



Collective Rights Management  
Organization for Makers of  
Sound and Video Recordings

# GENERAL RULES

ADOPTED AT THE MEETING OF THE  
BOARD OF DIRECTORS OF SOPROQ  
HELD ON SEPTEMBER 11<sup>th</sup>, 2019

# TABLE OF CONTENTS

1. SCOPE OF THE RULES .....	3
2. DEFINITIONS .....	3
3. MINIMUM REPERTOIRE .....	6
4. ADMINISTRATION FEE .....	6
5. DEDUCTIONS .....	6
6. TAXES .....	7
7. MINIMUM REMUNERATION.....	7
8. CANCELLATION AND REISSUE OF REMUNERATION CHEQUES .....	7
9. PAYMENT CONDITIONS .....	8
10. DISSOLUTION, INSOLVENCY, BANKRUPTCY OR DEATH OF A MEMBER .....	8
11. UNLOCATABLE MEMBER .....	8
12. DIRECT COLLECTION BY FOREIGN COMPANIES OR FOREIGN LICENSEES.....	9
13. CONFLICTS BETWEEN SOPROQ MEMBERS .....	11
14. CONFLICTS BETWEEN A SOPROQ MEMBER AND A MEMBER OF ANOTHER COLLECTIVE ORGANIZATION .....	12
15. TRANSFER OF RIGHTS IN RESPECT OF SOUND RECORDINGS AND VIDEOGRAM TO THIRD PARTIES .....	12
16. PROVIDING ADDITIONAL INFORMATION .....	13
17. VIDEOGRAM.....	14
18. SENDING OF DOCUMENTS.....	14
19. RETROACTIVE APPLICATION .....	14

The Quebec Collective Society for the Rights of Makers of Sound and Video Recordings (Soproq)

RULES

1. SCOPE OF THE RULES

- 1.1. The present Rules form an integral part of any Agreement respecting the “assignment and licensing of sound recordings and videograms” in force at the time between the Quebec Collective Society for the Rights of Makers of Sound and Video Recordings (“Soproq”) and any party that signs the membership agreement (a “**Member**”), as well as, where appropriate, any other agreement between a Member and Soproq whose object is all or part of the rights covered by the “assignment and licensing of sound recordings and videograms” (the “**Membership Agreement**”).
- 1.2. In the event of a conflict or inconsistency between the provisions of the present Rules and the provisions of the Membership Agreement, the provisions of the present Rules shall prevail to the full extent of such conflict or such inconsistency.

2. DEFINITIONS

When used in the present Rules, unless the context dictates otherwise, the following terms shall have the meanings indicated below:

- 2.1. “**Foreign collection agreement**” means any agreement between a Member and a foreign organization that is legally entitled to collect any sum payable in respect of the right to equitable remuneration and the right to remuneration for private copying from any foreign user in any non- represented territory covered by such agreement, authorizing said foreign entity, by license or appointment, to collect such sums from any such foreign user in respect of any sound recording covered and, as the case may be, any videogram covered by such agreement.
- 2.2. “**Decision**” means, with regard to a given conflict, either a final decision not subject to appeal rendered by a tribunal that has jurisdiction over the conflict in a recourse to or in which all Members concerned by the conflict are a party or are impleaded, or a final ruling not subject to appeal rendered by an arbitrator or an arbitration tribunal to which all Members concerned by the conflict are subject, which decision or which ruling establishes the respective rights of said Members to remuneration—or their respective share thereof—in respect of any covered sound recording or any covered videogram that is the subject of the conflict.
- 2.3. “**Prescribed declaration**” means, as the case may be, the sound recording declaration form, the album declaration form or the videogram declaration form available online via the Soproq portal and transmitted via the Soproq portal, or any other version of such a form that Soproq may make available from time to time provided that such a duly completed version is sent to Soproq in accordance with the procedure then in force. The prescribed declaration of sound recording or videogram shall be in accordance with the agreement respecting the assignment and licensing of sound recordings and videograms except for the purposes of applying paragraphs 12.1 and 12.2 of these rules. The prescribed declaration means both the original and all subsequent declarations that have the effect of modifying the original declaration.

- 2.4. **“Deficit”** means, at the date concerned, the deficit appearing in the last audited financial statements of Soproq.
- 2.5. **“Conflict”** means any conflicting information arising out of any prescribed declaration provided by one or more Members in respect of any covered sound recording or any covered videogram, or any conflict or disagreement between one or more Members concerning their respective right to remuneration—or their respective part thereof—payable in respect of any covered sound recording or any covered videogram.
- 2.6. **“Right”** has the meaning given to it in the Membership Agreement.
- 2.7. **“Covered right”** means any right assigned, granted or otherwise given to Soproq under the terms of the Membership Agreement.
- 2.8. **“Foreign right to equitable remuneration”** means any right conferred by the law of the foreign territory concerned to the maker of a published sound recording to receive equitable remuneration for the public performance or the communication to the public by telecommunication of said published sound recording.
- 2.9. **“Foreign right to remuneration for private copying”** means any right conferred by the law of the foreign territory concerned to the maker of a sound recording and, as the case may be, a videogram, to receive remuneration for private copying of said sound recording and, as the case may be, said videogram.
- 2.10. **“Sound recording”** has the meaning given to it in the Membership Agreement.
- 2.11. **“Covered sound recording”** means any sound recording in respect of which all or part of the rights are assigned, granted or otherwise given to Soproq under the terms of the Membership Agreement.
- 2.12. **“Use”** means, in respect of a covered sound recording or a covered videogram, any act covered by a covered right.
- 2.13. **“Operating expenses”** means, at the date concerned, the cumulative total of expenses incurred by Soproq for the purposes of operating Soproq, excluding depreciation of capital assets but including investments in capital assets, as said expenses appear in all of the audited financial statements of Soproq prior to said date, minus any investment income and expert advice fees generated by operating income not accounted for as operating expenses in such audited financial statements.
- 2.14. **“Foreign license”** means any agreement between a Member and a foreign licensee under which said foreign licensee is authorized to use one or more covered sound recordings or covered videogram in a foreign territory, provided (i) that said agreement grants exploitation rights in respect of such covered sound recordings or covered videograms in addition to the right to receive remunerations payable in respect of the right to equitable remuneration or the right to remuneration for private copying in said foreign territory, and (ii) that the foreign territory covered by said agreement includes, at a minimum, the country of the head office or the principal place of business of said foreign licensee or, if the latter is a natural person, the place of residence of said foreign licensee.
- 2.15. **“Foreign licensee”** means any legal person whose head office or principal place of business is situated in a foreign territory, or any natural person whose place of residence is situated in a foreign territory.

- 2.16. **“Soproq portal”** means the “Octave” portal or any accessible online portal made available to Members of Soproq as it may be modified from time to time by Soproq and allows a Member to access information related to their account. Without limitation, the portal allows a Member to consult their repertoire, to make a new or modify an existing declaration, to consult conflicts in their account and to receive the details of the amounts that are payable to them.
- 2.17. **“Remuneration”** means the remuneration payable to a Member by Soproq in return for the exercise of a covered right under the Membership Agreement.
- 2.18. **“Distribution”** means any payment, by Soproq to its Members, of any remuneration in respect of a given covered right.
- 2.19. **“Deduction”** means the portion of any remuneration that Soproq is required to deduct pursuant to any treaty, law, regulation or decision, of a tax or other nature, to which Soproq is subject.
- 2.20. **“Operating income”** means, at the date concerned, the cumulative total of the income actually received by Soproq from the exercise of rights, as said income appears in all of the audited financial statements of Soproq prior to said date.
- 2.21. **“Foreign organization”** means, with regard to a given foreign territory, any collective or collecting body that is legally authorized to collect any sum payable in respect of broadcast or incidental reproduction rights, the right to equitable remuneration or the right to remuneration for private copying in said foreign territory.
- 2.22. **“Foreign territory”** means any country except Canada.
- 2.23. **“Non-represented territory”** means any foreign territory in which Soproq does not collect, at the time concerned, either directly or through a foreign organization with which it has entered into an agreement for such purpose, sums payable in respect of the right to equitable remuneration or the right to remuneration for private copying in said foreign territory.
- 2.24. **“Transaction”** means, with regard to a given conflict, any written transaction signed by all the Members concerned by said conflict, in which said Members come to a final arrangement concerning their respective right to remuneration—or their respective share thereof—in respect of any covered sound recording or any covered videogram that is the subject of said conflict.
- 2.25. **“Foreign user”** means, with regard to a given foreign territory, any person legally required to pay any sum payable in respect of the right to equitable remuneration or the right to remuneration for private copying in said foreign territory.
- 2.26. **“Tax”** means any tax or other sum that Soproq is required to pay to a Member, in addition to the remuneration otherwise payable to the Member, pursuant to any treaty, law, regulation or decision, of a tax or other nature, to which Soproq is subject.
- 2.27. **“Videogram”** has the meaning given to it in the Membership Agreement.
- 2.28. **“Covered Videogram”** means any videogram in respect of which all or part of the rights are assigned, granted or otherwise given to SOPROQ under the Membership Agreement.

### 3. MINIMUM REPERTOIRE

- 3.1. Soproq may resiliate any Membership Agreement entered into between Soproq and a Member, provided that the rights assigned, granted or otherwise given by said Member to Soproq concern less than
  - 3.1.1. one hundred per cent (100%) of the rights in respect of at least one (1) videogram, or
  - 3.1.2. one hundred per cent (100%) of the rights in respect of at least ten (10) sound recordings.
- 3.2. For the purposes of paragraph 3.1.1, a Member is deemed to have assigned, granted or otherwise given to Soproq at least one hundred per cent (100%) of the rights in respect of at least one (1) videogram provided that said assignment, granting or other giving concerns undivided shares of rights equivalent to at least one hundred per cent (100%) of the rights in respect of at least one (1) videogram.
- 3.3. For the purposes of paragraph 3.1.2, a Member is deemed to have assigned, granted or otherwise given to Soproq at least one hundred per cent (100%) of the rights in respect of at least ten (10) sound recordings provided that said assignment, granting or other giving concerns undivided shares of rights equivalent to at least one hundred per cent (100%) of the rights in respect of at least ten (10) sound recordings.
- 3.4. For greater certainty, the conditions mentioned in the preceding paragraphs must be satisfied throughout the entire duration of the Membership Agreement.

### 4. ADMINISTRATION FEE

- 4.1. Soproq deducts an administration fee from any remuneration payable for any given right or, as the case may be, for any modality of exploitation of a right, equal to a percentage of such remuneration determined in good faith by the Board of Directors.

For the purpose of establishing administration fees, Soproq's Board of Directors takes into account, in particular, the history of Soproq's revenues and operating expenses, as well as short, medium and long-term projections of such revenues and expenses to ensure that Soproq maintains a balanced budget and financial stability. The Board of Directors also ensures that Soproq maintains a necessary level of surplus in order to meet its future obligations.

- 4.2. The administration fee applicable to agreements with other collective societies are also determined using the criteria set forth in paragraph 4.1

### 5. DEDUCTIONS

- 5.1. Soproq shall make any deduction applicable to any remuneration payable to a Member and, as the case may be, dispose of any such deduction in accordance with any treaty, law, regulation or decision, of a tax or other nature, applicable to such deduction.

## 6. TAXES

- 6.1. Soproq shall pay to a Member, in addition to remuneration, any tax applicable to such remuneration.

## 7. MINIMUM REMUNERATION

- 7.1. At the time of a given distribution, Soproq shall incur no obligation to pay any remuneration to a Member in respect of any use of the covered sound recordings and covered videogram of said Member, nor to report any such use to said Member, provided that the total amount payable by Soproq to the Member at the time of said distribution, after deductions and before taxes, is equal to or less than:

- 7.1.1. twenty dollars (20\$) for Members receiving their remuneration by direct deposit;
- 7.1.2. fifty dollars (50\$) for Members receiving their remuneration by cheque;
- 7.1.3. one hundred dollars (100\$) for Members receiving their remuneration by international wire transfer.

The minimum remuneration thresholds set out in 7.1.1 to 7.1.3 are those applicable at the time of the first publication of this version of the General Rules. They may be modified from time to time by Soproq, who sets the thresholds taking into account the reasonable costs it incurs depending on the different methods of payment offered.

- 7.2. Notwithstanding paragraph 7.1, any new member who joins Soproq must register for direct deposit or international wire transfer in order to receive any remuneration payable to them.

## 8. CANCELLATION AND REISSUE OF REMUNERATION CHEQUES

- 8.1. If a cheque for a given remuneration is sent by Soproq to the address of a Member, and this cheque is not deposited within six (6) months following the date on which the cheque may be deposited, then Soproq can cancel this cheque and, either, issue a new cheque to replace the cancelled cheque, or retain the amount of this remuneration, which is then dealt with according to paragraphs 11.3 and 11.4 of these Rules which then apply to the amounts so retained.
- 8.2. If a direct deposit or an international wire transfer for a given remuneration transmitted by Soproq to a Member according to the banking information provided by the latter is not cashed, Soproq may reissue a new payment order in lieu of the one that has not been cashed, or retain the amount of such payment, which is then treated in accordance with paragraphs 11.3 and 11.4 of these Rules, which then apply to the payments so retained.
- 8.3. When Soproq issues a new cheque to replace a previously-cancelled cheque, or issues a new payment order through direct deposit or international wire transfer, Soproq may withhold from the remuneration paid under the new payment an amount which covers the expenses incurred by Soproq due to the cancellation of the previous payment and the issuing of the new payment, including fees imposed by Soproq's financial institution and any other fees incurred by Soproq for the cancellation of the previous payment and the preparation and issuing of the new payment; the amount of these fees may be fixed from time to time by Soproq's Board of Directors.

## **9. PAYMENT CONDITIONS**

- 9.1. Soproq shall incur no obligation to pay any remuneration to a Member in respect of any use of a given covered sound recording or covered videogram insofar as Soproq has not received from the Member a copy, duly completed, of the prescribed declaration for said covered sound recording or for said covered videogram at least ninety (90) days prior to the date of such use.
- 9.2. For greater certainty, Soproq shall not be liable for any losses or damages incurred by a Member or by any third party resulting from the Member's failure to comply with the provisions of the present article.

## **10. DISSOLUTION, INSOLVENCY, BANKRUPTCY OR DEATH OF A MEMBER**

- 10.1. In the case of dissolution, insolvency, bankruptcy, any arrangement with creditors under the *Companies' Creditors Arrangement Act*, any proposal with creditors under the *Bankruptcy and Insolvency Act*, or if a Member cannot be located according to paragraph 11.1 of these Rules, Soproq may resiliate, as of right, its Membership Agreement with that Member by sending a written notice, via certified mail or registered mail with acknowledgement of receipt, to the latest known address in the account of the Member, this resiliation taking effect at the date mentioned in the written notice.
- 10.2. In the event of death of a Member, the estate of the deceased Member is substituted during the liquidation period for all rights and obligations of the deceased Member. The estate is represented during the liquidation by its liquidator who must provide Soproq with the death certificate of the Member and establish its legitimacy, either by the production of the will, if applicable, and the notice of appointment of the liquidator (letter of verification, letter of probate, certificate of appointment of the administrator of an estate with or without a will ...). The liquidator must also provide Soproq with the name, address, telephone number and email address of each heir. At the end of the liquidation of the estate, upon confirmation of the publication of the notice of closure of the estate, Soproq may resiliate the contract of the deceased member and the heirs of the deceased member may apply for a new membership.
- 10.3. If Soproq invokes its right to resiliate a Membership Agreement under paragraph 10.1 of these Rules, then payment of any remuneration which was owed by Soproq to the Member for the use of any covered sound recording or any covered videogram prior to the resiliation of the Membership Agreement is made to the person who requests it, and who proves to Soproq his right to this payment within a period of three (3) years from the date of exigibility of the relevant payment.

## **11. UNLOCATABLE MEMBER**

- 11.1. If the payment of a given remuneration is sent by Soproq to a Member at that Member's address or bank account, and the payment is returned to Soproq, then Soproq will retain that sum to be treated according to the rules set forth in this article 11.
- 11.2. Where paragraph 11.1 applies to two (2) consecutive payments sent to a given Member, Soproq may retain the amount of the second payment and all subsequent remuneration becoming payable to that Member to be treated according to the rules of the present article.
- 11.3. All remuneration retained by Soproq according to paragraphs 11.1 and 11.2 of these Rules

may be reclaimed from Soproq by the relevant Member, or as appropriate, by another person who requests that remuneration and who proves to Soproq his right to this payment within a period of three (3) years from the date of exigibility of the relevant payment.

- 11.4. Any remuneration which is not claimed within three (3) years following its date of exigibility according to paragraph 11.3 of these Rules cannot be claimed from Soproq, which may from that date forward use this remuneration to reduce its operating costs.

## **12. DIRECT COLLECTION BY FOREIGN COMPANIES OR FOREIGN LICENSEES**

- 12.1. Soproq authorizes any Member who has complied with the conditions mentioned in paragraph 12.3 hereof to enter into any collection agreement with any foreign organization authorizing said foreign organization

- 12.1.1. to collect any sum payable in respect of the right to equitable remuneration on any covered sound recording in any foreign territory in which Soproq does not manage such right at the time concerned, either directly or through a foreign organization with which Soproq has entered into an agreement for such purpose, and

- 12.1.2. to collect any sum payable in respect of the right to remuneration for private copying on any covered sound recording and, as the case may be, any covered videogram in any foreign territory in which Soproq does not manage such right at the time concerned, either directly or through a foreign organization with which Soproq has entered into an agreement for such purpose.

- 12.2. Soproq authorizes any Member who has complied with the conditions mentioned in paragraph 12.3 hereof to grant to any foreign licensee, by way of license or appointment as its agent, for the duration of the foreign license between the Member and said foreign licensee and in any foreign territory covered by said foreign license, the right

- 12.2.1. to collect, directly or through any foreign organization that the foreign licensee has licensed or appointed for such purpose, any sum payable in respect of the right to equitable remuneration on any covered sound recording from any foreign user in any foreign territory covered by said foreign license, and

- 12.2.2. to collect, directly or through any foreign organization that the foreign licensee has licensed or appointed for such purpose, any sum payable in respect of the right to remuneration for private copying on any covered sound recording and, as the case may be, on any covered videogram, from any foreign user in any foreign territory covered by said foreign license.

- 12.3. The authorization given to a Member pursuant to paragraphs 12.1 and 12.2 hereof has effect with regard to a covered sound recording or a covered videogram for which the Member intends to exercise such authorization only on the condition that the Member sends to Soproq the prescribed declaration for such covered sound recording or such covered videogram.

- 12.4. The authorization given to a Member pursuant to paragraphs 12.1 and 12.2 hereof shall not take effect, with regard to a covered sound recording or a covered videogram for which the Member intends to exercise such authorization, until ninety (90) days following the date of receipt, by Soproq, of the prescribed declaration for such covered sound

recording or such covered videogram, according to the later of the two dates.

- 12.5. Nothing in the present Rules obliges Soproq to reimburse to any foreign organization to which Soproq has sent the information contained in a given prescribed declaration within the ninety (90) day period provided for in the preceding paragraph any sums that Soproq may receive from said foreign organization in respect of the right to equitable remuneration or the right to remuneration for private copying prior or subsequent to the sending of said information to said foreign organization. Soproq may terminate, in whole or in part, any authorization granted under paragraphs 12.1 and 12.2 hereof:
- 12.5.1. in respect of any right to equitable remuneration or any right to remuneration for private copying which is covered by any given foreign license and which ceases to be so covered by said foreign license;
  - 12.5.2. in respect of any videogram and any sound recording which is covered by any given foreign license and which ceases to be so covered by said foreign license;
  - 12.5.3. in respect of any foreign territory which is covered by any given foreign license and which ceases to be so covered by said foreign license;
  - 12.5.4. in respect of any covered sound recording for which the sums payable in respect of the right to equitable remuneration are collected through a foreign organization under a foreign collection contract granted to said foreign organization by a Member as authorized in paragraph 12.1 hereof, as soon as Soproq begins to collect, directly or through a foreign organization with which it has entered into an agreement for such purpose, said sums in said foreign territory;
  - 12.5.5. in respect of any covered sound recording and, as the case may be, any covered videogram for which the sums payable in respect of the right to remuneration for private copying are collected through a foreign organization under a foreign collection contract granted to said foreign organization by a Member as authorized in paragraph 12.1 hereof, as soon as Soproq begins to collect, directly or through a foreign organization with which it has entered into an agreement for such purpose, said sums in said foreign territory;
  - 12.5.6. if the prescribed declaration is incomplete or contains inaccurate information, or if some of the information it contains is not updated when it ceases to be accurate;
  - 12.5.7. if, in the opinion of Soproq, after informing the Member beforehand in writing and in a reasonably detailed manner, of the reasons behind its decision, and after giving the Member thirty (30) days to explain in writing to Soproq why its reasons are not valid, recourse to the authorization provided in paragraph 12.2 hereof has no other purpose than to prevent Soproq from collecting sums payable in respect of the right to equitable remuneration and the right to remuneration for private copying in any foreign territory covered by said authorization, or
  - 12.5.8. by amending, replacing or rescinding the present article, to the full extent of and according to the terms and conditions contained in the article so amended or replaced or in any resolution of Soproq rescinding the present article.
- 12.6. Soproq shall incur no liability towards any Member that exercises any authorization covered in the present article and shall not be required to pay or reimburse any remuneration, compensation, damages or any other sum because of any act performed

by Soproq pursuant to the present article.

- 12.7. Any Member that exercises any authorization covered in the present article agrees to indemnify Soproq in respect of any claim or lawsuit for any costs and damages and any other expenses incurred because of any act performed by SOPROQ pursuant to the present article, provided it acts in good faith and without negligence.
- 12.8. The authorization granted to the Member pursuant to subsections 12.1 and 12.2 does not have the effect of modifying the scope of the rights granted, conceded or otherwise granted to Soproq including, for greater certainty, their territorial scope according to paragraph 3.5.3 of the Membership Agreement. Any amendment to the contract is subject to paragraph 10 of the Membership Agreement.

### 13. CONFLICTS BETWEEN SOPROQ MEMBERS

- 13.1. In the event that Soproq notes the existence of a conflict, or is notified in writing and at least thirty (30) days prior to the date of distribution of the remuneration concerned, of the existence of a conflict, Soproq shall inform any Member concerned by said conflict via the Soproq portal, within a reasonable period following the date on which Soproq notes the existence of said conflict or is notified thereof, of the existence and nature of said conflict. Soproq shall then be entitled to withhold the payment of any remuneration that is the subject of said conflict until the occurrence of one of the following two events:
  - 13.1.1. Receipt, by Soproq, of an original of a transaction entered into between all the Members concerned by the conflict in respect of any sound recording or any videogram that is the subject of the conflict, in which case the remuneration payable for any sound recording or videogram covered by said transaction shall be paid by Soproq in accordance with said transaction at the time of the distribution occurring at least thirty (30) days after the date of receipt, by Soproq, of an original of said transaction signed by all of the Members concerned by the conflict, or
  - 13.1.2. Receipt, by Soproq, of a certified true copy of a decision rendered, final and not subject to appeal, in a judicial or arbitration proceeding to or in which all of the Members concerned by the conflict are a party or are impleaded, in which case the remuneration payable for any sound recording or videogram covered by said decision shall be paid by Soproq in accordance with said decision at the time of the distribution occurring at least thirty (30) days after the date of receipt, by Soproq, of a certified true copy of said decision.
- 13.2. Unless Soproq receives, within six (6) months following the date of distribution of a remuneration whose payment is withheld because of a conflict, a transaction in accordance with paragraph 13.1.1 or a decision in accordance with paragraph 13.1.2, Soproq shall then be entitled
  - 13.2.1. to withhold payment of the remuneration that is the subject of the conflict until the conditions set forth in paragraph 13.1.1 or 13.1.2 are met,
  - 13.2.2. to pay into court, in accordance with the law, any remuneration that is the subject of the conflict, or
  - 13.2.3. to pay, in whole or in part, the remuneration that is the subject of the conflict, according to what it believes to be its obligation towards its Members, at the time of any subsequent distribution of royalties.

13.3. Soproq shall incur no liability towards its Members and shall not be required to pay or reimburse any remuneration, compensation, damages or any other sum because of any act performed by Soproq pursuant to the present article, including, for greater certainty, any payment withheld pursuant to paragraph 13.1 or 13.2.1, any payment into court made pursuant paragraph 13.2.2 or any total or partial payment withheld or made pursuant to paragraph 13.1 or 13.2.3 hereof.

13.4. Members that are a party to any conflict are jointly and severally required to indemnify SOPROQ in respect of any claim or lawsuit for any costs and damages and any other expenses incurred because of any act performed by SOPROQ pursuant to the present article, provided it acts in good faith and without negligence.

#### **14. CONFLICTS BETWEEN A SOPROQ MEMBER AND A MEMBER OF ANOTHER COLLECTIVE ORGANIZATION**

14.1. To the extent that Soproq is notified by another collective management organization of the existence of a conflict between any declaration of any Soproq Member and that of any third party relating to any sound recording or any right or remuneration payable in respect thereof, Soproq informs any Member affected by this conflict when an action on its part is required and within a reasonable time following the date on which Soproq is notified of the existence of the conflict. Any such litigation must be handled in accordance with the policies and procedures of that other collective management organization. Soproq merely informs the Member concerned of such a conflict without incurring any obligation to interfere, advise or participate in its resolution.

#### **15. TRANSFER OF RIGHTS IN RESPECT OF SOUND RECORDINGS AND VIDEOGRAM TO THIRD PARTIES**

15.1. For greater certainty, a Member may not, for the duration of its Membership Agreement, assign, grant or otherwise give to a third party any covered right in respect of a covered sound recording or a covered videogram.

15.2. Notwithstanding paragraph 15.1, Soproq shall terminate any assignment, granting or other giving by a Member to Soproq on any covered sound recording or covered videogram provided that all of the following conditions are met:

15.2.1. the Member assigns all rights on the covered sound recording or covered videogram without limit of time or territory;

15.2.2. the assignee of these rights (the "Assignee") is not another collective management organization, and

15.2.3. the Member sends Soproq a notice in the form prescribed by Soproq in respect of the covered sound recording or the covered videogram.

15.3. Termination in accordance with paragraph 15.2 is effective automatically on the date of the assignment between the Member and the Assignee mentioned in the required notice under paragraph 15.2.3 without that date being less than thirty (30) days before the day Soproq receives said notice.

15.4. Where the Assignee is also a Member of Soproq on the effective date of the termination in accordance with paragraph 15.3, Soproq shall comply with the instructions given by the assigning Member in the notice required under paragraph 15.2.3 regarding the payment by

Soproq to the assigning Member or to the assignee Member, following the termination, in accordance with paragraph 15.2, of any remuneration pertaining to any use of any covered sound recording or covered videogram that is the subject of this termination, but Soproq not being required to pay to the assignee Member any remuneration payable on any distribution made less than ninety (90) days following the date of receipt of such notice by Soproq.

- 15.5. Where the Assignee is not a member of Soproq on the effective date of the termination in accordance with paragraph 15.3, Soproq remains entitled to receive, for payment to the assigning Member in accordance with the Membership Agreement, any remuneration pertaining to any use of any covered sound recording or covered videogram occurring within ninety (90) days of the date on which Soproq received the notice required by paragraph 15.2.3
- 15.6. For greater certainty, any assignment, granting or other giving made contrary to this paragraph is null and void and does not affect the rights of Soproq under the terms of the Membership Agreement binding it to that Member.
- 15.7. For greater certainty, Soproq shall not be required to perform any payment or reporting obligation towards an Assignee who is also a Member of Soproq in respect of any covered sound recording or covered videogram that has not been the subject of a notice in accordance with the present Rules, nor shall Soproq be liable for any loss or damages incurred by an assigning Member, by any Assignee (whether also a Member of Soproq or not), or by any third party resulting from a failure by the assigning Member to comply with the provisions of the present article.

## **16. PROVIDING ADDITIONAL INFORMATION**

- 16.1. Soproq may at any time require that any Member prove, to the satisfaction of Soproq, that the Member is in compliance with the requirements and conditions of the Membership Agreement and with Soproq's rules and regulations, including the fact that the Member holds any right that the Member claims to hold in respect of any sound recording or any videogram, by providing Soproq, within thirty (30) days following any written request from Soproq to this effect, at least one copy of the following documents:
  - 16.1.1. A declaration (sworn, if required by Soproq) signed by a duly authorized representative of the Member describing, in a reasonably detailed manner, the facts that prove that said Member is indeed in compliance with the requirements and conditions of the Membership Agreement and with Soproq's rules and regulations, including the fact that the Member holds any right that the Member claims to hold in respect of any sound recording or any videogram ("declaration");
  - 16.1.2. A complete and unaltered copy of any contract, any letter or any other document supporting the facts stated in said Member's declaration ("supporting document").
- 16.2. Soproq may provide a copy of any declaration and any supporting document to its external advisors.
- 16.3. Soproq and any external advisor covered by paragraph 16.2 hereof shall comply with any privacy requirement with regard to any supporting document of a confidential nature as requested by the Member that sends such supporting document, provided that said

Member makes such request in writing at the time that any such supporting document is sent.

## **17. VIDEOGRAM**

17.1. Notwithstanding the definition of videogram provided for in paragraph 1.7 of the Membership Agreement, a Member may limit the scope of the rights assigned, granted or otherwise given to Soproq solely to videograms incorporating and showing the performance of a musical work, such performance constituting an essential part of said videogram.

## **18. SENDING OF DOCUMENTS**

18.1. Unless otherwise specified by Soproq or otherwise required under these Rules or the Membership Agreement, any document whose remittance may be required by Soproq under the present Rules shall be sent by certified or registered mail with acknowledgement of receipt.

## **19. RETROACTIVE APPLICATION**

19.1. The present Rules shall come into force between Soproq and any given Member retroactively to the effective date of the Membership Agreement between Soproq and the Member.

19.2. In the event that Soproq and a given Member have entered into more than one Membership Agreement, the present Rules shall come into force between Soproq and any given Member retroactively to the effective date of the earliest of said Membership Agreements.

19.3. The present Rules cancel and replace any previous rules between Soproq and a Member that have the same object, retroactively to the date of coming into force of the present Rules between Soproq and the Member according to the present article.