

**ARTICLES OF ASSOCIATION  
OF THE ROMANIAN PHONOGRAPHIC INDUSTRY ASSOCIATION - Association for Related Rights**

In accordance with the provisions of Government Ordinance No. 26/2000, as amended and supplemented by Law No. 246/2005, and of Law No. 8/1996, as subsequently amended, the UPFR Articles of Association are hereby replaced by these new ARTICLES OF ASSOCIATION, which incorporate all amendments required by the legislation in force.

**1. NAME, LEGAL FORM, DURATION, REGISTERED OFFICE**

- 1.1 Name:** The name of the association is the Romanian Phonographic Industry Association - Association for Related Rights, hereinafter abbreviated as UPFR. All documents, instruments and notices of the association shall bear this name.
- 1.2 Legal form and duration:** The Association is a Romanian legal entity governed by private law, operating on a non-profit basis, established with the approval of the Romanian Copyright Office for an indefinite period pursuant to Government Ordinance No. 26/2000, as amended and supplemented, and operating as a collective management organisation under Law No. 8/1996, republished, and in accordance with these Articles of Association.
- 1.3 Registered office:** Bucharest, 6E Dimitrie Pompeiu Blvd., Pipera Business Tower, 11th floor, District 2. UPFR may establish branches, subsidiaries and agencies in Romania or abroad, in compliance with the legal provisions in force.
- 1.4 Members of the association:** The Association currently has 83 members, as listed in Annex No. 1, which forms an integral part of these Articles of Association.

**2. FIELD OF ACTIVITY**

UPFR carries out its activities in relation to the related economic rights belonging to producers of phonograms and videograms.

**3. OBJECTIVES AND ACTIVITIES**

- 3.1** UPFR is a collective management organisation whose principal activity is the collection and distribution of economic rights arising from the exploitation of phonograms and videograms, the management of which has been entrusted to it by mandate, under agreements concluded with representatives thereof in Romania or abroad, or for which collective management is mandatory; the collection and distribution of economic rights belonging to any categories of rightholders or fields of creation for which it has been appointed as sole collector, common collector or collector by field of creation where several collective management organisations represent the same category of rightholders; and the representation, promotion and protection of its members' interests.

For these purposes, UPFR:

- (i) grants users non-exclusive licences authorising the use of phonograms and videograms in exchange for remuneration, pursuant to the law or the mandate entrusted to it, or prohibits the use of the repertoire of phonograms or videograms, in accordance with the mandate received.

For categories of related rights subject to mandatory collective management, UPFR also represents rightholders who have not granted it a mandate; collects and distributes the amounts owed by users of phonograms and videograms in respect of related economic rights managed under mandates granted by phonogram/videogram producers or holders of such rights; collects and distributes the amounts owed by users of phonograms and videograms in respect of related economic rights belonging to all phonogram/videogram producers and subject to mandatory collective management by law, where UPFR is, either by appointment of the Romanian Copyright Office (where at least one other collective management organisation for the rights of producers of phonograms and videograms exists) or pursuant to legal provisions, the sole collecting collective management organisation vested with responsibility for mandatory collective management;

- (II) collects and distributes economic rights belonging to any categories of rightholders or fields of creation for which the Association has been appointed as sole collector by the Romanian Copyright Office pursuant to the Protocol concluded between the beneficiary collective management organisations; develops methodologies concerning the obligations of users of phonograms and videograms and participates in the statutory procedures for establishing such methodologies;
- (III) concludes protocols, conventions and agreements with users of phonograms and videograms in the name of the related-rights holders whom it represents pursuant to the law, mandates granted directly, or agreements concluded with similar organisations abroad;
- (IV) negotiates and brings proceedings before the competent judicial bodies in order to establish the criteria for distributing the remuneration due to beneficiary organisations and the method for recording and substantiating expenditure incurred to cover the actual collection costs of the sole collector, and participates in the appointment of the sole collector;
- (V) brings legal proceedings to defend the related economic rights granted by law to producers of phonograms and videograms and to recover remuneration and compensation for losses caused by infringement of those rights;
- (VI) requests from users the information and documents indispensable for determining the amount of remuneration and those constituting the basis for distribution, and monitors the use of phonograms and videograms through its own means, through third parties or through partnerships;
- (VII) carries out any other activities within the limits of the special mandate received from members, its stated objectives and the applicable legal provisions;
- (VIII) carries out, finances or supports social, cultural or educational activities or services related to its members' field of activity;
- (IX) represents its members' interests in national and European legislative amendment procedures and in anti-piracy matters, and promotes its members' interests;
- (X) may carry out any direct economic activities where these are ancillary and closely related to UPFR's principal purpose;
- (XI) concludes any legal instruments in compliance with the legislation in force and in accordance with the Association's purpose.

- 3.2** UPFR manages the related economic rights belonging to producers of phonograms and videograms that are recognised by law and by international/Community instruments, including, without limitation: the right to compensatory remuneration for private copying; the broadcasting right (radio broadcasting and television transmission); the right of communication to the public; the right of communication to the public by means of an ancillary online service; the right of making available to the public; rental and lending rights; the right of cable retransmission; the retransmission right; and the right of reproduction for the purposes of broadcasting, communication to the public and making available to the public. These

- rights shall be managed collectively on a mandatory, optional or special-mandate basis, in accordance with the legal provisions in force.
- 3.3** The limits of the management mandate are laid down in these Articles of Association, and its content is approved by the Board of Directors for the fulfilment of the Union's objectives and activities.
- 3.4** UPFR's purpose is to analyse and protect the cultural and professional interests of its members and, more generally, of all persons involved in the phonographic and videographic industry and publishing activities in Romania. In order to achieve this purpose, UPFR is entitled, both in Romania and abroad:
- (I) to undertake all activities, take all initiatives and make all representations to third parties and authorities, either in its own name or in the name of its members, thereby contributing to the fulfilment of the Union's objectives;
  - (II) to act amicably or through legal proceedings in order to combat any infringement of the rights or interests of its members and their profession; for this purpose, the members authorise UPFR to represent them in court.
- 3.5** UPFR seeks integration into relevant international structures. To this end, UPFR concludes reciprocal representation agreements with similar associations in order to protect its members' economic interests internationally.
- 3.6** For the purposes of these Articles of Association, the term "phonogram" means the fixation of sounds of a performance or of other sounds, or of a digital representation of such sounds, regardless of the medium used for fixation (digital or physical format - records, cassettes, tapes, compact discs, DCCs, minidisks and any other sound or audiovisual media, some of which may not yet be known), other than in the form of a fixation incorporated in a cinematographic work or other audiovisual work.
- 3.7** For the purposes of these Articles of Association, the term "videogram" means any fixation of an audiovisual work or sequences of moving images, whether or not accompanied by sound, regardless of the method and medium used for such fixation, including music videos, concerts fixed on a medium or in digital format, and any other audiovisual materials or fixations owned by record companies that have mandated UPFR in respect of their own videogram repertoire.
- 3.8** In keeping with the wording of the law, case law and international practice, UPFR complies with the rules and standards set out in the codes of conduct or articles of association of the international federations which UPFR has joined. UPFR establishes any other relations with public or private institutions in order to protect and promote its members' interests and organises various promotional activities and activities aimed at protecting its own members' interests.
- 3.9** UPFR's governing bodies are the General Assembly, comprising all members; the Board of Directors, which manages UPFR between meetings of the General Assembly for the duration of its term of office; and the Statutory Auditor.
- 3.10** UPFR is accredited exclusively in Romania as the National ISRC Agency (International Standard Recording Code, governed by ISO 3901:2001) and assumes all obligations and rights arising from that capacity in its relationship with the International ISRC Agency. In its capacity as National ISRC Agency, UPFR creates and manages the Repertoire Database by implementing the ISRC coding system.

## **4. REPERTOIRE MANAGED BY UPFR**

- 4.1** The repertoire managed by UPFR consists of all phonograms and videograms previously made available to the public by any means - fixed on a medium for distribution, broadcast only, communicated to the public or made available to the public - that remain within the statutory terms of protection, in respect of its own members (on the basis of mandates and statements on their own responsibility submitted by them), members of other similar organisations abroad (on the basis of representation agreements), and, by operation of law, rightholders who have not granted UPFR a mandate in respect of related economic

rights subject to mandatory collective management.

- 42 The repertoire managed by UPFR is continuously updated on the basis of repertoire declarations submitted on the declarant's own responsibility and signed by the legal representative (in the case of legal entities and authorised natural persons), in the format requested by UPFR.

### 5. UPFR MEMBERS

5.1 Any natural person, legal entity or authorised natural person may become a UPFR member if they:

- (i) provide evidence that they are a related-rights holder whose phonograms and/or videograms appear in radio and television playlists during the one (1) year preceding the submission of the application for admission to UPFR between two General Assemblies;
- (ii) declare their own repertoire of phonograms and/or videograms to UPFR in the manner specified by UPFR;
- (iii) grant UPFR a mandate to manage their producer rights within the limits of these Articles of Association and the Operating Regulations, in respect of the rights provided for in point 3.2 of these Articles of Association.
- (iv) pay the admission fee at least 15 days before the meeting of the Board of Directors that will decide on their application, the amount of the fee being set by the General Assembly;

In order to become UPFR members, legal entities and authorised natural persons must provide evidence, by means of an ascertaining certificate, that they are registered with the Trade Register/the Register of Associations and Foundations maintained by the competent District Courts, as applicable, and that the legal entity or authorised natural person (PFA) is operational.

Point 5.1 also applies to a natural person, legal entity or authorised natural person acting as a co-producer.

An independent management entity, another collective management organisation or an association of related-rights holders that meets the admission conditions laid down in these Articles of Association may also become a UPFR member.

With regard to the condition set out in Article 5.1(i), an independent management entity, an association of rightholders or a collective management organisation wishing to become a member must provide evidence that it represents the rightholder for the purpose of collecting that rightholder's rights.

5.3 The admission of new members shall be decided by the Board of Directors, in accordance with the conditions laid down in these Articles of Association, within no more than three months from submission of the written application addressed to the Board of Directors. The application shall include a firm declaration of adherence to the UPFR Articles of Association in the form existing on the date of admission and to any amendments subsequently adopted in accordance with the procedures laid down herein. A register of applications for admission shall be kept at UPFR's registered office and made available to UPFR members upon request.

5.4 Termination of membership shall be decided by the Board of Directors in accordance with the conditions laid down in these Articles of Association. Termination of membership by withdrawal of the mandate shall take effect on the date on which the withdrawal request is submitted and become operational once all liabilities of both parties have been settled, the formalities being completed at the first meeting of the Board of Directors.

5.5 Membership is not transferable.

5.6 A rightholder may not become a UPFR member if that rightholder:

- (i) does not provide evidence of the rights claimed;
- (ii) does not submit their repertoire of phonograms and videograms in the form specified by UPFR;
- (iii) does not indicate which economic rights they elect to have managed by UPFR;
- (iv) is a member of another collective management organisation in respect of the same rights in the same phonograms, videograms and other protected subject matter for which management is

requested;

- (V) has previously lost membership of a collective management organisation through exclusion;
- (VI) is a user or a representative of users and sits on their committees or governing bodies participating in the statutory procedures for negotiating methodologies, until the final form of those methodologies is settled;
- (VII) has a conflict of interest of any kind with UPFR;
- (VIII) files a criminal complaint/referral against UPFR or is involved in any kind of dispute with UPFR; this circumstance shall not prevent the rightholder from exercising their rights in accordance with the legal provisions in force. Upon conclusion of the dispute, that person may submit an application for admission to UPFR, which shall be reviewed by the Board of Directors and may be accepted subject to the conditions laid down in these Articles of Association;
- (IX) has been convicted by a final decision and sentenced to a criminal fine or imprisonment for offences under intellectual property legislation.

### 6. RIGHTS OF UPFR MEMBERS

6.1. Within the limits laid down by the legislation in force, UPFR members shall have the following rights:

- (I) every member has the right to vote in the General Assembly;
- (II) the right to elect and to be elected to the Union's governing bodies, subject to these Articles of Association. A member may not simultaneously be a member of the Board of Directors and the Statutory Auditor, or a member of the Board of Directors, the Supervisory Board or any other committee existing within UPFR;
- (III) the right to participate in any activity organised by UPFR;
- (IV) the right to benefit from UPFR's assistance in their professional activities, within the limits laid down in these Articles of Association;
- (V) the right of access to all information and documents provided for by republished Law No. 8/1996 (detailed information and documents concerning amounts distributed to the member during the preceding 12 months, their source, the method used to calculate rights and the deductions applied, and verification that such data comply with the Distribution Regulations; the annual activity report; the balance sheet; the reports of the governing bodies and of the auditors' committee; the text and explanatory memorandum of decisions to be submitted for approval by the General Assembly; individual employee salaries; the amounts held in bank accounts, investments and interest earned at the end of the latest financial year; information on categories of users, the number of payers in each category and the total amount collected from each category; and the status of disputes with users), on the basis of a written request submitted to UPFR's executive management at least 30 days in advance and a confidentiality agreement concluded beforehand in the form established by the Board of Directors. UPFR's executive management shall set aside a consultation schedule for members every six months and publish it on the website at the beginning of each six-month period.
- (VI) the right to amounts arising from the distribution of amounts collected by UPFR, by category of use;
- (VII) the right to choose the rights, categories of rights, types of works, other protected subject matter or territories for which the member authorises UPFR, by written mandate, to undertake management, irrespective of the rightholder's nationality, residence or place of establishment;
- (VIII) the right to grant licences for non-commercial uses of any rights, categories of rights, types of works and other protected subject matter;
- (IX) the right to revoke or withdraw the management mandate in respect of any rights, categories of rights, types of works or other protected subject matter, subject to six months' notice;
- (X) the right to receive the remuneration due to the member for acts of exploitation that occurred

before the revocation or limitation of the management mandate took effect.

- (XI) the right to be informed annually about the manner in which remuneration collected from users is distributed to members, including the methodology/formula used by the collective management organisation to calculate the remuneration due for acts of exploitation that occurred before the revocation or limitation of the management mandate took effect.

### 7. OBLIGATIONS OF UPFR MEMBERS

- 7.1 Membership entails full adherence to these Articles of Association, including any subsequent amendments, all decisions adopted by the Board of Directors, all regulations approved by the General Assembly, and the regulations and articles of association of the federations which UPFR has joined and of which it is a member.
- 7.2 UPFR members are required to pay an annual membership fee once a year, before each ordinary General Assembly, in respect of the preceding year, the fee being determined on the basis of these Articles of Association.
- 7.3 UPFR members entrust for management the related economic rights in the phonograms and/or videograms belonging to them or in respect of which they have acquired rights by assignment or licence, under the conditions set out in point 6.1(VII), except in the circumstance provided for in Article 23.5.
- 7.4 UPFR members shall declare their phonograms and videograms to UPFR on a quarterly basis, providing all information and documents necessary for UPFR to compile and continuously update the repertoire in the format established in accordance with the applicable legal provisions. Upon declaration of the repertoire to UPFR, it shall be fingerprinted for digitisation, verification and subsequent identification of its use.
- 7.5 UPFR members shall submit to UPFR's registered office, within 10 days of conclusion, any agreement assigning rights that may encumber the economic rights managed by UPFR, failing which such agreement shall not be taken into account.
- 7.6 UPFR members are required to provide all information (in writing and under signature) and supporting documents requested by UPFR in order for UPFR to verify the authenticity of statements submitted by them on their own responsibility and to clarify any matter concerning the management of economic rights entrusted to UPFR.
- 7.7 UPFR members must refrain from activities liable to cause material or reputational damage to UPFR, including through repeated and bad-faith breaches of the UPFR Articles of Association, the mandate, decisions of the governing bodies and any regulations adopted by UPFR, as established by the competent authorities, under penalty of exclusion.
- 7.8 UPFR members are required to notify UPFR within 10 days of any change in their identification details. Where failure to notify results in additional costs for the Association or prevents the Association from exercising its mandate, the relevant member may be sanctioned and shall also bear any additional costs occasioned by their omission.
- 7.9 UPFR members shall pay the management fee, in accordance with legal provisions, by deduction from the gross amounts distributed and due to them, together with any deductions provided for by law, these Articles of Association or instruments adopted pursuant thereto.
- 7.10 UPFR members are required to maintain confidentiality regarding the Association's activities, the content of the Association's documents and any information they acquire regarding the Association and its activities, except information which is public by law.
- 7.11 UPFR members are required to request ISRC codes for allocation to phonograms and videograms constituting their own productions.
- 7.12 Admission to UPFR implicitly constitutes the grant to UPFR of a mandate to manage the member's economic rights under the following conditions:

- (i) The mandate granted to UPFR shall apply within Romania. In the case of other territories, the

member shall expressly state the repertoire and territory for which UPFR is mandated to manage the member's rights.

- (II) UPFR shall exercise this mandate within Romania for all its members and for members of foreign societies with which it concludes reciprocal representation agreements.
- (III) UPFR shall manage its members' rights within the territory of any other state through the foreign societies with which it concludes reciprocal representation agreements.
- (IV) The mandate to manage economic rights is granted to UPFR in respect of phonograms/videograms that remain within the statutory term of protection, under the conditions set out in point 6.1(VII).
- (V) Withdrawal of the management mandate shall take effect on the date on which the withdrawal request is submitted and become operational once all liabilities of both parties have been settled, under the conditions provided for in Article 8.1.B of these Articles of Association.
- (VI) The management mandate shall include the member's undertaking to comply with these Articles of Association and not to perform any act or deed prejudicial to the Association, the Association's image or its members.

**7.13.** Members warrant to UPFR, by privately signed instruments and on their own responsibility, the lawful nature of the repertoire declared by them and their rights in that repertoire, as well as the accuracy of all information communicated to the Association. UPFR shall be released from any liability for possible infringements of rightholders' related rights and for any losses caused to third parties as a result of members' failure to fulfil their obligations under the legislation in force, these Articles of Association, instruments and decisions of UPFR's governing bodies, and other instruments issued by the competent authorities.

## **8. TERMINATION OF MEMBERSHIP**

**8.1** UPFR membership shall terminate in the following ways:

### **A. By operation of law**

UPFR membership shall terminate by operation of law in the following circumstances:

- (I) on the date on which the UPFR member becomes a member of another collective management organisation in Romania or abroad in respect of the same rights in the same phonograms and/or videograms for which management is requested;
- (II) on the date of death, placement under judicial interdiction or disappearance established by a final and irrevocable court judgment, in the case of natural persons or authorised natural persons;
- (III) in the circumstances provided for in point 5.6 where they arise after admission; and, in the circumstances provided for in point 5.6(VIII), subject to a final court judgment. This clause shall also apply where the director, shareholder or person holding a management position who is in any of the circumstances referred to in this Article holds the same position in a newly incorporated company, in respect of that latter company;
- (IV) on the date bankruptcy is declared by a court judgment, on the date the legal entity is dissolved, or in the other circumstances provided for by the legislation in force (on the date the relevant member is deregistered);
- (V) on the date activities cease, in the case of authorised natural persons;
- (VI) where all related economic rights declared to UPFR are assigned, termination occurring on the date the final instrument of assignment is registered with UPFR;
- (VII) in any case where termination by operation of law is expressly provided for in these Articles of Association.

Income due to members whose membership has terminated by operation of law shall continue to be

received by UPFR, which shall distribute it until exhausted to the persons legally entitled thereto. The management fee shall be deducted from the amounts distributed, in accordance with legal provisions. Termination of membership by operation of law implicitly entails termination of the mandate agreement granted by the UPFR member.

**B. Upon request, by revocation of the management mandate**

The request (for revocation of the mandate) shall be submitted in writing to the Board of Directors and shall state the reasons on which it is based. It shall take effect on the date of submission and become operational once all liabilities of both parties have been settled; the formalities shall be completed at the first meeting of the Board of Directors, but not earlier than six months thereafter.

Termination of membership by withdrawal of the mandate shall not affect any rights and obligations that have fallen due as at the termination date. Since membership cannot be separated from the capacity of principal in relation to the rights of each producer of phonograms/videograms or any natural or legal person exercising rights assigned to them, withdrawal of the mandate by a member shall be equivalent to the principal relinquishing UPFR membership.

**C. By exclusion**

UPFR membership shall terminate through exclusion from UPFR by decision of the Board of Directors, pursuant to Article 5.3 of these Articles of Association, in the following circumstances:

- (I) where a UPFR member commits a serious or repeated breach of these Articles of Association or of any regulations, internal rules, decisions of the Board of Directors and other governing bodies and committees organised within UPFR, or resolutions of the General Assembly;
- (II) where the member makes false statements concerning their capacity as a producer of phonograms;
- (III) where the member repeatedly makes false statements concerning one or more declared phonograms/videograms in order to obtain remuneration; the same sanction shall apply to repeated declarations containing false information, including, without limitation, information used in the distribution of remuneration, the repertoire, allocations from unidentified uses, indicators for digital use, etc.;
- (IV) in all cases where exclusion is expressly provided for in these Articles of Association;
- (V) failure to pay the membership fee, under the conditions provided for in Article 7.2 and in the amount set by the General Assembly, for two consecutive years.

Termination of membership through exclusion implicitly entails termination of the mandate agreement granted by the UPFR member.

- 8.2** Where, after admission, a member becomes a user or representative of users and sits on their committees or governing bodies participating in statutory procedures for finalising methodologies for application of the law, the UPFR Board of Directors shall suspend that person's membership until the final form of the methodologies has been settled.
- 8.3** Where a member whose membership terminates by any of the means provided for in the preceding points is also a member of the UPFR Board of Directors, the position shall be filled on an interim basis by a person designated by the Board of Directors until the next General Assembly. Where an issue arises in relation to one third of the members of the Board of Directors, Article 10.12 of these Articles of Association shall apply.
- 8.4** Except in the circumstance provided for in Article 5.6, a withdrawing member may not submit an application for readmission to the Board of Directors for at least 12 months after losing UPFR membership. The person concerned must meet the conditions laid down in Article 5.1 of these Articles of Association and provide evidence that, during the period elapsed since termination of membership, they have not engaged in activities incompatible with membership.

## 9. GENERAL ASSEMBLY

- 9.1** UPFR is governed by the General Assembly, which is the assembly of all MEMBERS.

- (I) Each member has the right to participate and vote in the General Assembly, subject to the conditions established by it.
- (II) The General Assembly shall adopt resolutions in accordance with the voting regulations set out in Annex No. 2 to these Articles of Association, which forms an integral part hereof.
- (III) The General Assembly shall be chaired by the President-General Manager, the Vice-President or the Executive Director.
- (IV) A General Assembly, whether ordinary or extraordinary, shall be duly constituted in the presence of two thirds of the total votes corresponding to UPFR members.
- (V) If that quorum is not met following the first notice, a second meeting shall be convened. At the second meeting, the General Assembly shall validly conduct its business irrespective of the number of voting members present.

**9.2.** The powers of the General Assembly are to:

- (I) establish UPFR's general strategy and objectives;
- (II) establish, at the proposal of the Board of Directors, the amount of the membership fee, the UPFR admission fee and the co-production fee, as well as the voting regulations;
- (III) establish the criteria for admission to and termination of UPFR membership;
- (IV) elect and remove the members of the Board of Directors and the Statutory Auditor or auditors' committee;
- (V) confirm the appointment of the Executive Director recruited by the Board of Directors, and confirm their dismissal, at the first General Assembly;
- (VI) approve the annual reports, balance sheet and activity report;
- (VII) approve the estimated and revised income and expenditure budget, comprising the level of operating expenditure and expenditure covering the actual costs of collecting and distributing to members the amounts due, and the level of amounts allocated for use in social, cultural or educational activities or services, to be deducted from the amounts collected in accordance with legal provisions;
- (VIII) approve the general distribution policy included in these Articles of Association, having regard to market developments and the studies used;
- (IX) approve the rules applicable to distribution of collected rights in proportion to actual use of the rightholders' repertoire, the rules for distributing collected rights where actual distribution cannot be determined, and the rules governing undistributed or unclaimed amounts;
- (X) approve the general investment policy relating to rights revenue and any income derived from investment of rights revenue;
- (XI) approve the salaries or payments due to the President-General Manager, the members of the Board of Directors and the members of internal committees (where applicable);
- (XII) amend UPFR's constitutive document and Articles of Association, at the proposal of the Board of Directors or of members accounting for one half of the total votes;
- (XIII) decide on the establishment or closure of territorial units;
- (XIV) decide on the establishment of companies governed by republished Law No. 31/1990, in accordance with legal provisions;
- (XV) decide on the carrying out of direct economic activities where these are ancillary and closely related to UPFR's principal purpose;
- (XVI) dissolve UPFR under the conditions laid down in Article 22 of these Articles of Association and decide on the destination of its assets;
- (XVII) elect the five-member Special Standing Committee on Access to Information for a two-year term, after which its members may be re-elected. They may not be employees or members of the Board of Directors;
- (XVIII) elect the three-member Supervisory Board for the purpose of continuously supervising and

monitoring UPFR's activities, for a two-year term, after which its members may be re-elected. They may not be employees or members of the Board of Directors;

- (XIX) delegate to the Supervisory Board the risk management policy; approval of any purchase, sale or mortgage of immovable property; approval of mergers and alliances, the establishment of subsidiaries, acquisitions of other entities or of shares or rights in other entities; and approval of proposals to take out or grant loans or provide guarantees;
- (XX) elect any committee required for the fulfilment of UPFR's objectives, establishing its composition, objectives and operating term.
- (XXI) elect and remove from among its members the President-General Manager and Vice-President of UPFR. The President-General Manager is the general manager within the meaning of republished Law No. 8/1996 and shall serve a two-year term. They may serve no more than two consecutive terms and must meet the conditions laid down in Article 10.2 of these Articles of Association. After two years have elapsed from the end of the two consecutive terms, they shall be eligible for re-election.

### 9.3. Types of General Assembly and convening procedure:

- (I) the Ordinary General Assembly shall be held annually;
- (II) Extraordinary General Assemblies may be convened at any time during the year by decision of the Board of Directors or upon the written request of members accounting for at least one third of the total votes;
- (III) The General Assembly shall be convened by registered letter, fax or email with confirmation of receipt, sent to members at least 30 days before the proposed date. Notice shall be sent to the latest contact details communicated by UPFR members, and UPFR shall not be liable for their validity. The notice shall state the date and time of the General Assembly, the venue and the agenda. Matters, proposals or topics not included on the agenda shall be submitted for discussion at subsequent General Assemblies.
- (IV) In urgent circumstances where a decision by all members cannot be delayed because of imminent harm to UPFR or its members, upon a written request from the Executive Director sent to the members' latest correspondence addresses notified by them to UPFR, UPFR members shall decide on the basis of votes cast in writing and sent to UPFR by post (ordinary post, courier or electronic mail). The procedure shall last five days from the Executive Director's written request for a vote, and the decision shall be adopted by a simple majority of the votes received during that period.

### 9.4. Procedure for adopting resolutions in the General Assembly:

- (I) Resolutions of the General Assembly shall be adopted by a simple majority of the votes cast corresponding to members present or represented, in accordance with the voting regulations set out in Annex 2 to these Articles of Association, which forms an integral part hereof.
- (II) Where the General Assembly is reconvened, its resolutions shall be adopted by a simple majority of the votes cast by members who have voted.
- (III) A participant may represent no more than two members with voting rights at the General Assembly, on the basis of powers of attorney issued by those members, provided that the appointment does not give rise to a conflict of interest.

Resolutions of the General Assembly shall be recorded in minutes.

### 9.5. A UPFR member may not sit on the Special Standing Committee on Access to Information, the Supervisory Board or any internal committee established within UPFR if the member is in any of the following situations of incompatibility:

- (I) is UPFR's Statutory Auditor;
- (II) is a member of UPFR's Board of Directors;
- (III) is a shareholder, associate, director, adviser, auditor or member of the committees or governing

bodies of other collective management organisations, independent management entities or relevant associations (except the Romanian Music Industry Association and other relevant associations that do not collect remuneration), only provided that the relevant management organisation or association has a similar clause laid down in its articles of association or other internal instruments;

- (IV) has not paid or is in arrears with the membership fee;
- (V) is involved in a dispute with UPFR (as a party, witness, reporting person, etc.).
- (VI) repeatedly makes false declarations of untrue information used in the distribution procedure (such as repertoire data, information used for distribution of remuneration, allocations from unidentified uses, declarations of indicators for digital use, etc.);

If any of these circumstances becomes known or arises after election to a committee, membership of that committee shall be suspended by operation of law from that time until the circumstance ceases or the dispute is finally and irrevocably resolved, as applicable, at which point the capacity/function causing the incompatibility with committee membership shall cease. Once the incompatibility has ended, the person shall regain the right to stand for election.

Suspension of membership under point 8.2 shall automatically entail suspension from the Special Standing Committee on Access to Information and from the Supervisory Board.

During the period in which a UPFR member is in a situation of incompatibility, the committee shall appoint on an interim basis the next member elected at the latest General Assembly.

- 9.6. The General Assembly shall be informed of UPFR's current activities through the Executive Director.

### 10. BOARD OF DIRECTORS

- 10.1 The Board of Directors is UPFR's governing body and consists of seven (7)/nine (9) members, referred to as "members of the Board of Directors", elected by the General Assembly for a two-year term. Upon expiry of their term, members shall be eligible for re-election.

- 10.2 Persons meeting all of the following eligibility requirements may be elected to the Board of Directors:

- (I) they have been a UPFR member for more than four years;
- (II) they have paid their membership fees in full;
- (III) they are not involved in a dispute with UPFR (as a party, witness, reporting person, etc.);
- (IV) Of the seven/nine members of the Board of Directors, five members, where the Board consists of seven members, or six members, where it consists of nine members, shall be elected on representativeness criteria, in descending order according to the proportion of amounts distributed to them by UPFR in the calendar year preceding the year in which the elections take place.

In the case of members licensed internationally, the seniority requirement under point (I) concerning length of membership in the organisation shall refer to the age of the catalogue.

- 10.3 A UPFR member may not sit on the Board of Directors if the member is in any of the following situations of incompatibility:

- (I) is UPFR's Statutory Auditor;
- (II) is a member of the Special Standing Committee on Access to Information or of the Supervisory Board established within UPFR;
- (III) has not paid or is in arrears with the membership fee;
- (IV) is involved in a dispute with UPFR (as a party, witness, reporting person, etc.).
- (V) is a shareholder, associate, director, adviser, auditor or member of the committees or governing bodies of other collective management organisations, independent management entities or relevant associations (except the Romanian Music Industry Association and other relevant associations that do not collect remuneration), only provided that the relevant management organisation or association has a similar clause laid down in its articles of association or other internal instruments;

- (VI) repeatedly makes false declarations of untrue information used in the distribution procedure, such as repertoire data and other information used for distribution of remuneration, allocations from unidentified uses, declarations of indicators for digital use, etc.

If any of these circumstances becomes known or arises after election to the Board of Directors, membership of the Board of Directors shall be suspended by operation of law from that time until the circumstance ceases or the dispute is finally and irrevocably resolved, as applicable.

Suspension of membership under point 8.2 shall automatically entail suspension from the Board of Directors.

If, during a term as a member of the Board of Directors, that person ceases to be a UPFR member or any ground of incompatibility under point 10.3 arises, the Board of Directors shall appoint on an interim basis another member who meets the requirements under point 10.2, until the next General Assembly.

**10.4** Each member of the Board of Directors shall have one vote.

**10.5** In exercising its powers, the Board of Directors shall issue decisions. Decisions of the Board of Directors:

- (I) each member of the Board of Directors shall have one vote; members of the Board of Directors may delegate their vote during meetings in order to ensure representative attendance, subject to the condition under point 10.5(III);
- (II) decisions shall be adopted by simple majority; in the event of a tie, the President-General Manager shall have the casting vote;
- (III) decisions adopted at meetings attended by at least five members of the Board of Directors shall be valid.
- (IV) The Board of Directors may also adopt decisions by electronic mail/email concerning current activities and in exceptional or urgent circumstances. If members of the Board of Directors do not respond within 48 hours after a decision is sent for approval, it shall be deemed tacitly approved. Emails shall be sent with confirmation of delivery and reading.

**10.6** Members of the Board of Directors who have a direct or indirect economic interest, personally or through their spouse, ascendants, descendants, collateral relatives or relatives by marriage up to and including the fourth degree, in agreements or legal instruments submitted for approval by the Board of Directors shall declare that interest and abstain from voting. The obligation of the relevant member to abstain shall not affect the quorum for the meeting.

**The Board of Directors shall have the following powers and duties:**

- (I) ensure implementation of the resolutions of the General Assembly;
- (II) prepare and convene the General Assembly;
- (III) endorse the documents to be presented to and approved by the General Assembly, including the annual activity report for the preceding period, the balance sheet, implementation of the income and expenditure budget, the estimated income and expenditure budget and the Union's strategy;
- (IV) supervise UPFR's management;
- (V) implement the conditions for admission and termination established by the General Assembly in these Articles of Association, formally establishing membership and termination by operation of law, withdrawal of the management mandate and exclusion;
- (VI) decide the final form of the methodologies to be negotiated with users and appoint UPFR's representative in the negotiations;
- (VII) decide on UPFR's organisational structure and personnel policy within the budgetary limits established by the General Assembly and the applicable legal provisions;
- (VIII) for the proper organisation and operation of the Union between General Assembly meetings, decide on UPFR's current activities;
- (IX) appoint, sanction and dismiss the Executive Director, in compliance with the labour legislation in force and subject to confirmation by the General Assembly;
- (X) set the Executive Director's salary and benefits;
- (XI) designate persons authorised to represent UPFR in specific circumstances;

- (XII) decide on a change of registered office;
- (XIII) propose to the General Assembly for approval the amount of the admission fee and membership fee;
- (XIV) approve representation agreements with similar organisations abroad; agreements concluded with users of the repertoire managed by the Union other than standard agreements established through licensing procedures; agreements for the prevention or settlement of disputes involving special conditions; and agreements with third parties for the fulfilment of the Union's objectives;
- (XV) decide on negotiations concerning amounts owed by users experiencing payment difficulties or on the settlement of disputes; for this purpose, it shall also approve the schedule for waiving penalties owed by users;
- (XVI) approve current investments;
- (XVII) approve reimbursement of remuneration pursuant to final and irrevocable court judgments;
- (XVIII) establish the form of management mandates, declarations and reports to be submitted by members, and the form of management agreements for rightholders who are not UPFR members;
- (XIX) approve protocols with representatives of users concerning the Methodologies negotiated with them, as well as protocols with other collective management organisations;
- (XX) adopt the Internal Regulations for UPFR employees, in accordance with the labour legislation in force and UPFR's objectives and strategy;
- (XXI) perform all activities that do not fall within the exclusive competence of the General Assembly or the Executive Director.

### **Meetings of the Board of Directors:**

- (I) Meetings of the Board of Directors shall be chaired by the President-General Manager or Vice-President, who may delegate their organisation and conduct to the Executive Director;
- (II) The Board of Directors shall meet whenever necessary, either in person or online;
- (III) The Board of Directors shall approve the minutes of each meeting;
- (IV) Meetings of the Board of Directors shall be convened at the request of the President-General Manager, the Vice-President, three members of the Board of Directors or the Executive Director;
- (V) At the request or with the consent of the President-General Manager or Vice-President, employed personnel may attend meetings of the Board of Directors in an advisory capacity or to provide technical secretarial support.

A member of the Board of Directors who, demonstrating lack of interest or incapacity, fails to attend three consecutive meetings or three quarters of all meetings held in one year may be removed from the Board of Directors by a decision of two thirds of all members of the Board of Directors. The position may be filled on an interim basis by a person designated by the Board of Directors until the next General Assembly.

Where a member of the Board of Directors ceases during a term to meet the eligibility criteria laid down in Article 10.2 of these Articles of Association, that person shall cease to be a member of the Board of Directors, which shall appoint on an interim basis another member meeting the same requirements until the next General Assembly. The same measure shall apply where the licensee of a major international catalogue changes during a term. Where another member of the Board of Directors can no longer perform that function during a term, the Board of Directors may appoint on an interim basis the next member elected at the latest General Assembly.

The Board of Directors may convene the General Assembly whenever it considers this necessary or where an issue arises concerning the composition of the Board, namely in relation to one third of its members.

The activities of the Board of Directors shall not be remunerated. Members of the Board of Directors may, however, be reimbursed for expenditure strictly connected with such activities. By virtue of the office held on the Board, members shall incur no obligations of a personal nature and shall be liable solely within the limits of the mandate entrusted to them. The Board of Directors shall have the broadest

powers to administer and manage the Association, within the limits laid down by these Articles of Association and the law.

The Board of Directors may delegate its powers to one or more members or to the Executive Director for day-to-day management in specific cases.

Instruments binding UPFR with a view to initiating legal proceedings as claimant or defendant shall be signed by the President-General Manager, Vice-President or Executive Director.

The President-General Manager may not hold any other office in another collective management organisation, an independent management entity, or as a member of an economic interest grouping operating in the management organisation's field of management.

**The President-General Manager and members of the Board of Directors shall complete and submit to the General Assembly an annual individual declaration, in compliance with the legal provisions on personal data protection, containing the following information:**

- any interests held in the collective management organisation;
- any amount received as a natural person from the collective management organisation during the preceding financial year, including in the form of salaries, compensation payments or other pecuniary and non-pecuniary benefits;
- any amount received from the collective management organisation during the preceding financial year in the capacity of rightholder who is a natural person;
- any existing or potential conflict between personal interests and those of the collective management organisation, or between obligations towards the collective management organisation and duties towards another natural or legal person.

### **11. SPECIAL COMMITTEE ON ACCESS TO INFORMATION**

- 11.1** UPFR shall have a Special Standing Committee on Access to Information appointed by the General Assembly and consisting of five members who are not employees and do not sit on the Board of Directors or Supervisory Board.
- 11.2** Persons who consider that their right of access to requested information has been infringed (information preceding the General Assembly: the annual activity report, annual reports, the text of and explanatory memoranda for each resolution submitted to the General Assembly, individual employee salaries subject to restricted access to their personal data, amounts held in bank accounts, information by category of user, the status of disputes, settlements and payment rescheduling arrangements, and declarations of incompatibility and income) may refer the matter to the Committee within three days. The Committee shall respond within seven days both to the person making the referral and to the General Manager.
- 11.3** The Committee shall draw up an annual report on its activities and submit it to the General Assembly and the Romanian Copyright Office.

### **12. SUPERVISORY BOARD**

- 12.1.** For the purpose of continuously supervising and monitoring UPFR's activities, a Supervisory Board consisting of three (3) members shall be elected by the General Assembly for a two-year term. Upon expiry of their term, members shall be eligible for re-election.
- 12.2.** Persons meeting all of the following eligibility requirements may be elected to the Supervisory Board:
- (I) they have been a UPFR member for more than four years;
  - (II) they have paid their membership fees in full;
  - (III) they are not involved in a dispute with UPFR (as a party, witness, reporting person, etc.).
- 12.3.** Within 10 days of appointment, each member of the Supervisory Board shall complete an annual individual declaration, in compliance with the legal provisions on personal data protection, containing the following information:

- (I) any interests held in the collective management organisation;
  - (II) any amount received from the collective management organisation during the preceding financial year, including in the form of salaries, compensation payments or other pecuniary and non-pecuniary benefits, in the capacity of a natural person;
  - (III) any amount received from the collective management organisation during the preceding financial year in the capacity of rightholder who is a natural person;
  - (IV) any existing or potential conflict between personal interests and those of the collective management organisation, or between obligations towards the collective management organisation and duties towards another natural or legal person.
- 12.4.** The Supervisory Board shall have the following powers and duties:
- (I) monitor the activities of and fulfilment of obligations by the President-General Manager and the Board of Directors, including implementation of the resolutions of the General Assembly;
  - (II) verify accounting and financial data, including any reservations expressed, which shall be included in the activity report;
  - (III) draw up an annual report on its activities, present it to the General Assembly and communicate it to the Romanian Copyright Office.

### **13. EXECUTIVE DIRECTOR AND PERSONNEL**

The Executive Director shall be recruited by the Board of Directors, subject to confirmation by the General Assembly, and shall report to the General Assembly. The General Assembly shall also confirm dismissal from office, at the proposal of the Board of Directors. In carrying out their activities, the Executive Director shall issue decisions.

**13.2.** The Executive Director is authorised by the Board of Directors to:

- (I) convene and organise meetings of the Board of Directors;
- (II) represent UPFR and bind UPFR in relations with third parties within the limits of the authority granted by the Board of Directors or the General Assembly;
- (III) carry out any activities delegated by the General Assembly and the Board of Directors;
- (IV) prepare the annual activity report, which shall be endorsed by the Board of Directors and subsequently presented to the General Assembly.

**13.3.** The Executive Director shall coordinate UPFR's current activities and be responsible for UPFR's operation. The Executive Director shall have the following powers and duties:

- (I) implement decisions of the Board of Directors;
- (II) approve receipts and payments on the basis of supporting documents;
- (III) prepare the draft methodologies to be negotiated with users;
- (IV) after approval by the Board of Directors, negotiate and conclude protocols with other collective management organisations abroad or in Romania and methodologies for determining remuneration; conclude agreements with users in compliance with the methodologies in force; and conclude agreements with third parties within the Union's stated objectives and the approved budget;
- (V) negotiate, within the limits established by the Board of Directors, rescheduling of amounts owed by users experiencing payment difficulties or in connection with the settlement of disputes;
- (VI) submit the organisational chart to the Board of Directors for approval;
- (VII) establish the structure and salary scale for the personnel necessary to fulfil UPFR's objectives. For this purpose, the Executive Director shall manage (hire, dismiss, restructure, suspend, sanction, etc.) the personnel required for the Union's activities and their salary levels, as well as permanent collaborators involved in the Union's current activities, in accordance with the organisational

structure, personnel policy and expenditure budget established by UPFR's governing bodies, the law and these Articles of Association;

- (VIII) direct the activities of all departments and coordinate the activities of the Union's territorial structures;
- (IX) inform the General Assembly of UPFR's current activities;
- (X) inform the Board of Directors of the Association's monthly activities;
- (XI) ensure the collection of remuneration and the documentation and verification of repertoire use, and organise monitoring of repertoire use using its own resources or intermediaries, within the budget established by the General Assembly;
- (XII) inform the Board of Directors about distribution and ensure distribution of collected amounts to rightholders;
- (XIII) ensure and coordinate the creation of UPFR databases concerning the repertoire managed pursuant to the law or mandates;
- (XIV) perform any duties delegated by decision of the Board of Directors and those provided for by the legislation in force.

### **14. UNION ASSETS**

- 14.1.** UPFR's assets consolidated following the merger amount to RON 1,000.
- 14.2.** UPFR's assets may not be encumbered by the debts or other personal obligations of its members.

### **15. AUDIT OF THE UNION'S MANAGEMENT**

- 15.1.** The Union's management shall be audited by a Statutory Auditor elected by the General Assembly for a two-year term.
- 15.2.** The General Assembly shall elect an alternate member who may replace the Statutory Auditor if the latter is removed by the General Assembly or is unable to perform the mandate. The alternate's mandate shall expire on the expiry date of the mandate of the person replaced.
- 15.3.** The Statutory Auditor shall present an annual report to the General Assembly.
- 15.4.** The Statutory Auditor shall verify the manner in which the Association's assets are administered.
- 15.5.** The Statutory Auditor may attend meetings of the Board of Directors without voting rights.

### **16. FINANCIAL YEAR**

- 16.1.** The financial year shall begin on 1 January and end on 31 December of each year.
- 16.2.** The first financial year shall begin on the date on which legal personality is acquired and end on 31 December of that year.

### **17. UNION INCOME AND EXPENDITURE BUDGET**

- 17.1.** The Union's income shall consist of:
  - (i) cash contributions by members from the amounts due to them, consisting of percentage deductions from amounts collected and distributed, at variable rates approved by the General Assembly according to need, to cover operating expenditure and other expenditure under Article 17.2, but not exceeding the percentage rates laid down by the applicable regulations; cash contributions shall be deducted from members and rightholders when distribution is made for each managed right and, in the case of private copying, when payment is made to the beneficiary organisations;
  - (ii) donations and other amounts arising from gratuitous dispositions;

- (III) UPFR admission fees and co-production fees established by the General Assembly;
- (IV) membership fees;
- (V) income from direct economic activities carried out in accordance with the law (such as publishing brochures, leaflets and studies, organising events, etc.), obtained under the conditions set out in point 3.1(XII);
- (VI) any compensation recovered from third parties other than compensation obtained as a result of infringement of related economic rights; interest arising from investment of the Union's income;
- (VII) any amounts obtained from management of assets belonging to the Association or replacing such assets;
- (VIII) dividends of any kind. Unless reinvested in those companies, dividends from companies established by UPFR pursuant to Law No. 31/1990 shall be used exclusively for the fulfilment of UPFR's purpose;
- (IX) grants and sponsorships for activities, projects and programmes initiated or carried out by UPFR;
- (X) other income, in accordance with the legislation in force.

Remuneration received is not and may not be treated as Union income.

### **17.2. The Union's expenditure shall comprise:**

**17.2.1.** Operating expenditure and expenditure covering the actual costs of collecting and distributing amounts due to members or beneficiary organisations where UPFR has been appointed as sole collector or as collector by field of creation where several collective management organisations represent the same category of rightholders, under the conditions laid down in these Articles of Association:

- (I) expenditure relating to personnel and governing, supervisory, collaborative and control bodies, including internal or external audits; expenditure relating to holding movable or immovable assets under any title; the acquisition of any material resources, goods and services required for carrying out activities; hospitality expenditure; expenditure for participation in conferences, seminars and similar information and professional-development activities; and expenditure relating to holding and using under any title the premises in which activities are carried out centrally and territorially;
- (II) incidental expenditure such as fines and compensation;
- (III) bank charges or fees;
- (IV) expenditure necessary for establishing, collecting and distributing remuneration, such as professional fees, stamp duties, judicial stamp duties, bank charges, specialist studies, monitoring of use of UPFR's repertoire, etc.;
- (V) expenditure on the acquisition of software or software services useful for collecting and distributing remuneration;
- (VI) expenditure on duties and taxes;
- (VII) interest relating to any loans taken out;
- (VIII) any expenditure necessary for the operation of the Association.

**17.2.2.** Expenditure on social, cultural or educational activities and services related to the members' field of activity, other than expenditure covering the actual costs of collection and distribution, up to the percentage of the amounts collected laid down by the applicable regulations, solely within the limits of UPFR's stated objectives and by decision of the General Assembly.

## **18. REPRESENTATION**

**18.1.** In relations with third parties, UPFR shall be represented by the President-General Manager, the Vice-President or the Executive Director, whose signature shall fully bind UPFR.

**18.2.** In specific circumstances, the Board of Directors may designate a member, the Executive Director or another specially authorised person to represent UPFR.

## 19. COLLECTION AND DISTRIBUTION

- 19.1. Amounts collected by UPFR during a financial year shall be recorded according to their collection sources.
- 19.2. Administrative expenses owed by rightholders to cover operating expenditure, the actual costs of collecting and distributing amounts due to members, and use for social, cultural or educational activities or services, together with expenses due to the sole collector, shall be deducted proportionally from the amounts due to each rightholder when distribution is made, but may not exceed 15%, in accordance with legal provisions. The actual costs of collecting and distributing amounts to similar organisations abroad, and amounts received from such organisations and due to UPFR members, shall be dealt with in accordance with the reciprocal representation agreements concluded for that purpose.
- 19.3. The operating expenditure budget shall be established annually by the Board of Directors at the beginning of each financial year and submitted for approval to the General Assembly; it may subsequently be revised under conditions similar to those governing approval of the original budget.
- 19.4. Net revenue obtained shall be distributed on the basis of the distribution rules agreed for that purpose in the General Distribution Regulations and Distribution Sub-Regulations.
- 19.5. UPFR undertakes to pay the net revenue allocated to rightholders under the conditions laid down in the General Distribution Regulations and Distribution Sub-Regulations, including compliance with the minimum threshold established by the Board of Directors from which distribution begins.
- 19.6. UPFR shall make all payments in Romanian currency for the territory of Romania or in the currency of the country with which it has a reciprocal representation agreement.
- 19.7. The Board of Directors may establish additional rules concerning the methods and timing of payment; collected remuneration shall be paid at least twice a year.
- 19.8. Distribution among rightholders shall be based on the available information concerning use of the phonograms or videograms.
- 19.9. With regard to obtaining and processing such information, the Board of Directors shall adopt the measures it considers necessary both for equitable distribution and efficient administration.
- 19.10. All provisions of these Articles of Association concerning the rules governing UPFR's activities under Articles 7.3, 7.4, 7.5, 7.6, 7.9, 7.10, 7.11, 7.12 and 7.13; the provisions concerning collection and distribution under Article 19; and the provisions of points 20 and 21 concerning distribution, including distribution criteria, shall also apply to rightholders who are not UPFR members and whose rights are managed by UPFR under management agreements and/or republished Law No. 8/1996.

## 20. GENERAL DISTRIBUTION REGULATIONS

### 20.1. Description of terms / definitions

For the purposes of these Distribution Regulations and the related Distribution Sub-Regulations, the following terms shall have the meanings set out below:

- a. **Legal framework:** Law on Copyright and Related Rights of 26 March 1996, as subsequently amended and supplemented; Law No. 76/1998, published in the Official Gazette of Romania No. 148/1998, concerning Romania's accession to the International Convention for the Protection of Performers, Producers of Phonograms and Broadcasting Organisations, signed in Rome on 26 October 1961, of 14 April 1998; the methodologies in force; ORDA Decision No. 216/2011; ORDA Decision No. 133/2012; ORDA Decision No. 327/2010; ORDA Decision No. 79/2014; ORDA Decision No. 10/2016, as amended by ORDA Decision No. 120/2016; ORDA Decisions No. 156/2005 and No. 86/2009 appointing UPFR as sole collector of compensatory remuneration due to rightholders for private audio and audiovisual copying; and the UPFR Articles of Association, as amended and supplemented.
- b. **Producer:** a producer of a phonogram within the meaning of Article 104(2) of republished Law No. 8/1996, namely the natural or legal person who assumes responsibility for organising and financing the first fixation of sounds, or a producer of a videogram within the meaning of Article 108(2) of republished

Law No. 8/1996, namely the natural or legal person who assumes responsibility for organising and financing the first fixation of an audiovisual work or sequences of moving images, whether or not accompanied by sound, and who in that capacity provides the necessary technical and financial resources;

- c. **Phonogram:** any fixation of sounds of a performance or of other sounds, or of a digital representation of such sounds, regardless of the medium used for fixation (digital or physical format - records, cassettes, tapes, compact discs, DCCs, minidisks and any other sound or audiovisual media, some of which may not yet be known), other than in the form of a fixation incorporated in a cinematographic work or other audiovisual work;
- d. Phonogram published for commercial purposes means a phonogram made available to the public by sale or by wire or wireless means in such a way that members of the public may access it from a place and at a time individually chosen by them.
- e. **Videogram:** any fixation of an audiovisual work or sequences of moving images, whether or not accompanied by sound, regardless of the method and medium used for such fixation, including music videos, concerts fixed on a medium or in digital format, and any other audiovisual materials or fixations owned by record companies that have mandated UPFR in respect of their own videogram repertoire.
- f. **Title:** an independent musical work fixed on a phonogram within the meaning of letters c and d, or an independent audiovisual work fixed on a videogram within the meaning of letter e;
- g. **Rightholder:** the producer of sound recordings or its representative, whether or not a UPFR member; in the latter case, in circumstances of mandatory collective management and provided the repertoire is documented in the form requested by UPFR; or the producer of audiovisual recordings or its representative, whether or not a UPFR member, subject to the same conditions;
- h. **Repertoire:** the total number of phonograms and/or videograms declared in accordance with the repertoire declaration procedure in force and in respect of which a producer or its assignees may make claims pursuant to Article 106(a), (f), (g) and (h) and Article 110(1)(a), (f), (g) and (h), read in conjunction with Articles 42 and 43 of republished Law No. 8/1996;
- i. **Use of phonograms and videograms:** broadcasting of producers' own sound and audiovisual recordings; cable retransmission; reproduction of sound and audiovisual recordings giving rise to private-copying remuneration; reproduction of phonograms and videograms for the purposes of broadcasting, communication to the public and making available to the public; making phonograms and videograms available to the public; communication of phonograms and videograms to the public; and communication to the public by means of an ancillary online service.
- j. **Collection source:** amounts shall be collected separately according to the use made of phonograms and videograms through broadcasting, rental, lending, communication to the public, communication to the public by means of an ancillary online service, making available to the public, cable retransmission, retransmission, private copying, reproduction of phonograms/videograms for the purposes of broadcasting, communication to the public and making available to the public, and any other form of use capable of collective management by law, as well as sources entrusted by special mandate from rightholders.
- k. **Damages:** amounts received by UPFR as a result of infringement of rightholders' rights.
- l. **Conflicting claims:** phonograms or videograms claimed by two or more producers.
- m. **Unclaimed amounts:** amounts not claimed by their rightholders or lawful heirs within three years from the date of notification in accordance with Article 21.1(2).
- n. **Playlist:** the complete list of phonograms and videograms broadcast, submitted by radio and television organisations in the format provided for by the legislation in force.
- o. **Monitoring report:** a report issued by the monitoring company containing the use of phonograms and used in the distribution process.
- p. **Fingerprinting:** the process of recording and transforming an audio signal into a digital signal in order to

create a unique identification key.

### 20.2. Distribution

1. Remuneration collected by UPFR shall be distributed to rightholders in proportion to the actual use of phonograms/videograms, in accordance with these Articles of Association approved by the General Assembly. Unclaimed amounts shall be distributed to members in accordance with the distribution criteria established by the General Assembly pursuant to law and these Articles of Association.
2. Remuneration received by UPFR pursuant to Article 162(b) of republished Law No. 8/1996 during a financial year shall be recorded according to collection source.
3. the management fee means the percentage deducted from authors or rightholders from rights revenue or any income derived from investment of rights revenue in order to cover all expenditure incurred in the operation of the collective management organisation and the collection, distribution and payment of remuneration. The fee owed by members and rightholders having a direct relationship with the collective management organisation shall be deducted when distribution is made and may not exceed 15% of the amounts individually distributed;
4. The actual costs of collecting and distributing amounts to similar organisations abroad, and amounts received from those organisations and due to UPFR members, shall be dealt with in accordance with the reciprocal representation agreements concluded for that purpose.
5. The percentage management fee to be deducted shall be proposed by the Board of Directors and approved by the General Assembly. Estimated expenditure shall be decided each year at the beginning of the financial year as part of the budget, while actual expenditure shall be approved at the beginning of the following financial year within the revised budget. The Board of Directors shall issue additional rules concerning the use of these funds.
6. The operating expenditure budget shall be established annually by the Board of Directors at the beginning of each financial year and submitted for approval to the General Assembly; it may subsequently be revised according to need.

### 20.3. Payment and payment deadlines

1. UPFR undertakes to pay the net revenue allocated to rightholders in the manner laid down in the Distribution Sub-Regulations. UPFR shall make all payments in Romanian currency for the territory of Romania or in the currency of the country with which it has a reciprocal representation agreement.
2. As a rule, collected remuneration shall be distributed no later than nine months after the end of the financial year, although shorter distribution periods may also be established with the approval of the Board of Directors. Rightholders may claim payment of amounts collected by name or whose distribution does not require special documentation within 30 days from the date of collection.
3. Rightholders who have failed to provide, within the specified period or in the appropriate manner indicated by UPFR, the information or documents necessary for distribution, or those requested by UPFR, shall receive remuneration from the amounts collected at subsequent distributions or at the annual adjustment, provided they meet all the conditions set out in point 21.2.

### 20.4. Basis for distribution

1. Distribution among rightholders shall be based on available information submitted by users and/or monitoring reports prepared by specialist companies at the time distribution is made concerning use of the phonograms/videograms.
2. Statements submitted by members on their own responsibility and fingerprinting of the repertoire do not in themselves create rights. UPFR's executive management may conduct any checks it considers necessary to establish the existence of the rights claimed. If, after remuneration has been distributed, users submit documentation concerning use that is necessary for distribution of collected amounts, or it

is established that UPFR made internal errors, rightholders made errors when declaring repertoire, or phonograms were fingerprinted without the rights in them being proved, the rightholder shall repay any amount received in excess. If new remuneration is distributed to that rightholder, UPFR may retain those amounts until they are set off against the amounts owed to UPFR.

3. With regard to obtaining and processing the information referred to in paragraph 1, the Board of Directors shall take the measures it considers necessary both for equitable distribution and efficient administration.

### **20.5. Disputes**

Disputes arising from these Distribution Regulations and the related Sub-Regulations concerning distribution of producers' rights shall be heard by the courts having territorial jurisdiction over UPFR's registered office.

## **21. SUB-REGULATIONS ON DISTRIBUTION OF PRODUCERS' RIGHTS**

### **21.1. General provisions**

1. Unclaimed amounts resulting from distribution shall be kept for no more than three years from the notification date in separate UPFR analytical accounts and shall be distributed as and when claimed. After expiry of that period, they shall be distributed to members of the management organisation and, in the case of rights subject to mandatory collective management, to members of the beneficiary organisations, in proportion to the remuneration distributed in the year in which they arose, subject to the exception under point 21.7.2 for the period from 4 April 2022 to 4 April 2025.
2. Notice of undistributed or unclaimed amounts in accordance with the distribution rules shall be given in writing and electronically, including on the collective management organisation's own website, within three months after the end of the financial year in which they were collected, and shall contain any information that may facilitate identification of the rightholder.
3. The General Assembly may decide to incur expenditure on social, cultural or educational activities and services related to the members' field of activity, in order to cover operating expenditure and the actual costs of collecting and distributing amounts due to members, in accordance with legal provisions. The Board of Directors shall issue additional rules concerning the use of these funds.
4. The actual costs of collecting and distributing amounts to similar organisations abroad, and amounts received from those organisations and due to UPFR members, shall be dealt with in accordance with the reciprocal representation agreements concluded for that purpose.
5. The net amount available after deduction of the costs referred to in points 2 and 3 shall be distributed by UPFR to the rightholders for whose remuneration it was collected, in accordance with Article 162(e) of republished Law No. 8/1996.
6. Administrative expenses owed by rightholders to cover operating expenditure, the actual costs of collection and distribution, and use for social, cultural or educational purposes, together with expenses due to the sole collector, shall be deducted proportionally from the amounts due to each rightholder after distribution has been calculated, in accordance with legal provisions.
7. Where rightholders fail to submit within the established deadlines the information or indicators necessary for the distribution process, distribution shall be made no later than the adjustment carried out in the year following the request.

### **21.2. Conditions for making payments**

1. Each rightholder shall communicate to UPFR, in the manner indicated by UPFR and within the period provided for in Article 7.4 of these Articles of Association, their own repertoire of phonograms and/or videograms and the data required by UPFR to make the payments established by decision of the Board

of Directors; otherwise, UPFR shall be released from any liability for failure to distribute amounts. Rightholders who have failed to provide, within the specified period or in the appropriate manner indicated by UPFR, the information or documents necessary for distribution, or those requested by UPFR, shall receive remuneration from the amounts collected at subsequent distributions or at the annual adjustment, provided they meet all the conditions set out in this point.

2. The rightholder shall indemnify UPFR against actions brought by third parties (whether members or non-members) concerning the lawful nature of the repertoire declared by the rightholder and the rightholder's rights in that repertoire. UPFR shall be released from any liability concerning the collection and distribution of amounts collected from users where those activities are carried out on the basis of the repertoire declared by the rightholder.
3. Payment shall be made only where:
  - (I) the rightholder has declared the repertoire in the format accepted by UPFR;
  - (II) the rightholder has granted UPFR either a direct mandate agreement or a representation agreement, in which case payment of rights shall be made to the similar organisation abroad, or a rights management agreement;
  - (III) the repertoire declared by the rightholder is used during the period for which the collected amounts are distributed.
4. The Board of Directors may suspend payment of related economic rights in the following circumstances:
  - (I) two or more declarations have been submitted for the same phonogram or videogram in which two or more persons simultaneously claim to be rightholders;
  - (II) UPFR is notified or becomes aware of a dispute concerning the capacity of rightholder in a phonogram or videogram;
  - (III) UPFR is notified or becomes aware of non-compliance of the repertoire declared by the rightholder or of any information underlying distribution;
  - (IV) the member/independent producer repeatedly makes false declarations of untrue information used in the distribution procedure (including, without limitation, repertoire data, allocations from unidentified uses and declarations of indicators for digital use);

Suspension shall end, with the consequence that the rights are paid to the rightholders, after submission of a final and irrevocable court judgment or a settlement agreement concluded between the parties involved to settle or prevent the dispute.

### **21.3. Documentation of the repertoire**

1. If requested by UPFR, a rightholder shall prove the basis on which they claim to be the entitled person in respect of the phonograms or videograms/titles referred to in point 21.2.1 by submitting written documents demonstrating their capacity as producer/rightholder of the relevant phonograms or videograms/titles. Otherwise, UPFR shall be entitled not to distribute the amounts relating to repertoire declared but not substantiated by the rightholder.
2. Where there are well-founded doubts concerning the basis of a rightholder's claims to remuneration, or where another participant also raises such a claim, UPFR shall be authorised to defer payment relating to use of the relevant phonograms or videograms/titles until the matter is resolved, where necessary by the competent courts referred to in point 20.5 of the General Distribution Regulations, in order to determine whether the claims are well founded.

### **21.4. Distribution of funds**

Amounts available for distribution shall be paid to rightholders according to collection source and in proportion to the extent of use, based on the duration for which the phonogram or videogram/title was broadcast by the relevant collection source.

**21.5. Distribution rules by type of remuneration collected**

**A) Amounts arising from collection sources for phonograms shall be distributed to rightholders as follows:**

**a) collected compensatory remuneration for private copying shall be distributed in accordance with the criteria in force on the collection date and on the basis of the information available on the distribution date:**

Distribution shall reflect the consumption habits of persons using the equipment and media in respect of which private-copying compensatory remuneration is paid, as shown by national studies/market research/monitoring, according to the source influencing use through the devices and media concerned by private copying:

- (i) according to a percentage determining the habit of copying content from phonograms identified on radio and television stations.

Distribution shall be based on monitoring reports for radio stations and music television stations, weighted by their audiences. The stations shall be established and approved annually by the General Assembly (at least 30 stations, comprising 20 radio stations and 10 television stations).

It shall be presumed that only phonograms made available to the public by sale or by wire or wireless means in such a way that members of the public may access them from a place and at a time individually chosen by them can become private copies and be taken into account in distribution of private-copying rights. Such phonograms must be associated with an artistic act and/or a performer and shall comprise performances and other sounds, other than those produced for the identification and self-promotion of a broadcasting station or one of its programmes, phonograms whose producer is either that broadcasting station or another producer that produced the phonogram to the order of that broadcasting station, and phonograms produced for broadcast in order to promote a product or service belonging to a third party in relation to the broadcasting station, as a form of advertising for that product or service.

- (ii) according to a percentage allocated to digital sources, documented by the indicators of digital use for the period covered by the distribution. Indicators concerning use of phonograms in the digital environment may be provided by producers or determined on the basis of reports prepared by companies specialising in monitoring digital platforms.

These indicators shall be established and approved by the General Assembly in accordance with the General Distribution Policy.

Expenditure relating to monitoring activities shall be covered from UPFR's management fee, in accordance with the law.

Where producers report digital indicators on their own responsibility, reporting shall be made in the format established by the Board of Directors and may be verified by the Supervisory Board, UPFR management or an audit firm approved by the Board of Directors. Where incorrect reporting is identified, point 21.2, paragraph 4, shall apply.

**Common provisions applicable to the criteria in this point**

- (i) UPFR reserves the right to verify information by any means, including information received from users and information declared on their own responsibility by rightholders entitled to amounts from distributions;
- (ii) Amounts relating to periods preceding the period in which collection was made shall be distributed in proportion to the amounts distributed to members during the reference period to which the collection relates.
- (iii) The Board of Directors may decide to commission national studies/market research/monitoring to measure the consumption habits of persons using the equipment and media in respect of which private-copying compensatory remuneration is paid, according to the source influencing use through the devices and media concerned by private copying.

- (IV) The calculation method taking account of the results of studies/market research/monitoring, the resulting percentages, the list of radio and television stations and the method of audience weighting used for the criteria in this Article shall be approved annually by the General Assembly as part of the General Distribution Policy.
- (V) One percent of the amounts subject to distribution from this source shall be retained for subsequent claims concerning phonograms reported after the initial distribution or whose digital indicators were declared after that time. After three years, the remaining amounts shall be distributed in accordance with point 21.7.

**b) equitable remuneration for broadcasting**

- 1) This remuneration shall be distributed having regard to the actual use of phonograms shown by monitoring reports and playlists received from radio and television organisations in the standard format provided for by the methodology in force, separately for each radio or television station, for the period in respect of which the remuneration was collected.
- 2) Collected remuneration which these Sub-Regulations require to be distributed in direct proportion to use of phonograms, but for which, within five months from collection of the remuneration, the user has submitted documentation concerning the phonograms used in accordance with the methodologies in force that is incomplete and/or cannot be processed, shall be distributed in proportion to use for the documented part.
- 3) Collected remuneration relating to the undocumented and/or unprocessable part received from radio and television stations for the distribution period, and collected remuneration which these Sub-Regulations require to be distributed in direct proportion to use of phonograms but for which the user has not submitted a playlist of phonograms used within five months from collection, shall be distributed according to the actual use of phonograms documented in playlists received from the other radio and television stations for the distribution period and/or playlist monitoring reports prepared by companies specialising in that field.

It shall be distributed in proportion to the duration of phonograms in the radio or television playlists referred to in point 1, weighted by measured audience, in the following cases:

- i. stations that do not submit playlists;
- ii. stations whose playlists do not comply with the methodological rules in force and cannot be processed;
- iii. stations for which the ratio between the amount subject to distribution and the total number of seconds broadcast is less than RON 0.0005 per second.

Where users provide a playlist in accordance with point 1 but the amount subject to distribution is less than RON 0.0005 per second (the ratio between the amount subject to distribution and the total number of seconds broadcast), the playlist cannot be included in distribution analysis; in such cases, the remuneration shall be distributed within the same type of use according to the calculation method and rules established as criteria by the General Assembly.

Playlists received from users must comply with the requirements of the methodologies in force in order for the amounts due to phonogram rightholders to be analysed.

**Common provisions applicable to the criteria in this point**

- (I) Remuneration shall be distributed taking account of the audience of phonograms in each playlist or monitoring report used for distribution.
- (II) Where a radio or television organisation pays remuneration without a breakdown by station, the remuneration shall be distributed among the relevant stations according to each station's audience.

Within the playlists received for each station, phonograms shall be weighted by the audience determined by a company specialising in audience measurement. Where no measured audience is available for certain stations, the minimum audience measured for the distribution period shall be taken into account.

- (III) Whenever global remuneration is collected and the remuneration for each individual period cannot be established, it shall be distributed for the entire period in respect of which it was collected, in direct proportion to that period.
- (IV) Amounts collected for an earlier period shall be distributed in accordance with the documentation received for the period in respect of which the remuneration was collected and the criteria in force during that period, provided that such documentation exists and can be processed. Where amounts are undocumented, amounts collected for an earlier period shall be distributed in proportion to the amounts distributed to members during the reference period to which the collection relates.
- (V) UPFR reserves the right to verify by any means information received from users and information declared on their own responsibility by rightholders entitled to amounts from distributions.
- (VI) The calculation method used for the criteria in this Article shall be approved annually by the General Assembly as part of the General Distribution Policy.

c) equitable remuneration for communication to the public shall be distributed in accordance with the criteria in force on the

**collection date and on the basis of the information available on the distribution date:**

Distribution shall reflect use of phonograms in ambient settings, as shown by national studies/market research/monitoring to determine the proportion of each source used for communication of phonograms to the public by users who pay UPFR equitable remuneration for communication of phonograms and reproductions thereof to the public (ambient, profit-making and reproduction):

- (i) according to a percentage for ambient use of phonograms identified on monitored radio stations and a percentage for phonograms identified on monitored television stations. Distribution shall be based on monitoring reports for radio stations and music television stations, weighted by their audiences. The stations shall be established and approved annually by the General Assembly (at least 30 stations, comprising 20 radio stations and 10 television stations).

Remuneration for use of phonograms shall be calculated in accordance with the methodological rules in force for radio and television.

according to a percentage allocated to digital sources, documented by the indicators of digital use for the period covered by the distribution. Indicators concerning use of phonograms in the digital environment may be provided by producers or determined on the basis of reports prepared by companies specialising in monitoring digital platforms.

These indicators shall be established and approved by the General Assembly in accordance with the General Distribution Policy.

*Expenditure relating to monitoring activities shall be covered from UPFR's management fee, in accordance with the law.*

Where producers report digital indicators on their own responsibility, reporting shall be made in the format established by the Board of Directors and may be verified by the Supervisory Board, UPFR management or an audit firm approved by the Board of Directors. Where incorrect reporting is identified, point 21.2, paragraph 4, shall apply (as in the case of private copying).

Remuneration received from users of phonograms through communication to the public for which the methodologies do not require users to submit a playlist report, including use of phonograms for ambient purposes, may also be distributed in direct proportion to the duration of use of the identified phonograms, only where all of the following conditions are met:

- before distribution is made, the user submits the playlist electronically in Excel format, containing the minimum information necessary for processing and use in distribution, namely: broadcast date; broadcast time (hh:mm:ss); duration of the phonogram broadcast (minutes and seconds); phonogram title; and artist/group name.
- the ratio between the amount subject to distribution and the total number of seconds broadcast is greater than RON 0.0005 per second.

The playlist shall be submitted quarterly, no later than the end of the month following the quarter covered by the playlist.

Distribution made in this manner, directly from the playlist, shall be carried out once a year, in the first quarter of the year following the end of the financial year.

### **Common provisions applicable to the criteria in this point**

- (i) UPFR reserves the right to verify by any means information received from users and information declared on their own responsibility by rightholders entitled to amounts from distributions.
- (ii) The Board of Directors may decide to commission national studies/market research/monitoring to measure use of phonograms in ambient settings.
- (iii) The calculation method taking account of the results of studies/market research/monitoring, the resulting percentages, the list of radio and television stations and the method of audience weighting used for the criteria in this Article shall be approved annually by the General Assembly as part of the General Distribution Policy.

One percent of the amounts subject to distribution from this source shall be retained for subsequent claims concerning phonograms reported after the initial distribution or whose digital indicators were declared after that time (as under letter a). After three years, the remaining amounts shall be distributed in accordance with point 21.7.

### **d) remuneration due for communication of phonograms to the public on the internet shall be distributed in accordance with the criteria in force on the collection date, as provided for in point c).**

### **e) remuneration due from cable retransmission shall be distributed in accordance with the criteria in force on the**

**collection date and on the basis of the information available on the distribution date:**

- (i) Distribution shall reflect use of phonograms, having regard to monitoring reports and/or playlists declared under point 21.5(A)(b) by broadcasters retransmitted by cable and reported by cable operators in their programme schedules. The radio and television stations retransmitted by those cable users must broadcast from the territory of Romania.

Identified phonograms shall be weighted by average hourly audience.

### **Common provisions applicable to the criteria in this point**

- (i) Remuneration shall be distributed taking account of the audience of phonograms in each monitoring report used for distribution.
- (ii) Within monitoring reports, phonograms shall be weighted by the audience determined by a company specialising in audience measurement. Where no measured audience is available for certain stations, the minimum audience measured for the distribution period shall be taken into account.
- (iii) UPFR reserves the right to verify by any means information received from users and information declared on their own responsibility by rightholders entitled to amounts from distributions;

- (IV) Amounts relating to periods preceding the period in which collection was made shall be distributed in proportion to the amounts distributed to members during the reference period to which the collection relates.
- (V) The calculation method used for the criteria in this Article shall be approved annually by the General Assembly as part of the General Distribution Policy.

f) remuneration due from reproduction for the purposes of broadcasting, communication to the public and making available to the public shall be distributed in accordance with the criteria in force on the collection date, as provided for in point c).

**B) Amounts arising from collection sources for videograms shall be distributed to rightholders as follows:**  
**a) collected compensatory remuneration for private copying shall be distributed by percentage, in accordance with**

**the following criteria in force on the collection date and on the basis of the information available on the distribution date:**

Distribution shall reflect the consumption habits of persons using the equipment and media in respect of which private-copying compensatory remuneration is paid, as shown by national studies/market research/monitoring, according to the source influencing use through the devices and media concerned by private copying:

- (I) according to a percentage determining the habit of copying content from videograms identified on television stations.

Distribution shall be based on monitoring reports for music television stations (at least 10 stations), weighted by their audiences. The stations shall be established and approved annually by the General Assembly.

- (II) according to a percentage allocated to digital sources, documented by the indicators of digital use for the period covered by the distribution. Indicators concerning use of videograms in the digital environment may be provided by producers or determined on the basis of reports prepared by companies specialising in monitoring digital platforms.

These indicators shall be established and approved by the General Assembly in accordance with the General Distribution Policy.

Expenditure relating to monitoring activities shall be covered from UPFR's management fee, in accordance with the law.

Where producers report digital indicators on their own responsibility, reporting shall be made in the format established by the Board of Directors and may be verified by the Supervisory Board, UPFR management or an audit firm approved by the Board of Directors. Where incorrect reporting is identified, point 21.2, paragraph 4, shall apply.

### Common provisions applicable to the criteria in this point

- (I) UPFR reserves the right to verify information by any means, including information received from users and information declared on their own responsibility by rightholders entitled to amounts from distributions.
- (II) Amounts relating to periods preceding the period in which collection was made shall be distributed in proportion to the amounts distributed to members during the reference period to which the collection relates.

- (III) The calculation method used for the criteria in this Article shall be approved annually by the General Assembly as part of the General Distribution Policy.
- (IV) One percent of the amounts subject to distribution from this source shall be retained for subsequent claims concerning phonograms reported after the initial distribution or whose digital indicators were declared after that time. After three years, the remaining amounts shall be distributed in accordance with point 21.7.

**b) remuneration due from cable retransmission shall be distributed in accordance with the following criteria in**

**force on the collection date and on the basis of the information available on the distribution date:**

Distribution shall have regard to monitoring reports and/or playlists declared under point 21.5(A)(b) by broadcasters of music television stations retransmitted by cable and reported by cable operators in their programme schedules.

The television stations retransmitted by those cable users must broadcast from the territory of Romania.

Identified videograms shall be weighted by measured audience.

**Common provisions applicable to the criteria in this point**

- (I) UPFR reserves the right to verify information by any means, including information received from users and information declared on their own responsibility by rightholders entitled to amounts from distributions.
- (II) Amounts relating to periods preceding the period in which collection was made shall be distributed in proportion to the amounts distributed to members during the reference period to which the collection relates.
- (III) The calculation method used for the criteria in this Article shall be approved annually by the General Assembly as part of the General Distribution Policy.

**21.6. Successive productions/Co-productions**

- (I) Where a track has been recorded by several producers and the documentation received from radio and television organisations does not make it possible to determine precisely which version was broadcast, the amount allocated per phonogram shall be distributed as follows:
  - the producer of the original recording shall receive two thirds of the amount allocated, and the producer that made the re-recording shall receive one third;
  - where there are several re-recordings, the producer of the original recording shall receive one half of the amount allocated, while the other half shall be divided equally among the producers that made the declared re-recordings.
- (II) Co-productions are productions having several rightholders in the same category of rights, one of whom is an administrator that notifies UPFR of that capacity. The amounts for the relevant co-productions - phonograms or videograms - shall be distributed to that administrator, and UPFR shall be released from any claim by the other co-producers. The entire UPFR-co-producer relationship concerning documentation of distribution shall be conducted through the co-production administrator or through UPFR; in the latter case, the administrator's consent shall be required.
- (III) The co-production administrator means the natural or legal person that exploits the phonogram or videogram.
- (IV) When technically possible, UPFR shall distribute the rights due directly to co-producers in the shares declared by them to UPFR on their own responsibility. The co-production administrator shall declare to UPFR the shares agreed with the other beneficiary co-producers and provide evidence of those agreed shares.

- (V) Where the co-producers are not recorded in the UPFR database, the co-production administrator shall provide the information necessary for payment.

### **21.7. Unclaimed amounts and conflicting claims**

- 1 Unclaimed amounts are amounts not claimed by their rightholders or lawful heirs within three years from the date on which they are communicated on UPFR's official website, such communication constituting notice within the meaning of the law.
- 2 During the period from 4 April 2022 to 4 April 2025, unclaimed amounts shall be used for expenditure on digitising the system for identifying phonograms and for collecting, recording and distributing remuneration.

Unclaimed amounts exceeding the expenditure required under paragraph (2) shall be distributed to members of the management organisation and, in the case of rights subject to mandatory collective management, to members of the beneficiary organisations, in proportion to the remuneration distributed in the year in which those amounts arose.

- 3 Where the rightholder has ceased activity or the company has been deregistered, the amounts shall be distributed proportionally to the other rightholders during the reference period. Such distributions may be made only once in a calendar year. The same distribution rule shall apply to amounts relating to phonograms or videograms subject to conflicting claims that have remained unresolved for three years and in respect of which UPFR has not been notified of a dispute concerning determination of the rightholder.

### **21.8. Expenditure for social, cultural or educational purposes**

The Board of Directors shall establish rules concerning the use of funds which, pursuant to Article 3.1(VIII), are made available for social, cultural or educational purposes.

### **21.9. Other provisions**

UPFR shall be entitled to request repayment of certain payments or set them off against future payments within three years after payment was made.

### **21.10. Entry into force**

These Distribution Regulations shall enter into force upon adoption of the new UPFR Articles of Association by the General Assembly in accordance with the new legal provisions in force and after their registration with the competent District Court.

## **22. DISSOLUTION AND LIQUIDATION OF THE UNION**

### **22.1. UPFR shall be dissolved in the following circumstances:**

- (I) by operation of law;
- (II) by decision of the District Court or Tribunal, as applicable;
- (III) by resolution of the General Assembly adopted by the affirmative vote of two thirds of the total number of members.

### **22.2. UPFR shall be dissolved by operation of law upon:**

- (I) expiry of the period for which it was established;
- (II) achievement of, or where applicable inability to achieve, the purpose for which it was established, unless that purpose is changed within three months after such circumstance is established;
- (III) inability to constitute the General Assembly or the Board of Directors in accordance with these Articles of Association, where that situation continues for more than one year from the date on which the General Assembly or, as applicable, the Board of Directors should have been constituted pursuant to these Articles of Association;
- (IV) reduction of the number of members below the minimum prescribed by law, unless the number is

restored within three months.

- (V) Dissolution shall be established by decision of the District Court within whose jurisdiction UPFR's registered office is located, upon the application of any interested person.
- 22.3.** UPFR shall be dissolved by court decision upon the application of any interested person: (a) where the Association's purpose or activities have become unlawful or contrary to public policy; (b) where achievement of its purpose is pursued by unlawful means or means contrary to public policy; (c) where the Association pursues a purpose other than that for which it was established; (d) where the Association becomes insolvent; (e) in the circumstance provided for in Article 14 of Government Ordinance No. 26/2000, approved with amendments by Law No. 246/2005.
- 22.4.** Where UPFR is dissolved by resolution of the General Assembly, the minutes in authenticated form shall be lodged, within 15 days from the dissolution meeting, with the District Court within whose territorial jurisdiction its registered office is located, for registration in the Register of Associations and Foundations.
- 22.5.** If UPFR is dissolved, the Union's activities shall continue until all amounts collected up to the date of the dissolution decision have been distributed.
- 22.6.** Dissolution may occur only after all amounts relating to the latest economic and financial year have been settled.
- 22.7.** The destination of UPFR's assets shall be decided by the General Assembly in compliance with Article 60 of Government Ordinance No. 26/2000, approved with amendments by Law No. 246/2005.
- 22.8.** In the cases of dissolution provided for in points 22.2 and 22.3, the liquidators shall be appointed by the court decision itself, whereas in the case provided for in point 22.4 the liquidators shall be appointed by the General Assembly, failing which the dissolution resolution shall have no legal effect.
- 22.9.** The mandate of the Board of Directors shall end upon appointment of the liquidators.
- 22.10.** The liquidators shall prepare an inventory and a balance sheet establishing the position, receive and preserve the Association's registers and any other instruments, and also keep a register of all liquidation transactions in chronological order.
- 22.11.** In relation both to UPFR and to the members, the liquidators shall be subject to the rules governing mandates and shall perform their mandate under the supervision of the auditors. They shall continue legal transactions in progress, collect receivables, pay creditors and may sell movable and immovable property by public auction. Within two months after completion of the liquidation, the liquidators shall lodge the balance sheet, journal and a memorandum declaring the liquidation transactions with the Register of Associations and Foundations of the District Court within whose territorial jurisdiction UPFR's registered office is located. The liquidators shall complete all procedures required for publication of the liquidation and deregistration of the Association from the Register of Associations and Foundations.

### 23. FINAL AND TRANSITIONAL PROVISIONS

- 23.1.** These Articles of Association shall enter into force on the date on which the application to register amendments is entered in the Register of Associations and Foundations at the Registry of Bucharest District 2 Court. The Articles of Association contained in UPFR's incorporation file pursuant to Government Ordinance No. 26/2000, approved with amendments by Law No. 246/2005, and republished Law No. 8/1996, as adopted at the latest General Assembly, shall cease to have effect on the same date.
- 23.2.** UPFR shall be entitled to manage the related economic rights in videograms for which it has received management mandates from its members.
- 23.3.** UPFR shall be entitled to continue and complete all steps relating to anti-piracy actions, actions for the protection of the rights of phonogram and videogram producers, and actions to protect all their professional rights and interests that were brought pursuant to all previous provisions of the Articles of

## UPFR Articles of Association - Association for Related Rights

Association and the mandates granted by them, including proceedings before the courts at any procedural stage.

- 234.** UPFR shall also be entitled to pursue and complete all ordinary or extraordinary appeals against decisions delivered in such cases and to enforce arbitral awards or court judgments. This provision concerns UPFR's capacity as a party both as representative of phonogram and videogram producers (as an association mandated by them) and as collective management organisation for the related rights of phonogram and videogram producers.
- 235.** Pursuant to all provisions of the Articles of Association preceding 24 November 2011, UPFR shall be entitled to collect and distribute to rightholders all amounts due to members who are videogram producers, including, without limitation, amounts representing compensatory remuneration for private copying and remuneration for cable retransmission of videograms, and to collect all amounts due to members who are videogram producers as damages for infringement of their rights, including damage caused by acts of piracy. For this purpose, the members authorise UPFR to act amicably or through legal proceedings in order to defend the rights or interests of its members and their profession.
- 236.** The provisions of these Articles of Association shall be supplemented by the legal provisions in force concerning the organisation and operation of non-profit legal entities.

### Annex No. 1 to the UPFR Articles of Association

#### containing the identification details of the members of the Association

| NO. | COMPANY NAME                     | COMPANY TAX ID  | DIRECTOR NAME                          | UPFR GA/BOARD<br>MEMBERSHIP<br>APPROVAL DATE |
|-----|----------------------------------|-----------------|----------------------------------------|----------------------------------------------|
| 1   | 1 ARTIST MUSIC SRL               | RO29467650      | ROLANDO VASILESCU                      | 26.02.2013                                   |
| 2   | 3AM CONSULT SRL                  | RO14494320      | ANDREI FILIP                           | 31.03.2009                                   |
| 3   | ADAM PROFESSIONAL<br>NETWORK SRL | 42427040        | BOGDAN BOGDANEL                        | 22.01.2026                                   |
| 4   | ALMA ARTEX<br>PRODUCTION SRL     | RO6384946       | ION ALEXANDRU RADU                     | 09.10.1996                                   |
| 5   | ALTRA MODA MUSIC                 | NL 821850076B01 | BAS VAN OERS                           | 31.10.2024                                   |
| 6   | AMMA MUSIC&SOUND<br>SRL          | RO30035035      | IOAN CHIRILA                           | 09.11.2016                                   |
| 7   | ANDRA RECORDS SRL                | RO34558568      | CATALIN MARUTA                         | 21.04.2016                                   |
| 8   | BEGGARS LIMITED GROUP            | 1414045         | ROB GRUSCHKE                           | 11.12.2013                                   |
| 9   | B3 MEDIA<br>INTERNATIONAL SRL    | RO15995299      | RADU BARON                             | 27.04.2006                                   |
| 10  | BALKANIKA RECORDS SRL            | 32484596        | GEORGIANA SLABU                        | 28.09.2017                                   |
| 11  | BLUE ISLAND<br>PRODUCTION SRL    | RO19248520      | HOREA PASCU                            | 28.09.2017                                   |
| 12  | BOSS MUSIC SRL                   | 36002690        | NECSOIU FLORIN                         | 13.10.2016                                   |
| 13  | BMG RIGHTS<br>MANAGEMENT         | 6705101         | Alistair Norbury and David<br>D'Urbano | 22.08.2024                                   |
| 14  | BRAND TUBE SRL                   | 35629101        | AUGUSTIN ROMAN                         | 19.12.2024                                   |
| 15  | BIG MAN IMPEX SRL                | RO3474149       | CONSTANTINESCU<br>VASILICA             | 19.04.2007                                   |
| 16  | COSTI DE LA SIGHET SRL           | 37256858        | ION CONSTANTIN                         | 28.09.2017                                   |
| 17  | CODE PRODUCTION SRL              | RO14583346      | TRASCAU BOGDAN                         | 04.08.2023                                   |
| 18  | CAT MUSIC SRL                    | RO15611681      | DAN POPI                               | 14.05.2005                                   |
| 19  | CASA PRODUCTION SRL              | RO14328319      | VLAD IRIMIA                            | 08.12.2015                                   |
| 20  | CREART MUSIC<br>PRODUCTION SRL   | 43828911        | LIXANDRU FLORIAN                       | 27.05.2021                                   |

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|    |                                     |             |                         |            |
|----|-------------------------------------|-------------|-------------------------|------------|
| 21 | CREATOR RECORDS SRL                 | RO41917656  | RADU CRISTEA            | 06.04.2023 |
| 22 | DIGITAL COLOR COMPANY SRL           | RO16577111  | BUZGAU ANDREEA          | 24.03.2022 |
| 23 | DUETTI, INC                         | 88-2428371  | Christofer Nolte        | 04.12.2025 |
| 24 | DOT MUSIC PRODUCTIONS SRL           | 41373970    | Alexandru Bucur         | 04.12.2025 |
| 25 | DOCTOR MUSIC SRL                    | RO14772515  | IONITA CONSTANTIN       | 31.03.2011 |
| 26 | ELECTRECORD SA                      | RO458807    | NICUSOR DRAGAN          | 05.06.1996 |
| 27 | EUROMUSIC IMPEX SRL                 | RO14250430  | FLORIN PUICA-DAT        | 30.01.2010 |
| 28 | EUROMUSIC SRL                       | RO7738260   | BALA ANCA RUXANDRA      | 05.12.2019 |
| 29 | EMPIRE MUSIC MANAGEMENT SRL         | RO25618148  | STEFAN LUCIAN GITITA    | 05.12.2019 |
| 30 | ETHOS MUSIC SRL                     | RO32670467  | MARIAN DOROBANTU        | 05.12.2019 |
| 31 | EUROSTAR LIMITED SRL                | RO1580119   | PAUL STINGA             | 03.05.2005 |
| 32 | FORWARD MUSIC AGENCY SRL            | RO32813150  | CRISTI OCHIU            | 13.10.2022 |
| 33 | FORMULA 1 CONTINENTAL SRL           | 15722213    | TARAN DOREL VIOREL      | 24.02.2015 |
| 34 | FUNDATIA ALEXANDRU TZIGARA SAMURCAS | 9378426     | SPERANTA RADULESCU      | 14.05.2005 |
| 35 | GENERAL MUSIC SRL                   | RO16064302  | FLOREA NELU-FLORIN      | 30.01.2010 |
| 36 | GREEN TREE RECORDS SRL              | RO 28101200 | DAN MURARU              | 31.03.2011 |
| 37 | GLOBAL RECORDS SRL                  | RO26382443  | STEFAN LUCIAN GITITA    | 09.06.2015 |
| 38 | GLOBAL MASTER RIGHTS                | 59731362    | ERIK VEERMAN/SMELT PAUL | 02.12.2016 |
| 39 | HA HA HA PRODUCTION SRL             | RO18981042  | MARIA ANDREI TIBERIU    | 24.11.2011 |
| 40 | DOT MUSIC PRODUCTIONS SRL           | RO408680    | Emilian Petrosel        | 04.12.2025 |
| 41 | HOOD FAMOUS SRL                     | 44786342    | MARIUS CHINA            | 25.11.2021 |
| 42 | KEMPER MUSIC PRODUCTION ROMGRUP SRL | RO16139553  | ANDREI FILIP            | 20.04.2017 |
| 43 | KOMPACT MEDIA TELEVISION SRL        | 35322157    | ALIN VASILE             | 17.07.2020 |
| 44 | IJAC MUSIC PRODUCTION SRL           | RO21329104  | DANIEL IJAC             | 31.03.2011 |
| 45 | IJAC MUSIC STUDIO SRL               | 34650253    | DANIEL IJAC             | 22.02.2018 |
| 46 | LIBRIS SRL                          | RO1094992   | VIRGIL ONITA            | 23.04.2013 |
| 47 | MIDIOTS PRODUCTION SRL              | RO39059445  | MARIUS SOFRON           | 01.08.2018 |
| 48 | MIRALICIOUS SRL                     | RO39138379  | MIRABELA CISMARU        | 04.08.2023 |
| 49 | MIXTON MUSIC SRL                    | 35663898    | ALINA TODASCA DASCALU   | 04.05.2023 |
| 50 | MBA DIGITAL MEDIA SRL               | RO16575005  | ALINA MIHAELA BANICIU   | 30.01.2010 |
| 51 | MEDIA SERVICES INTERNATIONAL SRL    | RO21580172  | DAN GHEORGHE POPI       | 23.04.2013 |
| 52 | MEDIA PRO MUSIC ENTERTAINMENT SRL   | RO24651464  | ANA FILIP               | 27.03.2002 |
| 53 | MUSICON RECORDS SRL                 | 45831395    | PETRESCU LAURA          | 13.10.2022 |
| 54 | MUSICLOVER SRL                      | RO47633181  | MARIUS CHINA            | 04.08.2023 |
| 55 | MUSICBOX ENTERTAINMENT SRL          | 41813361    | MARIUS CHINA            | 19.10.2023 |

## UPFR Articles of Association - Association for Related Rights

|    |                                           |                |                          |            |
|----|-------------------------------------------|----------------|--------------------------|------------|
| 56 | NOVA DISTRIBUTION INTERNATIONAL SRL       | RO8724092      | OVIDIU STROESCU          | 04.11.2004 |
| 57 | OKAPI SOUND SRL                           | 30227812       | MIRCEA STEFAN            | 19.08.2014 |
| 58 | Kolletive Neighbouring Rights Records B.V | 33173631       | JORAN DE HAAN            | 19.01.2017 |
| 59 | KONTOR RECORDS GMBH                       | DE249685040    | JAN SCHWEDE              | 21.09.2023 |
| 60 | OFF LIMITS SRL                            | RE239988       | GIORDANI PIGNAGNOLI      | 21.04.2016 |
| 61 | ORANGE MEDIA ONLINE                       | 41794260       | FLORIN ANDRIAN DOVLEAC   | 31.10.2024 |
| 62 | PLAYGROUND MUSIC SCANDINAVIA AB           | SE556572657601 | MARTEN AGLANDER          | 16.02.2021 |
| 63 | PLAYONE MEDIA ENTERTAINMENT SRL           | 33593540       | SAVU GEORGE              | 17.07.2020 |
| 64 | RED CLOVER MEDIA SRL                      | RO25719355     | GEORGE ONEA              | 30.01.2010 |
| 65 | RED CANVAS SRL                            | RO41422193     | GEORGE ONEA              | 25.11.2021 |
| 66 | ROTON SRL                                 | RO5683630      | BOGDAN MAXIM             | 21.04.1998 |
| 67 | SCHUBERT MUSIC PUBLISHING SRL             | RO1989980      | DAN MURARU               | 19.08.2014 |
| 68 | STUDIO 47 MS                              | 15207021       | MARIUS MOGA              | 16.06.2016 |
| 69 | SPRINT MEDIA CENTER SRL                   | RO17993677     | MARIUS CHINA             | 11.03.2014 |
| 70 | SONIC ARTS MUSIC SRL                      | 8221996        | LAURENTIU OLARIU         | 10.06.2020 |
| 71 | SOFTPLUS C.P.S.I. SRL                     | RO1572892      | ROMULUS ARHIRE           | 10.10.1996 |
| 72 | SOUND EMPIRE SRL                          | RO29298755     | DUMITRASCU JANINA BIANCA | 21.09.2023 |
| 73 | THRIVE RECORDS SRL                        | RO35915111     | OLGA JUVERDEANU          | 17.09.2020 |
| 74 | TRIUNGHIUL PORCULUI                       | RO33494458     | CIUCA CRISTIAN-COSMIN    | 31.10.2024 |
| 75 | UNIVERSAL MUSIC ROMANIA SRL               | RO18484140     | ANA FILIP                | 27.04.2006 |
| 76 | UNIVERSAL MUSIC PUBLISHING ROMANIA SRL    | RO27748870     | FLORIAN SAVULESCU        | 24.02.2015 |
| 77 | UNIVERSAL MUSIC NEIGHBOURING RIGHTS       | 246297439      | SIMION CARMEL            | 04.08.2023 |
| 78 | VIPER PRODUCTION SRL                      | RO14750711     | MIRCEA BERBECE           | 14.05.2020 |
| 79 | VIRAL NATION ROMANIA SRL                  | 40923250       | MARIUS SOFRON            | 25.11.2021 |
| 80 | VOLTART SRL                               | RO15444370     | MIHAI STOICA             | 28.09.2017 |
| 81 | QUANTUM MUSIC RECORDS SRL                 | 31632058       | OLGA JUVERDEANU          | 02.12.2016 |
| 82 | ZENYS MUSIC PRODUCTION                    | 47148926       | OPREA IONUT-ADRIAN       | 25.09.2025 |
| 83 | WHITE BEAR MANGEMENT SRL                  | RO42774562     | RAZVAN AILENEI           | 08.12.2022 |

This List may be amended under the conditions laid down in point 10.8(VI) of these Articles of Association through admission of new members or termination of the membership of existing members. Such amendments shall be entered in the Register of Associations and Foundations maintained by the District Court and need not also be made in this Annex in order to take effect.

This Annex shall be amended on the occasion of the next amendment to the Articles of Association.

Annex No. 2  
to the UPFR Articles of Association, containing the

VOTING REGULATIONS

OF THE GENERAL ASSEMBLY OF UPFR MEMBERS

These Voting Regulations were approved by the General Assembly of UPFR members in accordance with Decision No. 12 in Document No. 7225 of 27.03.2019.

**Article 1.** The conditions for participation and instructions for exercising voting rights are set out in these Voting Regulations.

**Article 2.** UPFR shall ensure that all its members who are present or represented at the General Assembly adopting the resolutions are able to participate and vote.

**Article 3.** Each UPFR member shall be entitled to designate another person or entity by power of attorney to participate and vote on its behalf at the General Assembly, provided that such designation does not give rise to a conflict of interest. Each member may represent no more than two members with voting rights at the General Assembly, on the basis of powers of attorney issued by those members, provided that the designation does not give rise to a conflict of interest.

**Article 4.** The conditions for participation and instructions for exercising voting rights shall be set out in the power of attorney, which shall be valid for one General Assembly only.

**Article 5.** At the General Assembly, the representative shall enjoy the same rights as the member that appointed the representative.

**Article 6.** Each member shall have the right to vote at the General Assembly, and the weighting of that member's vote in decision-making shall be established according to the category to which the member belongs, in the form of the number of votes allocated, as follows:

- (I) Category A - phonogram and/or videogram producers to whom at least 1% of the amounts distributed in the calendar year preceding the General Assembly was distributed: each producer in this category shall have 10 votes;
- (II) Category B - phonogram and/or videogram producers to whom between 0.5% and 1% of the amounts distributed in the calendar year preceding the General Assembly was distributed: each producer in this category shall have 5 votes;
- (III) Category C - phonogram and/or videogram producers to whom no more than 0.5% of the amounts distributed in the calendar year preceding the General Assembly was distributed: each producer in this category shall have 3 votes;
- (IV) Category D - phonogram and/or videogram producers, irrespective of the amount distributed during the preceding year: each producer shall have one vote in the following circumstances:
  - a) The producer is subject to insolvency proceedings or appears in the Trade Register as having suspended its activities.
  - b) The phonograms in its repertoire do not appear in playlists supplied by users, information required for distribution of remuneration submitted by users, or information obtained from monitoring;
  - c) The producer has failed to attend three consecutive General Assemblies, whether ordinary or extraordinary;
  - d) The producer has not fully paid its obligations due to UPFR (including the membership fee);
  - e) The producer is involved in a dispute with UPFR, regardless of its legal nature or procedural stage;

**Article 7.** The General Assembly shall be duly constituted in the presence of members representing two thirds of the total votes corresponding to the categories of members provided for in Article 6. If that quorum is not met following the first notice, a second meeting shall be convened. At the second meeting, the General Assembly shall validly conduct its business irrespective of the number of members present, in accordance with Article 6.

**Article 8.** Procedure for adopting decisions in the General Assembly:

- (I) The category to which members of the Association participating in or represented at the General Assembly belong shall be determined by verifying the conditions under Article 6 of these Regulations. Data concerning the amounts distributed to each member and the percentage represented by those amounts in the total amounts distributed by UPFR during the calendar year preceding the General Assembly shall be disclosed to all members participating in the General Assembly and verified by the technical secretariat of the General Assembly;
- (II) The quorum requirements under Article 7 of these Regulations shall be verified;
- (III) Decisions of the General Assembly shall be adopted by a simple majority of the votes cast corresponding to the categories of members provided for in Article 6 who are present or represented;
- (IV) Where the General Assembly is reconvened, its decisions shall be adopted by a simple majority of the votes cast corresponding to the categories of members provided for in Article 6 who have voted.

**Article 9.** Voting at the General Assembly of Members may be open or secret. As a rule, voting at the General Assembly shall be open; however, at the express request of two thirds of those present and entitled to vote, voting may be secret.

**Article 10.** An open vote may be cast publicly by a show of hands or by a ballot signed with the name of the person completing it and also stating the name of the producer represented at the General Assembly.

**Article 11.** A vote by show of hands may have one of the following meanings: in favour, against or abstention.

**Article 12.** The results shall be ascertained by the technical secretariat of the General Assembly and announced by the person chairing the meeting, who may request a recount. Votes against and abstentions shall be identified by name in the minutes of the General Assembly.

**Article 13.** A secret vote may be cast only by ballot for the election or appointment of members of the Board of Directors, the Special Standing Committee on Access to Information or the Supervisory Board. In that case, ballots shall not be signed by members.

**Article 14.** The number of members constituting the Board of Directors shall be approved by the General Assembly before individual candidates are proposed for the Board of Directors.

**Article 15.** Members may propose candidates for the Board of Directors, the Special Standing Committee on Access to Information and the Supervisory Board, having regard to the incompatibility and eligibility conditions laid down in the UPFR Articles of Association.

**Article 16.** The technical secretariat, together with the Union's lawyer, shall verify fulfilment of the incompatibility and eligibility criteria laid down in the Articles of Association.

**Article 17.** Ballots shall contain the candidates proposed at the General Assembly and validated as eligible and not in breach of the incompatibility conditions, in accordance with the Articles of Association in force.

**Article 18.** From among all proposed candidates, each member shall tick the company it agrees should be a member of the Board of Directors/Special Standing Committee on Access to Information/Supervisory Board, the maximum number of candidates for the Board of Directors being selected by the General Assembly. The number of ticks must equal the maximum number of candidates for the Board of Directors/Special Standing Committee on Access to Information/Supervisory Board.

**Article 19.** Failure to comply with Article 18 shall render the ballot invalid.

**Article 20.** Candidates shall be ranked in descending order by the votes cast; the persons occupying the highest-ranking positions corresponding to the number of members being elected shall be deemed elected.

**Article 21.** In the event of a tie, a new ballot shall be held only for the persons with the same number of votes (run-off); where the tie persists, the President-General Manager shall have the casting vote.

**Article 22.** Each resolution of the General Assembly shall be recorded separately within a single set of minutes of the General Assembly.