

## STATUTES

### **Section I: Form- description - location object - duration**

#### Article 1:

The society adopts the form of a private society <sup>1</sup>in the form of a co-operative society with limited liability. It is to be known as „OnLineArt”.

In all proceedings, invoices, announcements and publications emanating from the society this name will always be immediately preceded or followed in a readable manner by the words “Société cooperative à responsabilité limitée” (co-operative society with limited liability) or by the initials “S.C.R.L.”

#### Article 2:

The official office is at Etterbeek (B-1040 Brussels), Avenue de Tervuren 92, 1040 Bruxelles, Belgique.

It can be transferred to any other location in Belgium by simple decision of the administrative organ which has all necessary powers to make resultant modifications of the statutes. All changes of the official office are published in the Belgium moniteur (official Journal).

The Society can establish, by simple decision of the administrative organ, administrative offices, executive offices, branch offices, depots, representative offices or agencies in or outside Belgium.

#### Article 3:

The object of the society, both in Belgium and elsewhere, and whether on its own account or on account of third parties or in conjunction with third parties, in the area of the exploitation of works of visual art and photography as represented by its members and mandates concerns:

1. the administration of the online-rights related to works and authors of visual art and photography in the digital environment;
2. the control of the online uses of these works and the execution of the necessary steps to prevent the illegal use of these works through electronic distribution.

It can also accept mandates from legal and natural persons, not presently members of collecting societies, who for that purpose have to give their exclusive mandate to a member society.

The society can carry out all necessary commercial, technical and financial transactions directly or indirectly relevant to the afore mentioned objects.

#### Article 4:

The society is constituted as from today for an unlimited period

### **Section II: Capital - shares - responsibility**

#### Article 5:

The capital is unlimited. The fixed part of the capital is 20.000 €.

#### Article 6:

The capital is represented by shares of a nominal value of five hundred €(500 €)each. At least to a minimum of a quarter each share has to be paid.

Apart from the shares representing contributions, it is not permitted to create any other category of shares in any denomination whatsoever.

Each member is obliged to subscribe for or has to purchase at least one (1) share and to pay for at least a quarter of the

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<sup>1</sup> No commercial society.

subscription. This subscription is prima facie evidence of fulfilment of the requirements of the statutes of the society and the internal regulations, if the case arises.

A number of shares corresponding to the fixed part of the capital must be subscribed at any time.

Apart from the shares subscribed at the time of the constitution of the society, other shares may be created by the General Assembly with a majority of three-quarters; the General Assembly will fix their rate of issue, the amount to be released at the time of the subscription and, if the case arises, the times at which instalments will be paid as well as the rate of interest payable in case of default in payment of instalments when due.

#### Article 7:

The shares are nominal, and are indivisible in relation to the society, which has the right, in case of joint claims, to suspend the rights attaching to the shares until one of the joint claimants has been recognised as sole proprietor.

A register of the shares is held in the registered office of the company that each associate can consult. This register comprises:

1. the name, first names and residence of each associate;
2. the number of shares of which each associate is owner as well as the new share subscriptions and share refunding, with their date;
3. the transfers of shares, with their date;
4. the date of admission, of resignation or of exclusion of each associate;
5. the amount of the payments carried out;
6. the amount of the sums withdrawn in a resignation, of partial share withdrawal and payment withdrawal.

These registrations are carried out by the management on the basis of signed and dated documents.

#### Article 8:

Shares can be transferred between livings or be transmitted

due of death to third parties, only by means of the prior agreement by a majority of three-quarter of the general assembly or they are null and void. They can be transferred or transmitted to members only by means of the agreement by a majority of three-quarters of the general assembly and providing that the transfer in question does not constitute a change of balance between the members.

#### Article 9:

The members are not responsible for society debts beyond the extent of their contributions, between members there is neither solidarity nor indivisibility.

### **Section III: Members**

#### Article 10:

The following are members:

Collecting societies, which administer rights of authors of works of visual art and photography, and which are members of the Confédération Internationale des Sociétés des Auteurs et Compositeurs, in abbreviation CISAC

The admission of a member requires a three quarter majority of the general assembly.

#### Article 11:

Societies cease to be members upon resignation, exclusion for just cause, legal incapacity, bankruptcy or insolvency.

#### Article 12:

A member can only resign or reduce its shareholding only within the first six months of any financial year with one month notice by simple letter to the president of the administrative council.

In any event such resignation or reduction is invalid insofar as it reduces the capital below the fixed minimum or reduces the

number of members to less than 3.

Article 13:

Any member can be excluded for just cause, which is understood to be serious and substantive breaches of society regulations. The exclusion must be pronounced by a three quarters majority of the General Assembly.

The decision to exclude must be justified.

The member whose exclusion is proposed must be invited to make known its written observations to the assembly pronouncing such a decision within one month of the circulation of a registered letter containing the reasons for such a proposition.

If it demands in its written observations, the member must be invited to be heard by the assembly.

The decision of exclusion is reported in the minutes written and signed by the administrative council. The minutes mention the reasons that justify the exclusion. The exclusion must be recorded in the register of shares. A confirmed copy must be send within fifteen (15) days by registered post to the excluded member.

Article 14:

A member which has resigned, withdrawn or been excluded has the right to reimbursement of the nominal value of its shares which have been fully paid, as stated in the balance sheet of the society for the current year. It shall be expressly stated that the member has a claim on part of the reserves subject to deduction if appropriate of any taxes payable as a result of this repayment.

The reimbursement will be made within three months of the approval of the annual accounts.

Article 15:

In accordance with article 371 of the law regulating

commercial societies every member who has resigned, has been excluded or has withdrawn parts of his shares will remain, for a period of five years, liable for all acts of the society concluded before the end of the year in which its resignation or exclusion was registered or the withdrawal of shares took place.

Article 16:

In case of death, bankruptcy, insolvency or legal incapacity of a member, its creditors or representatives will recover the value of its shares as provided by Article 14 of the present statutes.

**Section IV: Administration and Control**

Article 17:

1. The society is administered by an administrative council consisting of minimum three administrators nominated by the General Assembly for a period that ends at the annual general assembly of the third year that follows the nomination or re-election.

2. Membership in the administration council may be revoked at any time by a three-quarters majority of the Assembly. The mandate of an administrator can be renewed.

3. If the post of an administrator falls vacant, the administrative council may appoint a temporary replacement subject to confirmation by the next following meeting of the General Assembly. An administrator who replaces another will take over his mandate.

4. Whether the office of administrator shall be remunerated will be decided by the General Assembly prior to the nomination.

5. The day to day running of the society can be delegated to an administrator or a manager. The council will determinate the remuneration of such delegates.

Article 18:

- a) The administrative council shall choose a president from amongst its members.

The president will call a meeting as often as necessary for the purposes of the society. The president will call at least one meeting each year. A meeting must also be called at the request of the majority of the administration council.

For the proceedings of the council to be valid, the majority of its members must be present or represented. Every administrator can by any written proxy appoint another administrator to take his place at the council meeting and vote on his behalf.

- b) The decisions of the council shall require a two-thirds majority of the members present or represented.

The decisions taken are contained in the minutes which are deposited in a special register and have to be signed by the majority of the administrators present or represented. Copies or extracts produced for legal or other purposes will be signed by the president of the council or by two administrators.

- c) The Council shall have all necessary powers to carry out all operations which fulfil the objects of the society, with the exception of those that are reserved to the general assembly by law and statutes.

- d) The president, or in his absence two members of the administrative council can represent the society in all matters, including those involving public officials or ministerial officers or in legal proceedings whether or not such actions have been previously approved by the council.

Otherwise the society can be validly represented by delegates acting within the limits of their mandates.

#### Article 19:

If the society is obliged by law or if the society administers monies that reach seven hundred fifty thousand €(750 000 €)

the control of the financial affairs, of annual accounts and the regularity of financial transactions is conferred on one or more auditors appointed by the General Assembly. He or they will be members of the *Institut des Réviseurs d'Entreprises*.

The auditors are nominated by the General Assembly for a term of three years renewable, and their appointment may only be terminated for just cause. The General Assembly will determine their emoluments.

If no commissioner has to be nominated and the assembly decides not to nominate commissioners, the power to investigate and control of the auditor can be delegated to one or more members by the Assembly. Those appointed cannot exercise any other function or accept any other mandate in the society.

Such members can appoint an expert accountant at the cost of the society, if appointed with the consent of the society or if his remuneration arises through a judicial decision. In that case, the findings of the expert-accountant must be communicated to the society.

#### **Section V: General Assembly**

##### Article 20:

The General Assembly is composed of all the members. Its decisions are binding on all members, including those who are absent or dissent.

It has the powers granted to it by the law and the present statutes.

It alone can modify the statutes, adopt admission of new members, nominate administrators and auditors, revoke their appointment, accept their resignation and discharge them from their duties, as well as approve the annual accounts.

##### Article 21:

Once per year a General Assembly must be held, called Annual General Assembly, at 1 June, 1 p.m.

If the date falls on a Saturday, Sunday or legal holiday, the General Assembly will be held on the following business day, except Saturday, at the same time.

Extraordinary assemblies may be convened whenever the interest is arising. It must also take place within one month of being called for by members holding 50% or more of the shares.

The assembly is convened by the administrative council by simple letter, fax or e-mail signed by the president or in his absence by two members of the administration council sent at least 21 days before the date of the meeting, as the interest of the society requires.

The Assembly takes place at the offices of the society or at such other place designated in the notice.

#### Article 22:

Each share entitles the holder to one vote. In case of non-payment of instalments on shares, the rights attaching to such shares are suspended.

#### Article 23:

Any member can appoint any other member, by any written means, as his proxy to represent him at meetings and vote in his place.

#### Article 24:

The President of the Council or the oldest member of the administration council shall preside at the Assembly. The president can appoint a secretary.

A list of participants, indicating the name, residence and number of shares of the members is signed by each one or by their representative before beginning of the meeting.

#### Article 25:

The Assembly can only deal with items on the agenda.

Save as otherwise provided by law or the present statutes, the decisions of the General Assembly are taken by majority vote of those present or represented.

The General Assembly cannot validly deal with a proposal for modification of the statutes, admission of new members or dissolution of the society unless specific notice of such proposals was given in the notice of the meeting and unless the members attending represent more than half of the share capital.

If the last condition is not met, a new meeting will be called which will be able to decide the question regardless of the number of members present or represented.

A modification of the statutes requires the support of three quarters of the votes of those present or represented, with the exception of cases where special regulations of the Belgium company law are applicable concerning the modification of the social object, the transformation of the society, mergers and splitting off.

#### Article 26:

The minutes of the meetings must be signed by the president of the meeting and the members requiring it.

Extracts or copies produced for legal or other purposes must be signed by two members or a single delegated member of the administration council.

### **Section VI: Financial year - annual accounts**

#### Article 27:

The financial year will begin on 1st January and end on the 31st December.

Each year the administrative council will compile the inventory and prepare the annual accounts, pursuant the Belgium company law.

The administrative council prepares an administrative report comprising comments, information and facts pursuant the Belgium company law.

The General Assembly will consider the administrative report and, if appropriate, the report of the auditors or the members charged with financial overseeing and determine the adoption of the annual accounts of the society.

At least fifteen days before the annual general assembly, associates can take note at the office of the society of documents prescribed by the Code of the companies.

After the adoption of the accounts, the Assembly will decide by special vote on the discharge of the members of the administration council or, if appropriate, the auditors or controlling members.

Within 30 days after the adoption of the annual accounts by the general assembly the administration of the society deposits the documents prescribed in the Belgian company law.

#### Article 28:

From the surplus funds appearing in the annual accounts submitted by the administrative council, at least five per cent will be retained as the legal reserve. This retention will no longer be obligatory if the funds in the reserve equal or exceed one tenth of the capital of the society, but must be reinstated if the legal reserve is reduced.

The surplus will be brought to the dispositions of the general assembly, that, following a proposal of the administrative council, decides on the destination in compliance with the Belgium company law.

Dividends are paid in times and venues determined by the administrative council.

## **Section VII: Dissolution - liquidation**

#### Article 29:

Out of the cases of legal dissolution the society can only be dissolved by decision of the General Assembly taken in accordance with the conditions for modifications of the statutes.

Any proposal for dissolution has to be the subject of a justifying report drawn up by the Administrative council and announced to the agenda of the general assembly called in. In this report a state is joined summarising the active and passive situation of the company stopped at a date not going back to more than three months. The liquidator or, in case there is none, a company auditor or an external chartered accountant designated by the Administrative council submit a report on this state and indicate if it reflects completely, accurately and correctly the situation of the company.

If in consequence of losses, the net assets are reduced to an amount lower than half of the fixed share of the authorised capital, the general assembly has to be called in within a time not exceeding two months from the moment when the loss was noted or would have had to be noted under the terms of the legal obligations, with a view to discussing, if necessary, in the forms prescribed for the amendment of the statutes, of the dissolution of the company and possibly of other measures announced in the agenda. Regulations on the procedure are determined in the Code of companies.

The same rules are followed if, in consequence of losses, the net assets are reduced to an amount lower than a quarter of the fixed share of the authorised capital, but in this case, dissolution will take place if it is approved by a quarter of the voices emitted to the general assembly.

When the net assets are reduced to an amount lower than the legal minimum capital, any interested party can request from the Court the dissolution of the company. The Court can, if necessary, grant to the company a period with a view to regularising its situation.

Article 30:

In case of dissolution of the society, for whatever reason and at any time, the liquidation of the society will be directed by a liquidator appointed by the General Assembly.

In default of such appointment, the liquidation will be conducted by the administrators acting jointly.

Article 31:

After discharge of all the debts, charges and costs of liquidation, or the setting aside of the necessary sums for these purposes, the balance remaining will be used in the first instance to repay the paid up capital.

If the shares have not been paid up to an equal extent, the liquidators must take account of this before the distribution thereof, and put all shares on an absolutely equal footing either by requesting additional payments for the insufficiently paid shares or by making preliminary cash payments in case of shares for which a higher portion had been paid.

The balance is also distributed equally between all the shares.

**Section VIII – other issues**

Article 32:

The administrative council will draw internal regulations.

The internal regulations, subject to legal and statutory

limitations, shall govern the implementation of the present statutes and the regulation of the affairs of the society. In particular, they impose on the members and their representatives all obligations required in the interests of the society. Penal provisions, notably fines of up to 25 Euro for each offence and the suspension of the rights and privileges of the society can be prescribed in the internal regulations in order to ensure compliance with their provisions and those of the statutes.

Article 33:

For the purposes of implementing the present statutes, any member, administrator, auditor, director or liquidator who is domiciled abroad shall be deemed to have elected to change his domicile to the domicile indicated in the register of members.

If the change of address of any members, administrator, auditor, director or liquidator is not notified to the society and recorded in the register of members, their address shall be deemed to be that of the society's office, to which all requests, notices and other communications can be validly sent.

Article 34:

For the objects not expressly regulated by the statutes, it is referred to the Belgian laws and European regulations in force. Accordingly, the provisions of these laws and regulations, to which it would not be derogated licitly, considered registered in these statutes and the clauses contrary to the mandatory provisions of these non-written laws and regulations are supposed.