

ITSRIGHT

ARTICLES OF ASSOCIATION

Unofficial translation for consultation purposes

1. Name

A limited liability company called

ITSRIGHT S.r.l.

is formed as a Collective Management Organization as defined in Art. 2 of Italian Legislative Decree 15th March 2017 no. 35 (hereinafter, simply referred to as "Legislative Decree").

The company shall be considered also as benefit corporation ("Benefit Corporation") according to Law 28th December 2015, sole article, paragraphs 376-384 and following amendments and additions (hereinafter, "Legge di Stabilità 2016"); such qualification may be combined to the company's name in any form.

2. Company's objects

2.1. The company's object is mainly the activity of management and intermediation – both as representative and as per Art. 2028 of the Italian Civil Code (hereinafter, "c.c."), in Italy and abroad – of neighboring rights provided for by the Law 22nd April 1941 no. 633 (Italian Copyright Law – hereinafter merely referred to as "Law 633/1941") and subsequent amendments, held in any capacity by Performing Artists and Musicians, as well as by Producers of Phonograms and by their successors or assignees, on their own, individually or collectively, or on behalf of their associations or other societies, however constituted or on behalf of right-holders as defined by Art. 2 Legislative Decree; and the activity of the collection and the distribution of the relevant revenues, with specific regard to the following rights:

- a) the right to remuneration for the use, for profit, of phonograms (however they might be called) by means of radio and television broadcasting including the communication to the public by satellite, by means of cinematography, during public dancing parties, in public premises and at any other public use of the same, as per Art. 73 Law 633/1941 and subsequent amendments;
- b) the right to equitable remuneration for the uses referred to in subparagraph a) made without profit, as per Art. 73-bis Law 633/1941 and subsequent amendments;
- c) the right to remuneration for private copying of phonograms for personal use without profit, as per Art. 71-septies Law 633/1941 and subsequent amendments;
- d) the right to authorize cable retransmission of phonograms, as per Art. 180-bis Law 633/1941 and subsequent amendments;
- e) the right to authorize the making available to the public of phonograms in such a way that they can be accessed from a place and at a time individually chosen, with any device and in any way, as per Art. 80.2. letter d) Law 633/1941 and subsequent amendments;
- f) the right to receive annual supplementary remuneration as provided for in Art. 84-bis Law 633/1941 and subsequent amendments;
- g) similar rights of the Performing Artists and Musicians and of Producers of Phonograms under the law of the country of origin or on the basis of international conventions;
- h) the exploitation rights in respect of cinematographic or audiovisual works or sequences of moving images (such as, for example: music videos, video clips and other media similar to them) in which

the artistic performance of the Performing Artists and Musicians was fixed or its fixation on the phonogram has been synchronized;

i) the right to authorize the reproduction of the phonogram, as per Art. 72 letter a) and Art. 80.2 letter b) Law 633/1941 and subsequent amendments;

j) the right to authorize the making available to the public of phonograms in such a way that they can be accessed from a place and at a time individually chosen, with any device and in any way, as per Art. 72 letter d) Law 633/1941 and subsequent amendments;

k) similar rights that may be granted in favor of Performing Artists and Musicians as well as in favor of Producers of Phonograms as a result of legislative changes, and that have nature and function similar or complementary to the previous ones.

"Producers of Phonograms" means the natural or legal persons as per Art. 78 Law 633/1941 and subsequent amendments, and their respective successors and assignees for any reason.

"Performing Artists and Musicians" means the performing artists and the musicians (as per Art. 82 Law 633/1941 and subsequent amendments), the members of orchestras and any other natural person entitled to receive revenues from the management of the rights hereinabove mentioned according to the law or to the Regulation referred to in successive Article 2.3., who has made artistic performances involving the interpretation or performance of works or musical compositions fixed in a phonogram (however named).

The company may also carry out activities concerning any other intellectual property right, provided that it does so in a non-prevailing way.

As a Benefit Corporation, the company intends to pursue one or more aims of common benefit and act in a responsible, sustainable and transparent manner towards individuals, communities, territories and the environment, cultural and social goods and activities, entities and organizations and any other stakeholders, paying specific attention to persons acting in social, cultural or music educational areas.

More in particular, the Company shall pursue the following purposes:

- promotion and economic, financial and logistical support to public events and initiatives in cultural, artistic and social fields, in Italy and abroad, also through cooperation with public entities, foundations, organizations and concert companies;

- support to academic, artistic and professional education of AIE (Artisti Interpreti o Esecutori) and, more in general, of any worker of music enterprises, also through the development of agreements of national and international cooperation with universities, public or private research centres, conservatories and artistic or musical high education organizations;

- promotion and dissemination of music culture and music education in schools of any level and similar entities, with specific attention to the protection of cultural diversity and Italian historical and people's traditions;

- within the limits set forth by social and health insurance laws, granting of aid and mutual services to support the income of those AIE who are in financial difficulties or have been affected by injuries, invalidity or disability;

- development of researches and studies in the field of technological innovation applied to music sector, also in cooperation with universities and public or private research centers.

The above-mentioned benefit purposes shall be pursued thanks to the production of the following positive effects: improvement of academic, artistic and professional education; protection of cultural diversity and people's traditions; promotion of music activities; raise of public awareness on music education; income support; acceleration of technological innovation processes in respect of people active in social, cultural or music education fields.

2.2. For the performance of its main activity as per Article 2.1., the company:

(i) negotiates and signs contracts with users of the rights referred to in this Article, as well as with companies and agencies that collect the revenues relating to such rights;

(ii) collects the fees relating to such rights in its own name and on behalf of Performing Artists and Musicians, Producers of Phonograms and their assignees who conferred on their mandate;

(iii) distributes the revenues so collected among Performing Artists and Musicians, as well as Producers of Phonograms and their assignees according to the provisions of the General Regulation referred to in Article 2.3. and its subsequent amendments;

(iv) provides all administrative and technical services necessary or useful for the management of the rights referred to in this Article;

(v) stipulates – within the limits of the mandates conferred on – all contracts with third parties, necessary or useful, and in any case pertaining to the management of the rights referred to in this Article.

With the aim of pursuing the benefit purposes mentioned under article 2.1 above, the company may also undertake any necessary and appropriate activity, including the following:

- planning of lessons, seminars, courses, masterclasses and any other education activity in music field;

- signing of agreements of cooperation, joint ventures and partnerships whatsoever with institutions and entities of academic, artistic and professional education in music field;

- promotion of competition announcements, fellowships and any other kind of funding for AIE for the improvement of their education at certified academic, artistic and professional institutions;

- signing of agreements of cooperation, conventions, joint ventures and partnership whatsoever with financial, bank and insurance companies, as well as with health and social insurance funds, with the aim of supporting the income or intervene in the event of injuries, diseases or negative events of any kind to the benefit of AIE and/or Phonographic Producers.

2.3. The conferment and performance of the mandates – conferred on by Performing Artists and Musicians and by Producers of Phonograms – and the distribution of revenues shall be compliant with the General Regulation approved by Assembly of Category A shareholders (as per successive Art. 13.2.). Such Regulation may be periodically amended on a proposal of the Board of Directors.

2.4. The company may take all initiatives, even in court, necessary or appropriate for the protection of the collective interests of Performing Artists and Musicians, Producers of Phonograms and also for the protection of the individual ones, taking any action against any form of unlawful use of the rights it manages on behalf of its mandators and, more generally, of any activity considered as music piracy, without prejudice to individual actions of individual right-holders.

2.5. The company may also manage, in Italy and abroad, every other neighboring right as provided for by national laws or by international conventions concerning copyright and neighboring rights, including, in particular, the rights of artists and performers of cinematographic or audiovisual works or equivalent as per Art. 84 Law 633/1941. The company may also provide social, cultural and educational services as per Art. 16 of the Legislative Decree.

2.6. Every activity requiring the enrollment in special registers is excluded.

2.7. The company may carry out all industrial, commercial and real estate activities deemed necessary or useful for the achievement of the company's objects and finally – provided that such activities are not carried out "to the public" and are functionally linked to the achievement of the corporate purpose – the company may:

- buy and sell shares and interests in companies and other entities having a company's object similar or connected to its own and

- loan guarantees and in general collateral and/or guarantees in favor of third parties.

3. Registered office

3.1. The company is established in the municipality of Milan.

3.2. The Board of Directors may set up or close down secondary offices and dependencies however denominated – both in Italy and abroad.

4. Term

The company is intended to operate until 31st December 2070, with the possibility of further extension.

5. Share Capital – Shareholders – Categories of shareholders – Shareholders' Register

5.1. The share capital is divided into share capital reserved to Category A Shareholders (as defined in Art. 5.2.) and share capital reserved to Category B Shareholders (as per successive Art. 5.3.).

5.2. Share capital reserved to Category A Shareholders may be solely owned by those individuals mentioned in Art. 2.1. who have conferred a mandate on the company or have succeeded to it for the management of the rights listed in Art. 2.1., as well as entities and companies controlled by them to carry out their artistic activity (hereinafter, "Category A").

5.3. Share capital reserved to Category B Shareholders may be owned by ITSRIGHT's Founder and his heirs, by "collective management organizations" and "independent management entities" provided for in Articles. 2.1. and 2.2. of Legislative Decree and by Category A Shareholders (hereinafter, "Category B").

5.4. The company – in addition to the statutory books and other accounting records referred to in Articles 2214 and following of c.c. - keeps the mandatory corporate books as per Art. 2421 c.c., as well as a special Shareholders' Register in which the following information shall be entered:

(i) name and surname of each individual shareholder and, if legal person or collective entities, the company name and the type;

(ii) domicile (or the headquarters), fax number and/or email address for all communications regarding the relationship between the company and the shareholder, and other communications required by law or by these Articles of Association;

(iii) transfers of shares;

(iv) restriction on shares;

(v) payments made;

(vi) changes in the persons of the shareholders;

(vii) categories to which the shareholders belong.

Shareholders have a duty to notify promptly any change to the data reported in the Shareholders' Register. Communications to shareholders - unless otherwise provided by the Articles of Association - are validly made to the address indicated in the Shareholders' Register by any suitable means ensuring proof of receipt (including fax, registered mail with return receipt and e-mail messages). Transfer of shares - when permitted by the Articles of Association - has its effect on the company upon its registration in the Shareholders' Register, without prejudice to the registration in the Register of Companies as well as to the deposit of the transfer of shares in the Register of Companies, provided that such deposit is duly certified by a notary's appropriate certification. Therefore:

(i) the seller or the buyer must apply for the inscription of such transfer in the Shareholders' Register, presenting the title showing the transfer and a document attesting the successful registration at the Register of Companies and the deposit;

(ii) the Board of Directors – after having verified the compliance with the statutory rules on transfer of the shares – immediately registers the transfer entitling the buyer to exercise the social rights;

(iii) in the event the Board of Directors verifies non-compliance with statutory rules on transfer of the shares, it is entitled to deny the buyer registration in Shareholders' Register.

6. Exclusion of shareholders

6.1. The termination of the mandate conferred on the company by Category A Shareholders due to any cause – excluded only the cause of renunciation of the company or the termination of the mandate for legitimate cause attributable to the company – results in the exclusion of the shareholder concerned once such termination is acknowledged by the Board of Directors.

6.2. The above-mentioned exclusion is communicated to the excluded shareholder by the Board of Directors within 15 (fifteen) days from the date of the acknowledgment.

6.3. In the event of exclusion of Category A Shareholder, the latter has the right to have his/her share reimbursed in proportion to the company's net assets, as resulting from the last adopted balance sheet, notwithstanding the provisions of Article 2473 c.c. or, if more recent, from the last accounting sheet approved by the Board of Directors; in such event, the share owned by the excluded Category A Shareholder shall be subject to pro quota free allocation to any Category A Shareholders.

6.4 The excluded shareholder may appeal against his/her exclusion by promoting the arbitration proceedings as per successive Article 22.

7. Share capital - Increase and reduction

7.1. The share capital amounts to € 119.400,00 (one hundred nineteen thousand four hundred Euro).

7.2. In the event of a share capital increase, the Board of the Directors decides whether and to what extent such increase is proposed by an issue reserved to Category A Shareholders to be offered to the individuals as per Art. 7.4. or reserved to Category B Shareholders.

Payments of shares are required by the Board of Directors according to terms and conditions it deems convenient, unless otherwise provided by law. Shareholders - who are late in paying - shall be charged an annual interest of 2 % (two per cent) in addition to the official rate, without prejudice to the provisions of Art. 2466 c.c.

7.3. Shareholders - with the exception of the case of reconstruction of capital reduced for losses below the legal minimum - may decide to increase the company's share capital by offering newly issued shares to a third party, even with the exclusion of shareholders' subscription rights under the terms and in the manner laid down in Art. 2481-bis c.c.

7.4. The Board of Directors is entitled to increase the company's share capital in one or more tranches, during the period from 21 December 2020 and 21 December 2025, for an amount not exceeding € 250,000 (two hundred fifty thousand Euro) with the exclusion of shareholders' subscription rights and reserving such increase to only those individuals who have already conferred or shall confer mandate on the company as per Art. 2 by subscribing a nominal share of € 100 (one hundred Euro) to be assigned to each new shareholder in return for a contribution in cash. Shareholders who subscribe such capital increase belong to Category A.

7.5. Reduction of capital due to losses as per Art. 2482-bis c.c. shall be approved by the Board of Directors.

8. Particular rights of administration and distribution of the profits of shareholders

8.1. In conformity with Art. 2468.3. c.c., the Founder:

- (i) has the right to appoint an executive director, with power of self-designation;
- (ii) has the right to submit a list of 4 (four) or more candidates eligible for director to be appointed by the Assembly provided for in Art. 13.2.;
- (iii) in the event he is also executive director - is entitled to receive a remuneration amounting to 10% (ten per cent) of each financial year's distributable net profit.

8.2. In compliance with Art. 2468.3. c.c., shareholders have the right to share in the company's profits in proportion to each nominal share, net of what eventually remunerated as per Art. 8.1. (iii).

8.3. The rights granted to the Founder under Art. 8.1. are personal and not transferable with the transfer of his share, by which they cease to exist. In such event:

- (i) the right to appoint an executive director as per Art. 8.1. (i) is attributed to the other Category B shareholders, if any;
- (ii) the right to submit the list as per Art. 8.1. (ii) is attributed to the other Category B shareholders, if any, and otherwise to Category A shareholders.

9. Debt securities

The company may issue debt securities.

10. Shareholders' loans

Shareholders may make loans to the company -both interest-bearing or non-interest bearing - according to the agreement between shareholder and the company and to the extent permitted by law at the time of such loan. Repayment of shareholders' loans may only be done in full conformity with Art. 2467 c.c.

11. Limitations on the transferability of Category A shareholders' shares

Shares owned by Category A shareholders may only be transmitted inter vivos to those who succeed in the rights to which the mandate contract refers (solely to the entities and companies mentioned in Art. 5.2.) or in contemplation of death, and cannot be pledged nor be subject to usufruct.

12. Transfer of Category B shareholders' shares – in the event of ITSRIGHT Founder death

12.1 Category B shareholders may sell their share – in whole or in part – to Category A shareholders or to entities and companies referred to in Art. 2 Legislative Decree as well as to other Category B shareholders, with the proportional preemption right of shareholders of the same Category B to buy according to the following terms; if the seller is the Founder his personal rights provided for in Art. 8.1. shall cease.

12.2. Shareholder of Category B who intends to dispose of – in whole or in part – his/her share (and/or option rights, convertible bonds and warrants eventually issued by the company) – or the relative right of usufruct – shall first offer them for sale to other Category B shareholders in proportion to their respective shares – by means of registered letter (simultaneously sent to each one of them at their domicile) stating name of the third-party buyer, the share offered for sale (and/or option rights, convertible bonds or warrants), the price (or the goods offered in exchange with the trade-in value to be considered as the price in case of exercise of preemption right, without prejudice to what stated as follows) and the payment conditions; the above-mentioned letter must be

accompanied by a copy of the offer received and undersigned by the third-party buyer. Shareholder of Category B wishing to exercise the power of purchasing shall notify the transferor and other shareholders by means of a registered letter – sent to them within 30 (thirty) days from when they have received the offer – stating whether he/she intends – in proportion to his/her share – to substitute for those shareholders who have not promptly exercised the power of purchasing or for those who have exercised the latter but not in compliance with what provided for in this Article.

12.3 Without prejudice to Art. 12.2., in the event of shares offered for sale (and/or option rights, convertible bonds or warrants) – also separately but to one single buyer (considering as single buyer also buyers being relatives or, in the case they are companies, controlling, controlled or under the same control) – to such an extent as to ensure the buyer has (or shall have, as a result of conversion of convertible bonds or exercise of the rights related to the warrants) the majority of the votes in the General Assembly as per Art. 13.3., and in any case the Founder's share is offered for sale – even in part – according to Art. 1381 c.c. each of the tenderers shall make sure the third-party buyer also acquires the shares (and any convertible bonds and warrants) of other Category B shareholders who shall ask for – at a price proportionally amounting to that determined on the base of the preemption offer, reduced by 10% (ten percent) as a reward for the majority – under the terms set for the exercise of the preemption right.

12.4 Without prejudice to Art. 12.2., in the event of shares offered for sale (and/or option rights, convertible bonds or warrants) – also separately but to one single buyer (considering as single buyer also buyers being relatives or, in the case they are companies, controlling, controlled or under the same control) – to such an extent as to ensure the buyer has (or shall have, as a result of conversion of convertible bonds or exercise of the rights related to the warrants) the majority of the votes in the General Assembly as per Art. 13.3., and in any case the Founder's share is offered for sale, each of the tenderers shall have the right to make sure other Category B shareholders (or all of them in the event the whole Founder's share is offered for sale) sell their respective shares (including any convertible bonds and warrants) to the third-party buyer at a price proportionally amounting to that determined on the base of the preemption offer, under the terms set for the exercise of the preemption right, as long as such price is higher than that due in the event of withdrawal.

12.5 In the event of alienation by means of exchange (including the allocation to a company), the shareholder exercising the right can simultaneously convey his/her disagreement on the value given to the share and/or option rights, convertible bonds or warrants; in such case, the price shall be determined by a third party in conformity with and for the purposes set forth in Art. 1473 c.c., according to the following provisions. At the request of any interested party, the above-mentioned third party shall be appointed by the Rector of Bocconi University in Milan and shall proceed to determine the purchase price of the sales to those shareholders who have notified their disagreement. Such third-party shall determine the fair price in reference to the date of the preemption offer on the basis of evaluating criteria generally accepted, taking into account also those internationally accepted. The third-party shall inform all interested shareholders by means of a registered letter sent within 60 (sixty) days from when he/she accepted the appointment.

12.6 All sales shall be effective within 60 (sixty) days from the date the last notification of the exercise of power of purchasing is received by the transferor or, as provided for in Art. 12.2., from the date of dispatch of the registered letter stating the third-party's determination.

12.7 Pledging of shares is allowed only on condition that the voting right is reserved to the shareholder and that the pledgee fully acknowledges the provisions set forth in Art. 12. Such pledge is communicated to other shareholders by the company.

12.8 Provisions of Art. 12 shall not apply in the event of alienation between spouses, relatives in straight line, siblings, companies directly or indirectly controlled, provided that: (i) prior written notice is given to all Category B shareholders; (ii) the irrevocable obligation of the transferee company to transfer the share held in the company back to the selling shareholder (who shall be subsequently

obliged to repurchase it), in the event the latter loses control over the transferee company for any reason.

12.9 In the event of the death of the Founder, individuals entitled to share in profits under the law or according to a will have a right of withdrawal to be exercised by acting by a qualified majority of the relative succession share as per Art. 2473 c.c. within 6 (six) months from the date the company's financial statement relative to the financial year when the Founder died is approved. In the event of disagreement among such right-holders and the company on the liquidation value of the share, such value shall be determined by an expert (appointed – at the request of any interested party – by Bocconi University's Rector) in reference to the date of the Founder death, on the basis of the evaluating criteria generally accepted, taking into account also those internationally accepted. Such expert shall notify all interested parties by means of a registered letter sent within 60 (sixty) days from the appointment's acceptance.

13. Decisions of the shareholders

13.1. Without prejudice to what stated in Articles 13.2. and 13.3., decisions on matters as per Art. 10 of Legislative Decree are taken by the Delegates Assembly of Category A shareholders, nominated by them every 4 (four) years, in accordance with provisions of Art. 10.10. letters a) and b) of Legislative Decree. The Delegates Assembly shall be formed by a number of delegates equal to the 10% of Category A shareholders.

13.2. Decisions regarding the matters mentioned in Art. 10.2. of Legislative Decree, the appointment of the Board of Auditors' members (as per following Art. 17), the appointment of the Supervisory Board's members (Art. 18) and also in what set forth in Art. 2.3. are taken by the Assembly of Category A shareholders.

13.3. Decisions on the matters laid down in Articles 10.3. and 10.4. letters f), g), h) and i) of Legislative Decree as well as those not listed in Art. 10 are taken by the Delegates Assembly of Category A shareholders integrated with the participation of the Founder and of other Category B shareholders (also called "General Assembly").

13.4. Shareholders have voting rights proportional to their individual share in the company's share capital.

14. Adoption of decisions by shareholders by way of assembly resolution

14.1. Shareholders' decisions shall be adopted by way of assembly resolution.

14.2. The assemblies provided for in Articles 13.1. and 13.2. represent the universality of Category A shareholders whereas the General Assembly (Art. 13.3.) represents the universality of Categories A and B shareholders and their respective decisions – taken in conformity with the law and these Articles of Association – shall be binding on all shareholders. Such assemblies may also be convened outside of the registered offices, provided that it is in Italy.

14.3. The Board of Directors has the exclusive responsibility of summoning the assemblies. The Board of Directors shall convene the assemblies upon request of at least 2 (two) directors, or, with regard to the assemblies mentioned in Articles 13.1. and 13.2., when it is requested by Category A shareholders with voting rights amounting to no less than one third of the total voting rights held by Category A shareholders and lastly, with reference to the General Assembly of Art. 13.3., upon request of shareholders representing at least one third of the whole company's share capital.

14.4. The convocation shall be notified by a registered letter with acknowledgment of receipt, fax or email, or a letter delivered by hand with receipt sent to each shareholder's address, phone number or email address indicated in the Shareholders' Register within at least 8 (eight) days before the day fixed for the meeting.

14.5. Shareholders who are listed in the Shareholders' Register may participate in the company's assemblies.

14.6. Each shareholder may be represented by a shareholder in the Assemblies as per Articles 13.2. and 13.3. Power of representation shall be conferred in writing and the relative documents shall be retained by the company. None of the shareholder may represent more than 3 (three) shareholders.

14.7. The assemblies are presided over by the President of the Board of Directors; in the absence of the President, they are chaired by an individual nominated by the shareholders. The President is assisted by a secretary appointed by him. Decisions taken by the assemblies are recorded in minutes, undersigned by the President and the secretary. When required by law or when considered appropriate by the President, minutes are drawn up by a notary of his choice.

14.8. The assemblies provided for in Articles 13.1. and 13.2. are duly convened when the majority of their members are present. The General Assembly (Art. 13.3.) is duly convened when the Founder and the majority of the delegates are present. The assemblies shall act by majority of their members.

14.9. Members of assemblies may attend the meetings from different places, near or distant, connected by audio/video devices, provided that they complied with the collegial method and the principles of good faith and equal treatment of all members. In particular, places connected with telecommunication systems allowing members to remotely intervene need to be indicated in the convocation notice; those meetings are deemed duly convened where the President and the secretary are present. Should the remote connection be not available at the time the meeting is scheduled, the latter shall be reconvened. Should the remote connection fail to work due to technical issues, the meeting shall be declared suspended by the President and the decisions taken up to that specific moment shall be deemed adopted.

15. Board of Directors

15.1. The company is managed by a Board of Directors consisting of 7 (seven) members, including non-shareholders. Their office is 3 (three) years long and expires on the date the company's financial statement of the third year following their appointment is approved; afterward, they can be re-elected. 6 (six) members are appointed by Article 13.2. Assembly: 3 (three) of them are chosen among the candidates proposed by Category A shareholders, the remaining 3 (three) are chosen within the list provided for in Art. 8.1. (ii), without prejudice to the Founder's right of Art. 8.1. (i). The seventh and last director is appointed by the Founder or, in the event of his absence, by Category B shareholders as per Art. 8.3. (i).

15.2. Applications shall include any useful information concerning the candidates and shall be undersigned by at least 5 (five) Category A shareholders with regard to nominations proposed by this Category and by the Founder, in reference to the applications he proposes. Applications shall be submitted to the Assembly as per Art. 13.2. by way of the Board of Directors within the end of the month following the closing of the third financial year after the appointment of previous directors. Participants in such assembly may express their votes on more than 1 (one) candidate, without exceeding the number of directors to be appointed as provided for in Art. 15.1. Candidates who obtain the greatest number of votes shall be elected; in the event of a tied vote, the oldest candidate shall be elected.

15.3. The director whose office expires during the financial year is replaced by the first non-elected one within the list the expired director pertains to or, by another shareholder in the event the expired director was nominated by the Founder. Every time the replacement of directors is not possible due to refusal or lack of non-elected candidates, provisions of Art. 15.2. shall be applied and the applications shall be submitted to within the end of the month following the one in which the Board of Directors notifies the company's shareholders of the impossibility of such replacement as per the beginning of this paragraph (or the lack of applications within the term as per Art. 15.2).

15.4. The Board of Directors nominates a President among its members and may nominate one or more vice-presidents.

15.5. The Board of Directors convenes every time its President deems it appropriate or when requested to its President by at least 2 (two) directors.

15.6. Convocations are made by the Board of Directors' President in the place indicated in the notice by registered mail with acknowledgement of receipt, fax or email sent to directors and auditors at least 5 (five) – and in urgent cases at least 2 (two) – days before the day scheduled for the meeting. Meetings of the Board of Directors – although not summoned as provided for above – are deemed valid if all directors in office and auditors are present. For the meetings to be duly constituted the presence of the majority of the directors in office is required; resolutions shall be taken by the majority of the directors present. The executive director appointed by the Founder has a veto right over the appointment of the president. The Board of Directors' meetings may also be held by remote communication systems, provided that all participants can be identified by the president and by the others, that they are able to follow the discussion and intervene on the topics discussed in real time and that all of the above is reported in relative minutes.

15.7. Resolutions of the Board of Directors may be also taken by way of written consultation or on the basis of express written consent. In such case, all documents undersigned by directors shall provide evidence of the topic in question and the consent to the relative resolution.

15.8. Board of Directors shall have all powers for both ordinary and extraordinary management of the company and the faculty to take all actions it deems necessary in order to implement and achieve the company's objects, with the exclusion of only those expressly reserved by the law to the shareholders' decision. Within the limits set by the law, the Board of Directors may delegate its functions as per Art. 8.

15.9. The company is legally represented by the President of the Board of Directors and by managing directors, if any, within the limits of their functions conferred upon.

15.10. Directors shall annually submit the individual statement provided for Art. 12.9. of Legislative Decree to the General Assembly (Art. 13.3.).

15.11 Having regard to the benefit purposes, the company's directors shall balance the shareholders' interest with the pursuing of the purposes of common benefit and with the interests of the categories mentioned in company's statute, in compliance with the provisions of the statute and of the Legge di Stabilità 2016 on Benefit Corporations.

15.12 Pursuant to the Legge di Stabilità 2016 and its annexes, the administrative body shall identify the person(s) responsible for the functions and the activities aimed at the pursuing of the purposes of common benefit under art. 2.1 above. Such person shall be named Impact Manager.

16. Shareholders' control

In conformity with Art. 2476 c.c., those shareholders who do not participate in the company's administration have the right to receive information and updates on the course of business from the Board of Directors and to consult the required books and other relevant documents concerning the company's administration.

In the event the company has developed a data room accessible by the shareholders by way of password, the consultation shall be made by accessing such room.

17. Board of Auditors

The auditing of the company is entrusted to a statutory auditor or a statutory audit registered firm provided for by Legislative Decree 27th January 2010 no. 39 nominated by the Assembly as per Art. 13.2. The Board of Auditors may also be entrusted with supervisory tasks as listed in Legislative Decree 8th June 2001 no. 231.

18. Supervisory Body

18.1. The Supervisory Body consists of 3 (three) members (included its President) appointed by the Assembly as per Art. 13.2. in accordance with the provisions of Art. 11.1. of Legislative Decree. Such body acts pursuant to the law and its term is 3 (three) years long and expires on the date the financial statement of the following third financial year is approved.

18.2. Members of the Supervisory Body may be reelected. Their compensation is determined by the Assembly provided for in Art. 13.2. when nominated on a proposal of the Board of Directors.

18.3. The Supervisory Body has the duties and powers set forth in Art. 11 of Legislative Decree and has competence in the area of allocation of rights in conformity with decree's provisions as per Art. 2.3.

19. Financial statement and profit

19.1. The company's financial years end on 30th June every year. At the end of each financial year the Board of Directors draws up the company's financial statement made up of balance sheet, profit and loss accounts and notes. The financial statement shall be submitted to the General Assembly's approval within 120 (one hundred twenty) days from the end of the financial year, without prejudice to a longer term of 180 (one hundred eighty) days from the end of it in case the company is required to produce a consolidated financial statement or when particular necessities – concerning the company's structure and object and described in a specific report of the Board of Directors, also contained in the notes – so require.

19.2. The notes of the financial statement – to be drawn up in accordance with the provisions set out in Section IX Chapter V Title V Book V c.c. – shall highlight the analytical accounts of separate management of the revenues collected by the company and due to Producers of Phonograms, Performing Artists and Musicians, specifying any investment plans made by the company in relation to those sums.

19.3 The board of directors shall further draft an annual report on the pursuing of common benefit, to be attached to the financial report; such report shall include:

- (a) the description of specific targets, procedures and actions undertaken by the directors in order to pursue the common benefit and of any situations which have prevented or impeded such pursuing;
- (b) the evaluation of the impact produced by the application of the external standard evaluation having the details described in Annex IV of Legge di Stabilità 2016, which includes the evaluation areas established by Annex V of the same;
- (c) a dedicate section focused on the description of new purposes which the company intends to pursue in the following fiscal year.

Such report shall be disseminated on the company's website and in any other form that the Impact Manager shall consider appropriate in order to grant the best transparency to such document.

19.4 Save for the provisions of article 8.1 under (iii), net profits shall be charged with:

- (i) an amount equal to 5% (five per cent) to be destined to legal reserve up to the limit set for by the law;
- (ii) an amount equal to 20% (twenty per cent) to be destined to the rest home for musicians "Giuseppe Verdi" of Milan;

(iii) an amount equal to 30% (thirty per cent) to be equally distributed to any Italian or foreign AIE who signed a direct mandate with the company, which mandate shall be in force and from which the artist has not withdrawn as at the date of the closing of financial report; an amount equal to 10% (ten per cent) to be equally distributed to any employees of the company who are in force and have not resigned as at the date of the closing of the financial report.

19.5 After the charging of the deductions under art. 8.1 (iii) and 19.4, net profits shall be distributed to the shareholders in proportion to the respective ownership share in compliance with art. 8.2 and unless the shareholders decide special destinations to the benefit of extraordinary reserves or to postpone them – fully or in part – to following financial years.

19.6 Where dividends are not collected within 5 (five) years from the date they became payable, they shall lapse in favor of the company.

20. Withdrawal

20.1 Without prejudice to what provided for in Art. 12.9. in the event of the Founder death, each shareholder has the right to withdraw from the company as required by law.

20.2 The right of withdrawal shall be exercised by registered letter with acknowledgment of receipt or registered email sent to the company's address within 15 (fifteen) days from the date the relevant decision was registered in the Companies' Register or, in alternative, from the date the decision was registered in the company books. In the event the reason for the withdrawal differs from a decision taken by the company bodies, the above-mentioned right shall be exercised within 15 (fifteen) days from when such shareholder became aware of it. In the written notice the withdrawing shareholder shall indicate the address of the domicile chose for communications (if it differs from the one recorded in the Shareholders' Register).

20.3 The withdrawal shall take effect from the day the written notice sent as per Art. 20.2. is received by the company at its registered office.

20.4 The reimbursement of the withdrawing shareholder's share is made in compliance with the law. The offering of such share to other shareholders as well as its transfer shall be excluded.

21. Dissolution of the company

Should the company dissolve at any time and for any reason, shareholders shall set out the criteria under which the company's liquidation is to be carried out and shall appoint one or more liquidators, determining the powers and stating who shall represent the company.

22. Arbitration clause

Any dispute arising among shareholders or among shareholders and the company or those initiated by the company bodies or against them, independently of the matter involved – including disputes concerning validity and/or interpretation of this Articles of Association and of the Memorandum of Association or of the relevant documents which are part of the latter, as well as disputes concerning the appealing of shareholders' decisions taken by way of written consultation or on the base of a written express consent or by assembly decisions (including in both cases those concerning the financial statement's approval) or board resolutions – shall be submitted to an arbitration panel of 3 (three) members, all nominated by the President of the Court where the company has its registered office. The arbitration proceedings shall be ritual and conducted according to the law.

Art. 23. Applicable provisions

In all other matters not covered by this statute, the provisions on the limited liability company of the Italian civil code as well as the provisions of Legislative Decree no. 35/2017 and of Legge di Stabilità 2016, sole article, paragraphs 376-384 shall be applied.