



Articles of Association & General Regulations



June 2018

Articles of Association

established by deed executed before Maître Chardon - 28, rue Boissy d'Anglas, 75008 PARIS – on 24th February 1955, as amended by the Extraordinary General Assemblies held on 19th June 1959, 12th March 1964, 21st May 1974, 24th September 1976, 9th April 1981, 15th June 1983, 19th December 1985, 21st October 1987, 16th October 1991, 13th December 1993, 6th July 1995, 19th February 1996, 17th June 1996, 28th April 1997, 16th June 1997, 21st September 1998, 26th June 2000, 19th June 2001, 8th June 2004, 14th June 2005, 12th June 2007, 9th June 2008, 8th June 2009, 10th June 2013, 14th December 2017 and 11th June 2018.

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Articles of Association

Introduction

The terms featured herein, notably the names “shareholder”, “director”, “member”, “president”, “manager”, “executive” and “employee” are used without reference to gender for ease of reading and refer to both men and women.

Article 1 - Form

A civil law company with variable share capital, governed by the provisions of articles 1832 and following of the French Civil Code, by the provisions of Title II of Book III, part 1, of the French Intellectual Property Code, these articles of association and the general regulations completing the latter, is hereby created with the name:

SOCIETE CIVILE POUR L'ADMINISTRATION
DES DROITS DES ARTISTES ET MUSICIENS
INTERPRETES
(ADAMI)

Article 2 - Registered Office

The registered office is located at 14-16-18, rue Ballu, Paris (75009).

It may be transferred to any other area within the same city or in an adjoining département further to a simple decision by the Board of Directors or to any other location further to a resolution adopted by the shareholders at an Extraordinary General Meeting.

Article 3 - Term

The company has been incorporated for a term of 99 years as from its registration with the Trade and Companies Register, unless extended or terminated in advance. It shall expire on 23 October 2080.

Article 4 - Corporate Purpose

The company is a collective management entity which has as its purpose:

the exercise and administration, in all

countries, of all rights related to copyright, in particular, that acknowledged as being held by performing artists by the French Intellectual Property Code and all national, European or international provisions, current or future, the negotiation, receipt and distribution of all remuneration generated by the exercise of all rights potentially linked directly or indirectly to the performances given by the holders of rights represented thereby, as well as leading and taking part in all actions for employment protection, insurance, solidarity and mutual assistance, cultural actions directly or indirectly involving the holders of rights represented thereby and all actions for the defence of their professions.

More specifically:

1 - The exercise of all rights for the use of artistic performances, in the context of collective management as defined by law, the contribution of rights or managerial authorisation by the holders of the rights thereby represented,

2 - The management of the remuneration owed to the holders of rights represented thereby pursuant to all legal licences, such as the remuneration for private copies of performances recorded in sound or video recordings, and fair remuneration for the release of commercial recordings to the public,

3 - The negotiation, definition of scales, collection and distribution of all amounts that may be owed to all (or to one category) of the holders of rights represented thereby, in application of operating licences, collective or contractual agreements, contractual or court-ordered compensation,

4 - The signature of representation agreements with any French or foreign bodies having a similar purpose or pursuing aims comparable to those defined in these articles of association, as well as the provision of all services in relation to the representation agreements entered into with such bodies,

5 - The oversight and monitoring of the use of those protected rights and objects to which the rights of those holders represented

thereby relate either now or at a future date,
6 - The provision of services to those holders of rights represented thereby in connection with their professions,

7 - The provision of services, in connection with this purpose, to natural persons, companies and bodies, both French and foreign,

8 - Actions relating to employment protection, insurance, solidarity and mutual assistance in favour of the holders of rights,

9 - Actions of an artistic or cultural nature or for the defence and promotion of the professional categories of the holders of rights represented thereby, notably actions such as those referred to in article L. 324-17 of the French Intellectual Property Code,

10 - The defence of the material and moral rights of the holders of rights represented thereby, notably in the context of all professional agreements relating thereto or by sitting on the competent bodies in order to deliberate on issues relating to employment protection, insurance and training, subject to any rules applicable to the representation of professional trade associations in accordance with the provisions of the French Employment Code,

11 - The conduct of all legal proceedings, both in the individual interest of the holders of rights and in the collective interest of the professions of the holders of rights represented thereby. In this regard, the company is tasked with taking legal action, both as claimant and respondent, appearing in court, abandoning proceedings, entering into settlements, understandings and arrangements, completing substitutions, and, in any case, using any legal professional and filing any appeals or motions to set aside before the courts both in France and abroad,

12 - The creation of any subsidiary or branch in France or abroad, in connection to this purpose,

13 - Any activity, of any kind whatsoever, related directly or indirectly to this purpose or likely to assist the achievement or development thereof, notably the completion of any transaction involving moveable property or real estate,

The company achieves its purpose independently and, as applicable, via any agent of its choice, at the discretion of the Board of Directors.

Article 5 - Composition of the Company - Procedure for the Admission of Shareholders

The capacity of shareholders is available to all holders of rights related to copyright who are performing artists in accordance with the definition provided in the French Intellectual Property Code who meet the conditions set out in Article 1 of the general regulations in order to consent to the deed of association.

The admission procedure is also open to all natural persons who are holders of the said rights further to inheritance or a legacy.

Multiple holders of rights further to inheritance or a legacy must reach an agreement and jointly appoint a mutual agent from among their number who files a request for single admission on their behalf.

Article 6 - Effects of Admission

All individuals accepted to become bound by these articles of association in application of article 5 shall confirm that they are the holder of rights relating to the recording of their performance as registered with the company.

Via this process, the shareholder contributes to the company, for all countries and for the entire term of the company, within the limits of the types of performance, categories of rights or types of use defined below:

- The authorisation to manage the right to receive all remuneration and compensation owing for the use of recordings of their artistic performances, on the basis of a voluntary or mandatory contractual collective management regime or of a legal licence of any kind, current or future. The contribution to management may also, at the request of the shareholder, relate to the collection, payment and supervision of all remuneration due in application of any agreements entered into by them in the context of activities within the scope of the corporate purpose and, more generally, the negotiation and signature with third parties of all agreements relating to the exercise of their property rights.

- The ownership (to the extent that this has not been assigned or, if so, that the unrestricted ownership thereof has been recovered) of the rights to authorise or prohibit the reproduction or communication to the public of the recording of their artistic

performance, together with any use of sound and image separated from their performance when this has been recorded both as sound and image together, including:

- leasing and rental rights to sound and video recordings
- the right to reproduction on demand, in whole or in extracts, on a digital medium, independent from or integrated into a PC, enabling the production to be achieved
- the right to provide to the public on demand, in whole or in extracts, their performance as recorded in the context of a service enabling individual access at the place and time chosen by the user, whatever the technical resources used
- cable retransmission rights to their performances
- those exclusive rights for which mandatory or voluntary collective management is defined or may in the future be defined by the French Intellectual Property Code.

The contribution of ownership entails the assignment to the company of the ownership rights defined therein, as set out in the French Intellectual Property Code and in international treaties, in both their current and future provisions. Because of the nature of the rights contributed, the contribution of ownership does not form part of the creation of the share capital.

When submitting a request for membership, shareholders have the option to exclude from contributions under management and of ownership: one or several categories of rights defined in this article, when the management of the remuneration in question has not been entrusted to the company by law, an agreement or a treaty, specific territories excluding France. The potential exclusion of contributions and/or territories shall be specifically stated.

Article 7 - Modifications Made to Contributions

7.1 - The contributions defined in article 6 may be the subject of partial modifications (partial contribution or partial withdrawal). The contribution becomes effective upon receipt by the company.

The withdrawal request becomes effective six months following its receipt.

7.2 - The partial modification (contribution or withdrawal) may relate to: one or several of the rights defined in article 6 when the management of the exclusive rights and/

or rights to remuneration in question have not been entrusted to the company by a law, an agreement or a treaty; one or several territories excluding France.

A total withdrawal of the rights contributed under ownership is completed without prejudice regarding the continuing exercise by the company of those rights held under management.

Article 8 - Resignation and Loss of the Capacity of Shareholder

8.1 - Each shareholder in the company has the right to resign. Resignations are effective within six months following the receipt of the request.

Resignations are notified by recorded delivery letter with confirmation of receipt, sent to the Manager of the company.

A shareholder who resigns from the company is refunded the value of their share at its par value.

8.2 - Any natural person who has joint ownership of a share as a result of inheritance or a legacy and who has no longer been allocated any rights over the course of the last ten financial years may be de-listed and thereby lose the capacity of shareholder.

This de-listing is confirmed by the General Meeting further to a proposal from the Board of Directors which sets the terms for this process and discloses them to the shareholders via any means.

Such de-listing has the same consequences as a resignation.

8.3 - Resignation or loss of the capacity of shareholder for a rights holder does not lead to the loss by the latter of the right to receive from the company any rights to remuneration the collective management of which has been entrusted thereto by a law or by a collective or contractual representation agreement.

Article 9 - Rights and Obligations of the Members

1 - Ownership of a share automatically entails compliance with the articles of association and with the general regulations, with all decisions by the Board of Directors and with all collective resolutions adopted by the shareholders.

2 - All owners of shares have the right to take part in collective resolutions on the basis of

one vote per share. Any natural person who has joint ownership of a share as a result of inheritance or a legacy must designate one of their number as a joint agent to cast votes, and inform the company of their choice. If not, they may attend deliberations but may not take part in the voting.

3 - The information provided to the shareholders and their oversight of the management of the company are in accordance with the legislative and statutory provisions in force and with these articles of association:

a) For two months prior to the General Meeting held to approve the accounts, the company holds available to the shareholders via its website:

- The annual accounts to be submitted to the General Meeting;

- The reports by the management, administration and executive bodies and by the Statutory Auditors to be submitted to the General Meeting;

- The wording and details of the grounds for all resolutions proposed, together as applicable with all information concerning the candidates for any corporate or elected office.

If not provided in this manner, each shareholder has the right to ask the company to ensure their provision at the registered office where shareholders may read and request copies of such information.

Each shareholder may, within the same deadline, ask to examine the annual interest statements produced in application of article L. 323-13 of the French Intellectual Property Code. Requests are filed by the shareholder and examined by the company in accordance with the response and consultation conditions defined under b) below.

b) At least two months prior to the Annual General Meeting, each shareholder may ask the company to provide it access with to all documents relating to the current financial year, subject to compliance with the rules of confidentiality defined by law and by the rules of the French Code of Criminal Procedure which prohibit the disclosure of documents relating to on-going litigation.

This request must be made in writing to the Manager and set out the documents to which the shareholder wishes to be given access.

Within ten working days following receipt of the request, the company shall disclose the documents or, if such disclosure is materially impossible, hold the documents requested available to the shareholder at the company's registered office on the company's business days and during its business hours, in the presence of the member or members of the company defined by the latter, and on the date

indicated by the company.

The shareholder must sign a document produced by the company, certifying which documents have then been disclosed to them. In accordance with article R. 321-20 of the French Intellectual Property Code, any shareholder whose disclosure request is declined, which must be notified to them in writing, may bring the matter before the Supervisory Board defined in article 18 of the articles of association in accordance with the procedure defined in article 2.3.4 of the general regulations.

c) The company is not obliged to act upon requests for the disclose of documents which are provided to members via the company's website or on repetitive or abusive requests.

4 - In accordance with the provisions of article 1855 of the French Civil Code, each shareholder may submit in writing any questions on the management of the company to which the Manager must reply within a maximum of one month.

5 - Shareholders receive from the company the amounts paid to the latter on their behalf after application of the deductions defined in article 13 of these articles of association.

6 - Once approved by the Manager, a shareholder may be entitled to legal aid from the company concerning any question that could impact their rights and/or the joint interests of any category of rights holders represented by the company.

7 - In their respective percentages, the shareholders are liable for all debts and commitments made by the company. With regard to corporate creditors, the shareholders have an obligation to comply with the rules set out in article 1857 of the French Civil Code.

8 - As the Board of Directors is alone entitled to decide to enter into any contracts, as stipulated in article 17.4 of these articles of association, all shareholders are prohibited from assigning the intellectual property rights already transferred to the company.

9 - Each shareholder must comply with the articles of association, the general regulations, all decisions made by the Board of Directors and all resolutions adopted by the shareholders as a body at General Meetings or via written consultations. Each shareholder shall also not take any action that could cause damage to the material and moral interests of the company or of those professions represented by the company.

10 - Acceptance of these articles of association entails acceptance of all agreements entered into by and between the company and professional bodies in all countries. Each shareholder and, more generally, each beneficiary of the company's must inform the company of any change in personal address, email address or in the stage name(s) used thereby.

Article 10 – Exclusion

The Extraordinary General Meeting may, further to a proposal from the Board of Directors, decide that one or several of the shareholders shall no longer form part of the company for one of the following reasons:

- Grievous or repeated violation of the articles of association or of the general regulations of the company;
- Actions prejudicial to the material or moral interests of the company or of one or more of its shareholders;
- Final sentence handed down by the courts in relation to a crime or offence.

The exclusion decision is adopted by the shareholders in an Extraordinary General Meeting on the basis of a simple majority of all votes cast and may only be adopted once the shareholder has been invited to speak in accordance with the conditions set out in article 3.2 of the general regulations.

The exclusion of the shareholder becomes effective as of the date of the resolution adopted by the shareholders in an Extraordinary General Meeting. As from the date of the exclusion decision, the company shall refund the value of the share, at its par value.

Article 11 – Share Capital

1 - The share capital is variable. It is made up of the cash contributions representing the par value of those shares subscribed for by the shareholders.

It is increased further to all new subscriptions and reduced following the recovery of contributions made.

2 - The share capital according to the articles of association is comprised of:

- The initial share capital upon foundation, fully subscribed for and set at the sum of 3,518 euros (three thousand, five hundred and eighteen euros), representing 2,308 shares with a par value of 1.52 euros.
- the 80,000 new shares which have been or will be created as and when subscriptions are received. Such shares are allocated to new

shareholders upon admission to the company.

3 - Each shareholder may hold one share only. The re-valuation of the par value of a share may be decided by an Ordinary General Shareholders Meeting.

4 - The share capital according to the articles of association may be increased via the creation of new shares, pursuant to a resolution adopted by the shareholders in an Extraordinary General Meeting.

The Extraordinary General Meeting may also vote on the reduction of the share capital according to the articles of association.

In any case, the effective share capital must not be less than an amount equal to one tenth of the share capital according to the articles of association.

Article 12 – Shares

The shares are not represented by any share certificates. They may not be assigned or transferred in any manner whatsoever other than following a death. Ownership may not be split in any way.

All heirs or legatees must produce title deeds evidencing their ownership of the rights claimed thereby.

The joint owners of a share in the company held in common must appoint from their number one single representative who shall represent them in order to exercise, on their behalf, the voting right for an unlimited term, in accordance with the proxy form produced by the company.

Representatives of any shareholders who are not in attendance, have died or are declared to be lacking capacity to act, as well as the personal creditors of a shareholder, may not under any pretext during the term of the company or during any liquidation operations cause seals to be placed on the goods and documents of the company, request the sale at auction or division thereof, or intervene in any manner in its administration. For the exercise of their rights, they must refer exclusively to the annual situation statements and the resolutions adopted by the shareholders as a body.

Article 13 – Expenditure and Resources of the Company – Financial Year

13.1 – Expenditure and Resources of the Company

13.1.1 - Company Operating Expenditure

The expenditure is comprised of the expenses of all kinds necessary for the running of the company and for its activities, as well as for the financing of its corporate actions, and, if applicable, any capital losses generated by the sale of fixed assets.

13.1.2 - Company Resources

The company's resources derive in particular from:
a) Amounts deducted from the value of rights and other remuneration made to cover operating costs, either upon receipt or upon division.

The rates for these deductions for so-called "management costs" are set on a provisional basis by the Board of Directors at the start of each financial year, depending on the type of rights, in accordance with the general policy on deductions determined by the General Meeting. They may be modified by the Board of Directors as often as is necessary. They are adjusted for a final time at the end of each financial year by the Board of Directors to ensure the balance of the company's ordinary management account.

b) A specific deduction applied to those amounts shared to cover the charges generated by the company's activities, under the conditions defined in the general policy on deductions determined by the General Meeting. This deduction is set on a provisional and final basis by the Board of Directors.

c) The financial products and notably the income generated by the investment of rights in accordance with the general policy on deductions for management costs and with the general policy for the investment of rights set by the General Meeting.

d) Capital gains generated by the assignment of fixed assets.

e) Donations and gifts.

f) Accessories, notably any damages that may be paid to the company.

13.2 - Financial Year

The financial year begins on 1 January and ends on 31 December of each year.

Article 14 - Corporate Bodies

The company's corporate bodies are:

- the General Meeting,
- the Supervisory Board,
- the Board of Directors,
- the Executive Committee,
- the Commissions,
- the Manager.

Article 15 - General Meetings - Written Consultations

15.1 - Joint Rules

Resolutions adopted by the shareholders as a body are adopted at a General Meeting, classified as "extraordinary" when the resolutions relate to an amendment to the articles of association, to the dissolution of the company or to the exclusion of a shareholder from the company, and as "ordinary" in all other cases, or via a written consultation.

All deliberations by the shareholders are recorded in minutes showing the date, the place at which the debates took place if not a written consultation, as well as the full names of each shareholder having cast a vote, the documents and reports submitted to the parties, the draft resolutions put to the vote and the outcome of the voting.

They are signed by the Chair of the General Meeting and by the Manager.

Irrespective as to whether the shareholders are voting in person, via power of attorney, or casting a postal or electronic vote, the Manager shall ensure that the vote is kept confidential.

The list of those eligible to vote is defined at least three months ahead of the meeting of the General Meeting.

The minutes recording all resolutions adopted by the shareholders as a body are drawn up in a special register kept at the company's registered office, stamped and initialled in the ordinary manner and free of charge either by the judge at a Commercial Court or a local district court, or by the Mayor or Deputy Mayor of the commune in which the company's registered office is located.

Copies of or extracts from the minutes of the deliberations of the shareholders are validly certified by the Manager.

During the course of the liquidation of the company, these are validly certified by one single liquidator.

Collective resolutions adopted at a General Meeting or via written consultation are mandatory with regard to all the shareholders.

15.2 - General Meetings

Each shareholder has the right to attend all General Meetings.

Shareholders may vote in person at the meeting or electronically.

The Board of Directors may decide to add the option of casting a postal vote. In this case, the shareholders must file a request for voting materials with the company within the deadline and in the manner defined by the Board of Directors.

Each shareholder has the right to cast one vote.

Each shareholder has the right to cast a proxy vote. For this purpose, the shareholder must authorise another shareholder to act as their representative and vote in their name at the General Meeting. The proxy thereby designated enjoys the same rights as would have been held by the shareholder responsible for their appointment and votes in accordance with the instructions given by the latter.

An agent may not hold more than one power of attorney for the same General Meeting, each power of attorney being valid for one single General Meeting only.

Unless otherwise stipulated, the General Meeting votes on the basis of a simple majority of all votes cast by shareholders in attendance, represented, casting a vote electronically or casting a postal vote.

The agenda for the Meeting is set by the Board of Directors which determines the voting terms as well as the general principles for the counting of votes cast.

The Manager convenes the General Meeting and implements the various voting methods.

The terms relating to the convening of the meeting, the exercise of voting rights and the counting of the votes cast are defined in article 2 of the general regulations.

The General Meeting is chaired by the Chair of the Board of Directors or, in their absence, by one of the Vice Chairs in attendance as designated by the Executive Committee, assisted by the Manager. The Chair of the General Meeting may appoint up to eight of those shareholders in attendance who so request to act as meeting observers.

An attendance register is kept for the General Meeting. This sets out the full name and home address of each shareholder and is signed by all shareholders in attendance and by the representatives of the joint owners of shares in the company held in joint ownership having granted power of attorney for such purpose.

15.2.1 - Rules Specific to Ordinary General Meetings

The Ordinary General Meeting is held at least once a year in June. If the General Meeting may not be held in June, notice shall be given to the shareholders at least fifteen days in advance in accordance with the terms set in article 2 of the general regulations. This notice shall set out the reasons for the postponement of the meeting as well as the date on which the General Meeting is then to take place.

1 - The General Meeting examines:

- The special report by the Statutory Auditor on the financial year ending on 31 December of the previous year,
- The report by the Supervisory Board on the financial year ending on 31 December of the previous year,
- The annual report by the Board of Control for Bodies responsible for the Management of Copyright and Related Rights.

2 - The General Meeting approves the management report by the Manager and the annual transparency report for the financial year ending on 31 December of the previous year, drawn up in accordance with article R. 321-14 of the French Intellectual Property Code.

3 - The General Meeting votes on:

- a) The general rules for the division and payment of all amounts due to the holders of rights and their modification if applicable,
- b) The general policy governing the division of the amounts due to the holders of rights,
- c) The general policy governing the use of any amounts not available for distribution,
- d) The general policy regarding the investment of any income generated by the use of the rights and revenue resulting from this investment,
- e) The general policy governing deductions made from this income and revenue,
- f) The use made over the course of the previous financial year of any amounts which it has not been possible to distribute,
- g) The distribution of those amounts defined in article L. 324-17 of the French Intellectual Property Code, and this resolution must be adopted on the basis of a two-thirds majority of all votes cast by shareholders either in attendance or represented at the General Meeting or casting a postal vote; if the required majority is not obtained, a new General Meeting must be convened for this purpose to vote on the basis of a simple majority,
- h) The re-valuation of the par value of a share,
- i) Any draft resolution submitted thereto, notably by the Board of Directors.

4 - Members of the Board of Directors and of the Supervisory Board are appointed by the General Meeting in accordance with the conditions set by law and by the articles of association. It approves their remuneration and allowances.

It appoints and dismisses the Statutory Auditors.

15.2.2 - Rules Specific to Extraordinary General Meetings

1 - The Extraordinary General Meeting votes on the dissolution of the company on the basis of a two-thirds majority of all votes cast by shareholders either in attendance or represented at the General Meeting or casting a postal or electronic vote.

2 - The Extraordinary General Meeting votes on:

- a) Any modifications to the articles of association and to the general regulations,
- b) The approval of all merger or partnership transactions, of the creation of subsidiaries (and branches) and of the acquisition of other entities or of investments or rights in other entities,
- c) The exclusion of a shareholder,
- d) The dismissal of a member of the Board of Directors or of the Supervisory Board.

3 - Absent any vote in favour from the Supervisory Board, the Extraordinary General Meeting votes on:

- a) The risk management policy,
- b) The approval of any acquisition or sale of real estate or mortgaging thereof,
- c) The approval of all borrowing or lending operations or the granting of collateral for loans.

15.3 - Written Consultations

In the event of written consultation of the shareholders, postal votes are cast in accordance with the terms and conditions and deadlines set by the Board of Directors.

Voting rights are exercised as postal votes or electronic votes.

The draft of the written consultation document is produced by the Board of Directors.

The Manager carries out a written consultation by sending the shareholders and, for those shareholders having joint ownership of a single share in the company, the single agent appointed thereby, the written consultation request accompanied by the voting materials comprised of the voting form or forms, either electronically with confirmation of receipt or via recorded delivery letter with confirmation

of receipt sent to the shareholders who requested one at least 15 days before the completion of the consultation process.

The draft wording of the written consultation is published on the company's website.

The rules relating to the terms for casting postal and electronic votes set out in article 15.2 below and in article 2 of the general regulations are applicable for written consultations, the period of fifteen days defined in the said article being however understood as starting from receipt of the written consultation request, and any votes being rejected if received more than one month after the date of sending of the written consultation request to the shareholders (date as per the post mark).

Resolutions are adopted on the basis of a simple majority of all votes cast.

Article 16 - Elected Bodies

16.1 - Eligibility Conditions

Candidates for election to an elected body must:

- Be adults, as defined by their national legislation,
- Be a national or resident of a European Union Member State,
- Have been a shareholder of the company for at least one year as of the date on which invitations to apply are issued, subject to article 18.3.

16.2 - Ineligibility

16.2.1 - The following may not be elected as members of an elected body:

- a) Shareholders who are members of the administrative, management, executive or supervisory bodies (Management, Board of Directors, Supervisory Board, Committee, etc.) of any other collective management organisation, unless granted special authorisation from the company's Board of Directors to hold such office,
- b) Shareholders who are also employees of the company, unless holders of fixed-term employment contracts,
- c) Shareholders who, on a personal basis or in the capacity of legal representative, corporate officer, de facto executive or member of an administrative, management or executive body are employers of performing artists for the purpose of the recording, reproduction or broadcast of their performances, except for performer-producers.

For the application of this paragraph, a performer-producer is understood as being a performing artist who produces their own performances,

d) Shareholders carrying out the profession of agent, manager or proxy for payment and/or domiciliation of holders of rights represented by the company or contractually bound to the latter via a representation agreement (as an exception, this provision shall not apply to those agents designated in article 20.1.2),

e) Shareholders who have been barred from exercising their civic rights,

f) Shareholders acting in the capacity of heirs to a deceased performer who have not themselves completed any performance having been recorded as per article L. 212-3 of the French Intellectual Property Code,

g) Shareholders having been excluded or who are the subject of the procedure related to exclusion from the company,

h) Members of the Supervisory Board must not have received any sentences under criminal law that feature on their criminal records,

i) Members of the Supervisory Board may not moreover be Managers of the company, members of any other elected body of the company, or employees of the company including under a fixed-term employment contract, and may not be remunerated by the company either directly or indirectly or receive any subsidies allocated by the company pursuant to article L. 324-17 of the French Intellectual Property Code.

16.2.2 - Any shareholder who is a member of the Board of Directors, the Supervisory Board or of any Commission to whom any of the cases described above were to apply during their term of office shall be suspended automatically for the duration of the ineligibility. If the ineligibility continues for more than one year of suspension, the party in question shall automatically be considered as having resigned.

16.3 - Allowances and Remuneration

The duties of a member of an elected body of the company are performed free of charge and do not grant entitlement to any benefits.

However, allowances, notably for attendance or travel, reimbursement of actual costs incurred in the context of official duties upon filing of receipts, or remuneration for technical assignments which are not connected to the office of an elected member of a body of the company may be allocated to the relevant members by the competent bodies.

16.4 - Annual Interest Statement

The Manager and members of the company's elected bodies file an individual annual statement as per article L. 323-13 of the

French Intellectual Property Code by the end of January each year at the latest.

This statement is submitted to the Manager for forwarding to the Supervisory Board.

It may be consulted by the shareholders during a period of two months prior to the annual General Meeting at the company's registered office, where the shareholders may familiarise themselves therewith subject to compliance with the rules governing privacy, data protection and commercial secrecy.

In the event of omissions or incorrect information, the Supervisory Board applies the procedure set out in article 2.3.5 of the general regulations.

Article 17 - The Board of Directors

17.1 - Composition

The Board of Directors consists of a maximum of twenty-four members who must be natural persons and shareholders, divided into seats reserved as follows:

- Actors and theatre performers: 11
- Variety artists, jazz musicians and contemporary music performers: 8
- Opera singers: 2
- Classical musicians and/or conductors: 2
- Choreographers: 1

The reserved seats are assessed on the basis of the performer's primary activity.

17.2 - Election

The Board of Directors is elected by the General Meeting in accordance with the terms defined in article 2.2 of the general regulations, taking into account the number of reserved positions as mentioned in article 17.1 of the articles of association.

17.3 - Term of Office

Members of the Board of Directors are elected for terms of three years. One third of its members are re-elected or replaced each year.

Members may be re-elected. However, they become ineligible for election for a period of one year upon completion of three successive terms of office.

The Board of Directors may not have more than one third of its members being aged over 70 as of the date on which the submission of applications closes.

The start date for holding office is calculated as being the first meeting of the Board of Directors held following its election.

In the event of the death, resignation, dismissal or ineligibility during office of one or several of the directors, the Chair (or the Manager if the Chair is himself concerned) calls upon the shareholder or shareholders having obtained the highest number of votes cast for the same reserved seat as the defaulting director or directors to act as replacement. A name is drawn at random if there is no clear winner.

The new directors thereby appointed remain in office until the expiry of the term of office of the directors which they are replacing and they may themselves be replaced in accordance with the conditions set out in the preceding paragraphs.

Interim provisions

The election of the members of the Board of Directors as defined in the preceding paragraphs shall come into force in June 2019 during the company's Annual General Meeting.

The term of office applicable to members of the current Board of Directors shall be extended by 6 months, i.e. up until the General Meeting held in June 2019.

In order to implement the staggered renewal of the Board of Directors in groups of one third of the directors, and as an exception to the term of three years defined in paragraph one of this article, the term of appointment of those directors elected at the 2019 Annual General Meeting shall be set on the basis of the reserved seats in increasing order of the votes obtained, as follows:

- For seats reserved for actors and theatre performers, the four members elected with the smallest number of votes cast shall be elected for one year, the four members elected with the median average number of votes cast shall be elected for two years, the three members elected with the largest number of votes cast shall be elected for three years.

- For seats reserved for variety artists, jazz musicians and contemporary music performers, the three members elected with the smallest number of votes cast shall be elected for one year, the two members elected with the median average number of votes cast shall be elected for two years, the three members elected with the largest number of votes cast shall be elected for three years.

- For seats reserved for opera singers, classical musicians, conductors and choreographers, the member elected with the smallest number of votes cast shall be elected for one year,

the two members elected with the median average number of votes cast shall be elected for two years, the two members elected with the largest number of votes cast shall be elected for three years.

The remit and assignments of this Board of Directors are as defined in the following paragraphs.

17.4 – Remit

Subject to those powers reserved for the General Meeting or the Supervisory Board, the Board of Directors has the widest possible powers to carry out the administration of the company.

1 – The Board of Directors administers the activities of the company, notably:

- It decides to enter into contracts or arrangements, to appear in court, to enter into settlements and understandings in the name of the company;
- It decides on all acts of administration or disposal, free of charge or in exchange for a consideration, in relation to moveable property and all acts of administration in relation to real estate;
- It defines the terms governing admission and determines the administrative fees related thereto;
- It determines the services offered by the company;
- It grants all operating licences for artistic performances and sets the corresponding prices;
- It proposes and submits for approval to the General Meeting all merger or partnership transactions, the creation of subsidiaries and branches, and the acquisition of all other entities or of investments and rights in other entities;
- It proposes to the Supervisory Board and then submits for approval to the General Meeting if rejected by the Supervisory Board in a vote:
 - The risk management policy;
 - Any acquisition or sale of real estate or mortgaging thereof;
 - All borrowing or lending operations or the granting of collateral for loans.
- It presents to the Extraordinary General Meeting all proposals entailing the modification of the articles of association.

2 – The Board of Directors manages the finances of the company, notably:

- It draws up and approves the annual financial statements;

- It draws up the annual transparency report in accordance with articles L. 326-1 and R. 321-14 of the French Intellectual Property Code, which it then forwards to the Statutory Auditor and to the Supervisory Board, before submission for approval to the Annual General Meeting;

- It disposes of all corporate funds, pays investment fees and grants all transfers of annuities or other amounts;

- It must retain sufficient available cash resources to ensure payment on maturity in accordance with the general investment policy applicable to income generated by the use of rights and income generated by this investment, as adopted by the General Meeting further to a proposal by the Board of Directors;

- It sets the amounts for deduction as a percentage, both provisional and final, for application to the amounts received and rights shared to cover the company's operating costs and other resources, in accordance with the general policy on deductions applied to such income and revenue as adopted by the General Meeting further to a proposal by the Board of Directors;

- It submits the general policy for the use of amounts not available for distribution to the General Meeting for approval;

- It submits the use made of those amounts which it has not been possible to distribute over the course of the previous financial year to the General Meeting for approval;

- It votes on the vote allowances defined in article 16.3 for members of the Commissions who are not directors;

- It files a proposal with the General Meeting on the allowances defined in article 16.3 for members of the Board of Directors and of the Supervisory Board;

- It submits the appointment for a term of six years of the Statutory Auditor and the Alternate Statutory Auditor to the General Meeting.

3 - The Board of Directors administers the division of all corporate funds, notably:

- It proposes and submits the general policy governing the division of all amounts owed to rights holders to the General Meeting for approval;

- It determines the rules governing the receipt and individual distribution, discloses these to the Minister with responsibility for Culture and submits these to the General Meeting for discussion;

- It may create optimisation funds in favour of any specific artistic genre;

- In those cases defined by the provisions of

article 20.5, it sets the terms for distribution in accordance with the rules governing distribution adopted by the General Meeting.

4 - The Board of Directors manages the actions defined in article L. 324-17 of the French Intellectual Property Code notably:

- It sets the budget for action in support of the creation and production of live entertainment, the development of artistic and cultural education and actions for providing training to performers, in direct application of decisions by the Board of Directors;

- It sets the budget for those Commissions described in article 20.1 below;

- It sets the value of the subsidies to be recorded in the budget for trade union organisations representing performing artists as described in article 22 below;

- It submits to the General Meeting the distribution of those amounts described in article L. 324-17 of the French Intellectual Property Code.

5 - The Board oversees the bodies of the company, notably:

- It appoints the Manager further to a proposal from the Chair;

- It directs and oversees the actions of the Manager who files regular reports on their activities;

- It defines the code of conduct applicable to elected bodies in addition to those set out in article 5.1 of the general regulations which it then submits to the Supervisory Board for approval;

- It determines the terms relating to the conduct of General Meetings and the election of the relevant elected bodies, in addition to those set out in these articles of association or in the general regulations;

- It creates Ad Hoc Commissions under the conditions set out in article 20 of these articles of association;

- It elects the members of the statutory Commissions referred to in articles 20.1 to 20.6;

- It defines the principles and conditions applicable to any assignments which it may entrust to shareholders;

- It may entrust part of its remit to the Executive Committee for a term of one year, renewable automatically;

- At the request of one quarter of its members, it may ask the Executive Committee to add an item to the agenda;

- Upon taking up its duties, it elects the members of the Executive Committee;

- It decides on their dismissal further to a

proposal received from a majority of the members of the Executive Committee;

- It elects the company's representatives on any external bodies;
- It proposes to the General Meeting the dismissal of any member of the Board of Directors or of the Supervisory Board in accordance with the procedure defined in article 6.2 of the general regulations;
- It dismisses any member of an elected body other than the directors and members of the Supervisory Board, in accordance with the procedure defined in article 5.2 of the general regulations;
- It dismisses the Manager further to a proposal received from the Chair, the Executive Committee or one quarter of its members;
- In the event of a disagreement between the Manager and the Chair, and in accordance with the applicable regulations, it decides on any proposal to terminate the employment contract of any executive who is a member of the company's management committee;
- It suggests to the shareholders in an Extraordinary General Meeting to declare the exclusion of a shareholder as defined in article 10 of these articles of association.

Article 18 – The Supervisory Board

18.1 – Role

The company has a Supervisory Board which is tasked with:

- 1 - Overseeing the activity of the Board of Directors and of the Manager, notably by ensuring:
 - The implementation of the resolutions adopted by the General Meeting, in particular regarding the general policies listed in points b/ to e/ of article 15.2.1 of these articles of association,
 - The implementation of administrative and accounting procedures and of mechanisms guaranteeing the internal supervision of the activity.

These controls may not lead to the performance by the Supervisory Board or any one of its members of any acts of management or administration that are within the remit of the Board of Directors, the Manager or the General Meeting, except for the latter further to the delegation of its powers of attorney, as per paragraph 2 of this article.

- 2 - Further to a proposal made by the Board of Directors, to approve:

- The risk management policy;
- Any acquisition or sale of real estate or mortgaging thereof;
- All borrowing or lending operations or the granting of collateral for loans.

In the event of a vote against by the Supervisory Board, the Board of Directors may convene the General Meeting to vote on the proposal having been rejected.

- 3 - To issue an opinion on the management of the company's resources and charges and its annual accounts and, therefore, all expenses incurred in the name of the company by the Manager or the Board of Directors, and to flag up any charges that are manifestly excessive and any potential savings made.

- 4 - To issue a reasoned opinion on any refusals enforced by the collective management entity with regard to document disclosure requests filed by its members in application of L. 326-5 of the French Intellectual Property Code, in accordance with the procedure defined in article 2.3.4 of the general regulations.

- 5 - To approve, further to a proposal from the Board of Directors, all codes of conduct applicable to the elected bodies in addition to those defined in article 5.1 of the general regulations.

- 6 - To oversee the drafting of the individual annual statement defined in article 16.4 of the articles of association, by the Manager and each member and natural person of the Board of Directors and of the Supervisory Board.

- 7 - To make a decision on the measures to be taken in the event of non-compliance with the code of conduct, in accordance with the procedure defined in article 2.3.6 of the general regulations.

- 8 - To make a decision on the measures to be taken in the event of omissions or inaccuracies in the annual interest statements, in accordance with the procedure defined in article 2.3.5 of the general regulations.

- 9 - To make a decision on any potential or proven conflicts of interest of which it may be informed.

The Supervisory Board reports on the performance of its assignments in a report which it presents to the Annual General Meeting.

It examines the annual transparency report

and, if applicable, sets out any observations in its own report to the Annual General Meeting.

18.2 - Composition

The Supervisory Board is comprised of six elected members who are shareholders of the company.

18.3 - Elections

Members of the Supervisory Board are elected by the shareholders at a General Meeting, in accordance with the terms defined in article 2.3 of the general regulations.

Candidates for election to the Supervisory Board must have been Adami shareholders for at least four years as of the date of their election.

Members of the Supervisory Board may be dismissed by the General Meeting in accordance with the terms set out in article 5.2 of the general regulations.

18.4 - Term of Office

Members of the Supervisory Board are elected for terms of four years. One half of its members are replaced or re-appointed every two years.

Members of the Supervisory Board may be re-elected. They are however subject to an ineligibility period of two years after completing two successive terms of office.

Appointments are renewed at the Annual General Meeting.

Members of the Supervisory Board elect one of their number as Chair for the term of their office, on the basis of a majority of those members in attendance at its first meeting. They represent the Supervisory Board at the General Meeting. If absent, the Supervisory Board appoints one of its members as their replacement and for the performance of their duties.

In the event of the death, resignation, dismissal or ineligibility during office of one or several of the members of the Supervisory Committee, the shareholder(s) having obtained the highest number of votes at the most recent elections shall be invited to take office. A name is drawn at random if there is no clear winner.

The new members thereby appointed remain in office until the expiry of the term of appointment of those that they are replacing

and may themselves be replaced under the conditions set out in the preceding paragraphs.

Interim provisions

The term of office of those members of the Supervisory Board elected in December 2017 shall be eighteen months, i.e. up until the Annual General Meeting of June 2019.

In order to implement the rolling renewal of one half of the members of the Supervisory Board, the three members elected at the General Meeting of June 2019 with the largest number of votes in decreasing order shall hold office for four years and the last three shall hold office for two years.

The assignments entrusted to this Supervisory Board are those defined in the following sections.

Article 19 - The Executive Committee

Composition, term of office, remit and meetings

19.1 - Composition

The composition of the Executive Committee as defined in the following paragraphs shall come into force following the General Meeting of June 2019.

With effect as from the General Meeting of June 2019 and the simultaneous election of twenty-four new members of the Board of Directors, the Executive Committee is comprised of seven directors:

- The Chair of the Board of Directors,
- The Vice Chair of the Board of Directors,
- Five members, each of which is respectively in charge of:
 - finance,
 - incoming payments and their distribution,
 - relations with the performers,
 - international affairs,
 - artistic and cultural activities.

Upon taking up office, the Board of Directors elects the members of the Executive Committee.

Each director may stand for election to one seat on the Executive Committee only.

None of the three following professional categories shall be able to hold more than three seats on the Executive Committee:

- Actors and theatre performers,
- Variety artists, jazz musicians and

contemporary music performers,
- Opera singers, classical musicians,
choreographers and conductors.

The Chair, Vice Chair and director responsible for artistic and cultural activities are elected by the Board of Directors from among its members.

The four members of the Executive Committee in charge of:

- finance,
- payment collection and distribution,
- relations with the performers,
- international affairs,

are elected by the Board of Directors from among its elected members sitting on each of the Commissions defined in articles 20.3 to 20.6 below. They shall chair the said Commissions.

Each member of the Executive Committee is elected on the basis of a simple majority of votes cast in a secret ballot. If there is no clear winner, a second round secret ballot is called. If there is still no clear winner after completion of this second round, the member of the Executive Committee responsible for equal opportunities is appointed by picking a name at random from among candidates having obtained the same number of votes.

Interim provisions

Until the General Meeting of June 2019, the Executive Committee is comprised of nine directors, including at least two per college:

- a Chair,
- one Vice Chair per college,
- a Treasurer,
- a deputy Treasurer,
- a Secretary General,
- two deputy Secretary Generals.

The three colleges of the Board of Directors must be represented on the Executive Committee.

No college within the Board of Directors may have an absolute majority on the Executive Committee.

19.2 – Term of Office

The term of office for members of the Executive Committee corresponds to the term of their appointment as director.

This terminates automatically if the member of the Executive Committee ceases to be a director.

If one or several seats are vacant for any reason whatsoever, the new member or members of

the Executive Committee are elected by the Board of Directors under the conditions set out in article 19.1.1 and perform their duties until the expiry of the appointment of the members that they are replacing.

19.3 – Remit

The Executive Committee has authority, subject to the limits defined below and any delegations received from the Board of Directors, to:

- Take all decisions required for the administration of the company for the achievement of the corporate purpose;
- Issue a preliminary opinion on all questions submitted to the Board of Directors for a decision;
- Validate the agenda for meetings of the Board of Directors;
- Add to the agenda for meetings of the Board of Directors any points requested by a minimum of one quarter of the members of the Board of Directors;
- Be asked to examine any question under the conditions set out in article 2 of the general regulations;
- Allocate subsidies in application of article L. 324-17, under the conditions defined by the Board of Directors;
- Appoint the company's representatives for subsidised projects and external events;
- On the basis of a two-thirds majority, suggest to the Board of Directors the dismissal of any member of an elected body, when this is not within the remit of the General Meeting.

In addition, the Board of Directors may not delegate the following powers to the Executive Committee:

- To present proposals regarding modifications to the articles of association to the Extraordinary General Meeting;
- To elect or dismiss the Manager;
- To determine the amount to be credited in the budget for the financing of performing artists' professional organisations;
- To submit the rules governing the collection and distribution of individual payments to the General Meeting for approval;
- To set the budget allocated to the Commissions tasked with artistic activities;
- To set the budget for the operation of the company;
- To create one or several funds for the use of specific artistic genres;
- To create a Commission or bring the work of a Commission to an end;
- To allocate any amounts not available for distribution.

Article 20 – Commissions

There are two types of Commission: Statutory Commissions and Ad Hoc Commissions. Commissions are answerable to the Board of Directors. They give an account of their activities thereto.

The Statutory Commissions act pursuant to a power of attorney from the Board of Directors.

They are:

- Four artistic Commissions tasked with the application of article L. 324-17 of the French Intellectual Property Code defined in article 20.1 of these articles of association;
- Four technical Commissions defined in article 20.2 of these articles of association.

Subject to receipt of a sufficient number of applications, each director may not apply to more than four artistic or technical Commissions in application of the articles of association.

The Board of Directors has the option to create Ad Hoc Commissions, tasked with a consultative assignment, for which it defines the purpose, composition and term. This term may not exceed that of the appointments of the members of the Board of Directors responsible for the creation of such Commission or Commissions.

Upon completion of their work, the Ad Hoc Commissions file a report or proposals to the Board of Directors for information or for a decision.

The expiry of the appointment of a director automatically brings to an end any delegation granted to such director by the Board of Directors, other than for the Artistic Commissions defined in article 20.1.

The Board of Directors may dismiss from office any member of a Commission who has violated the code of conduct cited in article 5.1 of the general regulations which may be completed by the Board of Directors or who has not attended meetings of the said Commission for a period of one year, after having been invited to provide an explanation under the conditions defined in article 5.2 of the general regulations.

In the event of the death, resignation or dismissal of a member of a Commission, the Chair of the Board of Directors then invites the candidate having obtained the most votes in the most recent elections to take up the seat,

if applicable, taking into consideration the capacity and the reserved seat occupied by the member to be replaced. A name is drawn at random if there is no clear winner.

The new member thereby appointed remains in office until the expiry of the term of appointment of the member that they are replacing and may themselves be replaced under the conditions set out in the preceding paragraph.

20.1 – Artistic Commissions

20.1.1 – Assignments

The Artistic Commissions are tasked with determining and allocating the subsidies allocated in accordance with article L. 324-17 of the French Intellectual Property Code.

They examine all applications for subsidies filed by eligible candidates according to the criteria set by the Board of Directors.

They allocate these within the limits imposed by their remit and by the budget set each year by the Board of Directors in application of article 17.4.4.

20.1.2 – Composition

There are four Artistic Commissions:

- Commission for the Allocation of Subsidies to Theatrical Projects;
- Commission for the Allocation of Subsidies to Variety, Jazz and Contemporary Music Projects;
- Commission for the Allocation of Subsidies to Opera, Choreography and Classical Music Projects;
- Commission for the Allocation of Subsidies for Performer Training.

Subject to there being a sufficient number of applications, each Artistic Commission is comprised of a maximum of twelve shareholders, including at least two but no more than three directors, the capacity of director being assessed upon each renewal of membership.

Subject to there being a sufficient number of applications, the Commission for the Allocation of Subsidies to Opera, Choreography and Classical Music Projects must (including the directors) feature:

- One conductor;
- Three solo classical musicians;
- Three opera singers;
- Three choreographers;

- Two members belonging to one and/or another of the aforementioned categories.

Subject to there being a sufficient number of applications, the Commission for the Allocation of Subsidies for Performer Training must (including the directors) feature:

- Four actors or theatre performers;
- Three variety artists, jazz musicians and contemporary music performers;
- Three opera singers and/or classical musicians and/or conductors;
- Two choreographers.

Interim provisions

Up until the end of 2019, there shall be four Artistic Committees:

- The "Drama" Commission;
- The "Variety Show" Commission;
- The "Conductors and Soloists (singers, musicians and dancers)" Commission;
- Commission for the Allocation of Subsidies for Performing Artists' Training.

Subject to there being a sufficient number of applications, each Artistic Commission is comprised:

- *Of a maximum of twelve shareholders including at least two but no more than four directors, elected by the members of the Board of Directors belonging to the category of professional activity corresponding to the Commission type, the capacity of director being assessed upon each renewal;*
- *Of a maximum of two agents who shall not be producers, selected from those put forward by the organisations in question to each of the aforementioned colleges.*

In addition, and subject to there being a sufficient number of applications, the "Conductors and Soloists (singers, musicians and dancers)" Commission must include:

- *Two conductors;*
- *One soloist musician;*
- *On classical soloist musician;*
- *Two solo singers;*
- *Two solo dancers.*

As an exception, and subject to there being a sufficient number of applications, the Commission for the Allocation of Subsidies for Training is comprised:

- *Of four directors belonging to the category of professional activity corresponding to actors and theatre performers;*
- *Of three directors belonging to the category of professional activity corresponding to variety performers;*
- *Of three directors belonging to the category of professional activity corresponding to*

conductors and solo singers, music and dance.

20.1.3 – Election and term of office

The terms by which a request for applications to become members of the Artistic Commissions may be made are set out in article 2.5 of the general regulations.

If agreed on the basis of a majority, directors may interview the candidates of their choice.

Members of each Artistic Commission are elected by the Board of Directors on the basis of a simple majority of all votes cast by directors either in person or represented in accordance with the provisions of article 2.2.2 of the general regulations. Voting takes the form of a secret ballot. In the event of a tied vote, a second round of voting is carried out. If there is still no clear winner after completion of this second round, a winner is chosen by drawing straws between those applicants having received the same number of votes.

Members are elected to each of the Artistic Commissions for terms of two calendar years. One half of the members of each Commission have their appointments renewed each year in accordance with the conditions set out in article 2.5 of the general regulations.

Members may be re-elected. However, they become ineligible for election for a period of one year upon completion of two successive terms of office.

At the first meeting convened by the company after each annual election, each Commission then elects a Chair for a term of one year, on the basis of a simple majority of those votes cast in a secret ballot. If there is no clear winner, a second round secret ballot is called. If there is still no clear winner after the completion of this second round, the Chair is appointed by drawing a name at random from those candidates having obtained an equal number of votes.

Interim provisions

The election of the members of the Artistic Commissions under the conditions defined in the preceding sections shall come into force for appointments starting on 1 January 2020.

The appointments of the members of the Training Commission which must end at the same time as their appointments as directors in June 2019 are as an exception extended until the end of 2019.

In order to implement the renewal of the appointments of the members of the Artistic Commissions in two halves, the first half of the elected members having the largest number of votes shall have their appointments renewed for two years and the other half shall have their appointments renewed for one year.

During this transition period, the members of each Commission, in their capacity as director or shareholder, are elected on the basis of a simple majority of directors belonging to the category of professional activity which corresponds to the Commission type, convened at the initiative of the Manager. Voting takes the form of a secret ballot.

Directors belonging to the category of professional activity which corresponds to the Commission type in question may decide on the basis of a two-thirds majority of the said category to interview the candidates of their choice.

A quorum has been reached when at least one half of those directors belonging to the category of professional activity corresponding to the Commission type in question are in attendance.

Postal votes are not permitted.

Directors may be represented by another director within the same category of professional activity corresponding to the Commission type in question, with each member being able to hold power of attorney from one person only.

20.2 - Technical Commissions

20.2.1 - Assignments

The Technical Commissions are tasked with assisting the Board of Directors, in the context of its remit as defined in article 17.4, with the management of the company.

They may have decision-making powers, within the limits imposed by those powers defined in these articles of association.

There are four Technical Commissions, as follows:

- Performer Relations Commission;
- Finance and Budget Commission;
- Payment Collection and Distribution Commission;
- International Affairs Commission.

20.2.2 - Composition, Election and Term of Office

Subject to there being a sufficient number of applications, the Technical Commissions consist of six directors elected by the Board of Directors for the term corresponding to their appointments, with the exception of the Finance and Budget Commission which has

seven members one of whom is the Chair of the Board of Directors, elected automatically.

Members of the Commissions are elected on the basis of a simple majority of all votes cast by directors either in person or represented in accordance with the provisions of article 2.2.2 of the general regulations. Voting takes the form of a secret ballot. In the event of a tied vote, a second round of voting is carried out. If there is still no clear winner after completion of this second round, a winner is chosen by drawing straws between those applicants having received the same number of votes.

Interim provisions

Up until the General Meeting of June 2019, reference is made to articles 20.3 to 20.6 below for the interim provisions applicable to the composition, election and term of office of each Technical Commission.

20.3 - Performer Relations Commission

The Performer Relations Commission validates applications for membership filed by performing artists or their beneficiaries, heirs or holders in application of a legacy, which shall be submitted thereto in accordance with the admission rules. It decides on specific cases involving applications for membership.

It examines and suggests to the Board of Directors:

- All modifications to the rules of admission to be presented to the General Meeting;
- The general policy regarding relations with performing artists, notably those services that may be rendered thereto by the company in accordance with its corporate purpose.

The Commission has decision-making powers for all matters relating to applications for membership featured on the agenda when its decisions are made unanimously by all members in attendance.

For all its other assignments, the Commission submits its opinions to the Board of Directors.

None of the following three professional categories may hold more than two seats within the Commission:

- Actors and theatre performers;
- Variety artists, jazz musicians and contemporary music performers;
- Opera singers, classical musicians, choreographers and conductors.

The Commission is chaired by whichever director and member has applied for and been

elected to the Executive Committee in order to be in charge of performer relations, under the conditions defined in article 19.1.1.

Interim provisions

Up until the General Meeting of June 2019, subject to there being a sufficient number of applications:

- The Commission is comprised exclusively of shareholders elected by the Board of Directors, up to a maximum of seven;

- It must include at least three representatives of the college of actors and theatre performers (including two directors), two representatives of the college of variety performers (including one director) and two representatives of the college of Conductors and Solo Singers, Musicians and Dancers (including one director).

Should elections be necessary before the General Meeting in June 2019, the terms governing the request for applications for the position of member of the Commission shall be set by the Board of Directors.

The Chair of the Commission is elected from among its members on the basis of a simple majority of those in attendance. Voting takes the form of a secret ballot. In the event of a tied vote, a second round of voting is organised. If there is a second tied vote, the Chair is appointed by drawing a name at random from those candidates having obtained an equal number of votes.

20.4 - Finance and Budget Commission

The Finance and Budget Commission is tasked with issuing opinions on:

- The drafting of the company's budget, in collaboration with the relevant departments, prior to its presentation to the Board of Directors;

- The application of the company's budget over the course of the financial year;

- The annual financial statements, prior to their presentation to the Board of Directors and to the Supervisory Board;

- The financial management of the company in general, and, therefore, all expenses incurred in the name thereof, by its personnel including the Managing Director, the Manager, the Board of Directors and the Artistic Commissions;

- The general investment policy applied to the company's income.

The assignment entrusted to the Commission extends to cover any organisation which receives the majority of its financing from the company or in which the company holds all or part of the share capital.

Finance and Budget Commission does not have decision-making powers.

The Commission meets at least four times per year to examine the reports, to examine the annual financial statements and to prepare the budget. However, it may be convened at any time by its Chair, by the Chair of the Board of Directors or by the Manager if they consider that this is required by the circumstances.

The Commission submits its opinions to the Board of Directors and to the Supervisory Board.

The Commission may request the assistance of an appraiser, with costs covered by the company, tasked with a verification or with any studies that it may consider useful.

The Commission is chaired by whichever director and member has applied for and been elected to the Executive Committee in order to be in charge of financial matters, under the conditions defined in article 19.1.1.

Interim provisions

Up until the General Meeting of June 2019, the Finance and Budget Commission shall be comprised of the Chair of the Board of Directors, the Treasurer, the Assistant Treasurer and four directors elected by the Board of Directors for the term of their appointments as director. It is chaired by the Treasurer who prepares the meetings and convenes members to attend.

20.5 - Payment Collection and Distribution Commission

The Payment Collection and Distribution Commission suggests and examines:

- The general policy in terms of payment collection and distribution in application of the corporate purpose set out in article 4 for presentation by the Board of Directors prior to a vote at the General Meeting;

- The rules governing distribution of payments and any potential modifications thereto to be proposed to the Board of Directors prior to a vote at the General Meeting.

It suggests, examines and validates the distribution methods in accordance with the general policy and the rules set out above.

The Payment Collection and Distribution Commission has decision-making powers for all questions relating to the redistribution methods featured on the agenda when its decisions are adopted unanimously on the

basis of those members in attendance, subject to compliance with the general distribution policy voted by the General Shareholders Meeting.

For all its other assignments, the Commission submits its opinions to the Board of Directors.

None of the following three professional categories may hold more than two seats within the Commission:

- Actors and theatre performers;
- Variety artists, jazz musicians and contemporary music performers;
- Opera singers, classical musicians, choreographers and conductors.

The Commission is chaired by whichever director and member has applied for and been elected to the Executive Committee in order to be in charge of payment collection and distribution, under the conditions defined in article 19.1.1.

Interim provisions

Until the General Meeting of June 2019, the Commission shall be comprised of eleven directors elected by the Board of Directors for the same terms as their appointment as director:

- *Three are elected from the professional category applicable to variety artists;*
 - *Three are elected from the professional category of Conductors or Singing, Musical and Dancing Soloists;*
 - *Five are elected from the professional category applicable to theatre artists;*
- The Treasurer is elected automatically and included in the calculations described above.*

20.6 - International Affairs Commission

The International Affairs Commission suggests, examines and validates:

- The representation agreements entered into with foreign counterpart organisations;
- The general policy governing the company's international exchanges in application of the corporate purpose described in Annexe 4;
- The general policy relating to the defence of performing artists' rights on an international level, in application of the corporate purpose set out in article 4.
- The company's general policy in relation to European and international documents.

It examines and proposes to the Board of Directors the policy applicable to relations between the company and those international organisations whose scope of action covers the corporate purpose set out in article 4.

The International Affairs Commission has

decision-making powers, in which case its decisions are made on the basis of those in attendance unanimously, for all issues relating to its assignments as featured on the agenda.

It may however decide to submit its opinions to the Board of Directors.

The Commission is chaired by whichever director has, from among its members, filed an application and been elected to the Executive Commission to be in charge of international relations, under the conditions set out in article 19.1.1.

Interim provisions

Up until the General Meeting of June 2019, subject to there being a sufficient number of applications, the International Affairs Commission shall be comprised of between six and eight elected directors, for the term of their appointment as director, by the Board of Directors, each of the three professional categories of Artistic Commissions being represented.

Article 21 - The Manager

The Manager is a natural person who is appointed, further to a proposal from the Chair, by the Board of Directors on the basis of a simple majority of those members either in attendance or represented. The Manager must be a national of a European Union Member State.

The Board of Directors establishes the terms and conditions of their appointment, as well as the scope of the powers of attorney granted thereto in an agreement signed by and between the Manager and the company, represented by the Chair of the Board of Directors. The agreement defines the conditions for the prevention of conflicts of interest and the applicable sanctions. The appointment shall not be an employment contract.

The Manager manages the company in accordance with the instructions and decisions of the Board of Directors.

They implement the administrative and accounting procedures required for the internal audit.

They may perform the duties of the Managing Director.

They are not able to make any decisions relating to the general policy of the company, notably in relation to its artistic actions, without prior approval from the Chair or, in their absence, the Executive Committee.

They hire, appoint and, in accordance with the applicable regulations, terminate the employment contract of any executive office of the company, with prior approval from the Chair and from the Board of Directors in the event of disagreement with the Chair.

In an emergency, the Manager is authorised to make all decisions as required in the interests of the company, subject to being accountable to the Board of Directors, convened by them as soon as possible.

They are the company's legal representative in all deeds thereof with regard to third parties and shareholders. They may conduct any lawsuits, as claimant or respondent, that involve the company or those rights for which the company is responsible in application of the articles of association.

They are in attendance at all General Meetings of the company.

They attend all meetings of the Board of Directors and of the Executive Committee except when such meetings are held in camera at the request of the Chair of the Board of Directors. They may attend all meetings of the Statutory and Ad Hoc Commissions. They attend meetings of the Supervisory Board when invited to do so.

Should a conflict of interests situation be notified to the Board of Directors, the latter shall, further to an opinion produced by the Supervisory Board and having heard any explanations provided by the Manager, decide on the appropriate measures required to bring such situation to an end, even including dismissal under the conditions defined in this article.

The manager is free to resign from their duties by informing the Chair of the Board of Directors of their decision with reasonable advance notice so that their replacement may be appointed.

They may be dismissed, in accordance with the provisions of article 1851 of the French Civil Code, further to a proposal from the Chair, from the Executive Committee or from at least one quarter of the members of the Board of Directors, under the same conditions. The Managing having resigned or been dismissed is replaced by the Chair of the Board of Directors until the appointment of a new Manager is made by the Board of Directors.

Article 22 - Performing Artists' Trade Union Organisations

22.1 - The value of the subsidies recorded in the budget allocated each year to French performing artists' trade union organisations is set by the Board of Directors. This budget is financed in part by those amounts not available for distribution pursuant to article L. 324-17 of the French Intellectual Property Code and that may be allocated to the defence actions defined in article R. 321-6 (2) of the said Code. An agreement is entered into each year by and between each of the beneficiary organisations and the company, in order to define the use to be made of such subsidiaries.

The total amount of the subsidies recorded in the budget for the financing of performing artists' trade union organisations is split into two tranches. The tranches are calculated and paid in accordance with the terms and conditions defined below.

22.1.1 - The first tranche, corresponding to seventy percent of the total subsidies recorded in the budget, is allocated automatically to those performing artists' trade union organisations:

- Representing the areas of activity whose scope of action coincides with the corporate purpose set out in article 4 of the articles of association;
- Which have signed the collective bargaining agreements or specific professional contracts implemented by the company;
- And which are principally involved in the defence of the holders of rights represented by the company.

In application of the law of 20 August 2008, the degree of representation is established by the audience of the trade union organisations on the level of the professional sectors. This determines the distribution made of the first part of the subsidy between the representative trade union organisations.

This distribution is calculated in accordance with the percentages of votes received by the representative trade union organisations in the latest national elections in the industry sectors defined in paragraph one of this article.

22.1.2 - The second tranche, corresponding to thirty percent of the total subsidies recorded in the budget, is allocated selectively by the Board of Directors to all or part of the trade union organisations which are the beneficiaries of the first tranche. The Board of Directors sets the objective criteria required in order to claim a selective subsidy, which are then forwarded to the trade union organisations which are the beneficiaries of the first tranche.

22.2 - The amount allocated to each performing artists' trade union organisation on the basis of the criteria set below is then paid in accordance with the terms and conditions set out in the model form agreement approved by the Board of Directors. Evidence confirming payment is attached as a schedule to the agreement entered into with each beneficiary organisation, and is equivalent to any discharge granted by the company.

Article 23 - Authorisations for Use

23.1 - Authorisations

When the company grants operating authorisation, this is done within a reasonable period of time, on the basis of criteria disclosed in advance to the users, set in an objective, transparent and non-discriminatory manner in accordance with the conditions set out in article L. 324-6 of the French Intellectual Property Code.

Users may communicate with the company electronically and provide it with all relevant information on the use made of the rights in order to enable the company to ensure receipt via any means and the division between the holders of the rights represented thereby of any income generated by the use of their rights.

23.2 - Non-Commercial Use

Holders of rights may grant third parties authorisations for the non-commercial use of the rights or categories of rights whose management they have entrusted to the entity, relating to the use of certain recordings of their artistic performances, at their choice. They shall keep the company informed of this and the latter may carry out any verifications necessary with third parties in order to obtain evidence confirming use for non-commercial purposes.

23.3 - Reduction Granted to General Interest Associations

The remuneration owing to the company for the use of recordings of performances by the holders of rights represented by the company shall be reduced by 5% for events that do not involve paid entry organised by the associations listed in article L. 324-6 of the French Intellectual Property Code. This reduction shall only be granted if, prior to the event in question, these associations have filed a request and demonstrated that they meet the conditions required to be eligible for the application of the provisions of article L. 324-6 indicated above.

An additional reduction in the royalties owed by them, within the limit set in the general regulations, may be granted to those of these associations:

- a - whose essential purpose consists of promoting artistic education and creativity,
- b - covered by the provisions of article L. 132-21, paragraph 2, of the French Intellectual Property Code,
- c - who are members of federations of associations, representing the country as a whole, having signed a memorandum of understanding with the company.

Article 24 - Dissolution and Winding-Up of the Company

24.1 - The company shall not be dissolved as a result of the death, loss of civil rights, placing under court-ordered supervision, bankruptcy or insolvency, resignation or exclusion of one or several of its shareholders. It shall continue to exist automatically by and between the remaining shareholders and all the successors and representatives of the deceased shareholder(s).

24.2 - Should it be demonstrated at any moment that income is failing to cover expenditure, the Manager may convene an Extraordinary General Meeting in order to vote on whether to continue or to dissolve the company.

24.3 - When the term of the company expires, or in the event of its early dissolution, the company shall be wound up by the Manager. In this case, all available assets shall be shared equally between the shareholders.

Article 25 - General Regulations

The general regulations complete the articles of association. Any proposed modifications must be submitted to the shareholders in an Extraordinary General Meeting for approval.

Article 26 - Fees

All rights, duties and fees generated hereby and by all consequences and results thereof shall be paid by the company.

Article 27 - Powers of Attorney for Registration, Publicity and Filings

All powers are granted to the Manager to file any modifications to the company's articles of association and to complete all publication formalities required by law and by any statutory provisions, as well as to complete the filing of any deeds wherever they may be required and to sign all notices for publication in a legal gazette.

General Regulations

Article 1 - Membership

Applicants for membership must provide evidence confirming their identity and professional criteria: any document demonstrating that an artistic performance has been recorded, as per article L. 212-3 of the French Intellectual Property Code, may be accepted, notably any contract, payslip attached to a performance or royalties distribution memo issued by the company, subject to potential homonyms.

Before agreeing to the deed of association, the potential member is informed, via the articles of association and these general regulations, the deed of membership and the company's website, of their rights in application of articles L. 322-3 to L. 322-7 and L. 324-4 of the French Intellectual Property Code, as well as of the deductions defined in article 13.1.2 a) and b) of the articles of association and of any other deductions applied to the income generated by the use of their rights and of any income or assets resulting from the investment of such income.

The potential member provides evidence confirming their identity and the capacity required in order to be accepted as a shareholder of the company. They then sign the deed of membership either by hand or electronically, in hard or soft copy, which concludes the process for their consent to the deed of association with the company, and deposits the document(s) required to evidence their capacity.

In the deed of membership, the potential member:

- Stipulates their contributions to the company and authorises the management of the rights thereby entrusted by them to the company,
- Makes an undertaking to comply with the provisions of the articles of association and of the general regulations of the company,
- Informs the company of any stage name(s) used by them for professional purposes and pays the membership fee set by the Board of Directors.

The membership fee includes the par value of the share and a fixed fee for administration costs linked to the new membership.

The par value of the share is set and may be

re-assessed by a resolution adopted by an Ordinary General Meeting.

The amount corresponding to administration costs linked to the new membership is set and may be re-assessed by the Board of Directors when informs the General Meeting of its decision.

Once the application for membership has received final validation and as from the recording of the par value of the share in the company accounts, the capacity of shareholder is considered as having been granted.

The newly accepted shareholder is informed of their capacity as shareholder.

Article 2 - Terms relating to the Bodies

2.1 - General Meetings and Written Consultations

2.1.1 - General Meetings

Two months at the latest prior to the General Meeting, the Board of Directors adopts the resolutions to be presented to the shareholders, the voting methods if not defined in the articles of association or the general regulations and the period during which shareholders may exercise their voting rights, which must be at least fifteen days.

The shareholders are convened to attend a General Meeting via a publication on the company's website and via a notice published in two publications recognised for the publication of legal notices: 'Libération' and 'La Croix'. If either one of the newspapers cited were to no longer be recognised for the publication of legal notices, one or two of the following newspapers shall be designated as replacements, in the following order, based on which may have lost their official recognition: 'L'Humanité', 'Les Echos', 'Liaisons Sociales', 'Les Petites Affiches', 'La Loi' and 'Le Quotidien Juridique'. The notice is published at least fifteen days prior to the date of the General Meeting.

The Manager also sends each shareholder an individual convening notice via letter sent electronically or by post if this option has

been requested in advance by the shareholder, in accordance with the term and conditions of article 15.2 of the articles of association, at least fifteen days prior to the date of the General Meeting.

For postal votes cast electronically or by post, the Manager takes measures to ensure that the voting shareholders are duly informed and the application of technical measures which guarantee the secrecy of the vote cast and the security of the operations, in accordance with best standards corresponding to state-of-the-art technology.

Postal voting closes on the final working day prior to the holding of the Annual General Meeting at 6 p.m. (Central European Time) and voting at the meeting closes at the time when the meeting is adjourned by the Chair.

Votes are counted in the presence of the observers appointed during the course of the General Meeting itself.

2.1.2 - Electronic Voting

The shareholder or single representative designated by the co-owners of any share held in joint ownership has the option to choose to cast an electronic postal vote if a corresponding request has been made at least three months prior to the date of the General Meeting or the launch of the written consultation process or ballot.

This option is then valid for all future General Meetings, written consultations and elections of elected bodies.

The shareholder or designated single representative may however make the express decision to change this decision at any time and at least three months prior to the date of the General Meeting or the launch of the consultation or ballot if postal voting is offered in accordance with the terms defined by the Board of Directors.

2.2 - Board of Directors

2.2.1 - Elections

Invitations for applications to stand for a seat on the Board of Directors are open for a period of one month via the company's website and start no later than four months prior to the expiry of the appointments of the current directors. Shareholders are informed of the invitation via email and via the publication of the invitation via all media used by the company.

Each shareholder that meets the conditions set out in article 16 of the articles of association may stand for the reserved seats on the Board of Directors which correspond to the artistic activity performed on a primary basis by such shareholder.

The Manager verifies the validity of the applications filed via any means and ensures that the activity selected by each candidate corresponds as of the date on which the list is confirmed with their actual primary artistic activity, referring as required to their career, to the capacity designated upon becoming a member of the company and to those royalties received from the company over the last five years. They may decide to add the candidate to the list of candidates carrying on a different artistic activity. The candidate in question is duly informed by the Manager.

Eight days after the deadline for the filing of applications, the Manager confirms the list of candidates.

The company shall have no liability whatsoever regarding the non-publication of applications received after this list has been closed.

A ballot period of one month is then launched, expiring on the final working day preceding the holding of the Annual General Meeting, after which votes may no longer be taken into account.

A list of all those taking part in the ballot is confirmed no more than three months but no less than two months before the date on which voting is opened.

The ballot and the vote counting are carried out in accordance with the conditions defined for a General Meeting.

Those candidates having received the greatest number of votes within the limit of the number of positions to be filled for each category of artistic activity and the reserved seats are then elected.

Should multiple candidates for the position of director receive the same number of votes, a name shall be drawn at random in the presence of a bailiff responsible for the supervision of voting.

Once the votes have been counted, the bailiff responsible for the supervision of voting draws up a report indicating the names of those candidates elected. This report is addressed to the company. The Manager then publishes the results of the elections within fifteen days

following the count.

No voting irregularities may be claimed when these have been covered on the date on which a court is required to issue a decision in relation thereto or if the party having cited the irregularities fails to establish that any damage has been caused thereto.

Any proceedings concerning the validity of the ballot must, subject to otherwise being time barred, be launched within one month following publication of the results in the newspapers listed in article 2.1 above.

2.2.2 – Meetings, Convening Notices, Quorum and Majority

The Board of Directors meets at least six times a year, when convened by its Chair.

In an emergency or if required between two meetings, a meeting of the Board of Directors may be convened by one quarter of the members of the Board of Directors, the Executive Committee, the Chair or the Manager.

In addition, the Board meets in a special session at least twice a year in order to vote on matters relating to action in support of the creation and production of live entertaining, the development of artistic and cultural education and actions for providing training to performers, in direct application of its authority.

Convening notices are sent at least ten days in advance via email or post, except when impossible to do so or in an emergency justifying a shorter notice period or a different convening method.

The meeting is quorate if at least one third of the directors are in attendance and the meeting represents one half of the votes of the Board of Directors.

A director may be represented by another director at meetings of the Board of Directors. The number of powers of attorney that may be held by a director is limited to two.

Interim provisions

Up until the General Meeting of June 2019, the number of powers of attorney for representation that may be held by a director is limited to three.

As an exception, the number of powers of attorney that may be held by a director for the election of the Artistic Commissions

described in article 20.1.3 of the articles of association is limited to one.

Unless otherwise stipulated in these articles of association, decisions by the Board are made on the basis of a majority of votes cast by those directors either in attendance or represented.

When the vote relates to elections, appointments or dismissals of individuals, the ballot shall be secret. Further to a request from any director, the Board of Directors may decide to hold a secret ballot on any other item featured on the agenda.

The Chair or, in their absence, the meeting chair has a casting vote where required, except in the case of secret ballots.

Minutes for each meeting shall be drawn up and signed by the Chair or the meeting chair and by the Manager. The wording of the minutes shall be approved at the following meeting and recorded in the register maintained for this purpose.

The Board of Directors may invite any individual to attend the meeting in an advisory capacity only, on the basis of their specific knowledge or skills.

When questions concerning personnel management are featured on the agenda, an employee representative is convened to attend the meeting of the Board of Directors. Such representative may also take part in other meetings of the Board of Directors except when these are held in camera. They attend in an advisory capacity.

Interim provisions

Up until the General Meeting of June 2019, directors may meet in their colleges in accordance with the conditions set out in article 2.4.2.3 of the general regulations. The colleges have no decision-making powers other than in the context of the election of members of the Artistic Commissions, under the conditions set out in article 20.1 of these articles of association.

In all cases, minutes are drawn up for meetings of the college for the information of the Board of Directors.

Article 2.3 – Supervisory Board

Invitations for applications to become a member of the Supervisory Board are open for a period of one month via the company's website and start no later than four months

prior to the expiry of their appointments. Shareholders are informed of the invitation via email and via the publication of the invitation via all media used by the company.

Any shareholder who meets the conditions set out in article 16 and article 18 of the articles of association may apply.

The Manager verifies that the applications filed are valid using any means.

Eight days after the deadline for the filing of applications, the Manager confirms the list of candidates.

The company shall have no liability whatsoever regarding the non-publication of applications received after this list has been closed.

A ballot period of one month is then launched, expiring on the final working day preceding the holding of the Annual General Meeting, after which votes may no longer be taken into account.

A list of all those taking part in the ballot is confirmed two months before the date on which voting is opened.

The ballot and the vote counting are carried out in accordance with the conditions defined for a General Meeting.

Those candidates having received the greatest number of votes within the limit of the seats to be filled are then elected.

Should multiple candidates for the position of member of the Supervisory Board receive the same number of votes, a name shall be drawn at random in the presence of a bailiff responsible for the supervision of voting.

Once the votes have been counted, the bailiff responsible for the supervision of voting draws up a report indicating the names of those candidates elected. This report is addressed to the company. The Manager then publishes the results of the elections within fifteen days following the count.

No voting irregularities may be claimed when these have been covered on the date on which a court is required to issue a decision in relation thereto or if the party having cited the irregularities fails to establish that any damage has been caused thereto.

Any proceedings concerning the validity of the ballot must, subject to otherwise being

time barred, be launched within one month following publication of the results in the newspapers listed in article 2.1 above.

2.3.1 - Meetings and Referrals

The Supervisory Board meets at least four times per year when convened by its Chair in the context of the performance of their assignments as defined in article 18 of the articles of association.

It also meets in accordance with the procedures defined in this article, further to a referral filed by a shareholder in application of article 9 of the articles of association, and in those cases described in articles 18.1.7, 18.1.8 and 18.1.9 of these articles of association.

The Supervisory Board may request the disclosure of any documents or information in the context of the conduct of its assignments, and may also ask to interview the Manager or any other member of the Management Committee further to a proposal from the Manager.

2.3.2 - Budget

For the performance of its assignments, the Supervisory Board shall have a fixed budget set by the Board of Directors.

2.3.3 - Running

The Supervisory Board sits at the registered office of the company which shall provide all material facilities necessary for its running.

The Supervisory Board shall be quorate only if at least four of its six members are in attendance.

It elects its own Chair in a secret ballot on the basis of a majority of its members, for the term of their appointment to the Board.

It votes on the basis of a majority of those members in attendance, with the Committee Chair or, in their absence, the meeting Chair having a casting vote if required.

The Supervisory Board only holds deliberations in the absence of the Manager and of any representative of the management and administrative bodies of the company.

Minutes recording each meeting as well as any extracts which may be issued from such minutes, are signed by the Chair of the Supervisory Committee or, in their absence,

by the meeting Chair.

Minutes are approved by the time of the next meeting at the latest and are recorded in a register maintained for this purpose.

2.3.4 - Corporate Documents

The Committee may be asked to sit by any shareholder having been refused a request for the disclosure of documents as per articles L. 326-5 and R. 321-17 and R. 321-18 of the French Intellectual Property Code.

The Committee is contacted via recorded delivery letter with confirmation of receipt addressed to the Chair of the Supervisory Board at the company's registered office. This request must include a description of the documents the disclosure or consultation of which has been requested from the company, as well as a copy of the refusal issued by the company.

Within ten working days following the receipt of this request, the Chair must forward a copy of the request to the company's Manager in order for the latter to be able to make any comments within a period of no more than ten working days as from the date of such transfer.

Upon receipt of the observations made by the company (if any), the Committee Chair may, as applicable, obtain observations made by the shareholder responsible for the referral.

Should the Committee be asked to examine a refusal to disclose issued to one of its members, the latter shall not take part in the deliberations by the Committee or in the voting on the corresponding opinion.

With a maximum of 30 working days following this referral, the Committee must issue a reasoned opinion, to be notified to the shareholder, the Manager and the Board of Directors of the company via recorded delivery letter with confirmation of receipt.

2.3.5 - Annual Interest Statement

In the event of missing or erroneous information, the Supervisory Board informs the Board of Directors and notifies the party in default that they have one month in which to render their situation compliant and provide evidence of this to the Supervisory Board. If not, formal notice is served on the party in default by recorded delivery letter with confirmation of receipt. If the situation

is not rendered compliant within a fortnight following receipt of the formal notice, the party in default is automatically suspended from their duties until again compliant and the measure is notified to the Chair of the Board of Directors or of the body in question. The Supervisory Board may moreover recommend the permanent dismissal of the party in default in accordance with the procedure applicable thereto, to the Board of Directors.

The Supervisory Board must without fail inform the Board of Directors when launching these sanctions proceedings.

2.3.6 - Code of Conduct

Any member elected or appointed within an elected body and, more generally, any individual holding office within a body forming part of the company who violates the company's code of conduct or fails to attend meetings of the said body for a period of more than one year without justifiable grounds for doing so may be suspended from office by the Supervisory Board.

The member liable to suspension is informed of the grievances upheld against them at least one month in advance of the meeting of the Supervisory Board by recorded delivery letter with confirmation of receipt sent by the Chair of the Supervisory Board.

They are invited to speak at the said meeting of the Supervisory Board. If the person in question fails to appear before the Supervisory Board, the decision made by the latter shall be considered as having been made on an *inter partes* basis, without prejudice as to any other sanctions that may be incurred, up to and including dismissal in accordance with the procedure applicable to them.

2.3.7 - Members of the Supervisory Board

If the Supervisory Board is required to deliberate in application of articles 18.1.7 to 18.1.9 of the articles of association in accordance with those procedures defined in this article in relation to a member of such Board, the member in question does not take part in the deliberations of the Board and does not cast a vote in the decision relating to them.

2.4 - Executive Committee

2.4.1 - Meetings

The Executive Committee meets at least once per month when convened by the Chair of the Board of Directors and at any other time, at

the request of the latter or of the Manager. It may however decide not to meet in July and August.

All directors of the company may attend meetings in an advisory capacity.

The Chairs of the various Statutory Commissions elected in application of article L. 324-17 of the French Intellectual Property Code attend meetings in an advisory capacity at least twice per year and whenever invited to do so.

The Chair Board of Directors may invite any individual to attend meetings in an advisory capacity only, on the basis of their specific knowledge or skills.

The meeting is quorate if at least two thirds of members are in attendance or represented, it being stipulated that each member in attendance may not hold more than one power of attorney to represent another member.

Resolutions are adopted on the basis of a majority of those members either present or represented.

The Chair or, in their absence, the meeting chair has a casting vote where required.

2.4.2 – Members of the Executive Committee

2.4.2.1 – Chair

The Chair elects the Board of Directors [and] chairs the Executive Committee.

If unable to attend, they are replaced by the director responsible for the General Secretariat, or, failing this, by the Chair of the Finance Commission.

The Chair ensures that the Manager is compliant with the general policy of the company and with those decisions made by the Board of Directors.

They may in particular take part in all meetings of the senior executives, of the Statutory and Ad Hoc Commissions and in those of the Oversight Committee.

They may delegate any powers they hold to any member of the Executive Committee of their choice.

They make proposals to the Board of Directors concerning the appointment and dismissal of the Manager.

Their prior consent is required for the recruitment, appointment or decision to terminate the employment contract of all executives who are members of the Management Board by the Manager. If no agreement can be reached, the matter is put to the vote at a meeting of the Board of Directors.

2.4.2.2 – Vice Chair

The elected Vice Chair of the Board of Directors is tasked with:

- Acting as an intermediary between the directors and the Executive Committee, between the Bodies and the Chair;
- Monitoring to ensure that all decisions made by the Executive Committee and the Board of Directors are duly forwarded to the departments and applied by the latter. They may hold meetings with any executive;
- Examining any requests received in relation to corporate activities and give an account of the allocations of dedicated funds to the Board of Directors.

In addition, they are kept informed about all questions relating to the company by the Chair and about all decisions by the Commissions. For this purpose, they receive a copy of all meeting agendas and minutes.

2.4.2.3 – Other Members

The four members of the Executive Committee in charge of:

- Finance;
- Payment collection and distribution;
- Relations with performers;
- International affairs;

are tasked with:

- Convening and chairing meetings of the Commissions of the same name;
- Taking part in the drawing up of the general policies relating to their assignment in consideration of the policy decisions made by the Board of Directors;
- Adding to the agenda for meetings of the relevant bodies all points deemed useful by them in relation to their assignment;
- Giving an account of their work and making a presentation on the work carried out by their Commissions at least once a year, before the Board of Directors and the General Meeting.

The director responsible for artistic and cultural activities is tasked with acting as liaison officer between the Board of Directors and the Artistic Commissions and the departments in charge of the implementation

of actions based on article L. 324-17 of the French Intellectual Property Code.

They give an account to the Board of the work carried out by the Artistic and Ad Hoc Commissions when these relate to actions based on article L. 324-17 of the French Intellectual Property Code.

Interim provisions

Up until the General Meeting of June 2019, the provisions set out below shall apply to members of the Executive Committee :

The Secretary General is responsible for the assignments of the Vice Chair.

They are assisted by Deputy General Secretaries and, upon request, replaced by the latter in the event of their absence.

The Treasurer is the Chair of the Finance Commission and the Deputy Treasurer assists the Treasurer and acts as their replacement in their absence.

The Vice Chairs represent the professional category of their college with regard to the Executive Committee. They convene meetings of their college at their initiative or on request from at least one third of the members of each college, after advance notice has been given to the Secretary General, and must submit any proposals made by their college to the Board of Directors for approval via the Secretary General.

The Secretary General, the Manager and the Delegate General (when appointed) make up the Oversight Committee chaired by the Secretary General who convenes meetings thereof when considered necessary by them, after having determined the meeting agenda.

The Deputy Secretaries General may attend meetings of the Oversight Committee at the request of the Secretary General.

The Oversight Committee monitors to ensure that all decisions made by the Executive Committee and the Board of Directors are duly forwarded to the departments and applied by the latter. It may ask to hold meetings with any executive.

2.5 - Artistic Commissions

2.5.1 - Elections

Invitations for applications to stand for election to the Artistic Commissions are open each year for a period of one month via the company's website and start no later than two months prior to the expiry of the appointments of those members whose appointments are to be renewed. Shareholders are informed of the invitation via email and via the publication of the invitation via all media used by the company.

Any shareholder who meets the conditions set out in article 16 of the articles of association may become a candidate for election to the Commissions and reserved seats that correspond to the artistic category defined in article 20 to which such shareholder belongs.

In order to be valid, applications must comply with these terms.

The Manager verifies the validity of the applications filed via any means and ensures that the Artistic Commission selected by each candidate corresponds as of the date on which the list is confirmed with their actual primary artistic activity, referring as required to their career, to the capacity designated upon becoming a member of the company and to those royalties received from the company over the last five years. They may decide to add the candidate to the list of candidates for a different Artistic Commission.

The candidate in question is duly informed by the Manager.

2.5.2 - Running

Each Artistic Commission is quorate once at least one half of those members convened are in attendance. Convening notices and project files are sent to each Commission by the company within a reasonable period of time ahead of the next meeting.

Decisions are made by these Commissions on the basis of a simple majority of those members in attendance based on a show of hands. Each member in attendance takes part in the voting to approve or reject the project put forward. If there is no clear winner, a second round secret ballot is called. If there is no clear winner after the second round, the project is accepted.

Each member makes an undertaking to comply with the code of conduct defined in article 5.1 of the general regulations and which may be completed by the Board of Directors.

If a member has a direct or indirect interest in a project presented to the Commission, the voting is carried out under the conditions defined in article 5.1 of the general regulations.

Directors must apply and ensure compliance with the principles of company policy within the Commission.

2.6 - Technical Commissions

The Commissions meet when convened by

their Chair, with the provision of the agenda, within a reasonable period of time ahead of the meeting.

Commissions are only able to site in the presence of their Chair or, in their absence, of any member designated thereby if such designation is not otherwise stipulated by the articles of association or the general regulations.

The quorum for decisions and opinions to be issued by the Commissions comprised of six members is obtained if any four of their members are in attendance. For any other composition, a quorum is obtained once at least one half of the members are in attendance.

The Commission's decisions and options are adopted on the basis of a majority of those members in attendance.

A Commission may invite any individual to attend the meeting in an advisory capacity only on the basis of their specific knowledge or skills.

It may be assisted by the heads of those departments to which its work relates. They may not cast a vote and are designated by the Managing Director or, otherwise, by the Manager.

When a Commission has decision-making powers, each decision adopted unanimously becomes definitive after ratification by the Manager and by the Chair of the Board of Directors.

The Manager or the Chair may however decide to submit this decision to the Board of Directors for approval.

Absent any unanimous decision or ratification, the Commission forwards its reasoned opinion to the Board of Directors for a decision.

The Commission's decision comes into force:
- Either following the ratification of the decision by the Manager and the Chair of the Board of Directors;
- Or following approval from the Board of Directors if the decision has been submitted thereto.

Article 3 - Sanctions - Exclusion Procedure

3.1 - Sanctions

Each shareholder in the company found to be guilty of actions prejudicial to the company shall have an obligation to reimburse the amounts lost by the company or the loss of potential income caused by such actions. The company may deduct the equivalent amount (plus any potential costs) via any means from those amounts of which the relevant shareholder may be the beneficiary.

3.2 - Exclusion Procedure

In accordance with article 10 of the articles of association, the Extraordinary General Meeting has the right, further to a petition from the Board of Directors having previously heard from the individual or individuals in question, to decide that one or several shareholders shall no longer be members of the company. The shareholder threatened with exclusion is informed of the grievances upheld against them at least one month in advance of the Extraordinary General Meeting by recorded delivery letter with confirmation of receipt sent by the Chair of the Board of Directors. They are invited to speak at the Extraordinary General Meeting, if applicable, assisted by any shareholder of their choosing, and may examine their case file at the company's registered office and obtain a photocopy of any exhibits on request in exchange for payment of the corresponding costs.

Should the person in question fail to appear at the Extraordinary General Meeting, the resolution adopted by the latter shall be considered as having been made on an *inter partes* basis, without prejudice as to any other sanctions that may be incurred.

The shareholder under threat of exclusion does not take part in the voting on the resolution related thereto.

Article 4 - Collection, Distribution and Payment

4.1 - The remuneration managed by the company in application of its corporate purpose is collected by the company from the users and taxpayers, directly or via any other collective management companies or entities to which it has entrusted the collection of funds or with which it has entered into a representation agreement.

4.2 - For those associations defined in article 23.2 of the articles of association, the reduction granted thereto may be in excess of 5%, without however exceeding 10%.

4.3 - The remuneration managed by the company is distributed between the holders of the rights thereby represented, after all deductions as defined in article 13 of the articles of association. Distributions paid to the rights holder's individual credit account, occur within a maximum of nine months following the end of the financial year during which the amounts to be distributed to the holders of rights represented by the company were received, unless the company has been unable to distribute them on legitimate grounds which includes a lack of information enabling the identification or determination of the location of the said rights holders.

4.4. - The calculation of the distributions enables the allocation of any remuneration generated by the use of eligible recordings of artistic performances carried out by the holders of rights represented by the company, in accordance with any specific or collective agreements, collective shareholder resolutions, decrees, laws or national or international collective bargaining agreements in force.

4.5 - The distribution is made on the basis of information relating to the use of the recordings of artistic performances eligible for remuneration, provided by the user or payor in question, or, otherwise, by surveying or via analogy with the operating methods for which there exists a material impossibility of recovering any usable data, or for which the processing of the information described above entails disproportionate costs.

4.6 - If the rules and terms for distribution by category of rights, types of use of the services and by and between the rights holders represented by the company for the said services have not been defined therein, they are set under the conditions defined in the articles of association and in the general regulations in accordance with the general distribution policy defined by the General Meeting, notably on the basis of the amount of the remuneration received and taken into account in the distribution of the corresponding rights, the number of eligible recordings of artistic performances broadcast or reproduced in this distribution and the length of the broadcast. They are published via the company's website and updated after each modification validated by the competent body within the company.

4.7 - All information relating to the management of rights defined in article R. 321-16-I of the French Intellectual Property Code is provided to the rights holders represented by the

company via its website where each holder of rights disposes of a personalised and secured account which lists:

- the contact details of the rights holder having authorised the company to use the same in order to identify and locate them;
- the amount of the income respectively distributed and paid to the rights holder, stipulating when this information is available and the breakdown by category of rights managed and by type of use;
- the period of the use for which income has been distributed and paid to the rights holder, unless objective reasons relating to the declarations made by users prevent the company from providing such information;
- the amount, or, otherwise, the percentage, of any deductions made from this income, stipulating the deduction made for management costs, firstly, and the provisions of article L. 324-17, secondly;
- the amount of any potential income generated by the use of those rights which have been distributed to the holder of rights but which are still outstanding, irrespective of the period during which they were collected by the body.

Article 5 - Provisions Applicable to Members of the Elected Bodies

5.1 - Code of Conduct

5.1.1 - Joint Provisions

All members of one of the company's elected bodies must comply with strict rules of confidentiality in the performance of their assignments.

All members of one of the company's elected bodies shall perform their professional activities as an artist in accordance with the law applicable to performing artists and the values upheld by the company.

5.1.2 - Provisions Applicable to the Terms Governing the Granting of Subsidies Paid in Application of Article L. 324-17 of the French Intellectual Property Code

Directors and members of Artistic Commissions who have a direct or indirect interest in an application for subsidies examined at a meeting of the Board of Directors, of an Executive Committee or of a Commission shall disclose this fact to the person chairing the meeting before the start

of the session at which the application is to be examined. They shall not then be in attendance for the discussions or the voting relating to this request.

Direct interest is understood as meaning the fact of being a manager or corporate executive of the legal entity having submitted a request for a subsidy.

A direct interest is understood as being involved in the request for a subsidy or having any kind of association with the legal entity having submitted such request for a subsidy.

Paragraph one above does not relate to any directors or performer shareholders tasked by the company's Board of Directors with sitting on any body of any legal entity requesting a subsidy paid in application of article L. 324-17 of the French Intellectual Property Code.

At the end of each financial year, the directors and performer shareholders who are members of Commissions managing the amounts issued in application of article L. 324-17 shall fill out and return to the Manager of the company a form summarising all applications having led to payment of a subsidy to which they were connected via a direct or indirect interest. The Manager shall then collate these forms and produce an annual table for disclosure to the Statutory Auditor as well as to the shareholders at the General Meeting.

5.2 - Dismissal

Any shareholder elected to be a member of a body by the General Meeting, after having been suspended from their duties in application of article 2.3.6 of these general regulations, may be dismissed by the General Meeting further to a proposal from the Board of Directors.

Any other member appointed within a body and, more generally, any individual holding office within the company who violates the company's code of conduct or fails to attend meetings of the said body for a period of more than one year without justifiable grounds for doing so may be dismissed by the Board of Directors.

The member liable to dismissal is informed of the grievances upheld against them at least one month in advance of the meeting of the Board of Directors by recorded delivery letter with confirmation of receipt sent by the Chair of the Board of Directors.

They are invited to speak at the said meeting of the Board of Directors. If the person in question fails to appear before the Board of Directors, the decision made by the latter shall be considered as having been made on an *inter partes* basis, without prejudice as to any other sanctions that may be incurred.

The Board of Directors votes on the basis of a simple majority of votes cast in secret ballots.

Article 6 - Information Meetings - Consultation Group

6.1 - Information Meetings

The Board of Directors has the option to organise information meetings. In this case, a convening notice is sent to the relevant shareholders without any conditions concerning deadlines or the provision exhibits applying. Information meetings may be held in any location within national territory. They may not be held in order to vote on resolutions. The agenda for such meetings is drawn up by the Board of Directors.

6.2 - Consultation Group

The Board of Directors may, whenever necessary, convene a Consultation Group comprised of representatives of the company, delegates from trade unions representing performing artists and any other professional organisations, as applicable. The role of this Group is to look for solutions to any major professional issues that could concern the profession of performing artist.

Article 7 - Requests from Rights Holders

All requests received from a performing artist or their beneficiaries relating to the conditions governing membership, to management authorisations and contributions, to resignations as well as management of their rights by the company must be submitted in writing and addressed to the company, to the department responsible for relations with performers. For this purpose, electronic access is provided to them via the company's website.

Confirmation of receipt of the request is issued and the request is forwarded to the relevant departments of the company which will respond with a reasoned written decision within a maximum of two months, period which may be extended on legitimate

grounds, notably due to the documentation in its possession or the nature of the file. If a favourable response is given, the remuneration owed to the applicant for requests relating to the management of rights by the company is calculated and paid as soon as possible, and re-established for subsequent distributions.

Should the applicant dispute the decision made, the matter is submitted for appeal to the relevant Technical Commissions which reach a decision at their next meeting. The decision is disclosed to the applicant electronically.

The applicant must have followed this appeals procedure before bringing the matter before the courts having jurisdiction.



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