



**ARTICLES OF ASSOCIATION OF THE NON-TRADING COMPANY OF  
PHONOGRAM PRODUCERS IN FRANCE  
(SPPF)**

**A non-trading company with variable capital**

**Registered office: 28 rue Châteaudun - 75009 PARIS**

**(Modified during the Extraordinary General Meetings of the SPPF held on  
November 15th, 1988, June 25th, 1996, July 1st, 1999, June 25th, 2001, June 27th, 2002, June 22nd 2004  
June 14<sup>th</sup> 2006, 28<sup>th</sup> June 2007, 17<sup>th</sup> June 2008, 17<sup>th</sup> June 2009 and 14<sup>th</sup> June 2011)**

The undersigned:

1 / Mr Charles TALAR, Manager, residing at 5 rue Marbeuf in PARIS VIII

ACTING IN THE NAME AND ON BEHALF OF :

The Limited Liability Company P.E.M.C.T. (PRODUCTIONS and EDITIONS MUSICALES CHARLES TALAR), whose registered office is at PARIS VIII, 61 rue de Ponthieu, with a registered capital of 20,000 F (TWENTY THOUSAND FRANCS), registered with the Trade and Companies Register under number 73B474

BY VIRTUE of his position as Manager of the aforementioned Company,

2 / Mr Max AMPHOUX, Manager, residing at 31 rue Fresnel in PARIS XVI,

ACTING IN THE NAME AND ON BEHALF OF :

The Limited Liability Company EMMA PRODUCTIONS, whose registered office is in PARIS IX, 22 rue Ballu, with a registered capital of 50,000 F (FIFTY THOUSAND FRANCS), registered with the Trade and Companies Register under number 77B2240

BY VIRTUE of his position as Manager of the aforementioned Company,

3 / Mr Pierre-Alain SIMON, Chairman and Managing Director, residing at 11 rue Labie in PARIS XVII,

ACTING IN THE NAME AND ON BEHALF OF :

the Limited Company A.V.R.E.P., whose registered office is at PARIS VIII, 44 rue de Miromesnil, with a registered capital of 250,000 F (TWO HUNDRED AND FIFTY THOUSAND FRANCS), registered with the Trade and Companies Register under number 85B11418

BY VIRTUE of his position as Chairman and Managing Director of the aforementioned company,

4 / Mr Daniel BELOLO, member of the Board and Managing Director, residing at 34 rue Desbordes Valmore in PARIS XVI,

ACTING IN THE NAME AND ON BEHALF OF :

the Limited Company SCORPIO MUSIC, whose registered office is at PARIS VIII, 5 rue Clément Marot, with a registered capital of 500,000 F (FIVE HUNDRED THOUSAND FRANCS), registered with the Trade and Companies Register under number 76B3770,

BY VIRTUE of a delegation of power that has been granted to him by Mrs Ginette MIRAMONT, Chairman and Managing Director of the aforementioned company, according to a private agreement signed on October 17<sup>th</sup>, 1986.

5 / Mr Paul LEDERMAN, Manager, residing at 3 rue Georges Bille in PARIS XVI,

ACTING IN THE NAME AND ON BEHALF OF :

The Limited Liability Company PRODUCTIONS PAUL LEDERMAN, whose registered office is at PARIS IV, 13 rue de Rivoli, with a registered capital of 20,000 F (TWENTY THOUSAND FRANCS), registered with the Trade and Companies Register under number PARIS B712 027 051,

BY VIRTUE of his position as Manager of the aforementioned Company,

6 / Mr Francis DREYFUS, Manager, residing at 20 rue Parmentier in NEUILLY SUR SEINE (92200),

ACTING IN THE NAME AND ON BEHALF OF :

the Limited Liability Company FRANCIS DREYFUS MUSIC, whose registered office is at PARIS XVI, 26 avenue Kléber, with a registered capital of 32,000 F (THIRTY TWO THOUSAND FRANCS), registered with the Trade and Companies Register under number PARIS B304 773 716,

BY VIRTUE of his position as Manager of the aforementioned Company,

7 / Mr Jacques REVAUX, Chairman and Managing Director, residing at 62 avenue Raymond Poincaré in PARIS XVI,

ACTING IN THE NAME AND ON BEHALF OF :

the Limited Company TREMA, whose registered office is at PARIS VIII, 62 rue Pierre Charron, with a registered capital of 630,000 F (SIX HUNDRED AND THIRTY THOUSAND FRANCS), registered with the Trade and Companies Register under number PARIS B692 046 907,

BY VIRTUE of his position as Chairman and Managing Director of the aforementioned company,

8 / Mr Georges MARY, Managing Director, residing at 5 rue d'Artois, in PARIS VIII,

ACTING IN THE NAME AND ON BEHALF OF :

the Limited Liability Company LES EDITIONS PRODUCTIONS GEORGES MARY, whose registered office is at PARIS VIII, 5 rue d'Artois, with a registered capital of 50,000 F (FIFTY THOUSAND FRANCS), registered with the Trade and Companies Register under number 85B06879,

BY VIRTUE of his position as Managing Director of the aforementioned company,

9 / Mr Didier GUINOCHET, residing at 14 rue de l'Assomption in PARIS XVI,

ACTING IN HIS OWN PERSONAL NAME

As a Phonogram Producer, registered under number A330 643 578,

10 / Mr Marc NEGRONI, Manager, residing at 11 rue Caulaincourt in PARIS XVIII,

ACTING IN THE NAME AND ON BEHALF OF :

the Limited Liability Company COMMANDO COMMUNICATION, whose registered office is at PARIS XVIII, 5 rue Cavalotti, with a registered capital of 50,000 F (FIFTY THOUSAND FRANCS), registered with the Trade and Companies Register under number PARIS B338 170 483,

BY VIRTUE of his position as Manager of the aforementioned Company,

11 / Mr Philippe RENAUX, Managing Director, residing at 53 boulevard Victor Hugo in NEUILLY SUR SEINE (92200),

ACTING IN THE NAME AND ON BEHALF OF :

the Limited Liability Company SNEAK PREVIEW, whose registered office is at Boulevard Bourdon in PARIS IV, with a registered capital of 20,000 F (TWENTY THOUSAND FRANCS), registered with the Trade and Companies Register under number B 330 126 769,

BY VIRTUE of his position as Managing Director mandated by the Manager of the aforementioned company, Mr Francis FOURNIER, according to a private agreement signed on October 17<sup>th</sup>, 1986,

12 / Mr Alain PUGLIA, Chairman and Managing Director, residing at 34-36 rue de Clichy in PARIS IX,

ACTING IN THE NAME AND ON BEHALF OF :

the Limited Company ARENA DISQUES FLARENASCH, whose registered office is at 57, rue du Faubourg Montmartre in PARIS IX, with a registered capital of 1,000,000 F (ONE MILLION FRANCS), registered with the Trade and Companies Register under number SEINE 76B305 035 115,

BY VIRTUE of his position as Chairman and Managing Director of the aforementioned company,

**HAVE AGREED AS FOLLOWS :**

**CONSTITUTION of the COMPANY**

**ARTICLE 1**

- 1.1 - Between the undersigned, and in general all French or foreign producers of phonograms and / or videograms – as well as their beneficiaries, transferees, concession holders or agents – who are authorised to adhere to these articles of association, is formed a non-trading company with variable capital, governed by the provisions of Chapter IX of Book III of the Civil Code and by subsequent implementation texts and by the provisions of Book II heading II sole Chapter of the Intellectual Property Code, as well as by these Articles of Association under the names of SOCIETE CIVILE DES PRODUCTEURS DE PHONOGRAMMES EN FRANCE (S.P.P.F.), hereinafter referred to as the COMPANY.
- 1.2 - Producers of phonograms and / or videograms and individuals or corporate entities authorised to exercise the rights of the said producers, authorised to adhere to these articles of association, appoint exclusively – due to the very fact of their membership – the Company to exercise jointly :
- rights to remuneration for the use of their phonograms and videograms, rights that they hold or will hold by virtue of articles L. 214-1 and L. 311-1 of the Intellectual Property Code relating to copyright and performers', phonogram and videogram producers' and audiovisual communication companies' rights,
  - rights relating to the use of their phonograms and videograms, rights that they hold or will hold by virtue of articles L. 213-1 paragraph 2 and L. 215-1 paragraph 2 of the Intellectual Property Code, and this within the limits set forth in the Articles of Association, as referred to below,
  - all similar rights devolved upon producers of phonograms and videograms, in France and abroad, by national laws and international conventions, each time that these rights are or become the object of joint exercise.
- 1.3 - Due to the very fact of his membership, each Member will also have the possibility of mandating the COMPANY, under the terms defined by the General Meeting or the Board, for the purposes of exercising all or some of the rights to authorise the use of the phonograms and videograms that they have declared to the COMPANY, pursuant to the provisions of article 1.10 below, by signing General Joint Interest Contracts with the various categories of phonogram or videogram users, in application of the provisions of article L. 321-10 of the Intellectual Property Code.
- 1.4 - Territories :
- The COMPANY exercises its activity both in France and abroad. However, the territorial scope of the Mandates may be restricted by each Member, either at the time of joining the COMPANY, or at any other time by registered letter with recorded delivery sent to the COMPANY with a notice period of six (6) months.
- Territorial extension of the Mandates will be notified by the Member to the COMPANY by registered letter with recorded delivery: it will take immediate effect.

- 1.5 - Limitation of Mandates :  
Members will have the possibility of limiting rights entrusted to the COMPANY, either when joining the company or by notification at a later date by registered letter with recorded delivery with a notice period of six (6) months, subject to the rights that remain granted to the COMPANY constituting, for example, a uniform category of rights, rights relating to radio and television use of all the Member's phonograms, for all broadcasts within the national territory and which are the object of General Contracts of Common Interest with broadcasting organisations.
- 1.6 - Scope of Mandates:  
Membership documents subscribing to the Articles of Association of the SPPF, materialised by the obligatory mandate (Mandate B) as well as optional management mandates that are entrusted to the SPPF by its Members involve previous rights, where have not been exercised either directly by Members or indirectly by the joint management company of which they were a member, and the future rights from which they benefit by international agreements, community directives and the internal right governing intellectual property, whether these rights arise prior to the date of signature of the mandate or during the life of the mandate
- 1.7- Joint use of an authorisation right and a remuneration right :  
Mandates devolved upon the COMPANY authorise the latter to exercise the authorisation right defined in article L. 213-1 of the Intellectual Property Code, each time that the authorisation conditions of the General Contracts of Common Interest to be signed with a user or category of users implicate jointly the right to equitable remuneration referred to in article L. 214-1 of the Intellectual Property Code and without the products resulting from the right to equitable remuneration and the products of the authorisation right being able to be distinguished.
- 1.8 - Shows in public:  
The Mandate devolved upon the COMPANY will apply, except where the Member expresses his will to the contrary, to the right to authorise direct communication of phonograms during a show, as referred to in article L. 214-1 2) of the Intellectual Property Code.  
An intention to the contrary will result, either from the reservation in this regard expressed when joining the company, or from notification by registered letter with recorded delivery sent to the COMPANY, notification which will come into effect only after expiry of a period of six (6) months.
- 1.9 - Exclusion of usage for advertising purposes :  
Except in cases of intention to the contrary resulting from specific notification given by each Member, usage for advertising purposes remains the latter's responsibility.
- 1.10 - The undersigned and the individuals or corporate entities authorised to adhere to these Articles of Association undertake to declare to the COMPANY'S corporate register, under the conditions that may be laid down by the COMPANY'S General Regulations or by decisions made by its Board or even by the Assembly of Members, phonograms and videograms that are the object of the mandate referred to in article 1.2 above.
- 1.11 - The duration of the mandate referred to above will be that of adherence to the Articles of Association; any Member may withdraw his mandate subject to a one-year notice period notified to the COMPANY by registered letter with recorded delivery.
- 1.12 - Withdrawal of the Mandate referred to in article 1.2 above, will lead *ipso facto* to resignation of the Member, which will take effect at the end of the calendar year after the date of the notice given, as provided for in the preceding paragraph.

## **HEAD OFFICE AND DURATION OF THE COMPANY**

### ARTICLE 2

2.1 - The COMPANY'S head office is located at

**28 rue Châteaudun - 75009 PARIS**

It may be transferred by decision of the Board to any other place in the same town or in the neighbouring counties by simple decision by the Board, subject to ratification at the next Extraordinary General Meeting by joint decision made by Members. In this case, the Manager is authorised to modify the Articles of Association and to perform all legal advertising formalities and changes to the inscription on the Trade and Companies Register.

- 2.2 - Duration of the COMPANY is set at ninety-nine years, which will start to run as from the date of registration with the Trade and Companies Register.
- 2.3 - One year prior to the date of expiry of the COMPANY, Members must be consulted in order to decide whether it should be extended.

## **AIM OF THE COMPANY**

### ARTICLE 3

3.1 - The aim of the COMPANY is :

- 1/ Joint exercise of the property rights of phonogram and / or videogram producers, specifically:
  - rights to remuneration recognised by articles L. 214-1 and L. 311-1 of the Intellectual Property Code,
  - exclusive rights of a property nature relating to the use of phonograms and videograms recognised by articles L. 213-1 paragraph 2 and L. 215-1 paragraph 2 of the Intellectual Property Code,
  - all similar rights devolved upon phonogram and videogram producers in France and abroad by national laws and international conventions, each time that these rights are the object of joint exercise.
- 2/ The signing of General Contracts of Common Interest with phonogram or videogram users with the aim of improving the broadcasting of the latter and of promoting technical or economic progress, up to the limit of the Mandates which either all or some of the Members of the COMPANY, or French or foreign organisations with the same aim, have granted to it.
- 3/ The negotiation and signature of specific agreements with each category of phonogram users in order to set the rate and terms of payment of the remuneration referred to at 1/ above, due to the producers of these phonograms, and in order to set the terms for establishing and supplying the documentary elements that are indispensable for the apportionment of these remunerations.
- 4/ Participation on behalf of its Members in every Commission set up in application of the provisions of the Intellectual Property Code, and in all kinds of negotiations seeking to define and set the conditions for the exercise of phonogram and videogram producers' rights.
- 5/ The constitution of all kinds of non-trading companies for the collection and apportionment of copyright and similar rights shared with other non-trading collection companies, or the

membership of all types of non-trading companies set up with the same aim or pursuing the same aims as those defined in these Articles of Association, as well as the constitution of all kinds of Economic Interest Groupings or other groupings with these non-trading companies, for the purpose of pooling resources relevant to the management of rights relating to the aim of the COMPANY.

- 6 / The signature of representation contracts with French or foreign bodies with the same aim or pursuing the same aims as those defined in these Articles of Association.
- 7 / The constitution of the COMPANY'S Corporate Register based on the phonograms and videograms declared by its Members, and the use of this Register, in accordance with the aims defined in these Articles of Association.
- 8 / The collection and apportionment of the remunerations resulting from the exercise of phonogram and videogram producers' rights, and the rights of their beneficiaries, transferees or concession holders due to the use of the phonograms and videograms,
  - or by virtue of the laws and international agreements when they prescribe the collective exercise of phonogram and videogram producers' rights, the beneficiaries of these, or their transferees or concession holders,
  - or by virtue of the general contracts which are or will be signed with the phonogram or videogram users,
  - or by virtue of the collective agreements between the representing bodies of phonogram producers and those representing the performers.
- 9 / The use by its own resources and by allocation to third party bodies of part of the remunerations due to phonogram producers (in the joint exercise of their rights and as a minimum within the limits set by the provisions of the current Intellectual Property Code) for the purpose of assistance with creation, the dissemination of live shows and of action taken for the training of performers and membership of third party bodies which are beneficiaries of these funds.
- 10/ The protection of phonogram and videogram producers' recognised rights, particularly by means of the control of the use of these phonograms and videograms, and by the noting of misuse of these rights by certified agents, approved by the Minister of Culture.
- 11/ Legal action, as claimant or defendant, by all judicial or extrajudicial means, to have the rights recognised, whether acting in its own name or in the name of its Members and to have any offence against the said rights stopped and penalised.
- 12/ The defense of the common interest of the profession exercised by its members and the definition of professional rules related to their activity.
- 13/ In a general way, the defence of the material and moral interests of its Members or their individual beneficiaries, up to the limit of its corporate aim, as well as the definition of professional ethical rules relating to the activity of its Members.
- 14/ Action in terms of a provident fund, solidarity and mutual assistance by means of the creation and payment of benefits within the context of charitable works.
- 15/ Cultural action, by the implementation of technical and financial resources able to valorise promotion amongst the general public.

- 16/ To provide services of administrative and financial nature with the other French and foreign bodies facilitating the use of phonograms and videograms or encouraging the promotion of technical or economic progress, or allowing a better economic efficiency.

## **COMPOSITION OF THE COMPANY - ADMISSION**

### ARTICLE 4

- 4.1 - The COMPANY is made up of Members, who are either individuals or corporate entities:
- French or foreign producers of phonograms and / or videograms, their beneficiaries, transferees, concession-holders or agents, authorised either in their capacity as producer or by contract to exercise all or some of the rights recognised as belonging to the said producers by French legislation or by international treaties and conventions applicable in France,
  - founder signatories to these Articles of Association or who have adhered to the latter, subject to having met all their obligations towards the COMPANY.
- 4.2 - The position of Founder Member does not confer any specific title or any kind of special prerogative with the exception of the provisions of article 21 below.
- 4.3 - Any individual or corporate entity applying to adhere to these Articles of Association must send their application in writing to the Chairman of the Board or to one of the Vice Chairman, using the form provided for this purpose by the COMPANY.
- 4.4 - The Board is consulted regarding requests for adherence to these Articles of Association.
- 4.5 - The Board may take the decision to accept, in the COMPANY'S name, admission of the applicant, if the latter meets the provisions of articles 1 and 4.1 above, and subject to the applicant meeting any specific terms that may be set by the General Regulations.
- 4.6 - The Board may decide, under the terms of article 12 of these Articles of Association, to ask the opinion of a Commission specifically designated for this purpose and this Commission must give its opinion within a period of one (1) month.
- 4.7 - After receiving the opinion of the designated Commission, the Board may make the decision, with justification, to reject any request for membership, subject to the recourse that may be provided for in the General Regulations.
- 4.8 - In case of admission to adhere to these Articles of Association, the application must, within the month following the latter, sign a document demonstrating his adherence to these Articles of Association, and in general, a commitment to submit to the provisions of the COMPANY'S Articles of Association and its General Regulations. He must pay his share of the company's authorised capital (as set forth in the Articles of Association), as set in articles 5.2, paragraph 2 and 6.1 below, and he must also inform the COMPANY of his intention to mandate it, in application of the provisions of article 1.3 above.

**CONTRIBUTIONS – AUTHORISED CAPITAL AS PROVIDED FOR IN THE ARTICLES OF ASSOCIATION - EFFECTIVE - REDUCTION**

**INCREASE IN THE AUTHORISED CAPITAL AS PROVIDED FOR IN THE ARTICLES OF ASSOCIATION**

**VARIABILITY OF THE EFFECTIVE CAPITAL**

## ARTICLE 5

5.1 - The Founder Members make the following contributions to the COMPANY:

- the Company PRODUCTIONS and EDITIONS MUSICALES  
CHARLES TALAR, the amount of 153 €
- the Company EMMA PRODUCTIONS, the amount of 153 €
- the Company A.V.R.E.P., the amount of 153 €
- the Company SCORPIO MUSIC, the amount of 153 €
- the Company PRODUCTIONS PAUL LEDERMAN, the amount of 153 €
- the Company FRANCIS DREYFUS MUSIC, the amount of 153 €
- the Company TREMA, the amount of 153 €
- the Company LES EDITIONS PRODUCTIONS GEORGES MARY, the amount of 153 €
- Mr Didier GUINOCHET, the amount of 153 €
- the Company COMMANDO COMMUNICATION, the amount of 153 €
- the Company SNEAK PREVIEW, the amount of 153 €
- the Company ARENA-DISQUES FLARENASCH, the amount of 153 €

That is a Total amount of Contributions of 1 836 €  
(ONE THOUSAND EIGHT HUNDRED AND THIRTY SIX EUROS)

Which amount has been deposited with Mr François WELLEBOUCK acting in his capacity as Managing Director, to be paid, within a period of eight days following the signature of this document, into an account that he will open in the name of the Company being formed.

5.2 - The statutory capital is fixed at €229,500 (TWO HUNDRED AND TWENTY NINE THOUSAND FIVE HUNDRED EUROS).

It is divided into 1,500 (ONE THOUSAND FIVE HUNDRED) shares valued at €153 (ONE HUNDRED AND FIFTY THREE EUROS) each, which shall be created as needed depending on variations in paid-up capital.

5.3 - The effective capital represents the fraction of the capital set in the Articles of Association subscribed by the Members at any given time in the life of the company.

The founding capital is subscribed up to the amount of 1,836 € (ONE THOUSAND EIGHT HUNDRED AND THIRTY SIX EUROS).

5.4 - On decision by the Extraordinary General Meeting of Members, the authorised capital as set in the Articles of Association may be increased on one or several occasions by the creations of new shares, representing exclusively contributions made in cash resulting from the adherence of new Members.

The General Meeting also sets the terms for the creation of these new shares or may delegate its powers to the Manager for this purpose.

5.5 - The Extraordinary General Meeting may decide to reduce the authorised capital for any reason or in any way whatsoever.

5.6 - The effective capital will be subject to increases or reductions due to the taking back of contributions, either in total or in part, by Members, or to the subscription of new contributions by old or new Members.

5.7 - Reductions to the effective capital are limited such that the authorised capital paid up by the Members is at least equal to 10 % (TEN PER CENT) of the highest capital set in the Articles of Association since the constitution of the COMPANY.

## **SHARES IN THE AUTHORISED CAPITAL**

### ARTICLE 6

- 6.1 - The authorised capital is divided into equal shares which are allocated as follows: one share per individual or corporate entity Member, either a Founder Member or a Member admitted to adhere to these Articles of Association.
- 6.2 - Shares in the authorised capital are not represented by any kind of title.
- 6.3 - The position of shareholder opens the right to hold, at Ordinary, Exceptional or Extraordinary General Meetings, at least one vote per Member, subject to Members having met all their obligations in terms of the Company as at the date of convening of the said Meetings.

## **BUDGET**

### ARTICLE 7

- 7.1 - The item entitled expenses is made up of all the costs required for the running of the Company and of the charitable works and cultural actions fund.
- 7.2 - The item entitled ordinary income is made up of:
  - the withdrawal of a percentage from the amount of rights on collection and / or at the time of apportionment,
  - grants, subsidies, gifts of all kinds and damages payments received.
- 7.3 - Recorded in a special, so-called "Security" account are the following:
  - amounts received from collection and which it has not been possible to apportion or which have not been apportioned in application of joint decisions,
  - interest on investments made using cash awaiting apportionment,
  - royalties not claimed by Members or their beneficiaries after a period of ten (10) years,
  - interest on amounts invested from the authorised capital,
  - fines levied by the Board in accordance with General Regulations.
- 7.4 - On proposal by the Treasurer and by the Manager, the withdrawal percentage, as set forth at point 7.2 (first paragraph) above is set by the Board provisionally at the start of each financial year, on the basis of the results of the previous financial year.

If the amount of expenditure exceeds that of ordinary income, the Board will withdraw from the "Security" account, the amounts required to obtain a balance.

## **COLLECTION AND APPORTIONMENT OF RIGHTS**

### **ARTICLE 8**

- 8.1 - In application of the provisions of article L. 321-8 of the Intellectual Property Code, associations of general interest benefit from a reduction of 5 % on remunerations normally due to the Company in return for the use of the phonograms on the Corporate Register at events which they organise and for which there is no entrance charge, subject to a request being made by the said associations to the Company, in advance, within fifteen (15) days prior to the date of these events.
- 8.2 - Associations of general interest whose corporate aim and main activity consists of the promotion of musical creation, distribution and education, as well as those falling within the provisions of article L. 132-21 of the Intellectual Property Code on literary and artistic property, may benefit, for events they organise within the framework of their normal activities and for which there is no entrance charge, from a reduction greater than that referred to at point 8.1 above, subject to having signed, with the Company, either directly or by the intermediary of their national federations, General Contracts of Common Interest applicable to these events and setting the terms of this reduction.
- 8.3 - Remunerations collected by the Company are divided between Members, less the sums allocated to activities of general interest and the sums recorded on the special "Security" account, according to terms that may be laid down by the General Regulations and in accordance with decisions made by the Board and the General Meeting of Members, either on the basis of an amount based on the amount of time the phonograms and videograms are used, or based on terms set by Mandates, or by any kind of method involving sampling or calculation by analogy.

## **ADMINISTRATION OF THE COMPANY**

### **ARTICLE 9**

- 9.1 - The Company is administered by a Board comprising fifteen (15) members, elected from amongst the individual or corporate entity Members.
- However, the Chairman of the Board alone will have the capacity of Manager of the Company with regard to third parties, subject to the powers attributed by law and these Articles of Association, on the Board and at General Meetings.
- 9.2 - Members who have been the object of a disciplinary measure imposed by the Company, under the terms set forth in the General Regulations are non-eligible for election to the Board, for a period of five (5) years.
- 9.3 - Board members are elected for three (3) years by the Ordinary General Meeting of Members and they may be re-elected.
- 9.4 - In case of equal numbers of votes, the benefit of the election will go to the candidate who is the longest standing Member.
- 9.5 - As from the Ordinary General Meeting called to rule on the accounts for the second financial year, ending on December 31<sup>st</sup>, 1988, one third of Board members shall be renewed annually. Names of members whose position as administrator is due to expire will be drawn at random, with the exception of members of the Committee for the first three (3) financial years.

- 9.6 - Corporate entities that are Board members must be represented by individuals authorised by law and corporate decision and they may not be persons from outside the said corporate entity.
- 9.7 - The Board elects from amongst its members, by secret ballot, a Committee comprising a Chairman, six (6) Vice-Chairmen, a General Secretary, a Treasurer and a deputy Treasurer.
- 9.8 - Committee members are elected for the duration of their role as Board member.
- 9.9 - If one or several seats on the board are or fall vacant for any reason whatsoever, the Board has the possibility of calling a General Meeting which will fill the vacant seats in accordance with these Articles of Association.
- 9.10 - Board members thus elected remain in their positions only until the expiry date of their predecessor's Mandate.
- 9.11 - Any Board member who resigns may only be re-elected for the period up until the expiry date of his previous Mandate.
- 9.12 - Any Board member who is absent from more than four (4) consecutive meetings of the Board, except if on regular leave or where a valid excuse is forthcoming, shall be deemed to have resigned.
- 9.13 - Board members receive no payment for their tasks, however, monthly allowances for representation or travelling expenses may be attributed to them by decision of the Board; details of these allowances must be the object of a special document attached to the documents provided for the Annual General Meeting.
- 9.14 - The Board may only sit validly if a majority of Boards Members is present or represented.
- 9.15 - The Board's decisions are taken by a majority of members present or represented, and each member may hold a maximum of three (3) powers.
- 9.16 - In case of divided vote, the Chairman, or in his absence the Chairman of the Meeting, will have the casting vote.
- 9.17 - The terms of minutes shall be approved, after reading, during the next meeting and shall be transcribed onto a register kept for this purpose. These minutes, in case of named vote, shall bear the names of administrators who have taken part in the vote and the direction of each vote cast.
- 9.18 - The minutes of each meeting must be signed by the Chairman or by one of the six Vice-Chairmen, by General Secretary or by the Treasurer and by the Managing Director.
- 9.19 - Any Member may consult, at the Company's Head Office, personally, and for private purposes, the text of the minutes of deliberations and decisions taken by the Board and copies may be made after a request has been submitted to the Managing Director. Copies must be signed by the Chairman or one of the vice-Chairmen, and by the Managing Director.
- 9.20 - The Board may deliberate in secret session, each time it considers this to be necessary, for reasons to be indicated in the minutes.

## **TASKS OF THE BOARD**

### ARTICLE 10

- 10.1 - The Board runs the COMPANY. It processes, contracts, pleads, settles and compromises in the Company's name, subject to the tasks of the Members' General Meeting, as referred to in article 13, it pronounces admission to applicants to adhere to these Articles of Association, and, in a general way, performs all administrative acts.
- 10.2 - It shall have the power to have Audits performed, particularly for the purposes of validating collection and apportionment procedures and Members' declarations.
- 10.3 - It shall specifically have the power to acquire and dispose of, either in return for payment or free of charge, all types of movable and real property.
- 10.4 - It nominates the COMPANY'S Managing Director who may not be chosen from amongst Members or their staff and establishes with him the terms of his employment contract and the extent of his powers. It can also revoke such contracts under the same conditions. The Board may also award an annual bonus to the Managing Director.
- 10.5 - It has charitable funds available to it and deals with the placement of these funds.
- 10.6 - It authorises expenditure.
- 10.7 - It has the ability to contract, in the interests of Members, with all French or foreign organisations, within the framework of the COMPANY'S corporate aim and particularly for the constitution of non-trading companies dealing with collection and apportionment, shared with other non-trading companies dealing with collection and apportionment.

## **ROLE OF THE MANAGER – CHAIRMAN OF THE BOARD**

### ARTICLE 11

- 11.1 - The Chairman of the Board is the Manager of the COMPANY.
- 11.2 - He deals with management of the COMPANY with regard to third parties, in accordance with the provisions and instructions of the Board.
- 11.3 - He has the corporate signature, use of which may only be made for the COMPANY'S business.
- 11.4 - He is responsible specifically for:
  - 1 / carrying out or having carried out the decisions taken by the Board,
  - 2 / keeping the accounts and dealing with the COMPANY'S correspondence,
  - 3 / ensuring the collection of royalties and other income and keeping the COMPANY'S books,
  - 4 / ensuring the apportionment of royalties between Members according to their respective rights and of paying out these royalties after approval by the Board,
  - 5 / recruiting, promoting and dismissing the staff required for the correct administrative operation of the Company,
  - 6 / bringing and monitoring all cases or lawsuits falling within the framework of the corporate aim, with the obligation to report on these actions to the Board,

7 / calling the various Members' Meetings at the request of the Board or at his own initiative.

- 11.5 - The Manager must inform the Members' General Meeting of pacts, protocols, conventions and all other acts of such kind that may be signed.
- 11.6 - The Manager may be dismissed on justified decision of the Board with a two-thirds (2/3) vote.
- 11.7 - If the Manager ceases his functions, for any reason whatsoever, the Board shall nominate another Manager, under the terms of article 11.1 of the Articles of Association.

## **COMMISSIONS**

### ARTICLE 12

- 12.1 - As and when required Commissions operating under the conditions set forth in the General Regulations will be set up either by the Board, or by the Ordinary General Meeting.
- 12.2 - A Special Commission, responsible for examining a refusal to communicate with which a Member is charged by the Company, shall be set up in application of the provisions of article R. 321-6-3 of the Intellectual Property Code, operating under the conditions set forth in the General Regulations.
- 12.3 - Commissions may not, under any circumstances, interfere with the running of the COMPANY.
- 12.4 - Their task is to look at matters falling within their jurisdiction as well as those submitted to them, and to present proposals to the Board.
- 12.5 - Commissions will keep minutes of their meetings, which will be signed by their Chairmen and Secretaries.
- 12.6 - They shall present a report of their activities to the Annual General Meeting of the COMPANY.
- 12.7 - Members who have been the object of a disciplinary measure by the COMPANY, under the terms set forth in the General Regulations, may not be part of these Commissions, except if the said measure provides otherwise.
- 12.8 - Members' right of access to the company's books and documents as recognised in article R. 321-6 of the Intellectual Property Code, is performed under the following conditions:
  - Within 2 months preceding the date of the General Meeting to which will be submitted approval of the Company's accounts:
  - At the head office or at the office of administrative management, during the Company's current working hours, on the date set by the latter.

This right of access may only be exercised in the presence of the staff member or members designated by the Company.

A Member who exercises his right of access is bound to sign a document drawn up by the Company, stating which documents have been shown to him or of which copies have been given to him, in application of the provisions of the final paragraph of article R. 321-6-1 of the aforementioned Code.

Pursuant to article R. 321-6 of the Intellectual Property Code, the Member who exercises his right of access may not obtain copies of the said documents, with the exception of, and limited to, those referred to in article R.321-6-1 of the said Code:

1. The annual accounts that will be submitted to the General Meeting as well as the accounts for the

previous financial year, together with the documents referred to in article R. 321-8,

2. Reports from management bodies and auditors which will be submitted to the General Meeting,
3. Where applicable, the text and presentation of the reasons for the resolutions proposed, as well as information regarding applicants to hold a corporate mandate,
4. The total amount, certified as exact by the auditors, of remunerations paid to the highest-paid people, the number of these people being either ten or five, depending on whether the staff of the Company exceeds two hundred people or not,
5. The list of investments indicated in the accounts as at closing of the financial year, together with average yield rates over the financial year for short and medium term investments,
6. A table listing the organisations in which the Company has a holding, as well as the income statement and balance sheet of each of these organisations,
7. A statement showing, for the main categories of users, their number and the amount of rights paid over the year,
8. The table of correspondence between the annual accounts in ordinary presentation and the tables required by article R. 321-8.

12.9 - Pursuant to article R. 321-2 of the Intellectual Property Code, any Member may at any time ask the Company to send to him a copy of the documents listed below (limited to these documents):

- The list of corporate agents,
- A table retracing over a 5 year period the annual amount of sums collected and apportioned as well as withdrawals for management expenses and other withdrawals,
- a document describing applicable apportionment rules,
- the product of the rights due to him over the past 12 months, resulting from the contracts signed with users and the way in which this product is calculated.

This request must be made in writing either to the Chairman-Manager of the Company or to the Managing Director and must specify the document or documents of which the Member wishes to have a copy.

The Company will dispatch the document or documents requested within a period of 15 days counting from reception of the request.

## **ORDINARY GENERAL MEETING**

### **ARTICLE 13**

- 13.1 - The Ordinary General Meeting of Members meets every year, in principle during the months of May or June.
- 13.2 - Members are called to attend by registered letter with recorded delivery, at least fifteen (15) days prior to the date set for the holding of the Ordinary General Meeting.
- 13.3 - The Ordinary General Meeting rules on the report of the Company's activity over the past year; this report is presented by the Manager.
- 13.4 - It also rules on annual accounts and on all matters submitted to it by the Board.

13.5 - The report on the Company's activity and the annual accounts submitted to the Ordinary General Meeting are sent to Members or held at their disposal at Head Office fifteen (15) days prior to the date of the said Meeting.

13.6 - The General Meeting comprises all the Members of the Company which each have:  
- one vote,  
- additional votes up to the limit of a maximum of 8 votes.

Allocation of these additional votes is decided for each Meeting in terms of the total amount of rights apportioned to each Member over the course of the preceding financial year.

The number of additional votes is equal for each Member to the result, rounded down to a full number, of the division of the total of his reference rights.

The amount of the block of reference rights is set for the duration of a financial year by the Board, within the limits of a minimum and maximum set by the Ordinary or Exceptional General Meeting of Members and valid until decision to the contrary made by the said Meeting.

13.7 - In order to deliberate validly, the Ordinary General Meeting must include at least one quarter of Members' votes, whether the latter are present or represented at the Meeting. This quorum is calculated by reference to the number of Members authorised to participate on the date on which the said Meeting is called.

The attendance sheet is certified true by the members of the Meeting's committee.

13.8 - If the Ordinary General Meeting does not obtain a quorum, a second General Meeting is called to be held within fifteen (15) days at the least and thirty (30) days at the most from the date set for the first meeting.

The second Meeting may deliberate validly whatever the number of Members' votes present or represented.

13.9 - Resolutions submitted to the Ordinary General Meeting, when the Meeting is first called or when the second Meeting is called are adopted by the majority of Members' votes present or represented at the said Meeting.

13.10 - The Ordinary General Meeting generally votes by a show of hands, except for matters for which the Board requests a secret ballot or at the request of one tenth (1/10) of Members' votes present or represented at the Meeting.

13.11 - The Ordinary General Meeting elects members of the Board as well as those of the Special Commission referred to in article 12.2 of the Articles of Association under the conditions defined in article 33 of the General Regulations and, where applicable, the Chairmen of the Commissions provided for in the Articles of Association.

13.12 - The Committee of the Ordinary General Meeting comprises the Chairman of the Board, and one other member of the Board's Committee designated by the latter, who will act as Secretary of the Meeting.

13.13 - The Chairman of the Board chairs the meeting. In his absence, he may be replaced by one of the Vice Chairmen of the Board designated by the Board; in this case the latter is a Member of the Committee of the Meeting.

13.14 - No representation of more than seven (7) Members is possible.

13.15 - Deliberations are noted in minutes drawn up and signed by the Chairman of the Meeting and one Vice-Chairman.

13.16 - These minutes are transcribed onto a special register kept at the COMPANY'S head office.

## **EXCEPTIONAL GENERAL MEETINGS**

### ARTICLE 14

14.1 - During the course of the year, Exceptional General Meetings may be held to deal with one or several specific matters by virtue of the deliberations of the Board and at its request or that of the Manager.

In this case, no other matter, other than those referred to on the notice to attend may be put on the Agenda for this Meeting.

14.2 - Members are consulted in writing or are called to attend this Meeting, to deliberate at it and to cast their votes under the same quorum and majority conditions as those required for an Ordinary General Meeting.

14.3 - As an exception to the provisions of the preceding paragraph (14.2), when Members are called to vote on the allocation of funds intended for actions to assist with creation or the distribution of live shows and actions for the training of performers, they vote by a two thirds (2/3) majority of the votes of Members present or represented.

## **EXTRAORDINARY GENERAL MEETINGS**

### ARTICLE 15

15.1 - Modifications to the Articles of Association may only be voted by an Extraordinary General Meeting including at least one quarter (1/4) of Members' votes, whether present or represented.

15.2 - Decisions are taken by a two thirds (2/3) majority of the votes of Members present or represented.

15.3 - If the Extraordinary General Meeting that has been called does not obtain the quorum required in the first paragraph of this article, a second Extraordinary General Meeting will be called to be held within a month from the date of the first Meeting.

15.4 - In order to deliberate validly, this second Meeting must obtain at least half of the votes of Members, either present or represented.

15.5 - Decisions shall be taken in this case by relative majority of votes.

15.6 - Extraordinary General Meetings are called by registered letter with recorded delivery at least fifteen (15) days prior to the planned date. The text of the modifications to be submitted to the vote must be attached to the notice to attend.

15.7 - Terms for chairmanship and composition of the Committee at Extraordinary General Meetings will be the same as those for Ordinary General Meetings.

## **CONSULTATION OF MEMBERS IN WRITING**

### ARTICLE 16

- 16.1 - Except with regard to annual approval of the accounts, modifications to the Articles of Association, winding up or liquidation of the COMPANY, Members' decisions may be taken by means of written consultation carried out either by the Manager, on his initiative, or by the Board on its initiative.
- 16.2 - Written consultation is carried out by registered letter with recorded delivery sent to the Member's last address known to the COMPANY.
- 16.3 - Draft resolutions are sent to each Member, who must give his opinion on each of these resolutions by means of vote in favour or vote against. Abstention is taken to mean a vote against.
- 16.4 - Members shall have a period of fifteen (15) days in which to send by registered letter with recorded delivery their vote to the COMPANY. After this deadline, votes will no longer be counted.
- 16.5 - Each written consultation will be recorded in a report drawn up by the Manager and re-transcribed onto the register of deliberations of the COMPANY'S Meetings.
- 16.6 - Quorum and majority conditions governing the adoption of resolutions are those applicable to the jurisdiction of the corresponding Meeting, taking account of the aim and type of the said resolutions.
- 16.7 - The Manager will inform Members, by any appropriate means, of the result of each written consultation, within a period of one month after the deadline for reception of validated votes.

## **RESIGNATION, STRIKING OFF AND WITHDRAWAL OF MANDATE**

### ARTICLE 17

- 17.1 - The position of Member is lost:
  - 1 / by resignation or by withdrawal of the Mandate given to the COMPANY due to adherence to the Articles of Association, under the terms set forth in articles 1.2 of these Articles of Association.
  - 2 / by expulsion announced by the Extraordinary General Assembly for serious reasons at the request of the Management Board, after the Associate in question has already been called on to provide an explanation. The Associate in question shall be called on in advance to present his defence before the Extraordinary General Assembly, which must give its verdict on his expulsion, by the majority fixed for modifications to the Statutes. The Associate may be assisted or represented by the person of his choice. Any expulsion decision shall be motivated by serious reasons, particularly in the event of a court sentence for a common law crime or offence or an offence against the Statutes or the obligations stipulated in Articles 8 and 19-1 of the General Regulations.
  - 3 / by expulsion announced by the Management Board due to the legal disappearance of the Associate, natural person or legal entity, particularly in the event of the sale or transfer of operating assets, the closure of the liquidation operation, or dissolution for a legal entity, duly noted by the Management Board, or in the event of a death for a legal entity.
  - 4/ by striking off declared as a result of the failure on the part of the Associate to declare sound and video recordings in the two years following its admission date to the Society by the Extraordinary General Meeting at the request of the Management Board, after formal notification to the Associate has remained without effect.

- 17.2 - Under no circumstances does the withdrawal by a Member of all or some of the mandates given to the COMPANY, pursuant to article 1.3 of these Articles of Association mean his resignation from the COMPANY.
- 17.3 - Conditions for resignation, withdrawal of Mandates and striking off will be specified in the General Regulations.

## **WINDING UP AND LIQUIDATION OF THE COMPANY**

### ARTICLE 18

- 18.1 - The Company will not be wound up by the death, insolvency, reorganisation under court supervision, resignation or striking off of a Member.
- 18.2 - Extension of the COMPANY follows the rules of article 2 of these Articles of Association.
- 18.3 - Should the COMPANY go into liquidation, this will be performed by the Board.

## **GENERAL REGULATIONS**

### ARTICLE 19

- 19.1 - A set of General Regulations may supplement the Articles of Association.
- 19.2 - These must be adopted, after proposal by the Board, or by the Manager, or at the request of one tenth (1/10) of Company Members at an Exceptional General Meeting, ruling under the same terms as an Ordinary General Meeting; modification to the General Regulations will be subject to these same conditions.
- 19.3 - Requests from Members must be sent in writing to the Board or to the Manager two (2) months at least prior to the holding of the Ordinary General Meeting, on penalty of inadmissibility.
- 19.4 - In all cases, the text of suggested modifications will be attached to the notice to attend the Exceptional General Meeting.

## **NOMINATION OF THE AUDITOR**

### ARTICLE 20

- 20.1 - An Auditor and a deputy Auditor are nominated in application specifically of article L. 321-4 of the Intellectual Property Code.
- 20.2 - The Auditor and the deputy Auditor are nominated for a period of six (6) financial years by a decision taken by majority vote of Members, under the quorum and majority conditions of an Ordinary General Meeting; their role may be renewed and they may be dismissed under the same conditions.
- 20.3 - The Auditor and his deputy may, in payment for their functions, receive fees, the amount of which is set by decision of the Board, which must report thereon to the General Meeting of Members.
- 20.4 - Nominated as Auditors for a period of six (6) financial years are :

As statutory Auditor :  
SARL Paul GERMON et Associés, 175 boulevard Malesherbes à PARIS XVII,

As deputy Auditor :  
Mr Pierre ARANZANA, 8 avenue de Versailles à PARIS XVI,

Which, taking part in this document, have declared that they accept the mandate which is entrusted to them.

## **PROVISIONAL PROVISIONS**

### ARTICLE 21

- 21.1 - Founder Members, who are signatories hereto, consider it necessary to leave to the Non-Trading Company time within which to establish its Register and, for this purpose, to Members and future Members time in which to proceed with the listing of recordings over which they have rights, which is why they decide to designate as members of the Board the following individuals and corporate entities:
- 1 / the Company PRODUCTIONS and EDITIONS MUSICALES CHARLES TALAR, represented by Mr Charles TALAR, its Manager,
  - 2 / the Company EMMA PRODUCTIONS, represented by Mr Max AMPHOUX, its Manager,
  - 3 / the Limited Company A.V.R.E.P., represented by Mr Pierre-Alain SIMON, its Chairman and Managing Director,
  - 4 / the Limited Company SCORPIO MUSIC, represented by Mr Daniel BELOLO, its Managing Director and member of the Board,
  - 5 / the Company PRODUCTIONS PAUL LEDERMAN, represented by Mr Paul LEDERMAN, its Manager,
  - 6 / the Company FRANCIS DREYFUS MUSIC, represented by Mr Francis DREYFUS, its Manager,
  - 7 / the Limited Company TREMA, represented by Mr Jacques REVAUX, its Chairman and Managing Director,
  - 8 / the Company LES EDITIONS PRODUCTIONS GEORGES MARY, represented by Mr Georges MARY, its Manager Director,
  - 9 / Mr Didier GUINOCHET,
  - 10/ the Company COMMANDO COMMUNICATION, represented by Mr Marc NEGRONI, its Manager,
  - 11/ the Company SNEAK PREVIEW, represented by Mr Philippe RENAUX, its Managing Director,
  - 12/ the Company ARENA, DISQUES FLARENASCH, represented by Mr Alain PUGLIA, its Chairman and Managing Director.
- 21.2 - Election to seats on the Board remaining vacant within a maximum deadline of three (3) months from the date of establishment of the COMPANY must be proceeded with at an Ordinary or Exceptional General Meeting, as provided for in these Articles of Association.
- 21.3 - The first financial year shall end on December 31st, 1987.
- 21.4 - The election of a new Board must be proceeded with, under the conditions set forth at article 9.5, during the Ordinary General Meeting called to rule on the accounts for the financial year ending on December 31<sup>st</sup>, 1987.

## **DISPUTES**

### ARTICLE 22

22.1 - All disputes which may arise during the course of the life of the COMPANY or its liquidation, either between the Members with regard to corporate matters, or between Members and the COMPANY, shall be submitted to the courts with jurisdiction over the location in which the Head Office is situated.

## **POWERS**

### ARTICLE 23

23.1- For registration and publicity

All powers are given to the Manager to proceed with registration of the COMPANY and to carry out all publicity formalities laid down by law and regulations as well as to perform all depositions of documents wherever required and to sign all notices of legal publication.

23.2- For administration of the Company:

All powers are given to the Manager for the purpose of carrying out all operations in accordance with the corporate aim, this being the case whilst awaiting registration of the Company with the Trade and Companies Register, and particularly to join any other non-trading Company jointly with other Companies dealing with the collection and apportionment of copyrights, performers' rights and the rights of phonogram and videogram producers.

To take out loans in the name of the Company being created, pursuant to the corporate aim. To approve and sign all documents, to act as substitute and generally to do the necessary.

**ENJOYMENT OF CORPORATE STATUS**  
**TAKEOVER OF PREVIOUS COMMITMENTS**  
**REGISTRATION OF THE COMPANY**  
**WITH THE TRADE AND COMPANIES' REGISTER**

**ARTICLE 24**

- 24.1 - The COMPANY will only enjoy corporate status as from the date of registration with the Trade and Companies' Register.
- 24.2 - Registration of the Company will entail *ipso jure* takeover by it of the said aforementioned commitments carried out by the Manager on behalf of the COMPANY being created.