



**STATUTES 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**

**(Modified by the Extraordinary General Assemblies of the SPPF held on  
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## CONSTITUTION OF THE COMPANY

### ARTICLE 1

1.1 – Between the parties, and in general all French or foreign producers of phonograms and/or videograms – as well as their beneficiaries, transferees, concession holders or agents – who are authorised to adhere to these Status, is formed a non-trading COMPANY with variable capital, having the Status of a non-profit collective management organization, controlled by its members, governed by the provisions of Articles 1832 *et seq.* of the French Civil Code and by the provisions of Book III heading II of the Intellectual Property Code, as well as by these Status and General Regulations, under the names of SOCIETE CIVILE DES PRODUCTEURS DE PHONOGRAMMES EN FRANCE (SPPF), hereinafter referred to as the COMPANY.

1.2 – Producers of phonograms and/or videograms and individuals or corporate entities authorised to exercise the rights of the said producers, authorised to adhere to these Status, appoint exclusively – due to the very fact of their membership – the COMPANY to exercise jointly:

- rights to remuneration for the use of their phonograms and videograms, rights that they hold or will hold by virtue of articles L. 214-1 and L. 311-1 of the Intellectual Property Code relating to copyright, phonogram and videogram producers,
- rights relating to the use of their phonograms and videograms, rights that they hold or will hold by virtue of articles L. 213-1 paragraph 2 and L. 215-1 paragraph 2 of the Intellectual Property Code, and this within the limits set forth in the Status, as referred to below,
- all similar rights devolved upon producers of phonograms and videograms, in France and abroad, by national laws and international conventions, each time that these rights are or become the object of joint exercise.

## HEAD OFFICE AND DURATION OF THE COMPANY

### ARTICLE 2

2.1 – The COMPANY's head office is located at

**63, boulevard Haussmann - 75008 PARIS**

It may be transferred by decision of the Board to any other place in the same town or in the neighbouring counties. The Manager is authorised to modify the Status and to perform all legal advertising formalities and changes to the inscription on the Trade and Companies Register.

2.2 – Duration of the COMPANY is set at ninety-nine years, which will start to run as from the date of, registration with the Trade and Companies Register.

2.3 – One year prior to the date of expiry of the COMPANY, the Extraordinary General Assembly shall be convened under the conditions provided for in Article 13 of the Status, in order to decide on its extension.

## AIM OF THE COMPANY

### ARTICLE 3

3.1 – The aim of the COMPANY is:

- 1 / Joint exercise of the property rights of phonogram and/or videogram producers, specifically:
  - rights to remuneration recognised by articles L. 214-1 and L. 311-1 of the Intellectual Property Code,
  - exclusive rights of a property nature relating to the use of phonograms and videograms recognised by articles L. 213-1 paragraph 2 and L. 215-1 paragraph 2 of the Intellectual Property Code,
  - all similar rights devolved upon phonogram and videogram producers in France and abroad by national laws and international conventions, each time that these rights are the object of joint exercise.
- 2 / The signing of General Contracts of Common Interest with phonogram or videogram users with the aim of improving the broadcasting of the latter and of promoting technical or economic progress, up to the limit of the Mandates which either all or some of the Associates of the COMPANY, or French or foreign organisations with the same aim, have granted to it.
- 3 / The negotiation and signature of specific agreements with each category of phonogram users in order to set the rate and terms of payment of the remuneration referred to at 1/ above, due to the producers of these phonograms, and in order to set the terms for establishing and supplying the documentary elements that are indispensable for the apportionment of these remunerations.
- 4 / Participation on behalf of its Members in every Commission set up in application of the provisions of the Intellectual Property Code, and in all kinds of negotiations seeking to define and set the conditions for the exercise of phonogram and videogram producers' rights.
- 5 / The constitution of all collective management organisations shared with other organisations of the same nature, or the membership of all collective management organisations constituted with the same aim or pursuing the same aims as those defined in these Status, as well as the constitution of all kinds of Economic Interest Groupings or other groupings with these collective management organisations, for the purpose of pooling resources relevant to the management of rights relating to the aim of the COMPANY.
- 6 / The signature of representation contracts with French or foreign bodies with the same aim or pursuing the same aims as those defined in these Status.
- 7/ The constitution of the COMPANY'S Corporate Register based on the phonograms and videograms declared by its Members, and the use of this Register, in accordance with the aims defined in these Status and the exercise and management of the rights thus entrusted by these organizations.
- 8/ The collection and apportionment of the remunerations resulting from the exercise of phonogram and videogram producers' rights, and the rights of their beneficiaries, transferees or concession holders due to the use of the phonograms and videograms, whether the remuneration is received under compulsory or voluntary collective management or under a legal licence.

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

## **COMPOSITION OF THE COMPANY - ADMISSION - MANDATES (SCOPE/PARTIAL OR TOTAL WITHDRAWAL)**

### ARTICLE 4

4.1 – The COMPANY is made up of Associates, who are either individuals or corporate entities:

- French or foreign producers of phonograms and/or videograms, their beneficiaries, transferees, concession-holders or agents, authorised either in their capacity as producer or by contract to exercise all or some of the rights recognised as belonging to the said producers by French legislation or by international treaties and conventions applicable in France,

- founders who agreed to the Status and fulfilled all their obligations towards the COMPANY.

4.2 – The position of Founder Associate does not confer any specific title or any kind of special prerogative.

4.3 – The conditions for admission and the status of Associate of the COMPANY are determined by the Status and the General Regulations.

Due to the very fact of his membership, each Associate will also have the possibility of mandating the COMPANY, under the terms defined by the General Assembly or the Board, for the purposes of exercising all or some of the rights to authorise the use of the phonograms and videograms that they have declared to the COMPANY, by signing General Contracts of Common Interest with the various categories of phonogram or videogram users, in application of the provisions of article L. 324-5 of the Intellectual Property Code.

4.4 – The Mandates granted by an Associate to the COMPANY are as follows:

- the obligatory mandates (A) for the founding members, (B) and (I), which shall constitute an act of adhesion to the Status of the COMPANY.

Their partial or total withdrawal, under the conditions referred to in Article 4.11 of the Status, ipso facto entails the resignation of the Associate.

These Mandates concern the remuneration referred to in Articles L. 214 -1 (equitable remuneration for broadcasting and direct communication to the public in public places), L. 217-2 (simultaneous, complete and unchanged cable retransmission of their phonograms and/or videograms on the national territory), L. 311-1 (remuneration for private copy of phonograms) of the French Intellectual Property Code.

- optional mandates (C, D, G, G, H and K), the total or partial withdrawal of which, under the conditions referred to in Article 4. 11 of the Status, does not ipso facto result in the resignation of the Associate.

In accordance with Article L. 324-4 of the Intellectual Property Code, any Member may himself grant authorizations to use his phonograms or videograms for uses that do not give rise to any commercial or promotional advantage. These uses shall not cover uses that generate any revenue of any kind whatsoever, directly or indirectly. This option is exercised on condition that the COMPANY is informed in writing prior to the said uses.

For videograms:

- the Mandate (C) is for the collective exercise of the right of videogram producers to authorize the right of full or partial communication to the public or to certain categories of the public and of full or partial reproduction when such reproduction is intended to allow such communication referred to in Article L. 215-1, the remuneration referred to in L. 311-1 (remuneration for private copy of videograms) of the Intellectual Property Code.
- Mandate (H) is the collective exercise of the right of videogram producers to authorize the reproduction and communication of their videograms by interactive or equivalent services).

For phonograms:

- the Mandate (D) is for the collective exercise of the right of phonogram producers to authorize the reproduction and communication to the public of their phonograms).
- the Mandate (G) is for the collective exercise of the right of phonogram producers to authorize the reproduction and communication of their phonograms by interactive or equivalent services).

For phonograms and videograms:

- Mandate (K) concerns the exercise of the rights of producers of phonograms and videograms with respect to the private copying of their phonograms or videograms in the form of elements of the visual arts).

#### 4.5 – Territories:

The COMPANY exercises its activity both in France and abroad. However, the territorial scope of the Mandates may be restricted by each Associate, excluding France, either at the time of joining the COMPANY, or at any other time by registered letter with recorded delivery sent to the COMPANY with a notice period of six (6) months from the receipt of the notification.

If the notification takes place by 30 June at the latest the territorial limitation shall take effect at the end of the calendar year in which the notice was given.

If the notification takes place after the abovementioned date, it shall take effect at the end of the calendar year following the date of notification.

Territorial extension of the Mandates will be notified by the Associate to the COMPANY by registered letter with recorded delivery: it will take immediate effect.

#### 4.6 – Limitation of Mandates:

Associates will have the possibility of limiting rights entrusted to the COMPANY in the context of optional mandates, either when joining the COMPANY or by notification at a later date by registered letter with recorded delivery to the COMPANY with a notice period of six (6) months from the receipt of the notification, provided that for reasons of efficient management the rights granted to the company and legal certainty for users, the rights that remain granted to the COMPANY constitute, for example, a uniform category of rights, rights relating to radio and television use of all the Member's phonograms, for all broadcasts within the national territory and which are the object of General Contracts of Common Interest with broadcasting organisations.

If the notification takes place by 30 June at the latest the optional Mandate limitation shall take effect at the end of the calendar year in which the notice was given.

If the notification takes place after the abovementioned date, it shall take effect at the end of the calendar year following the date of notification.

#### 4.7 – Scope of Mandates:

Membership documents subscribing to the Status of the COMPANY, materialised by the obligatory mandates as well as optional management mandates that are entrusted to the COMPANY by its Associates involve previous rights, where have not been exercised either directly by Members or indirectly by the collective management COMPANY of which they were a member, and the future rights from which they benefit by international agreements, community directives and the internal right governing intellectual property, whether these rights arise prior to the date of signature of the mandate or during the life of the mandate

#### 4.8 – Joint use of an authorisation right and a remuneration right:

Mandates devolved upon the COMPANY authorise the latter to exercise the authorisation right defined in article L. 213-1 of the Intellectual Property Code, each time that the authorisation conditions of the General Contracts of Common Interest to be signed with a user or category of users implicate jointly the right to

equitable remuneration referred to in article L. 214-1 of the Intellectual Property Code and without the products resulting from the right to equitable remuneration and the products of the authorisation right being able to be distinguished.

#### 4.9 – Shows in public:

The optional Mandate (D) devolved upon the COMPANY will apply, except where the Member expresses his will to the contrary, to the right to authorise direct communication of phonograms during a show, as referred to in article L. 214-1 2) of the Intellectual Property Code.

An intention to the contrary will result, either from the reservation in this regard expressed when joining the COMPANY, or from notification by registered letter with recorded delivery sent to the COMPANY, with a notice period of six (6) months from the receipt of the notification.

If the notification take place by 30 June at the latest the optional Mandate limitation shall take effect at the end of the calendar year in which the notice was given.

If the notification takes place after the abovementioned date, the limitation shall take effect at the end of the calendar year following the date of notification.

#### 4.10 – Exclusion of usage for advertising purposes:

Except in cases of intention to the contrary resulting from specific notification given by each Associate, usage for advertising purposes remains the latter's responsibility.

#### 4.11 – Term of Mandates / Notice of withdrawal of Mandates:

The duration of the obligatory mandate referred to above will be that of adherence to the Status; any Member may withdraw his mandate subject to a six (6) months' notice from receipt of the notification, notified to the COMPANY by registered letter with recorded delivery.

If the notification takes place by 30 June at the latest, the withdrawal of the Mandate shall take effect at the end of the calendar year in which the notice was given.

If the notification takes place after the abovementioned date, the withdrawal shall take effect at the end of the calendar year following the date of notification.

In the event of resignation or limitation of Mandate notified under the conditions of form and time limit provided above, the COMPANY shall continue to manage the rights of the Associate in question until the effective date specified in the Status.

As the partial or total withdrawal of the obligatory mandates shall constitute a resignation of the Associate, the Associate's share of the Company's capital shall be returned to him at its nominal value under the conditions set out in Article 5 of the General Regulations.



## **CONTRIBUTIONS – STATUTORY AUTHORISED CAPITAL - EFFECTIVE – REDUCTION**

### **INCREASE IN THE STATUTORY AUTHORISED CAPITAL**

### **VARIABILITY OF THE EFFECTIVE CAPITAL**

#### ARTICLE 5

5.1 – The COMPANY's subscribed capital at the time of incorporation amounts to €1,836.

5.2 – The statutory capital is fixed at 441,000€ (FOUR HUNDRED AND FORTY-ONE THOUSAND EUROS)

The COMPANY's share capital is variable. It consists of cash contributions from Associates who are required to pay an entrance fee in exchange for their membership of the COMPANY, the amount of which is set by the Board of Directors.

The share capital is fixed since 2002 to €153.

5.3 – The effective capital represents the fraction of the capital set in the Status subscribed by the Associates at any given time in the life of the COMPANY.

5.4 – On decision by the Extraordinary General Assembly of Associates, the authorised capital as set in the Status may be increased on one or several occasions by the creations of new shares, representing exclusively contributions made in cash resulting from the adherence of new Associates.

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

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

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

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

## **RIGHTS AND OBLIGATIONS ATTACHED TO THE SHARES**

#### ARTICLE 6

6.1 – The authorised capital is divided into equal shares which are allocated as follows: one share per individual or corporate entity Member, either a Founder Associate or an Associate admitted to adhere to these Status.

6.2 – Shares in the authorised capital are not represented by any kind of title. Ownership of a share automatically entails compliance with the Status and the General Regulations of the COMPANY as well as with the collective decisions of the Associates.

6.3 – The position of shareholder opens the right to hold, at Ordinary, Exceptional or Extraordinary General Assemblies, at least one vote per Associate, subject to Associates having met all their obligations in terms of the COMPANY as at the date of convening of the said Assemblies.

#### ARTICLE 6 BIS

The ownership of a share automatically entails the benefit of the right of communication defined in Article L. 326-5 of the Intellectual Property Code.

The procedures for exercising this right are laid down in Article 17 of the Status. The exercise of this right requires all Associates to maintain strict confidentiality with regard to information and documents of which they have become aware.

#### **BUDGET**

#### ARTICLE 7

7.1 – The COMPANY's expenses consist of all the costs required to operate the COMPANY and to carry out its corporate purpose, including in particular:

- general management, collection, recovery, apportionment and audit costs;
- legal costs as well as study and communication costs required to defend the rights and interests of the COMPANY and its members, and more generally of the profession of phonogram and videogram producer;
- funds for social works and cultural activities,

7.2 – To meet its expenses, the COMPANY's revenues consist of:

- the withdrawal of a percentage from the amount of rights on collection and/or at the time of apportionment,

This percentage may differ according to the sectors of collection and/or apportionment of rights.

This percentage is provisionally set by the Board of Directors, at the beginning of each financial year according to the nature and origin of the rights, in accordance with the general policy on deductions established by the General Assembly.

The Board of Directors may modify this percentage as often as necessary, even during the year, to ensure the balance of the management account and the continuity of the COMPANY's operations, provided that the withdrawals in respect of management fees do not exceed the justified costs borne by the COMPANY.

At the end of each financial year, the Board of Directors definitively sets the applicable withholding rate.

7.3 – Recorded in a special so-called "Security" account are the following:

- the interest on sums received and those to be distributed and, in general, the income from investments made using these sums.
- royalties credited to the account of Members or their beneficiaries not claimed by them after a period of five (5) years pursuant to Article 27 of the General Regulations;
- non-apportionable sums collected as part of the obligatory collective management pursuant to

Articles L. 214-1, L. 217-2 and L. 311-1 of the Intellectual Property Code and which could not be apportioned before the expiry of the statutory limitation period of five (5) years defined in Article L. 324-16 of said Code.

These sums shall obligatorily and entirely be allocated to cultural actions and may be used, as of the end of the third year following the end of the financial year during which they have been collected, in accordance with the general policy for the use of non-apportionable sums established by the General Assemblies, and this, without prejudice to requests for payment of rights which have not lapsed.

- sums received as part of voluntary collective management, other than those provided for in Article L. 324-17, 2°) of the Intellectual Property Code, which have not been apportioned, in particular because the right holders could not be identified or located, before the expiry of the legal limitation period of five (5) years provided for in Article L. 324-16 of the said Code.
- interest on amounts invested from the authorised capital,
- donations, subsidies, gifts of all kinds as well as fines and damages and compensation for prejudice that the COMPANY may receive.

7.4 – If the amount of expenses exceeds that of income, the Board may withdraw from the “Security” account, the amounts required to obtain a balance, à with the exception of non-apportionable sums to be allocated to cultural and artistic actions and financial income from sums received or to be apportioned which must be allocated to the Associates.

## **COLLECTION AND APPORTIONMENT OF RIGHTS**

### **ARTICLE 8**

8.1 – In application of the provisions of article L. 324-6 of the Intellectual Property Code, associations of general interest benefit from a reduction of 5 % on remunerations normally due to the COMPANY in return for the use of the phonograms on the Corporate Register at events which they organise and for which there is no entrance charge, subject to a request being made by the said associations to the COMPANY, in advance, within fifteen (15) days prior to the date of these events and justified that they fulfil the conditions required to benefit from the provisions of Article L. 324-6 above.

8.2 – Associations of general interest whose corporate aim and main activity consists of the promotion of musical creation, distribution and education, as well as those falling within the provisions of article L. 132-21 of the Intellectual Property Code on literary and artistic property, may benefit, for events they organise within the framework of their normal activities and for which there is no entrance charge, from a reduction greater than that referred to at point 8.1 above, subject to having signed, with the COMPANY, either directly or by the intermediary of their national federations, General Contracts of Common Interest applicable to these events and setting the terms of this reduction.

8.3 – Remunerations collected by the COMPANY are divided between Members, less the sums allocated to cultural and artistic actions pursuant to Article L. 324-7 of the French Intellectual Property Code and the sums recorded on the special "Security" account, according to terms that may be laid down by the General Regulations and in accordance with decisions made by the Board and the General Assembly of Associates, either on the basis of an amount based on the amount of time the phonograms and videograms are used, or by any kind of method involving sampling or calculation by analogy.

8.4 – Remuneration arising from the exercise of rights entrusted to the COMPANY, under compulsory or voluntary collective management or under legal licences, shall be collected by the COMPANY in accordance

with its conditions and rates or, where applicable, with applicable laws and regulations and pursuant to general joint interest contracts concluded by the COMPANY with users of phonograms and videograms.

Remuneration may also be collected in France through joint collective management organisations set up for a specific purpose, in accordance with the COMPANY's corporate purpose, and abroad by organisations with which the COMPANY is bound by representation or reciprocity agreements.

8.5 – The date and frequency of the distribution of rights are decided by the Board of Directors. Except for legitimate reasons and in particular the lack of information enabling the identification or location of the beneficiary Members the individualized apportionment to the rights holder shall take place ~~shall be made~~ at the latest within nine (9) months from the end of the financial year during which the income from the exploitation of the rights has been collected by the COMPANY, it being specified that the date of the provisional apportionments for the calculation of the aforementioned time limit shall be understood as the date of the apportionments

## **ADMINISTRATION OF THE COMPANY**

### ARTICLE 9

9.1 – The COMPANY is administered by a Board comprising fifteen (15) members, elected from amongst the individual or corporate entity associates.

The Board of Directors shall meet as often as required to meet the needs of the COMPANY and at least once (1) every two (2) months.

A COMPANY and all the companies it controls within the meaning of Article L. 233-3 of the French Commercial Code shall not have more than two representatives amongst Board of Directors' physical members.

If, by way of exception, this limit of two representatives is not respected during a term of office, following the acquisition of a majority interest in one or more other companies which are members of the Board of Directors, the Director concerned may continue to sit on the Board of Directors until the end of his or her term of office, without, however, being able to exercise any voting rights during this period.

Shall not be a member of the Board of Directors:

- audiovisual communication companies, within the meaning of the law of 30 September 1986 as amended, Members of the COMPANY as producers of phonograms.

However, the Chairman of the Board alone will have the capacity of Manager of the COMPANY with regard to third parties, subject to the powers attributed by law and these Status, on the Board and at General Assemblies.

9.2 – The following persons shall not be eligible for a position on the Board of Directors for a period of five (5) years:

- Associates who have been the subject of a disciplinary measure by the COMPANY under the conditions provided for in the General Regulations or by a collective management organisation or an independent management organisation for copyright or related rights during the last five (5) years as a result of: infringement, plagiarism, false declarations, violation of the COMPANY's Status and General Regulations.
- Directors who have been removed from office by the General Assemblies.

Any member of the Board of Directors who, during its term of office, finds itself in one of the aforementioned cases shall automatically resign.

9.3 – Board members are elected for three (3) years by the Ordinary General Assembly of Members and they may be re-elected.

The General Regulations shall lay down the conditions for the submission of applications.

One third (1/3) of its members are renewed each year.

9.4 – In case of equal numbers of votes, the benefit of the election will go to the candidate who is the longest standing Member.

9.5 – Corporate entities that are Board members must be represented by individuals authorised by law and corporate decision and they may not be persons from outside the said corporate entity.

However, the natural persons appointed to represent in place of the legal representatives must have the capacity to bind the legal person.

Following the death, resignation or removal of the designated representative, the COMPANY in question may appoint a new natural person, chosen as provided for in the previous paragraph, to replace its predecessor.

9.6 – The Board elects from amongst its members, by secret ballot, a Committee comprising a Chairman, one (1) Vice-Chairman, a General Secretary, a Treasurer and a deputy Treasurer.

The members of the Committee are elected under the conditions provided for in Article 29 of the General Regulations and are revocable.

In the event of resignation or death of a member of the Board of Directors during its term of office or in the event of removal by the General Assembly, the Board of Directors may co-opt any Member eligible under the provisions of Article 9.1 and 9.2 of the Status to replace that member until the next annual General Assembly.

The member of the Board of Directors thus elected shall hold office only until the expiration of the term of office of his predecessor.

The Committee ensures, in liaison with the Managing Director who takes part, the proper functioning of the COMPANY. The Committee ensures that the decisions taken by the Board of Directors are properly implemented.

It meets at the request of the Chairman, as often as required by the needs of the COMPANY.

9.7 – Committee members are elected for the duration of their role as Board member.

9.8 – A director may be dismissed for serious reasons by the General Assembly, after having been given the opportunity to submit any observations to the General Meeting, at the request of the Board of Directors or the Supervisory Board with a majority of at least two-thirds of the votes of their voting members present or represented.

9.9 – Any Board member who is absent from more than four (4) consecutive meetings of the Board, except if on regular leave or where a valid excuse is forthcoming, is considered to have resigned.

In this case, the vacant seat shall be filled under the conditions provided for in Article 9.6 above.

9.10 – Board members receive no payment for their tasks, however, monthly allowances for representation or travelling expenses may be attributed to them by decision of the Board; details of these allowances must

be the object of a special document attached to the documents provided for the Annual General Assembly and shall be approved by it.

9.11 – The Board may only sit validly if a majority of Boards members is present or represented.

9.12 – The Board’s decisions are taken by a majority of members present or represented, and each member may hold a maximum of three (3) powers.

Any Director who has a personal interest in any decision shall withdraw during the deliberation and the vote on the decision; such withdrawal shall be taken into account in calculating the majority required to vote on the decision.

The members of the Board of Directors, as well as any person heard by the latter, are bound to respect the strictest confidentiality.

9.13 – In case of divided vote, the Chairman, or in his absence the Chairman of the Meeting, will have the casting vote.

9.14 – The terms of minutes shall be approved, after reading, during the next meeting and shall be transcribed onto a register kept for this purpose. These minutes, in case of named vote, shall bear the names of administrators who have taken part in the vote and the direction of each vote cast, also in the event of a show of hands (i.e. the number of “In favour, “Against” and abstentions).

9.15 – The minutes of each meeting must be signed by the Chairman or by one of the Vice-Chairman, by General Secretary or the Treasurer and by the Managing Director.

9.16 – The Board may deliberate in secret session, each time it considers this to be necessary, for reasons to be indicated in the minutes.

## **TASKS OF THE BOARD**

### ARTICLE 10

10.1 – Subject to the powers vested in the General Assembly or the Supervisory Committee, the Board of Directors has the broadest powers to manage the COMPANY, act on its behalf and perform or authorize any act or transaction relating to its corporate purpose.

Its decisions are binding on all Associates and holders of non-member rights who have mandated the COMPANY to manage all or part of their rights.

10.2 – In compliance with the powers vested in the General Assembly the Board processes, contracts, pleads, settles and compromises in the COMPANY’s name, pronounces admission to applicants to adhere to these Status, and generally performs all acts of management on behalf of the COMPANY.

10.3 – It shall have the power to have Audits performed, particularly for the purposes of validating collection and apportionment procedures and Associates’ declarations.

10.4 – It shall specifically have the power to acquire and dispose of, either in return for payment or free of charge, all types of movable and real property.

10.5 – It nominates the COMPANY’S Managing Director who may not be chosen from amongst Associates or their staff and establishes with him the terms of his employment contract and the extent of his powers. It can also revoke such contracts under the same conditions. The Board may also award an annual bonus to the Managing Director.

10.6 – It has charitable funds available to it and deals with the placement of these funds.

10.7 – It accepts or refuses subsidies or donations made to the COMPANY.

10.8 – It shall authorise expenditure, enter into all leases or rental agreements, set the provisional and definitive percentage deductions made from the collections and/or the apportionment of rights necessary to cover the COMPANY's operating costs.

10.9 – It shall appoint the COMPANY's representatives to the representative bodies of the companies and bodies in which the COMPANY participates or is a member.

10.10 – It shall approve the annual accounts and draw up the annual transparency report provided for in Article L. 326-1 of the Intellectual Property Code.

10.11 – It shall propose and submit to the General Assembly for approval the general policy for the apportionment of sums due to rights holders.

10.12 – It shall adopt the budget for measures to support creation, the distribution of live shows, the development of artistic and cultural education, and measures to train performers.

10.13 – It shall propose and submit to the General Assembly for approval any amendments to its Statutes and General Regulations.

10.14 – It has the ability to contract, in the interests of Associates, with all French or foreign organisations, within the framework of the COMPANY'S corporate aim and particularly for the constitution of joint collective management organisations, shared with other collective management organisations.

10.15 – It shall determine the general relations of its Associates or of its members between themselves and with the COMPANY, rule on all disputes and litigation concerning membership, refusal of eligibility and take all disciplinary measures and sanctions, and in particular decide on any exclusion or striking off in accordance with the provisions of Article 20.1 of the Status.

10.16 – In accordance with the general policy established by the General Assembly, it shall define the criteria and procedures for the apportionment of the rights that the COMPANY collects, directly or indirectly, from the use of its COMPANY Register, as well as those relating to the sums that cannot be distributed.

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

### **ARTICLE 11**

11.1 – The Chairman of the Board is the Manager of the COMPANY. The Chairman shall be vested with the broadest powers, which it shall exercise subject to the provisions of Article 10 of the Statutes.

It shall chair the meetings of the Board of Directors of the COMPANY. In its absence, the Board of Directors shall appoint the session Chairman from among the 6 Vice-Chairmen.

It shall preside over the debates of the Board of Directors.

11.2 – He deals with management of the COMPANY with regard to third parties, in accordance with the decisions and instructions of the Board.

11.3 – He has the corporate signature, use of which may only be made for the COMPANY'S business.

11.4 – He is responsible specifically for:

1 / carrying out or having carried out the decisions taken by the Board,

2 / keeping the accounts and dealing with the COMPANY'S correspondence,

3 / ensuring the collection of royalties and other income and keeping the COMPANY'S books,

4 / ensuring the apportionment of royalties between Associates according to their respective rights and of paying out these royalties after approval by the Board,

5 / recruiting, promoting and dismissing the staff required for the correct administrative operation of the COMPANY,

6 / bringing and monitoring all cases or lawsuits, both as plaintiff and defendant, falling within the framework of the corporate aim, to pursue them or to abandon them, with the obligation to report on these actions to the Board,

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

8 / all powers are granted to the Manager to proceed with the registration of the COMPANY in the event of a transfer of its registered office, in particular, and to complete all publication formalities prescribed by law and regulations as well as to carry out all necessary acts and sign all notices of legal publication

11.5 – The Manager must inform the Associates' General Assembly of pacts, protocols, conventions and all other acts that may be signed in carrying out the COMPANY's corporate purpose.

11.6 – The Manager may be dismissed on justified decision of the Board with a two-thirds (2/3) vote of its members, present or represented.

11.7 – If the Manager ceases his functions, for any reason whatsoever, the Board shall nominate another Manager, under the terms of article 9.6 of the Status.

## **SUPERVISORY COMMITTEE**

### **ARTICLE 11 BIS**

The COMPANY has a Supervisory Committee composed of 3 (three) members elected from among the Associates of the SPPF.

Candidates for a position on the Supervisory Committee must have been Associates of the COMPANY for (5) years on the date of their election.

The conditions for removal are the same as for Directors. The functions of member of the Supervisory Committee are exclusive of any other elective mandate within the COMPANY.

The conditions of ineligibility laid down in Articles 9.1 and 9.2 of the Statutes shall apply to the members of the Supervisory Committee.

Nor may they be assigned missions in a personal capacity or as part of a committee, working group or jury.

The members of the Supervisory Committee are elected by the General Assembly on the same dates as the



directors for a term of three (3) years and are eligible for re-election.

The functions of members of the Supervisory Committee shall be free of charge.

The Supervisory Committee shall have the following mission:

- to control the activity of the Board of Directors, the Manager and the Managing Director , in particular the implementation of the decisions of the General Assembly, especially with regard to the general policies listed in Article L. 323-6 of the Intellectual Property Code;
- to monitor the implementation of administrative and accounting procedures and internal control mechanisms to ensure rational, prudent and appropriate management;
- to exercise the powers that may be delegated to it each year by the General Assembly in the limited cases provided for by Article L. 323-7 of the Intellectual Property Code;
- to issue an notice on the COMPANY's refusals to communicate documents following a Members' requests pursuant to Article L. 326-5 of the Intellectual Property Code.

Under no circumstances shall these controls give rise to the performance, by the Supervisory Committee or any of its members, of acts of governance or management falling within the competence of the Board of Directors, the Manager or the General Assembly.

Each year, the Supervisory Committee shall draw up a report on its activities and the performance of its duties, which it shall submit to the General Assembly.

The Chairman of the Supervisory Committee shall attend all General Assemblies of the COMPANY, at which he represents the said Committee.

Members of the Supervisory Committee shall elect a Chairman from among the members at its first meeting for the duration of his/her term of office by a majority of the members in attendance. If it deems it necessary, adopt its own rules of procedure.

The Chairman's main role is to preside over the Supervisory Committee Assembly(ies).

He may request from the Manager and the Managing Director all documents and information necessary for the accomplishment of the Supervisory Committee's mission.

The members of the Supervisory Committee, as well as any person heard by it, are bound by the strictest confidentiality.

Legal entities that are members of the Supervisory Committee shall be represented by natural persons authorized by law and corporate decisions and shall be members of the company.

However, the natural persons who will be appointed to represent instead of legal representatives must have the capacity to bind the legal person.

As a result of the death, resignation or dismissal of the appointed representative, the company in question may appoint a new natural person, chosen as provided for in the previous paragraph, to replace his predecessor.

A member of the Supervisory Board may be dismissed for serious reasons by the General Meeting, after having been given the opportunity to submit any observations to the General Meeting, at the request of the Board of Directors or the Supervisory Committee with a majority of at least two-thirds of the votes of their voting members present or represented.

In the event of the resignation or death of a member of the Supervisory Committee during his term of office or in the event of dismissal by the General Assembly, the Board of Directors may co-opt any Partner eligible under the provisions of Articles 9.1 and 9.2 of the Status to replace him until the next annual General Assembly.

The member of the Supervisory Committee thus elected shall remain in office only until the expiration of the term of office of his predecessor.

## **ANNUAL INDIVIDUAL DECLARATION BY THE MANAGEMENT AND SUPERVISORY BODIES**

### **PREVENTION AND RESOLUTION OF CONFLICTS OF INTEREST**

#### ARTICLE 11 TER

Each year, by March 31 at the latest, each individual member of the Board of Directors and the Supervisory Committee shall prepare an individual annual declaration including, in accordance with the provisions of Article L. 323-13 of the Intellectual Property Code, information on:

- 1°) any interest in the COMPANY;
- 2°) any remuneration received during the previous financial year from the COMPANY, including benefits in kind and other benefits;
- 3°) any income received, during the previous financial year, from the COMPANY as a rights holder.
- 4°) the activities and functions carried out outside the COMPANY;
- 5°) any actual or potential conflict between their personal interests, or those of their relatives, and those of the COMPANY, or between their obligations, or those of their relatives, towards the COMPANY and those they have, or their relatives have, towards any other natural or legal person;

The declarations of the members of the Board of Directors and the Supervisory Committee who are natural persons are transmitted to the Manager of the SPPF.

In the event of failure to establish the aforementioned declaration before the date set in the 1<sup>st</sup> paragraph or of incomplete or erroneous information being communicated, the Manager of the COMPANY shall give formal notice to the person concerned to remedy the failure within a period of fifteen (15) days.

In the event of the Manager's failure to comply with this provision, the Supervisory Committee shall give notice to the Manager to remedy the failure within fifteen (15) days.

Failing rectification within this period, the matter shall be brought before the next General Assembly and it may take the following sanctions:

- (1) a fine of between 1,000 and 5,000 euros;
- (2) removal from office of the person concerned.

The aforementioned declarations are held at the disposal of the Associates for a period of two (2) months before the General Assembly is held, at the registered office of the COMPANY.

Appropriate measures shall be taken to ensure that, when consulting these declarations, privacy, protection of personal data and business secrecy are protected, in accordance with Article L. 323-13 of the Intellectual Property Code.

Any Associate who wishes to consult these declarations must first make a written commitment not to take a copy of the statements.

Any Associate who contravenes this commitment shall be liable to be struck off for serious grounds under the provisions of Article 20.1 -2/ of the Status.

## **COMMISSIONS**

### ARTICLE 12

12.1 – Where necessary, the Board of Directors shall set up Commissions operating under the conditions defined by the General Regulations, whose conditions for the appointment of members and operating rules it shall determine.

12.2 – Commissions may not, under any circumstances, interfere with the running of the COMPANY.

12.3 – Their task is to look at matters falling within their jurisdiction as well as those submitted to them, and to present proposals to the Board.

12.4 – Commissions will keep minutes of their meetings, which will be signed by their Chairmen and Secretaries.

12.5 – Associates who have been the object of a disciplinary measure by the COMPANY, under the terms set forth in the General Regulations, may not be part of these Commissions, except if the said measure provides otherwise.

## **GENERAL ASSEMBLIES**

### **PROVISIONS COMMON TO ALL ASSEMBLIES**

### ARTICLE 13

13.1 – The collective decisions of the Associates are taken at the General Assembly each year, and are:

- Exceptional when decisions relate to the deployment of support actions or to a modification of the General Regulations,
- Extraordinary when the decisions relate to an amendment of the Statutes or to the striking off of an Associate of the COMPANY,
- Ordinary in all other cases.

13.2 – The shareholders are convened by a convocation notice published on the two websites “actu-juridique.fr” and “lasechos.fr” of national circulation, authorized to receive legal notices in the department of the COMPANY's registered office, and which are determined by a decision of the Ordinary General Assembly, at least fifteen days before the meeting. In the event that one of these online supports disappears, interrupts its publication or ceases to publish such insertions, the Managing Director of the Company decides to publish the notice of meeting in another legal website.

In accordance with Article R. 321-3 of the French Intellectual Property Code, this change shall be brought to the attention of the Associates by any appropriate means and the question of the choice of the replacement newspaper shall be automatically included on the agenda of the next General Assembly.

An individual convocation is also sent to the Associate by mail or by electronic means with a request for acknowledgement of receipt, when they have provided their valid e-mail address, at least fifteen (15) days before the date of the Assemblies.

Individual notices to all General Assemblies shall indicate the time, date and place of the Assembly, the agenda, the resolutions to be put to the vote of the shareholders and the special quorum or majority conditions where applicable.

Notice of General Assemblies is posted on the COMPANY's website in the section reserved for Associates.

Any Associate who wishes to be invited to General Assemblies by registered letter with acknowledgement of receipt shall make an express request to the COMPANY at the latest three (3) months before the General Assembly are held.

The Member who so requests shall bear the costs thereof.

13.3 – If an Assembly cannot be held on the date scheduled, the Members shall be informed at least fifteen (15) days in advance in the manner provided for in this article.

The notice shall state the reasons for the postponement and the date on which the Assembly will be held.

13.4 – The General Assembly comprises all the Members of the COMPANY which each have:

- one vote,
- additional votes up to the limit of a maximum of 8 votes.

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

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

The amount of the block of reference rights is set for the duration of a financial year by the Board, within the limits of a minimum and maximum.

13.5 – Associates may vote at an Assembly or by remote electronic voting-

Electronic voting is implemented by means of a dedicated online service, guaranteeing the confidentiality of votes and respecting the legal procedures and/or the General Regulations concerning electronic voting. Associates vote electronically by means of an identifier and a password which shall be transmitted to them by the COMPANY.

Associates who have voted electronically may be present at Meetings but shall not be entitled to participate in the vote.

13.6 – The Committee of the General Assembly comprises the Chairman of the Board, and one other member of the Board's Committee designated by the latter, who will act as Secretary of the Assembly.

13.7 –The Chairman of the Board chairs the Assembly. In his absence, he may be replaced the Vice-Chairman of the Board; in this case the latter is a Member of the Committee of the Assembly.

13.8 – No representation of more than seven (7) Members is possible. Each representation mandate is valid for one General Assembly.

13.9 – An attendance sheet is established for each Assembly.

13.10 – Deliberations are noted in minutes drawn up and signed by the Chairman of the Assembly and one Vice- Chairman and the Assembly's secretary.

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

## **ORDINARY GENERAL ASSEMBLY**

### ARTICLE 14

14.1 – The Ordinary General Assembly of Associates meets every year during the month of June. The COMPANY's fiscal year begins on 1 January and ends on 31 December of each year.

14.2 – Ordinary General Assembly shall rule:

1°) on the annual activity report of the COMPANY for the financial year which closed on 31 December of the previous year, which shall be submitted by the Manager;

2°) on the annual accounts for the financial year which ended on 31 December of the previous year;

3°) the annual transparency report on all the COMPANY's activities as provided for in Article L. 326-1 of the Intellectual Property Code and drawn up in accordance with Article R. 321-14 of said Code, including the special report on the use of sums used for assistance activities as referred to in Article L. 324-17 of said Code;

4°) on the various reports of the Statutory Auditor and on the special report relating to regulated agreements mentioned in Article L. 612-5 of the French Commercial Code;

6°) on the general policy for the apportionment of sums due to right holders;

7°) on the general policy for the use of sums which cannot be apportioned;

8°) on the general policy for the investment of income from the exploitation of rights and income resulting from such investment;

9°) on the general policy regarding deductions made from such income and receipts;

10°) on the use, during the previous financial year, of sums which could not be apportioned;

11°) on risk management policy;

12°) on the approval of any acquisition, sale or mortgage on immovable;

13°) on the approval of mergers or alliances, the creation of subsidiaries, and the acquisition of other entities or interests or rights in other entities..;

14°) on the approval of loan operations, the granting of loans or the constitution of loan guarantees;

15°) on the election of the members of the Board of Directors and the Supervisory Committee, and if

necessary, it shall remove, following a proposal by the body in question, the Directors or the members of the Supervisory Committee in accordance with Article L. 323-6 of the Intellectual Property Code;

16°) on the proposal of the Board of Directors, on the nomination for six (6) fiscal years of the Statutory Auditor and the Deputy Statutory Auditor, which it may remove;

17°) on all matters submitted to it by the Board of Directors.

18°) approves any compensation and benefits that may be granted to members of the Board of Directors and the Supervisory Committee.

14.3 – The report on the COMPANY's activity and the annual accounts submitted to the Ordinary General Assembly are sent to members or held at their disposal at Head Office fifteen (15) days prior to the date of the said Assembly.

14.4 – In order to deliberate validly, the Ordinary General Assembly must include at least one quarter of voting Associates' votes, including votes by representation or by electronic means.

This quorum is calculated by reference to the number of Associates authorised to participate on the date on which the said Assembly is called.

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

The second Assembly may deliberate validly whatever the number of voting Associates' votes, including votes by representation or by electronic means.

14.6 – Resolutions submitted to the Ordinary General Assembly, when the Assembly is first called or when the second Assembly is called are adopted by the majority of Associates' votes, including votes by representation or by electronic means at the said Assembly.

## **EXCEPTIONAL GENERAL ASSEMBLY**

### **ARTICLE 15**

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

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

15.2 – Associates deliberate at it and cast their votes under the same quorum and majority conditions as those required for an Ordinary General Assembly.

The text of the proposed amendments to the General Regulations is made available to Associates on the COMPANY's website in the section reserved for Associates at the same time as the convocation of the Exceptional General Assembly is sent out.

15.3 – As an exception to the provisions of the preceding paragraph (15.2), when Associates are called to vote on the allocation of funds intended for actions to assist with creation or the distribution of live shows, the development of artistic and cultural education and actions for the training of performers, they vote by a two thirds (2/3) majority of the voting Associates' votes, including votes by representation or by electronic

means.

15.4 – In the absence of such a majority, a new Extraordinary General Assembly shall be specially convened for this purpose, ruling by a simple majority.

## **EXTRAORDINARY GENERAL ASSEMBLY**

### ARTICLE 16

16.1 – Modifications to the Status may only be voted by an Extraordinary General Assembly including at least one quarter (1/4) of voting Associates' votes, including votes by representation or by electronic means.

The text of the proposed amendments to the Statutes is made available to Associates on the COMPANY's website in the section reserved for Associates at the same time as the notice of the Extraordinary General Assembly is sent out.

16.2 – Decisions are taken by a two thirds (2/3) majority of the present or represented voting Associates' votes, including votes by representation or by electronic means.

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

16.4 – In order to deliberate validly, this second Assembly must obtain at least half of the voting Associates' votes, including votes by representation or by electronic means.

16.5 – Decisions shall be taken in this case by relative majority of votes.

## **INFORMATION, RIGHTS AND OBLIGATIONS OF ASSOCIATES**

### **TRANSPARENCY – CONTROL**

### **EXERCISE OF THE RIGHT OF ACCESS / RIGHT OF INFORMATION**

#### ARTICLE 17

17.1 – In the time between two Annual General Assemblies, and at least two (2) months before the next one, any Member may examine the documents and information of the COMPANY concerning the current financial year provided for in Article L. 326-5 of the Intellectual Property Code, subject to the secrets protected by law.

The Associate shall send either to the Manager and Managing Director of the COMPANY at least twenty (20) days before the date of the Meeting, a written request mentioning the documents he wishes to access.

Within ten (10) days following receipt of the request, the COMPANY shall communicate the documents requested or, if such communication is not physically possible, propose a date for the exercise of the right of access, which shall then take place at the registered office and during normal office business hours.

Review of the documents shall only take place in the presence of a representative of the COMPANY's services.

In exercising this right, the Associate may be assisted by any person of his choice.

The Member shall be required to sign a document drawn up by the COMPANY attesting to the documents and

information brought to his knowledge.

Any person assisting him shall be subject to the same procedure.

17.2 – Pursuant to Article R. 321-18 of the Intellectual Property Code, any Associate may request the COMPANY to send it within the same two (2) month period prior to the Annual General Assembly:

- the annual accounts to be submitted to the General Assembly,
- the reports of the management, administrative and governing bodies of the COMPANY and of the Statutory Auditor and the Supervisory Committee to be submitted to the Assembly;
- where applicable, the text and explanatory memorandum of the proposed resolutions as well as information concerning the candidates for a corporate office or an elective office.

These documents are also made available to the Shareholders at the COMPANY's registered office where they may examine them and obtain a copy.

The COMPANY is not required to respond to requests for access to documents if they are available on its Internet site.

17.3 – The COMPANY is under no obligation to respond to repetitive or abusive requests.

An Associate who is refused access to documents submitted pursuant to Article L. 326-5 of the Intellectual Property Code may refer the matter to the Supervisory Committee provided for in Article 11 BIS of the Status, including by electronic means.

The latter shall issue a report, which shall be notified to the requesting party by registered letter with recorded delivery, with copies to the Manager and Managing Director of the COMPANY.

The Supervisory Committee shall report thereon to the Annual General Assembly.

Pursuant to Article L. 326-3 I. of the Intellectual Property Code, the COMPANY shall make available, once (1) a year, to each right holder who received rights during the previous financial year, the information relating to their management listed in Article R. 321-16 I. of the Intellectual Property Code.

This information is available in the “Associates” section of the COMPANY.

## **RIGHT TO SUBMIT QUESTIONS**

### **ARTICLE 18**

Any Associate may request, by registered letter with acknowledgement of receipt addressed to the Managing Director of the COMPANY that the Associates be called upon to deliberate on a specific question during a General Assembly.

The request shall be included on the agenda of the next Ordinary General Assembly subject to certain conditions:

- that the Board of Directors of the COMPANY receives it at least two (2) months before the said Assembly is held,
- and that the Board of Directors accepted it.



## **APPOINTMENT OF AN EXPERT**

### ARTICLE 19

At least one-tenth (1/10) of the Associates of the COMPANY, the Public Prosecutor's Office may request the appointment of one or more experts to present a report on one or more management operations.

The report is addressed to the requesting party, to the Board of Directors, to the Statutory Auditor, to the COMPANY's Supervisory Committee, to the Minister in charge of culture, to the Audit commission of the copyright and related rights management organisations (*commission for the control of copyright and neighbouring rights management organizations*).

It is attached to the report prepared by the Statutory Auditor for the next Ordinary General Assembly and is subject to the same publication.

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

### ARTICLE 20

20.1 – The position of Associate is lost:

1 / by resignation or by withdrawal of the obligatory Mandate given to the COMPANY due to adherence to the Status, under the terms set forth in article 4.11 of these Status.

2 / by exclusion announced by the Extraordinary General Assembly for serious reasons at the request of the Management Board, after the Associate in question has already been called on to provide an explanation. The Associate in question shall be called on in advance to present his defence before the Extraordinary General Assembly, which must give its verdict on his exclusion, by the majority fixed for modifications to the Status. The Associate may be assisted or represented by the person of his choice. Any exclusion decision shall be motivated by serious reasons, particularly in the event of a court sentence for a common law crime or offence or an offence or violation of the Status or the obligations stipulated in Articles 8 and 19-1) of the General Regulations.

3 / by expulsion announced by the Management Board due to:

- the legal disappearance of the Associate, natural person or legal entity, particularly in the event of the sale or transfer of operating assets, the closure of the liquidation operation, or dissolution for a legal entity, duly noted by the Management Board, or in the event of a death for a legal entity.

- the repurchase of the complete catalogue declared by the Member in the Company's repertoire, notified to the Company.

4 / by striking off declared as a result of the failure on the part of the Associate to declare sound and video recordings in the two years following its admission date to the Society by the Extraordinary General Assembly at the request of the Management Board, after formal notification to the Associate has remained without effect.

5/ by striking off declared as a result:

- the absence during the last ten (10) financial years of declarations of phonograms and/or videograms to the SPPF's Social Directory and the absence of distribution of rights during the same period;

- the mail addressed to the Associate could not be delivered for more than five (5) years, after unsuccessful attempts by the COMPANY to find the Member's new postal address.

Any striking off and exclusion entails the loss of Member Status.

20.3 - Conditions for resignation, withdrawal of Mandates and striking off will be specified in the General Regulations.

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

### ARTICLE 21

21.1 – The COMPANY will not be wound up by the death, personal bankruptcy, insolvency, reorganisation under court supervision, resignation or striking off of one or more Associates. It shall automatically continue to exist between the remaining Associates.

21.2 – Extension of the COMPANY follows the rules of article 2.3 of these Status.

21.3 – Should the COMPANY go into liquidation, this will be performed by the Board.

## **GENERAL REGULATIONS**

### ARTICLE 22

22.1 – A set of General Regulations supplements the Status, to which they are annexed.

The General Regulations have legal force for all Associates and non-Associates of the COMPANY.

Any modification of the General Regulations can only be voted by an Exceptional General Assembly.

22.2 – These must be adopted, after proposal by the Board, or by the Manager, or at the request of one tenth (1/10) of COMPANY Members at an Exceptional General Assembly, ruling under the same terms as an Ordinary General Assembly; modification to the General Regulations will be subject to these same conditions.

22.3 – Requests from Associates must be sent in writing to the Board or to the Manager two (2) months at least prior to the holding of the Ordinary General Assembly, on penalty of inadmissibility.

22.4 – In all cases, the text of suggested modifications to the General Regulations is made available to Associates on the COMPANY's website in the section reserved for Associates at the same time as the convocation of the Extraordinary General Assembly is sent out.

## **NOMINATION OF THE AUDITOR**

### ARTICLE 23

23.1 – Upon the proposal of the Board of Directors an Auditor and a deputy Auditor are nominated from the list mentioned in Article L. 822-1 of the French Commercial Code, are appointed by the Ordinary General Assembly pursuant to Article L. 323-6 of the Intellectual Property Code.

They shall perform their duties under the conditions provided for by law.

In addition to verifying the COMPANY's general accounts, the Statutory Auditor shall verify the accuracy and consistency with the COMPANY's accounting documents of the information contained in the annual transparency report provided for in Article L. 326-1 of the Intellectual Property Code and in the consolidated electronic database provided for in the first paragraph of Article L. 326-2 of the said Code.

To this end, it shall draw up a special report.

These reports are submitted to the Board of Directors, the Supervisory Committee and the Annual General Assembly.

23.2 – The Auditor and the deputy Auditor are nominated for a period of six (6) financial years by a decision taken by majority vote of Associates, under the quorum and majority conditions of an Ordinary General Assembly; their role may be renewed and they may be dismissed under the same conditions.

23.3 – The Auditor and his deputy may, in payment for their functions, receive fees, the amount of which is set by decision of the Board, which must report thereon to the General Assembly of Associates.