



## SOCIÉTÉ CIVILE DES PRODUCTEURS PHONOGRAPHIQUES

Civil company with variable capital  
Registered address: 14, Boulevard du Général Leclerc  
92527 Neuilly sur Seine Cedex  
Nanterre Trade and Companies Register D 333 147 122

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# GENERAL REGULATIONS

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As accepted by the Extraordinary General Meetings of 24 June 1997,  
14 June 1999, 26 June 2002, 29 June 2004, 29 June 2004, 23 June 2011, 26 June 2014 and of 27 June 2018

**The general regulations are divided into three parts :**

- The first part deals with *shareholders*,
- The second deals with phonograms and music videos and related rights,
- The third deals with the administration of the Society.

# FIRST PART

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## Shareholders

**Chapter I** - General conditions of admission

**Chapter II** - Special conditions of admission

**Chapter III** - Rules common to all *shareholders* of the Company

### Chapter I - General conditions of admission

#### Article 1 :

The Société civile des producteurs phonographiques et vidéographiques is composed of *shareholders* who may be :

- French or foreign producers of phonograms,
- French or foreign producers of music videos derived from these phonograms,
- any individual or legal entity exercising all or part of the rights they hold or will maintain by law and international treaties to which France is a party, or by contract.

#### Article 2 :

Applicants are informed, prior to their application for membership, of the rights they enjoy under Articles L. 322-3 to L. 322-7 and L. 324-4 of the Intellectual Property Code, the terms and conditions for exercising of the right provided by the latter, as well as the management fees and other deductions from the income mentioned in Article L. 324-9 of the Intellectual Property Code. This information is provided by means of an easily accessible reference document.

#### Article 3 :

The Board of Directors considers the admission of *applicants* or their beneficiaries. By reasoned written decision, it may reject any application for admission, subject to the remedies provided in Article 4 -B of these General Regulations. Reasons for rejection must be based on non-compliance with public, objective, transparent and non-discriminatory criteria. The legal and factual reasons for the decision must be stated in the decision.

The *shareholders* admitted, whatever the origin of the rights they exercise, will be able to benefit only once and in only one capacity, from the advantages attached to their status of *shareholder*.

Applications for accession to the Articles of the Company are based on formulas made available to applicants.

The applicant will send a request for admission to the Chairman of the Board of Directors.

Minor applicants must have their application countersigned by their guardian or legal representative.

To allow, in particular, the determination of the protection applicable to the recordings he claims, under national and international laws on artistic property rights, the applicant will also produce a declaration of nationality in the case of an individual, a Kbis extract from the trade and companies register dating back less than three months if it is a commercial company or a receipt of declaration if it is an association.

By submitting his application and in order to enable the application of the Articles and the General Regulations, the applicant shall declare whether he is temporarily or permanently: a producer of phonograms - a producer of music videos deriving from phonograms - an exclusive distributor - licensed or agent for the sale in France of phonograms or music videos derived from phonograms.

If necessary, and for the same purpose, such a declaration must be made by any *shareholder* during the life of the company.

The applicant must submit the list of his recordings published on a disc, a tape or any medium, physical or digital, whether or not it is intended for trade, and protected by legislation in force in France, and indicate which of these recordings for which it may have previously assigned or delegated the exercise of all or part of existing or future rights.

#### **Article 4 :**

**A** - in the event of approval to accede to the Articles of the Company, the applicant must, within a period of three months, sign a certificate which will contain, in addition to his adherence to the Articles and General Regulations and the contribution provided for in Article 7 of the Articles, the commitment to :

1. declare in the company's repertoire its phonograms and music videos published on any medium whatsoever, whether or not intended for trade and protected by legislation in force in France ;
2. give a mandate to authorise or prohibit and collect remuneration for the use of phonograms or music videos derived from phonograms, as determined by the General Meeting ;
3. and, in general, comply with the Articles and General Regulations which the applicant declares he has read.

If, within a period of three months, the candidate authorised to accede to the Articles, has not signed his certificate of adhesion and subscribes to his share of capital, the admission agreed shall lapse, and a new request must be presented to the Board of Directors.

#### **B - Appeals**

Any applicant whose examination of the admission file has been the subject of a duly reasoned rejection decision by the Board of Directors has the right to appeal. The appeal must be lodged within three months of the date of notification of the appeal decision.

The appeal is made in writing and sent to the Chairman of the Board of Directors.

The Board shall give its new opinion within three months. A new rejection decision shall be submitted for decision to the first general meeting held subsequently.

## **Chapter II - Special conditions of admission**

#### **Article 5 :**

Authorisation to accede to the Articles of the Company in the capacity of *shareholder* is granted to the applicant producing phonograms or music videos or his beneficiaries, including by license, mandate or representation whether it they are an individual or legal entity, provided that they have a minimum of five records belonging to them and already published on disk, tape, or any other commercial medium, existing or future.

However, this condition does not entail, by law, the authorisation of the applicant to accede to the Articles. This admission remains subject to the approval of the Board of Directors or the General Meeting, in accordance with Articles 3 and 4 B above.

No audiovisual communication company within the meaning of the law of 30 September 1986 may become *a shareholder* of the Company if the rights it intends to assert result only from a mandate or a delegation or any other representation.

#### **Article 6 :**

A register of applications for admission will be open at the registered office of the Company and kept available to the *shareholders* and any beneficiaries so they can take cognisance of it.

#### **Article 7 :**

The status of *shareholder* is systematically lost through sale, or transfer of business, dissolution or liquidation if it is a legal entity, death if it is an individual under the conditions laid down in Article 29 of the articles. The successor or heir can only claim membership if he is approved by the Board of Directors.

In the case of goodwill operated in the form of companies, the changes and modifications of their articles which may entail the loss of the status enjoyed by these companies must be the subject of an amendment declaration accompanied by the delivery of a Kbis extract.

Nevertheless, the *shareholders* thus admitted or appointed remain subject to the statutory rules concerning eligibility.

Any heir, assignee or beneficiary, abovementioned, may be represented by only one representative.

When it is incorporated, by resolution of its Board of Directors, by a collective decision of its shareholders, or by decision of its legal representative, *the aforementioned shareholder* may appoint to be its representative before the Company, in the place of its legal representative, an individual holding a decision-making position within the company and having power to bind his company.

Moreover, a *shareholder* may delegate a person from his Company to sit on each of the committees as defined in Chapter II of Part IV of these General Regulations.

If sums are due to a rights holder for any exploitation carried out before his request for total or partial cancellation has taken effect, or in the context of an exploitation authorisation granted before that effective date, he retains the rights conferred on him by the provisions of the third and fourth paragraphs of Article L.324-10, I and II of Article L.324-12, Articles L.324-14, L.324-18, L.325-7, I and II of article L.326-3, and articles L.326-4 and L.328-1 of the intellectual property code.

### **Chapter III - Rules common to all members of the Company**

#### **§ I - General Duties**

#### **Article 8 :**

Any individual or legal entity admitted by the Company must sign a certificate of accession to the Articles of Association of the Company.

By this certificate of accession, it undertakes in particular:

1. To comply with the Articles and the General Regulations which he declares he has read.

Compliance with the Articles of Association and the General Regulations includes, in particular, the obligation to :

- recognise and accept the common interest nature of the mandate they give to the Company.
- to certify the declarations of phonograms and music videos for which he claims the exercise of his rights, as well as the declarations of the unit sales volumes of these phonograms.

2. To comply with the decisions of the Board of Directors in accordance with the Articles of Association and the General Regulations.

3. To declare, under his responsibility, in the repertoire of the Company, the registered and published titles which he owns as producer or beneficiary and to guarantee that these phonograms or music videos are not counterfeit nor contraband, recorded unlawfully or totally or partially reproduced unlawfully.

When a phonogram or music video is not the recording of a work, the producers are obliged to mention it on their declaration form.

Any **shareholder** that is a beneficiary of a phonographic producer, must be able to prove, on request of the Company, the legal or contractual origin of his rights. In the event of a dispute, the remuneration in question will be deposited in a suspense account.

4. To declare per calendar year the unit sales volume of these recorded phonograms.

5. To declare, at the time of his admission, those of his phonograms or music videos for which he has previously delegated to a third party the exercise of the rights which he contributes to the Company.

He undertakes to bring said phonograms or music videos into the Company's repertoire as soon as possible.

6. In general, to do nothing or undertake that may harm the tangible or intangible interests of the Company and its **shareholders**.

#### **Article 9 :**

Notwithstanding, all remedies and guarantees, and without prejudice to the other penalties provided for by the provisions of the Articles and the General Regulations, the Board of Directors may decide in respect of any **shareholder** who has failed to meet the obligations provided for in Article 8 hereof above, subject to Article 23-3, or in any way prejudicing the tangible or intangible interests of the Company or its **shareholders**, one or more of the following sanctions :

1. a warning,

2. the prohibition on reporting to a Regulatory Commission for a period of at least one year,

3. the exclusion from a Regulatory Commission for a period of at least one year,

4. the striking out of the shareholder provided for in article 29 -2 ° of the articles, which becomes effective only upon ratification of this decision by the Extraordinary General Meeting acting by the required majority.

The Board of Directors or the General Meeting may take a decision to post or publish the sanction pronounced.

## **§ II - Incompatibilities**

#### **Article 10 :**

In no case may a **shareholder** be employed by the Company.

The Board of Directors and the General Assembly may assign temporary and defined duties to a **shareholder**. Any claim concerning facts relating to the administration of the Company must be addressed to the Chairman of the Board of Directors.

## **§ III - Disputes**

#### **Article 11 :**

In the event of a dispute between the **shareholders** regarding the collection and distribution of the remuneration due, the Managing Director may, either automatically or at the request of one of them, decide to set aside the royalties in question. The sums set aside will be set aside until the dispute is resolved.

In the event of a dispute between a **shareholder and a third party**, the Managing Director may also decide to set aside the royalties in question.

## **§ IV - Right of defence**

### **Article 12 :**

No penalty can be handed down, no measure can be taken by the Board of Directors and / or the General Meeting without the interested party having been invited to present his defence before a statutory or regulatory body provided for this purpose and authorised by the Board of Directors or the General Meeting. For this purpose, the person concerned may be assisted or represented by a person of his choice.

In the event that a member has not replied to two convocations, the decision taken by this body will be considered taken according to the adversarial principle without prejudice to any other penalties that may be incurred.

## **§ V - Right of information**

### **Article 13 :**

Within four months of the end of each financial year, the Company shall provide each rights holder either by e-mail or in the member area of the SCPP portal pursuant to Article L.326-3 and I of Article R.321-16 of the Intellectual Property Code, with the following information :

1. The contact information that the rights holder has authorised it to use in order to identify and locate him;
2. The amount of income respectively distributed and paid to the rights holder, specifying its breakdown by category of rights managed and by type of use;
3. The period during which the use for which income was distributed and paid to the rights holder took place, unless objective reasons relating to the users' statements prevent the organisation from providing such information;
4. The amount of deductions made from these revenues, specifying the deduction for management fees and the provisions of Article L. 324-17;
5. The amount of any revenue from the exploitation of the rights which has been distributed to the rights holder but remains due to him, regardless of the period during which they were collected by the organisation.

### **Article 14 :**

Within four months of the end of each financial year, the Company provides the collective management organisations with which it is bound by a representation agreement, pursuant to III of article L.326-3 and II of article R.321-16 of the Intellectual Property Code, with the following information :

1. The amount of the income from the exploitation of the rights which it respectively distributed and paid under the representation agreement, specifying its breakdown by category of rights managed and by type of use;
2. The amount of any revenue from the exploitation of the rights which it has distributed under the representation agreement but remains due, regardless of the period during which it was collected by the organisation.
3. The amount of deductions made from these revenues, specifying the deduction for management fees and the provisions of Article L. 324-17;
4. Information on the exploitation authorisations granted or refused for the works and other protected objects covered by the representation agreement;
5. A presentation of the resolutions adopted by its general meeting which deal with the management of the rights covered by the representation agreement.

### **Article 15 :**

In the intervals between two general meetings, and at least two months before the next, any shareholder of the Company has the right to take cognisance of any document drawn up by or received by the Company relating to the meeting or for the current financial year, subject to respect for secrets protected by law.

The shareholder must send the organisation a written request mentioning the documents he wishes to access. Within ten days of receipt of the request, the Company shall communicate the documents or, if such communication is not physically possible, propose a date for the exercise of the right of access, which shall then be carried out at the registered office or at the Company's administrative headquarters,

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

The documents to which access has been requested are made available to the shareholder in an office of the company, upon presentation of an identity document. Upon delivery of documents, the shareholder signs a disclaimer attesting to the access to the documents and by which he undertakes not to take a copy or to photograph them. Anyone assisting him is subject to the same procedure.

#### **Article 16 :**

In response to a duly substantiated request, the Company sends electronically, and within a period of no more than one month, to holders of rights managed by the Company for any reason whatsoever, to the bodies for which they manage representation rights and to users, the following information:

1. The works or other protected objects that it represents, the rights it manages, directly or in the framework of representation agreements, and the territories covered;
2. If, because of the Company's field of activity, these works or other protected objects cannot be determined, the types of works or other protected objects that it represents, the rights it manages and the territories covered.

The Company may request the payment of fees in an amount proportionate to the cost of providing such information.

However, the Company is not required to respond to individual requests when it makes this information available to the public on its website.

#### **Article 17 :**

Any shareholder of the Company may, in addition, at least two months before the date of the general meeting, subject to making the request in writing precisely specifying the documents he wishes to access, ask to be sent:

1. The annual accounts to be submitted to the general meeting;
2. The reports of the management and administrative bodies and the statutory auditors to be submitted to the meeting;
3. If applicable, the text and explanatory statement of the proposed resolutions, as well as the information concerning the candidates for a corporate mandate or an elected position.

The documents mentioned in 1/ to 3/ are, during the same period, kept available to shareholders at the registered office or at the Company's administrative headquarters, where the shareholders may read and obtain a copy thereof.

The Company is not obliged to follow up on requests for the disclosure of documents that it makes available to its shareholders on its website.

#### **Article 18 :**

Except in cases where the Intellectual Property Code provides for the possibility for the shareholder to request that documents be sent to him, access to the documents and information referred to in Article L 326-5 of the Code of Intellectual Property, as well as the consultation of the minutes of deliberations and decisions of the Board of Directors and the Supervisory Board, and the minutes of the deliberations of the General Meeting, are carried out at the registered office or administrative headquarters of the Company.

This access can be exercised by appointment during working days, between 10 am and 5 pm in the presence of the personnel of the company designated by it. The documents to which access has been requested are made available to the shareholder in an office of the company, upon presentation of an identity document. Upon provision of the documents, the shareholder signs a disclaimer attesting to access to the documents and by which he undertakes not to take a copy thereof, except cases the cases provided for by the Intellectual Property Code, or to photograph them.

**Article 19 :**

In case of refusal of access to the documents and information of the company provided for in Article L 326-5 of the Intellectual Property Code, the shareholder may apply, including electronically with acknowledgement of receipt, to the Supervisory Board . The Supervisory Board gives a reasoned opinion on this refusal. This notice is notified to the applicant and the Managing Director. The consultation of the documents takes place subject to respect for privacy, the protection of personal data, business secrecy the secrecy of preparatory acts of the management, administration and management organs and legal proceedings under way. Any shareholder who breaches this confidentiality may be subject to the penalties provided for in article 29 of the articles.

**Article 20 :**

The Company need not respond to repetitive or abusive requests.

**Article 21 :**

At least one-tenth of the shareholders of the Company may request the appointment of one or more experts to report on one or more management operations.

For the purposes of calculating the number of members in the above paragraph, the members of an entity representing the rights holders of the Company itself are considered members of the Company.

The report is sent to the applicant, the statutory auditors, the Supervisory Board, the Minister for Culture, the Article L.327-1 Commission, the Board of Directors and the works council, if the Company has one.

This report is appended to the report prepared by the statutory auditors for the first general meeting.

## SECOND PART

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### Phonograms, Music Videos and Rights

Chapter I - Declarations

Chapter II – Distributions

#### Chapter I - Declarations General rules

##### Article 22 : Phonograms or music videos

1. "Phonogram" means the first recording of an audio sequence.

It can be a set of audio sequences that the producer considers unitary.

2. "Music video" shall be understood to mean the original audiovisual work produced by recording images intended to illustrate the interpretation of a musical work reproduced on a phonogram, called a "video clip" in modern parlance.

3. The declaration of registration of phonograms or music videos as well as the declaration of the unit volume of sales of these phonograms shall be carried out in accordance with the provisions of Article 8 under the sole responsibility of the declaring party.

- La The Company shall, at the request of the declaring party, issue a list of the phonograms or music videos that it has declared to the **Company**. This list may be communicated to the declaring party, if he so requests, in the form of a computer file.
- The declaration of registration does not assign rights for the benefit of the declaring party: it assumes that the latter holds the rights referred to in Article 5 of the General Regulations.
- The Company is authorised to perform any checks to establish the reality of the rights invoked.
- The corporate repertoire committee is responsible for checking the declarations made by the members, asking for any evidence and rejecting statements in respect of which the information provided is insufficient.

#### **§ I - Declarations by producers of phonograms, music video producers and their beneficiaries**

##### Article 23 :

Any producer of phonograms or music videos must declare the recordings for which he is the holder of rights, as well as the declaration by calendar year of the unit sales volume of these phonograms :

1. the declaration of the recording of phonograms or music videos is obligatory,
2. It must be made no later than three months from the first publication for phonograms or the first broadcast for music videos,
3. For phonograms or music videos existing in the catalogue of a declaring party at the time of his accession, the declaration of recording must be made as soon as possible,
4. Producers who have not made the declaration of recording or the declaration of the unit sales volume their phonograms in the three months preceding the date of a distribution will not be entitled to benefit, in respect of this distribution, from the distributed remuneration.

The declaring parties of the Company shall :

- register their phonograms or music videos with the ISRC code in accordance with the stipulations of the National ISRC Agency,
- also declare the ISRC code of their phonogram or music video when filing their declarations with the **Company**.

The Company may not, under any circumstances, be held liable for the statements made in the declaration forms provided for in Article 24 below or those concerning the unit sales volumes of phonograms, the signatory of which is the sole guarantor of the Company and third parties of the lawfulness of its recording and its rights to it.

The distribution of remuneration is based on the declaration of the recordings, their registration in the general file constituting the corporate repertoire, and, where applicable, the declaration by calendar year of the unit sales volume of these phonograms.

#### **Article 24 :**

The recording declaration includes :

- a) the name, registered name or business name of the producer of the recording and the country of which he is a national.
- b) the name, registered name or business name of the owner of the recording insofar as he has been assigned all rights to the recording.
- c) the State in whose territory the recording was first made (or if it has been recorded in more than one country, the one in which the largest portion of the cost of production was incurred).
- d) the year in which the first recording was completed.
- e) the year of first publication and the country in which it was made, or the countries in case of simultaneous publication (that is, within 30 days of the first publication in another country).
- f) the trademark under which the recording is exploited.
- g) the title of the interpreted work, or the sequence of audio, (in the latter case, express reference will be made to the fact that it is not the interpretation of a work).
- h) the name of the performer (s) mentioned on the label, cover or sleeve.
- i) the exact duration of the phonogram or music video.
- j) all commercial references of the media on which the phonogram is marketed, accompanied by the bar code "EAN 13" or "U.P.C. " and if applicable, the title of the master disc.
- k) the ISRC code of the phonogram or music video,
- l) the name of the composer of the works of the classical repertoire, and, if possible, the names of songwriters for other works.

The producer also makes the declaration by calendar year of the unit sales volume of the phonogram.

The recording declaration and the declaration of sales must be made to the **Company** using declaration slips or computer files in accordance with the descriptions communicated to the **shareholders** upon their accession.

The declaration slip and the computerised files are kept by the Company. The file media are returned to the declaring party.

Any declaration of modification of previous declarations must be notified to the Company under the same conditions as the initial declarations.

#### Article 25 :

A phonogram or music video falls under the remit of the company by the accession of its producer to the Articles of the Company.

The licensee or any other beneficiary *shareholder* may also contribute a phonogram or a music video to the company when it provides evidence of being the assignee of phonographic or videographic beneficiaries.

### **§ II Validity of declarations**

#### Article 26 :

In accordance with Article 23 above, the declaration of the phonographic or videographic recordings is obligatory for the rights pertaining thereto to be taken into account.

No reminder may be granted, when the lack of distribution is due to a lack of declaration of the recording or declaration of the unit sales volume of the phonogram or to late or erroneous declarations.

#### Article 27 :

1. Anyone who has made false or incomplete statements of identity or capacity in respect of which he has been admitted may be removed from the Company under the conditions set out in Article 29-2° of the Articles of Association.

2. Any false or substantially erroneous statement, or that the declaring party refuses to have checked by **the Company**, will be strictly cancelled and the corresponding phonogram or music video will not be authorised for distribution.

3. The Board of Directors may require the declaring party to provide any evidence that it deems useful.

#### Article 28 :

Individuals or legal entities, *non-shareholders*, who make declarations of phonograms for which they hold rights, or sales declarations, undertake by these declarations:

- to certify as accurate the declarations of the recordings for which they claim the exercise of rights as well as the declarations of sales of phonograms,
- to guarantee that these recordings do not infringe the rights of a third party or constitute an infringement of the rights provided for by the intellectual property code,
- to provide evidence, on simple request of the company, of the legal or contractual origin of these rights.

In addition, they are required, as necessary, to meet the same reporting obligations and penalties as those imposed on the *shareholders* of the company, as mentioned in Articles 22, 23, 24, 25, 26 and 27 above.

### **Chapter II - Distributions**

#### Article 29 :

The Board of Directors has all the powers to establish the distribution by grouping of programs, by phonograms or by music videos.

The general principles of distributions are determined by the Ordinary General Shareholders' meeting, respecting of the principle of equal treatment in the management of the economic rights of the rights holders as a whole, including where this management is carried out under a representation agreement.

The application procedures and distribution rules are established by the Board of Directors at the proposal of the Collection and Distribution Committee, in accordance with the general distribution principles adopted by the Ordinary General Shareholders' Meeting.

# THIRD PART

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## Administration of the Society

**Chapter I** - Board of Directors

**Chapter II** - Committees

**Chapter III** - General Meetings

**Chapter IV** - Honorary Chairman and members

### Chapter I - Board of Directors

#### § 1 - Composition of the Board

##### Article 30 :

Every three years, after the General Meeting, the Board of Directors, composed as stated in Article 11 of the Articles, appoints its Committee which is constituted as follows :

- a Chairman,
- three Vice-Chairmen,
- a Secretary General,
- a Deputy Secretary,
- a Treasurer,

All members of the Committee are elected by majority vote by secret ballot.

a) The Secretary General keeps "the book of the minutes" up to date. He is the coordinator of the work of the different regulatory committees.

If the Secretary General is incapacitated, the Deputy Secretary General replaces him in all his functions.

b) The Treasurer must, as soon as he takes office, check the status of petty cash, the existence and the situation of Accounts in banks and securities in the portfolio.

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

His supervision must be carried out, in particular, on all movements of funds of the Company; for this purpose, he shall check the statements of account and deposits of securities belonging to the Company.

#### § II - Meetings of the Board of Directors

##### Article 31 :

- The Board of Directors meets periodically at the behest of its Chairman or the Managing Director.
- It must be convened if half of the members of the Board of Directors request it in writing.
- No decision can be taken outside the meeting and a member of the **Board of Directors** can act on behalf of the Board only by virtue of a deliberation authorising it§ III - Séances du Conseil de Surveillance

#### **Article 32 :**

- The Supervisory Board meets periodically once every six months at the behest of its Chairman or Managing Director.
- It must be convened if half of the members of the Board of Directors request it in writing.
- It must be convened if half of the members of the Supervisory Board request it in writing.

### **§ IV - Miscellaneous provisions**

#### **Article 33 :**

It is forbidden for a director or a board member to interfere in the administration of the Company without a special delegation from the Board of Directors or the Supervisory Board.

Consequently:

In their individual capacity, the **directors or board members** may not be given other administrative documents than those to which **shareholders** have access.

The Board of Directors has all the powers to set up study committees within it, in charge of drawing up, in collaboration with the Managing Director of the Company and in the areas which are devolved to them, all proposals for decisions required by the management of the Company in relation to the corporate purpose.

Proposals are submitted for the approval of the Board of Directors.

### **Chapter II - Regulatory committees**

#### **§ I Common provisions**

#### **Article 34 :**

In accordance with Article 23 of the Articles of Incorporation and, where necessary, regulatory committees are created either by the Board of Directors or by the General Meeting, under the conditions specified by them.

The committees set out in Article 35 of this chapter must be set up by the General Meeting.

Only members holding the nationality of a Member State of the European Union, enjoying their civil rights and not having been subject to any disciplinary measure, excluding them from the right to participate in regulatory committees, may be part of such regulatory committees.

The members of these committees are appointed by the Board of Directors or, as necessary, by the General Meeting.

Their functions are specified, as and when necessary, by decision of the Board of Directors or the General Meeting, having designated them in view of the specificity of their mission, in accordance with Article 23 of the Articles.

Their mandate may be renewed.

- The committees set out in Article 35 must draw up minutes of their meeting, which will be sent to the Chairman of the Board of Directors and the Managing Director, who will be responsible for informing the Board of Directors, who will decide on what follow-up to give.
- At the request of the Chairman, a member of a committee may be called upon to present his report to the Board of Directors.
- Similarly, each committee may ask the Board of Directors to hear one of its members.

Only members of committees who have received a special delegation from the Board of Directors may have administrative relations with the Company, after informing the Managing Director.

Committee members who, without apologies deemed valid, have missed three consecutive sessions, and after a warning, will have been deemed to have de facto resigned.

The members of the Board of Directors and the various committees are required to sign an attendance sheet at each meeting.

The Chairman, the Managing Director, the Secretary General and the Treasurer may take part in committee meetings; in addition, the Chairman may be represented by a Vice-Chairman. The managers of the relevant departments of the Company participate, as necessary, in the work of the committees.

## **§ II Provisions specific to each Committee**

### **Article 35 :**

The following Committees are mandatory :

1. Audit Committee,
2. Collection and distribution committee,
3. Corporate repertoire committee,
4. Conduct Committee,
5. Creative assistance grant committee

#### **1. Audit committee**

The Audit Committee comprises six members elected by the General Meeting for a period of three years.

- The Committee appoints, after the General Meeting that elected it, a Chairman, a Vice-Chairman and a Secretary from among its members.
- No member of the Committee of the Board of Directors, except the Treasurer, may be a member of this Committee

It may, at the end of the work of the auditor and before the annual general meeting, audit the books and the accounting documents. It checks the consistency of revenues and expenses.

It points out any seemingly excessive expenses and potential savings.

It has the right to hear, at the end of its assignment and before the annual general meeting, the Statutory Auditor appointed under Article 32 of the Articles, and the latter is also entitled to request to be heard by the Committee.

Members of the Committee are bound by an obligation of confidentiality.

#### **2. Collection and distribution committee**

The Committee consists of twelve members elected for a period of three years by the General Meeting.

The Committee appoints, after the General Meeting that elected it, a Chairman, a Vice-Chairman and a Secretary from among its members.

The Committee can be divided into sections to audit collections and distributions, corresponding to remunerations of different origins.

In this case, each section presents its report to the Committee.

The Committee :

- checks the consistency of revenues and distributions.
- proposes to the Board of Directors the terms and rules of distribution, in accordance with the general principles of distribution adopted by the Ordinary General Shareholders' Meeting,
- may ask a declaring party, in application of the provisions of Article 8-3 paragraph 3 of this Regulation, to provide evidence of the legal or contractual origin of his rights as well as the elements making it possible to determine whether the phonogram or videogram gives a right to distribution.

### 3. Corporate repertoire committee

- The Committee consists of seven members elected for a period of three years by the General Meeting.
- The Committee appoints, after the General Meeting that elected it, a Chairman, a Vice-Chairman and a Secretary from among its members.

The Committee:

- checks the validity of the corporate repertoire;
- decides, on the authority of the Board of Directors and in the context of a procedure it has established, whether or not to exclude from distributions the declarations in respect of which the beneficiary has not been able to prove the legal or contractual origin of its rights (Articles 8 and 28 of the General Regulations) or the reality of the rights invoked (Articles 22 and 28 of the General Regulations);
- decides to exclude from the corporate repertoire of the Company any unsupported phonogram and music video declarations (Articles 8, 22 and 28 of the General Regulations);
- proposes to the Board of Directors, subject to compliance with the provisions of Article 13 of this Regulation, the setting aside of the remuneration allocated to the repertoire of a beneficiary when he has failed to meet his obligations under Articles 8, 22 and 28 of that same regulation;
- proposes the implementation of automated procedures for the control of declarations to the Board of Directors;
- performs a conciliation function between the members.

### 4. Conduct committee

The Conduct Committee has three members :

- a Chairman, appointed for each meeting, in turn, except in the event of absence, illness or impediment, from a list of people chosen by the Board of Directors for, at the same time, their independence vis-à-vis the shareholders of the Company and their knowledge of the profession,
- two members, appointed for 3 years by the Board of Directors and chosen from the representatives of the legal entities sitting on the Board of Directors.

It examines any breaches that may be brought to its attention.

If necessary, it hears the shareholders concerned, draws up a report and proposes the necessary sanctions to the Board of Directors.

### 5. Creative assistance grant committee

The Committee consists of 9 members elected for a period of one year by the General Meeting.

The Committee appoints, after the General Meeting that elected it, a Chairman, a Vice-Chairman and a Secretary from among its members.

The Committee :

- proposes to the Board of Directors projects of creation, distribution of live shows and training of artists likely to benefit from a grant and the amount thereof;
- checks that the beneficiaries of the grants awarded by the Board of Directors comply with their obligations towards the **Company**.

## **Chapter III - General Meetings**

### **Article 36 :**

**Shareholders** who wish to ask questions that are not included in the agenda for a General Meeting must inform the Chairman of the Board of Directors of this matter at least ten days before the date set for this Shareholders' Meeting.

### **Article 37 :**

Candidates for the Board of Directors, the Supervisory Board and the various Committees provided for by the Articles of Association or by these Regulations shall notify the Company of their candidacy at least twenty days before the General Meeting, so that the Company may prepare ballot slips.

- The Company shall prepare a single ballot slip for candidates to the Board of Directors, a single ballot slip for candidates to the Supervisory Board, and a single ballot for candidates to each Committee.
- They will contain the names of all the candidates. At the top of each ballot slip, the Company will indicate the number of candidates to be elected to the Board of Directors, the Supervisory Board and each Committee, and at the bottom of this slip, there will be the following notice: "Leave no more than  $\frac{1}{2}$  names on the ballot slip, otherwise this ballot will be void."
- Candidates to the Board of Directors, the Supervisory Board and the various Committees are prohibited from drafting or having drafted any document directly or indirectly related to their candidacy, distributing it or having it distributed by any means or from depositing it in the chamber of the General Meeting, the Company alone having the right to send to the members referred to in Article 1 of the articles a presentation of each candidate, drafted by it under the conditions set by the Board of Directors, or the provision of the presentation to any member at the General Meeting.

The Company's role is to organise and monitor the voting and counting process.

## **Chapter IV - Honorary Chairman and members**

### **Honorary Chairman**

#### **Article 38 :**

On the proposal of the Board of Directors and with agreement of the persons concerned, the General Meeting may confer the title of Honorary Chairman of the Company to the persons who have actually held the position of Chairman of the Board of Directors and have, in that capacity, rendered eminent services to the Society.

The Honorary Presidents of the Society are ineligible, but are entitled to attend meetings of the Board of Directors in an advisory capacity.

## Honorary members

### Article 39 :

The Board of Directors may, with the agreement of the parties concerned, confer an honorary title service on persons who have actually held office in the Committee of the Board of Directors.

Honorary membership entails the ineligibility of the person on whom this distinction is conferred.

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