

# SAGAI'S **BYLAWS** 2021



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## ARTICLE 1

ENTITY'S NAME, NATURE, APPLICABLE LAW, TERM OF EXISTENCE, ADDRESS, PURPOSE, GEOGRAPHICAL AND PERSONAL SCOPE.

### SECTION 1: NAME

The name of this Entity, which is engaged in the management of intellectual property rights, is "SOCIEDAD ARGENTINA DE GESTIÓN DE ACTORES E INTÉRPRETES ASOCIACIÓN CIVIL – SAGAI" [Argentine Management Society of Actors and Performers].

### SECTION 2: ORGANIZATION

SAGAI was organized as a nonprofit association under the name: of SOCIEDAD ARGENTINA DE GESTIÓN DE ACTORES E INTÉRPRETES ASOCIACIÓN CIVIL – SAGAI, on July 27, 2006, with the aim of protecting and managing the rights of actors, performers and other similar performers, whose performances have been fixed in sound or audiovisual recordings, including, among others, voice-over actors and dancers, and other similar performers included in Intellectual Property Law No. 11723 and in Executive Decree No. 746/73 - which provides a definition of performers for the purposes of section 56 of the aforementioned law – as well as any other intellectual property rights to which such persons may be entitled in the future according to national and international law.

The rights of artists, performers and musicians, whose collective management has been entrusted to the Argentine Performers Association (Asociación Argentina de Intérpretes - AADI) by means of Executive Decree No. 1671/74 are outside the scope of SAGAI's activities.

### SECTION 3: NATURE

SAGAI has legal personality and full capacity to conduct legal transactions, subject to the limitations prescribed by law and these Bylaws. SAGAI also has capacity to manage the rights included in its purpose and is legally authorized to enforce them by undertaking any kind of administrative, in-court and out-of-court proceedings.

### SECTION 4: APPLICABLE LAW

SAGAI will be governed by:

- › 1. These Bylaws and any valid agreements adopted at the General Meeting of members or by other governing bodies within the scope of their duties.
- › 2. Intellectual Property Law No. 11723 and any amendments thereto.
- › 3. Any other applicable regulation.

#### **SECTION 5: TERM OF EXISTENCE**

SAGAI is established for an indefinite period of time.

#### **SECTION 6: ADDRESS**

SAGAI's office shall be located in the City of Buenos Aires.

#### **SECTION 7: PURPOSE**

SAGAI is organized for the following purposes:

1. The collective exercise, management and administration of intellectual property rights recognized by law to actors and other similar performers, whether Argentine or foreign, in relation to the use, broadcasting or communication –including the making available– to the public of their performances fixed in sound or audiovisual recordings, subject to the conditions established in these Bylaws and in any relevant contracts and regulations.

In performing the aforementioned actions, the Entity shall act independently and free from any influences. This purpose entails any activities and powers required to ensure the effectiveness of the aforementioned rights, including, without limitation, the following functions:

1.1. The collection of the accrued compensations derived from licenses or from the exploitation, by any means, of the artistic performance fixed in audiovisual means. This includes negotiating with users/debtors, establishing general rates and demanding payments, or, where appropriate, filing any administrative, in-court or out-of-court proceedings to enforce rights.

1.2. The distribution of the sums collected among right owners, in accordance with these Bylaws, applicable laws and internal regulations in force.

2. The collective management tasks to be performed by the Entity will comprise any compensation rights subject to mandatory collective management, which have been originally granted to actors and other similar performers or to their assigns, as well as any other intellectual property rights to be exercised collectively that may be granted to them in the future, either by means of an express legal provision, the analogous/subsidiary application of copyright provisions or through contracts.

For instance, compensation rights may derive from the use or broadcasting of the protected performances recorded, as well as from their communication to the public, including the making available to the public of the recordings in such a way that any person may access these works from a place and at a time individually chosen by them.

3. Furthermore, the Entity may manage and administer the exclusive rights granted by law to the actors and other similar performers, whenever the owners of these rights expressly entrust their management to the Entity.

4. The Entity's purpose shall also include the following:

4.1. The promotion and development of welfare activities and of artistic activities, training and further professional education, at national and international levels, either directly, through other entities or in cooperation with other entities, for the benefit of its members. To that end, the Entity may organize a foundation or be part of the board of an already organized foundation (whose purposes are in line with those herein described) or to establish a collaborative scheme with the Argentine Actors Association [Asociación Argentina de Actores – AAA.]

4.2. The adoption of measures directed to the protection, development and exercise of the rights under its management. To that effect, SAGAI will be entitled to:

4.2.1. Enter into any agreements, cooperation agreements or any legal transactions with governmental and non-governmental organizations, at the national, provincial, municipal, regional and international levels, whose purpose includes the effectiveness of all or some of the rights managed by the Entity, provided that such agreements and transactions are intended to ensure the effectiveness of the rights under the Entity's management.

4.2.2. Enter into representation, cooperation and reciprocity agreements with other foreign entities or organizations of a similar nature, the purposes of which shall include the effectiveness of all or some of the rights managed by the Entity, provided that such agreements are intended to achieve greater effectiveness of the rights under the Entity's management and that the relevant points of contact exist.

4.2.3. Participate in official meetings related to social issues, in all legislative processes at any levels, to propose parliamentary measures aimed at increasing legal protection, and to take part in regional integration and legal harmonization processes.

4.2.4. Conduct researches, and spread and exchange knowledge about the rights under its management by joining national or international organizations, or by cooperating with public or private organizations or entities at the national or international levels; and to participate in all acts, forums and works in which the rights and interests of the artists managed may be directly or indirectly affected.

4.2.5. Edit works for no profit; organize conferences, seminars and symposiums; to participate in cultural, educational events of any other events that may be of professional interest; to promote technical research programs; to attend all congresses and meetings of experts regarding intellectual property rights; to prepare or collaborate with publications; participate in the creation of libraries; and carry out any other lawful act or initiative in furtherance of the Entity's purpose.

4.2.6. Bring any kind of administrative, in-court

and out-of-court proceedings necessary to protect and ensure the effectiveness of the rights managed by SAGAI. To bring actions seeking a preliminary injunction or a final remedy so as to preserve the rights and interests of actors and performers.

4.3. The Entity may bring any administrative, in-court and out-of-court proceedings that it may deem necessary to enforce moral rights of actors and performers managed by SAGAI, or of the entire group, when the circumstances require a collective action.

#### **SECTION 8: GEOGRAPHICAL SCOPE**

The Entity shall conduct its activities within the Argentine Republic, where it may establish not only its legal address, but also branches to improve the performance of its activities.

#### **SECTION 9: PERSONAL SCOPE**

The Entity's activities will be extended to all actors and performers of the audiovisual media sector or their assigns, whether Argentine or foreign, residing in Argentina, who own intellectual property rights to be enforced within the geographical area described in the previous section, provided that their performances may be exploited by any means and that they fall within the scope of any of the protection events established by any applicable law, international treaties or agreements in force.

## ARTICLE 2

### MEMBERSHIP.

#### CHAPTER I: ENTITY'S MEMBERS

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##### SECTION 10: MEMBERSHIP CATEGORIES

The following categories are hereby established for members:

› 1. **FOUNDING MEMBERS:** this category includes members who signed the certificate of formation of the Entity, as well as those who joined the Entity during the first six months after its organization. They shall have the same rights as Active Members.

› 2. **ACTIVE MEMBERS:** this category includes members who have at least 30 points in accordance with the following section, and whose rights are managed by the Entity. They have all rights and benefits, including the right to speak and vote at General Meetings once they have been Active Members for more than two years. They may also have the right to vote and to be elected to form part of the Entity's governing bodies in accordance with Section 24 hereinafter.

› 3. **MANAGED MEMBERS:** this category includes members who have less than 30 points in accordance with the following section, and whose rights are managed by the Entity. Once they have been Members for more than two years, they will be entitled to speak but not to vote at General Meetings. They shall not have the right to vote and to be elected to form part of any governing body.

› 4. **HONORARY MEMBERS:** this category includes members who have been designated as such at a General Meeting upon proposal by the Management Committee in recognition of services rendered or for their personal or professional condition. They are not entitled to any rights or benefits set forth for the other categories.

##### SECTION 11: SCORING SYSTEM

The points referred to above will be computed as follows:

1. For participating in audiovisual plays and in accordance with the professional qualification derived from de Argentine Actors Association:

**A) CINEMA PRODUCTIONS:**

▶ Leading actor: 2 points, Supporting actor: 1 point, Bit player: 0.5 points.

**B) TV PRODUCTIONS:**

▶ Every 50 chapters of a daily show: Leading actor: 2 points, Supporting actor: 1 point, Bit player: 0.5 points.

▶ Every 13 chapters of a serial: Leading actor: 2 points, Supporting actor: 1 point, Bit player: 0.5 points.

2. For calculation of royalties: points will be added for every calculation of royalties, as follows:

a) Higher than or equal to the minimum legal wage: 2 points.

b) Higher than half of the minimum legal wage: 1 point.

c) Lower than half of the minimum legal wage: 0.5 points.

3. Points will be added for services rendered to the Entity in accordance with the following scale:

President and Vice President: 8 points for each year of service; Secretary, Assistant Secretary, Treasurer and Assistant Treasurer: 6 points for each year of service. The other members of the Management Committee and of the Supervisory Committee: 4 points for each year of service. Each member meeting these conditions must have attended at least 70% of the meetings.

4. The Management Committee, together with the Supervisory Committee, will be the bodies in charge of defining which category each member falls into.

Points will be updated on an annual basis, based on a calendar year.

## CHAPTER II: PERSONS REPRESENTED BY THE ENTITY

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### SECTION 12: PERSONS REPRESENTED BY THE ENTITY.

The following persons are also part of the Entity without being

members: a) performers who have not sought their admission as members or who have lost their membership status for any cause, and b) performers' assigns. Belonging to this category only carries the rights arising from the management of rights. These persons cannot attend General Meetings, vote or be elected to form part of a management body.

## CHAPTER III: CONDITIONS FOR ADMISSION, RIGHTS AND DUTIES

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### SECTION 13: ADMISSION

1. In order to be admitted as a member, the following conditions and requirements must be fulfilled:

- a) To be Argentine or to prove residency in the country.
- b) To own any of the rights under the Entity's management, according to the conditions established by law and by these Bylaws.
- c) To prove their participation in artistic performances that have been recorded, broadcasted, spread or used by any existing means or those to be created in the future.
- d) To fulfill the requirements set forth for each category of members.

2. Any person who meets these requirements shall submit an application for membership to the Management Committee, which will accept or reject it.

3. The mere application for membership implies full knowledge and acceptance of these Bylaws and internal regulations.

4. Member status implies delegating to the Entity the exclusive power to bring any of the actions provided for by Law No. 11723 and any amendments thereto, within the scope of the rights granted to performers. With no need to comply with any other legal requirements, this status also implies granting the Entity an irrevocable special power – for as long as membership is maintained – to defend, in trial or before any third party, the rights of the member as a performer and

to bring all actions derived from the relevant regulations on intellectual property rights governing the rights of performers, and any other related regulations that may be issued. No member shall assign, transfer or sell, either partially or totally, the rights entrusted to this Entity and, especially the right of communication to the public and the right to make the work available to the public, since both rights are subject to mandatory collective management.

#### **SECTION 14: RIGHTS AND DUTIES OF MEMBERS**

In general terms, all members shall have the following rights and duties:

- a) To engage in the Entity's activities, to give their opinion and to be listened to.
- b) To collect any monies payable to them in accordance with the distribution rules adopted by the Entity.
- c) To exercise all rights and perform all duties derived from these Bylaws and internal regulations.

In addition, all members shall have the following duties:

- a) To promptly report to the Entity any performances made by them.
- b) To refrain from entering into management agreements with other management entities or persons, with respect to the rights within the scope of SAGAI's purpose, for as long as their relationship with the Entity continues.
- c) To refrain from acting in such a way as to hinder SAGAI's management activities or in any way that may be detrimental to the interests of the Entity or of the group to which they belong.
- d) To abide by these Bylaws, any internal regulations and agreements entered into by governing bodies.
- e) To timely pay membership dues.

#### **SECTION 15:**

Membership shall terminate upon death, resignation, suspension or expulsion.

**SECTION 16:**

The Management Committee shall be authorized to impose the following sanctions against members: a) warning; b) suspension (which shall not exceed one year); and c) expulsion. Such sanctions will be adjusted on the basis of the seriousness of the breach involved and on circumstances surrounding the case.

Members may be suspended for non-compliance with obligations imposed under these Bylaws, internal regulations and under resolutions adopted at the General Meeting and by the Management Committee.

The following are grounds for expulsion: a) intentionally seeking to harm the Entity or involvement in any conduct that is blatantly detrimental to the Entity's interests; b) committing dishonest acts that might harm the Entity; c) falsifying affidavits submitted to the Entity in which performances are reported and any personal forms or documentation required; d) committing slander or libel against the Entity or any of its members.

For less serious breaches, sanctions may consist of suspensions or reprimands. During suspension, members will continue to be bound by their duties, but their rights will be suspended.

**SECTION 17:**

The application of disciplinary sanctions shall be resolved by the Management Committee, once the member charged has been given an opportunity to defend himself/herself. In all cases, the member in question shall have the right to appeal the decision at the first next Annual Meeting, after having filed the relevant appeal with the Management Committee – within a term of thirty (30) calendar days following notice of the sanction.

## ARTICLE 3

### SECTION 18: ENTITY'S BODIES

1. The Entity shall be run and managed by the Management Committee, whose members shall hold office for a term of four (4) years. The Management Committee shall be made up of no more than twelve (12) regular members, who will occupy the following positions:

President, Vice President, Secretary, Assistant Secretary, Treasurer, Assistant Treasurer and up to six (6) Voting Members. In addition, up to four (4) Alternate Non-voting Members may be appointed, and their term of office shall also be of four (4) years.

The number of officers of the Entity's bodies shall be established by the Management Committee in a meeting held before the meeting called to elect the officers.

There shall be an auditing committee, called Supervisory Committee made up of three (3) regular members and no more than (2) alternate members. They shall hold office for a term of 3 (three) years.

2. In all cases, terms of office may only be revoked at a General Meeting. Officers of the Entity's bodies are eligible for reelection.

3. Items of business not previously included on the Agenda shall not be considered at the General Meeting or by any other Entity's body.

## CHAPTER I: GENERAL MEETINGS AND MANAGEMENT COMMITTEE

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### A. | GENERAL MEETING

#### SECTION 19: GENERAL PROVISIONS

The General Meeting is the meeting of members, duly called and

convened, where decisions are discussed and adopted. It is the principal body of expression of the Entity's will.

There shall be two types of General Meetings: Annual and Special meetings. The calling and conduct of meetings shall be governed by these Bylaws and internal regulations.

## **SECTION 20: ANNUAL MEETING**

The Annual Meeting shall take place once a year, within the first four months following the end of every fiscal year. The fiscal years shall end on December 31 of each calendar year. At the Annual Meetings, members shall:

- a) Consider the Annual Report, the Balance Sheet, the Inventory Book, the Statement of Resources and Expenses, and the Supervisory Committee's Report.
- b) Appoint the members of the Supervisory Committee to replace those members whose term of office has expired.
- c) Appoint the Members of the Electoral Committee.
- d) Consider any other issue included on the Agenda.
- e) Discuss issues proposed and previously submitted to the Management Committee by at least five percent (5%) of the Active Members who have had their signatures certified.

At every Meeting, two members shall be elected to sign the Minutes jointly with the President and the Secretary.

## **SECTION 21: SPECIAL MEETING**

The Special Meeting shall be called whenever the Management Committee deems it necessary and, at any time, when 25% of Active Members so request. In this case, the following issues will be discussed at the Meeting:

- a) Any amendments to these Bylaws.
- b) Change of the Entity's purpose.
- c) Change of legal name.
- d) Revocation of the appointments of all or part of the members of the Entity's bodies.
- e) Entity's dissolution.
- f) Changes in the distribution system.
- g) Any other major issues.

## **SECTION 22: GENERAL MEETING: CALLING AND QUORUM**

Once the Management Committee has given its approval to hold the General Meeting, either Annual or Special, such meeting shall be called by the Entity's President and, in his/her absence, by the Vice President or Secretary. General Meetings shall be called by sending written notice to members' address, as the same appears on the records of the Entity, no less than fifteen (15) calendar days before the date of the meeting. The notice shall contain the date, time and place of the meeting for the first and second call, as well as its Agenda.

In addition, the Annual Report, the Balance Sheet, the Inventory Book, the Statement of Resources and Expenses, and the Supervisory Committee's Report shall also be made available to the members at least fifteen (15) calendar days before the date of the meeting.

In the event that the Annual Meeting is not called within the term established by these Bylaws, the enforcement authority may call it upon request of any Active Member. The management body shall appoint a member to preside at the meeting.

General Meetings, whether Special or Annual, will be validly held in the first call if one half plus one of members entitled to vote are present.

Notwithstanding the number of present members entitled to vote, half an hour after the time set for the meeting, the General Meeting shall be validly held.

## **SECTION 23: VOTE REQUIRED**

The members entitled to vote, i.e. Active Members who, as of the date on which the General Meeting was called are included in the Entity's register, shall adopt resolutions on common issues within the scope of the General Meeting by an absolute majority of members present.

For those purposes, decisions of an extraordinary nature shall be the following:

- a) Expulsion of a member of the Entity.
- b) Change of the Entity's purpose.
- c) Change of the legal name.

- d) Revocation of the appointments of all or part of the members of the Entity's bodies.
- e) Entity's dissolution.
- f) Any amendment to these Bylaws.
- g) Approval or changes in the general rules regulating the system for the distribution of the different types of royalties.

## THE MANAGEMENT COMMITTEE

### SECTION 24: REQUIREMENTS

1. Committee Management members shall be Argentine and must have been Active Members entitled to vote for five (5) years.
2. Members who have been suspended, or who are disabled or disqualified, as well as those members who have lost membership, cannot be members of the Management Committee
3. Management Committee members who have failed to attend three consecutive meetings or five alternate meetings may be removed upon prior notice duly served upon them.

### SECTION 25: CONDUCT OF MEETINGS

1. The Management Committee shall meet as many times as necessary to address the Entity's needs but at least four times a year. Management Committee Meetings shall be called by the Entity's President and, in his/her absence by the Vice President or the Secretary.
2. Exceptionally, the President may call a Meeting upon request of two thirds of Management Committee members to discuss any issues that, due to their urgency or importance, require an immediate solution and cannot wait until the next scheduled Management Committee Meeting. Such request shall include the Agenda and a description of the circumstances that support it, and shall bear the details and signature of the requesting members.
3. Management Committee Meetings shall be called by sending written notice to the members' address, as the same appears on the records of the Entity, no less than ten (10) calendar days before the date of the meeting. In cases of urgency, this term may be reduced to two days.

4. In order to be valid, the Management Committee Meeting shall be held in the presence of at least one half plus one of the regular members holding office.

5. The decisions of the Management Committee shall be adopted by an absolute majority of members present.

Voting shall normally be by a show of hands, unless a secret poll is duly requested by any member on a well-founded basis. In the event of a tie, the President shall cast a vote to break the tie. The Secretary shall keep the Minutes of meeting, which shall contain the business transacted as well as the attendees, and shall be signed by the Secretary, with the approval of the President.

6. Management Committee members will receive compensation, according to the following pay scale:

The base of the compensation shall be the average of the three best gross compensations of SAGAI's administrative personnel in accordance to and adjusted by the collective bargaining agreement of UTSA [Labour union: Unión de Trabajadores Sociedades de Autores].

The percentages to be received are as follows:

President	100%
Honorary President	80%
Vice President	80%
Treasurer	80%
Secretary	80%
Assistant Secretary	60%
Assistant Treasurer	60%

**Voting Members:**

Regular Voting Members (6)	40%
Alternate non-voting Members (4)	30%

**Supervisory Committee:**

President	40%
Others (2)	30%

Working committee: SAGAI members appointed by the Management Committee to participate in the work of any committee shall receive up to 15%.

## SECTION 26: POWERS AND DUTIES

Without prejudice to any other powers and duties assigned under these Bylaws and those necessary to manage the Entity, the Management Committee shall have the following powers and duties:

1. To set general guidelines to comply with the Entity's purpose, subject to the decisions taken at the General Meeting.
2. To draft and amend internal regulations or any other internal rules developed by these Bylaws, which shall be submitted to the General Meeting for approval.
3. To approve general rates necessary to achieve the effectiveness of the rights managed by the Entity.
4. To set up a system for the collection of any royalties derived from the rights managed by the Entity.
5. To verify that distribution is made on an equitable and proportional basis.
6. To decide on the admission of new members and determine their categories.
7. To call the General Meeting according to the provisions of these Bylaws.
8. To submit for the consideration of the General Meeting the Annual Report, the financial statements and the accounts for the fiscal period ended, and the budget of expenses for next fiscal period.
9. To propose a system or systems for the distribution of the royalties collected and any changes therein to the General Meeting.
10. To establish the percentage applicable to management fees.
11. To decide on the creation of information, consulting and executive committees.

12. To appoint and remove the Chief Executive Officer, who will be in charge of the executive management of the Entity, and will carry out whatever duties the Management Committee entrusts to them.

13. To appoint and remove top management and/or employees of the Entity.

14. To approve the performance of any acts or the execution of any agreements aimed at the management, acquisition, sale and establishment of encumbrances on real or personal property, as well as the filing of any in-court and out-of-court proceedings to ensure the proper functioning of the Entity and compliance with the Entity's purpose.

15. To approve the filing of any in-court and out-of-court proceedings necessary to ensure the effectiveness of the rights managed by the Entity.

16. To grant general or special powers of attorney to any of its members, the Chief Executive Officer, technical personnel or third parties.

17. To delegate to any of its members or to the Chief Executive Officer any of the powers mentioned above, within the limits that may be timely established.

18. To analyze and approve general contracts that establish the compensation to be paid for the use of the repertoire managed by the Entity.

19. To approve the list of staff members subject to an employment relationship with the Entity, the organizational chart and external services.

20. To follow up the annual budget of revenues and expenses, and to approve any unbudgeted extraordinary expenses, as long as they are necessary to comply with the Entity's purpose.

## CHAPTER II: ELECTION

### SECTION 27:

The Management Committee shall be elected every four years by secret ballot on a sole election day in which all Active Members will take part.

In the event that there are more than one candidate for the elections, there shall be representation for minorities within the Management Committee for those candidates obtaining at least 25% of the valid votes. In this case, the candidates to President and Vice President of the minority list (and/or the candidates to President – if more than one list reaches de the votes established herein) shall assume as members of the Management Committee.

The lists shall contain at least four female members as candidates for the Management Committee.

Once the counting is finished, the final minute shall be drafted and it shall contain the result and the announcement of the elected candidates, whose names and personal data shall be written in the Book of Minutes of the General Meeting and signed by the members of the Electing Committee.

### SECTION 28:

Any vacancy, either temporary or permanent, occurring in any regular position due to leave of absence, resignation, death, or otherwise, will be filled by the relevant alternate member or whomever follows on the list. Such replacement shall be effective for as long as the position remains vacant and as long as this term does not exceed the term for which the alternate has been elected.

### SECTION 29:

Should the number of members of the Management Committee become lesser than the absolute majority of total members, having all alternates been called upon to replace the regular members, the remaining members shall call a General Meeting to recompose the Management Committee within fifteen (15) business days, and such General Meeting

shall be held within the following thirty (30) business days. Should the entire Management Committee be left vacant, the Supervisory Committee shall be in charge of calling the General Meeting, all of this without detriment to such liabilities as may fall on the resigning members of the Committee.

In either case, the body convening the General Meeting shall have all powers relating to the General Meeting or elections.

## CHAPTER III: PRESIDENT AND VICE PRESIDENT

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### SECTION 30: PRESIDENT AND HONORARY PRESIDENT

#### PRESIDENT

Upon delegation of the Management Committee, he/she shall act as the representative body of the Entity before any individual or legal entity, either public or private. The President shall have the following powers and duties:

1. To call and set the Agenda for General Meetings and Management Committee Meetings and to preside at them.
2. To act in representation of the Entity in all its relations with public authorities, entities, corporations or any other type of organization.
3. To approve any certificates issued by the Secretary of the Entity.
4. To take all necessary measures to ensure a fluent and effective communication between the Entity and its members.
5. To keep Entity members fully informed.
6. To have the same right as other Management Committee member to vote at Management Committee Meetings and, in the event of a tie, to have the right to vote again in order to break the tie.
7. To join the Secretary in signing the Minutes of the General Meetings and of the Management Committee Meetings.

8. In an emergency, to take all necessary measures to safeguard the Entity's interests. When such measures are beyond the scope of his/her duties, they shall be promptly submitted to the Management Committee for approval.

### **THE HONORARY PRESIDENT**

The General Meeting, upon proposal of the Management Committee, shall grant the title of Honorary President to any person who, because of its artistic career, the defense of actors and performers rights or for their services in favor of the institution is considered worthy of that title.

The main function of the Honorary President shall be the representation of the Association in institutional events, as well as any other role determined by the Management Committee in accordance with the abovementioned.

The appointment shall be for a period no longer than four years, which shall be renewable for the same period.

### **SECTION 31: THE VICE PRESIDENT**

The Vice President shall take over in the absence or by delegation of the President, and will assist him/her with his/her duties, as provided for by the relevant regulations.

## **CHAPTER IV: SECRETARY AND ASSISTANT SECRETARY**

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### **SECTION 32: SECRETARY**

The Secretary shall have the following powers and duties:

1. To keep the Entity's documentation safe, especially, the Book of Minutes of the General Meeting and of Management Committee Meetings.
2. To issue certificates supporting acts, agreements and documents of the Entity, after receiving the authorization of the President or Vice President, as appropriate.
3. To organize the meetings of governing bodies, for which the related Minutes shall be taken and filed.
4. To perform any other duties that may be determined by relevant regulations.

### **SECTION 33: ASSISTANT SECRETARY**

The Undersecretary will take over in the absence or by delegation of the Secretary, and will assist the Secretary with his duties in accordance with these Bylaws and any applicable regulations.

## **CHAPTER V: TREASURER AND ASSISTANT TREASURER**

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### **SECTION 34: TREASURER**

The Treasurer or any other person that may replace him/her in accordance with these Bylaws shall have the following powers and duties:

1. To attend General Meeting and Management Committee Meetings.
2. To keep, together with the Secretary, the Register of Members.
3. To control and safely keep Entity's revenues.
4. To supervise payment orders and collections of membership dues.
5. To supervise the Entity's financial management.
6. To sign, together with the President, all receipts and other Treasury documentation.

These duties may be delegated to the Assistant Treasurer.

### **SECTION 35: ASSISTANT TREASURER**

The Assistant Treasurer will take over in the absence or by delegation of the Treasurer, and will assist the Treasurer with his/her duties in accordance with any applicable regulations.

## **CHAPTER VI: VOTING MEMBERS**

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### **SECTION 36: VOTING MEMBERS AND ALTERNATE NON-VOTING MEMBERS**

Voting members shall have the following powers and duties:

1. To attend General Meetings and Management Committee Meetings, being entitled to speak and vote.
2. To perform duties for any Committee that may be created by applicable regulations, and to carry out whatever tasks assigned to them by the

Management Committee.

Alternate Non-voting Members shall have the following powers and duties:

1. To be part of the Management Committee under the conditions provided for in these Bylaws.
  
2. To attend Management Committee Meetings, having the right to speak but not to vote. Their presence at such meetings shall not be counted for quorum purposes.

## CHAPTER VII: SUPERVISORY COMMITTEE

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### SECTION 37:

The Supervisory Committee shall be made up of three members, who will occupy the following positions: President, Secretary and one Voting Member for the Annual Meeting, which may also appoint up to two alternate members (designated as first and second alternates). Both regular and alternate members shall be eligible for reelection. The meetings shall take place at least once a month with the presence of all its members and decisions shall be taken by an absolute majority.

### SECTION 38:

The President of the Supervisory Committee shall act as its representative and, in such capacity, is entitled to sign any notes, reports, communications, mails and any other kind of documentation issued by this body. In the absence of the President, the Secretary shall take over as President and the Voting Member, as Secretary. Alternate members replacing regular members in their absence will take office in the designated order.

### SECTION 39:

The Supervisory Committee shall have the following powers and duties:

- a) To supervise the Entity's management by making cash counts to verify cash and bank balances;
- b) To examine the Entity's books and documents, and to control revenues for periods shorter than three months;
- c) To attend Management Committee Meetings;
- d) To issue an opinion on the Annual Report, Balance Sheet, Inventory Book, the Statement of Expenses and Resources submitted by the Management Committee;
- e) To call the Annual Meeting, when the Management Committee fails to do so;
- f) To request

the Management Committee to call a Special Meeting whenever it deems appropriate; g) To verify compliance with laws, resolutions, Bylaws and internal regulations, especially as to the rights and duties of members and the conditions to grant membership benefits; h) To control liquidation proceedings in the event of dissolution. The Supervisory Committee shall perform its duties in a way that does not interfere with the Entity's management.

## **ARTICLE 4** | TERRITORIAL STRUCTURE

### **SECTION 40: BRANCHES**

For the purposes of providing better services to the owners of the rights managed by the Entity, branches may be set up on the basis of objective criteria, such as number of members, level of activity in such area, etc.

## **ARTICLE 5** | POLITICAL STRUCTURE

### **SECTION 41:**

The Management Committee may create other Committees in furtherance of the Entity's purpose. The compensation payable to their members will be established by the Management Committee.

If the Committee is made up of Entity's members, their compensation shall not exceed the amount equivalent to three (3) times the pay applicable to 60-minute episodes of TV serials, as defined by the Argentine Actors Association's Collective Bargaining Agreement for television actors.

### **SECTION 42: EXECUTIVE COMMITTEE**

The Management Committee may delegate to an Executive Committee any such tasks as it deems appropriate for the purposes of having a proper division of work. The Executive Committee will be made up of the President, the Secretary, the Treasury or any person named as alternate in these Bylaws, where appropriate, and up to two (2) more members appointed by the Management Committee. Decisions shall be taken by an absolute

majority and submitted for consideration during the next Management Committee Meeting.

### **SECTION 43: DISTRIBUTION COMMITTEE**

The Distribution Committee will be made up of at least two members of the Executive Committee and one member of the Supervisory Committee, appointed by their respective bodies. This Committee will be entitled to propose a system for the calculation of royalties or changes thereto to the Management Committee. Its duties also include dealing with administrative claims related to the calculation of royalties.

## **ARTICLE 6** | ENTITY'S EQUITY. SOCIAL FUND

### **SECTION 44: ENTITY'S EQUITY**

The economic resources of the Entity necessary to perform its activities include the following:

1. Personal and real property currently owned by the Entity and any other property that it might acquire in the future by any means, including contributions, legacies, inheritances, grants or other gifts given to the Entity;
2. Admission fees, monthly membership dues and other contributions;
3. Interest and income derived from securities and real property owned by the Entity;
4. The percentage of collections charged for the management of performers' rights. The Management Committee will establish the limit.
5. Interest on bank deposits and other investments made by the Management Committee using Entity's funds;
6. Royalties not claimed by interested parties upon the expiration of a five-year term from their calculation, as well as any amounts arising from unreported performances in which members or other persons represented by the Entity have taken part.

7. Any other lawful income derived from initiatives undertaken by the Management Committee in furtherance of the Entity's purpose.

#### **SECTION 45: SOCIAL AND CULTURAL FUND**

For the purposes of achieving any social, cultural and training objectives, a special fund may be set up. Such fund shall not exceed 20% of the revenues for the year.

## **ARTICLE 7** | **DISTRIBUTION OF ROYALTIES**

#### **SECTION 46: DISTRIBUTION SYSTEM**

The Management Committee shall pass any regulations necessary for the proper and fair application of the calculation system. To that end, it will consider the nature of the royalties payable to performers, actors or dancers, as well as the specificities and complexity involved in their collection, supervision, processing and calculation, applying an equitable and proportional method. For distribution and calculation purposes, only the amounts effectively collected by SAGAI will be considered, after discounting the relevant management fees, the reserve for future contingencies and the amounts allocated to the fund for welfare, cultural and training purposes.

Such regulations may provide for a statistical or subsidiary system to compute the use of performances, whenever their determination on an individual basis is difficult, uneconomical or inaccurate due to the mass use of artistic performances.

## ARTICLE 8 | INTERNAL REGULATIONS

### SECTION 47: DEVELOPMENT OF INTERNAL REGULATIONS

Internal regulations and any amendments thereto shall be developed by the Management Committee and approved at a General Meeting and by the Supervisory Board of Companies (I.G.J.) prior to their application.

## ARTICLE 9 | DISSOLUTION AND LIQUIDATION

### SECTION 48: DISSOLUTION

In addition to the events of dissolution set forth by law, the Entity will be dissolved in the following cases:

1. Upon request of eighty percent (80%) of members entitled to vote approved during a Special Meeting.
2. Upon definite revocation of authorization to operate by the relevant administrative or judicial authorities.

Dissolution shall not be decided at a General Meeting as long as ten percent (10%) of members entitled to vote express their willingness to support its continuation in such a way as to ensure compliance with the Entity's purpose.

### SECTION 49: LIQUIDATION

Once dissolution has been resolved, liquidation proceedings will be initiated. The Entity will include as part of its name the wording "in liquidation".

Liquidation will be conducted by the Chief Executive Officer, who will implement the decisions of the Management Committee.

The Supervisory Committee shall control the Entity's liquidation operations. Once liquidation proceedings have been completed, the remaining

property shall be given to a foundation or nonprofit organization with legal personality, domiciled in Argentina and exempt from all taxes imposed by the Argentine Tax Authorities (AFIP-DGI) – or any other competent authority – whose purpose is to promote and defend the rights of actors or performers. In the absence of any such organization, the remaining property will be allocated to the Argentine Art Fund.

## TEMPORARY **TRANSITIONS**

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### FIRST

Active Members will be those appearing as active in the Register of Members prepared at the Annual Meeting held in 2012.

### SECOND

The President and/or Secretary and/or any other persons authorized by them may take all necessary steps to obtain approval of these Bylaws from the Supervisory Board of Companies (IGJ). They are also empowered to accept any changes that may be required.

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## SAGAI'S **BYLAWS**

approved by Resolution No. 187  
adopted by the Supervisory Board of Companies (IGJ)  
on July 14, 2012

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**ADMINISTRATIVE OFFICE**

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