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Port of Music  
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## **By-laws of Gramex ry**

### **Article 1: Name and domicile**

The name of the Organisation is Gramex äänitemusiikin tekijänoikeusjärjestö ry, and its domicile is the city of Helsinki.

### **Article 2: Purpose**

The Organisation is a non-profit organisation, and its purpose is to protect and to promote the rights of performing artists and producers of phonograms laid down in copyright legislation. The Organisation's activities include the collection of remunerations referred to in the Finnish Copyright Act, the keeping of the remunerations until they are distributed, and their distribution among those entitled to them.

The purpose of the Organisation is to further the general preconditions for the development of the Finnish performing art of music and phonogram production. The purpose of the Organisation is not to obtain profit or any other direct financial gain for those who are parties to the Organisation, nor is the Organisation otherwise of a primarily economic nature. In order to achieve its purpose, the Organisation keeps abreast of the development of copyright circumstances and legislation in Finland and abroad, makes any necessary proposals, and aims to influence legislation in such a way as to obtain even better protection for the rights referred to in Paragraph 1.

### **Article 3: Members of the Organisation**

Upon written applications, the General Meeting of the Organisation can accept as members of the Organisation any registered societies whose principal purpose is to promote the rights of performing artists or producers of phonograms laid down in the Copyright Act.

Member societies shall, to a significant degree, represent such persons or corporate bodies referred to in Article 2 that are entitled to remunerations and are not yet represented. The member societies' representation of persons or corporate bodies entitled to remuneration as referred to in Article 2 shall not overlap significantly with the representation of another member society.

The Organisation has the right to levy an annual membership fee on its members and an entry fee on new members. The amount of the fees shall be approved by the General Meeting of the Organisation.

### **Article 4: Clients of the Organisation**

The Organisation will conclude an agreement for establishing a client relationship with the persons and corporate bodies entitled to the remunerations referred to in Article 2; the content of the agreement will be approved by the General Meeting of the Organisation. Anyone entitled to the said remunerations has the right to become a client of the Organisation.

### **Article 5: Distribution of the Organisation's remunerations**

The Organisation will, in accordance with its Distribution Rules, distribute the remunerations referred to in Article 2 to those entitled to them.

The General Meeting of the Organisation can decide that the copyright royalties that have not been distributed can be added to the collective management organisation's capital, used in either direct or collective remunerations, or used otherwise for the benefit of those entitled to remuneration.

## **ADMINISTRATION OF THE ORGANISATION**

### **Article 6**

The Organisation's Ordinary General Meetings are the Spring Meeting held during March–June at a time designated by the Board of Directors and the Autumn Meeting held during September–December. The Council Meeting is held annually during March–June at a time designated by the Board of Directors.

An Extraordinary General Meeting of the Organisation or a Council Meeting will be held whenever the Board of Directors deems it necessary or whenever a minimum of two fifths of the members of the Organisation request it in writing for dealing with a matter specified by them.

An invitation to the General Meeting of the Organisation and a Council Meeting will be sent to the members by recorded delivery no later than fourteen days prior to the meeting to the member's address or email address recorded in the membership list. The matters to be dealt with shall be stated in the invitation.

A representative of a member of the Organisation can attend the Annual General Meeting in person or alternatively, with the permission of the Board of Directors or the General Meeting of the Organisation, via a real-time, two-way communication channel.

A member society that has not paid its membership fee by the due date has no right to vote at the General Meeting of the Organisation, and its representatives may not address the meeting.

A member of the Organisation has no right to vote at the General Meeting of the Organisation during the first four years of its membership.

### **Article 7**

The following matters will be dealt with at a Spring Meeting of the Organisation:

- Election of a chair. The chair will appoint a secretary.
- Election of two inspectors of the minutes of the Meeting and other officials for the Meeting.
- Inspection of the authorisations of the delegates to the Meeting, and the verification of the legality of the Meeting and the presence of a quorum.
- Presentation of the Annual Report by the Board of Directors.
- Presentation of the financial statements.
- Presentation of the Auditors' Report.
- Approval of the financial statements and discharge from liability of those accountable.
- Remunerations of the Chair and members of the Board of Directors.
- Consideration of any other matters mentioned in the invitation to the Meeting.

The following matters will be dealt with at an Autumn Meeting of the Organisation:

- Election of a chair. The chair will appoint a secretary.

- Election of two inspectors of the minutes of the Meeting and other officials for the Meeting.
- Inspection of the authorisations of the delegates to the Meeting, and the verification of the legality of the Meeting and the presence of a quorum.
- Confirmation of members' annual membership fees.
- Election of delegates.
- Election of audit firm and appointment of an authorised public accountant (KHT) to act as the principal auditor.
- Consideration of any other matters mentioned in the invitation to the Meeting.

## Article 8

The following matters will be decided by the General Meeting of the Organisation:

1. The rights and forms of use of phonograms and music videos administered by the Organisation.
2. The general principles of investing copyright royalties and the income from such investments.
3. The general principles of deductions from copyright royalties and the income from investing them.
4. The principles of risk management of the Organisation.
5. The principles of purchase, sale or pledge of fixed assets.
6. Approval of mergers, establishment of affiliates and acquisition of other societies, their shares or rights, as well as any other significant organisational changes that influence the Organisation's activities in the administration of copyrights.
7. Taking and granting a loan together with the related securities.
8. Approval of the Annual Transparency Report.
9. Delegation of power to the supervisory body in matters referred to in points 6 to 8.
10. The General Meeting of the Organisation can decide to grant a member of the Board of Directors an additional remuneration for a task outside the scope of the usual functions of a member of the Board of Directors.

## Article 9

The General Meeting of the Organisation can decide that, after the deduction of expenses, a maximum of 10% of the sum to be distributed will be used for purposes that promote performing music and phonogram production, or transferred to funds or reserves in compliance with the by-laws of the Organisation.

## Article 10: Council

In the delegates' meeting, the six delegates elected by the General Meeting of the Organisation exercise power of decision in the matters separately laid down in this article. Each delegate has a personal vice delegate. The election of a vice delegate takes place in connection with the election of the delegate.

The delegates form a Council, which consists of three delegates representing phonogram producers and three delegates representing performing artists. The delegates are elected each year in the Autumn Meeting of the Organisation. The term of office of the delegates is the calendar year following the election. The delegates are not paid a remuneration for acting as a delegate.

The following matters will be decided on by the Council:

- Changes to the by-laws of the Organisation.
- The general principles of royalty distributions to copyright holders.
- Election and dismissal of the Chair and members of the Board of Directors.
- Appointment and dismissal of the members of the supervisory body of the Organisation as well as their remuneration and other benefits.

- The use of copyright royalties that have not been distributed and the general principles for the use of such funds.
- Use of the funds for promotion activities. The Council may delegate power of decision over specified funds transferred to promotion activities to the Organisation's General Meeting or Board of Directors.
- Donations. The Council may delegate power of decision over specified donations to the Organisation's General Meeting, Board of Directors or, in minor matters, to the Office of the Organisation.
- Dissolution of the Organisation.

The following matters are received and processed by the Council:

- The supervisory body's report on its observations and use of delegated powers, if applicable.
- The annual disclosures of private interests given by the members of the supervisory body and the Managing Director.

The Council Meeting is quorate when all delegates are present. The decision of the Council will be the opinion seconded by three fourths of the delegates present in the meeting.

The Chair of the Board of the Organisation will act as the chair of the Council Meeting and the Managing Director as the secretary for the meeting.

#### **Article 11 Election of the Council**

If a member represents both phonogram producers and performing artists, the member will be considered to belong to such group of rightsholders which it primarily represents.

**Appointment of candidates.** Each member representing phonogram producers may appoint three candidates for delegates and their vice delegates to represent phonogram producers in the Council. Each member representing performing artists may appoint three candidates for delegates and their vice delegates to represent performing artists in the Council. Members announce their candidates in the General Meeting of the Organisation in which the election takes place.

**Election procedure.** The election of delegates will be held by rightsholder group in the General Meeting of the Organisation so that a member representing phonogram producers can only vote in the election of delegates representing phonogram producers and a member representing performing artists can only vote in the election of delegates representing performing artists.

In the election, three delegates together with their personal vice delegates will be elected to represent phonogram producers and three delegates together with their personal vice delegates will be elected to represent performing artists. A separate election will be held for each delegate and vice delegate. All six elections will be held in the General Meeting of the Organisation one after another. The candidate and their personal vice delegate with the most votes will be elected.

Each member has one vote. In addition to this, 100 votes per rightsholder group will be divided among the members as defined below. The representation of the members will be calculated based on the situation on the first day of each year.

- *Performing artists.*
  - o Artists performing on phonograms which have received remunerations will be weighted in the distribution by allocating 50 votes as follows: the percentage of the number of performing artists represented by the member in relation to all performing artists represented by members representing performing artists. Only such performing artists *who*

*have concluded a client agreement with the Organisation and have performed on a phonogram the artists performing on which have been allocated at least EUR 5 000.00 during the last five calendar years will be taken into account.*

- Performing artists who have received remunerations will be weighted in the distribution by allocating 50 votes as follows: the percentage of the number of performing artists represented by the member in relation to all performing artists represented by members representing performing artists. Only such performing artists *who have concluded a client agreement with the Organisation and have been paid at least EUR 500.00 in remunerations in the role of a performing artist during the last five calendar years will be taken into account.*

If several members represent the same artist, the artist in question will only be taken into account in the calculation of the artists represented by the member that was granted the right of representation earlier.

- *Phonogram producers.*

- Phonogram producers who have received remunerations will be weighted in the distribution by allocating 20 votes as follows: The percentage of the number of phonogram producers represented by the member in relation to all phonogram producers represented by members representing phonogram producers. Only such phonogram producers *who have concluded a client agreement with the Organisation and have received at least EUR 20 000.00 in remunerations from the Organisation in the role of a phonogram producer during the last five calendar years will be taken into account.* If several members represent the same producer, the producer in question will only be taken into account in the calculation of the producers represented by such member which was granted the right of representation earlier.
- The remunerations received by phonogram producers will be weighted in the distribution by allocating 80 votes as follows: *the percentage of the remunerations paid by the Organisation to phonogram producers who are represented by the member and have concluded a client agreement with the Organisation in relation to the total amount of all remunerations paid by the Organisation to phonogram producers represented by the members representing phonogram producers.* Only remunerations paid by the Organisation during the past five calendar years to such parties for when they have acted in the role of a phonogram producer will be taken into account. Remunerations that have been received by a phonogram producer on the authorisation of another phonogram producer will also be taken into account. If several members represent the same producer, the remunerations received by the producer in question will be taken into account in the calculation of the number of votes of each member.

The members will, upon the Organisation's request, provide the Organisation with information required for the calculation of the number of votes. Before the Annual General Meeting, the Organisation will provide the members with information on the number of members of each member as confirmed by the Organisation. Upon a member's request, the Organisation's auditor will confirm the calculation of the number of votes made by the Organisation.

## **Article 12**

The Board of Directors consists of the Chair and six other members. The Board of Directors will elect two Vice-Chairs from among its members.

The Chair of the Board of Directors shall be a person well-versed in copyright questions, and they must not belong to either one of the interest groups mentioned below.

Three of the members of the Board of Directors are elected from among phonogram producers and three from among performing artists. The members elected from among performing artists shall represent different groups of artists diversely.

A personal deputy will be elected for each member of the Board of Directors.

### **Article 13**

The task of the Board of Directors is to represent the Organisation, to select the Managing Director of the Organisation, to decide the salary and remunerations of the Managing Director, and to attend to the affairs of the Organisation in compliance with the by-laws and the decisions of the meetings of the Organisation.

The Board of Directors of the Organisation acts as the Organisation's supervisory body that supervises the Managing Director's activities and performance of duties, as well as the implementation of the General Meeting's decisions, especially in relation to the general principles decided by the Meeting. Members of the Board of Directors are not paid a separate remuneration for the membership of the supervisory body.

The supervisory body prepares an annual report to the General Meeting of the Organisation on its observations and use of delegated powers, if applicable.

Each member of the supervisory body gives the General Meeting of the Organisation an annual disclosure of private interests that may influence their ability to carry out the duties of the role. The disclosure of private interests shall include at least the following information:

- ownership stake in the Organisation;
- the salary and remunerations received from the Organisation during the previous financial period;
- the remuneration received in the capacity of a copyright holder during the previous financial period of the Organisation;
- information about any other rights, remunerations or such positions in the Organisation, or in an organisation or foundation in its ownership or control, or its customer organisation or foundation, that may have an influence on the member's ability to carry out their duties in the supervisory body.

### **Article 14**

The Board of Directors will convene, when necessary, at the invitation of the Chair or when two members of the Board of Directors request it of the Chair, and be quorate when:

- the Chair and at least four members are present, in which case at least two of the members shall represent phonogram producers and at least two shall represent performing artists; or
- two Vice-Chairs and at least one member representing phonogram producers and at least one member representing performing artists are present.

A member of the Board of Directors can attend a meeting in person or alternatively, due to unforeseen circumstances, via a real-time, two-way communication channel. The Managing Director shall be notified of the use of a communication channel in advance in order to allow sufficient time to make arrangements for the connection.

By the decision of the Chair, the meeting can be held as an email meeting or via a real-time, two-way communication channel.

## **Article 15**

The Organisation processes the complaints by its members, the rightsholders it represents and other collective management organisations about the Organisation's actions, negligence and decisions that have an impact on the rights or benefits of the complaining party. The complaint shall be made in writing.

If the Organisation's action subject to a complaint is based on contradictory information provided by two or more members of the Organisation, rightsholders it represents or other collective management organisations, the Organisation does not process the dispute between the parties.

The complaints are handled by the Organisation's Office led by the Managing Director. If the Managing Director considers the nature of the complaint to be such that it needs to be handled by a committee set by the Board of Directors, the Managing Director refers the handling to the Board, which sets a committee to handle the complaint.

The committee set by the Board of Directors has either one or three members. A one-member committee will be set by the Board of Directors unanimously. A three-member committee will be set by the Board of Directors in such a manner that one member is elected by the representatives of performing artists and one member by the representatives of phonogram producers. The third member, who acts as the chair and represents neither of the rightsholder groups, is elected by the Board of Directors unanimously.

Minutes will be taken for each Committee Meeting. The Organisation's lawyer will act as the secretary of the committee. The committee can consult experts or other individuals as it deems necessary. If necessary, the committee drafts a proposal for measures for the Board of Directors to address the issue that led to the complaint.

A written resolution to the complaint will be given within a reasonable time, and the complaining party will be notified thereof in writing.

## **Article 16**

The name of the Organisation shall be signed singly by the Chair of the Board of Directors, or singly by the Managing Director of the Organisation, or jointly by the Vice-Chairs of the Board of Directors, or singly by any of the staff members of the Organisation appointed as signatories by the Board of Directors.

## **Article 17**

The financial year of the Organisation is the calendar year. The Organisation's financial statements, the Annual Report by the Board of Directors and the Annual Transparency Report in compliance with the Act on Collective Management of Copyright shall be submitted by the end of February to the auditors for inspection, and the Auditors' Report shall be presented to the Board of Directors by the end of March.

The Annual Transparency Report will be published on the Organisation's website no later than eight months after the end of each financial year and kept available for a minimum of five years from its publishing year.

## **Article 18**

If the Organisation is dissolved, the funds that are left after the distributions will be used to promote the general operating conditions of the performing art of music and phonogram production referred to in Article 2.