

Articles of Association

AGEDI

**ENTIDAD DE GESTIÓN
DE DERECHOS DE PROPIEDAD INTELECTUAL**

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Articles of Association

Entidad de Gestión de Derechos de Propiedad Intelectual

Title I: General Provisions



<p>Article 1: Constitution of the Association.</p>	<p>1. Named ASOCIACIÓN DE GESTIÓN DE DERECHOS INTELECTUALES (AGEDI) a non-commercial and nonprofit organisation was established in 1987, under the law in force at the time.</p> <p>2. The Association, currently named AGEDI, ENTIDAD DE GESTIÓN DE DERECHOS DE PROPIEDAD INTELECTUAL, is governed by that provided in these Articles of Association, by agreements validly adopted by its corporate governance bodies and, in what is not there provided, by the Organic Law 1/2002 of 22 March on the right of association and additional rules.</p>
<p>Article 2: Territorial scope.</p>	<p>1. The Association operates within the territory of Spain.</p> <p>2. Its scope of action also covers territories abroad through similar nature organizations with which AGEDI has signed the relevant unilateral or reciprocal representation agreements.</p> <p>3. By virtue of the same type of contracts, AGEDI manages in Spain the rights of foreigner phonographic producers.</p>
<p>Article 3: Subjective scope of the Association.</p>	<p>1. AGEDI brings together the producers of phonograms from any country, regardless of their nationality or place of residence, as well as agents as referred to in article 8.3 of these Articles of Association.</p> <p>2. For the purpose of these Articles of Association, the phonograms' producer is understood as included in any of the following categories:</p> <ul style="list-style-type: none">a) The phonograms and/or music videos producer that, besides, commercialises them.b) The publisher of the phonograms and/or music videos, understood as that which exercises the reproduction and distribution rights transferred to by the phonograms' producer.
<p>Article 4: Domicile of the Association.</p>	<p>1. The Association shall have its registered office in Madrid, calle María de Molina number 39, 6th Floor.</p> <p>2. The General Assembly shall be the body in charge of deciding the transfer of the registered office.</p>
<p>Article 5: Object and purposes of the Association.</p>	<p>1. The management of the exclusive and the simple remuneration rights that intellectual property law recognises in favour of phonogram producers constitute the object and purposes of the Association, without prejudice of the management mandate that rights holders or their representatives enter into with the Association and the legal mandate it has to manage those rights subject to mandatory collective management.</p> <p>2. For the fulfilment of this object and purposes, the Association shall be able to perform, among others, the following actions:</p> <ul style="list-style-type: none">a) The professional representation of its members.b) The acknowledgement, protection and promotion of the rights of the phonograms producers, both nationally and internationally.c) The cooperation with organisations, authorities and public or private bodies, both national and international, in relation with the issues abovementioned and, in particular, with regard to the activities aimed at the establishment, amendment and improvement of intellectual property law or any other law that involves the phonogram producers, as well as in the signature, ratification and implementation by the Spanish State of the International Conventions and Treaties concerning the protection of intellectual property rights in general, and, in particular, intellectual property rights of phonogram producers.d) The collective management of rights owned by phonogram producers regarding the public communication of their sound recordings and music videos; their reproduction exclusively for their, direct or indirect, public communication; and the fair compensation for private copying under Article 25 of Intellectual Property Law, in the terms established by its management mandate.

Article 5:
Object and purposes of
the Association.
(cont'd)

- e) The signature of contracts of representation with national or foreign bodies, which aims are the management and collection of the rights abovementioned.
 - f) The promotion, directly or through other associations, of the activities or services referred to in Article 178 of the amended text of Intellectual Property Law.
 - g) The enforcement of any civil, criminal, administrative actions or of other nature aimed at the defence of the economic and any other interests of phonogram producers, both nationally and internationally.
 - h) The filing of criminal or other nature complaints to defend the economic and any other interests of phonogram producers, both nationally and internationally.
 - i) The claim through civil, criminal and administrative proceedings, or of any other kind, of the relevant compensations for the redress of the damages suffered by the phonogram producers.
 - j) The representation, protection and defence of general collective and diffuse interests, both economic and of any other type, of the business and professional activity carried out by the phonogram producers.
 - k) The diffusion and promotion of all kinds of music and any essentially musical cultural manifestation.
 - l) The undertaking of any activities that, by decision of its governing bodies, may result in a benefit for its members.
3. In no case shall the Association be able to perform its activity out of the scope of the protection of intellectual property rights.

Article 6:
The management
mandate.

1. Owners, original or derivative, of rights managed by the Association shall be able to sign a management mandate with the Association.
2. Agents mentioned in article 8.3 of these Articles of Association shall sign a management mandate with the Association. In this case, the management mandate shall be accompanied by a number of schedules equivalent to the number of right owners which rights they are managing.
3. The management mandate shall have a duration of three years and, upon expiration, it shall be extended tacitly on a yearly basis. At any time, the right owner shall be able to terminate the mandate prior notice of six months.
4. In the case of right owners mentioned in sub-paragraph 1 of this article, the management mandate shall cover the territory of Spain and, unless otherwise stated by such members, the territory of other countries in which operate other collecting societies abroad with which AGEDI has signed unilateral or reciprocal representation agreements.
5. In the case of agents, the management mandate shall cover the Spanish territory and, if expressly stated by those members, the territory of countries in which operate other collecting societies abroad with which AGEDI has signed unilateral or reciprocal representation agreements.

Article 7:
Duration of the
Association.

The duration of the Association is indefinite.

Article 8:
Requirements to be a
member of the
Association.

1. Members of the Association shall be member companies or member associates.
2. There may be member companies of the Association the natural persons or legal entities that regularly engage in the phonograms producer activity as defined in article 3.2 of these Articles of Association, being owners of the rights granted to them by the Intellectual Property Law. Right owners that are not members shall be able to entrust management to the society in similar terms to those of member companies, and besides the benefits deriving from the management mandate, they shall be entitled to request the society the information set by law.
3. Also, there may be member associates of the Association the natural persons or legal entities that agglutinate, as agents, the rights of one or more phonogram producers, that are owners of the rights recognised to them by Intellectual Property Law, regardless of whether the referred owners are or not, in turn, member companies of the Association.
4. Independent Management Entities shall not be able to be members.

Article 9:
Types of members.

1. Member companies shall be included in any of the following categories: full member companies and non-full member companies. In the act of admission of a new member, the Board of Directors shall assign the new member the category of non-full member company. Eventual changes of category shall be carried out according to that provided by the following articles.
2. The agents as referred to in article 8.3 of these Articles of Association are member associates. In addition, there may be member associates the intellectual property rights collecting societies.

Article 10:
Member companies.

1. Full member companies must meet the following requirements:
 - a) To be registered, as appropriate, in the relevant section of the Tax on Economic Activity (Spanish Impuesto de Actividades Económicas).
 - b) To have a minimum of four years as a non-full member company.
 - c) To be up to date with payments and other financial contributions that may correspond.
 - d) To not belong to any other association, whose aims are similar, equal, contrary or that may be in conflict with those of AGEDI, to which they would have transferred the same rights.
 - e) They must have received in last 2 years' rights distributions an average over 0.04% of the total revenues distributed by the society.
 - f) They must be formally acknowledged as a full member company by the Board of Directors of the Association, according to that established in this article.
2. Non-full member companies must meet the followings requirements:
 - a) To be registered, as appropriate, in the relevant section of the Tax on Economic Activity (Spanish Impuesto de Actividades Económicas).
 - b) To be the original or derivative owner of the rights subject to the management of the Association regarding, at least, one phonogram or music video.
 - c) To pay the entry fee that has been established at the relevant moment.
 - d) To not belong to any other association, whose aims are similar, equal, contrary or that may be in conflict with those of AGEDI, to which they would have transferred the same rights.
 - e) To be admitted as a non-full member company by the Association's Board of Directors.

<p>Article 11: Member Associates.</p>	<p>Member associates must meet the following requirements:</p> <ol style="list-style-type: none">To be registered, as appropriate, in the relevant section of the Tax on Economic Activity (Spanish Impuesto de Actividades Económicas).To manage the rights of one or more rights holders that own, at least, one phonogram or music video.To pay the entry fee that has been established at the relevant moment.To not belong to any other association, whose aims are similar, equal, contrary or that may be in conflict with those of AGEDI, to which they would have transferred the same rights.To be admitted as a member associate by the Association's Board of Directors.
<p>Article 12: Change of category.</p>	<ol style="list-style-type: none">When the Board of Directors verifies that a non-full member company that complies with the rest of requirements set in previous article has reached a seniority of four years, it shall include an item in the agenda of the following meeting with the formal declaration as a full member. This condition will not be held effective until the date of the Board of Directors' meeting when such condition was acknowledged.Member associates shall never enter the category of member companies.
<p>Article 13: Loss of the full member company status for not reaching the established revenue shares.</p>	<p>If during two consecutive years a full member company receives in the distribution of rights' revenues an average lower than 0.04 per cent of the total sum of revenues distributed in such years, the Board of Directors shall decide the return of the member company to the non-full member category in the meeting following this circumstance has been observed. However, the member concerned shall be able to request again the Board of Directors its acknowledgement as a full member company at the time it surpasses such percentage for two consecutive years starting on 1st January of the year after such category was lost. In that case, the acknowledgement of the category shall only take effect from the date of adoption of the relevant agreement by the Board of Directors, which shall include the item in the agenda of the ordinary meeting immediately following the moment the member company surpassed such percentage.</p>
<p>Article 14: Exceptional qualification of the President as singular member.</p>	<ol style="list-style-type: none">The President of the Association's Board of Directors shall acquire automatically and without any other formality or requirement the condition of singular member of the Association, temporarily and exclusively during the time holding the position.As a singular member, the President shall not hold the rights the Articles of Association grant to ordinary members, but he shall exclusively be the holder of the rights and obligations that, by reason of his position, are assigned to him according to Section 4 of the Title III of these Articles of Association.
<p>Article 15: Admission Procedure.</p>	<ol style="list-style-type: none">Phonograms producers wishing to become member companies shall submit an application to the Association's office, providing the information and the necessary documents proving they qualify according to the requirements established in these Articles of Association. Applicants shall provide an electronic mail address, where it would be understood they accept communications and notices the Association needs to submit. They shall also have to declare their knowledge and acceptance of the Articles of Association of the Association and the agreements validly adopted by the bodies of the Association.Once the application is examined, the Board of Directors may request to those applying for membership to provide additional data or documents.If the Board of Directors refused the application, the applicant shall be able to submit a motion to the General Assembly, which shall ultimately assess on the fulfilment of requirements for admission.The effectiveness of the admission shall be subject to the signing of the management mandate by which the management of the rights referred to in Article 5 sub-paragraph d) of these Articles of Association is entrusted to AGEDI.The provisions of this article shall apply for the acquisition of the status of member associate by agents mentioned in article 8.3 of these Articles of Association.

Article 16:
Rights of the
members.

1. All the member companies are entitled to:
 - a) Attend the General Assembly meeting and take part on its deliberations. Right holders which (i) are users of AGEDI's repertoire or (ii) belong directly or indirectly to companies users of AGEDI repertoire or (iii) which administration or management is performed by such users companies shall not be able to take part on the mentioned deliberations.
 - b) Exercise the right to vote in the General Assembly, even by electronic means. Right holders which (i) are users of AGEDI's repertoire or (ii) belong directly or indirectly to companies users of AGEDI repertoire or (iii) which administration or management is performed by such users companies shall not have the right to vote when a conflict of interests may occur. Electronic voting shall be exercised in advance, within the deadline and under the terms that will be fixed by the Regulation on electronic voting.
 - c) Elect and be elected to be part of the Board, the Internal Control Body and other bodies of the Association.
 - d) Benefit from the activities carried out by the Association to fulfil its purposes.
 - e) Inform and be informed about the activities of the Association and, in particular, about its economic situation.
 - f) Know the persons that conform the Board of Directors, the Internal Control Body and the commissions and working groups in which they take part, as well as their remuneration and other wages.
 - g) Upon request, be provided with a copy of the report that is annually prepared by the Board of Directors on the Association's activities, a copy of the general tariffs, of the agreements signed with their repertoire's users or their associations, and with other music licensing societies, the agreements of the Association bodies that affect the collection or the distribution of revenues, and to obtain a copy of any amendment to the Articles of Association.
 - h) Also, upon written request, examine and review at the registered office of the Association the documents that served as a base for the distribution of revenues that are incumbent on the interested person. The referred application shall state the specific items to be examined.
 - i) Communicate with the society by electronic means, even to the effect of exercising their rights.
 - j) Grant non-exclusive authorisations for the non-commercial exercise of rights entrusted to AGEDI. The referred authorisations shall not be object of compulsorily collective managed rights.
 - k) Upon a six-month notice, revoke totally or partially their management mandate, withdrawing the rights, categories of rights or type of provisions on their choice within the territories of their choice.
2. Member associates shall have the same rights as member companies, except for the right envisaged in article 16.1 c) of these Articles of Association. With reference to such right, member associates shall be able to elect, but not to be elected.
3. The exercise by member companies and member associates of the rights acknowledged to them in these Articles of Association shall be effective when, on the Association's request, they have signed the successive updates to the management mandate, if any.

Article 17:
Obligations of the
members.

- All members are obliged to:
- a) Share the goals of the Association and cooperate in their achievement.
 - b) Adhere to, accept and abide by these Articles of Association, as well as the agreements validly adopted by the bodies of the Association, preserving in all events their confidentiality.
 - c) Integrate into the working commissions for which they were elected.
 - d) Pay promptly the relevant monetary contributions to sustain and develop the activities of the Association.

Article 17:
Obligations of the
members.
(cont'd)

- e) Provide to the Association the information about their productions necessary or advisable to carry out its purposes, within the deadlines set by the Board of Directors.
- f) Report to the Association the brands or labels they own immediately after their register on the relevant Registry, and request their removal as soon as they cease to own them.
- g) Not grant licenses or representation mandates, which contravene those conferred by virtue of the Management Mandate and the provisions of these Articles of Association.
- h) Not agree with third parties, either they are or not AGEDI members, ways to distribute rights' revenues different from those provided by these Articles of Association and statutory rules.
- i) Not perform any action that could distort the free use of AGEDI's repertoire by users, or cause an unfair preferential use of such repertoire or any other action that can cause an improper, self-serving or fraudulent alteration of the rights' distribution rules. In particular, the rights owner shall not grant, directly or indirectly, any share of their collected rights to users that have set up non-exclusive authorisation agreements with the society or other collecting societies, when such users unreasonably favour the preferential exploitation of one or more works from the right owner itself, when using the collecting society's repertoire.
- j) Not perform any conduct or behaviour that deteriorates, damages or harms the good name of the Association, its prestige or reputation.
- k) Keep the Association informed about any changes occurring in their corporate name, registered address or electronic address. Notifications from AGEDI to the last reported address or electronic address to this effect shall be considered validly made.
- l) Regarding member companies, when they are elected to do so and without possibility of excuse further than a sufficiently justified cause, to take over the role of member of the Board of Directors or the Internal Control Body during the specific time provided for in these Articles of Association.
- m) Make a complete and truthful declaration on the potential existence of a conflict of interest with the object and purposes of the Association. Such declaration shall be made when being admitted in the Association or, immediately and without delay, when such situation of conflict of interest occurs after having become a member. Whatever modification of the situation as reflected in such declaration, occurred after the moment in which the declaration was made, shall be communicated immediately to the Association by the member affected by such modification, in order to have a conflict of interest declaration permanently updated and adjusted to each member's real situation. Social rights shall be suspended for the member that does not fulfil the mentioned declaration, or which does it in a way that is incomplete and/or not truthful, as well as for the member which does not update the declaration as requested.

Article 18:
Allocation of votes to
members for their
exercise in the General
Assembly.

1. Non-full Member companies. From the time of their admission, each non-full member company shall have one vote.
2. Full member companies. From the moment of being acknowledged as full member, each of them shall be entitled to one vote and an additional vote for any complete four-year period of membership in the association. In addition, to these votes shall be added the number of votes resulting from multiplying the total variable votes by the corresponding percentage, calculated with respect to the total amount of rights received by all full member companies as a whole during the previous financial year on public communication and reproduction of their phonograms and music videos, as well as on private copying equitable remuneration. The total number of variable votes, to be distributed among the full members based on that percentage, shall be equal to the number of fix votes multiplied by three. For the purposes of calculating the additional votes of full members, decimal fractions below 0.50 (zero point fifty) shall be ignored, and from this fraction above they will be calculated as for the immediately higher unit.
3. Member associates. Each member associate shall be entitled to one vote. The member associate that, besides, has the status of member company shall be allocated the number of votes relevant as the case may be, as full or non-full member company.

Article 19:
Group of producers of
phonograms.

1. If there is a group of phonograms producers, and irrespective of the possibility that each one of the members of the group is a member company of the Association, the group shall have the number of votes that corresponds to a single member.

2. For the purpose referred to in the previous paragraph, it shall be considered that there is a group of phonograms producers when one of them holds a majority of the shares of other or others, or when it has the power to effectively control the other or others producers, or when the members of the group are owned or controlled by the same third company.

Article 20:
Loss of membership.

1. Membership shall be lost for the following reasons:

- a) Voluntary separation of the Association, as provided for in these Articles of Association.
- b) Unanticipated loss of any of the requirements for admission.
- c) Omission or falseness in the statement made that reveals a lack *ab origine* of any of the requirements needed to become a member.
- d) Termination of the management mandate due to a contract breach.
- e) Disciplinary separation of the member as member of the Association.

2. The loss of membership for any of the causes aforementioned shall involve, without exception, the loss of all social rights of the member concerned, without prejudice of the right to receive, when appropriate, the outstanding amounts or those to which the member could be entitled to according to the law.

3. The cause referred to in sub-paragraph d) shall require the prior adoption of an agreement of the Board of Directors on the separation of the member concerned. With regards to the other causes, it shall be mandatory to abide by what is established in the following articles of these Articles of Association.

Article 21:
Voluntary separation
of the Association.

1. Members have the right to withdraw voluntarily from the Association at any time.

2. The voluntary separation of the Association shall by no means involve a member's right to receive a share of the Association's patrimony. It shall neither involve, unless expressly indicated by the outgoing member, the termination or revocation of the mandate that would have been granted to the Association by virtue of the management mandate. Any revocation or withdrawal of the rights granted by virtue of such mandate, or of the phonograms and/or music videos object of the mandate, shall be communicated to the society with prior notice of six months, not having, in any case, effect until the end of the current financial year.

3. The voluntary separation shall be expressly communicated to the President of the Association, with immediate effects, without prejudice of the Board of Directors acknowledgement in the meeting immediately after the receipt of such communication.

Article 22:
Loss of the
requirements to be a
member of the
Association.

1. In case of unanticipated loss of any of the membership requirements, the Board of Directors shall reliably and formally request the member to remedy such irregularity.

2. The member shall automatically lose its status if, within two months following the issue of that request, it fails to correct the irregularity.

3. The two previous paragraphs shall also apply in case of failure to pay the fees or financial contributions that may correspond for supporting and developing the Association's activities, as well as in case of loss of membership due to omission or false statement to achieve membership. Without prejudice of the foregoing, in case of false statement the member may be penalised.

Article 23:
Breaches and sanctions
for members.

1. Member's breaches may be minor, serious or severe.
 - a) It shall be considered a minor breach the failure to comply with any of the obligations set in these Articles of Association that is not considered serious or severe.
 - b) It shall be considered a serious breach the failure to comply with the obligations set in items b), d), g) and j) of article 17 of these Articles of Association, as well as the commission of three or more minor breaches in a period of six consecutive months.
 - c) It shall be considered a severe breach the failure to comply with the obligations set in items h), i) and m) of article 17 of these Articles of Association, the commission of two or more serious breaches in a period of six consecutive months and the conviction or penalty by a final sentence or administrative resolution regarding acts that involve phonogram producer's trademark or intellectual property rights infringements, fraud, deceit or other similar acts that violate the rights of other phonogram producer. It shall also be considered severe breach the failure to pay the entrance fee, or two ordinary fees, or an extraordinary fee, if the non-payment persists once the member has been required to regularise its situation by the deadline set to that purpose.
 - d) For agents mentioned in article 8.3 of these Articles of Association, it shall be considered serious breach the omission or falsehood, even partial, in the information provided to the Association regarding the circumstances de facto or de jure that allowed them to be admitted in the Association.
2. Any of the following penalties may be imposed for a minor breach:
 - a) Written warning.
 - b) Fine of 1,000 to 5,000 Euros.
3. Any of the following penalties may be imposed for a serious breach:
 - a) Fine of 5,001 to 10,000 Euros.
 - b) Privation of the exercise of social rights for a period of time from six months to two years.
 - c) Loss of full membership for a maximum period of one year. This penalty may also involve the privation of the exercise of social rights for the same period of time.
4. Any of the following penalties may be imposed for a severe breach:
 - a) Loss of full membership for a maximum period of two years. This penalty may also involve the privation of the exercise of social rights for the same period of time.
 - b) Disciplinary separation of the member as member of the Association.
5. The penalties laid down shall be graduated according to the greater or lesser significance of the infringing behaviour.

Article 24:
Sanction procedure.

1. The application of the penalties provided in previous Article shall require the prior initiation of a disciplinary procedure, in which a member company appointed by the Board of Directors shall act as an examiner.
2. The examiner shall collect evidence considered necessary in order to establish the allegedly infringing acts and the allegedly infringing participation of the member.
3. The initiation of the proceeding, the designation of the instructor and the facts alleged will be communicated to the alleged offender, who may make claims and propose the adoption of evidence that it considers appropriate for better defend of its interests within 15 working days.
4. Once collected, where appropriate, the evidences proposed by the alleged offender, the examiner shall submit to the Board of Directors a resolution proposal on the allegedly infringing behaviour, suggesting, if that is the case, the imposition of a penalty.

Articles of Association

Entidad de Gestión de Derechos de Propiedad Intelectual

Title II: Members

Title III: Association's Bodies



Article 24: Sanction procedure. (cont'd)

5. The Board of Directors shall decide, in the light of the proposal made by the examiner, and within a month, on the penalty due to be imposed. The disciplinary act from the Board of Directors shall always be reasoned.

6. The time of the procedure shall not exceed six months from the appointment of the examiner until the Board of Directors imposes a penalty. The month of August is excluded from that deadline.

7. The power to impose sanctions is incumbent on the Board of Directors, which shall decide by a majority of two-thirds of those present. The penalty shall be immediately enforceable. In the event of the offender being a member of the Board of Directors, it shall not take part in the voting.

8. Notwithstanding the aforementioned provision, the member concerned shall be able to submit a motion before the next meeting of the General Assembly. Penalty shall not be effective until ratified, where appropriate, by such General Assembly meeting. Meanwhile, the disciplined member shall be able to attend the General Assembly but shall be deprived of the rights of active and passive vote.

Article 25: Book of Members.

As a system of evidence of the members of the Association, and to guarantee them, third parties and the Association itself, it is established a Book of Members which shall contain, for each of them, the date of acquisition of membership and other circumstances related to such condition, including, where appropriate, sanctions imposed.

Article 26: Necessary bodies of the Association.

Title III: Association's Bodies.

1. The Association shall be governed by the General Assembly, the Board of Directors, the Internal Control Body and the President, as provided in these Articles of Association.

2. Eventually, and in accordance with the provisions of the Articles of Association, the Association may have a Manager.

Article 27: Other bodies.

1. The General Assembly shall appoint a Complaints and Claims Committee composed of three member companies. Article 75 of these Articles of Association shall apply for operation and procedure of the Committee.

2. The General Assembly may approve, at the Board of Directors' proposal, the establishment of other bodies for a smoother running of the Association.

Article 28: Composition of the General Assembly.

SECTION 1

THE GENERAL ASSEMBLY

1. The General Assembly, the supreme body of deliberation and decision of the Association, is made up of all its members.

2. The Manager of the Association shall be able to attend the meetings of the General Assemblies, with the right to speak in debate but without the right to vote.

Article 29: Powers of the General Assembly.

1. To amend the Articles of Association.

2. To approve, as appropriate, and to modify the Internal Rules.

3. To appoint and dismiss the members of the Board of Directors, of the Internal Control Body and, if so, to approve their remunerations and other services such as monetary and in kind provisions, allowances, benefits, rights to premiums and redundancy payment. In the case of the members of the Board of Directors, it is also incumbent on the General Assembly to examine their performance.

4. To control and supervise the management of the governing and representing bodies of AGEDI.

5. To approve the accounts and balance sheets.

6. To resolve motions submitted against the refusal of admission decisions and change of status of member companies.

Article 29:
Powers of the General
Assembly.
(cont'd)

7. To resolve motions submitted against penalties imposed by the Board of Directors. In the case of appeals made against the penalty of exclusion of a member, all members of the Association shall have equal vote.

8. To approve Distribution Rules by which guidelines or general criteria of distribution of revenues are established, as well as special distribution rules and methods to gather information on the level of use of the phonograms or music videos by users, all that according to that provided in article 60 of these Articles of Association.

9. To approve the general policy of use of amounts that cannot be subject of distribution in the established legal terms. Such amounts shall be used for each of the purposes stated in article 61 of these Articles of Association, and in no case, except in the cases of sub-paragraphs d) and e) of the above mentioned article, they shall be lesser than 15 per cent for each one of them.

10. To decide the dissolution of the Association as provided in these Articles of Association.

11. To join one or more national or international associations, with similar purposes, and withdraw from their membership.

12. To acquire, alienate and encumber real property.

13. To appoint the member companies of the Complaints and Claims Committee, according to that established in article 27.1 of Articles of Association hereby.

14. To approve the general policy for royalties received and any other return on their investment, which shall in any case abide by the principles and recommendations established in the codes of conduct regulated according to the 5th additional provision of the revised text of the Spanish Securities Market Law and its regulations, passed by Spanish Royal Legislative Decree 4/2015 of 23 October.

15. To approve the general policy for withholdings on royalties received and any other return on their investment.

16. To approve the general policy for risk management.

17. To ratify the decisions of the Board of Directors regarding mergers and partnerships, the creation of subsidiary branches or the acquisition of other societies, shares or rights in other organisations in accordance with that provided by law, except in the cases in which such operations are directly imposed by law itself.

18. To approve the proposals of lending and loans operations or the constitution of loan guarantees or securities, in accordance with article 177.8 of Intellectual Property Law, except in the cases specifically foreseen in such provision and in article 177.9 of the referred Law.

19. To adopt the decisions foreseen by article 187 of Intellectual Property Law in matter of accounting and audit of the organisation.

20. To approve the annual transparency report foreseen by article 189 of Intellectual Property Law.

21. To exercise the powers expressly assigned to them by these Articles of Association.

Article 30:
Types of General
Assemblies.

The General Assemblies may be ordinary or extraordinary.

Article 31:
Ordinary General
Assembly.

The Ordinary General Assembly shall duly meet once a year, within the first six months following the close of the financial year, for approving, where appropriate, the social accounts. Besides, it shall be competent concerning whatever other matters not expressly reserved to the Extraordinary General Assembly.

Article 32:
Extraordinary General
Assembly.

The Extraordinary General Assembly is the one with the single purpose of amending the Articles of Association or agreeing the dissolution of the Association, as well as that convened on the request of a number of members holding a minimum of a third of the votes.

Article 33:
Convening of the
General Assembly.

1. The call for all General Assemblies shall be made by the President of the Association, through registered letter or electronic means sent at least fifteen days in advance to the date set, stating the place and time of the venue, in first or second call, as well as the agenda.
2. The lapse between the first and the second call shall not be less than thirty minutes.
3. The call for the Ordinary General Assembly shall be made prior agreement of the Board of Directors.
4. The call for an Extraordinary General Assembly shall be made prior agreement of the Board of Directors or at the request of a number of members holding a minimum of a third of the votes.
5. The request referred to in previous paragraph shall be addressed to the President of the Association, together with a proposed agenda.
6. The annual accounts and the management report, the annual transparency report and the several reports prepared by auditors, according to that provided for in sub-paragraph 2 or article 187.3 and article 189.2 of Intellectual Property Law, shall be made available to the members of the association electronically and at the registered office of the Association, in both cases free of charge, at least fifteen days before the date the general assembly where they should be approved is held. In the call for the General Assembly, which shall also be announced on the associations web site, such right shall be mentioned.

Article 34:
Valid Constitution of
the General Assembly.

1. To be validly constituted, the General Assembly, both ordinary and extraordinary, shall need the presence on first call of a minimum of two-thirds of the members. On second call, the General Assembly shall be validly constituted regardless of the number of members present.
2. Are exempted from that provided in previous paragraph the meetings of the General Assembly which agenda includes the amendment of the Articles of Association or the dissolution of the Association, for which the attendance of two-thirds of the total votes of the Association is necessary, on both first and second call.

Article 35:
Adoption of
agreements.

1. The agreements shall be made by a simple majority of votes.
2. Notwithstanding the provisions of previous paragraph, the agreements related to the amendment of the Articles of Association or the dissolution of the Association shall need to be validly adopted a majority of two-thirds of the votes present or represented.
3. The right to vote shall not be exercised by those members which are not up to date with their pecuniary obligations with the Association.
4. It is admitted the delegation in the participation and voting right in the General Assembly in favour of any other member of the Association, as long as such delegation do not create a conflict of interests. However, vote shall not be delegated to a member which has been deprived from the voting right or suspended from this exercise, included the situation foreseen in article 16.1 c) of these Articles of Association.

Delegation shall only be valid for a General Assembly meeting. Delegatee shall enjoy the same rights in the General Assembly and shall cast their votes according to the instructions received from the delegator member.
5. No agreement shall be adopted on issues not scheduled on the agenda.

Article 36:
Voting system.

Voting shall always be direct and secret.

Article 37:
President of the
General Assembly.

1. The President of the Association shall be the President of the General Assembly.
2. In case of absence or inability of the latter, the Board of Directors shall elect the President of the General Assembly among the member companies of the Association.

<p>Article 38: Secretary of the General Assembly.</p>	<p>The Manager of the Association shall perform as Secretary of the Assembly and, in his absence, the Lawyer of the Association appointed by the President of the Assembly shall do.</p>
<p>Article 39: List of attendees.</p>	<p>Before opening the agenda, the Secretary of the General Assembly shall prepare the list of attendees, stating the nature and representation of each one, as well as the number of votes held by any member attending or represented.</p>
<p>Article 40: Minutes of General Assembly.</p>	<ol style="list-style-type: none"> 1. The Secretary of the General Assembly shall take the minutes of the meeting, which may be approved immediately after or as the first item of the following meeting's agenda. 2. A copy of the minutes shall be sent to the members of the Association before thirty calendar days after the Assembly was held and minutes approved.
<p>Article 41: Certifications of the resolutions adopted.</p>	<ol style="list-style-type: none"> 1. The certificates of the resolutions adopted shall be issued by the Manager, with the approval of the President of the Association. 2. In the lack of a Manager, the certificates shall be issued by the President.
<p>Article 42: Duties of the Board of Directors.</p>	<p>SECTION 2 THE BOARD OF DIRECTORS</p> <ol style="list-style-type: none"> 1. The Board of Directors is the executive body of the Association. 2. It is incumbent on the Board of Directors the management and governance of the Association. 3. In the appointment of members of the Board of Directors, the General Assembly shall ensure that its composition guarantees gender balance.
<p>Article 43: Powers of the Board of Directors.</p>	<ol style="list-style-type: none"> 1. To exercise those powers delegated by the General Assembly. 2. To take general initiatives and make proposals to the General Assembly. 3. To agree to call for the General Assembly and prepare the agenda of the same, except the case provided for in Article 32. 4. To decide on admissions and changes in the status of member companies. 5. To decide on penalties against members, without prejudice of that provided for in Article 24.8 of these Articles of Association. 6. To establish the sum of the Association's entrance fees, as well as other financial contributions, both ordinary and extraordinary. 7. To appoint the President and, if the case may be, and at the proposal of the President, the Manager and advisers that it deems appropriate. 8. To ensure compliance with the agreements of the General Assembly. 9. To submit balance sheets and settlements of accounts for their approval by the General Assembly. 10. To adopt resolutions related to the exercise of all resources and actions before any agency or jurisdiction, as well as abandon them, confer powers for what it is necessary, engage in arbitration or compromise a matter in dispute. The powers mentioned in this paragraph correspond, equally and indistinctly, to the President of the Association. 11. To adopt resolutions relating to the acquisition and disposition of property, as provided in the budget. 12. To grant and revoke powers of attorney that may be deemed necessary for the best performance of the Association's activities. However, in what refers to the powers of attorneys for lawsuits the provisions of paragraph 10 of this Article shall apply.

Article 43:
Powers of the Board of
Directors.
(cont'd)

13. To draft, for approval by the General Assembly, the Distribution Rules for collected revenues, in which the general guidelines and criteria for the distribution of revenues shall be determined, as well as the special distribution rules and the methods and means to gather information on the level of use of phonograms and music videos by users; all of it in accordance with the criteria expressed in article 60 of these Articles of Association.

14. To approve the management mandate provided for in Article 6 of these Articles of Association and its relevant amendments.

15. To approve the annual budget of collection and distribution of managed rights' revenues and of income and expenses of the Association, prior to the commencement of the financial year of reference. The Board of Directors shall make available to the members of the society by electronic means and at the registered office of the Association, the proposed budget with prior notice of at least a calendar fortnight regarding the date of the meeting where the proposal shall be submitted for approval.

16. To send to the Internal Control Body, at least quarterly, all the information on the management of the association that is necessary for the exercise of their control duties, as well as any other information on the facts that could have a significant incidence in the situation of the collecting society.

17. On the proposal of AGEDI services, to determine the specific shares corresponding to each right holder in the distribution process, subsequent to the implementation of rules, procedures and methodology established in the Distribution Rules.

18. To adopt, in the interest of the Association, the relevant decisions regarding mergers and partnerships, the creation of subsidiary branches or the acquisition of other societies, shares or rights in other organisations in accordance with that provided, except in the cases in which such operations are directly imposed by legal order itself.

19. To notice and declare the situation of conflict of interests of AGEDI members for the purposes foreseen in article 16.1 a) and b) of these Articles of Association. In the exercise of this duty, the Board of Directors shall consider the declaration of conflict made by members of the society in pursuant of their obligation foreseen in article 17 m) of these Articles of Association, regarding Transitional Provision One, the complementary information offered by members when making their declaration, or that could be further provided, and that which the Board of Directors could obtain by their own means. In any case, before adopting the decision of preventing the member to exercise the right provided for in article 16.1 a) and b) of these Articles of Association, the Board of Directors shall hear the member concerned.

20. To exercise the powers expressly conferred to it by these Articles of Association, as well as other of similar nature not attributed to any other body of the Association.

Article 44:
Composition of the
Board of Directors.

1. The Board of Directors, except for that provided in next paragraph, shall be composed by a maximum of six member companies elected by the General Assembly, besides the President.

There shall not be part of the Board of Directors those member companies that (i) are users of AGEDI repertoire or (ii) belong, directly or indirectly, to companies users of AGEDI repertoire or (iii) which administration or management is performed by such users companies

2. Among the members of the Board of Directors, at least one of them shall belong to the group of producers placed in the lower half of the table of rights' revenues distributed by the Association during the preceding year.

3. Candidatures shall be put forward by writing until ten days before the General Assembly date.

4. The position of member of the Board of Directors is an unpaid position, except for the refund of travelling expenses that could arise from the exercise of the position, which will only cover the travel cost.

<p>Article 45: Acceptance and take of the position.</p>	<ol style="list-style-type: none"> 1. Member companies elected to compose the Board of Directors shall accept the position during the General Assembly meeting in which they were elected. 2. Once accepted, the members of the Board of Directors shall take up their posts immediately. 3. Before taking up their posts and, further, on an annual basis, the persons conforming the Board of Directors shall make a declaration on conflicts of interests to the General Assembly, for their examination and consideration, with the information envisaged in article 161.3 of Intellectual Property Law.
<p>Article 46: Duration of the position.</p>	<ol style="list-style-type: none"> 1. The appointment as a member of the Board of Directors of Directors of the Association shall be for a period of four years. 2. When the abovementioned period expires, the member of the Board of Directors may be reelected for successive periods of identical duration.
<p>Article 47: Meetings of the Board of Directors.</p>	<ol style="list-style-type: none"> 1. The Board of Directors shall meet at least once every two months, upon prior call from the President. 2. Besides the provisions of previous paragraph, the Board of Directors shall meet whenever convened by the President, at its own request or at the request of one-third of its members.
<p>Article 48: Attendance to the meetings of the Board of Directors.</p>	<ol style="list-style-type: none"> 1. Attendance to the meetings of the Board of Directors is mandatory for all its members. 2. The status of member of the Board of Directors shall be lost automatically due to the absence, if considered unjustified by the Board, in three consecutive meetings.
<p>Article 49: Valid constitution of the Board of Directors.</p>	<p>The Board of Directors shall be validly constituted with the attendance of a majority of its members.</p>
<p>Article 50: Adoption of resolutions by the Board of Directors.</p>	<ol style="list-style-type: none"> 1. The Board of Directors shall adopt its agreements on an attending members' absolute majority basis. 2. No agreement shall be adopted on issues not scheduled on the agenda.
<p>Article 51: Voting system.</p>	<ol style="list-style-type: none"> 1. In the adoption of agreements by the Board of Directors, each member, including the President, shall have one vote. 2. In the event of a tie, the President shall have the casting vote.
<p>Article 52: Internal Control Body.</p>	<p>SECTION 3 THE INTERNAL CONTROL BODY</p> <ol style="list-style-type: none"> 1. The General Assembly shall choose the association's Internal Control Body, which shall consist of three member companies, guaranteeing that different member companies categories are represented in an equitable and balanced way. Neither of their members shall have any relationship in fact or in law, directly or indirectly, with the legal entities or persons that compose or are represented by the Board of Directors. In the appointment of members of the Internal Control Body, the General Assembly shall ensure that its composition guarantees gender balance. 2. The members of the Internal Control Body shall choose a President and a Secretary for such body. 3. There shall not be eligible for the Internal Control Body those member companies that (i) are users of AGEDI repertoire or (ii) belong, directly or indirectly, to companies users of AGEDI repertoire or (iii) which administration or management is performed by such user companies. 4. The members of Internal Control Body will be chosen for a four years term and may be reelected once. <p>The position of member of the Internal Control Body is an unpaid position, except for the refund of travelling expenses that could arise from the exercise of the position, which will only cover the travel cost.</p>

Article 52:
Internal Control Body.
(cont'd)

5. Before taking up their posts and, further, on an annual basis, the persons conforming the Internal Control Body shall make a declaration on conflicts of interests to the General Assembly, for their examination and consideration, with the information envisaged in article 161.3 of Intellectual Property Law

6. The Internal Control Body shall have the duties foreseen in law and, in particular, the following:

- a) To monitor in general the activity and performance of functions of the Board of Directors.
- b) To monitor the enforcement of decisions and overall policy decisions approved by the General Assembly and specifically the ones adopted by virtue of letters d) to f) of article 160.1 of the Intellectual Property Law.

7. The meetings of the Internal control Body shall take place at least once a year and will be convened by its President on its own initiative or at the request of two of the members. As regards its functioning, and without prejudice to the compulsory rules established in the intellectual property regulation, will be applicable, with duly amendments, the provisions of the Articles of Association referred to the Board of Directors.

8. The Internal Control Body may call the President, members of Board of Directors, managing or technical staff, to attend the meetings with voice but no vote. Furthermore, it could be requested to the Board of Directors and managing/technical staff of the Association any information that might be necessary for the exercise of the Internal Control Body functions.

9. As regards the exercise of its competences, the Internal Control Body will report annually before the General Assembly.

10. The Internal Control Body shall be able to convene the General Assembly whenever it deems appropriate in the interest of the Management Entity. The agreement of call shall require the unanimity of the members of the Internal Control Body.

11. In respect of the matters not expressly provided by this article, the provisions envisaged in the current Articles of Association regarding the Board of Directors should be, supplementary, applicable to the Internal Control Body.

SECTION 4
THE PRESIDENT

Article 53:
Appointment of the
President.

1. The President of the Association shall be appointed by the Board of Directors.
2. The President of the Association shall also be the President of the Board of Directors.
3. The President must be unrelated to any music production company, belonging to the Association or not.

Article 54:
Powers of the
President.

It is incumbent on the President:

1. To convene the General Assembly meetings, as provided for in these Articles of Association, to preside them and to lead their discussions.
2. To convene and chair the Board of Directors meetings.
3. To legally represent the Association.
4. To adopt agreements relating to the filing of any appeals and actions before any body and desist from them, and empower for litigation and engage in arbitration or compromise any legal disputes, as provided in paragraph 10 of Article 43 of these Articles of Association.
5. To manage and supervise the economic resources of the Association.
6. To implement the resolutions of the Board of Directors and the General Assembly.
7. In case of vacancy of the Manager's position, to perform his tasks as entrusted by these Articles of Association.

Articles of Association

Entidad de Gestión de Derechos de Propiedad Intelectual

Title III: Association's Bodies

Title IV: Economic, Accounting and Documentary Regime



Article 55:
Duration of the position.

1. The position of President shall be effective for four years.
After that period, the President may be appointed again for successive periods of identical duration.
2. The relevant agreement may be adopted four months in advance.

Article 56:
Duties of the Manager.

SECTION 5 THE MANAGER

1. The Manager, under the supervision of the President, shall be responsible for the daily operation of the office of the Association, shall keep the corporate books and documents, shall draw the minutes of both the General Assembly and the Board of Directors meetings and shall maintain the coordination between the various working commissions appointed by the Board of Directors.
2. In addition, the Manager may perform, by delegation or appointment from the President, other tasks acknowledged to the latter.

Article 57:
Appointment of the Manager.

The Manager, appointed in the manner provided by in these Articles of Association, shall be independent of all music production company, member of the Association or not.

Article 58:
Initial patrimony of the Association.

Title IV: Economic, Accounting and Documentary Regime.

The initial patrimony amounts to six thousand Euros.

Article 59:
Financial resources of the Association.

To fulfil its objectives, the Association shall have the following financial resources:

1. Entrance and ordinary fees and financial contributions from members of the Association, as well as the extraordinary or additional contributions that might be eventually established.
2. Donations and legacies received in favour of the Association.
3. Subsidies which it may be granted.
4. The benefits from properties and securities from the Association.
5. Revenues coming from the provision of services to third parties or from any other activity which is developed in the fulfilment of its goals.
6. The compensations awarded for the Association.

Article 60:
Distribution of rights' revenues.

1. The share of rights holders in the distribution of rights' revenues collected shall be fixed in proportion to the use of their phonograms and music videos:
2. The General Assembly shall approve the Distribution Rules prepared by the Board of Directors, in which there shall be specified the general guidelines and criteria for distribution of the collected revenues, as well as the special distribution rules and methods and means to gather the information on the degree of use of phonograms and music videos by users.
3. In the mentioned Rules, a special treatment may be given to the purposes of the rights' distribution to certain sound recordings or music videos, on the basis of their aim or main objective, target audience, the nature of the objects reproduced within, as well as any other aspect objectively reasonable that advises such special treatment. Thus, with the aim of prioritising the music that represents the higher investment and a bet for the development of artists, when allocating the rights that may correspond, a different weighing shall be included on recordings which main objective is to be consumed by general public in usual channels, both physical and digital, with respect to those other recordings produced with commercial aims but which main objective is different from that stated before, and that require lesser investment and creativity and are not betting for the development of artists.

Article 60:
Distribution of rights'
revenues.
(cont'd)

4. The abovementioned Distribution Rules shall meet, in any case, the following general criteria:

- a) There shall be traceability among collected and distributed and paid revenues.
- b) The amounts due to be distributed shall be determined by the amounts paid by users less any amounts that, according to law, must be allocated to the financing of certain activities, the reserve funds that are, where relevant, approved to face potential claims, and the management costs related to each modality of rights to be distributed.
- c) The rights distributed must be allocated, as far as it is possible and economically feasible, on a recording basis (phonogram or music video), on the basis of the real usage of such recordings.
- d) Therefore, all efforts shall be made to obtain accurate and detailed information on the level of use by phonograms and music videos' users, resorting to the following sources:
 - Statements from the users.
 - Information provided by companies specialising in the identification of broadcasts by means of the use of digital fingerprinting or similar technologies.
 - Statements from companies providers of background music services.
 - Statistical analysis from its own services or from third parties.

In case the above is not possible, the Distribution Rules shall establish the procedure to follow in order to select the method that allows to draw near, in the most appropriate matter, to real usage (recorded music market share; information on usage from a different users' sector, as far as a reasonable relationship exists among both sectors; a combination of different information sources, etc.)

- e) As far as possible and economically feasible, the amount collected from a particular user shall be distributed among the recordings used by such user in the relevant period. For users which level of payments does not merit to have available such individual information, the usage of a similar users' group may be considered, following statistical criteria set by a third party expert.
- f) Phonograms producers shall be responsible for communicating in due time to AGEDI the accurate and complete information on the recordings which rights, to the purposes of the society's management, they hold, stating beside the percentage, period and territories for which they hold the rights.
- g) Criteria for the allocation of rights to used recordings:

Insofar as it is technically and economically reasonable, the allocation of amounts corresponding to each recording used shall be made according to the exact time of use of each recording regarding the total time of use in the relevant period. However, if this was not possible, the distribution shall be based in the number of times where each recording has been used but, in any case, the usages must be weighed downwards when their length is less than a number of seconds, to be determined by the Distribution Rules.

If there exist objective reasons to do so, other weighing elements may be taken into account, as the broadcast during the night.

5. On the proposal of AGEDI services, the Board of Directors shall determine the specific shares corresponding to each right holder in the distribution process, subsequent to the implementation of rules, procedures and methodology established in the Distribution Rules.

6. The distribution and payment of royalties shall be made periodically, with due diligence and accuracy, as soon as possible and in any case within nine months from 1st January of the year following the collection. However, this deadline could be extended where legally provided objective reasons exist.

Articles of Association

Entidad de Gestión de Derechos de Propiedad Intelectual

Title IV: Economic, Accounting and Documentary Regime



Article 61:
Limitation period of
revenues collected.

1. In general, the limitation period for rights' revenues collected is five years running from 1st January of the year following the moment the revenues are made available to the rights holder so that it can cash the payment.

2. The limitation period of revenues collected pending allocation when, after the distribution procedure no rights holder, sound recording or music video would have been identified, is five years running from 1st January of the year following collection.

3. The amounts to be distributed to holders of rights managed by AGEDI that have not been claimed by their beneficiaries, once the lapse period established in these Articles of Association has expired, shall be used for the following purposes:

- a) To conduct welfare activities in favour of members of the society and/or education and promotion activities of authors and artists and performing artists.
- b) To promote the legal offer of phonograms and music videos.
- c) To proportionally increase in favour of the rest of members the distribution of protected contents which were identified in the distribution process from where such collected and unclaimed amounts come.
- d) To finance the one-stop shop for invoicing and payment, together with the rest of collecting societies authorised in Spain.
- e) To finance the legal entity envisaged by article 25.10 of Intellectual Property Law.

Should the Association have a deficit on its annual financial statements or fails to prove that it has paid all its taxes and/or Social Security contributions, or both, the amounts referred to in the first paragraph in this section, insofar as required, shall be allocated to offset the deficit in its annual financial statements or to pay its taxes and/or Social Security contributions, or both.

Article 62:
Financial year.

1. The financial year shall coincide with the calendar year.

2. At the end of each financial year, the President shall submit to the Board of Directors the balance and the closing of accounts for approval, where appropriate, in the ordinary General Assembly.

Article 63:
Accounting of the
Association.

1. The Association shall keep accounts according to the Accounting Plan for nonprofit associations and shall file its accounts exclusively according to the usual models therefore provided.

2. The annual accounts shall be accompanied by the management report, which content will be that established in article 262 of the revised text of Capital Companies Law, approved by Royal Legislative Decree 1/2010 of 2 July.

Article 64:
Audit of accounts of
the Association and
approval of annual
accounts.

1. The accounts of the Association shall be audited annually by an external audit firm. Auditors shall be designated by the General Assembly before the end of the financial year to be audited. Auditors shall be hired for a period of time initially determined, that will be no shorter than three years nor longer than nine years from the date in which the first period to be audited starts, and they could be hired for maximum successive periods no longer than three years once the initial time has finished. The General Assembly shall not be able to revoke the auditors before the end of the period they were designated for, unless a justified reason occurs.

2. The Board of Directors shall file the annual accounts and the management report within three months following the close of each financial year. With the same deadline, it will produce the annual transparency report with the content required by law.

Articles of Association

Entidad de Gestión de Derechos de Propiedad Intelectual

Title IV: Economic, Accounting and Documentary Regime.

Title V: Causes of dissolution and destination of the remaining patrimony.



Article 64:
Audit of accounts of the Association and approval of annual accounts.
(cont'd)

3. The annual accounts and the management report, the annual transparency report and the several reports prepared by auditors, according to that provided for in sub-paragraph 2 or article 187.3 and article 189.2 of Intellectual Property Law, shall be made available to the members of the association electronically and at the registered office of the Association, in both cases free of charge, at least fifteen days before the date the general assembly where they should be approved. In the call for the General Assembly, which shall also be announced on the associations web site, such right shall be mentioned.

4. The General Assembly shall approve the annual accounts and the annual transparency report within a deadline of six months from the close of each financial year.

Article 65:
Documentary Regime of the Association.

The documentary regime of the Association shall consist of the Book of Members, the Books of Accounts required by applicable law and the Book of Minutes

Article 66:
Causes of dissolution of the Association.

Title V: Causes of dissolution and destination of the remaining patrimony.

The Association shall be dissolved due to the following reasons:

- 1st. By agreement of the General Assembly of the Association, as provided in these Articles of Association.
- 2nd. For the reasons set out in Article 39 of the Spanish Civil Code.
- 3rd. On a final court decision.

Article 67:
Association's Liquidation Commission.

1. In case of dissolution, the General Assembly shall appoint a Liquidation Commission.

2. Corresponds to the Liquidation Commission:

- a) To ensure the integrity of the patrimony of the Association.
- b) To conclude the outstanding operations and to carry out new actions necessary for the liquidation process.
- c) To collect the credits owed to the Association.
- d) To liquidate the patrimony and pay the creditors. Such patrimony cannot, in any circumstances, be distributed among the members.

Article 68:
Association's Insolvency Proceedings.

In the event of insolvency of Association, the representative body or, where appropriate, the liquidators will have to promote immediately the appropriate insolvency proceedings to the competent judge.

Article 69:
Legal personality of the Association.

The association shall retain its legal personality until the end of the liquidation period.

Article 70:
Destination of the remaining patrimony.

The Liquidation Commission shall decide on the destination of the remaining patrimony, provided there is any. Such destination shall not distort the nonprofit nature of the entity.

Articles of Association

Entidad de Gestión de Derechos de Propiedad Intelectual

Title VI: Interpretation of the Articles of Association and Arbitration and Complaints and Claims Procedure.



Article 71:
Interpretation of the Articles of Association.

The interpretation of these Articles of Association and the resolutions adopted by the bodies of the Association falls in the first instance on the Board of Directors and ultimately on the General Assembly.

Article 72:
Arbitration in law.

In case of disagreement concerning the interpretation or application of these Articles of Association, or any resolution adopted by a body of the Association, the dissenting member or members and the Association hereby agree to submit the resolution dispute to arbitration proceedings, governed by the provisions of Law 60/2003 of 23rd December, of Arbitration, and, where appropriate, of the Internal Arbitration Rules set out in the following Article.

Article 73:
Arbitration Rules.

The Board of Directors may develop Arbitration Rules, which approval corresponds to the General Assembly.

Article 74:
Complaints and Claims Procedure.

1. All members of the Association as well as all rights holders that not being members have entrusted the society with the management of their rights, and even those that hold types of rights managed by the Association even if their management has not been entrusted to the society, shall have the right to make complaints and claims regarding whatever matters related to the society's activities, and in particular to the conditions to acquire or lose membership, whatever aspects related to the management mandate, in particular the authorisation to manage rights and its reversal or withdrawal; and the collection and distribution of rights' revenues, included the deductions or administration fees applied by the society. In addition, collective management organisations (CMOs) abroad with which AGEDI has signed reciprocal representation agreements shall be able to make complaints and claims.

2. Complaints and claims shall be resolved in writing and, when rejected, duly reasoned, by the Complaints and Claims Committee. The resolutions of such body shall have binding force and shall not interfere with any other internal procedure being handled by the society. They shall adopt the form of recommendation, when appropriate, of relief or improvement measures and shall be addressed to the body or service to which the complaint or claim is related, so that it can amend its action or adapt its future operation according to the recommended measures.

3. The General Assembly shall approve the Complaints and Claims Rules in order to develop the procedure by which complaints and claims shall be dealt with and resolved. Such procedure shall involve the steps of presentation, correction, reception, examination and resolution. The regular length of the procedure shall be thirty calendar days for the process and ten days for the resolution, with the possibility of an extension of half the deadline in each of the phases respectively, insofar as objective duly justified reasons concur.

Transitional provision one
[for the declaration, knowledge and management of the situation of conflict of interest by members in relation with the aims and purposes of the Association].

Transitional Provisions.

Within one month immediately after the approval by the General Assembly of the amendment of these Articles of Association, all members of the Association shall present the declaration of conflict of interest referred to in Article 17 letter m) of these Articles of Association. If, once the deadline has passed, those obliged to do it have not submitted the declaration above, the Association shall request them to do it within a complimentary additional deadline of fifteen calendar days. After that last deadline without the requested members having submitted such declaration, they will automatically be suspended in their social rights until the moment they comply with their obligation to provide the abovementioned declaration of conflict of interest.