



SPPF

**Non-Trading Company with variable capital
28 rue de Châteaudun
75009 PARIS**

GENERAL REGULATIONS

Adopted unanimously

By the Exceptional General Meeting of the SPPF

Held on June 25th, 1996

(and modified at Exceptional General Meetings of the SPPF held on 24th June 1997, 26th June 1998, 1st July 1999, 25th June 2001, 27th June 2002, 26th June 2003, 22nd June 2004, 14th June 2006, 28th June 2007, 16th June 2010 and 14th June 2011)

The General Regulations are divided into three parts:
The first part deals with Members
The second part deals with registrations and rights pertaining thereto
The third part deals with administration of the SPPF

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FIRST PART

Members of the SPPF

Section I - General Admission Conditions

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Section III - Rules shared by all Members of the SPPF

Section I

General Admission Conditions

§ I – for the acquisition of the capacity as Member

Article 1

The Non-Trading Company of Phonogram Producers in France (SPPF) is made up of Members, who are individuals or corporate entities and who are not members of a similar national or foreign Company to which they have entrusted the management of all or some of their rights for the French territory, which may be :

- French or foreign producers of phonograms and / or videograms,
- the beneficiaries, transferees, concession-holders or agents of the Producers referred to above,

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 and international Conventions and Treaties applicable in France.

Article 2

The Board deliberates on applications, and must notify its decision within a deadline of 3 months. If required, it may take the advice of the Admissions Commission. It may reject any request for admission, subject to recourse as set forth in article 3-B of these General Regulations.

Requests for admission to adhere to the Articles of Association of the SPPF are drawn up on forms provided to applicants.

The applicant will send his request for admission in writing to the Chairman of the Board at the head office of the SPPF.

Under-age applicants must have their application counter-signed by their guardian or legal representative.

To enable, specifically, the determination of the protection applicable to the recordings he claims, in terms of national laws, and international conventions and treaties governing literary and artistic property, the applicant will also produce a declaration of nationality and a “K” extract from the Trade and Companies Register less than three months old if he is an individual, a “Kbis” extract from the Trade and Companies Register less than three months old if the applicant is a trading company or a receipt of declaration if it is an association, or any

other equivalent document with regard to a foreign applicant, or to an applicant having the other legal form than those mentioned above.

When presenting his application and in order to make possible application of the Articles of Association and of the General Regulations, the applicant must declare whether he is :

- a producer of phonograms, Producer of videograms, transferee, concession-holder or agent for one or several Producers of phonograms or videograms exploited in France.
- already a Member of a similar national or foreign company to which he had entrusted the management of all or some of his rights.

If he is an Agent for one or several Producers of phonograms and / or videograms, each of the Producers for whom he acts must obligatorily co-sign the Mandates entrusted to the SPPF.

To become a member the applicant must justify either that he is himself a Producer of phonograms and / or of videograms, pursuant to the provisions of articles L.213-1 and L.215-1 of the Intellectual Property Code or show that he is a licence-holder performing effective activities as such on the national territory, subject to producing a specific manager's mandate for similar rights from the producers, as indicated above.

Whether the applicant is a producer or licence holder, as referred to above, the applicant must provide evidence of a minimum of 5 (five) recordings published on disc, tape or any other existing or future commercial medium.

The applicant must provide information by all means and particularly by the communication of contractual clauses justifying to his entitlement to the rights or of his capacity to exercise them, by the supply of the catalogue of his distributor, by the handing over of support media and by the communication of the list of recordings whether or not published on a disc, tape or any other type of support media, and protected by current legislation in France and indicate those of these recordings for which he may previously have transferred or delegated the exercise of all or some of the rights, existing or in the future.

The applicant must declare on his honour that he is not currently and has never been the object of any kind of sentencing for counterfeit.

Any on-going procedure in which the applicant is implicated involving an act of counterfeit will lead to postponement of the decision to rule on his admission to the SPPF, until the date of pronouncement of the final judgement.

Article 3

A - In case of admission to adhere to the Articles of Association of the SPPF, the applicant undertakes to :

- 1) sign a document of adherence to the Articles of Association,
- 2) declare to the Corporate Register all the phonograms and / or videograms produced by him and / or over which he has the capacity to exercise the rights devolved upon the Producer, published or not and on any type of support media, and protected by current legislation in France,

- 3) communicate, for information to the SPPF, a copy of productions made by him or over which he is authorised to exercise the rights,
- 4) submit to the Articles of Association and General Regulations, copies of which will be sent to him by registered mail with recorded delivery by the SPPF, and which he will declare that he has read and which he will send back to the latter, duly initialled and signed,
- 5) submit to controls and audits decided on by General Meetings or the Board within the context of operation.

If, within one month after the date of notification of Admission, the applicant who has been admitted to adhere to the Articles of Association, has not signed his membership documents, pursuant to the provisions of article 4.8 of the Articles of Association, the admission pronounced becomes void and another application must be presented to the Board.

B – Recourse :

Any applicant whose admission file is rejected by the Board, after examination, has the possibility of appealing against this decision.

This recourse must take place within one month after the date of notification of the decision to reject.

Recourse is made in writing and sent to the Chairman of the Board for a second opinion.

The Board must notify its decision at the latest within a period of 3 months.

Article 4

A register of requests for admission and of decisions to admit or reject made by the Board will be kept at the head office of the SPPF and made available to Members and any possible beneficiaries who may consult it after making a written request.

Based on this register, the SPPF will draw up a list of Members, which will remain at the disposal of users, pursuant to the provisions of article L. 321-7 of the Intellectual Property Code.

§ II – for the loss of the position as Member

Article 5

The position as Member is lost automatically after resignation or withdrawal of the obligatory Mandate B or of all a member's mandates or after striking off pronounced by the Board.

In case of an individual Member's death, his successor within the meaning of the provisions of the Civil Code, either an individual or a corporate entity, will benefit from the rights attached to phonograms and / or videograms declared by the deceased Member.

The successor or heir may only claim the position of Associate if he is approved by the Management Board, in accordance with Article 2 of the General Regulations.

With regard to businesses operated in the form of companies, and with regard to Associations established under the 1901 Law or other types of associations, transformations and modifications to their Articles of Association which are liable to lead to the loss of the capacity that these Corporate Entities enjoy must be the object of a declaration of modification together with the submission of a Kbis extract (company identification) to the SPPF for Companies or a receipt of declaration for Associations or any other equivalent document in cases involving foreign Members.

Any Member who finds himself in the position of reorganisation under court supervision or liquidation must notify his position to the SPPF and inform them in writing of the identity and coordinates of the administrator, liquidator, receiver or agent appointed by the court, or of any other person duly authorised to represent him and supply the corresponding justifications of the appointment.

Amounts to be apportioned to the benefit of a Member and which are the object of a joint procedure will be paid to the person duly authorised to represent the Member. If notification of the identity of this person is not made and no document justifying his nomination is produced, these amounts will be paid into the special account referred to in article 7.3 of the Articles of Association.

The fee paid by the Associate, resigning member or expelled member as a contribution to the social capital on joining the SPPF shall be returned to him in the month following the date on which the resignation or statement of expulsion takes effect.

Section II

Conditions of withdrawal of Mandates and of striking off

§ I - Withdrawal of Mandates / Resignation

Article 6

Pursuant to the provisions of articles 1.10 and 1.11 of the Articles of Association, all Members may withdraw their Mandate B.

The withdrawal of this Mandate means that the Member has resigned.

Cessation of all Member's rights on his catalogue leads, *ipso jure*, to withdrawal of the Mandate B and is equivalent to resignation of the Member. Consequently, the latter is bound to respect the notice period of one year provided for in article 1.10 of the Articles of Association.

Withdrawal of Mandates C, D, and of any other optional Mandate does not lead to resignation of the Member.

The resigning member, if he owes any money to the SPPF, must make the relevant payments in full until all debts are paid of and specifically by means of delegation of assignment of receivables to the Company.

The SPPF is authorised to collect these amounts by offsetting the Member's accounts in view of the reciprocal and connected nature of the debts and credits resulting from the various Mandates entrusted to the SPPF.

The resigning member also undertakes to supply to the SPPF all the information required for the calculation of apportionments.

The SPPF undertakes to proceed with the removal of phonograms or videograms on the Register of the resigning Member on expiry of the notice period set in the Articles of Association, by issuing a date for the ending of management of rights over his phonograms or videograms.

At the request of the resigning Member (in the form of a registered letter with recorded delivery), the SPPF may effect the transfer of his catalogue to another similar company with the same corporate aims if technical conditions so permit and / or return it to the resigning Member either on paper or disk. Costs relating to this transfer and/ or return will be paid in full by the resigning Member.

§ II - Striking off

Article 7

The exclusion of a Member for serious misconduct may be pronounced, at the request of the Board and within the terms of article 14 of these General Regulations, by the Extraordinary General Meeting. This decision will be notified to the Member by registered letter with recorded delivery.

The exclusion of an Associate, natural person or legal entity, which no longer exists legally, 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, shall take effect on the day of the expulsion decision announced by the Management Board.

The striking off of an Associate, whether it is an individual or a legal entity, as a result of its failure to declare sound and video recordings in the two years following its admission date to the Society, may be declared, at the request of the Board of Directors by the Extraordinary General Meeting. The Associate shall be notified of this decision by registered letter with acknowledgement of receipt.

The Member who has been struck off, if he owes money to the SPPF, must make the payment thereof up until all his debts have been paid off and particularly by means of an offset of assets in favour of the Company. The SPPF is authorised to collect these amounts under the same conditions as those listed in article 6, paragraph 6.

The SPPF undertakes to proceed with the removal of phonograms or videograms on the Register of the Member who has been struck off by issuing a date for the ending of management of rights over his phonograms and / or videograms.

At the request of the Member who has been struck off (in the form of a registered letter with recorded delivery), the SPPF may effect the transfer of the register of the said Member to another similar company with the same corporate aims if technical conditions so permit and / or return it to the resigning Member either on paper or disk. Costs relating to this transfer and/ or return will be paid in full by the Member who has been struck off.

Section III

Rules Shared by all Members of the SPPF

§ I – General Obligations

Article 8

Any individual or corporate entity admitted by the Board must sign an act of adherence to the Articles of Association of the SPPF.

By means of this act of adherence, every Member undertakes specifically :

- 1) to comply with the Articles of Association and General Regulations which he declares to have read.

Compliance with the Articles of Association and the General Regulations involves specifically, on his part, the obligation :

- to recognise and accept the exclusive nature of the Mandate that he entrusts to the SPPF. To this end, he is bound to supply a certified true copy of the clauses entitled “similar rights”, “territory(ies) of operation” and “duration” contained in the contract or licence corresponding to each phonogram and / or videogram declared to the Corporate Register as well as the name and corporate name of co-contracting parties and to specify, where applicable, his current position in terms of a similar national or foreign Company, and to supply all the corresponding justifications.

This provision applies only to declarations made after the date of effect of these Regulations except in cases where double declarations are detected by the SPPF’S services, before the aforementioned date of effect.

The Member is bound to attach all justifications of the territorial extent over which he declares he has the capacity to exercise his rights.

- to certify true the declarations of phonograms and /or of videograms comprising his Register in the Corporate Register of the SPPF.
- 2) to submit, within the context of the Articles of Association and of the General Regulations to decisions of the Board.
 - 3) to declare, under his own responsibility, to the Corporate Register of the SPPF, phonograms sold, of which he is the owner, in his capacity as producer or beneficiary and to guarantee that these phonograms are not corrupted by counterfeit (particularly by means of illegal fixation, reproduction or borrowing, either in total or in part).

All Producers or declarers of phonograms must declare sales of support media on which are published the phonograms that are declared to the Corporate Register of the SPPF, under the rules and conditions defined in these General Regulations by the Board and / or the Ordinary General Meeting of Members.

The SPPF is authorised to proceed with or to have proceeded with, by means of audit, all checks to verify the exactness of declarations of sales made.

- 4) to declare, under his own responsibility to the Corporate Register of the SPPF the videograms that he owns in his capacity as producer or beneficiary and to guarantee that the latter are not corrupted by counterfeit (particularly by means of illegal fixation, reproduction or borrowing, either in total or in part).

Every declarer must, on each declaration, supply to the SPPF all documents justifying the legal or contractual origin of his rights (systematic information). In case of dispute, remunerations pertaining to the rights in question will be put in reserve on the special account referred to in article 7-3 of the Articles of Association whilst awaiting the final outcome of the dispute.

- 5) to indicate, at the time of admission, those of his recordings the rights over which he had previously delegated to a third party and the management of which he is now entrusting to the SPPF.

The declarer undertakes to declare the said recordings to the SPPF within the shortest possible time.

- 6) to notify to the SPPF any modification of the status of rights over the recordings declared or pertaining to his position as Declarer :

- there is instituted in favour of the SPPF a general duty of information for which the Member is liable and which is penalised under the terms of article 11 below.
- in addition to the obligation to notify systematically, with a notice period of one year, any modifications to rights which may lead to the withdrawal of the Mandate entrusted to the SPPF, (global transfer of rights or signing of a management agreement with a third party), the Declarer is bound to inform the SPPF as to progress made in terms of any execution, reorganisation or liquidation under court supervision procedures brought against him.
- an obligation is also created to make an annual declaration by which the Member or his legal representative confirms that the rights entrusted for management have not been modified during the previous year or indicates, on the contrary, those modifications that have had an impact on the scope of the Mandate entrusted to the Company (particularly partial transfer of rights to a third party) by means of the supply of the corresponding justifying documents.

The Member may however inform the SPPF on a one-off basis, and at the latest within a period of 30 days, of modifications made to the status of his rights, it being understood that these modification will only be taken into consideration for the next apportionments.

If modification involves rights already apportioned to the Member and / or to his beneficiaries, the Member will deal personally with the monies apportioned and paid out by the SPPF.

- 7) In a general way, do nothing, nor take up anything that may harm the SPPF'S material and moral interests and those of its Members within the context of the implementation of these General Regulations and the corporate aim of the SPPF.

Article 9 : Designation of the representative of a corporate entity Member

Any Member may, when constituted as a Company, by deliberation of its Board or joint decision made by its Members, designate, on behalf and in place of its legal representative, an individual occupying a position of authority within the Company, to be its representative at the SPPF.

All individuals who are Members are solely liable with regard to the SPPF.

Article 10 : notification of change of legal representative and of head office

Any change in legal representative or head office must be notified to the SPPF.

In case of nomination of an agent, liquidator, administrator or receiver under court supervision, or of any other person, all Members must inform the SPPF in writing of the identity and address details of the said nominee and supply all the relevant justifying documents.

Article 11 : Sanctions

The Board may pronounce against any Member who has failed in the obligations set forth in article 8 above or has caused any kind of prejudice to the material or moral interests of the SPPF or of its Members within the context of the implementation of these General Regulations and of the corporate aim of the SPPF, one or several of the following sanctions:

- 1) full reimbursement of the prejudice suffered by the SPPF,
- 2) a warning,
- 3) blame pronounced before the Ordinary General Meeting,
- 4) a ban on being a member of a Commission for a period that may not be less than one year,
- 5) striking off from membership of the SPPF, subject to the provisions of article 17.1-2/(*) of the company's Articles of Association.
- 6) placing in reserve of rights if the Member fails to return, within a period of 60 days, the annual declaration form referred to in article 8-6 paragraph 3 above, duly completed, signed and certified "sincere and true" by the Member or by the legal representative of any Member who is a corporate entity.
- 7) immediate demand for reimbursement of advance payments granted to any Member who has not complied with the notice period of one year as set forth in article 6 above, in which to inform the SPPF of modifications to his rights leading to withdrawal of Mandate.

The aforementioned sanctions may be pronounced without prejudice to any action taken to obtain the reimbursement of sums unduly collected by the Member.

§ II - Incompatibility

Article 12

Under no circumstances may a Member of the SPPF be a salaried member of staff of the Company.

The Ordinary General Meeting, the Board, the Chairman of the Board or the Managing Director may entrust to a Member of the SPPF temporary, pre-defined missions. Under no circumstances may these missions give rise to any kind of remuneration.

**§ III - Disputes between Members /
Disputes between one or several Members and the SPPF**

Article 13

Disputes between Members or arising between one or several Members and the SPPF are submitted to examination by a Commission of Conciliation that will meet under the conditions defined at article 33-5 of these General Regulations.

In case of disputes that could have consequences as to the amount of rights to be apportioned or already apportioned, the Board may decide immediately on the placing in reserve of the remunerations in question. Amounts will be placed in reserve on the special account referred to in article 7.3 of the Articles of Association and will remain there until the final outcome of the dispute.

§ IV - Rights to defence

Article 14

No penalty may be pronounced and no disciplinary measure may be taken by the Board before the Member has been invited to put his defence to the Board or to an ad hoc Commission designated by the latter.

The Associate shall be informed in advance of any grievances against him, with sufficient notice for him to prepare his defence.

If a Member does not respond to two notices to attend (except where he has a legitimate reason), the decision of the Board or of the ad hoc Commission is deemed to have been made after questioning the Member and will be enforceable as soon as it is pronounced or within any deadline that has been set.

SECOND PART

Recordings and Rights

Section I - Declarations

Section II - Apportionments

Section I

Declarations

§ I – General Rules

Article 15 : Phonograms and / or videograms

1) By "phonogram" is meant:

- within the meaning of French law: the initial fixation of a sequences of sounds,
- within the meaning of the Rome Convention: any exclusively aural fixation of sounds made by a performance or other sounds.

2) By "videogram" is meant: the first fixation of a sequence of images, with or without sound.

3) Every declaration of a phonogram or videogram is made under the general conditions of article 8 and according to the provisions of article 17 referred to below.

- the SPPF issues, by e-mail, an Acknowledgement of receipt of phonograms and/or videograms' declaration made by the member, or his legal representative, by means of the matrix in the form of spreadsheet which it passed on by e-mail to the concerned service,
- the SPPF will communicate by e-mail, on demand of its member, its repertory in the form of a spreadsheet,
- this declaration does not attribute rights to the benefit of the declarer: it presumes until proof of the contrary that the latter is indeed the owner of the rights referred to in article 3 of the General Regulations,
- the SPPF is authorised to proceed with or to have proceeded with by audit, any kind of check to verify the reality of the rights claimed.

§ II - Declarations by Producers of Phonograms, Producers of Videograms and their beneficiaries

Article 16

Any Producer of phonograms and / or of videograms must make a declaration of the phonograms and / or videograms which he owns or over which he has the capacity to exercise rights:

- 1) The apportionment of sums that the Producer is due to receive in return for exploitation of his phonograms and / or videograms is dependent on this declaration,
- 2) It must be made within the deadlines allowing for management of rights, either as soon as the phonogram is put on sale and the videogram is exploited, or within six months of these events,
- 3) For phonograms and / or videograms existing in the catalogue of a Declarer at the time of his adherence to the Articles of Association of the SPPF, the declaration must be made as soon as possible and must not be made any later than six months after adherence.

In order to comply with current international codification standards, Members must refer to prescriptions laid down by the I.S.R.C. (International Standard Recording Code) and by the SPPF for the drawing up of their own Register.

The SPPF will not under any circumstances be held liable for statements made in the the matrix in the form of spreadsheet referred to in article 17 below, the signatory of the latter being sole guarantor with regard to the SPPF and third parties of the lawfulness of his phonograms and / or videograms and of his rights over the latter.

The apportionment of remunerations is based on the declaration of phonograms and / or videograms and their registration in the general file that comprises the Corporate Register of the SPPF.

Article 17

The matrix in the form of spreadsheet, which must be duly filled in and signed by the Member or by the legal representative duly habited to make the of phonograms and/or videograms' declarations, obligatorily includes:

- 1) the name or corporate name of the Declarer, his position and his nationality,
- 2) the name or corporate name of the original producer, his nationality, his country of residence, his postal address, his ISRC code as first owner,
- 3) the year of fixation,
- 4) the title of the recording,
- 5) the length of the recording,
- 6) the name(s) of the performer or performers,

- 7) the country of fixation, i.e. the country in which the phonogram and / or videogram was fixed for the first time (or if it has been fixed in several countries, the country in which the major part of production investment was made),
- 8) the year of first publication of the recording,
- 9) the country in which the first publication of the recording was made,
- 10) a precise indication of the territorial scope of the mandate entrusted to the SPPF over which the rights relating to the recording declared are exercised,
- 11) the start and end dates of management of rights relating to the recording declared, in the case of a sale, concession or mandate,
- 12) the musical genre of the recording,
- 13) the catalogue reference(s), the type of support media, the brand / label, the distributor, the year of publication of the support media and the bar code, together with the label copy or a copy of the case of the support media on which the recording is published,
- 14) the label code (LC) corresponding to recordings for which the label is represented in Germany by the GVL or any other identification code in force in foreign countries,
- 15) indication of shares of rights owned as a percentage, the corporate name and postal address of the beneficiary or beneficiaries of rights.

The declaration given to the SPPF is the only document that enables it to proceed with operations to collect and apportion the remunerations for which it has responsibility under the terms of the Articles of Association.

The matrix in the form of spreadsheet is retained by the SPPF and may be communicated, on demand to the concerned service, to the declarer.

It is hereby recalled that, pursuant to the provisions of articles 39 and 40 of the law of January 6th, 1978, amended, relating to computerised data, files and freedom, the Declarer has a free right to access, to communication and to rectification which applies to the declaration form. This right may be exercised at the SPPF or with any other individual or corporate entity permitted by it to dispose of a computerised named file.

Any modification made to a previous declaration must be notified to the Company under the conditions set forth in article 8 of the General Regulations.

The SPPF reserves the right to demand at any time additional information when phonograms or videograms incorporate sequences of sounds and / or images that are pre-existing phonograms and / or videograms.

§ III – Undeclared Recordings

Article 18

Pursuant to article 16 above, the declaration of phonograms and / or of videograms is obligatory to ensure that the rights pertaining thereto are collected and apportioned.

Article 19

- 1) Whosoever has made false declarations of identity or of position that have motivated his admission may be struck off from membership of the SPPF, by means of decision pronounced by the Extraordinary General Meeting, on request by the Board.
- 2) Any phonograms and/or videograms' declaration will turn out to contain false or mistaken information, will be strictly cancelled and the corresponding recording will not be admitted for apportionment.

Amounts collected will be paid into the SPPF'S special account, as provided for in article 7.3 of the Articles of Association, until the position is settled and amounts apportioned will be due because of this fact.

The author of this offence may also have a fine levied on him by the Board, this fine will correspond to at least three times the amount of monies received for each offence.

This fine will be paid into the SPPF'S special account, as set forth in article 7.3 of the Articles of Association.

The Board may require the signatory of a declaration to supply it with any justifying documents that it may deem useful, particularly for the purposes of checking the ownership of his rights over the recording declared.

Section II

Apportionment

§ I - Terms of apportionment

Article 20

The SPPF proceeds with the apportionment of amounts collected within the context of the mandates that are entrusted to it, less the management costs which it withholds, in accordance with its Articles of Association.

Assessment of these costs is done based on a deduction proportional to the rights collected and / or apportioned, the rate of which is set by the Board.

Article 21

The Board reserves the possibility of proceeding with a weighting of the rate of retention from rights at both their collection and apportionment stages.

This weighting is based on account being taken of the relative importance of costs arising from the management of each category of account and on the concern to equalise the position between Members who are bound to specific obligations towards the SPPF, and beneficiaries who are not bound to the said obligations.

The Board reserves the possibility of having a new Member pay the cost of later apportionments involving its Corporate Register and referring to years that have already been the object of apportionment by the SPPF, and which are likely to take place further to declarations of recordings made by this Member.

Article 22

Differentiated rates may thus be applied :

- according to each category of mandate,
- depending on whether or not the beneficiary is a Member,
- depending on the rigour with which the Member completes his obligations with regard to the SPPF.

§ II - Accounts

Article 23

Amounts apportioned to the benefit of a Member and / or his beneficiaries are credited respectively to the account opened in the name of the latter. The SPPF is authorised, where applicable, to offset from these amounts any amount in debit, in view of the reciprocal and connected nature of credits and debits charged to this account.

Article 24

The SPPF will endeavour to proceed with the apportionment of amounts collected according to the following frequency :

- amounts collected by the SPPF with regard to the dissemination of music videos are apportioned to the Member and / or his beneficiaries every three months,
- amounts collected by the SPPF with regard to Equitable Remuneration, Private Audio and Audiovisual Copy, are apportioned annually, at times defined by the Board.

Article 25

The apportionment of amounts collected by the SPPF within the limits of its corporate aim may not take place without the provision of the indispensable documents that the Declarer is under obligation to send to the SPPF within the time limits set by the latter.

For the purposes of implementing apportionment of actual rights to Private Audio Copy in particular, Producers and / or declarers of the SPPF who have not made their declarations of phonograms and of sales of the corresponding support media (excluding multi-Producer compilations) within three months after the date of a

provisional apportionment for a given year of rights, may not claim the benefit, for the said apportionment, of any remuneration.

However, and inasmuch as he has never belonged to any company representing in France the rights of Producers of phonograms, any new Member of the SPPF must, at the latest within six months of his date of admission, make all declaration of the phonograms for which he has the capacity to manage similar rights and proceed with all declarations of sales of corresponding support media. The rights that he may claim will be totalled and calculated within the context of forthcoming apportionments to be made by the SPPF after the date of admission of the new Member.

Article 26

1) Joint advances

Joint advances may be granted to Members by the Board for Private Audio and Audiovisual Copy and for Equitable Remuneration.

Subject to the provisions of article 11, these advances may be reimbursed specifically by offsetting against the rights apportioned in year N.

Should the advance not be fully reimbursed by the aforementioned rights in year N, its reimbursement will be made by offsetting against the rights apportioned for the dissemination of music videos in year N+1.

No other advance may be paid to a Member as long as the previous payment has not been fully reimbursed under the aforementioned conditions.

2) Individual advances

Exceptionally, individual advances, which may not be in addition to joint advances, may be granted on request made by any new Member from the company by the Managing Director, after agreement from the Board. The amount of the advance payment liable to be granted will be assessed by the

Managing Director in consideration of rights collected or to be collected, corresponding to the last two years before the Member joins the company.

Article 27

It is hereby recalled that, pursuant to article L. 321-1 of the Intellectual Property Code, actions to pay rights collected by non-trading companies are barred after ten years counting from the date of collection; this time period is suspended until the date of these rights being ready for apportionment.

Sums allocated, for a given period, to the security account set up by article 7.3 of the Articles of Association of the SPPF may be the object, on expiry of a deadline of five years after the date of being ready for apportionment, of allocation according to terms defined by the Board of the SPPF and ratified at the General Meeting of Members, according to the following two terms:

- on expiry of a five year deadline, apportionment between Members having benefited from apportionments during this period for monies of which the amount is not disputed,

- on expiry of a five-year deadline, maintenance in the security account.

Sums which have not been apportioned on expiry of the aforementioned limitation deadline and subject to complete absence of claims during this period, will be allocated in accordance with article L. 321-9 of the Intellectual Property Code.

§ III - Payment of rights to Members

Article 28

After reception of invoices drawn up by the Member in view of credit statements sent by the SPPF, the payment of amounts ready for apportionment currently takes place using the method of a cheque sent by mail. Any other means of payment may be used, should the Board so decide.

THIRD PART

Administration of the SPPF

Section I - Board

Section II - Commissions

Section III - Ordinary General Meetings

Section IV - Honorary Chairman and Honorary Members

Section I

Board

§ I - Composition of the Board

Article 29

Every three years, after the General Meeting, the Board elects from amongst its members, in application of article 9-1 of the Articles of Association, its committee, which is constituted as follows:

- one Chairman,
- six Vice-Chairmen,
- one General Secretary,
- one Treasurer,
- one Deputy Treasurer.

All Committee members are elected by simple majority vote.

- a) The General Secretary keeps the "register of minutes" up to date. He performs the office of coordinator of the works of the various Commissions.

If the General Secretary is unable to perform any of his tasks, one of the Vice-Chairmen replaces him.

- b) As soon as he takes up his role, the Treasurer must check on the position of the cash box, the existence and position of accounts held in banks and of security portfolios.

He must also ensure that the Managing Director presents to the Board the balance of financial operations.

He must be particularly attentive to all movements of SPPF funds, to this end he must check on the positions of accounts and deposits in securities belonging to the SPPF.

If the Treasurer is unable to perform any of his tasks, the Deputy Treasurer replaces him.

If the Treasurer is unable to perform his tasks, after a period of three months, the Board will proceed with the re-election of a new Treasurer.

§ II – Board Meetings

Article 30

- The Board meets periodically, when a meeting is called by its Chairman or by one of its Vice-Chairmen, every time the correct running of the SPPF so requires. Notices to attend are sent out 5 days prior to the date of the meeting.
- Notices to attend must be sent by registered letter with recorded delivery if half the members of the Board so request in writing.
- No decision may be taken outside a meeting and no member of the Board may act in the Board's name except by virtue of a resolution authorising him to do so.

§ III – Various provisions

Article 31

A Board member is forbidden from interfering with the administration of the SPPF without special delegation from the Board.

On an individual basis, Board members may not have sent to them administrative documents other than those to which all Members of the Company have access.

The Board has all powers to create within it study sections responsible for drawing up, in collaboration with the Managing Director of the SPPF and within the areas that have been allocated to them, all proposals for decisions that the SPPF administration may require and related to its corporate aim.

All proposals are submitted to the approval of the Board.

Section II

Commissions

§ I – Joint provisions

Article 32

Under the terms of article 12.1 of the Articles of Association and as required, Commissions are set up, either by the Board, or by the Ordinary General Meeting, under the conditions specified by them.

Under the terms of article 12.2 of the Articles of Association, a Special Commission is set up either by the Board, or by the Ordinary General Meeting, under the conditions specified by them.

Only Members with the nationality of a member state of the European Union, in full possession of their civil rights and who have not been the object of any disciplinary measure excluding them from the right of taking part in a Commission, may be on the Commissions.

Members of the said Commissions, with the exception of those on the Special Commission, are nominated by either the Board or by the Ordinary General Meeting for a period of one year. Their functions are specified by decision of the Board or of the Ordinary General Meeting.

Members of the Special Commission are obligatorily elected by the Ordinary General Meeting from amongst those who hold no corporate mandate, pursuant to article R. 321-6-3 of the Intellectual Property Code or who are not either a manager or a board member for the non-trading company for the collection and apportionment of rights or for any other Commission.

Members of the Special Commission may not be members of any other Commission set up in application of the provisions of articles 32 and 33.

Their mandate is renewable.

- Commissions meet under the conditions set by the Board or by the Ordinary General Meeting.
- Commissions must draw up reports to be transmitted to the Chairman, the Board and the Managing Director of the SPPF who will decide on the follow-up required.
- Members of Commissions who, with no excuses considered valid, and after a warning, have missed 4 consecutive meetings of the Commission will be deemed to have resigned.
- At the request of the Chairman, a member of a Commission may be called on to present his report to the Board.
- Similarly, all Commissions may ask the Board to give a hearing to one of its members.

Members of the Board and of the various Commissions are bound to sign an attendance sheet at each meeting.

The Chairman, General Secretary of the Board, the Managing Director and / or any member of staff required for the correct running of work and, where required, any competent third party, may take part in meetings of Commissions ; in addition, the Chairman may be represented by one of the Vice-Chairmen.

However, the various representatives of Management bodies are not allowed to participate in the Special Commission instituted in article 33-6) of the General Regulations.

The reports of meetings of Commissions are drawn up by SPPF administration and issued to all Members of the Commission concerned.

§ II - Provisions specific to each of the Commissions

Article 33

As required, the following five Commissions are constituted:

- 1) Commission for the allocation of subsidies, pursuant to article L.321-9 of the Intellectual Property Code
- 2) Apportionment Commission
- 3) I.T. and management Commission
- 4) Admissions control Commission
- 5) Conciliation and discipline Commission

The Special Commission created in application of article R. 321-6-3 of the Intellectual Property Code must be set up.

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1) Subsidies Commission

The Commission for the allocation of subsidies comprises a minimum of 8 Members, including obligatorily 4 Members of the Board, designated by the Board or elected by the Ordinary General Meeting.

The Commission nominates one Chairman from amongst its Members every year.

It sits after being called by the Board of the SPPF or by SPPF administration, every time the requirements of attaining the corporate aim of the SPPF so demand.

It examines requests for aid under the provisions of article L. 321-9 of the Intellectual Property Code and sends an opinion to the Board.

It checks that the beneficiaries of subsidies allocated by the Board meet their obligations with regard to the SPPF.

2) Apportionment Commission

The Apportionment Commission comprises a maximum of 5 Members, including obligatorily 3 Members of the Board designated by the Board or elected by the Ordinary General Meeting.

The Commission nominates one Chairman, one Vice-Chairman and one General Secretary from amongst its Members every year.

It sits after being called by the Board of the SPPF or by SPPF administration, every time the requirements of attaining the corporate aim of the SPPF so demand.

It makes all proposals and produces opinions for the Board for the implementation of equitable apportionment to the benefit of Members of the SPPF and beneficiaries.

3) I.T. and management Commission

The I.T. and Management Commission comprises a maximum of 2 Members, including obligatorily 1 Member of the Board designated by the Board or elected by the Ordinary General Meeting.

The Commission nominates one Chairman and one General Secretary from amongst its Members every year.

It sits after being called by the Board of the SPPF or by SPPF administration, every time the requirements of attaining the corporate aim of the SPPF so demand.

It learns about and reports on any specific problem encountered by the SPPF in terms of management and I.T..

As such, it submits to the Board proposals for the development of the computer system and that of the management tool used by the SPPF, and examines their possibilities for adaptation and improvement.

4) Admissions Control Commission

The Admissions Control Commission comprises a maximum of 2 Members, including obligatorily 1 Member of the Board designated by the Board or elected by the Ordinary General Meeting.

The Commission nominates one Chairman and one General Secretary from amongst its Members every year.

It sits after being called by the Board of the SPPF or by SPPF administration, every time the requirements of attaining the corporate aim of the SPPF so demand.

It examines requests for admission submitted to it by the Board in application of article 4.6 of the Articles of Association and gives it its opinion.

5) Conciliation and discipline Commission

The Conciliation Commission comprises 5 Members who are obligatorily Administrators designated by the Board or elected by the Ordinary General Meeting.

The Commission nominates one Chairman, one Vice-Chairman and one General Secretary from amongst its Members every year.

It gives a hearing to each of the parties and to any other person that it may consider useful for the provision of information and must draw up a report that either notes conciliation between the parties, or proposes conciliation between the parties and informs the Board of this, or notes defaulting on the part of one of the parties, drawing up, in this case, a report of defaulting.

This Commission makes the decision and notes the agreement of the parties.

In case of non-conciliation, a report is drawn up taking note of this non-conciliation.

It examines any offences that may have been committed by Members (counterfeit, false declarations, offences against the Articles of Association and General Regulations...) and which may be brought to its knowledge, and submits to the Board any sanctions to be taken.

6) Special Commission

The Special Commission comprises at least 5 (five) Members, chosen from amongst those who do not hold any mandate, as defined in article 32 paragraph 6.

Members of the Commission are elected for three years by the Ordinary General Meeting. Every two years, two members will be renewed by the General Meeting. The names of Members whose position is to expire are drawn at random. The mandate of each member is renewable once.

Every year the Commission nominates one Chairman and one General Secretary from amongst its members.

It may be called on by a Member who has been refused communication of information such as resulting from articles R. 321-2, R. 321-6, R. 321-6-1 and R. 321-6-2 of the Intellectual Property Code.

Opinions of the Special Commission shall be motivated and notified to the applicant and to the company's management bodies.

The Special Commission will report annually on its activity to the General Meeting. It draws up a report which is sent to the Ministry with responsibility for Culture and to the Chairman of the Commission referred to in article L. 321-13 of the Intellectual Property Code.

Section III

Ordinary General Meeting

§ I – General Rules

Article 34

Members wishing to ask questions that do not figure on the agenda set for an Ordinary General Meeting must inform the Chairman of the Board in writing of this question at least eight days prior to the date planned for this General Meeting.

Article 35

Candidates to the Board and to the various Commissions referred to in these Regulations (with the exception of those involving the Special Commission referred to in article 33-6) must inform the Board of their application at the latest on the day on which the Ordinary General Meeting is held as notified to them in the notice to attend the Ordinary General Meeting, sent to them by registered mail with recorded delivery in accordance with article 13.2 of the Articles of Association.

Applications to the Special Commission must be sent to the Company's Board before the end of April each year in order to be sent on to Members within a minimum period of two months prior to the General Meeting.

- The Board will draw up a single voting form for candidates to the Board and a single voting form for candidates to each Commission.
- They will contain the names of all candidates. At the top of each voting form, the Board will indicate the number of candidates to be elected to the Board (at the bottom of this form, there will be the following information: "Only leave on the form a maximum of 5 names, otherwise this form will be cancelled") and to each Commission.
- Candidates for the Board or for the various Commissions are forbidden from drawing up or having drawn up any document directly or indirectly related to their application and distributing it, or having it distributed by any means whatsoever or depositing it in the room in which the General Meeting is held. The SPPF alone has the capacity of either sending to Members referred to in article 1 of the Articles of Association, a notice presenting each candidate, drawn up by it under the conditions set by the Board, or of making the said notice available to all Members at the General Meeting.

The Board has the role of organising and supervising, under the supervision of a Bailiff, voting and counting operations.

Section IV

Honorary Chairman and Honorary Members

§ I – Honorary Chairman

Article 36

On proposal by the Board, and after agreement of the people concerned, the Ordinary General Meeting may confer the title of Honorary Chairman of the SPPF on Members who have actually held the position of Chairman of the Board and who, in this capacity, have rendered important services to the Company. Honorary Chairmen of the SPPF are eligible only to the various Commissions, but attend Board meetings as of right, in a consultative capacity.

§ II – Honorary Members

Article 37

After agreement from those involved, the Board may confer honorary membership on Members who have actually held office on the Board.

Honorary Members are eligible only to the various Commissions.