



THE STATUTES OF GRAMEX

These statutes have been adopted at the extraordinary general meeting November 23rd 1994 and amended at the extraordinary general meeting November 5th 2009.

Article 1 Name and Home Address

Gramex is an independent institution, financially and legally self-contained and without equity.

The registered office of Gramex is situated in the city of Copenhagen.

Article 2 Objectives

As a joint organization for performing artists and producers of phonograms or other devices on which sound is fixed Gramex has been authorized by the Ministry for Cultural Affairs to claim remuneration for public performance of sound recordings within the territory of Denmark, cf. section 68 of the Copyright Act.

As a joint organization for performing artists and producers of phonograms or other devices on which sound is fixed Gramex has been authorized by the Government of Greenland to claim remuneration for public performance of sound recordings within the territory of Denmark, cf. section 68 of the Copyright Act, cf. decree no. 561 of June 7th 2006 on commencement of the Copyright Act.

Gramex safeguards similar rights in foreign countries in accordance with bilateral agreements with corresponding organizations in other countries.

Gramex is empowered to undertake the administration of rights entitled to producers or performing artists who are related to the rights defined in subsection 1.

Gramex may undertake the practical administration of other territories of rights, if the right owners desire so.

Article 3 Membership

The rights are claimed through membership of Gramex in accordance with the regulations of the Copyright Act. Members of Gramex are divided into members with a full membership and members with a limited membership. Furthermore and in addition to the previous, members of Gramex are divided into ordinary and associated members.

Members of Gramex are liable only for any debt of Gramex through their part of the amount to be distributed.

Heirs are authorized to succeed the membership, should a member pass away. The heirs shall appoint one person among themselves who exercises the rights jointly on behalf of the heirs. Gramex shall be entitled to pay all remuneration to the appointed person with binding effect for all the heirs.

Article 4 Members with a Full Membership

As members with a full membership the following are given admission;

- a. Producers of sound recordings who are citizens of or residents in a country within the EU or the EEA, or a company which has its registered office in a country within the EU or the EEA and Greenland, and who have public performance rights to published sound recordings.
- b. Performing artists who are citizens of or residents in a country within the EU or the EEA, and who have public performance rights to published sound recordings.

On the merits of each individual case Gramex shall be empowered to admit as a member with a full membership of Gramex a producer or a performing artist who does not meet the requirements of subsections a) and b) but who has his permanent residence in Denmark.

A member with a full membership of Gramex assigns Gramex to administer all his public performance rights in terms of published sound recordings. The assignment of rights also covers the administration of these rights abroad, by way of which Gramex with binding effect on behalf of members with a full membership shall be authorized to enter into bilateral agreements with corresponding organization in other countries. Thus a member with a full membership of Gramex cannot claim remuneration from a sister organization with which Gramex has signed a bilateral agreement.

If a member with a full membership of Gramex is already or will become a member of a sister organization with which Gramex has not yet signed a bilateral agreement, the membership of the sister organization ceases automatically when and if Gramex signs a bilateral agreement with the respective organization.

Article 5 Members with a Limited Membership

As members with a limited membership Gramex admits producers and performing artists who have public performance rights in Denmark, cf. section 68 of the Copyright Act, but who due to the requests in Art. 4 cannot be admitted as members with a full membership.

A member with a limited membership shall enjoy a position equivalent to a member with a full membership as regards the distribution of the net proceeds of public performances attained in Denmark and Greenland. However, such members shall not be entitled to make any claim following from the bilateral agreements Gramex has made with other corresponding organization.

A limited membership automatically ceases if Gramex signs a bilateral agreement with a corresponding organization in the native country of a respective member with a limited membership of Gramex. A limited membership also ceases if the corresponding organization with which Gramex signs a bilateral agreement is the organization in which the respective member has his ordinary right of membership.

Article 6 Ordinary and Associated Members

With a view to exercising the voting rights, the members are divided into ordinary and associated members who belong to either the producers' right group or the performing artists' right group.

Whereas the ordinary members of the producers' right group are producers who are all members of IFPI Denmark, the members of the performing artists' right group are performing artists who are all members of an organization affiliated with the Joint Council for Performing Artists.

The category of associated members includes those members of Gramex who are neither a member of IFPI Denmark nor a member of an organization affiliated with the Joint Council for Performing Artists.

Heirs, who wish to succeed a membership in accordance with Art. 3, sec. 3, are considered associated members of Gramex.

Article 7 Acceptance of Members

Membership of Gramex enters into effect when Gramex approves a signed application form from a producer or a performing artist. The signature shall be personal or forwarded electronically by use of digital signature.

In order for an application form to be approved Gramex shall have received all the requested information on the applicant, i.e. nationality, permanent residence and membership, if any, of a foreign corresponding organization.

Each individual member shall assign Gramex to administer his public performance rights, which are the actual basis for the membership. The assignment applies to already existing and future rights.

On or before the publishing, each individual member shall submit to Gramex a discography identifying all recordings on which he has performed and, in the case of producers, all recordings he represents and the required documentation hereof.

Article 8 Members' Withdrawal from Gramex

Withdrawal from Gramex shall be made in writing with a notice of at least three months from January 1st of any one year.

If a respective member with a full or a limited membership of Gramex applies for membership of a sister organization with which Gramex has signed a bilateral agreement, the membership of Gramex ceases.

If a respective member with a limited membership of Gramex at the same time is a member of a foreign organization with which Gramex signs a bilateral agreement, the

membership of Gramex ceases.

When a member of Gramex no longer holds any public performance rights, cf. sect. 68 of the Copyright Act, the right to be a member of Gramex ceases.

Article 9 Authority of the Board

Gramex is directed by a Board, which has the uppermost control of the Organization's affairs.

The Board shall adopt the rules of distribution for the operations of Gramex and shall be authorized to take any legal or extra juridical step for the achievement of the objectives of Gramex.

Article 10 Composition of the Board

The Board consists of seven members, three of whom represent the performing artists' right group and three of whom represent the producers' right group. The seventh member of the Board is appointed by the Board and must have a special knowledge of copyright law.

The representatives of the producers' right group shall be elected from among the ordinary members of the producers' right group.

The representatives of the performing artists' right group shall be elected from among the ordinary members of the performing artists' right group, i.e. one person shall be elected from among members of the Danish Actor's Union, while two persons shall be elected from among members of other organizations affiliated to the Joint Council of Performing Artists as representatives of the collectively and the individually working artists, respectively.

Article 11 Election of the Board

The election of the six representatives of the Board shall be made at the ordinary general meeting of Gramex, the producers' group and the performing artists' group each electing three members.

Board members are elected for a period of three years, and every year one board member from each group shall retire after rotation.

The seventh member of the Board who has special knowledge of copyright law is appointed by the Board for a period of three years.

A re-election can be effectuated.

Where a member of the Board retires in the course of the year, the Board shall

appoint a new member to act until the ordinary general meeting next following, at which meeting a member shall be elected to fill the office of the retired member for the remainder of the period for which he was elected.

Article 12 Constitution and Operations of the Board

The chairman and the vice-chairman of the Board shall be elected by and from among the six representatives of the two right groups of the Board for a period of two years whereby the assignments are in rotation between the two right groups.

The chairman and the vice-chairman shall represent different right groups.

At board meetings, each right group may be assisted by ad hoc expert assistants.

The Board shall meet as often as required by its chairman or by two of its members.

The Board shall fix a suitable remuneration payable to its chairman, and the members of the Board for their work.

Minutes of the meetings of the Board shall be recorded in a minute book.

Article 13 Decisions of the Board

All motions to be dealt with by the Board shall be decided by simple majority vote. However, questions relating to the amount of expenses to be distributed among the right groups shall be carried unanimously.

The Board forms a quorum when at least four members of the Board attend the meeting.

In case of equality of votes, the chairman shall have the casting vote.

Article 14 Plans of Distribution

Each right group of the Board unanimously adopts a plan for the distribution of revenues and expenses within each right group.

Each right group shall be empowered to decide that in instances where a part of the revenues cannot be reasonably distributed on the basis of reports of usage, the revenues can be applied for collective purposes laid down by the right group within the fields of operation of their right owners.

The distribution plans adopted by each right group shall be laid down to the Board

Article 15 Signature authorization and Representation of Gramex

In relations to third party Gramex shall be represented by its Board or by any person empowered by the Board in this respect.

Article 16 Management

The Board appoints a manager who is in charge of the daily operations of Gramex and accountable to the Board.

The manager appoints and dismisses Gramex' personnel and it is he who stipulates the fields of activity and the authorities of the Gramex personnel.

The manager is empowered by the Board to represent Gramex to third party.

Article 17 Notice of General Meeting

The ordinary general meeting shall be held in the month of October of every one year and must be convened by the Board subject to fourteen days' written notice.

If an extraordinary general meeting is considered advisable by the Board or is requested by at least one-fifth of the ordinary members of a right group or, finally, by a majority of the organizations affiliated to the Joint Council of Performing Artists, such a meeting shall be called, subject to five days' written notice.

All communication between members and the Board may take place electronically by e-mail, and information in general shall be accessible at Gramex' homepage www.gramex.dk. As a consequence hereof, the Board may send notices of ordinary and extraordinary general meetings, annual reports, motions submitted for general meetings etc. by e-mail.

Article 18 Agenda

The agenda of the ordinary general meeting shall comprise the following items;

- a. Report on the activities of the year.
- b. Presentation of annual accounts.
- c. Election of members of the Board.
- d. Appointment of auditors.
- e. Other motions, if any.

The notice convening the general meeting shall contain the agenda and motions by the Board.

Motions by members, including those relating to items c and d of the agenda as well, shall be received by the Board on or before September 1st of the year concerned in

order to be dealt with at the general meeting. These motions shall be sent to members prior to the general meeting.

Notices of extraordinary general meetings shall contain the agenda.

Article 19 Admission to General Meetings

Ordinary and associated members, the members of the Board, the auditors as well as the manager and the attorney shall be entitled to attend the general meetings of Gramex.

Article 20 Conduction of General Meetings, Votings etc.

The chairman of the general meeting shall be elected by simple majority vote and must be a lawyer.

Minutes of the general meetings shall be recorded in a minute book.

Each member entitled to attend general meetings shall have the right to express himself on all motions on the agenda.

Except for amendments of statutes, all matters shall be decided by simple majority vote within the two right groups. Only ordinary members shall be entitled to vote.

Amendments of the statutes shall require that at least 50 per cent of the ordinary members of each right group attend the meeting and that two-third of the attending ordinary members of each right group vote in favor of the motion. Failing a representation of 50 per cent of the ordinary members of each right group, a new general meeting shall be convened by the Board at which the motion for the amendment, which shall be included in the notice convening the general meeting, may be adopted by two-thirds of the members present of the ordinary members of each right group.

At the general meeting rights of members cannot be exercised by proxy.

Article 21 Accounts of Distribution

The financial year shall be the calendar year.

The annual accounts shall be made separately for each right group.

The gross amount accruing to the two right groups in total shall be distributed at the rate of 50 per cent to each right group.

The gross amount shall be applied to cover the operating expenses of Gramex, and shall be distributed among the right groups in accordance with provisions decided by the Board.

Interests on banks, giro, and bonds shall be distributed among the right groups in accordance with the remunerations due to each right group and shall be applied in advance to reduce the administrative expenses.

The annual accounts shall be signed by the manager and by the Board and shall be presented at the general meeting.

The annual accounts shall be submitted to the Ministry of Cultural Affairs and the Government of Greenland for its general information.

Article 22 Distribution of Remuneration within the Right Groups

The amounts available for distribution among the respective right groups shall be paid to members of the group after payment of any and all expenses incidental to the distribution within the respective right group.

Remuneration shall, as far as possible, be distributed according to the actual use of published sound recordings.

Article 23 Relations to Foreign Organization

On behalf of and with binding effect for members with a full membership Gramex shall be entitled to enter into bilateral agreements with corresponding foreign organizations.

Remuneration accumulating to individual foreign performing artists can be paid only through organizations in foreign countries undertaking to distribute remuneration in accordance with the specifications drawn up by Gramex.

Gramex passes on individual amounts from foreign organizations to the respective members.

Other revenues from foreign organizations shall be distributed in accordance with the existing provisions laid down by the Board.

In accordance with the signing of a bilateral agreement with a sister organization Gramex shall be empowered to waive receipt of remuneration, provided that the respective sister organization likewise waives receipt of remuneration from Gramex. - Remuneration pursuant to agreements of this kind shall be distributed, as far as possible, among the members involved or collectively in accordance with the decision of the Board.

Article 24 Auditing of Accounts

The accounts of Gramex shall be audited by an auditor who shall be a chartered

accountant and whose duty it shall be not only to check the figures but also to set forth critical comments, if any. He shall be elected at the general meeting, at which also two other auditors shall be elected from among the members - one from each right group - to evaluate and control administrative measures.

The election of the auditor (the chartered accountant) as well as the other two auditors shall be for a term of one year.

Auditors may be re-elected.

If considered necessary by the auditor, he may at any time demand that a Board meeting shall be convened.

Article 25 Dissolution

Dissolution of Gramex shall not be possible as long as it carries out its present business or business related thereto in pursuance to the existing legislation.

If Gramex ceases its activities, it may be dissolved if nine-tenths of the members of each right groups vote in favor hereof.

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This is an unauthorized translation. In the event of conflict between the English and the Danish texts of these statutes, the Danish text shall prevail.