

INTERNAL (RULES OF PROCEDURE)

**On the basis of the Art. 12., Par. 1 of the Articles
Sound Designers'/Authors' Protective Organisation
(hereinafter OAZA)**

adopts the following Internal.

TITLE I OAZA ADMINISTRATIVE

Art. 1 OAZA Administrative

(1) The regular OAZA administrative is formed by the General meeting, Executive Board and Board of Directors.

(2) OAZA establishes its advisory bodies such as special or expert committees (see par. 5 of Art. 6 or par. 5 of Art. 8 of the Articles).

Art. 2 General Meeting

(1) Each member of OAZA is entitled to participate in the General Meeting and be informed of the time and place of the Meeting in time. The Executive Board announces the expected date of a regular General Meeting on the OAZA web sites (publications) at least three weeks ahead; the members must be informed on the General Meeting date personally at least two weeks ahead.

(2) The General Meeting is a supreme organ of OAZA.

(3) The regular General Meeting is convened annually in the first half of the calendar year upon closing of financial results for the previous year. See the Rules of Procedure for more details.

(4) An extraordinary General Meeting may be convened by the Executive Board. This must be done, if it is called for by at least two fifths of the members and the last General Meeting was held more than 6 months ago. See the Rules of Procedure for more details.

(5) Any member or a person invited by the Executive Board is allowed to participate in the General Meeting.

(6) The major liabilities of the General Meeting:

a) Acceptance of the Articles and their modifications.

b) Acceptance of the annual report on the activities, the finance management in the last year, and the final annual accounts.

- c) Election and removal of members of the Executive Board and Board of Directors.
- d) Approval of the membership fee in the case that the amount was not agreed within the Executive Board and Board of Directors.
- e) Discussions and decision making on any issues within the competence of any body of OAZA, where required or appropriate.
- f) Approval of the OAZA Rules of Procedure, OAZA internal, OAZA punitive rules, billing rules, and other binding internal documents.
- g) Decision on OAZA dissolution, consolidation or termination of its main business.
- h) Decision on OAZA membership in the international organizations.

(7) Each member of the General Meeting has one vote; the voting right must be executed personally except of legal persons who vote through statutory bodies, authorized agents or representatives.

(8) The General Meeting quorum is at least one half of the members.

(9) The provision of par. 8 is not applied, if the OAZA Executive Board decides that under certain conditions the quorum specified in the par. 2 is not necessary. The members, however, must be warned about this situation in the invitation letter. The decision in the sense of the first sentence may be made not sooner than half an hour after an official opening of the General Meeting.

(10) The internal organization rules such as OAZA Internal (Organization), Rules of Procedure, Punitive rules, Billing rules, Articles, as well as removal of members of OAZA Executive Board must be approved by an absolute majority of the OAZA members present. Adoption of the resolution on dissolution, consolidation or fusion of the association, and/or on termination of the OAZA main business, must be supported at least by 4/5 of all the association members.

(11) The General Meeting acts in accordance with the Rules of Procedure.

Art. 3

OAZA Executive Board

(1) The Executive Board is a statutory and executive body of OAZA.

(2) The Executive Board must have at least three members in accordance to the Rules of Procedure. Based on the decision of the General Meeting, a higher number of the Executive Board members may be approved. The Executive Board usually consists of a chairman, two vice-chairmen and the remaining members (two as a rule). The chairman and vice-chairmen form so called "narrow" board whereas all the members form a "wide" board.

(3) The Executive Board members are elected from the association members on the General Meeting for four years. The elections may be repeated.

(4) The Executive Board membership shall be withdrawn in the following events:

- a) the term expiry,
- b) removal due to a decision of at least 3/5 of the General Meeting members present,
- c) termination of the association membership,
- d) resignation from the function,
- e) death.

(5) If the Executive Board membership ceases in accordance with the Par. 4, points c) to e), or in accordance with the Par. 8, the vacancy is filled by an alternate member who is co-opted by majority voting of the Executive Board, until the new member is elected on the General Meeting. Should the mandate forfeiture occur to the majority of the Executive Board members elected on the General Meeting during their term, an extraordinary General Meeting is called by the Board of Directors.

(6) The Executive Board and Board of Directors memberships cannot be combined.

(7) The Executive Board member term begins at the time of election to the post.

(8) The law specifies an obligation to make a proposal of entry of the authorized person in the association registry without undue delay after the election or co-optation.

Acting or omitting of the elected or co-opted member of the body, which infringes the provisions of the Law no. 304/2013 Coll, on the public registers of legal entities and natural persons (especially refusal of submitting the information required by the law, statutory declarations, or refusal of co-operation to make entries in accordance with § 11, § 12 and § 25 of the Act no. 304/2013 Coll) prevent this member from further performance of his/her duties in the statutory body.

If the situation is not resolved based on the call within two weeks from sending the call, the post diseases and the functional activities are nullified (without affecting the third party rights acquired in good faith in the meantime).

(9) The Executive Board chairman and vice-chairmen are elected from among their number by secret ballot.

(10) The Executive Board quorum is at least one half of the members.

(11) The Executive Board is acting by a majority of all the Board members. Each Executive Board member has one vote. Voting must be executed personally; no deputy is allowed.

(12) The Executive Board ensures OAZA external representation. The Executive Board is represented by the chairman who is also a chairman of the Association. Either the chairman alone or two of the Executive Board members (at least one of them must be a vice-chairman) may act on behalf of the Executive Board.

(13) The Executive Board is entitled to make decisions on any OAZA issues which are not specified in the Rules of Procedure or Internal Rules as the issues within the competence of the General Meeting or Board of Directors.

(14) The major liabilities of the Executive Board:

(1) Managing OAZA and controlling its performance.

(2) Executing the OAZA employer's rights.

(3) Appointing employees to the managerial posts.

(4) Participating in the meetings of the board of directors and general meetings, execute their resolutions.

(5) Providing the Board of Directors with bi-annual reports on finance management of OAZA and the annual accounts for the last year together with the financial plan for the next year not later than at the end of February.

(6) Adopting regulations and other internal instructions of the association, this must comply with binding internal documents approved by the General Meeting.

(15) Prior agreement of the Board of Directors is required for the following activities and decisions

- a) on establishing and cancelling the organization entities,
- b) on acquiring, disposal or any charging of realties,
- c) accepting or making loans or credits,
- d) assuming guarantees or other responsibilities,
- e) issuing and co-accepting promissory note,
- f) any financial operations exceeding 300,000 CZK.

(16) The Executive Board is responsible to the Executive Board for their activities and decisions made.

(17) The Execution Board members are obliged to act with a proper care, maintain confidentiality with regard to any confidential information or facts, disclosing of which to the third party might cause harms to OAZA.

(18) The Executive Board members who cause damage by violation of the legal duties when acting as the Executive Board members bear the joint and several liability for this damage, unless one of the members proves that he/she referred to unsuitability of such an activity and it is reported in the Executive Board meeting records that this member voted against the activity, which caused the damage.

(19) The Executive Board members are not liable for any damages caused by executing orders or resolutions of the General Meeting.

(20) The Executive Board acts in accordance with the Rules of Procedure.

Art. 4 **Board of Directors**

(1) The Board of Directors is a supervisory body of OAZA.

(2) The Board of Directors is formed by a chairman and two members.

(3) The members of the Board of Directors are elected on the General Meeting for five years; the elections may be repeated. Two alternate members are elected on the General Meeting (see Par. 5).

(4) The Board of Directors membership shall be withdrawn in the following events:

- a) the term expiry,
- b) withdrawal on the General Meeting,
- c) termination of the association membership,
- d) resignation from the function,
- e) death.

(5) If the Board of Directors membership ceases in accordance with the Par. 4, points c) to f), or in accordance with the Par. 8, the vacancy is filled by an alternate member who is co-opted by majority voting of the Board of Directors, until the new member is elected on the General Meeting.

(6) The Board of Directors and Executive Board memberships cannot be combined.

(7) The Board of Directors member term starts the day after the election General Meeting and expires on the day following the General Meeting where the new Board of Directors was elected.

(8) The law specifies an obligation to make a proposal of entry of the authorized person in the association registry without undue delay after the election or co-optation.

Acting or omitting of the elected or co-opted member of the Board of Directors, which infringes the provisions of the Law no. 304/2013 Coll, on the public registers of legal entities and natural persons (especially refusal of submitting the information required by the law, statutory declarations, or refusal of co-operation to make entries in accordance with § 11, § 12 and § 25 of the Act no. 304/2013 Coll) prevent this member from further performance of his/her duties in the Board of Directors.

If the situation is not resolved by the member of the Board of Directors upon the call within two weeks from sending the call, the post diseases and the functional activities are nullified (without affecting the third party rights acquired in good faith in the meantime).

(9) The chairman of the Board of Directors is elected from among their number by secret ballot.

(10) The major liabilities of the Board of Directors:

- a) Supervising the OAZA Executive Board.
- b) Providing the General Meeting with a report on its activities.
- c) Approving bi-annual reports on finance management of OAZA and proposals of financial plans for the following years.
- d) Approving legal commitments of the Executive Board, which (based on the Rules of Procedure) require prior agreement of the Board of Directors (see Art. 3, Par. 14).

(11) The Board of Directors quorum is at least one half of the members.

(12) The Board of Directors is acting by a majority of all the Board members. Each member of the Board of Directors has one vote. Voting must be executed personally; no deputy is allowed.

(13) The Board of Directors is accountable for its activities to the General Meeting.

(14) The Board of Directors members are obliged to act with a proper care, maintain confidentiality with regard to any confidential information or facts, disclosing of which to the third party might cause harms to OAZA.

(15) The Board of Directors members who cause damage by violation of the legal duties when acting as the Board of Directors members bear the joint and several liability for this damage, unless one of the members proves that he/she referred to unsuitability of such an activity and it is reported in the Board of Directors meeting records that this member voted against the activity, which caused the damage.

(16) The Board of Directors acts in accordance with the Rules of Procedure.

Art. 5

Organizational Entities

(1) Based on an agreement of the Board of Directors, the Executive Board can establish the organizational entities of OAZA, endowed with legal capacity.

(2) The director of the organizational entity (hereinafter "**Director**") is appointed and/or removed by the Executive Board.

(3) The Director is a statutory body of the organizational entity. He/She is authorized to enter into legal commitments regarding this entity with limitations specified in Par. 4 and 5.

(4) The organizational entity possesses its own assets to manage. Any financial operations exceeding 50,000 CZK must be approved by the Executive Board.

(5) Based on the Art. 3, Par. 14, points b) to f), legal acts of the organizational entity must be approved by the Executive Board and the Board of Directors, otherwise they are void.

Art. 6

Special and expert commissions of OAZA

(1) Special and expert commissions are bodies of OAZA, the scope and rules of which are consequent upon the constitutive status.

(2) Special and expert commissions are established by the Executive Board except of the Copyright commission, which may be established by the Board of Directors.

(3) The commission members and the rules to select the commission members are specified by the body, which established the commission. This body is also authorised to exchange the commission members.

TITLE II

Art. 7

Admission procedure

(1) The applicant's admission procedure begins, when the membership application is delivered. It is necessary to use a special form, which is easily available. The procedure is managed by the Executive Board, which may admit the applicant to the association based on its decision.

(2) The admittance conditions of the applicants for membership are as follows:

- a) A member's specific obligation to help the association with a defined objective (see Art. 1 of the Articles).
- b) Usefulness of the membership with regards to software or similar areas with a strong emphasis on an expected contribution of the member to the financial results.
- c) Relevant member's business activities.
- d) Professional qualification, credibility and trustworthiness of the applicant or the statutory body members as well as the other persons who are participating in the applicant's management.
- e) Usually the applicant first obtains the status of associated member.

(3) For the decision purposes, the Executive Board is entitled to ask the applicant for more information or explanations, or to request completion of the application form. Furthermore, the Board is authorized to ask the professional organizations, which the applicant was a member of, as well as the persons exercising supervision over the activities of the applicant, for more information.

(4) The Execution Board takes a decision on the application within 60 days of receiving the application. The considerations mentioned in the Par. 3 may lead to delays.

(5) A decision on admittance becomes effective on the day when the applicant paid a registration fee and a corresponding part of the membership fee till the end of the year. Any other conditions specified in the decision on admittance must be satisfied, too.

(6) The membership shall not be transferable. It cannot be assigned to another person neither it can be obtained by reason of transfer or conveyance of rights from the previous member. The membership must be executed personally in compliance with rules of negotiations and representation of persons.

(7) The Executive Board provides the applicant with a certificate and the applicant will be registered.

(8) Should the application was rejected, it may be submitted again, but not sooner than after 6 months.

(9) This procedure is applicable mutatis mutandis also to the admission procedure of the associated members except the Par. 6.

Art. 8

Publication of the Association regulations

(1) All the binding internal documents issued by the association bodies (hereinafter "**Regulations**") are published (announced) in the specific part of the association websites and in the set of regulations kept in the association headquarters as well as in the individual association offices.

(2) The information on accepting a new regulation or modification of the existing regulation is provided to the members in the information bulletin.

(3) The date of entry into force of the regulations is specified in each of the regulations, otherwise the regulation comes into force on the 15th day after publication. Entry into force of the regulation may not precede the publication of the regulation, see the paragraph 1.

TITLE III

FINAL PROVISIONS

Art. 9

Transitional and final provisions

(1) All the association members who were accepted before 05.01.2004 and whose membership was not cancelled to the date specified by the Executive Board, will be provided by a certificate of the association membership during 2004. The certificate will be issued by the OAZA Executive Board.

(2) This Internal (Rules of Procedure) shall enter into force on the date of the registration of the Articles amendment based on the General Meeting resolution of 05.01.2004.

OAZA Executive Board Chairman