Articles of Association
for
Music Nest Norway

Adopted at the founding General Assembly on 20 December 2022. [This is a translated version of the Articles of Association. In case of any discrepancies or inconsistency between this translated version and the original Norwegian version, the Norwegian version shall always prevail]

1. Name and domicile

1.1. The name of the Association is "Music Nest Norway" (hereinafter the "Association").

1.2. The domicile of the Association is Oslo.

2. Objects

2.1. The Association is a non-profit collective collecting society.

2.2. The Association's object is to manage Music Producers' rights to sound recordings and videograms, including to collect and distribute remuneration therefrom on behalf of rights holders. The Association's object, for areas the Members wish the Association to manage, is to make audio recordings and videograms available to users on market terms as an alternative to direct licensing.

2.3. The Association is a self-governing and independent legal entity with non-personal and limited liability for debts. The Association must be registered with the Norwegian Industrial Property Office, which also oversees the Association, in accordance with sections 52 and 49 of the Norwegian Act on Collective Management of Copyright.

3. Members and copyright owners

3.1. Natural or legal persons, regardless of geographical affiliation, who produce or, on the basis of an exclusive right, manage or distribute sound recordings and videograms ("Music Producers") on Norwegian territory, may be admitted as members of the Association.

3.2. When registering as a member, the Association can demand that the Music Producer pays such membership fee as has been adopted by the General Assembly from time to time.

3.3. Application for membership of the Association is made by filling in the board of director's adopted application form, which is signed by the Music Producer's authorized signatory and sent to the Association's administration. If the applicant meets the criteria in section 3.1, the Music Producer shall be admitted as a member of the Association.

3.4. If a member behaves unfairly towards the Association, other members or rights holders, is assumed to be insolvent or, in the opinion of the board of directors, has an excessive financial balance with the Association, the member may be excluded unless the member, after being made aware of the default, rectifies the situation within 14 days. Regardless of exclusion, the member retains the right to receive remuneration.

4. Administration of rights

4.1. The Members grant the Association a non-exclusive right to manage the Member's rights to audio recordings and music video rights within areas that the General Assembly adopts in accordance with Section 20 of the Norwegian Copyright Act as well as acquired rights pursuant to Section 16 (or equivalent provisions upon amendment of the Copyright Act). Furthermore, the Members give the Association the right to manage other rights to the extent that the General Assembly decides and to the extent that it is necessary to manage the rights mentioned in this section 4.1.

4.2. By registering with the Association, the Members give the Association an exclusive right to distribute all remuneration from Norwaco, and from other arrangements based on extended collective licensing or other management areas, such as distribution of private copying levies, as decided by the General Assembly.

4.3. Distribution is made to repertoire that is protected under the Norwegian Copyright Act. If the license includes reproduction right, the remuneration is distributed to all Members regardless of geographical affiliation. All rights holders who meet the requirements for membership, regardless of actual membership in the Association, are entitled to remuneration if the managed rights are used by a user and form part of the basis for the rights remuneration distributed by the Association.

4.4. A Music Producer who has entrusted the management of their rights to the Association can, with 6 months' notice, withdraw the authorization given to the Association to manage the relevant Member's rights in whole or in part. A notification in accordance with this section must be made in writing to the Association's administration. The administration may decide that a withdrawal of authorization shall not take effect until the end of the current financial year.

4.5. The Association distributes rights remuneration to all rights holders who meet the requirements for membership, regardless of membership in the Association, if the managed rights are used by a user and form part of the basis for the rights remuneration the Association distributes.

4.6. As part of the administration of the Members' rights, the Association has the authority to enter into agreements on behalf of all or some of the Members, in accordance with section 4.1. To the extent that an agreement can achieve status as an extended collective licensing agreement, the Association has the right to apply for such status.

4.7. The Association can represent the rights holders vis-à-vis legislator, the Ministry of Culture and Equality, the Norwegian Industrial Property Office, and all other public bodies, as well as other administrative organizations in areas that fall under the Association's objects. The Association is to a limited extent entitled to delegate the administration of the Association to third parties. Any delegation of significant parts of the Association's objectives requires adoption by the General Assembly.

4.8. As part of the Association's management of the Members' rights, the Association is mandated on behalf of the Members to obtain copies of radio play time specifications and payment specifications that Gramo has sent to its members who are also Members of this Association. The Association can use such information as basis for distributing the Members' rights remuneration. A Member can withdraw the mandate given to the Association under this section by notifying the Association in writing.

4.9. Any dispute between those who have rights to repertoire managed by the Association must be resolved between those involved in the dispute, as the Association does not have competence to determine who is the rightful owner of the repertoire to which any dispute may apply.

5. Finances

5.1. The Association distributes all rights remuneration received to the rights holders after deductions for costs for the Association's administration, management of rights and other deductions adopted by the General Assembly. The administration costs and the distribution hereof among the rights holders are decided by the board of directors on basis of the annual budget and the General Assembly's adopted cost policy, cf., section 7.2. no. 7.

5.2. The board of directors determines, on basis of the policy adopted by the General Assembly, for the distribution of rights remuneration, cf., section 7.2. no. 6, distribution keys for the distribution of rights remuneration to the rights holders. Remuneration received on basis of agreements entered on behalf of some but not all Members are only distributed to the Members included in the agreement. The distribution keys shall, as far as possible, reflect the actual use of the rights or be based on a related equivalent distribution, cf. section 5.5. The distribution keys are adopted at the General Assembly, cf. section 7.2. no. 6 and is published on the Association's website.

5.3. The rights holders' share of remuneration must be distributed through the Association directly to the rights holders and is settled by the Association as soon as possible and no later than nine (9) months after the end of the financial year in which said remuneration was collected unless there are objective reasons to prevents this. If the Association receives rights remuneration on an ongoing basis, the Association shall, as far as possible, distribute the amounts received, potentially on account, based on distribution keys most recently adopted.

5.4. The Association has the right to withhold remuneration to reduce the risk of a later repayment claim against a rights holder.

5.5. The secretariat lays down the guidelines for the reporting required by users of rights and collective management societies, where an agreement has been concluded regarding the collection and distribution of remuneration. The guidelines must ensure the necessary identification of rights holders.

5.6. When allocating remuneration for funds that cannot be distributed due to a lack of identification of the rights holder, the secretariat is obliged to take the necessary measures to attempt to identify the rights holder. The board of directors must adopt further rules for the necessary measures.

Any rights holder has the right to raise objections against the distribution of the rights remuneration within three (3) months after the Association's ordinary General Assembly. Objections are made by sending a written, reasoned objection to the general manager.

6. Transparency report

6.1. With the approval of the board of directors, the secretariat prepares an annual transparency report and a report on the Association's deductions, if any, for social, cultural, and educational services. The contents of the transparency report and the services report are determined by the board of directors.

6.2. The secretariat ensures that the reports mentioned in section 6.1 are published so that all rights holders can access them on the website of the Association.

7. General Assembly

7.1. The ultimate authority of the Association is the General Assembly.

7.2. Before the end of June each year, the annual General Assembly must be held with the following agenda:

1. Election of a conductor of the Assembly
2. The chair’s presentation of the annual review
3. Presentation of the financial statements and transparency report for adoption
4. Adoption of the budget for the coming calendar year
5. Determination of the registration fee
6. Determination of a policy for distribution of remuneration, collective remuneration and non-distributable funds
7. Determination of the Association’s expenditure policy and the use of non-distributable funds
8. Determination of the Association’s investment policy
9. Determination of areas within which the Association can administer the members’ rights
10. Election of member to the board of directors and determination of their board fees
11. Choice of critical auditors among the members of the Association
12. Appointment of the Association’s auditor

7.3. The General Assembly must, when relevant, make a decision about the Association's risk management policy, acquisition, sale or mortgaging of real estate, approval of mergers and alliances, establishment of subsidiaries, acquisition of equity investments and rights, approval of loans, granting of loans or provision of security for loans.

7.4. An extraordinary General Assembly is held when the chairperson, three board members jointly or the secretariat deems it desirable or when at least one fourth of the members, measured in votes, make a request to that effect.

7.5. Both annual and extraordinary General Assemblies are convened in writing by giving at least one month's notice and with a specification of an interim agenda.

7.6. Notification of the standing for election as a board member or critical auditor must be given to the secretariat no later than seven days before the General Assembly takes place. Likewise, proposals sought to be included in the agenda, must be sent to the secretariat no later than seven days prior to the General Assembly.

7.7. No later than five days before the annual General Assembly the final agenda and a list of board candidates must be sent to the members.

7.8. At the General Assemblies, minutes of meetings are taken and signed by the conductor of the assembly and sent to the members within 14 days after the General Assembly took place.

8. Voting rules

8.1. At the General Assembly, decisions are made with an ordinary majority of the present members according to the number of votes they represent.

8.2. Resolutions regarding:

a) termination of and/or entering into agreements with other collective management societies (representation agreements),

b) exclusion of members,

c) amendment of the Association's articles of Association, and

d) the dissolution of the Association,

can only be adopted if at least half of the members of Association, according to number of votes, are present and if three fourths of the members thus present vote in favour thereof.

8.3. If a member cannot attend a General Assembly, the member can be represented by proxy or exercise its authorities by sending an e-mail to the secretariat no later than three business days before the General Assembly. The power of attorney must be written and state the authorisation within which the representative acts. The power of attorney must concern a specific General Assembly to be valid. A representative can represent a maximum of five proxies.

8.4. In the first distribution year, voting is based on a share of the total number of streams in a top 25,000 streaming services report for the previous year, based on streaming services that sign up for the monitoring service Ranger, or a similar service. The distribution of the votes follows the ordinary matrix below, but where the lower limit for voting rights occurs at 0.02% of the share of the total number of streams in the top 25,000 for the previous year.

8.5. Section 8.4 only applies to the first distribution year, and section 8.4 and section 8.5 are deleted from the Articles of Association at the first General Assembly in the second distribution year, and replaced by current section 8.6, as new section 8.4, which applies for the first time at the ordinary General Assembly in 2023.

8.6. Any member with earnings from the Association during the last financial year greater than NOK 1,500 has the right to vote at the General Assembly.

The votes are distributed as follows according to the share of the total remuneration from the Association for the previous year:

Remuneration/ NOK pr. year / %		**Votes**
From	To	
NOK 1500	0.5%	1
0.5%	1%	5
1%	5%	10
5%	10%	50
10%	15%	100
15%	20%	150
20%	25%	200
25%	Unlimited	250

8.7. A member can exercise its right to vote electronically by sending the member's comments to the items on the agenda and the member's vote(s) hereto via e-mail to the secretariat no later than three days before the General Assembly.

9. Board of directors

9.1. The overall management of the Association is carried out by a board consisting of 6 members elected by the General Assembly, each elected for a period of two years. At the founding General Assembly two board members are however elected for a period of three years, and two board members for a period of one year (first ordinary general meeting). The last two members are elected for an ordinary period of two years. To ensure a balanced representation of the members, three board members must represent Music Producers who cannot be described as multinational (other than Scandinavia) and three board members must represent major Music Producers (multinationals outside of Scandinavia). FONO's board of directors can appoint one of the six board members who represents an active music producer who is a member of FONO and the Association. IFPI's board of directors can correspondingly appoint one of the board members.

9.2. If a member of the board of directors resigns before the expiry of an election term or is absent for a long period, the board of directors convenes an extraordinary General Assembly for the election of a new board member for the election term of the resigning board member. The newly elected board member must represent the same group of Music Producers as the resigning board member, cf. section 9.1. To the extent a board member no longer represents a Music Producer or no longer represents a Music Producer in the category from which the board member has been elected, the board member must resign from the board of directors immediately.

9.3. The chair of the board of directors is elected by the General Assembly and is elected for a period of two years. Re-election is permitted.

9.4. The rules of procedure of the board of directors, including procedures to prevent conflicts of interest and supervision of the secretariat, are laid down by the board of directors.

9.5. Board meetings are held as often as necessary and are convened by the chair, by the secretariat or by two board members jointly. The meetings are convened in writing giving at least seven days' notice. Minutes are taken of the meetings and sent to the board of directors immediately after the board meeting.

9.6. The board of directors constitutes a quorum when the chair and at least three board members are present. Resolutions of the board of directors are made by simple majority. In the event of an equality of votes, the chair has the casting vote.

9.7. The board of directors is entitled to take any legal step to safeguard the objects of the Association. Before any legal steps are initiated, the board of directors is obliged to seek out-of-court settlement of any disputes. The board of directors is also entitled to enter into agreements with users of the Association's administered rights within the objects of the Association. The competency under this section can be delegated to the secretariat in full or in part.

9.8. The board of directors is obliged to ensure that the activities imposed on the secretariat are handled in a proper and satisfactory way, including that the secretariat observes the rules on distribution and use of remuneration determined at the General Assembly.

9.9. The board of directors has the possibility of choosing 1-3 observer seats. The observers have a right to attend board meetings but have no voting rights.

9.10. The board of directors recommends suitable remuneration for their works, which is determined at the General Assembly, cf. section 7.2, nr. 10.

10. Secretariat

10.1. The day-to-day operations, administration and financial management of the Association are handled by a secretariat director, who is appointed by the board of directors.

10.2. The secretariat must possess expert knowledge of copyright issues and be experienced in the administration of copyright remuneration schemes. The secretariat must ensure that the articles of Association and relevant legislation are observed. The secretariat must also ensure that the administration otherwise takes place in compliance with the guidelines set out by the board of directors and the General Assembly.

11. Powers to bind the Association

11.1. In matters related to the daily administration and management the Association is bound by the signature of the secretariat director. In other matters the Association is bound by the signature of the chair and one of the board members jointly.

12. Audit

12.1. The Association's financial year runs from 1 January to 31 December.

12.2. The Association's financial statements and transparency report are audited by an authorised accountant elected by the General Assembly. In addition to auditing, the auditor must also ensure, in compliance with good auditing practice and relevant legislation, that the distribution of remuneration is made in compliance with the distribution policy adopted by the General Assembly. The board of directors may determine that the financial statements and transparency report of the Association are prepared as one report.

12.3. In addition to the authorised accountant, the General Assembly may elect up to two critical auditors elected among the members of the Association. The election as critical auditor is made for one year at a time. There is a possibility of re-election for up to three subsequent years.

13. Dissolution and liability

13.1. The Association can only be dissolved at the end of a financial year, through a resolution of the General Assembly.

13.2. No personal liability for the obligations of the Association rests on the board of directors, the secretariat, or any member.

14. Notifications

14.1. When the Articles of Association mention "convened", "sent" or the like, where the Association must give written notification, this must be made by letter, e-mail or by other secure electronic means. Notifications are sent to the most recent address and e-mail address stated by the member.

14.2. All statutory information is communicated on the website of the Association.

****