

STATUTE

CHAPTER A

ESTABLISHMENT - NAME - REGISTERED OFFICE - PURPOSE - DURATION - CAPITAL

Article 1

1. The Collective Management Organization under establishment is a Civil Non Profit Company, with legal personality, in accordance with Article 784 of the Civil Code and Article 54 et seq. of Law 2121/1993.
2. It shall be governed by the provisions of this, the provisions concerning companies of the Civil Code and of Law 4072/2012, to the extent not provided for deviation from them by this statute. The provisions hereof, to the extent and degree which they modify the 7th July 2010 statute, which was published in the Athens Court of First Instance company books, with serial number 12683/2010, are not retroactive.

Article 2

The name of the Organization is: "**ORGANIZATION FOR COLLECTIVE MANAGEMENT AND PROTECTION OF RIGHTS OF PHONOGRAM AND VIDEOGRAM PRODUCERS**". In its foreign relations, the Organization shall use the name: "**HELLENIC COLLECTING AND ADMINISTRATING SOCIETY OF THE RIGHTS OF PHONOGRAM AND VIDEOGRAM PRODUCERS**". The Organization will also use the trade name in Roman characters "**GRAMMO**" in its dealings both internally as well as abroad.

Article 3

1. The registered seat of the organization is in the Municipality of Filothei - Psychiko Attica and corporate branch located at Mesogeion Av., No. 231 and Dimokratias street.
2. By decision of the Board of Directors, the registered seat and the corporate branch may be changed. If the change does not entail the transfer of the seat of the organization outside Attica, the change does not constitute an amendment of the statutes.

Article 4

The purpose of the organization is:

1. Both for Greece, Cyprus, as well as abroad, to conclude contracts with users to the operating conditions of the works of its members, as well as the fee due, as well as any other rights of its members in regards to negotiation, management, protection and collection of fees, to receive remuneration and to distribute among its members.
2. To receive the fee provided for by Articles 18 para. 3 and 49 para. 1 of Law 2121/1993 and to distribute it among its members.
3. To proceed in any administrative or judicial or extrajudicial action in legal protection of the rights of its members or licensees and in particular to submit applications for interim

measures, to bring actions to exercise legal remedies, to submit indictments and lawsuits as civil plaintiff, request prohibition of acts that offend the right as to the powers conferred and carry out foreclosures.

4. To receive by users all information necessary for the collection and distribution of collected amounts.
5. To act in partnership between the Public Authority, or in accordance with the procedure of art. 64 of Law 2121/1993, the necessary controls in shops selling or renting or lending copies or presentation to the public of protected works, to verify if these acts offend or not the rights of its members.
6. To represent in Greece, according to the principle of reciprocity or independently of it, pursuant to the principle of territoriality enshrined in Article 8 of Regulation 864/2007 (Rome II), foreign bodies or management companies or protection or management and protection of foreign producers of sound recordings or audio and video and exercise in Greece on behalf of their members the same rights exercised for its members.
7. To exercise, after relevant order and authorization, the same powers exercised by the members on behalf of other management bodies established under the provisions of Law 2121/1993 or on behalf of foreign producers of sound or sound and image.
8. To establish with other administrative bodies or collecting bodies, insofar as provided for in the Law 2121/1993 or other laws single collecting society of any legal form for the collection and distribution of such rights. And,
9. Within the limits defined in the above, under 1. to 8 goals, to proceed to intra-Community transactions.

Article 5

The duration of the Society ends 31st December **year TWO THOUSAND THIRTY** (31/12/2030), unless previously extended under the provisions hereof.

Article 6

The capital of the Agency shall be eight thousand eight hundred and four and eleven cents (8,804.11 €). Paid in full by the founders in the Agency's fund as specified below in Article 22 hereof.

CHAPTER B

MEMBERS - RIGHTS AND OBLIGATIONS

Article 7

1. The society's members are divided into partners (regular members) and non-partners (temporary members).

2. Subject to a decision by the General Meeting of partners, the partners are those natural or legal persons that operate in the Greek territory, and / or abroad an *active* in accordance with Art. 9, para. 1, subpara. 1.1 hereof, undertaking of sound recordings producer or sound and image, or special, general or universal successors of an enterprise in the production of sound recordings or sound and image, as the concept of sound recordings producer or sound and image is defined, respectively, in art. 47, para. 3(a) and (b) of Law 2121/1993.
3. Subject to a decision by the Administrative Board of the Organization and the conclusion of the agreement, temporary members are natural or legal persons fulfilling the conditions of paragraph 2 of this article, but do not wish to become partners or the General Meeting of partners rejected admission in the company as such, or do not operate an active under Art. 9, para. 1, subpara. 1.1 hereof, undertaking of sound recordings producer or sound and image.

Article 8

1. The partners confer to the Organization the management and / or protection of their rights and powers deriving therefrom, with fiduciary transfer of those rights and the relevant powers to the Organization (concession agreement with fiduciary transfer).
2. The temporary members shall entrust to the Organization the management and / or protection of their rights or of the individual powers arising therefrom, under power of attorney (concession agreement and power of attorney).
3. Strictly prohibited in any way is the transfer of the contractual relationship under the concession agreement. Similarly, the assignment of monetary claims of the member against the Organization arising from the concession agreement.

Article 9

1. The conditions for the admission of a natural or legal person as partner (member) of the Organization are:
 - 1.1. Exercise *active* business than those referred to in Article 7 para. 1 of this at the time of application on his recruitment as a partner. As exercise active business means:**[a.]** recording and marketing to the public in any format (analog or digital) sixty (60) at least recordings on the submission date of the application shown below, or **[b.]** management / exploitation of sixty (60) at least recordings, directory and / or new, domestic and / or foreign repertoire, on the submission date of the application shown below. Same applies to the admission of specific, universal and semi-universal successor of sound recordings production or audio and video. For the admission of persons of the preceding paragraph, as long as their predecessor meets one of the two above under [a.] and [b.] conditions.

admission as temporary member to the Organization is rejected, recourse is possible to the first General Meeting, ordinary or temporary, of the Organization's partners which decides definitively, with the usual quorum and majority decisions are taken by the General Meeting, as defined in Article 20 hereof. The applicant is invited to the session of the General Meeting to exercise its right to be heard.

- 2.7. A condition for the activation of the above decision is the payment of the amount of registration, and any annual levy each time defined by the Board of the Organization.

Article 10

1. The partners of the Organization have a right to participate in discussions and votes of the General Meeting with voting rights and participate in the Organization's activities through committees to be appointed, on specific issues, by the Board of Directors.
2. Since the export of the percentage participation of each partner in the turnover of all partners is necessary to determine the number of votes at the General Meeting, any partner, who does not timely provide the auditing firm of Article 17 para. 6 hereof the required information to export the above percentage participation is not counted for quorum and majority of general meetings and loses the right to vote on them.
3. Partners and temporary members are required to assist in fulfilling the objectives of the Organization in accordance with the provisions of this Statute, not directed against the objectives and to not hinder the implementation of decisions of the Board. Also required to pay the regular annual contribution to be established by the Board of Directors.
4. Besides the above, the partners and temporary members have any rights and obligations provided by this Statute and the Distribution Regulation.
5. Temporary members have no voting rights but are entitled to express their opinions at the sessions of the General Meeting, attending these, either self-invited, or after invitation. Failure to invite them does not affect the validity of the General Meeting.

Article 11

1. A temporary member of the Organization automatically loses his capacity as such, as and when: [a.] cease to exist in his person the requirements of Art. 7, para. 3 hereof, or [b.] expiration or termination of the concession agreement, in any manner and for any reason.
2. Any decision of the Board on loss of the capacity of the temporary member has no constitutive, but only declaratory character.

Article 12

1. The Board is entitled by a reasoned decision, to delete a temporary member: [a.] if the activity of the member is against the objectives of the Organization, or [b.] not fulfill the obli-

gations as specified in paragraph 3 of Article 10 hereof. It is understood that the deletion results in the automatic termination of the concession agreement.

2. The judgment of the Board for the deletion, can be contested in the first, Ordinary or Extraordinary General Meeting of partners. The appeal suspends the effect of the decision of the Board, until the adoption of the relevant decision of the General Meeting. The applicant shall be invited, but does not vote at the meeting of the General Meeting to exercise its right to be heard. The Meeting shall decide by simple quorum and majority laid down in Article 20 hereof.

CHAPTER C

RESOURCES OF THE ORGANIZATION

Article 13

The Organization's resources are:

1. The single registration fee of regular and temporary members, which is the same for each category of beneficiaries and any annual fee, to be determined each time by decision of the Board.
2. Percentage of revenue of the Organization, which retains it to cover the management costs and other expenses related directly or indirectly to the fulfillment of its statutory purposes. This percentage will be determined on each occasion by the Board uniformly for a certain category of beneficiaries and for each operating mode.

CHAPTER D

BODIES OF THE ORGANIZATION

A. - BOARD OF DIRECTORS

Article 14

1. The Organization is managed by a seven member Board of Directors, composed of natural persons, elected by the General Meeting for a term of three (3) years.
2. Nomination for the position of Director is submitted by the person who is a regular member of the Organization or part of the Board, or, de jure or de facto member of the Organization's management. Each regular member of the Organization shall be entitled to appoint as candidate only one (1) natural person.
3. **[a.] Partner natural person:** If a Director ceases for any reason to be a partner of the Organization, he/she shall automatically cease to be a Director. His place, and for the remaining term, is occupied by the first runner up in the last election of the Board of Directors by the General Meeting.**[b.]Partner entity:** If a Director ceases for any reason to attend the Board of Directors or, de jure or de facto, the Management of a member of the Organization,

where he participated at the time of his election to the Board of the Organization, automatically defaults from the status of Director, at which point the regular member of the Organization, from which the removed member originates, indicates in writing and within a prescriptive and final deadline of ten (10) working days another individual to replace said member, for the remaining term of office of the Organization's Board of Directors. If the above deadline expires without a decision, the position of said member is occupied by the first runner up in the last election of the Board of Directors by the General Meeting. The same method is used to replace the second or third etc., if any, removed Director. Similarly, a Director is replaced, who defaults necessarily if the legal entity - partner of the Organization, which nominated him as a candidate ceases for any reason to be partner of the Organization. The same applies in the event of death of the Director, or entry into any form of guardianship.

Article 15

1. The Board forms a body immediately after its election by the General Meeting or from the provided below, in this paragraph, reclassification. During the first meeting is elected the President, Vice President, Secretary and Treasurer. The term of the above is one (1) year from their election. The same person may be elected as General Secretary or Vice President and Treasurer. If in the year for which the above Board was elected, there is replacement, as described above in art. 14 hereof, of a Director who held the position of President, Vice President, Secretary or Treasurer, the election is repeated between all directors to fill the vacated seat or seats. The term of office of the new Board shall expire one (1) year after its constitution, unless, meanwhile, a new Board of Directors is elected by the General Meeting, as above, under the provisions of Art. 14, para. 1 hereof.
2. Each Director has one (1) vote. In addition, each Director may only represent one (1) absent Director and vote for him, as long as specifically authorized by ordinary mail, facsimile (fax) or email. In the same way, a Director may be represented on the Board by a third person, not Director. In no case shall any Director or third person represent more than one Directors. Any Director, who does not speak the Greek language, may attend meetings of the Board, with an interpreter of his choice.
3. The over one (1) consecutive semester, without justifiable reason, absence of a Director from the Board meetings is tantamount to resignation, which is deemed as final, as and when the Board of Directors decides on this. The justified or not absence is at the sole discretion of the Board. The position of the Director who resigned, and for the remaining term, is occupied by the first runner up in the last election of the Board of Directors by the General Meeting. The representation of the director is never considered as absence.

4. The President, absent or unable to attend, is replaced by the Vice President. In the absence or incapacity of the Vice-President, the President is replaced in order by the General Secretary or the eldest Director.
5. The Board shall meet to deliberate at the seat of the Organization or elsewhere in Attica as decided by the Board of Directors and as follows:
 - 5.1. **Regularly:** Once per calendar month, at a day and time determined by the President and following an invitation to Directors sent by email five (5) working days before the meeting. The invitation must include briefly and clearly, the subjects of the agenda. In case of the failure to observe the above procedure, decisions are validly taken, as long as present or represented are all members of the Board and none of them objects to decision making.
 - 5.2. **Occasionally:** Whenever the President finds it necessary to convene or if requested by at least two (2) Directors or the General Manager. This application must, on penalty of inadmissibility, be in writing and indicate the subjects on the agenda. In this case, the President is obliged to convene the Board within ten (10) working days at the latest. For the process and content of the invitation, and decision making directly shall apply all that apply for the regular meeting of the Board [above under 5.1.].
6. The Board may meet by teleconference. The invitation must clearly indicate if the relevant meeting will be held by teleconference. The teleconference takes place on the Internet using a computer and use of instant messaging applications, e.g. Windows Live Messenger, Yahoo Messenger. The President of the Board, or his deputy, shall, during the teleconference, have selected the option "maintenance of history of discussions" on the application used. The invitation must include a reference to the method of how the teleconference shall take place.
7. In exceptional cases, the preparation and signing of minutes by all Board members or their representatives is equivalent to a decision of the board, even in case where there has been no meeting or meeting invitation.

Article 16

1. The Board of Directors is in quorum and validly convenes, if present or represented thereat are at least four (4) directors, of whom three (3) must necessarily be present in person.
2. The decisions of the Board are taken by absolute majority of the present or represented Directors.
3. The discussions and decisions of the Board are proved by the minutes, which are entered in the file kept for this purpose. The minutes are signed by the President, the Secretary and the attending Directors.

4. No Director is entitled to refuse to sign the minutes of the meeting in which he participated. Such Director may, however, request the inclusion in the minutes of his opinion, as long as it disagrees with the decision taken.
5. Copies or extracts of the minutes, which are to be presented before a Court or other Authority are certified by the President or Vice President and the General Secretary.

Article 17

1. The Board is authorized to decide on all matters concerning the administration of the Organization, the management of its property and the general pursuit of the objectives of the Organization. Generally, it shall take decisions on any matter except those within the competence of the General Meeting, in accordance with this Statute.
2. The Board of Directors represents the Organization before the Courts and any other Authority. It may delegate by decision to one or more of its members (committees) or third persons not members, to represent the Organization generally or only for certain acts. It shall also determine the respective signatures required whereby the Organization is bound.
3. The Board hires and dismisses the staff of the Organization, which, among others, may also include, one (1) General Manager and, where applicable, one (1) Chief Financial Officer, determining, by decision, their responsibilities.
4. The Board is authorized to decide the amount of each subscription fee of new members of the Organization, regular or temporary, and any respective annual contribution, depending on the expenditure made during the year then ended and the projected costs for the next year.
5. The Board is, moreover, responsible:[a.] to decide to determine the amount of percentage under Art. 13, para. 2 hereof and[b.] to set the terms of the relevant Distribution Regulation of collected rights, which is submitted for approval to the general meeting of partners.
6. The Board is empowered to delegate, once a year, to a recognized firm of auditors, the calculation of the percentage of each member (ordinary and temporary) in their overall turnover, based on information submitted to it.

B.- GENERAL MEETING

Article 18

1. The General Meeting of the Organization's partners, normally formulated, under the terms of this statute, represents the totality of the partners of the Organization and its decisions oblige absent or dissenting partners and temporary members.
2. The General Meeting of the Organization's partners has the sole power to decide on amendments to the Statute of the Organization, including but not limited to, the increase of the Organization's capital and the hiring of partner. It also decides on appeals against deci-

sions of the Board of Directors rejecting an application for entry of temporary member or deleted temporary member, and any other matter that has express jurisdiction under this statute, or any other matter submitted/referred from the Board.

Article 19

1. The General Meeting of the Organization's partners is always invited by the Board of Directors.. It meets at the headquarters of the Organization, or anywhere else, in Attica, determined by the Board of Directors:**[a.] Regularly:** Once a year, the latest six (6) months from the end of each year to approve the balance sheet for the year, the financial statements and the proceedings thereof and to discharge the Board from all liability.**[b.] Extraordinarily:** Whenever considered necessary by the Board, or if requested by partners representing the four tenths ($\frac{4}{10}$) of all partners.
2. The invitation to the General Meeting of the Organization's partners is drafted by the Board and includes at least the place, the date and time of the meeting, as well as issues on the agenda clearly. It is notified by e-mail to each one of the partners at least (10) full days before the date set for the meeting.
3. The invitation to repeat meetings, after forced cancellation of the first meeting, provided the invitation is not included in the initial invitation, is communicated by email to each one of the partners at least five (5) full days before the date set for the meeting.
4. Failure to follow the above does not void the decisions of the General Meeting, provided that at the meeting are present or represented all the partners of the Organization and no one objects. Similarly, if all partners are present or represented and no one raises an objection, the General Meeting validly decides on any matter not on the agenda.
5. Each partner is represented and participates in the General Meeting in person. Whereas for legal entities, by their representative authorized in writing.
6. In exceptional cases, the preparation and signing of minutes by all partners of the Organization is equivalent to a decision of the General Meeting, even in case where there has been no meeting or meeting invitation.

Article 20

1. The General Meeting is in quorum and convenes validly on the subjects of the agenda when attending this is two-thirds ($\frac{2}{3}$) of the total number of partners, representing two thirds ($\frac{2}{3}$) of the aggregate value, with which the partners invoiced the Organization in the last two (2) consecutive years preceding that in which the General Meeting takes place. This provision applies firstly to those General Meetings, ordinary or extraordinary, take place from the year 2015 and thereafter.
2. In case where this quorum is not reached, the General Meeting meets again within ten (10) full days from the date of the canceled meeting. At this meeting, the repeat Meeting is

deemed to have quorum and convenes validly on the issues of the initial agenda when attending are partners representing the one half (1/2) of the total number of partners, representing one half (1/2) of the aggregate value, with which the partners invoiced the Organization in the last two (2) consecutive years preceding that in which the General Meeting takes place. This provision applies firstly to those General Meetings, ordinary or extraordinary, take place from the year 2015 and thereafter.

3. In case where this quorum is not reached, the General Meeting meets again within ten (10) full days from the date of the 1st repeat meeting. At this meeting, the repeat Meeting is deemed to have quorum and convenes validly on the issues of the initial agenda, regardless of the number of attending partners and the percentage participation in the sum total of the amounts by which they invoiced the Organization.
4. Until the list of persons entitled to attend the General Meeting of partners of the Organization is checked and certified and is duly prepared, it is chaired temporarily by the President of the Board, thus not unable to attend, by the Vice President, appointing one Secretary. After its establishment, the General Meeting elects the President and one Secretary from the attending partners. Election shall be by secret ballot unless, unanimously, the General Meeting decides otherwise. The President elected by the above manner, directs the work of the General Meeting, on which minutes are kept by the Secretary in a separate file, and signed by the President and the Secretary.
5. The minutes of each Meeting shall include and the list of persons entitled to participate in this partners of the Organization, the votes and any representatives.
6. After request of a partner or partner representative, recorded in the minutes is a summary of the opinion formulated at the Meeting.
7. Each partner has as many votes as there are ten times the units of percent participation in the sum of the amounts with which the partners invoiced the Organization in the last two (2) consecutive years preceding that in which the General Meeting takes place. This provision applies firstly to those General Meetings, ordinary or extraordinary, take place from the year 2015 and thereafter.
8. Decisions of the meetings are taken by an absolute majority of votes present or represented in them, counting the votes, as referred to in paragraph 7 of this article.
9. **Constitutive General Meeting:**
 - 9.1. For amending these Statutes, the General Meeting is in quorum when attending this is three-fourths (3/4) of the total number of partners, representing three-fourths (3/4) of the aggregate value, with which the partners invoiced the Organization in the last two (2) consecutive years preceding that in which the General Meeting takes place. Decisions of the meetings are taken by an absolute majority of three-fourths

(3/4) of votes present or represented in them, counting the votes, as referred to in paragraph 7 of this article.

- 9.2. In case where this quorum is not reached, the General Meeting meets again within ten (10) full days from the date of the canceled meeting. At this meeting, the repeat Meeting is deemed to have quorum and convenes validly on the issues of the initial agenda when attending are partners representing the two thirds (2/3) of the total number of partners, representing two thirds (2/3) of the aggregate value, with which the partners invoiced the Organization in the last two (2) consecutive years preceding that in which the General Meeting takes place. Decisions of the meetings are taken by an absolute majority of two thirds (2/3) of votes present or represented in them, counting the votes, as referred to in paragraph 7 of this article.
- 9.3. All provisions of paragraph 9 of this Article shall apply firstly to those General Meetings, regular or extraordinary, take place from the year 2015 and thereafter.
10. The provisions on the quorum and majority of this article read in conjunction with the provisions of Article 10 paragraph 2 hereof.
11. The produced before courts, other Authorities, or else copies or extracts of these minutes, are certified by the President of the Board or the Vice-President *and* the General Secretary thereof.

CHAPTER E

DISSOLUTION & LIQUIDATION OF THE ORGANIZATION - EXIT AND EXCLUSION OF PARTNER - OTHER

Article 21

1. The Organization is dissolved with the expiry of the initial or by extension, duration thereof.
2. **Exit of partner:**
 - 2.1. The solution and putting into liquidation of a legal person, a partner of the Organization, the placing of a partner under compulsory receivership, the declaration of bankruptcy, the placement any pre-bankruptcy or monitoring procedure of the Bankruptcy Code or other relevant legislation, the death of a natural person, the placement under guardianship or administration, do not bring about the dissolution of the company, but the automatic exit of the partner from the Organization.
 - 2.2. Similarly, the exit of a partner causes cessation of application to said person of one of the conditions laid down in Article 9 para. 1 of this Statute. Referring to the condition of the exercise of *active* sound recordings production or sound and image undertaking, shall apply, with respect to the exit of partner, the following: Exit brings about the two (2) consecutive years: [a.] non-production and marketing to the public

7. Implementation of Art. 262 of Law 4072/2012 between the partners, or between temporary members and partners is expressly excluded.
8. In the event of its dissolution, the Organization shall be liquidated and deemed existing solely for this purpose. As liquidators are elected three (3) members of the Board of Directors.
9. Each partner, or temporary member of the Organization is subject in its relations with the Organization, under this and / or the concession agreement, to Greek laws. Any judicial or extrajudicial notification to partner or temporary member, as long as it has not duly notified to the Organization the residential address or address for service in the region of the respective seat of the company will be made to the Secretary of the Court of First Instance of the seat of the Organization.
10. Any dispute between the Organization on the one hand and members or temporary members on the other, arising from this Statute, law, concession contract or otherwise, offense, tort, as every good reason in general, is subject to the sole responsibility of the Greek courts of the seat of the Organization and shall prosecute before the same courts.
11. The partners of the Organization and temporary members and their successors, special, universal or quasi-universal or their creditors, and any person or group of persons with or without legal personality, in no circumstances can cause sealing of any property of the Organization, or the corporate branch, nor necessarily interfere in the administration and management thereof, which should always be exercised by its institutions.

Article 22

The capital of the Organization of EUR eight thousand eight hundred and four and eleven cents (€ 8,804.11) was paid within thirty (30) days after lawful publication of these Statutes in the company books of the Athens Court of First Instance, whereas each of the then partners - founders, paid the next to its name of the specified amount. Namely:

s /	Name	Amount
n		
1.	"MINOS EMI SA".	2,817.13 €
2.	"POLYGRAM RECORDS SA" .	1,702.13 €
3.	"WARNER MUSIC GREECE SA".	763.02 €
4.	"COMPANY OF GENERAL PUBLICATIONS SA".	396.18 €
5.	"MUSIC BOX INTERNATIONAL SA CDs and Vinyls".	176.08 €
6.	"SONY MUSIC ENTERTAINMENT (GREECE) SA".	1,379.13 €
7.	"BMG ARIOLA Music SA".	1,173.88 €
8.	"Virgin Limited Liability Company".	396.18 €