

## GENERAL REGULATIONS OF THE NON-TRADING COMPANY OF PHONOGRAM

#### **PRODUCERS IN FRANCE**

(SPPF)

A non-trading COMPANY with variable capital

Registered office: 63, boulevard Haussmann - 75008 PARIS

(Adopted unanimously by the Exceptional General Assembly of the SPPF Held on June 25<sup>th</sup>, 1996 and modified at Exceptional General Assemblies of the SPPF held on 24<sup>th</sup> June 1997, 26<sup>th</sup> June 1998, 1<sup>st</sup> July 1999, 25<sup>th</sup> June 2001, 27<sup>th</sup> June 2002, 26<sup>th</sup> June 2003, 22<sup>th</sup> June 2004, 14<sup>th</sup> June 2006, 28<sup>th</sup> June 2007, 16<sup>th</sup> June 2010, 14<sup>th</sup> June 2011 14<sup>th</sup> June 2012, 17<sup>th</sup> June 2015, 26<sup>th</sup> June 2017, 25<sup>th</sup> June 2018, 20<sup>th</sup> June 2019, 15<sup>th</sup> September 2020 and 26<sup>th</sup> June 2023)

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The General Regulations are divided into three parts:

The first part deals with Associates

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**

## Associates of the SPPF

Section I - General Admission Conditions

Section II - Conditions for the withdrawal of Mandates and striking off

Section III - Rules shared by all Associates of the COMPANY

## **Section I - General Admission Conditions**

## § I – For the acquisition of the capacity as Associates

#### Article 1

Any natural or legal person seeking admission shall send a request for admission in writing at the registered office of the COMPANY or by e-mail to the following address phono@sppf.com or on the website section on membership, accessible at www.sppf.com, if this option is available, using the application form provided for that purpose by the COMPANY.

#### Article 2

The Board deliberates on applications submitted to it by the COMPANY when they include all the documents required under Article 2 of the General Regulations.

The Board of Directors shall decide to accept, on behalf of the COMPANY, the admission of the applicant if he complies with the provisions of Articles 1 and 4.1 of the Statutes, as well as if he meets any specific conditions that may be set out in the General Regulations.

The Board must notify its decision within a deadline of three (3) months.

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.

The Board of Directors may, by reasoned decision, reject any application for membership which does not meet the conditions laid down in the Articles of Association or the General Regulations, subject to the appeals provided for in Article 3-B of these General Regulations.

When presenting his application and in order to make possible application of the Status 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.

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 phonogram producer, or a licence holder as referred above, the applicant must provide evidence of a minimum of 5 (five) different recordings (that is to say 5 different titles, which excludes versions, edit, remix, etc. for phonograms) published on a 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 COMPANY, until the date of pronouncement of the final judgement.

#### Article 3

A - In case of admission to adhere to the Status of the SPPF, the applicant undertakes in particular to:

- 1) sign a document of adherence to the Status and these General Regulations and pay the amount of the authorised share capital at the latest in the month following the notification of the approval of its application for membership by the Board of Directors.
- 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 COMPANY, a copy of productions produced by him or over which he is authorised to exercise the rights,
- 4) submit to and comply with the Status and General Regulations, 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 the Board, in particular within the context of the apportionment operations and declarations made to the COMPANY's Corporate Register.

- 6) on a general basis, submit to all decisions of the Board of Directors and General Assemblies;
- 7) on a general basis, not to undertake anything that could harm the material and moral interests of the COMPANY and its Members.

The Member newly admitted by the Board of Directors is informed of his status as a Member by registered letter with acknowledgement of receipt.

If, within one month after the date of notification of Admission, the applicant who has been admitted to adhere to the Status, has not signed his membership documents and pay his share capital, 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.

In accordance with Article L. 322-4 of the Intellectual Property Code, any decision to refuse membership shall be in writing and shall be based on legal and factual grounds.

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 three (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 Associates and any possible beneficiaries who may consult it after making a written request.

Based on this register, the COMPANY will draw up a list of Members, which will remain at the disposal of users, pursuant to the provisions of article L. 323-3 of the Intellectual Property Code.

## § II – For the loss of the position as Associate

#### **Article 5**

The position as Associate is lost automatically after resignation notified as provided for in Article 4.11 of the Status, or withdrawal of the obligatory Mandate constituting an act of acceptance of the Status or of all a member's mandates exclusion or after striking off pronounced respectively by the Board and by the Extraordinary General Assembly.

In case of an individual Associate'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 Associate.

However, the successor or heir shall send by registered letter with acknowledgement of receipt any legal document proving so.

If there are several successors or heirs, they shall appoint a single representative from among them and grant all powers to that representative.

The sole representative shall send to the COMPANY by registered letter with acknowledgement of receipt a document co-signed by all the heirs, accompanied by a copy of their valid identity card, authorizing the representative to represent and manage, in the name and on behalf of all the heirs, the rights attached to the phonograms and/or videograms already declared in the COMPANY's Corporate Register. The Status and the General Regulations apply to the sole representative.

In the meantime, all rights to be apportioned shall be set aside in the special security account provided for in Article 7.3 of the Statutes.

The successor or heir, who is a legal person, 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 Status 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 COMPANY 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 COMPANY as soon as possible 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 supporting justifications of the appointment.

Amounts to be apportioned to the benefit of an Associate and which are the object of a joint procedure will be paid to the person duly authorised to represent the Associate. 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 Status.

Generally speaking, the Member is required, without delay, to notify the COMPANY in writing or by electronic means or through the COMPANY's Internet site of, in particular, any change of registered office, postal address, e-mail address, legal representative, etc.

The fee paid by the Associate, resigning member or expelled member under the conditions provided for in Article 20 of the Status as a contribution to the social capital on joining the COMPANY shall be returned to him in the month following the end of the six (6) months' notice or the declaration of his exclusion or striking off the COMPANY.

If any amounts are due to a rights holder for acts of exploitation performed before his request for full or partial termination has taken effect, or as part of an exploitation authorization granted before that effective date, he shall retain the rights conferred on him by the provisions of the third and fourth paragraphs of Article L. 324-10, I and II of Article L. 324-12, Articles L. 324-14, L. 324-18, L. 325-7, I and II of Article L. 326-3 and Articles L. 326-4 and L. 328-1 of the French Intellectual Property Code.

# Section II - Conditions of withdrawal of Mandates and of striking off

## § I - Withdrawal of Mandates / Resignation

#### Article 6

Pursuant to the provisions of article 4.11 of the Status, all Associates may withdraw their obligatory Mandates, which constitutes an act of acceptance of the Statutes.

The withdrawal of their obligatory Mandates means that the Associate has resigned.

Withdrawal of one or more of the optional mandates entrusted to the COMPANY shall not lead to resignation of the Associate.

The resigning member, is in debt of any kind whatsoever to the COMPANY, in particular in the event of an individual or collective advance not justified on the date resignation, he shall make the relevant payments in full until all debts are paid off and specifically by means of delegation of assignment of receivables to the COMPANY or by any other means enabling it to recover its debt.

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

The COMPANY has the right to request the immediate reimbursement of all sums of any nature whatsoever owed to it by the resigning member.

The resigning Associate also undertakes to supply to the COMPANY all the information required for the calculation of apportionments until the end of the effective management of his rights by the COMPANY and to comply in particular with the audits to which any Member would be subject, and with the decisions taken by the General Assemblies and the Board of Directors.

The COMPANY 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 Status, by issuing a date for the ending of management of rights over his phonograms or videograms.

At the request of the resigning Associate (in the form of a registered letter with recorded delivery), the COMPANY may effects the transfer of his catalogue to a similar collective management company established in with the same corporate aims if technical conditions so permit and/or return it electronically with acknowledgement of receipt. Costs relating to this transfer and/or return will be paid in full by the resigning Associate.

## § II - Exclusion - Striking off - Repurchase / Transfer of Catalogue

#### Article 7

The exclusion of an Associate 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 Assembly. This decision will be notified to the Associate by registered letter with recorded delivery.

The striking off of an Associate, natural person or legal entity, pronounced by the Board of Directors under the conditions of Article 20.1-3/ of the Articles of Association, 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 Assembly. The Associate shall be notified of this decision by registered letter with acknowledgement of receipt.

The Associate who has been excluded or struck off, if he owes money to the COMPANY, 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 COMPANY is authorised to collect these amounts under the same conditions as those listed in article 6, paragraph 5 and 7 of the General Regulations.

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

At the request of the Associate who has been excluded or struck off (in the form of a registered letter with recorded delivery), the COMPANY may effect the transfer of the register of the said Associate to a similar collecting society established in France with the same corporate aims if technical conditions so permit and/or return it to the excluded or struck off Member by electronic means with acknowledgement of receipt. Costs relating to this transfer and/or return will be paid in full by the Member who has been struck off.

In the case of a complete repurchase of a catalogue notified to the COMPANY, the latter shall take the necessary measures to take this repurchase into account, provided that any individual or collective advances that have been repaid to the Associate are repaid in full to the COMPANY.

# Section III - Rules Shared by all Associates of the SPPF

### § I – General Duties

#### **Article 8**

As a result of his act of adherence, every Associate undertakes specifically:

1) to comply with the Status and General Regulations which he declares to have read prior to his adherence.

Compliance with the Status 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 COMPANY. 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 COMPANY'S services, before the aforementioned date of effect.

The Associate 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 COMPANY.
- 2) to submit, within the context of the Status and of the General Regulations to decisions of the Board and to the collective decisions of the General Assemblies.
- 3) to declare, under his own responsibility, to the Corporate Register of the COMPANY, 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 Associate or declarers of phonograms must declare physical and digital sales of support media on which are published the phonograms that are declared to the Corporate Register of the COMPANY, under the rules and conditions defined in these General Regulations by the Board and / or the Ordinary General Assembly of Members. The COMPANY 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.

The COMPANY may require the submission by the Member for any evidence to prove the reality of the physical quantities of sales and / or digital as transmitted by the Member.

Otherwise, the COMPANY reserves the right not to enter the reported sales.

The 'Apportionment Commission' under Article 34.2 of the General Regulations or the Board of the COMPANY will decide on the appropriateness, the views of the evidence provided, to distribution rights.

- 4) to declare, under his own responsibility to the Corporate Register of the COMPANY 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 COMPANY 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 Status 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 COMPANY.

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

- 6) to notify to the COMPANY 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 COMPANY 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 specified in the Status, 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 COMPANY 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 Associate may however inform the COMPANY 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 COMPANY.

- 7) to provide at the COMPANY's request any additional documents that the COMPANY may deem necessary to establish his status as producer or right holder of the phonograms and/or videograms he wishes to declare.
  - Any defaulting Associate is exposed to the risk that his declaration will not be taken into account until he has provided them.
- 8) to notify the COMPANY without delay of any change of postal address if the Member is a legal entity, and of personal contact details if the Member is a natural person, as well as their telephone number and e-mail address.
- 9) in a general way, do nothing, nor take up anything that may harm the COMPANY'S material and moral interests and those of its Associates within the context of the implementation of these General Regulations and the corporate aim of the COMPANY.

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

Any Associate 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 COMPANY.

It is required to notify the COMPANY without delay.

Any change of designation shall comply with the rules laid down in this Article and must be notified to the COMPANY without delay.

All individuals who are Associates are solely liable with regard to the COMPANY.

## 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 COMPANY.

In case of nomination of an agent, liquidator, administrator or receiver under court supervision, or of any other person, all Associates must inform without delay the COMPANY 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 Associate 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 COMPANY or of its Associates within the context of the implementation of these General Regulations and of the corporate aim of the COMPANY, one or several of the following sanctions:

- 1) full reimbursement of the prejudice suffered by the COMPANY. In this case, the Member shall be required to reimburse in full the sums which it has lost or from which the COMPANY has been deprived as a result of its actions. The COMPANY may by any means collect the equivalent, plus any costs, from the sums which the Member in question may be entitled to receive.
- 2) a warning,
- 3) blame pronounced before the Ordinary General Assembly,
- 4) a ban on being a member of a Commission provided for in these General Regulations, of the Board of Directors or of the Supervisory Committee for a period of not less than one year,
- 5) the exclusion or striking off from membership of the COMPANY, subject to the provisions of articles 20.1-2/ and 20.1-4/ of the COMPANY's Status.
- 6) placing in reserve the sums to be distributed to it by the COMPANY, in the absence of declarations of the physical and/or digital sales of the support media.
- 7) immediate demand for reimbursement of advance payments granted to any Member and not recovered, who has not complied with the notice period of six (6) months as set forth in article 6 above, in which to inform the COMPANY 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 Associate.

## § II - Incompatibility

#### Article 12

Under no circumstances may an Associate of the COMPANY be a salaried member of staff of the COMPANY.

The Ordinary General Assembly, the Board, the Chairman of the Board or the Managing Director may entrust to an Associate of the COMPANY 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

Procedure for handling disputes

#### Article 13

Disputes between Associates or arising between one or several Associates and the COMPANY are submitted to examination by a Commission of Conciliation that will meet under the conditions defined at article 34.4 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 Status and will remain there until the final outcome of the dispute.

Pursuant to Articles L. 328-1 and R. 321-48 of the French Intellectual Property Code, a procedure for handling disputes relating to the conditions, effects and withdrawal of the authorization to manage rights as well as their management is available on the COMPANY's website.

## § IV - Rights to defence

#### Article 14

No penalty may be pronounced, and no disciplinary measure may be taken by the Board before the Associate has first been invited to put his defence to the Board or before the Conciliation and Disciplinary Commission, which shall meet under the conditions defined in Article 34-4 of these General Regulations.

The Associate shall be informed in advance of any grievances against him, with sufficient notice for him to prepare his defence. Grievances shall be notified to him by registered letter with acknowledgement of receipt by the Manager of the COMPANY.

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

The Associate shall be notified by registered letter with acknowledgement of receipt of the decision taken by the Board of Directors or by the Conciliation and Disciplinary Commission.

## § V - Right of information

#### **Article 14 Bis**

- A- Pursuant to I of Article L. 326-3 and I of Article R. 321-16 of the French Intellectual Property Code, the COMPANY shall make the following information available at least once a year to each right holder, either by e-mail or in the "Associates" section available on the SPPF's website:
- 1°) The contact details that the rights holder has authorized it to use in order to identify and locate it;
- 2°) The amount of income respectively apportioned and distributed to the right holder, specifying their breakdown by category of rights managed and by type of use;
- 3°) The period during which the use took place for which income was apportioned and distributed to the rights holder, unless objective reasons relating to users' declarations prevent the COMPANY from providing this information;
- 4°) The amount of deductions made from this income, specifying the amount deducted for management fees on the one hand and the provisions of Article L. 324-17 of the French Intellectual Property Code the other hand;

- 5°) The amount of any income from the exploitation of rights that has been apportioned to the rights holder but remains due to it, regardless of the period during which it has been received by the COMPANY.
- B- Pursuant to III of Article L. 326-3 and II of Article R. 321-16 of the Intellectual Property Code, the COMPANY makes the following information available once a year to the collective management organizations with which it has a representation agreement:
- 1°) The amount of income from the exploitation of the rights it has respectively apportioned and distributed under the representation agreement, specifying their breakdown by category of rights managed and by type of use;
- 2°) The amount of any income from the exploitation of the rights it has apportioned under the representation agreement, but which remains due, regardless of the period during which they have been received by the organization;
- 3°) The amount of deductions made from this income, specifying the amount deducted as management fees on the one hand, and the provisions of Article L. 324-17 of the French Intellectual Property Code on the other hand;
- 4°) Information on the authorizations granted or refused for the use of the works and other protected subject-matters covered by the representation agreement;
- 5°) A presentation of the decisions adopted by its general meeting concerning the management of the rights covered by the representation agreement.
- C In response to a properly justified request, the COMPANY shall communicate by electronic means and within a period not exceeding one (1) month, to the holders of rights managed by the COMPANY in any capacity whatsoever, to the organizations on whose behalf it manages rights under a representation agreement and to users, the following information listed in Article L. 326-4 of the French Intellectual Property Code:
- (1) The works or other protected subject-matters it represents, the rights it manages directly or indirectly or as part of representation agreements, and the territories covered;
- (2) If, because of the scope of its activity, these works or other protected subject-matters cannot be determined, the types of works or other protected subject-matters it represents, the rights it manages and the territories covered.

The COMPANY reserves the right to request payment of fees corresponding to the cost of providing this information.

The COMPANY is exempt from responding to individual requests when such information is made available to the public on its website.

### **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 the provisions of the Intellectual Property Code and of the European Union legislation: the initial fixation of a sequence 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 COMPANY 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 or in any other form that may subsequently be set up, which it passed on by e-mail or by other electronic means that would subsequently be accepted by the COMPANY to the concerned service,
  - the COMPANY will communicate, at the formal request of its Associate, its repertory in the form in force on the date of the request made.
  - 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 COMPANY 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 Associates, Producers of Phonograms and of Videograms or 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 Status of the COMPANY, the declaration must be made as soon as possible and must not be made any later than six (6) 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 COMPANY for the drawing up of their own Register.

The COMPANY will not under any circumstances be held liable for statements made in declarations referred to in article 16 and 17 of these General Regulations, the signatory of the latter being sole guarantor with regard to the COMPANY 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 in particular on the declaration of phonograms and/or videograms and their registration in the Corporate Register of the COMPANY.

#### Article 17

The matrix in the form of spreadsheet or in any other form, 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 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 is 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 COMPANY 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,
- 14) indication of shares of rights owned as a percentage, the name or the corporate name of the beneficiary or beneficiaries of rights.

The declaration given to the COMPANY 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 Status.

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

It is hereby recalled that, pursuant to the provisions of articles from 48 to 51 of the law of January 6<sup>th</sup>, 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 COMPANY 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

- Whosoever has made false declarations of identity or of position that have motivated his admission may be struck
  off from membership of the COMPANY, by means of decision pronounced by the Extraordinary General Assembly,
  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 COMPANY'S special account, as provided for in article 7.3 of the Status, 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 Status.

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.

### § IV – Not Associates filers

#### Article 19 bis

The producers, Natural or Legal persons, of phonograms and/or of videograms, which are not Associate of the COMPANY can claim payment of remuneration from the COMPANY relating to neighboring rights covered by a legal licence or compulsory collective management as soon as they declare theirs phonograms and/or their videograms at the COMPANY under the conditions defined below.

Natural or legal persons not Associates, who make declarations of phonograms and/or videograms for which they have the rights or phonograms sales are obliged by these statements:

- To certify sincere recordings of statements on which they claim to the exercise of rights and Phonograms sales returns;
- To ensure that these records do not infringe the rights of third parties or constitute a breach of rights under the Code of intellectual property;
- To justify on simple request of the COMPANY, the legal or contractual origin of these rights.

They are also subject to the same obligations and sanctions relating to declarations as those imposed on Associates as mentioned in Articles 15, 16, 17, 18 and 19 of the General Regulations.

## **Section II - Apportionment**

## § I - Terms of apportionment

#### Article 20

The COMPANY 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 Status.

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 pursuant to Article 7.2 of the Status.

#### 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 COMPANY, and beneficiaries who are not bound to the said obligations.

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

#### Article 22

Differentiated rates may thus be applied:

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

#### § II – Accounts

#### Article 23

Amounts apportioned to the benefit of an Associate and/or his beneficiaries are credited respectively to the account opened in the name of the latter. The COMPANY 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 COMPANY will endeavour to proceed with the apportionment of amounts collected according to the following frequency:

- amounts collected by the COMPANY with regard to the dissemination of music videos are apportioned to the Member and / or his beneficiaries every three (3) months,
- amounts collected by the COMPANY with regard to Equitable Remuneration, Private Audio and Audiovisual Copy, are apportioned, provisionally or definitively, at times defined by the Board.
- the amounts collected by the COMPANY in respect of the exercise of the right to authorise managed collectively are apportioned on a provisional or definitive basis, at intervals determined by the Board of Directors.

#### **Article 25**

The apportionment of amounts collected by the COMPANY 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 COMPANY within the time limits set by the latter.

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For the purposes of implementing apportionment of actual rights to Private Audio Copy in particular, Producers and/or declarers of the COMPANY who have not made their declarations of phonograms and of sales of the corresponding support media (excluding multi-Producer compilations) within three (3) 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 COMPANY must, at the latest within six (6) 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 COMPANY after the date of admission of the new Member.

#### Article 26

#### 1) Joint advances

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

Subject to the provisions of articles 6 paragraph 6 and 11.7 of the General Regulations, 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 in year N+1 or the amount not repaid will be deducted from the advance offered in year N+1.

If the reimbursement threshold of the financial advance determined by the Board of Directors is not reached, no other advance may be paid to an Associate 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

Pursuant to article L. 324-16 of the French Intellectual Property Code:

- actions to pay rights collected by the COMPANY are barred after five (5) years counting from the date of collection; this time period is suspended until the date of these rights being ready for apportionment;
- the apportionment or payment date is made known to the Members or rights holders in an easily accessible reference document.

Sums allocated, for a given period, to the security account set up by article 7.3 of the Status of the COMPANY and which have not been claimed by their beneficiaries may be the object, on expiry of a deadline of five (5) years after the date of being ready for apportionment, of allocation according to terms defined by the Board of the COMPANY and ratified at the General Assembly.

Sums pursuant to Articles L. 214-1, L. 217-2 and L. 311-1 of the French Intellectual Property Code which have not been apportioned on expiry of the legal limitation deadline and subject to complete absence of claims during this period, will be fully allocated in accordance with article L. 324-17 of French the Intellectual Property Code.

## § III - Payment of rights to Associates

#### Article 28

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

#### THIRD PART

## Administration of the SPPF

Section I - Board

Section II - Supervisory Committee

**Section III** - Commissions

Section IV - Applications to Ordinary General Assemblies and to the Supervisory Committee

**Section V** - Honorary Chairman and Honorary Members

## **Section I - Board**

## § I - Composition of the Board

#### **Article 29**

After the General Assembly, the Board elects from amongst its members, in application of article 9.6 of the Status, 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) The Treasurer's mission is to supervise all the financial operations of the COMPANY.

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 COMPANY funds, to this end he must check on the positions of accounts and deposits in securities belonging to the COMPANY.

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 reelection of a new Treasurer.

## § II – Board Meetings

#### Article 30

- the Board of Directors shall meet as often as required to meet the Company's needs at the request of its Chairman and at least once (1) every two (2) months upon notice sent no later than five (5) days before the date of its Assembly by the Managing Director.
- 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 COMPANY 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 COMPANY and within the areas that have been allocated to them, all proposals for decisions that the COMPANY administration may require and related to its corporate aim.

All proposals are submitted to the approval of the Board.

Internal control procedures are defined and detailed in a procedural guide made available to the Board of Directors and the Supervisory Committee of the COMPANY. These procedures ensure the proper functioning of the COMPANY's internal processes involved in protecting its assets, in particular with regard to risk and fraud management.

The administrative and accounting legal procedures put in place enable the COMPANY to comply with the laws and regulations applicable to its field of activity, to implement the instructions and guidelines defined by its Board of Directors and the Finance Department and to ensure the reliability of the financial information.

## **Section II - Supervisory Committee**

#### § 1 Supervisory Committee's composition and meetings

#### Article 32

The Supervisory Committee is composed of three members and shall meet at least twice (2) a year upon convocation by its chairman, sent electronically or by letter, at the registered office of the COMPANY or to any other place determined by the latter.

It can only validly meet if there is a majority of its members. Decisions of the Supervisory Committee shall be taken by a majority of the attending members.

In the event of a tie, the Chairman or, in his absence, the session Chairman shall have the casting vote.

Minutes of each meeting shall be drawn up and recorded, after approval at the following meeting by the Supervisory Committee, in a register kept for this purpose at the registered office of the COMPANY.

The approved minutes, as well as the extracts which may be released, shall be signed by the Chairman of the Supervisory Committee and another member, or in his absence, by the session Chairman and another member of the Committee who attended the meeting.

Meetings are held in the presence of the Managing Director or any employee designated by him.

## **Section III - Commissions**

## § I – Joint provisions

#### Article 33

Under the terms of article 12.1 of the Status and as required, Commissions are set up by the Board under the conditions specified by them.

Only Associates 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 are nominated by the Board for a period of one year. Their functions are specified by decision of the Board.

Their mandate is renewable.

- Commissions meet under the conditions set by the Board.
- Commissions may draw up reports to be transmitted to the Chairman, the Board and the Managing Director of the COMPANY 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.

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

## § II - Provisions specific to each of the Commissions

#### Article 34

As required, the following four Commissions are constituted:

- 1) Commission for the allocation of subsidies, pursuant to article L.324-17 of the French Intellectual Property Code
- 2) Apportionment Commission
- 3) Conciliation and discipline Commission

#### 1) Subsidies Commission

Subject to enough applications, the Commission for the allocation of subsidies comprises a minimum of 8 Members, including obligatorily 4 Members of the Board. They can be natural persons distinct of administrators who physically sit within the Board.

The Members are designated by the Board, among the COMPANY associates and will have to represent the diversity of the exploited and commercialized independent musical production.

The duration of the mandate of the Commission's members is 3 years. Half of its members are renewed every two (2) years.

The mandate of each member is extendable once. Each member is subjected to a period of one (1) year ineligibility after having completed 2 consecutive mandates.

Each member which is absent more than 3 consecutive commissions, except for vacation or a valid excuse and after a warning, is considered as an outgoing member.

The Commission nominates one Chairman from among one of the administrators in exercise. The duration of the mandate of the Chairman is one year, renewable once.

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

It examines requests for aid under the provisions of article L. 324-17 of the French Intellectual Property Code and sends an opinion to the Board.

If a member has a direct or indirect interest linked to one or many requests for grant examined while a commission, it can't attend either to the debate or the vote related to the request(s).

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

Any Member who is in any of the following three (3) situations may under no circumstances be eligible for support:

- any Associate against whom the COMPANY has initiated legal proceedings,
- any Associate who has significantly and persistently fallen behind in his declarations of phonograms and/or videograms to the COMPANY's corporate repertoire, despite repeated and unsuccessful requests,
- any Associate who infringes the neighbouring rights of producers of phonograms and/or videograms in the context of an activity other than that which he carries on in his capacity as Associate, which falls within the collective management of the COMPANY (for example...): a Member who, under the same legal entity or

under another entity, is a broadcaster of phonograms and/or videograms managed by the COMPANY and who has not concluded a general contract of common interest with the latter, despite requests from the COMPANY which have remained unsuccessful).

It ensures that the beneficiaries of subsidies awarded by the Board of Directors respect their obligations towards COMPANY.

#### 2) Apportionment Commission

The Apportionment Commission comprises a maximum of 5 Members, including obligatorily 3 members of the Board designated by the Board.

The Commission nominates one Chairman, one Vice-Chairman and one General Secretary from amongst its members.

It sits after being called by the Board of the COMPANY or by COMPANY administration, every time the requirements of attaining the corporate aim of the COMPANY 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) Conciliation and discipline Commission

The Conciliation Commission comprises 5 members who are obligatorily Administrators designated by the Board.

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

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 Associates (counterfeit, false declarations, offences against the Status and General Regulations...) and which may be brought to its knowledge and submits to the Board any sanctions to be taken.

# Section IV - Applications to Ordinary General Assemblies and to the Supervisory Committee

### § I – General Rules

#### Article 35

Each applicant for election to the Board of Directors or the Supervisory Committee shall notify the COMPANY of their application either by registered letter with acknowledgement of receipt, or by electronic mail with acknowledgement of receipt, addressed to the Director General of the COMPANY (no later than 7 p.m., Paris time) or handed in at the COMPANY's premises against receipt during business hours.

Applications to either body must reach the COMPANY no later than thirty (30) days prior to the Ordinary General Assembly.

The candidate shall attach a declaration of honour stating that he is not in one of the cases of incompatibility or ineligibility referred to in Articles 9.1 and 9.2 of the Statutes and that he has not been deprived of any rights as a citizen.

Candidates may not run for several elected offices within the COMPANY:

- The Board will draw up a single voting form for candidates to the Board and a single voting form for candidates to the Supervisory Committee.
- 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 and to the Supervisory Committee (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").

Associates who are allowed to vote at General Assemblies may vote according to any of the proposed methods.

The Associates shall vote at a meeting, or by remote electronic means if this option is available, or, as the case may be, by any type of vote determined by the Board of Directors.

In the event of remote electronic voting, the COMPANY shall communicate to each Associate their personal and confidential access code to the secure site reserved for electronic voting.

Associates shall be notified of the opening and closing of remote electronic voting.

The Board has the role of organising and ensuring the smooth operation of each General Assembly. The voting and counting operations are recorded by the Committee of each General Assembly or by a judicial officer.

The Board of Directors may, if need be, request the services of a judicial in order to ensure the smooth operation of each General Assembly.

# Section V - Honorary Chairman and Honorary Members COMPANY

## § I - Honorary Chairman

#### Article 36

On proposal by the Board, and after agreement of the people concerned, the Ordinary General Assembly may confer the title of Honorary Chairman of the COMPANY 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 COMPANY 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.