

NON-PROFIT ASSOCIATION MUSIC ESTONIA ARTICLES OF ASSOCIATION

1. GENERAL PROVISIONS

- 1.1. The non-profit association Music Estonia (hereinafter referred to as “the Association”) is a representative and development organisation of Estonian music business, the purpose of which is to support the development of a professional, internationally active and competitive music industry.
- 1.2. In order to realise this goal, the Association designs a comprehensive environment that supports music business, stands for the interests of music entrepreneurs and comprehensively enhances their activities both domestically and internationally.
- 1.3. The Association operates in a charitable manner, offering goods, services or other benefits mainly free of charge or in other non-revenue or publicly available ways. The Association organises various charitable activities to realise its goals, which are aimed at different target groups in the field of music, including professional trainings and development projects.
- 1.4. The Association is located in Tallinn, Republic of Estonia.
- 1.5. The Association may become a member of other legal entities or be the founder of independent legal entities.

2. MEMBERSHIP

- 2.1. A legal entity may become a member of the Association if it meets the requirements for members, agrees with the goals of the Association and its aims include developing the Estonian music business, representing Estonian artists

and music groups, internationalising the music industry, providing industry-specific support services or marketing music products and services.

2.2. Admission to membership is decided by the meeting of commissioners (the Council) at their next meeting after submitting a written application for membership.

2.3. A member has the right to withdraw from the Association by submitting a corresponding written application to the Board. The decision on deleting a member from the Association's list of members will be made by the Council at the next Council meeting at the latest.

2.4. A member may be expelled from the Association on the basis of a decision of the Council, if they:

2.4.1. significantly harm the interests of the Association, cause property damage to the Association or have lost the trust of other members of the Association for other reasons;

2.4.2. have not paid the membership fee by the due date;

2.4.3. violate the procedure established at the events held by the Association.

2.5. The rights and obligations of the members of the Association derive from the law, the articles of association and the decisions of the General Meeting and the Council.

2.6. Members of the Association have the right to:

2.6.1. participate in the General Meeting of the Association with the right to vote;

2.6.2. participate in the Association's activities;

2.6.3. participate in the Association's bodies and be elected as members of the Association's management bodies;

2.6.4. receive information about the activities of the Association;

2.6.5. submit proposals to the Board on issues related to the Association's activities.

2.7. A member of the Association is obliged to:

- 2.7.1. fulfil the statutory requirements of the Association and lawful decisions of its governing bodies;
- 2.7.2. timely pay the membership fee and other payments in the amount and term approved by the Association's articles of association or by the governing bodies of the Association;
- 2.7.3. provide valid contact information for the Board of the Association;
- 2.7.4. take good care of the Association's property, use it sparingly and for the intended purpose;
- 2.7.5. not to damage the reputation of the Association.

3. GENERAL MEETING

- 3.1. The highest body of the Association is the General Meeting, where each member of the Association has one vote. A member of the Association may authorise another member to vote on their behalf with a simple power of attorney. The General Meeting has all rights arising from the law.
- 3.2. The competence of the General Meeting includes:
 - 3.2.1. changing the articles of association (including purpose);
 - 3.2.2. election and recall of commissioners (Council members);
 - 3.2.3. deciding on dissolution, merger and division of the Association;
 - 3.2.4. deciding other issues that are not assigned to the competence of other bodies by law or statute.
- 3.3. The General Meeting is convened at least once a year in accordance with the procedure provided by law. The Board notifies the members of the convening of the General Meeting at least 14 days before it takes place.

- 3.4. The General Meeting has decision-making power if at least 20 percent of the members participate in it. In order to change the articles of association, 2/3 of the members of the Association must vote in favour. In other matters, a simple majority of those who participated in the vote is necessary. It is possible to vote and participate in the General Meeting electronically.
- 3.5. The General Meeting can also adopt decisions without convening the General Meeting. Without convening a general meeting in the manner provided for in Article 22(1) of the Non-Profit Associations Act, the Board sends a corresponding notice to all members together with the draft decision, indicating a deadline, which cannot be shorter than seven days, during which the member must present their position on the decision. Voting takes place in accordance with clause 3.3. The Board prepares a voting protocol on the voting results and sends it to all members without delay.
- 3.6. The decision of the General Meeting may be adopted without following the procedure set forth in clauses 3.3 and 3.4, if the decision has been drawn up in writing or electronically in the manner provided by law and it has been signed by all members. In this case, the decision is considered adopted if all members have signed it.

4. COUNCIL

- 4.1. During the time between General Meetings, the tasks of the General Meeting are performed by the meeting of commissioners (referred to as “the Council” in the articles of association and daily management). The Council is competent to perform all tasks of the General Meeting, the delegation of which is permitted by law, with the exception of amending the articles of association.
- 4.2. The competence of the Council includes:
- 4.2.1. determining the Association’s strategic goals and operational directions and approving the Association’s development plan;

- 4.2.2. forming the positions of the Association in standing for the interests of the field and conveying these positions to the public;
 - 4.2.3. approval of the Association's annual action plan and budget;
 - 4.2.4. approval of the annual report;
 - 4.2.5. deciding on making transactions, participating in projects, making investments, taking loans and debt obligations, granting loans and guaranteeing debt obligations, which exceed the expenditure stipulated in the budget for the financial year;
 - 4.2.6. deciding on admission and expulsion of members;
 - 4.2.7. determination of the size and payment term of the membership fee;
 - 4.2.8. election and recall of the Board of the Association;
 - 4.2.9. deciding to enter into a transaction with a member of the Board or other body prescribed by the articles of association, determining the terms of the transaction, deciding to hold a legal dispute and appointing a representative of the non-profit association in this transaction or dispute;
 - 4.2.10. supervising the activities of the board;
 - 4.2.11. convening working groups and committees.
- 4.3. Council members are elected by the General Meeting from among the members of the Association for up to two years. The Council consists of up to seven members, but not less than five. A Council member may resign from the Council before the end of their term of office by notifying the Council at least one month in advance. A Council member may be recalled by the General Meeting before the end of their mandate.
- 4.4. The Council approves its work arrangement and may elect a chairman from among its members.

- 4.5. Council meetings are held as needed, but not less often than four times a year. The Council meeting is called by the Board or the Council, announcing the time, place and agenda 7 days in advance.
- 4.6. The Council has decision-making power if at least 5 Council members participate in the meeting. The Council's decision is adopted if more than half of those who attended the meeting vote for it, unless the Association's articles of association do not require a larger majority.
- 4.7. The Council can also adopt decisions without convening a meeting. Without convening a meeting for the adoption of decisions, the Board sends a corresponding notice to all Council members together with the draft of the decision, specifying a deadline, which cannot be shorter than seven days, during which the Council member must present their position on the decision. Voting takes place in accordance with clause 4.6. The Board prepares a voting protocol on the voting results and sends it to all council members without delay.
- 4.8. The Council's decision may be adopted without following the procedure set forth in clauses 4.6 and 4.7, if the decision is prepared in writing or electronically as provided by law and is signed by all Council members. In such a case, the decision is considered adopted if all Council members have signed it.

5. BOARD

- 5.1. The daily activities of the Association are managed and the Association is represented in legal and administrative matters by the Board in accordance with Estonian legislation and based on the guidelines of the General Meeting and the Council. The Board has all the rights and obligations arising from the law, the articles of association and the decisions of the General Meeting and the Council.
- 5.2. The Board consists of one to three members, who are elected by the Council for up to three years. Board members do not have to be members of the Association.

Board members can be recalled at any time by the decision of the Council, regardless of the reason.

- 5.3. The Association can be represented in all legal actions by each member of the Board. If the Council elects more than one Board member, the Council may appoint the chairman of the Board from among the members of the Board.
- 5.4. The Board approves its work arrangement. To adopt a decision, the Board needs a majority of the Board members to vote in favour of the decision. The Board may conduct voting electronically.
- 5.5. The competence of the Board is to hire and arrange the work of the Association's employees. The employees of the Association are subordinate to the Board.

6. FINAL PROVISIONS

- 6.1. In all situations that are not stipulated by the articles of association, the provisions of the law shall apply.
- 6.2. The financial year of the association is from 1 January to 31 December.
- 6.3. In order to supervise the activities of other bodies of the Association, the General Meeting has the right to appoint an audit committee or an auditor inspection. The audit committee must have at least three members. The auditors or auditors appointed by the General Meeting prepare a report on the results of the audit or audit, which they present to the General Meeting.
- 6.4. The merger, division and liquidation of the Association is carried out according to the procedure provided by law.
- 6.5. The assets remaining upon the liquidation of the Association are given with an income tax discount to a legal entity on the list of non-profit associations and foundations or to a public legal entity.
- 6.6. The Association does not distribute its property or income and does not provide material assistance or financially valuable benefits to its founders, members,

members of the management or control bodies, persons who made donations to it or members of the management or control body of such persons, or to persons related to these persons within the meaning of the Income Tax Act.