the Electoral Meeting by his 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 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 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, the repeated Electoral Meeting shall be quorate 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 an 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 may be only individuals. 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, the mandate of which nomination committee lasts until the election of the next nomination committee appointed to the next Electoral Meeting. In the course of nomination it has to pay attention to the proper rate of the right-holders (directors, directors of photography, screenwriters, producers, costume and set designers, synchronous writers and synchronous directors) affected by the collective rights management activity of the Society as far as possible, which however, shall not impede

the electoral process. All members of the Society have the right to propose nominees to the Board and the to members of 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 decisivenumber 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 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, if there is a conflict of interest against him or if he is unable to carry out his function permanently, he has to be recalled.
- 30.16. It is possible to recall the member of the Board or the Supervisory Board, if he behaves in a way that endangers the achievement of the aim of the Society or interferes seriously the interests or the reputation 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 (authorized) 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, however the rights described in 25.2 have to be provided to the member.
- 30.20. In case of the Board or the Supervisory Board member's death, resignation, recall or termination of membership, a supplementary member replaces 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 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 participating members;
- c) The name of the chair(s) of the Electoral Meeting, the keeper of minutes, the authenticators of the minutes, the members of the nomination committee 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 decision-making 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, the Investment and Risk Management Policy 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 (cessation).

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, amount and utilization of the allowance available for the right holders' 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 right holders, 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 as well as - in so far as the law requires - the adoption of the annual transparency report.

31.2.9. Election, recall and determination of the remuneration of auditors,

31.2.10. Approval of a contract concluded by the Society with its members, its executive officers or their relatives,

31.2.11. Acquisition, transfer or approval of burden of real estates,

31.2.12. Approval of borrowing,

31.2.13. Decision on the enforcement of the compensation claims against current and former Society members and executive officers,

- 31.2.14. Decisions on all matters which, by law or by the statute are in the responsibility of the Board.
- 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 with the publication of the voting results on the first valid Election Assembly, held after the expiration of the four-year-long period, in case of the member's death, resignation, recall or termination of his membership in the Society.
- 31.5. The Board shall be convened as required but 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 President. 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, which is led by the oldest elected member until the President is elected.
- 31.7. The members shall be informed by a written invitation on the convening of the Board, including the name and location of the Society and the place, date and the agenda of the meeting. Invitations shall be sent at least 15 days before the meeting of the Board and they have to be sent out to the electronic address (e-mail) of the members and further invitees, the receipt of whose has to be verified by the members. The invitation and the related written materials have to be sent out also to the state supervisory organization. The agenda of the convocation has to be marked at least as exactly so that it lets the members to establish their position on its content. The written material which belong to the Agenda has to be forwarded to the members and to the state supervisory organizations 5 days prior to the date of the meeting at latest.
- 31.8. The invitation shall include – in addition to the data mentioned in the previous Clause – information on the effects (according to section 31.4.) as well as information on the exercise of the voting right.
- 31.9. Within 3 days from the sending out of the invitation the members and the bodies of the Society may request additions to the Agenda with the reasoning of the addition. The Management decides within 2 days in the subject of the addition to the Agenda. The Management may refuse or may accept the request. The Management communicates its decision, in case of approval the supplemented Agenda to the promoting members in every case at latest within 2 days of the decision electronically. If the Management does not decide on the request about the additions to the Agenda or the proper delivery of the supplemented Agenda can not be established, then the Board decides separately on the subject of the addition to the Agenda prior to the decision on the acceptance of the Agenda with that a decision can be made in the duly unpublished items of the Agenda only if all the members entitled to participate are present support unanimously to negotiate on the issues not included in the Agenda.
- 31.10. The member may participate on the Board only in person, each member has an equal vote. 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 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. The quorum shall be examined at all decisions during the meeting.

- 31.14. If the Board is not quorate, the second, repeated 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 majority. In order to modify the Statutes of the Society, the three-quarter majority decision of the members present is necessary. In order to modify the purpose of the Society and for the Board decision on the termination of the Society the three-quarter majority decision of the members entitled to vote is necessary. A secret vote is necessary when the Board has to decide on personal matters if the Board decides to do so. In the process of adopting a resolution the following persons may not vote:
- a) any person for whom the resolution contains an exemption from any obligation or responsibility, or for whom any advantage is to be provided by the legal person;
 - b) any person with whom an agreement is to be concluded according to the resolution;
 - c) any person against whom legal proceedings are to be initiated according to the resolution;
 - d) any person whose family member has a vested interest in the decision, who is not a member of the Society;
 - e) any person who maintains any relation on the basis of majority control with an organization that has a vested interest in the decision; or
 - f) any person who himself has a vested interest in the decision.
- 31.18. Election of the Executive Committee, the Creation Committee and the President: The nomination committee, elected and assigned by the Board to the Election Meeting, 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 right holders' groups (directors, directors of photography, costume and set designers, screenwriters, producers) affected by the Society's collective rights 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.

- 31.21. The President shall call the Board in order to provide for the necessary measures if:
- a) the association's assets are insufficient to cover its outstanding debts;
 - b) it is presumed that the association will not be able to meet its liabilities when due; or
 - c) achieving the association's goals no longer appears feasible.

If the Board is convened as above, the members are required to take measures for eliminating the cause on account of which the meeting was called, or shall decide on the dissolution of the Society.

- 31.22. The President announces the Board decisions on the Board orally as well as he communicates them to the member(s) affected but not present within 8 days of the decision in writing in a verifiable way.

32. THE EXECUTIVE COMMITTEE

- 32.1. The Executive Committee is the Society's supreme managing body.

The member of the Executive Committee must be of legal age and must have full legal capacity in the scope required for discharging his functions.

The members of the Executive Committee shall perform management functions in person. Any person who has been sentenced to imprisonment by final verdict for the commission of a crime may not be an executive officer until exonerated from the detrimental consequences of having a criminal record. A person may not be the member of the Executive Committee if he has been prohibited from practicing that profession. Any person who has been prohibited by final court order from practicing a profession may not serve as a member of the Executive Committee of a legal person that is engaged in the activity indicated in the verdict. Any person who has been prohibited from holding an executive office may not serve as a member of the Executive Committee within the time limit specified in the prohibition order.

If any of the listed reasons of conflict in interest takes place, the person concerned is required to announce it to the Executive Committee. The defaulting member is fully responsible for any damage caused by the failure of doing so.

- 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 Director of Department 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 31.2.4-31.2.5,

32.3.3. The Executive Committee elects and removes the Director of Department. It exercises employer rights with regard to the Director of Department (if the Director of Department 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), 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,

- in case of the Executive Committee member's death,
- resignation,
- recall,
- the termination of his membership in the Society,
- if the executive officer's legal capacity is limited in the scope required for discharging his functions;
- upon the occurrence of any grounds for exclusion or any reason giving cause to conflict of interest.

32.5. The member of the Executive Committee may resign at any time by means of notice addressed to the Society and delivered to the President.

32.6. 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 inspectory body of the Society that is created by the members. The Supervisory Board is entitled to request reports and information at any time from the Society's administrative and representative bodies, the President, the Director of Department, 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 by the Electoral Meeting. The members can be reelected. The membership in the Supervisory Board terminates in the cases according to 32.4.

33.4. The meetings of the Supervisory Board are convened and chaired by the President elected by the members among themselves. 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 and its Executive Committee vis-à-vis Hungarian and foreign persons and authorities. The President is entitled to sign solely 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 Director of Department 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 Director of Department or employees or commissioners of the Society.

34.2. If the President is hindered in representation, the Director of Department will be entitled, except for those legal statements resulting in commitments, for which the Director of Department 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 Director of Department and the chief Accountant are necessary for disposal over the bank account.

- 34.3. If the Director of Department is carrying out the tasks of the Director of Department 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 President of the session.
- 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 the President:
- after the expiration of the four year- long definite term,
 - his resignation,
 - the termination of the President's membership in the Society
 - his recall,
 - and furthermore in case of the President's death.
- The President's term of office may also be terminated in case that any of the reasons of an opposed incompatibility described in paragraph 32.1. has taken place.
- 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 DIRECTOR OF DEPARTMENT

- 35.1. The Director of Department is the Society's administrative and representative body. The position of the Director of Department can be filled within the framework of employment, other legal relations aimed at work, or social and public assignment. The Director of Department is obligated to perform the tasks that are assigned to him in his employment contract or assignment contract.
- 35.2. The Executive Committee elects and assigns the Director of Department 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 Director of Department must be appropriately applied to removing the Director of Department. Normally, the Executive Committee exercises employer rights and the rights of the principal with regard to the Director of Department.
- 35.3. The Director of Department has individual responsibility for the Society's work organization, and he exercises employer rights with regard to all of the Society's employees, except if the Director of Department carries out his tasks within the framework of an assignment. The Director of Department exercises the rights of the principal with regard to the Society's mandatees. The Director of Department 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 Director of Department'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 Director of Department and persons granted advisory capacity by the Director of Department 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 Director of Department be incapacitated in representing the Society, he 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 Director of Department is entitled to assign his 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 Director of Department function terminates in case of the Director of Department's death, recall, resignation and the termination due to any other reason of the employment or assignment contract concluded for an indefinite term. The office of the Director of Department also terminates if any of the reasons of conflicts with interests described in 32.1. takes place.

IX. ELECTRONIC DECISION-MAKING AND COMMUNICATION

- 36.1. The Board and the Management may make its decisions electronically with the following terms and conditions. The Board may make its decision electronically in a certain question in case if it is suggested by the President or the Management or at least 5 members of the Board and the audition of another person is not necessary in the question.
- 36.2. The decision-making takes place based on an appeal sent out by the President to the electronic mail address (e-mail address) announced by the delegates after their election. The invitation shall contain the question in which a decision shall be made, the facts necessary for the decision and possibly a statement on the decision alternatives. The invitation shall contain the deadline until the delegate shall send his vote to the President, which is the at least 2., at most the 8. day counted from the sending out of the message. The question included in the appeal shall be a yes or no question, on which the members can vote with a yes or no. A valid decision is made in the question if among the responders at least 8 members have given the same votes, otherwise the vote is unsuccessful. Both the sending out of the appeal and the receipt of the votes shall be confirmed by the receiver (electronic return receipt). The result and content of the decision, as well as the proportion of votes shall be transmitted by the President to the members within 5 working days counted from the expiry of the deadline, as well as he shall provide a proper storage of the messages related to the decision-making.
- 36.3. It is the responsibility of the delegates to ensure the safe management of the given e-mail addresses, they may not ensure access to them to any third party. The delegates shall report the change of their e-mail address to the President within 5 days – even electronically.
37. The Society provides the possibility of electronic communication to all right holders and stakeholders and also ensures for them to exercise their rights in this way. All right holders and other stakeholders may request information on the e-mail address of the Society or may hand in an application. The e-mail address for this purpose: filmjus@filmjus.hu. The Society responds to the request received electronically as soon as possible depending on its content but no later than within 30 days, also by e-mail. If the Society fails to do so, the right holder may turn to the President to take measures. The Society can not take any responsibility for the possible abuses of the e-mail addresses or any damages arising because of this.

X. TRANSPARENCY RULES

38. The Society fulfills all its reporting and disclosure obligations based on law, bilateral agreements or existing memberships in international organizations. The obligation of publication or disclosure happens through the website of the Society (www.filmjus.hu).
39. The Board – if it is stipulated by law – accepts its special transparency report annually, simultaneously with its annual report, and it publishes it simultaneously with the annual account.

XI. NON-COMMERCIAL USE

40. If the right holder would like to individually license the non-commercial use of his work, in which case the Society exercises the licensing within the framework of collective rights management, and he announces this to the Society prior to the use in writing, the Society acknowledges this and does not enforce any royalty claim regarding the uses marked in the statement. The statement shall contain the concordant declaration of all the right holders who would have been affected in the royalty management of the Society in the case of the specific audiovisual work.

XII. OTHER REGULATIONS

41. Within the framework of the applicable laws and the present Statutes, the Society may issue additional internal regulations, other than those mentioned in the present Statutes, with regard to other matters concerning its operation. The President may issue an internal instruction regarding the distribution, data recording, the execution of which is monitored by the Director of Department.
42. In case of the termination of the collective rights management activity of the Society, it hands over the total assets concerned in the existing claims of right holders and the documentation necessary to pay them out according to the provisions of the legislation.
43. In case it is stipulated by law, the members on the Electoral Meeting and the delegates on the Board may exercise their voting rights through representatives. In this case the power of attorney given for this purpose shall be included in a notarial document or a private document representing conclusive evidence, which shall be handed to the chairman before the start of the meeting and will be attached to the attendance register. The member shall not give a valid mandate of representation to a member of another group of right holders. The mandate shall be valid for the representation on one certain meeting and it may not concern electronic decision-making.
44. Chapter VI. of the present Statutes includes the Membership Rules of the Society.
45. Regarding the questions not regulated by the Statutes, the provisions of the V. Act of 2011 (Civil Code) or by the CLXXV. Act of 2011 (Ectv.) and the special legislation on collective rights management are governing.

Budapest, 11th February, 2016

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 the constituting document.

György Kabdebó
President

Countersigned by dr. Béla Bánhegyesi legal advisor on 11th February, 2016