

# Articles of Association

## Article 1

### Company, Founding Shareholders, 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 Shareholders are the Deutsche Orchestervereinigung e.V. [German Orchestra Association, registered association], Berlin, and the Bundesverband Musikindustrie e.V. [Federal Association of the Music Industry, registered association], Berlin, (jointly referred to as "Founding Shareholders"). To the extent that interests of Rights Holders are not represented by joining shareholders, each Founding Shareholder shall, when exercising their shareholder rights, observe the interests of all Rights Holders of the category to which his members can be assigned within the meaning of Article 2.1.

1.3 The society has its registered office in Berlin.

## Article 2

### Objective of the Association

2.1 The Association's objective is the fiduciary administration of rights and entitlements arising from the copyright for performing artists and authors of music video clips (jointly referred to as "Performer 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 performer 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 Section 83 UrhG [German Copyright Act].

2.3 Upon request by a Rights Holder, the Association shall be obliged to manage the rights of his/her choice in the type of works or other protected subject matter 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.

2.4 The conditions under which the Association manages the rights of the Rights Holders must be reasonable.

2.5 The Association is not profit-making.

## **Article 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.

## **Article 4**

### **Equity, Admission of shareholders**

- 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 shareholders list from 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 of Article 4.5, approval shall be granted.
- 4.3 It is possible to become a shareholder for entities and persons who
- 4.3.1 are at least also committed to exhaustively representing the interests of a multitude of Rights Holders of the performer and producer categories in collective management organisations,
  - 4.3.2 represent the interests of at least 200 or more than half of rights holders 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 Performer Category, 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 take over 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 Shareholders if the representation of interests exclusively concerns Rights Holders' entitlements of a category within the meaning of Article 2.1 made against Rights Holders of another category within the meaning of Article 2.1.
- 4.5 Those who fulfil the requirements pursuant to Article 4.3 to Article 4.4 regarding at least one Rights Holder group and/or category can demand that a Founding Shareholder who, pursuant to Article 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 a Shareholder candidate have been allocated more than 1/13 of the allocated payment amount within one category in the three final distributions made in accordance with the distribution plans preceding the admission application, the Shareholder 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 payment volume.
- 4.6 Should the Founding Shareholders obligated under 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 Shareholders 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 Article 4.5, to renounce on their purchase right and to allow the acquisition of the new equity shares by the Shareholder candidate who fulfils the requirements pursuant to Article 4.3 to Article 4.4.

4.7 Should a Shareholder terminate their relationship with the Association or should a Shareholder cease to fulfil the requirements pursuant to Article 4.3 to Article 4.4 during a period of three consecutive years, the Founding Shareholders of the relevant category may demand that the equity shares are returned pursuant to Article 2.1 against payment of a nominal fee.

## **Article 5**

### **Governing Bodies of the Association**

The Governing Bodies of the Association are:

5.1 The Assembly of Shareholders and Delegates 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 ("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 concert and theatre 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 body.

## Article 6

### Assembly of Shareholders and Delegates

6.1 The Assembly of Shareholders and Delegates takes place jointly and is convened by the Managing Directors at least once a year. The convocation must occur if Shareholders 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 Assembly of Shareholders and Delegates shall be sent to Shareholders and Delegates in text form (Section 126 b of the BGB [German Civil Code]) with a minimum notice period of two weeks, indicating the agenda items, the form of the meeting (Article 6.3), the place and, where applicable, the technical requirements for a virtual participation and for the live stream transmission if it is approved by the supervisory body upon suggestion by the general management, the time of the meeting and, where applicable, special registration, participation and voting requirements and procedures. In cases where invitations are dispatched via e-mail, it is sufficient that they are sent to the e-mail address of the Shareholder or Delegate, as last communicated to the Association.

6.3 The venue for the Assembly of Shareholders and Delegates shall be the registered office of the Association or a place determined via resolution in a preceding assembly. If specified in the invitation, the Shareholders and Delegates may attend on site ("**on-site meeting**"). Assembly of Shareholders and Delegates may also be held without the presence of the Shareholders and Delegates or their representatives on site in such a way that the chairman of the meeting and, if required by law, a notary public, hold them and the Shareholders and Delegates or their representatives join electronically (in particular by way of an online audiovisual connection or a telephone conference, "**virtual meeting**") after fulfilling registration and authentication requirements. Upon suggestion by the general management, the supervisory body can decide that the Assembly of Shareholders and Delegates takes place as an on-site meeting or a virtual meeting, provided that, in the case of a combined or virtual meeting

- a) there is at least an audio transmission of the entire assembly and
- b) it is possible that the Shareholders and the Delegates (where applicable, their representatives) exercise their voting rights and their other rights (right to speak, right to obtain information, right to propose resolutions and right to object) by electronic communication during the meeting.

6.4 The Assembly of Shareholders and Delegates shall elect a Chairperson among the circle of delegates elected in the Performer Category for the period ending with the next group, 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 Assembly of Shareholders and Delegates, or, if he/she is unable to attend, the acting deputy.

6.5 The Assembly of Shareholders and Delegates shall, in particular, pass resolutions on

- a) the Articles of Association including any changes thereto;
- b) the annual transparency report;
- c) the appointment and dismissal of members of the supervisory body;
- d) the compensation and any other benefits for members of the supervisory body;

- 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 management and perception conditions;
- j) the tariffs;
- k) the determination of the rights to be managed and perceived 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 Section 17 (2) and/or Section 18 (2) VGG [Collecting Societies' Act] to the supervisory body;
- n) issuance of registration and election rules for the Assemblies of Shareholders and Delegates and for group assemblies;
- o) issuance of procedural rules for live stream transmissions, e-voting and (combined) virtual Assemblies of Shareholders and Delegates and for group assemblies;
- p) the members of the complaints committee and their procedural rules,
- q) the place of assembly for future Assemblies of Shareholders and Delegates and
- r) the type of implementation of group assemblies (on-site, virtual or combined assembly).

6.6 Delegates shall, in line with Article 6.4, and based on resolutions pursuant to Article 6.5 d) to q), under the terms of Article 7 respectively, participate in a voting capacity, but in any other cases only in an advisory capacity.

#### 6.7

The votes allocable to Shareholders and Delegates as part of an election or resolution procedure during the Assembly of Shareholders and Delegates will be calculated, based on 4,800 votes, as follows:

6.7.1 Shareholders with a voting capacity shall initially be allotted 2,400 votes. One half of these votes shall be allotted to Shareholders with a voting capacity in the Performer Category, the other half is assigned to Shareholders with a voting capacity in the Producer Category. The number of votes of a shareholder within a category shall be determined by the ratio between the equity shares held by the shareholders with a voting capacity and the entirety of equity shares that shareholders 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 Performer 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 Performer 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 Shareholders or Delegates are entitled to.

6.8 Shareholders may choose to have a representative exercise their rights in the Assembly of Shareholders, 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 shareholders who represent the interests of Rights Holders belonging to different groups at the same time. A power of attorney to represent a shareholder at the Assembly of Shareholders and Delegates shall only be valid if it is limited to the representation of the shareholder at an Assembly of Shareholders and Delegates.

6.9 Shareholders and Delegates may follow the Assembly of Shareholders and Delegates via live stream if they have complied with the prevailing application and authentication requirements.

6.10 Until the first election of 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.

## **Article 7**

### **Resolutions of the Shareholders and Delegates**

7.1 In cases where resolutions and elections in the Assembly of Shareholders and Delegates 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 Article 2.1.

7.2 Resolutions of the Shareholders and Delegates may be passed outside on-site assemblies and (combined) virtual assemblies by votes cast verbally, votes cast in text form (Section 126b, BGB [German Civil Code]), by phone and/or using any other means of telecommunications or electronic media,

7.2.1 provided that no Shareholder and no Delegate with a voting capacity for the respective resolution objects to this type of resolution-making, or.

7.2.2 provided that (i) the subject of the resolution has been announced to the Shareholders and the Delegates with a voting capacity in text form and (ii) the period set for casting the votes is no less than two weeks and (iii) not more than one Shareholder or two of the Delegates with a voting capacity on the respective resolution have objected to the procedure.

7.3 In lieu of exercising their voting rights in the Assembly of Shareholders and Delegates, Shareholders and Delegates may exercise their voting rights in relation to the election and, where 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. Casting a vote by way of e-voting is irrevocable.

7.4 In the case of resolutions pursuant to Article 6.5 e), f) and i) - k), only such Shareholders shall have a voting capacity if, in accordance with their Articles of Association or in line with Article 1.2 above, 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 A combination of the admissible forms pursuant to these Articles of Association regarding the casting of votes shall be permitted.

7.6 Once a resolution has been passed, the chairman of the meeting shall prepare minutes stating the result of the vote. The minutes shall be taken for evidentiary purposes only, not as a condition for validity. A copy of the minutes shall be sent to each Shareholder and Delegate (a copy to the e-mail address of the Shareholder or Delegate last communicated to the Association shall suffice).

7.7 The invalidity of elections and resolutions of the Assembly of Shareholders and Delegates 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

7.7.1 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;

7.7.2 an infringement of procedural rules, provided that the infringement has not affected the resolution.

## Article 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 (“**on-site group assembly**”) or without being present in person on site (“**virtual group assembly**”) respectively in a group assembly in combined form as an on-site and a virtual group assembly. 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 groups he/she will participate.

8.2 Rights Holders shall be invited to the group assemblies at least every four years by the general management in text form (Section 126 b BGB) subject to a notice of a minimum of five weeks, indicating the agenda items, the form of the meeting (Article 8.1), the place or the technical requirements for the virtual participation, the time of the assembly and, where applicable, any special registration, participation and voting requirements and procedures. The period shall commence on the day the invitation has been posted respectively the day the invitations have been sent by e-mail. The day the period commences and the day of the assembly shall not be counted when determining the period. 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. 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 The general management shall determine one or several election official(s) who shall be in charge of the election of Delegates and alternate Delegates.

8.4 Virtual group assemblies may be attended electronically by the Rights Holders or their representatives (in particular by way of an online audiovisual connection or a telephone conference) after fulfilling registration and authentication requirements. The Assembly of Shareholders and Delegates shall decide on the form of the group assembly (as a presence group assembly or virtual group assembly or group assembly in combined form as presence and virtual group assembly) upon proposal by the general management. In the case of a (combined) virtual group assembly,

- a) there must be at least an audio transmission of the entire assembly and
- b) it must be possible that Shareholders and Delegates (where applicable, their representatives) exercise their voting rights and their other rights (right to speak, right to obtain information, right to propose resolutions and right to object) by electronic communication during the meeting.

8.5 Time and form of the group assemblies and, where applicable, the location in the case of on-site 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 period shall not constitute a condition for the validity of the resolutions taken by the Rights Holders. Group assemblies can be run jointly.

8.6 Shareholders and Delegates may follow the Assembly of Shareholders and Delegates via live stream if they have complied with the prevailing registration and authentication requirements.

8.7 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 representation of a Rights Holder [by another Rights Holder] under the terms of the registration, participation and voting conditions and procedures contained in the invitation pursuant to Article 8.2 must be notified and evidenced to the Association.

8.8 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.

## **Article 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 In lieu of exercising their voting rights in the group assemblies, Rights Holders may exercise their voting rights in relation to the election 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. The general management has the authority to decide that the elections are carried out entirely or in part prior to the group assemblies. Casting a vote by way of e-voting is irrevocable.

9.3 A combination of the admissible forms pursuant to these Articles of Association shall be permitted regarding the casting of votes in the group assemblies.

9.4 Votes in the group assemblies of the Performer Category are cast 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 average by way of total payments allocated by the Association in the four calendar years prior to the group assembly.

9.5 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 elect-ed (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 are those with the next highest number of votes.

9.6 The following shall have the right to stand for election subject to the limitations in Articles 9.7 to 9.9;

9.6.1 in the group assemblies of the Performer Category: Rights Holders who belong to the respective group assembly and are not legal successors, especially not heirs,

9.6.2 In the group assemblies of the Producer Category: Owners, shareholders, 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.

Rights Holders can only stand for election in one group assembly of the groups pursuant to Articles 5.3.1 to 5.3.15; this shall also apply in cases wherever the groups can be allocated to different categories.

9.7 In the group of the producers of sound recordings, eight delegates and alternate delegates shall be elected in at least three separate ballots 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 Section 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. Only representatives of Rights Holders who, pursuant to Article 9.3, are entitled to no more than 500 votes can stand for election in the final ballot.

9.8 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.

9.9 Only those can be elected as delegates or alternate delegates who have communicated their candidature to the general management of the Association at least two weeks prior to the

group assembly in text form; such a declaration shall be accompanied by a written or audiovisual introduction of the candidate for publication of the candidature by the Association.

9.10 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.

9.11 If a delegate resigns or if the prerequisites pursuant to Article 9.6 cease to exist, or if the conditions pursuant to Article 9.8 occur, the delegate shall cease to hold office. In such cases, the respective alternate delegates shall be deemed to have been appointed to exercise the functions of the delegate for the remainder of the office term of the delegate. Should several alternate delegates be eligible, they shall be deemed to have been 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.

9.12 Delegates shall hold their office on a voluntary basis. For their participation the Assembly of Shareholders and Delegates, they shall receive travel expenses, per diem expenses as permitted by the maximum rates governed by tax law and flat-rate allowances.

## **Article 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 by two Managing Directors or by one Managing Director with a Prokurist [executive holding a special statutory authority].

10.3 The Managing Directors may, by resolution of the supervisory body, be granted sole representation authority and/or exemption from the limitations of Section 181 BGB.

10.4 The Managing Directors shall present a personal declaration to the Assembly of Shareholders and Delegates with the following contents once a year:

10.4.1 their shares in the collective management organisation/music licensing company,

10.4.2 the levels of their salary or any other payments which they drew from the collective management organisation/music licensing company in the past financial year,

10.4.3 the levels of the sums which they received as Rights Holders from the collective management organisation/music licensing company in the past financial year, and

10.4.4 the type and scope of an actual or potential conflict between their personal interests and the interests of the collective management organisation/music licensing company or between their duties vis-a-vis the collective management organisation/music licensing company and their duties vis-a-vis another natural person or legal entity.

10.5 The general management shall be subject to a set of procedural rules to be adopted by the supervisory body.

## **Article 11**

### **Supervisory Body**

11.1 The Association has a supervisory body which consists of two members. One member of the supervisory body, respectively, be freely chosen by the shareholders of a category in line with Article 2.1. Members of the supervisory body shall remain in office until their successors have been elected. The Chairperson of the Assembly of Shareholders and Delegates and his/her deputy in office shall be admitted by resolution to participate in the meetings of the supervisory body as guests (without a voting resolution).

11.2 Members of the supervisory body 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 body 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/music licensing company, foundation of subsidiaries, takeovers of other organisations and acquisitions of shares, holdings and rights in other organisations by the collective management organisation/music licensing company;

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 (Section 44 VGG).

11.4 The supervisory body shall meet on a regular basis and shall report to the Assembly of Shareholders and Delegates at least once a year on its activities. Article 10.4 shall apply mutatis mutandis to the members of the supervisory body.

11.5 Section 52 GmbHG [German Limited Liability Companies Act] and the provisions therein relating to shareholder legislation shall not apply to the supervisory body.

11.6 Liability of the supervisory body members shall be limited to [acts of] intent and gross negligence.

11.7 The shareholders may adopt procedural rules for the supervisory body via a resolution of the shareholders.

## **Article 12**

### **Committees**

12.1 In order to prepare their resolutions, the Assembly of Shareholders and Delegates may set up committees of Rights Holders, Rights Holder representatives and Delegates.

12.2 The Assemblies of Shareholders and Delegates 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 shareholders;
- b) regarding the start or end or the rights management or the revocation of rights;
- c) regarding the management and perception conditions;
- d) regarding the collection, management and distribution of income from the respective rights;
- e) regarding the deductions from the collections from the respective rights,

if 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.

## **Article 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.

## **Article 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.**

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