

## Articles of Association

### Art. 1

#### Company, Founding Associates, Registered office

- 1.1 The Association runs the company

**Gesellschaft zur Verwertung von Leistungsschutzrechten mit beschränkter Haftung (GVL). [Society for the management of neighbouring rights with limited liability (GVL)].**

- 1.2 Founding Associates are the German Orchestra Association e.V. (registered association), Berlin, and the Federal Association of the Music Industry e.V. (registered association), Berlin, (jointly referred to as “**Founding Associates**”). To the extent that interests of Rights Holders are not represented by joining associates, each founding associate, when exercising their associate rights, must observe the interests of all Rights Holders of the category which his members can be allocated to in accordance with para. 2.1.

- 1.3 The society has its registered office in Berlin.

### Art. 2

#### Objective of the Association

- 2.1 The Association's objective is the fiduciary administration of rights and claims arising from the copyright for performing artists and authors of music video clips (jointly referred to as “**Artist Category**”), as well as for producers of sound recordings, producers of audio-visual recordings and event organisers (jointly referred to as “**Producer Category**”), or which have been assigned to event organisers, as well as the respective distribution of the collected revenue to Rights Holders of the artist and producer categories who have entered into a rights administration agreement with the Association (“**Rights Holders**”).
- 2.2 Rights and entitlements of event organisers are only perceived to the extent that they arise from Art. 83 UrhG (German Copyright Act).
- 2.3 The Association shall be obliged, upon request by a Rights Holder, to manage the rights in the type of works or other protected subject matter of his/her choice in territories of his/her choice, if

- 2.3.1 the rights, the works and other protected subject matter as well as the territories are part of the fields of activity of the Association and
- 2.3.2 if there are no objective reasons preventing the Association from doing so.
- 24 The conditions under which the Association manages the rights of the Rights Holder must be reasonable.
- 25 The Association is not profit-making.

**Art. 3**  
**Financial Year**

- 3.1 The Association's financial year shall be a calendar year.
- 3.2 The balance sheet for the past financial year must be presented by 1 July of the following year, unless there is a shorter statutory deadline.

**Art. 4**  
**Equity, Admission of Associates**

- 4.1 The Association's equity amounts to EUR 26,000 (in words: twenty-six thousand Euros) and has been paid in full. It is divided into 26,000 equity shares with serial numbers of the associates' list 1 to 26,000.
- 4.2 Equity shares can only be transferred subject to the Association's consent. This shall also apply to parts of equity shares. In cases relating to para. 4.5, permission is to be granted.
- 4.3 It is possible to become an associate for those entities or persons who
  - 4.3.1 are at least also committed to exhaustively representing the interests of a multitude of Rights Holders of the artist and producer categories in collective management organisations,
  - 4.3.2 represent the interests of 200 or more than half of the Rights Holders of one Group,
  - 4.3.3 represent the interests of Rights Holders who, in the three final distributions made in accordance with the distribution plans preceding the admission application, were assigned at least 5% of the assigned total payment amount allocated to Rights Holders of one category for (i) sound recordings, (ii) audio-visual performances or (iii) productions broadcast on the radio, with the exception of sound recordings.

In the category of artists, this applies with the proviso that at the same time at least 10% is allocated to Rights Holders of one group, and

- 4.3.4 assume the representation of Rights Holders in a non-discriminatory way.
- 4.4 Those who manage interests of remuneration debtors of the Association can only become Associates if the representation of interests exclusively concerns Rights Holders' entitlements of a category in the sense of Art. 2.1 made against Rights Holders of another category in the sense of Art. 2.1.
- 4.5 Those who fulfil the requirements pursuant to para 4.3 to para. 4.4 regarding at least one Rights Holder group and/or category can demand that a founding associate who, pursuant to Art. 1.2 is obliged to respect the interests of the Rights Holders, assigns equity shares at a face value of EUR 1,000 against payment of a nominal fee. Provided that the Rights Holders who are represented by an associate candidate have been allocated more than 1/13 of the assigned payment amount allocated to Rights Holders of one category in the three final distributions made in accordance with the distribution plans preceding the admission application, the associate candidate may, against payment of a nominal fee claim the assignment of further equity shares at a face value of EUR 100 for each additional complete share of 1/130 of the relevant assigned payment volume.
- 4.6 Should the committed Founding Associates as per clause 1 be left with equity shares with a face value of no more than a total of EUR 1,000, the duty to assign shares is replaced by the obligation of all associates to resolve a capital increase to create as many additional equity shares as are required to be able to assign the equity shares due pursuant to para. 4.5, to renounce on their purchase right and to allow the acquisition of the new equity shares by the associate candidate who fulfils the requirements pursuant to para. 4.3 to para. 4.4.
- 4.7 Should an associate terminate their relationship with the Association or should an associate cease to fulfil the requirements pursuant to para. 4.3 to para. 4.4 during a period of three consecutive years, the Founding Associates of the relevant category may demand that the equity shares be returned pursuant to Art. 2.1 against payment of a nominal fee.

**Art. 5**  
**Governing Bodies of the**  
**Association**

The Governing Bodies of the Association are:

- 5.1 the Associates' and Delegates' Assembly as the General Assembly of Members in the sense of the VGG (Act on Collective Management Organisations), which is attended by the delegates,
- 5.2 the delegates,
- 5.3** the group assemblies of the following Rights Holder groups (hereinafter referred to as "**Groups**"):
  - 5.3.1 conductors,
  - 5.3.2 music directors and artistic producers,
  - 5.3.3 instrumental soloists and featured performers (classical music),
  - 5.3.4 instrumental soloists and featured performers (pop music),
  - 5.3.5 solo singers,
  - 5.3.6 broadcasters' orchestras/choirs,
  - 5.3.7 other orchestras,
  - 5.3.8 choir singers and dancers,
  - 5.3.9 studio musicians,
  - 5.3.10 actors,
  - 5.3.11 dubbing actors and artistic performers,
  - 5.3.12 directors (except music directors) and authors of music video clips,
  - 5.3.13 music video clip producers,
  - 5.3.14 event organisers and
  - 5.3.15 producers of sound recordings
- 5.4 the general management and the
- 5.5 supervisory board.

**Art. 6**  
**Associates' and Delegates' Assembly**

- 6.1 The Associates' and Delegates' Assembly takes place jointly and is convened by the Managing Directors at least once a year. The convocation must occur if associates whose equity shares jointly make up at least a tenth of the association's equity, or at least four delegates jointly request this in writing together with an agenda for the assembly.
- 6.2 Invitations for the Associates' and Delegates' Assembly shall be sent to Associates and delegates in text form (Art. 126 b German Civil Code) with a minimum notice period of two weeks, indicating the agenda items as well as the place and time of the meeting. In cases where invitations are dispatched via e-mail, it is sufficient if they are sent to the e-mail address of the associate or delegate last communicated to the Association.
- 6.3 The venue for the Associates' and Delegates' Assembly shall be the registered office of the Association or a place determined via resolution in a preceding assembly.
- 6.4 The Associates' and Delegates' Assembly shall elect a Chairperson among the circle of the delegates elected in the Artist Category for the period ending with the next group assembly, and two deputies from the circle of the delegates elected in the Producer Category, i.e. one deputy for the period until 24 months have lapsed after the group assembly where the delegates were elected, and a second deputy for the remaining period after that until the end of the next group assemblies. The Chairperson shall run the Associates' and Delegates' Assembly, or, if he/she is unable to attend, the acting deputy.
- 6.5 The Associates' Assembly shall pass resolutions on the following, in particular:
- a) the Articles of Association including any changes thereto;
  - b) the annual transparency report;
  - c) the appointment and dismissal of members of the supervisory board;
  - d) the compensation and any other benefits for members of the supervisory board;

- e) the formulation of, amendments and changes to the distribution plans for the rights administered by the Association;
  - f) the use of undistributable income from rights collections;
  - g) the general investment policies relating to the income arising from rights collections;
  - h) the general principles for the deductions of income arising from rights collections including the general principles for deductions to cover the administrative expenses;
  - i) the administration conditions;
  - j) the tariffs;
  - k) the determination of the rights to be managed by the Association;
  - l) the conditions subject to which a Rights Holder may grant the right to anyone to use his works or any other protected subject matter for non-commercial purposes;
  - m) transfers of the competences listed in Art. 17 para. 2 and/or Art. 18 para. 2 VGG to the supervisory board;
  - n) issuance of registration and election regulations for associates', delegates' and group assemblies;
  - o) issuance of procedural rules for the participation in live streams and e-voting during associates', delegates' and group assemblies;
  - p) the members of the complaints committee and their procedural rules,
- and
- q) the place of assembly for future Associates' and Delegates' Assemblies.

6.6 The delegates shall, in line with para. 6.4, and based on resolutions pursuant to para. 6.5 d) to q), based on Art. 7 respectively, participate in a voting capacity, but in any other cases only in an advisory capacity.

- 6.7 The votes allocable to associates and delegates as part of an election or resolution procedure during the Associates' and Delegates' Assembly will be calculated, based on 4,800 votes, as follows:
- 6.7.1 Associates with a voting capacity shall initially be allocated 2,400 votes. Half of these votes is allotted to associates with a voting capacity in the Artist Category, the other half is assigned to associates with a voting capacity in the Producer Category. The number of votes of an associate within a category shall be determined by the ratio between the equity shares held by the associates with a voting capacity and the entirety of equity shares that associates with a voting capacity of this category are entitled to.
- 6.7.2 Delegates with a voting capacity shall initially be allocated 2,400 votes. Half of these votes is allotted to delegates with a voting capacity in the Artist Category, the other half is assigned to delegates with a voting capacity in the Producer Category. The number of votes shall be allocated to delegates with a voting capacity within the Artist Category in equal parts. Within the Producer Category, 10/12 of votes in this category shall be allocated to delegates with a voting capacity within the group of producers of sound recordings, and 1/12 respectively for the music video producer and event organiser groups. Within the group of producers of sound recordings, each delegate has the same voting shares. Should individual delegates of this category be subject to a voting ban, the votes assigned to them shall be allotted to the delegates with a voting capacity of this category in equal proportions.
- 6.7.3 The number of votes pursuant to the preceding provisions shall, where necessary, be rounded up or down to full votes, even if this means that they exceed or fall below the number of votes that associates or delegates are entitled to.
- 6.8 Associates may choose to have a representative exercise their rights in the Associates' Assembly, provided that this representation does not lead to a conflict of interest. A conflict of interest arises in particular when a representative stands in for associates who represent the interests of Rights Holders belonging to different Groups at the same time. A power of attorney to represent an associate at the Associates' and Delegates' Assembly shall only be valid if it is limited to the representation of the associate at an Associates' and Delegates' Assembly.

- 6.9 Associates and delegates may follow the Associates' and Delegates' Assembly via live stream if they have complied with the prevailing application and authentication requirements.
- 6.10 Until the first election of the delegates, the rights of the delegates shall be transitionally perceived by the members elected by the group assemblies into the existing Board, based on the previously valid version of the Articles of Association.

#### **Art. 7**

##### **Resolutions of the Associates and Delegates**

- 7.1 In cases where resolutions and elections in the Associates' and Delegates' Assembly do not require a qualified majority in accordance with the law, they can only be passed with a majority of 60% of the votes cast in each category pursuant to Art. 2.1.
- 7.2 Resolutions of the associates and delegates may be passed outside assemblies or by combined resolutions based on votes cast verbally or in text form (Art. 126b, BGB [German Civil Code]), by phone and/or using any other means of telecommunications or electronic media, if no associate and no delegate with a voting capacity for the respective resolution objects to this type of resolution-making.
- 7.3 In lieu of exercising their voting rights in the Associates' and Delegates' Assembly, associates and delegates may exercise their voting rights in relation to the election nominations and resolution proposals announced in the agenda by way of electronic communication ("e-voting") if they have complied with the prevailing application and authentication requirements, where applicable. Associates who have arranged to be represented in the Associates' Assembly or who are representing another member, cannot exercise their voting right via e-voting. Exercising one's voting right via e-voting is non-transferable and irrevocable.
- 7.4 In the case of resolutions pursuant to Art. 6.5 e) and i) - k), only such associates shall have a voting capacity if, in accordance with their Articles or in line with Art. 1.2, they have to represent or respect the interests of Rights Holders who are directly affected by the resolution in question, and only such delegates [shall have a voting capacity] who have been assigned rights and entitlements or who represent Rights Holders who hold rights and entitlements, who are directly affected by the resolution in question.

- 7.5 The invalidity of elections and resolutions of the Associates' and Delegates' Assembly can only be asserted by way of appeal against the Association; such appeals must be lodged within six weeks after the respective resolution has been made. It may not be made on the grounds of
- 751 a rights infringement which were managed electronically as a result of a technical fault, unless the Association can be accused of gross negligence or intent;
  - 752 an infringement of procedural rules, provided that the infringement has not affected the resolution.

**Art. 8**  
**Group Assemblies**

- 8.1 Rights Holders may, provided that they have proved their adherence to a Group, take part in the respective group assemblies. In cases where a Rights Holder may be allocated to more than one Group, he/she shall belong to the group assembly which he/she is assigned to, based on his/her main activity, if he/she has - upon request by GVL - provided evidence for his/her main activity. In cases where a Rights Holder has more than one main activity, he/she may adhere to up to two group assemblies. In such cases, the Rights Holder shall make a binding declaration upon registration that and in how many group assemblies he/she will participate.
- 8.2 The group assemblies shall be convened in text form (Art. 126b BGB) by the general management at least every four years subject to a notice of a minimum of five weeks, indicating the agenda items as well as the place and time of the meeting. The deadline shall commence on the day the invitation has been posted. The day the deadline commences and the day of the assembly shall not be counted when determining the deadline. In order for the convocation to be valid, it is sufficient to post the invitation to the address last communicated by the respective Rights Holder [to the Association]. In cases where the invitations are dispatched via e-mail, it is sufficient to send them to the e-mail address last communicated by the Rights Holder [to the Association].
- 8.3 Time and place of the group assemblies shall be announced by the general management two months before the assembly, indicating the agenda items on the Association's website. Adherence to this deadline shall not constitute a condition for the validity of the resolutions taken by the Rights Holders. Group assemblies can be run jointly.
- 8.4 A Rights Holder may choose to be represented at a group assembly by only one other Rights Holder based on a written power of attorney regarding the casting

of votes. A Rights Holder may only represent a maximum of five other Rights Holders. The Association must be informed of the representation of a Rights Holder [by another Rights Holder] before the start of the group assembly at the latest.

- 8.5 The invalidity of elections and resolutions of the group assemblies can only be asserted by way of appeal against the Association; such appeals must be lodged within six weeks after the respective resolution has been made. It may not be made on grounds of an infringement of procedural rules, provided that the infringement has not affected the resolution.

#### **Art. 9**

##### **Election of Delegates and Alternate Delegates**

- 9.1 Rights Holders shall elect one delegate and one alternate delegate in the group assemblies to which they belong; Rights Holders of the Group of producers of sound recordings shall elect eight delegates and eight alternate delegates. Re-election of delegates and alternate delegates shall be permitted. Delegates and alternate delegates shall be in office until their successors have been elected in a subsequent group assembly.
- 9.2 General management shall determine one or several election official(s) who shall be in charge of the election of delegates and alternate delegates.
- 9.3 Votes are cast in the group assemblies of the Artist Category on a per capita basis; in the group assemblies of the Producer Category, each Rights Holder shall be entitled to one vote per part of EUR 100 on the average of the total assigned payments from the Association in the four calendar years prior to the group assembly.
- 9.4 Delegates and alternate delegates shall be elected in the respective group assemblies in a secret and equal election following the summons by the election official and nomination of the candidates. Whoever receives the majority of votes shall be deemed as elected (relative majority). In cases of a tied vote, a run-off vote shall take place; should this procedure lead to another tied vote, the lots drawn by the election official shall determine the vote. The two candidates with the largest number of votes, and (in the case of the election of two delegates in one voting process), the second largest number of votes shall be deemed as elected. Alternate delegates shall be persons with the next higher number of votes provided that they have not been elected as delegates in another group assembly.
- 9.5 The following shall have the right to stand for election ("passive voting right") subject to the limitations in paragraphs 9.6 to 9.8

- 9.5.1 In the group assemblies of the Artist Category: Rights Holders who belong to the respective group assembly,
- 9.5.2 In the group assemblies of the Producer Category: Owners, associates, board members, managing directors, authorised company officers or employees holding a power of attorney of Rights Holders ("**Representatives of Rights Holders**") who belong to the respective group assembly.
- 9.6 In the Group of the producers of sound recordings, eight delegates and alternate delegates shall be elected in at least three separate voting processes for the election of two delegates and alternate delegates each, and two further voting processes for the election of one delegate and alternate delegate each. Once two delegates have been elected who are representatives of the same Rights Holder or Representatives of Rights Holders which are entities linked to one another in the sense of Art. 15 ff. AktG [German Companies Act], additional representatives of such Rights Holders or Representatives of Rights Holders who are entities linked to such Rights Holders may no longer be elected. The same shall apply for the election of alternate delegates. In the final election process, only Representatives of Rights Holders may be elected who, pursuant to para. 9.3., are not entitled to more than 500 votes.
- 9.7 Representatives of Rights Holders with whom the Association has concluded usage agreements for the broadcast of commercially published sound recordings, or who are legally and economically dependable on such Rights Holders, may not be elected as delegates or alternate delegates.
- 9.8 Only those can be elected as delegates or alternate delegates who have communicated their candidacy to the General Management of the Association at least two weeks prior to the group assembly; such a declaration shall be accompanied by a written introduction of the candidate for publication of the candidacy by the Association.
- 9.9 The election result shall be announced by the election official. In case the elected person does not accept the election, the voting process shall be repeated within the group assembly.
- 9.10 If a delegate resigns or if the prerequisites pursuant to para. 9.5 cease to exist, or if the conditions pursuant to para. 9.7 occur, the delegate shall cease to hold office. In such cases, the respective alternate delegates shall deem to be appointed to exercise the functions of the delegate for the remainder of the office term of the delegate. Should several alternate delegates come into consideration, they shall be deemed to be appointed for taking on the delegate's office in line with the sequence of the voting results they achieved. Alternate delegates shall not be entitled to represent delegates in office.

- 9.11 Delegates shall hold their office on a voluntary basis. They shall receive expenses for their participation in the Associates' and Delegates' Assembly in the form of travel expenses, per diem expenses as permitted by the maximum rates governed by tax law and flat-rate allowances.

**Art. 10**  
**General Management**

- 10.1 In compliance with the purpose of the Association as set out in these Articles of Association, its general management shall be established in such a manner that the Association will not make any profit.
- 10.2 The Association shall be represented jointly by two managing directors or by one managing director together with an authorised signatory.
- 10.3 Managing directors may, by resolution of the supervisory board, be granted sole representation authority and/or exemption from the limitations of Art. 181 BGB.
- 10.4 The managing directors shall present a personal declaration to the Associates' and Delegates' Assembly with the following contents once a year:
- 1041 The shares they hold in the collective management organisation,
  - 1042 the levels of their salary or any other payments which they drew from the collective management organisation in the past financial year,
  - 1043 the levels of the sums which they received as Rights Holders from the collective management organisation in the past financial year, and
  - 1044 the type and scope of an actual or potential conflict between their personal interests and the interests of collective management organisations or between their duties vis-a-vis the collective management organisation and their duties vis-a-vis another natural person or legal entity.
- 10.5 A set of procedural rules to be adopted by the supervisory board shall apply to the general management.

**Art. 11**  
**Supervisory Board**

- 11.1 The Association shall have a supervisory board consisting of two members. One member of the supervisory board shall, respectively, be freely chosen by the

associates of a category in line with Art. 2.1. Members of the supervisory board shall remain in office until their successors have been elected. The Chairperson of the Associates' and Delegates' Assembly and his/her deputy in office shall be admitted by resolution to participate in the meetings of the supervisory board as guests (without a voting capacity).

- 11.2 Members of the supervisory board shall hold their office on a voluntary basis. They shall receive expenses for their participation in meetings in the form of travel expenses, per diem expenses as permitted by the maximum rates governed by tax law and flat-rate allowances.
- 11.3 The supervisory board shall monitor the activities of the general management. It shall be responsible for:
  - 11.3.1 Appointment and dismissal of the managing directors, definition of their authorisation to represent the Association, conclusion of employment contracts, as well as the adoption of procedural rules for the general management;
  - 11.3.2 appointment and dismissal of the auditors;
  - 11.3.3 decision on mergers and alliances involving the collective management organisation, foundation of subsidiaries, takeovers of other organisations and acquisitions of shares, holdings and rights in other organisations by the collective management organisations;
  - 11.3.4 adoption of principles pertaining to risk management;
  - 11.3.5 acquisition, sale and mortgaging of immovable assets;
  - 11.3.6 taking up and granting loans as well as issuing loan securities and
  - 11.3.7 Entering into, determining the contents and terminating representation agreements (Art. 44 VGG).
- 11.4 The supervisory board shall meet on a regular basis and shall report to the Associates' and Delegates' Assembly at least once a year on its activities. Art. 10.4 shall apply mutatis mutandis to the members of the supervisory board.
- 11.5 Art. 52 GmbHG [German Limited Liability Companies Act] and the provisions therein relating to shareholder legislation shall not apply to the supervisory board.
- 11.6 Liability of the supervisory board members shall be limited to [acts of] intent and gross negligence.

- 11.7 The associates may adopt procedural rules for the supervisory board via associates' resolution.

**Art. 12**  
**Committees**

- 12.1 The Associates' and Delegates' Assemblies may set up committees of Rights Holders, Rights Holder representatives and delegates in order to prepare their resolutions.
- 12.2 The Associates' and Delegates' Assemblies shall appoint five Rights Holders, Rights Holder representatives or delegates as members of a complaints committee which shall decide on complaints
- a) regarding admission and rights requirements of associates;
  - b) regarding the start or end or the rights management or the revocation of rights;
  - c) regarding the administration conditions;
  - d) regarding the collection, administration and distribution of the revenue from the respective rights;
  - e) regarding the deductions from the collections from the respective rights, if the general management has not remedied such complaints.
- 12.3 The complaints committee can only be appealed to within four weeks from the receipt of the decision in dispute. If a party entitled to an appeal has missed the deadline through no fault of their own, they have the right to be reinstated into their status quo ante upon application. The application must be filed within a two week deadline once the hindrance has been removed. It is not possible to appeal for reinstatement into a status quo ante once a year has lapsed counted from the end of the missed deadline.
- 12.4 The complaints committee shall adopt a decision within six months. Legal action cannot be taken until the complaints committee has made a decision or once six months have passed since the appeal. Further details can be determined in the procedural rules of the complaints committee.

**Art. 13**  
**Grants**

- 13.1 Collected revenues, interest accumulated on monies invested until the time of their distribution and any other proceeds including earnings from extraordinary items shall, after deduction of necessary administration costs, be paid out to the respective Rights Holders pursuant to the distribution regulations.
- 13.2 Up to 5% of the revenue available for distribution may be used for cultural, politico-cultural and social purposes.

**Art. 14**  
**Publications and**  
**Notifications**

Publications made by the Association shall appear in the "Bundesanzeiger" [German Federal Gazette].

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This document is a free translation into English of the document originally issued in the official language, German. The translation is provided solely for the convenience of English speakers. In the event of a discrepancy between the English translation and the German version, the version in the official language shall prevail.