

DISTRIBUTION REGULATIONS

Adopted pursuant to art. 5.5 of the By-laws of Artisti 7607

Article 1 - Definitions

Legal Provision indicates the obligatory provision and not less than 25% of the sums collected annually for fair compensation and equitable remuneration, meant for the compensation in favor of the AIE following the acceptance of any claims on the non-recognition of eligible artists or on the wrong classification of right holders among primary and supporting performers.

AIE indicates the subject (Performing Artist) who, following the participation in an Audio-visual Work as a primary or supporting performer, is entitled, pursuant to the Distribution Regulations, to a remuneration for Video Utilization and / or for Private Copying, including the performing artist who has performed the dubbing of an Audio-visual Work in a foreign language or even in Italian with the exception of the dubbing of the role by the artist himself.

Principal Administrator means the natural or legal person, such as Italian or foreign collecting societies, which on the basis of a documented relationship with the Principal acts for the administration of one or more Managed Rights due to him.

Year of Competence indicates the calendar year of the Video Use that generated Incomes, regardless of when such Incomes are collected by 7607 Artists.

Collection year indicates the calendar year of collection of the Incomes. Artisti 7607 indicates the limited liability cooperative society called "Artisti 7607".

Distribution Committee indicates the committee referred to in art. 2.6 of these Distribution Regulations.

Contracts means the Contracts that Artisti 7607 stipulates in execution of the Mandate and by virtue of which it collects the Incomes.

Private Copy indicates the case envisaged by Articles 71 septies and following of L.D.A .

Consideration indicates the consideration represented by the management costs of Artisti 7607, established according to objective, reasonable criteria and in any case not exceeding the justified and documented costs incurred by Artisti 7607.

Managed Rights means Managed Rights under the Articles.

L.D.A. indicates the copyright law of 22 April 1941 no. 633 and its subsequent additions and modifications.

Principal indicates the subject who has conferred the Mandate on Artists 7607.

Mandate indicates the mandate agreement conferred by the Principal to Artists 7607 pursuant to art. 2.5. of the Mandate Regulations.

Audio-visual Work means the Cinematographic Work and/or assimilated work pursuant to Articles 44 and following L.D.A..

Remunerations indicates the amount of fees collected by Artisti7607 for any Video Use or for Private Copying.

Net Income indicates the Income net of the Consideration and financial charges, taxes, fees, legal reserves and any costs deducted from the source by the foreign collecting company.

Mandate Regulations indicates the Regulations for the granting and execution of mandates and any changes or additions approved by the Board of Directors of Artisti 7607.

Distribution Regulations indicates these Distribution Regulations and any amendments or additions approved by the Board of Directors of Artisti 7607.

By-laws indicates the by-laws of Artists 7607.

Video Utilization means the communication to the public in any form and manner of the Audio-visual Work, the rental, loan and sale of videograms, any and all other forms of use of the Audio-visual Work and / or videograms from which Income derives, with the only exclusion of private copy.

Users means the individual subjects who carry out a Video Utilization. The Private Copy Remunerations are also considered conventionally paid by a User.

Videogram indicates any medium known today or invented in the future, including digital files, containing one or more Audio-visual Works (even only video or only audio), visualized, published, distributed and / or made available to the public.

Articolo 2 - Disposizioni generali

2.1 Artisti 7607 will record and split the incomes separately by user and year of competence.

- 2.2** Artisti 7607 will proceed with the distribution of net incomes in accordance with the provisions of the Distribution Regulations, net of the fee and the legal provision, subject to the acquisition, where possible, of all information relating to the video uses.
- 2.3** Artisti 7607 will pay the net incomes to the principal or to the administrator of the principal who documents the power of attorney for collection.
- 2.4** The payment of the net incomes to the principals will take place as established in the following art. 6, without prejudice to the right of Artisti 7607 to shorten the time frame.
- 2.5** If the information obtained on video uses is lacking, Artisti 7607 shall allocate and distribute pursuant to art. 5 and 6 and make down payments by resolution of the Board of Directors and favourable opinion of the Distribution Committee.
- 2.6** Artisti 7607 establishes a Distribution Committee composed of five members - two appointed by the Board of Directors and three by the General Assembly - in office for three years and re-eligible; the Committee members are paid with an attendance fee for each attended meeting, established annually by the Board of Directors. The Distribution Committee decides by majority vote of those present. The president is appointed among the three members elected by the Assembly and his vote is decisive in the event of a tie.
The Distribution Committee meets periodically, at the call of the chairman or, in his absence, at the call of one of its members to assess: a) the existence of the requisites necessary for the qualification of an AIE; b) the claims, through the website www.artisti7607.com, i.e. the requests by the principals for: changes, if the principal proposes changes to an interpreted work in the database regarding recognition and assignment of roles; insertions, if the principal proposes the insertion in the database of a new interpreted work. The outcome of the assessments is reported by the Distribution Committee in the minutes signed by the chairman and by a secretary appointed among the members of the Committee and is sent to the chairman of the Board of Directors of Artisti 7607.
- 2.7** Artisti 7607 will adopt criteria of utmost prudence in the investment policy of the incomes pending their distribution.
- 2.8** Artisti 7607 will make payments of net incomes in euros.

Article 3 - Compulsory documentation

- 3.1** The principal undertakes to provide, also through the reserved area on the Artisti 7607 website, a periodically updated curriculum of the roles played in audio-visual works.

- 3.2** The principal who is a person other than the AIE itself, will have to document to Artisti 7607 the ownership of the rights of the AIE.
- 3.3** The previous provisions also apply to the principal's administrator.

Article 4 - Allocation of Net Income for Audio-visual Works

- 4.1** For each type of broadcast of audio-visual work, in relation to the data provided by the user and the type of offer and programming, the net incomes will be allocated by applying the following criteria, where possible:
1. Country of production of the work;
 2. type of work;
 3. year of production;
 4. transmission channel;
 5. time slot;
 6. type of transmission (if first transmission or not);
 7. duration of the broadcast;
 8. sales and / or rental data of the work.

Article 5 - Calculation of the quotas of the individual AIEs

- 5.1** The net incomes allocated for each audio-visual work will be distributed to the eligible AIEs on the basis of the following criteria:
- a) primary role: the artist interpreter and performer with a leading role and with greater relevance in the titles;
 - b) supporting role: the artist interpreter and performer with a relevant role, albeit not leading and with less relevance in the titles.
- 5.2** Of the amount allocated for each audio-visual work, a share of not less than fifty percent and not higher than seventy percent will be shared equally among the primary performers, while a share of not less than thirty percent and not higher than fifty percent to supporting performers, with variations depending in each audio-visual work on the numerical ratio between primary and supporting roles in the total of those entitled.
- 5.3** Up to twenty-five percent of the amount allocated for an audio-visual work will be distributed to the AIE dubbers.
- 5.4** The value of an audio-visual work produced by countries that do not apply the mutual recognition of related rights cannot exceed twenty-five percent of the value of a similar audio-visual work produced by countries that apply it; the amount allocated for these works will be entirely distributed to the dubbers.
- 5.5** The incomes for private copying net of the consideration will be distributed fifty percent in equal proportion to the AIE and fifty percent for the activities and purposes referred to in art. 7 law 5 February 1992 n. 93.

Article 6 - Reports - Down payments on Net Incomes - Payments - Information

- 6.1** Artisti 7607 will carry out the distribution of net incomes annually by December in the first three years of activity and every six months by June and December in the following years, in any case with no lesser frequency and no later than nine months from the end of the financial year in which the incomes have been collected, except for objective reasons pursuant to art. 17 of Legislative Decree 35/2017, including the failure to receive the information referred to in Articles 2.2 and 3 of this Regulation; if the deadline for distribution cannot be met, the related amounts remain separate in the accounts. The distribution will take place regularly and diligently, according to criteria of cost-effectiveness and analysis of the use of audio-visual works. On the basis of the allocation and distribution criteria, Artisti 7607 will prepare the individual reports. Within sixty days from the end of each year for the first three years of activity, and within each semester for the following years, in any case with no lesser frequency, Artisti 7607 will send each member the individual report with facsimile of invoice or receipt, provided that the principal is entitled to payment of an amount exceeding thirty euros/00 net of VAT if due; the lower amounts will not be paid, they will be set aside until the next distribution, interest will accrue at the legal rate from the distribution date to the payment date. Within thirty days of receipt of the tax document Artisti 7607 will pay the net incomes to the principal by bank transfer.
- 6.2** The principal, however denominated, is responsible for taxes, social security or social contributions.
- 6.3** Following the payment of down payments on net incomes, Artisti 7607 will be able to pay the balance with compensation of net incomes for any reason. If in the following eighteen months the principal does not accrue net incomes equal to at least fifty percent of the deposit paid, Artisti 7607 will not be able to pay further net incomes until such fifty percent has been recovered.
- 6.4** To each principal to whom net incomes have been attributed or payments made, Artisti 7607 will provide the following data from the prospectus by the 30th September of the following year:
- 1) data on the identification of the principal;
 - 2) net incomes attributed, distributed, paid by category of rights and type of use;
 - 3) the period of use, except for shortcomings in communication by users;
 - 4) deductions applied as management expenses;
 - 5) deductions applied other than management costs, including for social, cultural or educational services.
- 6.5** To each collective management organization on behalf of which it manages rights under a representation agreement, Artisti 7607 will

provide by 31 December of the following year the following data:

- 1) incomes attributed;
- 2) amounts paid by category of rights and type of use;
- 3) incomes from unpaid rights, for any period;
- 4) deductions applied by way of management expenses and for other reasons;
- 5) resolutions adopted by the General Assembly or other competent body concerning the management of rights in the framework of the representation agreement.

Article 7 - Challenge to the report and information

- 7.1** Through the website www.artisti7607.com the principal can make the following notifications: amendments, if the principal proposes changes to a work present in the database with reference to the recognition and assignment of roles; insertions, if the principal proposes the insertion in the database of a new performed work. The reports are examined by the Distribution Committee. Within forty-five days, Artisti 7607 communicates the outcome of the claim to the principal.
- 7.2** For reasons other than those provided for in point 7.1, the principal may challenge the individual report and / or the prospectus within ninety days of receipt by sending a registered letter with return receipt to Artisti 7607 indicating the reasons of complaint. The dispute by a principal does not suspend payments in favor of the other principals. Within forty-five days, Artisti 7607 communicates the outcome of the claim to the principal.
- 7.3** In the absence of a consensual resolution of the outcome of the claims received, within ninety days a third party arbitrator will be appointed upon agreement of the parties or, failing such agreement, by the president of the court of Rome. The arbitrator will be required to communicate in writing to the parties its determination, carried out with fair appreciation pursuant to article 1349 of the Italian Civil Code, within thirty days from the acceptance of the assignment.

Article 8 - Shareholders' Meeting Fund

- 8.1** Artisti 7607 will take all steps to identify, contact and remunerate right holders in accordance with the current legislation in force.
- 8.2** Provided that all the measures provided for by law have been adopted, the Net Income due to AIE that is not identifiable and / or cannot be contacted will be considered, after three years from the end of the collection financial year, as not distributable net income on whose use will be resolved by the General Assembly of Artisti 7607.
- 8.3** The non-distributable net incomes will constitute a separate and independent fund called the "Assembly Fund" for social, cultural and educa-

tional activities for the exclusive benefit of the rights holders.

- 8.4** The right of the holder to claim such income, within the limitation period of four years from the expiry of the nine months following the end of the collection financial year, remains unaffected.

Article 9 - Council Fund

- 9.1** The Board of Directors of Artisti 7607 may resolve, by 31 December of the year following the year of competence, to deduct an amount not exceeding five percent of the net income to be allocated to a separate and independent fund called "Fondo Consiglio" (Council Fund) for social, cultural and educational services approved by the Council itself. Upon the granting of the mandate, and subsequently in writing with effect from the following year, the principal may express the will not to contribute his / her income to the aforementioned activities. The deduction does not apply to income managed under a representation agreement with foreign collecting societies, unless the agreement provides for it.

Article 10 - Relations with foreign organizations

- 10.1** Artisti 7607 does not adopt any disparity in the treatment of AIEs for which it manages the rights under a representation agreement, including with regard to management costs, collection and distribution of net incomes. The provisions of this regulation also apply to the incomes due to the AIE represented by Artisti 7607 according to agreements stipulated with foreign collecting societies.
- 10.2** Artisti 7607 will distribute foreign incomes to the principals as per information, criteria and amounts received from the foreign collecting society, according to the stipulated agreements.

Article 11 - Publicity of the Distribution Regulations

- 11.1** These regulations are available on the Artisti 7607 website www.artisti7607.com.