

Pursuant to paragraph one of Article 25 of the Act Regulating Collective Management of Copyright and Related Rights (Official Gazette of the Republic of Slovenia [Uradni list RS], Nos 63/16 and 130/22, hereinafter referred to as the "ZKUASP") and paragraph two of Article 16 of the Statute of the Association Združenje avtorjev in nosilcev malih in drugih avtorskih pravic Slovenije, k.o. (hereinafter referred to as the "ZAMP Statute"), the General Assembly of ZAMP - Združenje avtorjev Slovenije, k.o. (hereinafter referred to as "ZAMP") on 4 September 2024 adopts the following

RULES ON THE DISTRIBUTION OF COLLECTED ROYALTIES OF ZAMP - ZDRUŽENJE AVTORJEV SLOVENIJE, K.O.

1. Introductory Provision

These Rules govern the manner and rules for the distribution and allocation of royalties for the use of works in the fields of literature, science, journalism and their translations, which ZAMP collects, manages and distributes in accordance with the provisions of the ZKUASP and the permit of the Slovenian Intellectual Property Office to collectively manage copyright, and regulate the procedure of dealing with unallocated royalties.

2. General Principles of Distribution

- 2.1. The distribution of collected royalties within an individual distribution pool shall be carried out according to the principle of actual use, where this is possible and economically justified in view of the costs of monitoring actual use, taking into account the nature of the use of the copyright work. If this is not possible, the distribution shall be carried out using a combination of the following principles:
 1. distribution according to the principle of related use in accordance with point 2.4 of these Rules;
 2. distribution according to the principle of objective accessibility in accordance with point 2.5 of these Rules;
 3. distribution according to the principle of intra-repertoire linearity in accordance with point 2.6 of these Rules or general linearity in accordance with point 2.7 of these Rules.
- 2.2. The rightsholders for whom ZAMP manages copyright and collects royalties shall be treated equally and under the same conditions, regardless of their membership in ZAMP. A rightsholder whose rights are managed by ZAMP on the basis of a representation agreement with a foreign collective management organisation shall be treated by ZAMP in the same way as its own member.
- 2.3. The repertoire of copyright works shall consist of copyright works grouped by type of use of the copyright that ZAMP collectively manages. Within the repertoire of copyright works, a repertoire catalogue of works shall be established for each individual right.
- 2.4. The principle of related use shall mean that, for the purposes of distribution, information regarding the use of the work in another manner shall be taken into account. The criterion applied shall be the shares attributed to individual copyright works from the distributions

of the distribution pools of prior, accompanying or otherwise related uses, as set out in point 8.2 of these Rules.

- 2.5. The principle of objective accessibility shall mean that, within each repertoire catalogue, the share of each work in the total number of works shall be calculated by taking into account the weighted values of the works, as set out in point 7.2 of these Rules (statistical assessment of the accessibility of each copyright work).
- 2.6. The principle of intra-repertoire linearity shall mean that, in the case of voluntary collective management, the distribution pool shall be divided within the repertoire catalogue of works in equal shares among all rightsholders who have authorised ZAMP to collectively manage that right.
- 2.7. The principle of general linearity shall mean that, in the case of mandatory collective management, the distribution pool shall be divided in equal shares among all rightsholders in the ZAMP register of rightsholders.

3. Beneficiaries

- 3.1. Beneficiaries shall include all authors of works in the fields of literature, science, journalism and their translations from any repertoire catalogue of works, or the rightsholders in such works, as well as their legal successors.
- 3.2. Beneficiaries shall provide ZAMP with accurate and reliable information on the works in respect of which they hold copyright, in the manner prescribed by the ZAMP Statute, in order to ensure the correct distribution of collected royalties and remuneration. Beneficiaries shall be responsible for the accuracy of the information submitted.
- 3.3. If beneficiaries do not provide ZAMP with information on their works, ZAMP shall collect and distribute royalties and remuneration on the basis of the information available to it or obtained in the procedure of dealing with unallocated royalties, as provided for by law.
- 3.4. In the case of co-authorship, the shares of individual co-authors (or rightsholders) shall be determined in proportion to the actual contribution of each to the creation of the copyright work. Beneficiaries shall notify ZAMP of the shares attributable to each beneficiary. If ZAMP does not possess such information, it shall be deemed that each eligible co-author (or rightsholder) receives a share in accordance with Article 9 of these Rules.

4. Basis for Distribution

- 4.1. ZAMP shall use the collected royalties and income earned from bank deposits solely for distribution to beneficiaries in accordance with these Rules.
- 4.2. Collected royalties shall be distributed on the basis of data on protected works and data on authors and rightsholders that ZAMP possesses or obtains in the procedure of dealing with unallocated royalties, as provided for by law.
- 4.3. The basis for distribution shall be all royalties paid and collected by ZAMP from users and other obligated payers, as well as income earned from bank deposits, from which ZAMP's operating costs and assets allocated to designated funds shall be deducted prior to distribution, all in accordance with the applicable regulations, the ZAMP Statute and other ZAMP rules.
- 4.4. ZAMP shall carry out the distribution on the basis of data on rights, rightsholders and works entered in the repertoire as at 31 December of the year in which the funds subject

to distribution were collected (the cut-off date), data provided by foreign collective management organisations with which ZAMP has concluded a representation agreement, and data on the works for which actual use has been established. Data shall be deemed to have been entered in the repertoire on the cut-off date even if they are communicated to ZAMP no later than the end of February of the year following the year in which the funds subject to distribution were collected.

5. Sources of Royalties

5.1. The distribution shall cover all sources of royalties collected on the basis of the permit of the Slovenian Intellectual Property Office No 800-9/96 of 14 November 1997 for the following uses of copyright works or the exploitation of copyright:

- i. communication to the public of non-theatrical written works in the field of literature (small rights);
- ii. reproduction of copyright works for private and other personal use;
- iii. rebroadcasting of copyright works;
- iv. reproduction of literary works on phonograms and videograms;
- v. the rental of phonograms and videograms;
- vi. public lending of phonograms of literary works;
- vii. reproduction of copyright works in readers and textbooks for teaching;
- viii. reprinting of topical articles in daily and periodical publications;
- ix. reprinting of excerpts or short written works of fiction in daily or periodical publications;
- x. reproduction and communication to the public of works in the context of promotional and advertising messages of up to 60 seconds.

5.2. The distribution shall also cover all sources of royalties collected on the basis of the permit of the Slovenian Intellectual Property Office for the following uses of copyright works in the fields of literature, science and journalism and their translations, or the exploitation of copyright in such works:

- i. reproduction of copyright works, including storage in electronic form, for the purpose of providing press-clipping services;
- ii. making copyright works available to the public for the purpose of providing press-clipping services.

6. Distribution Pool

6.1. A distribution pool shall be formed for each type of right and shall comprise all royalties collected for that type of right in a given calendar year, together with the corresponding share of income earned from bank deposits, in proportion to the share represented, at the time of deposit, by the amount of cash deposited in the distribution pool in relation to the total amount of the bank deposit.

- 6.2. Separate distribution pools shall further be formed within an individual distribution pool for royalties collected from different types of users, with whom different agreements and tariffs have been concluded, where such separation is reasonable for the purpose of asset management and the implementation of the distribution.
- 6.3. Before distribution, ZAMP's operating costs at the relevant cost centre of the distribution pool, as well as any assets allocated to dedicated funds, where such a fund is established in a given financial year, shall be deducted from the distribution pool.
- 6.4. The share of the assets to be allocated to a dedicated fund from an individual distribution pool shall be determined by the General Assembly of ZAMP in accordance with the law and the ZAMP Statute.
- 6.5. The following distribution pool shall be formed:
- DM01 distribution pool from public performance,
 - DM02 distribution pool from public transmission,
 - DM03 distribution pool from public communication by means of phonograms and videograms,
 - DM04 distribution pool from public presentation,
 - DM05 distribution pool from broadcasting,
 - DM06 distribution pool from secondary broadcasting,
 - DM07 distribution pool from the reproduction of copyright works for private and other own use,
 - DM08 distribution pool from rebroadcasting,
 - DM09 distribution pool from the reproduction of literary works on phonograms and videograms,
 - DM10 distribution pool from the rental of phonograms and videograms,
 - DM11 distribution pool from the public lending of phonograms of literary works,
 - DM12 distribution pool from the reproduction of copyright works in readers and textbooks for teaching,
 - DM13 distribution pool from the reprinting of topical articles in daily and periodical publications,
 - DM14 distribution pool from the reprinting of excerpts or short written works of fiction in daily and periodical publications,
 - DM15 distribution pool from the reproduction and communication to the public of works in the context of promotional and advertising messages of up to 60 seconds,
 - DM16 distribution pool from the reproduction of copyright works, including electronic storage, and the making copyright works available to the public, all for the purpose of providing press-clipping services.

- 6.6. The share of the distribution pool that, in accordance with these Rules, belongs to an individual work shall be distributed among the eligible rightsholders in proportion to the co-ownership shares of the right.
- 6.7. The share of the distribution pool attributable to each beneficiary in accordance with these Rules shall constitute the gross royalty and shall include, with the exception of any VAT, shall include all taxes, contributions and any other public charges payable, under applicable regulations, by the recipient of the royalty and by the payer of the royalty.

7. Special Cases of Collection and Distribution

- 7.1. Royalties collected on the basis of joint agreements for the public communication of protected works in the course of business activities that relate to the modes of use for the rights included in DM03 and DM06 shall be collected in the proportion of 97% of the royalties collected in DM06 and 3% of the royalties collected in DM03.
- 7.2. Royalties collected in DM03, DM05, DM06 and DM08 shall be distributed according to the weighted values of the works, whereby a weight of 1 shall be applied to literary works of a journalistic nature and a weight of 4 to other works.
- 7.3. Royalties collected in DM13 and DM16 as remuneration collected pursuant to point 2 of paragraph one of Article 47 of the ZASP shall be distributed to authors in the share of 30% and to rightsholders in the share of 70%.

8. Method of Distribution

- 8.1. Distribution according to the principle of actual use shall mean distribution based on the actual use of copyright works as reported by users, for which purpose separate distribution pools shall be created and divided among the individual works used in proportion to the amount of funds collected from the actual granting of the right to use the works to each user, taking into account that user's reported use, subject to the following rules:

DISTRIBUTION POOL	CRITERION FOR DISTRIBUTION BASED ON ACTUAL USE
DM01	in proportion to the duration of the public performance of works
DM02	in proportion to the duration of the public transmission of the performance of works
DM03	in proportion to the duration of the public communication of works
DM04	in proportion to the duration of the public presentation of works
DM05	in proportion to the duration of the broadcasting of works
DM06	in proportion to the duration of secondary broadcasting of works
DM07	* no possibility to report on the use of works *
DM08	in proportion to the duration of rebroadcasting of works
DM09	in proportion to the duration of the fixation of the performance, the original or the copy of the reproduced work
DM10	in proportion to the product of the duration of the fixation and the number of rentals of phonograms and videograms
DM11	* not applied due to the regulation in the Librarianship Act *
DM12	in proportion to the reproduced extent of the work in readers and textbooks for teaching, whereby the ratio between the verse of poetry used and the line (62 characters with spaces and punctuation) of other texts is four to one (4:1)

DISTRIBUTION POOL	CRITERION FOR DISTRIBUTION BASED ON ACTUAL USE
DM13	in proportion to the reproduced extent of the work in daily and periodical publications, whereby the ratio between the verse of poetry used and the line (62 characters with spaces and punctuation) of other texts is four to one (4:1)
DM14	in proportion to the reproduced extent of the work in daily and periodical publications, whereby the ratio between the verse of poetry used and the line (62 characters with spaces and punctuation) of other texts is four to one (4:1)
DM15	in proportion to the product of the duration and the number of public communication of works in the context of promotional and advertising messages
DM16	in proportion to the number of reproductions of works used for the purpose of providing press-clipping services

- 8.2. If distribution cannot be carried out in accordance with point 8.1 of these Rules, it shall be carried out on the basis of the principle of related use (in the table: RU), the principle of objective accessibility (in the table: OA), the principle of intra-repertoire linearity (in the table: IRL), or the principle of general linearity (in the table: GL) in accordance with the following rules:

DISTRIBUTION POOL	GL	IRL	OA	RU	SOURCE OF RU
DM01	30%		70%		
DM02	30%			70%	DM01
DM03	30%		70%		
DM04	30%		70%		
DM05	30%		70%		
DM06	40%			60%	DM05
DM07	50%			50%	DM03 (3%), DM08 (97%)
DM08	40%			60%	DM05
DM09		40%	60%		
DM10		40%	60%		
DM11 * not applicable *	/	/	/	/	
DM12		40%	60%		
DM13		40%	60%		
DM14		40%	60%		
DM15		40%	60%		
DM16		40%	60%		

9. Specific Cases of Distribution for Translated and Adapted Works

- 9.1. If ZAMP does not have a statement of a specific agreement on the shares of individual co-authors in accordance with 9.2 of these Rules, the co-authorship shares shall be determined as follows:
- i. in the case of a translation of a copyright work, the author or co-authors of the translation shall receive 70% of the royalty, and the author or co-authors of the original work shall receive 30% of the royalty;

- ii. in the case of another type of adaptation of the original work, the author or co-authors of the original work shall receive 70% of the royalty, and the author or co-authors of the adaptation shall receive 30% of the royalty;
 - iii. in the case of an adaptation of the translation of a copyright work, the author or co-authors of the original work shall receive 25% of the royalty, the author or co-authors of the translation shall receive 50% of the total royalty, and the author or co-authors of the adaptation of the translation shall receive 25% of the royalty;
 - iv. in the case of co-authorship of the same kind, all co-authors of the same kind shall have equal shares.
- 9.2. In the event of different agreements on the shares between authors, translators and authors of adaptations, the agreed ratios between them shall apply, provided that the beneficiary submits the relevant agreement as proof.
- 9.3. In the case of a translation or adaptation of an unprotected work or a work in the public domain, the author or co-authors of the translation or adaptation shall be entitled to the entire royalty, taking into account the rules set out in this Article of the Rules.

10. Allocation of Collected Royalties, Notification and Payment

- 10.1. ZAMP shall allocate and pay the collected royalties and remuneration as soon as possible, but no later than nine (9) months after the end of the financial year in which they were collected, unless this is not possible for objective reasons beyond the control of ZAMP or of an external contractor performing ZAMP's administrative and technical tasks. Objective reasons shall mean reasons related to user reporting, identification of beneficiaries or reconciliation of information on copyright works.
- 10.2. ZAMP shall inform all beneficiaries at least once a year of the amounts of royalties allocated and paid.
- 10.3. The notification referred to in the preceding paragraph shall contain the following information: the period to which the royalty payment relates, the amount of royalties allocated and paid from each distribution pool (by individual right and type of use), the amount of deductions for operating costs, the amount of deductions for dedicated funds, the amount of royalties already allocated but not yet paid, and the contact details of the rightsholder for identification purposes.
- 10.4. ZAMP shall provide foreign collective management organisations on whose behalf it manages rights under a reciprocal representation agreement with information in electronic form at least once a year, including: royalties collected under the representation agreement, deductions for operating costs, deductions for dedicated funds if the foreign collective management organisation has consented thereto, information on the persons to whom the right to use the copyright work covered by the representation agreement has been granted, and decisions of the General Assembly, where such decisions are relevant to the management of rights under the reciprocal representation agreement.
- 10.5. ZAMP shall pay the amounts of the allocated royalties to the beneficiaries no later than 30 days from the date on which it sends the notification referred to in point 10.3 of these Rules.

- 10.6. Where ZAMP has concluded reciprocal representation agreements with foreign collective management organisations, it shall make payments to those collective management organisations in accordance with such agreements.

11. Unallocated Royalties

- 11.1. Amounts of collected royalties that cannot be allocated in accordance with these Rules shall be held in a separate account and treated as unallocated royalties.
- 11.2. ZAMP shall take all measures prescribed by law to identify and locate the beneficiaries of unallocated royalties.

12. Complaints Procedure

- 12.1. Beneficiaries may lodge a complaint, in accordance with the procedure laid down in the ZAMP Statute, against the calculation of the allocated funds resulting from the individual notification sent to the beneficiary in accordance with these Rules.
- 12.2. A complaint may be lodged within 15 days of receipt of the individual notification on the grounds that the applicable rules on the allocation of royalties were not observed or were incorrectly applied.
- 12.3. The Management shall, without undue delay, examine the complaint and assess whether, and to what extent, circumstances exist or are demonstrated with sufficient probability to require the withholding of funds allocated but not yet paid to other beneficiaries, in order to ensure the allocation and payment of the collected funds to the eligible rightsholders in accordance with these Rules.

13. Transitional and Final Provisions

- 13.1. The provisions of 5.2 of these Rules and the provisions relating to DM16 in points 6.5, 7.3, 8.1 and 8.2 of these Rules shall apply from the date on which the permit to collectively manage copyright for the purpose of providing press-clipping services, issued by the Slovenian Intellectual Property Office, becomes final.
- 13.2. These Rules shall enter into force on the date of their adoption by the General Assembly of ZAMP and shall apply to the allocation and payment of royalties and remuneration collected from 1 October 2024 onwards.
- 13.3. On the date of entry into force of these Rules, the Rules on the Distribution of Royalties Collected by ZAMP - Združenje avtorjev Slovenije, k.o., dated 31 August 2023, shall cease to apply; however, the distribution rules shall continue to apply to the distribution and payment of royalties and remuneration collected from the use of works until 30 September 2024.
- 13.4. Amendments to these Rules shall be decided by the General Assembly.