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# 2012 BYLAWS

## ARTICLE ONE:

### Section 1

DIRECTORES ARGENTINOS CINEMATOGRÁFICOS (DAC) Asociación General de Directores Autores Cinematográficos y Audiovisuales (General Association of Audiovisual and Film Authors and Directors), is a professional, non-for-profit civil association for management, cooperative, trade unionist and cultural purposes that gathers directors and makers of audiovisual works and films regulated by Law No. 11723 in Argentina. The DAC was created in July 23, 1958 following the merger of SADIR (Sociedad Argentina de Directores Cinematográficos, Argentine Film Directors Society) created on September 17, 1945, and ADP (Agrupación de Directores de Películas, Argentine Film Directors Association) created on March, 1956. DIRECTORES ARGENTINOS CINEMATOGRÁFICOS (DAC) has established its legal address in Buenos Aires City, and it is empowered to act, put up offices or hire representatives within the Argentine Republic and abroad, subject to applicable regulations.

## ARTICLE TWO:

### PURPOSE, POWERS, PROPERTY

#### Section 2

Directores Argentinos Cinematográficos (DAC) shall have the following purposes:

- a) To represent, protect, manage and safeguard the interests and rights of audiovisual works directors and their assigns, including national and international films, in any format and intended for any purpose, before national or international, public or private persons, companies and organizations; especially to protect the intellectual rights to which audiovisual works directors and their assigns shall be entitled as a result of the public screening, broadcasting, reproduction through any means or procedure, including in formats intended for sale and/or rent, transformation, adaptation, modification and any other use requiring the authorization of the owner, regardless of whether there are economic benefits for third parties or potential damages for the owner;
- b) to promote the authors' moral interests and to defend their property interests;
- c) to demand that the names of the author(s) appear on all works and their relevant advertising upon screening, release, distribution, sale, reproduction in formats intended for sale and/or rent, or any other type of exhibition in cinema, television, cable TV, Internet and/or any other technical means created in the future, including the communication and availability of such works to the public through

any wire or wireless means and in such a way that the public may access them from any place and at any time as chosen by them;

- d) to enhance, promote and disseminate the national filmmaking industry;
- e) to credit, regulate and defend the profession of audiovisual and film author, director and maker in Argentina and abroad;
- f) to safeguard the professional rights and interests of its members before public, semi-public agencies and private persons or entities, either individually or collectively; and to represent them in relation to professional, artistic and/or economic matters;
- g) to demand fair compensation in relation to the intellectual rights of audiovisual and film authors, directors and makers;
- h) to promote and maintain a spirit of solidarity among its members;
- i) to consider and attempt to meet the needs and expectations of its professional members;
- j) to provide for the professional standards that duly safeguard the relevant rights;
- k) to settle any conflicts among film directors regarding their professional activities and to seek agreement of labor conflicts;
- l) to create subsidiary branches within the Association to gather medium and short film directors, documentary directors, TV directors and, in general, all directors of film-related and audiovisual media activities;
- ll) to create and maintain healthcare programs and a retirement fund for the benefit of its members;
- m) to create and maintain a specialized film and book library; to cooperate in the creation of schools and professional training centers; to schedule screenings that are valuable for the film industry; to organize lessons, conferences and exhibitions, and to perform different activities for the benefit of the film industry and its members;
- n) to draft a professional catalogue, including all directors, authors and makers of feature films and audiovisual works in Argentina;
- o) to collect the economic copyrights of emerging authors for the use of the works set forth in Section 7 herein, both in the Argentine Republic and abroad;
- p) to distribute the funds collected among the beneficiaries of copyrights pursuant to the provisions of these bylaws and applicable regulations always abiding by the principle of equity;
- q) to represent companies that do business abroad pursuant to the international relationships established by the International Confederation of Authors and Composers Societies (CISAC) and any other entities of which it becomes part in the future.

### Section 3

The Association shall enjoy the following powers:

- a) to make requests to national, provincial and municipal authorities;
- b) to enter into agreements with national or foreign related entities;

- c) to enter into agreements with other sectors of the film and audiovisual arts industry; to collect the economic copyrights of its members within the Argentine Republic resulting from the use of the audiovisual works, including films and regardless of the means and format in which they are reproduced (i.e. screening, public communication, reproduction in formats intended for sale and/or rent, radio broadcasting, television, cable TV or encoded TV, satellite radio broadcasting, Internet and/or any other technical means created in the future, including the communication and availability of such works to the public through any wire or wireless means and in such a way that the public may access them from any place and at any time as chosen by them);
- d) to coordinate collection and management procedures with other associations of authors of a different kind, related entities and the National Arts Fund;
- e) to determine rates pursuant to the exclusive rights acknowledged by Law No. 11723 and Executive Order No. 124/2009 and/or other supplementary provisions or amendments provided for in the future;
- f) to demand to its members the submission of tax returns and to control the accuracy of the documentation produced, regardless of any further verification required by law;
- g) to demand that the programming schedules and other documents subject to verification be drafted and delivered;
- h) to control the users' income and other elements and methods used to fix prices;
- i) to demand involvement of judicial, administrative and police authorities to enforce Law No. 11723 and other provisions supplementary thereto or to be passed in the future;
- j) to assist in the drafting of expert reports and to provide artistic and technical counseling, to answer queries and submit reports related to the audiovisual arts and the film industry and any issues related to them;
- k) to acquire all kind of property and rights, either for free or for valuable consideration; to accept donations at a cost and acquire real state for no valuable consideration; to sell or pledge such property; to assume obligations; to allocate money for giving loans, grants, aids or prizes. The Association shall also be entitled to enter into any bank transaction in Argentina or abroad and to use any such financial methods as available to it in order to purchase government bonds, treasury bonds or any other similar securities.
- l) to take part in any civil or criminal judicial proceeding as plaintiff or defendant, or in any other capacity, at any venue or national, provincial or municipal jurisdiction in Argentina or abroad in relation to any matter of its competence, being entitled to file claims and/or criminal actions in Argentina or abroad against anyone who breaches the laws that regulate copyrights and to promote any actions deemed necessary and convenient to defend the Association and/or its members and/or the persons represented by it granting all necessary powers-of-attorney.

#### Section 4

The property of the Association consists of:

- a) the assets currently owned by it and any other assets acquired in the future with the Association's funds, its earnings and interests, or, by any other admissible title pursuant to the provisions herein, as well as any income arising out of these assets;
- b) the donations, inheritances, bequests and subsidies it might receive;
- c) the regular and special fees, special fees being contributions, whether voluntary or agreed upon at the Meeting;
- d) the income earned from artistic shows, performances and festivals, and any other income that might be obtained by any means of similar nature;
- e) the administrative penalties payable by Users who are reluctant to pay;
- f) the commissions received in concept of fee for the collection and distribution of sums arising from the intellectual rights granted to authors directors, pursuant to Law 11723, supplementary and related regulations and/or any future regulations that might replace them, as well as International Treaties and Conventions ratified by the Argentine Republic;
- g) The amounts received by D.A.C. for copyrights that have not been claimed by the copyright holder for a period of two (2) years after being collected by the Association, as well as any other amounts resulting from the failure of members or persons managed by the Association to register works of arts.

## Section 5

The social funds, as well as any other income received for any reason, shall be deposited in one or more banks on behalf of the Association and the Chairperson and the Treasurer, or any future substitute as provided for in the bylaws. Beyond the banks, the Association shall have a fund for minor expenses (petty cash).-

## ARTICLE THREE:

### MEMBER CATEGORIES – ELIGIBILITY – DUTIES AND RIGHTS – DISCIPLINARY MEASURES

## Section 6

The following categories of members are established:

- a) Honorary Members are those persons that fell into this category due to the significance of the services provided to the Association or the value of their artistic works. They are appointed by the Members Meeting as recommended by the Board of Directors or, at least, by 20% (twenty percent) of the active members of the Association. The members of this category shall hold an honorific title and enjoy the rights to which they are entitled pursuant to the following provisions.
- b) Active Members are those who can prove that they made five (5) films pursuant to Section 7, paragraph a) or similar works pursuant to Section 7, paragraphs b) to g) according to the classification appearing in the Internal Regulations, provided that such films or works were released, screened or

broadcasted, that the relevant copyrights are managed by the Association and that they have been Managed Members Class A for five (5) years. Active members shall enjoy all of the rights and benefits offered by the Association, they shall have voice and vote at General Members Meetings and may appoint and be appointed for directive positions.

- c) Managed Members Class A are those members who can prove that they made at least three (3) films pursuant to Section 7, paragraph a) or similar works pursuant to Section 7, paragraphs b) to g) according to the classification appearing in the Internal Regulations, provided that such films or works were released, screened or broadcasted, that the relevant copyrights are managed by the Association and that they have been Managed Members Class B for five (5) years. These members shall have voice and vote at General Members Meetings and may appoint and be appointed for directive positions.
- d) Managed Members Class B are those physical persons subject to law, as defined in the Civil Code, who agree with the activities and purposes of the Association, abide by their bylaws and submit an application for membership. The Board of Directors may accept the relevant application and the applicant shall undertake to comply with the obligations arising from these bylaws in the capacity of member. Such members shall prove that they made at least one (1) film pursuant to Section 7, paragraph a) or similar works pursuant to Section 7, paragraph b) to g) according to the classification appearing in the Internal Regulations, provided that such films or works were released, screened or broadcasted, that the relevant copyrights are managed by the Association and that the Association has collected at least two payments in relation to such works. Managed Members Class B shall have voice but no vote at General Members Meetings and they shall not be entitled to appoint or be appointed for directive positions.
- e) Indirect Members are those that are also part of the Association without being directly Members, namely:
  - 1. Directors who have not submitted an application for membership or lost such capacity for any reason.
  - 2. The assigns of authors, directors and filmmakers.
  - 3. The entities engaged in similar activities.
  - 4. Foreign entities defending copyrights.

The members of this category shall enjoy the rights arising from the management of their works and the economic copyrights, excluding all other rights and obligations of Association Members. In order to calculate the number of films provided for in paragraphs b), c) and d), Film and TV Professional Councils shall be created to assess each work pursuant to the method and procedures set forth in the duly approved Internal Regulations.

- f) Unionists are those physical persons subject to law who support the purpose of the DAC but are associated to another preexisting entity that manages the copyrights of directors and/or makers of

films or audiovisual works. This category shall enjoy the rights arising from trade union actions, excluding all of the rights and obligations provided for in Article Three herein.

The films or audiovisual works of the Director/Author already released or screened before becoming a member of the Association, as well as those that were not managed by the Association, shall not be taken into account for the purpose of this Section.

## Section 7

For better management, the following shall be deemed audiovisual works (please see Law No. 11723, Section 1):

- a) Fiction feature films that were duly classified and released as national movies in movie theaters that issue “official tickets” (Boleto Oficial Cinematográfico, BOC) or use any other similar system that may replace the current one in the future;
- b) Documentary feature films released and screened for at least one week at movie theaters that issue official tickets or use any other similar system that may replace the current one in the future;
- c) Medium and short films released at movie theaters that issue official tickets or use any other similar system that may replace the current one in the future;
- d) Long, medium or short fiction TV shows or documentaries released in video or TV;
- e) Weekly series, miniseries and/or daily shows released in TV;
- f) Any other audiovisual work produced and screened through any other means available at present or to be created in the future.

Each audiovisual work shall have a score to be defined by the Internal Regulations and approved by an Extraordinary General Members Meeting called for such purpose. Audiovisual pieces –such as pieces or news and information about national or international current affairs; interviews on any topic, event, act or ceremony the purpose of which is mainly informative; all types of critiques; all interviews, surveys and discussions, whether improvised or not; retransmission of sport matches or, in general, of any public act; all kind of presentations in person or through voiceover at any space; contests, competitions, raffles, and the like; informative slots detailing TV programming; lectures, talks and comments regarding any topics, and any other spaces of a similar nature or type– shall not be deemed as audiovisual works and their makers shall not be deemed as directors/ authors, and they shall not be managed by the Association.

## ARTICLE FOUR:

### MEMBERSHIP OF HONORARY, ACTIVE AND MANAGED MEMBERS

#### Section 8

Honorary Members: their appointment shall be recommended by the members to the Board of Directors and/or by the Board and shall be submitted for consideration of the Members Meeting.

## Section 9

The application for membership shall be submitted in writing to the Board of Directors and shall contain the following:

- a) Full name and artistic name, if any;
- b) Real address, personal identity document and evidence of the applicant's eligibility pursuant to the previous Section;
- c) Express commitment to abide by the regulations of the Association;
- d) Information about the applicant's released or unreleased works;
- e) Payment of the fee determined by the Board of Directors;
- f) Statement under oath that they are not members of a foreign entity that collectively manages the intellectual rights of filmmakers and authors of audiovisual works.

## Section 10

The following requirements and conditions shall be met to become an Active Member:

- a) Having made in Argentina five (5) or more films (pursuant to Section 7, paragraph a) or similar works according to the Internal Regulations;
- b) Showing highly satisfactory personal behavior and professional conditions;
- c) Applying to become a member of this category;
- d) Complying with the requirements set forth in Section 6, paragraph b) herein.

## Section 10 bis

The following requirements and conditions shall be met to become a Managed Member Class A:

- a) Having made in Argentina at least three (3) films (pursuant to Section 7, paragraph a) or similar works according to the Internal Regulations;
- b) Showing highly satisfactory personal behavior and professional conditions;
- c) Applying to become a member of this category;
- d) Complying with the requirements set forth in Section 6, paragraph c) herein.

## Section 11

The following requirements and conditions shall be met to become a Managed Member Class B:

- a) Submitting an application addressed to the Board of Directors with the full name, age, nationality, artistic name or alias, identity document number and address of the applicant;
- b) Having made in Argentina at least one (1) film (pursuant to Section 7, paragraph a) or similar works according to the Internal Regulations and having received at least two payments in relation to the copyrights corresponding to the works managed by the Association;

- c) If applicable, submitting any agreement duly entered into with a Producer, which shall abide by applicable regulations;
- d) Showing highly satisfactory personal behavior and professional conditions;
- e) Paying the admission fee;
- f) Expressing the will to abide by the regulations of the Association and any future applicable regulations;
- g) Being Argentinean or showing proof that they have lived in Argentina for, at least, three months each year within the five (5) years immediately before the application was filed. For such purpose, any temporary absence shall not exceed three (3) months. This requirement shall be left without effect when the applicant is forced to reside in Argentina for discrimination reasons pursuant to our laws;
- h) Being accepted by the Board of Directors as recommended by the General Members Meeting.

## ARTICLE FIVE:

### MEMBERS' RIGHTS AND DUTIES

#### Section 12

Subject to the restrictions set forth in Articles Three and Four herein, there follow the rights of the Members:

- a) To vote and be voted for directive positions in the Association pursuant to the provisions herein;
- b) To attend the General Members Meetings and meetings of the Board of Directors, express their opinions and cast their votes, provided that they are entitled to do so pursuant to the provisions herein;
- c) To have their legitimate rights and interest safeguarded by the Association;
- d) To use the services offered by the Association to achieve their goals, pursuant to internal regulations and according to the categories decided by them;
- e) To receive the general benefits granted by the Association, regardless of their nature, pursuant to internal regulations and according to the categories decided by them;
- f) Any other right arising from the performance of their purposes.

#### Section 13

The members shall have the following duties:

- a) To be familiar with and abide by these bylaws, the regulations of the Association and any resolutions passed pursuant to the bylaws by the Members Meetings and the Board of Directors;
- b) To show at all times comradeship and professional solidarity to all Association members;
- c) To pay the regulatory fees on a timely manner, regardless of whether they are ordinary or extraordinary fees;
- d) To comply with the obligations related to the positions to which they were appointed by the Association;



- e) To honor the commitments made in relation to their profession, acting in good faith and keeping their personal and professional reputation before the other members;
- f) To accept the Association's involvement in any settlement before seeking any other remedy that may result in a labor conflict, and to adopt a fair behavior in all professional relationships with other members, always submitting themselves to the competent bodies of the Association in case of dispute;
- g) To attend and comply with all selection-related acts, as well as attending to any other acts to which they are convened;
- h) To foster the freedom of expression, as well as the defense and compliance with the guarantees set forth in the National Constitution and the Human Rights Covenants.

#### **Section 14**

The condition of Member (pursuant to Section 6, paragraphs B C D and E), entails delegation of the following powers exclusively to the Association:

- a) Collecting and fixing the fees pursuant to Resolution No. 61/2010 issued by the Cabinet Office of Ministers in Argentina or abroad for any intended use of their works in relation to their legitimate direction rights;
- b) Setting forth the conditions of use and the relevant fees;
- c) Collecting the amounts payable by way of rights in relation to the works performed. Such condition also entails the granting on behalf of the Association, without any further legal formalities, of a special and irrevocable power-of-attorney so that the Association defends their economic copyrights as authors, assigns or indirect members and files all actions resulting from the enforcement of Law No. 11723, as amended and modified in the future, without limitation to the foregoing. No member shall be entitled to assign or sell, either in whole or in part, their intellectual rights as director, maker or author of the works managed by the Association.

#### **Section 15**

- a) Honorary Members shall be entitled to all of the rights granted hereunder according to their relevant categories pursuant to the provisions hereto. Honorary members shall account for, at most, 20% of all members.
- b) Managed Members Class A shall have all the rights and duties provided for hereunder. The membership and social security benefits available to them shall be set forth in the Internal Regulations.
- c) Managed Members Class B shall have all the rights and duties provided for hereunder. The membership and social security benefits available to them shall be set forth in the Internal Regulations

## ARTICLE SIX:

### TERMINATION OF MEMBERSHIP

#### Section 16

Membership shall be terminated in the event of death, resignation or dismissal. Payments shall be up-to-date for this purpose. The following events constitute grounds for dismissal:

- a) Failure to comply with the obligations assumed pursuant to these bylaws or the regulations;
- b) Deliberately impairing the members' labor as a director or filmmaker; causing serious disturbance within the Association and/or adopting a behavior that is detrimental to social interests;
- c) Having been dishonest or having deceived or attempted to deceive the Association for their own benefit;
- d) Dismissals shall be decided by the Board of Directors with the vote of 2/3 of the members present at the relevant meeting. Such decisions may be challenged before the Members Meeting within fifteen days upon receipt of the notification of dismissal. Such Meeting shall make the final decision with the majority of the votes of those present and entitled to vote. In addition, the Board of Directors may punish the members with warnings and suspensions, if applicable, which shall not impair their right to collect the yields resulting from their labor as directors, except when the abovementioned punishment is preventive and results from a potential act against the Association's property.

## ARTICLE SEVEN:

### BOARD OF DIRECTORS – CREATION – POWERS – DUTIES

#### Section 17

The Board of Directors shall represent and govern the Association. It shall consist of twelve regular and four alternate members: Chairperson, Vice Chairperson, General Secretary, Deputy Secretary-General, Treasurer, Deputy Treasurer, Social Welfare Secretary, Social Welfare Deputy Secretary, four regular Voting Members and four alternate Voting Members. Only Active Members that have been working as film directors for over ten years shall be eligible for the position of Chairperson and Vice Chairperson. The members appointed to the other directive positions shall be required to have, at least, six years of practice in the abovementioned activity. The different member categories shall be represented in the Board of Directors proportionately. Seventy-five percent (75%) of the positions shall be covered by members of the category defined in paragraph b), whereas twenty-five (25%) of the positions shall be covered by the members of the category of Section 5, paragraph c).

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## Section 18

All of the members of the Board of Directors shall be appointed at the “Ordinary General Members Meeting called for Election Purposes” and they shall be reelected provided that they comply with the requirements set forth herein. The Board of Directors shall remain in office for four (4) years.

## Section 19

In the event of death, resignation, unjustified absence for more than four months or any other event due to which the holder of a position cannot fulfill their duties, and if it is deemed necessary by the Board of Directors, the Board shall appoint another member who is qualified pursuant to the provisions herein as a substitute until the absent member is able to return to office or else, until the final replacement is decided. In the event of absence of the Chairperson and Vice Chairperson, the General Secretary shall call for an Extraordinary General Members Meeting within fifteen days to appoint a new Chairperson and Vice Chairperson, who shall hold office, such as any other replacement of a member of the Board, until the term of office of the whole Board of Directors ends. If the whole Board of Directors or eight of its members resign collectively, they shall remain in office until an Extraordinary General Members Meeting meets within twenty days after such resignation to address this issue. If the abovementioned resignation is accepted, the Extraordinary General Members Meeting shall become an Ordinary General Members Meeting called for Election Purposes to appoint the members to replace those who resigned. The members appointed at such Meeting shall hold office until termination of the term of office of the members who resigned pursuant to the bylaws. If the Chairperson and Vice Chairperson or the General Secretary and Deputy Secretary-General or the Treasurer and Deputy Treasurer or the Social Welfare Secretary and the Social Welfare Deputy Secretary submit their temporary resignation, the Board of Directors shall appoint temporary substitutes. Such appointment shall be made by simple majority. Under no circumstances an absence due to or connected with labor reasons shall be deemed as unjustified, provided that the Board of Directors has been notified thereof at least five (5) days in advance, except if is not possible to serve such advance notice.

## Section 20

The Board of Directors shall meet upon request of the Chairperson at least twice a month at an ordinary meeting, and as requested by the Chairperson or half of the members of the Board plus one at an extraordinary meeting. All of the members of the Board shall attend its meetings, share their knowledge about the topics discussed thereat and cast their vote to make decisions. The resolutions of the Board of Directors shall be passed by simple majority, except pursuant to paragraph d) of Section 16, the Chairperson or Vice Chairperson being entitled to cast two votes in case of tie. There shall be a quorum with the presence of seven regular members, one of whom shall be the Chairperson or Vice Chairperson. The members of the Association may attend the meetings of the Board at which they shall have voice but no vote. Any regular members of the Board that miss eight meetings in a row or twenty alternate meetings without cause may be removed from their offices by the Board of Directors pursuant to the same procedure provided for in Section 16 herein. The Board of Directors shall keep a Minutes Book where all discussions and resolutions shall be recorded and executed by

the Chairperson and General Secretary. In the absence of the Chairperson they shall be signed by the Vice Chairperson, and in the absence of the General Secretary they shall be signed by the Deputy Secretary-General. Meetings shall be convened by letter, notification or email with acknowledgement of receipt at least five days before the date of the meeting.

## Section 21

The Board of Directors shall have the following duties and powers:

- a) To manage individual and collective rights and interests arising from the intellectual property rights of all members pursuant to Law No. 11723, as amended and/or supplemented or else, replaced in the future, reciprocity agreements, management agreements and international covenants.
- b) To organize the Association's activities based on the guidelines provided for by the Ordinary General Members Meeting, drafting and executing agreements and taking any such actions as deemed necessary for the benefit of the Association.
- c) To abide by and enforce these bylaws, the Internal Regulations and professional standards, being entitled to interpret the foregoing in the event of doubt; provided, however, the Members Meeting is notified of such interpretation at the first meeting held thereafter. In addition, the Board shall also enforce the resolutions passed by it and said Members Meeting.
- d) To agree on the decisions and actions required to defend and regulate the profession.
- e) To call meetings and agree on the agenda to be discussed.
- f) To manage the Association appointing, promoting or dismissing the necessary administrative personnel to meet the Association's needs.
- g) To keep the relevant accounting books and submit the Annual Report, General Balance Sheet, Inventory and Expense and Income Account to the Ordinary General Members Meeting.
- h) To decide on the termination of membership pursuant to Article Six herein.
- i) To decide on the eligibility of potential members pursuant to the provisions herein and, if they are eligible, to submit their applications to the Members Meeting for its approval or rejection.
- j) To address the claims filed by the members.
- k) To provide for the necessary regulations to meet the Association's purposes set forth in Article Two, Section 2, which shall be approved by the Members Meeting.
- l) To appoint as many permanent or temporary sub-commissions as those deemed necessary to deal with general or specific matters. Such sub-commissions shall be terminated upon expiration of the term of office of the Board of Directors that appointed them.
- m) To create as many Professional Councils as deemed necessary and to determine their composition and purpose, to appoint a Coordinator and to draft their internal regulations and fix their effective term.
- n) To appoint a Professional Ethics Council to deal with all related matters submitted for consideration by the Board of Directors or the members of the Association. The only members who shall be exempt from being part of such Council are those that are not regulated by laws. The decisions made by the Professional Ethics Council may be challenged before the first Members Meeting that is held after such

decision, which shall be revoked or modified only with the majority vote of 2/3 of the attendants who represent, at least, a third of all members entitled to vote.

- o) To appoint representatives and delegates of the Association before public, semi-public and private national and international institutions, and to appoint juries, advisors, etc. Such appointments shall expire upon termination of the term of office of the Board, unless they are reconfirmed by the new Board.
- p) To fix the date for elections, draft the list of candidates and appoint an Electoral Board consisting of three (3) regular members and three (3) alternate members to supervise the process, which shall be elected at an Extraordinary Assembly.

## ARTICLE EIGHT:

### CHAIRPERSON AND VICE CHAIRPERSON

#### Section 22

The Chairperson of the Association, and the Vice Chairperson in the event of absence, impossibility or delegation of the former, shall have the following duties and powers:

- a) To be the highest authority and assume liability for the direction of the Association;
- b) To enforce discipline and safeguard the unity of its members to achieve their social and professional goals;
- c) To represent the Association and sign and have signed all the resolutions passed by the Board of Directors and the Members Meetings;
- d) To call and preside over the Members Meetings, coordinate the discussions and exercise the right to cast double vote in case of tie. Likewise, they shall call and preside over Board Meetings casting double vote in case of tie;
- e) To execute, together with the General Secretary or the Deputy Secretary-General in the event of temporary absence or impossibility of the former, the minutes of the Members Meetings and the Board of Directors, and any other public or private documents or correspondence delivered by the Association;
- f) To oversight the correct performance and management of the Association by complying with and enforcing the Bylaws, the Internal Regulations, professional standards and the resolutions passed by the Members Meetings and the Board of Directors;
- g) To sign all banking document provided for herein;
- h) To report all acts or transactions entered into by the Board of Directors;
- i) To preside over any of the sub-commissions created, as deemed convenient by them.

## Section 23

The Vice Chairperson shall be the second authority at the Board of Directors and shall perform all functions attributable to the Chairperson in case of absence, leave or delegation of the former, or else if such position is left vacant.

## Section 24

The eligibility requirements to become Chairperson or Vice Chairperson shall be those set forth for Active Members, having been a member of the Association for ten years or more and having made at least five (5) fiction feature films duly classified and released as national movies in movie theaters that issue an official ticket (BOC as per its Spanish acronym) or that have any other control system in place as may replace BOC in the future. Other works detailed in the Internal Regulations shall not be considered for this purpose.

## ARTICLE NINE:

### GENERAL SECRETARY AND DEPUTY SECRETARY-GENERAL

## Section 25

The General Secretary of the Association, and the Deputy Secretary-General in the event of absence, impossibility or delegation of the former, shall have the following duties and powers:

- a) To attend the Members Meetings and the meetings of the Board of Directors, draft the minutes to be recorded in the relevant books and to execute them together with the Chairperson;
- b) To execute the documents of the Association together with the Chairperson, and by him/herself other necessary documents to fulfill certain formalities;
- c) To perform all transactions related to calling Members Meetings and the meetings of the Board of Directors, and to enforce the resolutions passed thereat drafting all related notifications and communications;
- d) To control the book of members together with the Treasurer, and by him/herself the book of signatures and attendance at Members Meetings and the meetings of the Board of Directors;
- e) To keep the correspondence up to date; to draft annual reports; to control the performance of archives, statistics, issues and claims filed; and to oversee the relationship between the Association and its members and third parties ensuring compliance with the standards of the Association and the agreements entered into with other national and international entities.

## Section 26

The General Secretary, or the Deputy Secretary-General in the event of absence or impossibility of the former, shall act as Secretary of Minutes at Members Meetings and the minutes of the Board of Directors.

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## ARTICLE TEN:

### TREASURER AND DEPUTY TREASURER

#### Section 27

The Treasurer of the Association, and the Deputy Treasurer in the event of temporary absence, impossibility or delegation of the former, shall have the following duties and powers:

- a) To attend Members Meetings and the meetings of the Board of Directors;
- b) To control, together with the General Secretary, the Book of Members;
- c) To control the accounting books and the collection of installments and payments related to credits;
- d) To submit a monthly balance sheet to the Board of Directors and to draft the balance sheet, income statement and the inventory to be approved on an annual basis by the Board of Directors for submission before the Ordinary General Members Meeting;
- e) To control the administrative personnel and check on their efficiency and discipline, and to recommend the best practices and measures to improve discipline to the Board of Directors;
- f) To execute together with the Chairperson, or any other authority duly authorized by the bylaws, checks and other banking documents;
- g) To control the funds of the petty cash for minor expenses;
- h) Whenever possible, the Association shall make the payments in checks.

## ARTICLE ELEVEN:

### SOCIAL WELFARE SECRETARY AND SOCIAL WELFARE DEPUTY SECRETARY

#### Section 28

The Social Welfare Secretary, and the Social Welfare Deputy Secretary in the event of absence or impossibility of the former, shall have the following duties and powers:

- a) To preside over the Social Welfare Council pursuant to the Internal Regulations;
- b) To offer social security, retirement and other benefits, and to manage and control other social services provided by the Association;
- c) To maintain relationships with other entities with similar purposes and to ensure that the beneficiaries receive adequate services, and to manage the activities performed with cooperatives and similar entities.

#### Section 28

Every year, the Social Welfare Secretary shall submit for consideration of the Board of Directors within thirty days after the closing date of the fiscal year a budget for medical assistance, retirement pension and subsidies.

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The Board shall determine the percentage to be allocated for such purpose based on the income received from administrative fees. If the percentages allocated are not enough, the Board may allocate to the Social Welfare Office the necessary amount resulting from the surplus of the previous fiscal year, if any.

## **ARTICLE TWELVE:**

### **VOTING MEMBERS**

#### **Section 29**

The Voting Members shall have the following duties and powers:

- a) To attend the Members Meetings and the meetings of the Board of Directors;
- b) To play the roles and perform the tasks entrusted to them by the Board of Directors;
- c) To act as Secretaries of Minutes if the General Secretary or Deputy Secretary-General are absent;
- d) To report the labor performed by the sub-commissions to the Board of Directors.

The alternate Voting Members shall replace the regular Voting Members if their positions are left vacant or if they are absent.

## **ARTICLE THIRTEEN:**

### **SUPERVISORY COMMITTEE**

#### **Section 30**

The Supervisory Committee shall consist of three (3) members who shall act in the capacity of Chairperson, Secretary and Regular Voting Member, and other two (first and second) alternate members. They shall be elected pursuant to the process set forth in Article Fifteen herein. Both regular and alternate members may be reelected.

The Supervisory Committee shall hold ordinary meetings every month and extraordinary meetings upon request of the Chairperson of the Board of Directors or any of its members, in which case such meeting shall be held within three days after the request was notified. There shall be a quorum with the presence of two members, including the Chairperson, and resolutions shall be passed by majority voting of present members. In the event of tie, the Chairperson shall be entitled to cast two votes. The Committee shall keep a Minutes Book where its discussions shall be recorded.

#### **Section 31**

The Supervisory Committee shall have the following duties and powers:

- a) To examine the books and documents of the Association every three months, at least.



- b) To attend the Board Meetings when deemed convenient;
- c) To oversee how funds are managed by the Association, its members and personnel by checking the balance of cash and all kind of securities;
- d) To verify compliance with the laws, statutes and regulations, especially anything related to the rights and requirements to become eligible to certain benefits;
- e) To issue an opinion regarding the Annual Report, Balance Sheet, Expense and Income Account and the resources submitted to the Board of Directors;
- f) To call the Ordinary General Members Meeting upon failure to do so by the Board pursuant to the terms set for the herein;
- g) To request the call for Extraordinary General Members Meeting when deemed necessary notifying the Superintendency of Corporations about the reasons for such call in the event that the Board refuses to make it;
- h) To oversee the winding up of the Association. Notwithstanding its powers, this Committee shall perform the tasks entrusted to it with utmost care so as not to hinder, or minimize any obstruction to, the activities of the Board of Directors and the general management of the Association.

## ARTICLE FOURTEEN:

### GENERAL MEMBERS MEETINGS

#### Section 32

The General Member Meetings may be “Ordinary” or “Extraordinary”. There shall also be “Ordinary General Members Meeting called for Election Purposes”, the procedure and purpose of which are described below.

#### Section 33

The Members Meetings shall be attended by all members entitled to attend to them and they shall be presided over by the Chairperson of the Board or the Vice Chairperson in the event of absence of the former. The Association shall be managed through them.

#### Section 34

The Members Meetings shall be entrusted with the following:

- a) Setting the guidelines to ensure that the Association makes progress towards its purposes;
- b) Approving or disapproving the performance of the Board of Directors, as well as the report of activities to be submitted by it on an annual basis;
- c) Determining the financial status of the Association and approving its budgets, balance sheets and accounting books;

- d) Determining the amount and type of economic contributions required for the maintenance and operation of the Association;
- e) Electing and appointing members to the positions that are not regulated by the provisions herein;
- f) Agreeing on the inclusion of new services or the removal or modification of any of the existing ones;
- g) Acknowledging and deciding on all of the proposals made by the Board of Directors or any member of the Association as submitted for consideration.

### **Section 35**

The Members Meetings shall follow the previously agreed-upon Agenda. Their discussions shall be approved by the Chairperson who shall preside over the meeting allowing the time for each intervention and coordinating the turns to speak as deemed convenient, and submit the topic discussed to voting, if necessary, or suspend it and leave the discussion for another Members Meeting.

### **Section 36**

The Members Meetings shall be called through notices served to the members' domiciles at least twenty days in advance, and they shall be published as required by applicable regulations. Such notice shall be served together with the Agenda. For Ordinary General Members Meetings, a copy of the Annual Report, Balance Sheet, Inventory and Expense and Income Account shall also be attached. If an amendment to the Bylaws, Regulations or Professional Standards is to be discussed at any Members Meeting, a copy of such amendment project shall be submitted to the members at least twenty days in advance to the meeting.

### **Section 37**

All Members Meetings shall be held at the time of the first call with the presence of half of the members entitled to vote plus one. If a quorum is not present, the meeting shall be held at second call thirty minutes later regardless of the number of attendants. Attendance shall be recorded through signatures in a book or registry kept by the General Secretary.

### **Section 38**

Resolutions shall be passed with the approval of the majority (i.e., half of the present members plus one) and two thirds of the present members if such resolutions are related to amendments of the Bylaws or the purchase or sale of a property, or the constitution of rights over it.

### **Section 39**

Voting by proxy shall not be allowed, except for the exception provided for in the Article below regarding Elections. No member shall have more than one vote, except for the Chairperson in case of tie or in a specific case provided for hereinbelow. The members shall not be entitled to vote on the approval or disapproval of their own performance. If the topic submitted to voting is the performance of the Board of Directors or the Chairperson, it shall be decided by majority vote of Active Members present at the Meeting who are not part of

the Board. In the event of tie, the most senior Active Member shall be entitled to cast two votes. Any member who has not paid the membership fee for over three months shall not be entitled to vote.

## Section

When a Meeting is called, a list of the members entitled to take part thereat is created. Such list shall be exhibited at the premises of the Association at least ten days in advance to the date of the Meeting, and any objection to it may be submitted up to three days before the date of the Meeting. Any such objection shall be settled within two (2) days as from the date on which they were filed.

## ORDINARY GENERAL MEMBERS MEETINGS

### Section 41

The Ordinary General Members Meetings shall be held on an annual basis within 120 days after the end of the fiscal year of the Association. The fiscal year shall end on June 30 every year. The following topics shall be discussed at Ordinary General Members Meetings:

- a) Setting forth the guidelines to govern the activities performed by the Association;
- b) Considering and approving or disapproving the Annual Report, Balance Sheet, Inventory and Expense and Income Account;
- c) Determining, ratifying or modifying the regular fees, or any other type of fees, payable by the member, as well as membership fees, all of which may be modified only by approval of the Members Meeting;
- d) Approving or disapproving the performance of the Board of Directors;
- e) Transacting any business mentioned in the Agenda;
- f) Appointing two members to sign the minutes of the Meeting together with the Chairperson and the General Secretary.

## EXTRAORDINARY GENERAL MEMBERS MEETINGS

### Section 42

Extraordinary General Members Meetings shall be called by the Board of Directors whenever deemed convenient by it, or as requested by 30% (thirty percent) of all members entitled to vote, in which case the Meeting shall be called within twenty days after the request was made.

### Section 43

At Extraordinary General Members Meetings only the items of the Agenda attached to the call for the meeting shall be discussed. Said items shall only refer to significant issues that affect the Association's performance, the amendment of the bylaws, the approval or modification of the regulations, professional standards, covenants or understandings, agreements, new membership, appeals and objections to resolutions passed.

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## ARTICLE FIFTEEN:

### ELECTION PROCESS:

#### Section 44

The Board of Directors shall make the call for elections and fix the date for the election process to be held, at least, thirty (30) days in advance to the date on which the previous terms of office expire.

#### Section 45

The call notice shall be served, at least, sixty (60) days in advance to the date on which elections are to be held. Such notice shall detail the vacant positions, the date, place and time of the election process. Any such details appearing in the relevant notice shall not be modified.

#### Section 46

The Electoral Board shall ask the Board of Directors for a list with enough data of all members in alphabetical order containing their identity document number, file number and seniority.

#### Section 47

The Electoral Board and the official candidate lists shall be made available to the members at the premises of the Association at least 10 days before the election date. Such candidate lists shall become official pursuant to the following regulations:

- a) They shall be submitted to the Electoral Board within fifteen (15) days after the call notice is served;
- b) Such candidate lists shall contain the candidates' signature and the appointment of one or more attorneys-in-fact;
- c) The Electoral Board shall acknowledge receipt of such request;
- d) The Electoral Board shall issue a justified resolution within 48 hours upon submission of the lists. If any of the procedures of the election process or the official lists or the groups involved or candidates are objected to, the Electoral Board shall issue a response within five days upon receipt of the relevant objection.

#### Section 48

After submission of the lists, they shall be identified by color. If there are two or more lists that intend to use the same color, the disputed color shall be allocated to the list that used it at the previous election. If this is not possible, a raffle shall be made and the loser shall choose another color within twenty four hours, under penalty of the color being directly chosen by the Electoral Board.

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## Section 49

Elections shall be held during one day through direct and secret voting of the members. Such date shall be fixed at least thirty (30) days before the positions to be fulfilled are left vacant due to the expiration of the relevant term of office. The purpose of fixing a date and place to vote is to allow the maximum number of members to vote. Each ballot box shall be placed in a room with enough ballots of each official candidates list so that the members can use any of them.

## Section 50

Members that are not present at the election process may vote from a distance if so authorized by the Electoral Board through the relevant regulations. For such purpose, it shall be ensured that the vote is secret and abides by the provisions herein, and that it is sent, received and validated by the Electoral Board in due time, regardless of whether it was sent by letter, fax or email.

## Section 51

The Electoral Board shall appoint one chairperson and vice chairperson per table. Such position cannot be held by anyone who is a candidate or attorney-in-fact of them. In turn, the lists may appoint officers to verify the election process and make any remarks that they deem necessary, which shall be submitted to the consideration of the Electoral Board. In order to vote, each member shall show their identity documents and sign a spreadsheet.

## Section 52

Opening and closing minutes shall be drafted in forms delivered for such purpose by the Electoral Board to each ballot table.

## Section 53

After the election process, the votes shall be provisionally scrutinized and minutes containing the outcomes shall be drafted and signed by the chairperson and relevant officers.

## Section 54

The ballot box and all of the relevant documentation, including the ballots, envelopes, voting lists and other documents used, shall be submitted to the Electoral Board duly closed with a seal and the signature of the chairperson of the table. Such Board shall perform the final scrutiny of the votes after receiving all the material and draft the relevant minutes announcing the winning list and the chosen candidates. All claims, objections and/or remarks made during the election process shall be filed in writing with the Electoral Board, who will have the final say. The winning list shall be the one with the majority of valid votes.

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## Section 55

If there is only one list, the candidates shall be directly announced at the election process without need to vote.

## EFFECTIVE TERM OF THE ASSOCIATION:

The Association shall not have an expiration date. It may be dissolved only if so decided at an Extraordinary General Members Meeting called for that purpose pursuant to the provisions regarding termination.

## ARTICLE SIXTEEN:

### TERMINATION AND WINDING-UP

#### Section 56

The Association shall not be terminated provided that there are enough members to cover the positions required for the Association to fulfill its duties, and that they undertake to work for that purpose. If the Association is terminated, the same Members Meeting that decided such termination shall appoint the liquidators, who may be the Board of Directors or any of the Active Members. The Treasurer shall be in charge of overseeing the full winding-up process. After paying any debts, the remaining assets shall be transferred within sixty days to the Obra Social del Personal de la Industria Cinematográfica -OSPIC- (Healthcare insurance for the film industry).

## ARTICLE SEVENTEEN:

### SPECIAL PROVISIONS

#### Section 57

The Association shall make no religious, political, racial or social statements, and it shall not express any idea against the wording or the spirit of the Argentine Constitution. The Association shall support democracy and freedom to work in any aspect of the film industry. Notwithstanding the foregoing, each member shall have freedom to express his or her own religious, political, social and moral ideas within the Association without being censored by its authorities or other members, except for the relevant critiques, and without being subject to civil and/or criminal actions if such legal actions could impair the good reputation of any person.

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## ARTICLE EIGHTEEN:

### TEMPORARY PROVISIONS

#### ONE

If at the next elections there are not enough Managed Members Class A, in order to submit the lists of candidates for the Board of Directors with the percentages provided for herein, all of the members that were classified as Managed Members Class B pursuant to the minutes dated February 22, 2010 and issued by the Council for Film Professionals (Consejo Profesional de Cine) shall be allowed to vote and be voted –as an exception and only in such case- as candidates accounting for the twenty-five percent provided for in Section 17 for Managed Members Class A.

#### TWO

Unionist members that as of December 7, 2011 are members of a preexisting foreign association similar to DAC shall have a six-month term, upon approval of the Superintendency of Corporations, to decide whether they want their works to be managed by this Association or any other similar foreign association. Should they opt to have their works managed by DAC, they shall recover their previous category. Upon elapsing of the abovementioned term, if they keep their relationship to the other foreign association, they shall fall within the category “Unionist” in DAC.

#### THREE

The seniority required pursuant to Section 6, paragraphs b) and c) shall not apply to those who are Managed Members Class A or Managed Members Class B, respectively, on the date of the Members Meeting held on December 5, 2012.

*Approved by the Extraordinary General Members Meeting held on December 5, 2012*

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# 2012 INTERNAL REGULATIONS

## ARTICLE I:

### DUTIES OF THE MEMBERS. GENERAL PROVISIONS

#### Section 1

The members shall fill in the application for membership attached as Exhibit I hereto. All members must keep their data up-to-date reporting any change of address or email. They shall be aware of all resolutions informed to the email or physical address reported to DAC during the time running between the old ones changed and the new ones were reported.

#### Section 2

DAC shall manage the rights of Directors/Authors on their own behalf. The Association shall not acknowledge the assignment of these rights to any third party.

#### Section 3

The members shall not directly or indirectly refund any user of their audiovisual works or films for the amount paid by such user to the Association arising from the members' rights.

#### Section 4

All members shall declare their audiovisual or cinematographic works before they are released, in compliance with the requirements set forth or established by the Association. Should they fail to comply with this provision, the rights accrued by the relevant work shall not be distributed and they shall not be taken into account in calculating the works authored by them, if applicable. If the audiovisual or cinematographic work is not declared, after a period of two (2) years since the rights are accrued, the provisions of Section 4°, paragraph g) of the Bylaws shall apply.

#### Section 5

The members shall be respectful and considerate with one another for both personal and professional purposes. If any conflict arises among them, it shall be settled as follows: if any member publicly defames another one, either through libel or slander, the Board of Directors shall settle the issue in an amicable manner. If consensus is not reached, they shall be free to seek remedy at court, and the Board of Directors shall punish the defaulting party after the court issues its judgment.

If any member is convicted by defamation of another member, he/she shall be expelled from the Association.



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## ARTICLE II

### THE BOARD OF DIRECTORS

#### Section 6

To constitute the Board of Directors as provided for in Section 15 of the Bylaws, the Chairperson elect shall call all members elect within ten days after the election process in order to create the Professional Councils.

#### Section 7

The Agenda for the meetings shall include revision of the minutes drafted at the previous meeting and the Treasury's report in the first place and, then, revision of the reports and requests made by the Professional Councils following the order in which they were received by the Secretariat. Such order may be temporarily modified if the matter to be transacted is urgent and it is agreed by two thirds of the attendees.

#### Section 8

Should any Professional Council attend a Board Meeting, upon request or as requested by the Board, the Coordinator of such Council shall be in charge of drafting the relevant report.

#### Section 9

The Board of Directors shall be entitled to take control of or remove a Professional Council if it lacks leadership or enough members, and/or to accept and appoint new members so as to ensure the normal functioning of such Council.

#### Section 10

The Board of Directors shall submit any issues to the corresponding Professional Council for their assessment and report. The relevant report shall be drafted as minutes and submitted for consideration of the Board as part of the Agenda. If it is an urgent matter and the Council fails to submit the report in due time, the Board may decide on the issue with the approval of two thirds of the attendees at the relevant meeting.

#### Section 11

The Board of Directors shall review the resolutions, reports and projects submitted by the Councils, and shall be entitled to approve, modify or reject them with majority voting. Any modified or rejected resolutions, reports and projects shall be sent back to the corresponding Council with the Board's comments for approval or modification pursuant to the changes suggested.

#### Section 12

For the purpose of compliance with the different requirements of the Bylaws, the Board of Directors shall keep a record of the calculation of the works of each member, kept by the general secretariat, pursuant to the

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calculation set forth herein of their authored works. For regulatory and statutory purposes, each expired term of office as a member of the Board of Directors, as a management entity, shall be calculated as one (1) cinematographic work Section 7° paragraph A)”

## ARTICLE III

### PROFESSIONAL COUNCILS

#### Section 13

Professional Councils are intended to give advice to the Board of Directors about any issues as required by the latter. The Board shall be entitled to appoint as many Councils as deemed necessary, and to appoint and dismiss its members without cause.

#### Section 14

Each Professional Council shall consist of three (3) regular members and one (1) alternate member. There shall be no time limit regarding their term of office, and no incompatibility regarding the appointment to other positions, such as member of the Board or of other Professional Councils.

#### Section 15

The requirements to be appointed to a Professional Council are to have proof of having made, at least, three films or similar works. If there are not enough members for all Councils, the Board may pass a provisional exception to the standard until the necessary substitutes are found.

#### Section 16

Professional Councils shall be entitled to assess and score the different categories of works referred-to in Section 7 of the Bylaws. For this purpose, the following Councils shall be created: Films Professional Council, TV Professional Council and, if necessary, Other Multimedia and Audiovisual Media Works Professional Council.

#### Section 17

At their first meeting, the Professional Councils shall appoint a Coordinator who shall be one of their members and shall draft the notices, reports, communications, correspondence and any other document issued by such Council. If the Coordinator resigns, it shall be reported to the Board of Directors and a substitute shall be appointed.

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## Section 18

Each Professional Council shall meet upon request of the Board of Directors or as deemed convenient or necessary by such Council. The meetings shall be validly held with the presence of three members and the decisions shall be passed by simple majority voting.

## Section 19

Each of the Councils shall discuss and decide on the issues submitted for consideration by the Board. The reports drafted by each Council shall be submitted to the Board for final decision-making.

## Section 20

If any member of a Council misses five meetings in a row or twelve alternate meetings during the fiscal year, without giving any justification whatsoever, his/her term of office shall cease upon resolution of the Board.

## Section 21

Any issues related to more than one Council may be discussed jointly by them if so decided by their members; however, each Council shall make their own decisions. If the resolutions passed by them are conflicting, the Board shall have the final say by majority voting.

## Section 22

The Councils may decide on merely administrative issues related to their areas of expertise, provided that such decisions do not compromise the Association's assets or interests. Such decisions shall be reported to the Board of Directors within 24 hours.

## Section 23

The Councils may draft their own internal regulations, which shall abide by the Bylaws and these Internal Regulations. They may also appoint all such advisory or ancillary sub-commissions as deemed necessary to better perform the tasks entrusted to them. Such sub-commissions shall report to the Council that appointed them and shall be held accountable by them, sharing the same limitations and functions. The creation of such sub-commissions shall be approved by the Board of Directors.

# ARTICLE IV

## CLASSIFICATION AND CALCULATION OF AUDIOVISUAL WORKS

### Section 24

The calculation of the audiovisual works provided for in Section 7 of the Bylaws shall be made as follows:

**1) Film Production:**

- a) Any documentary or fiction feature film made pursuant to the regulations and standards of the National Institute of Cinema and Audiovisual Arts (“INCAA” as per its Spanish acronym) and released on 35mm film in movie theaters that issue “official tickets” (“BOC” as per its Spanish acronym) that has been screened for, at least, one week shall be equal to ONE (1) Film;
- b) Any fiction feature film made pursuant to the regulations and standards of the INCAA – produced in digital format and released in digital cinemas that have, at least, 2K projectors duly authorized by the INCAA and that issue BOCs– and that has been screened for, at least, one week shall be equal to ONE (1) Film;
- c) Any documentary or fiction feature film made in digital format and released in digital cinemas that issue BOCs and that has been screened for, at least, one week shall be equal to 1/6 Film;
- d) Any documentary or fiction short film released on 35mm film or, at least, 2K digital format in cinemas that are duly authorized by the INCAA and issue BOCs and that has been screened for, at least, one week shall be equal to 1/8 Film;

**2) TV Production:**

- a) Every 150 chapters released of daily shows with one TV hour duration shall be equal to ONE (1) Film;
- b) Every 52 chapters released of weekly series with one TV hour duration shall be equal to ONE (1) Film;
- c) Released miniseries with 4 to 13 chapters and, at least, one TV hour duration exclusively produced for TV shall be equal to 1/4 Film;
- d) Released telefilms with, at least, ninety-minute duration exclusively produced for TV shall be equal to 1/5 Film;
- e) Every 120 chapters released of documentaries with, at least, one TV hour duration shall be equal to ONE (1) Film;
- f) Every 200 chapters released of educational documentaries shall be equal to ONE (1) Film;
- g) Every 35 chapters released of original series (with over 13 chapters) shall be equal to 1/4 Film;
- h) Every 100 chapters released of sitcoms shall be equal to 1/2 Film;
- i) Every 150 chapters released of sketches shall be equal to 1/2 Film.

**3) Other Audiovisual Media Production:**

- a) Every 10 documentary or fiction feature films produced exclusively for home video (direct sales or rent) shall be equal to ONE (1) Film.

Professional Councils may recommend new classifications, categories and scores for audiovisual works pursuant to the types of production set forth above. Such recommendations shall be approved by the Board of Directors first, and then by the General Members Meeting.

**4) Multimedia Works:**

Professional Councils shall suggest new classifications, categories and scores for audiovisual works related to multimedia and new current or future transmission and/or commercialization technologies, which shall be approved by the Board of Directors first, and then by the General Members Meeting.

### **Section 25**

The following shall not be considered for the abovementioned calculation purposes:

- a) Films or audiovisual works belonging to the Director/Author that have been already released or screened before he/she joined the Association.
- b) Films or audiovisual works that have not been managed by the Association.

### **Section 26**

In the event of co-direction, each Director shall be entitled to the corresponding part on a pro-rata basis pursuant to the Affidavit submitted in relation to such work.

### **Section 17**

The abovementioned calculation shall be performed every calendar year, on December 31.

## **ARTICLE V**

### **SAMPLE CONTRACTS**

#### **Section 28**

The Board of Directors shall make available sample contracts for each area of expertise to better protect the moral rights and property of the Directors/ Authors who are members of the Association.

## **ARTICLE VI**

### **WORK REGISTRATION**

#### **Section 29**

At least ten days before the release, screening or projection of any film or audiovisual work, the relevant Director/Author shall register it with the Association for classification and follow-up purposes.

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## ARTICLE VII

### MANAGEMENT COMMISSIONS

#### Section 30

The commission referred-to in Section 4, paragraph f) of the Bylaws shall be determined by the Members Meeting and under no circumstances shall be higher than thirty percent (30%).

#### Section 31

To ensure compliance with the Bylaws, the Board of Directors may suggest to the Members Meeting modifying the percentage to be deducted from the revenues of the upcoming fiscal year by way of commissions, according to the financial status of the Association and the revenues or income distribution required. Regarding the revenues corresponding to films screened or broadcasted abroad, the Association shall receive the percentage determined by the Members Meeting in due time for managing the collection of such revenues.

#### Section 32

The Association shall collect the relevant commissions in all events, including:

- a) When they are directly received by the authors;
- b) When they are received as ordered by a judicial ruling and, hence, they cannot be directly collected by it;
- c) When the authors have been expressly authorized by the Association to collect their rights from users.

## ARTICLE VIII

### ENFORCEMENT OF PENALTIES

#### Section 33

The following procedure shall be applied to enforce the penalties provided for in the Bylaws:

- a) The Board of Directors shall not enforce any penalty without having listened to the relevant Member's statement or having declared such Member's fault for non-appearance without cause;
- b) The relevant resolution shall be notified to the interested party by telegram with acknowledgement of receipt or any other valid communication means;
- c) Any appeal shall be submitted to the Members Meeting in writing and duly justified within 30 days after having been notified about the relevant penalty. If the foregoing term elapses, the right to file an appeal shall expire.

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## ARTICLE IX

### ELECTION PROCEDURE

#### Section 34

Sixty (60) days before the elections date, an Extraordinary Members Meeting shall be held to appoint the Electoral Board.

#### Section 35

Within fifteen (15) days after the abovementioned meeting is held, the relevant candidate lists shall be submitted to the Electoral Board. Such candidate lists shall become official upon compliance with the following requirements:

- a) Each list shall be submitted by an Active Member and supported by the signature of, at least, twenty percent (20%) of the members entitled to vote with the written approval of the candidates that make up such list;
- b) The lists shall contain a number of candidates equal to that of regular and alternate positions to be covered, specifying the position that each candidate intends to cover. Regarding alternate positions, specification of first alternate, second alternate, etc. is required;
- c) When the term provided for in the Bylaws elapses, no more lists shall be accepted.

#### Section 36

The Electoral Board shall not withhold approval of a candidate list that meets the requirements set forth in the Bylaws and the Internal Regulations. However, if after the list is approved, over twenty percent (20%) of its candidates serves a written notice to the Board requesting their name to be removed from the list, such list shall be automatically cancelled. The lists to be used at the election date shall be of the same quality and paper format, and votes shall be casted in lined envelopes.

#### Section 37

Any member may file an objection to a candidate, a candidate list or poll in writing and duly justifying the reasons for such objection, which shall be based on the Bylaws, the Internal Regulations or any relevant fact that entails irreparable damage to the interests of the Association.

#### Section 38

If there is only one candidate list, it shall be directly announced at the election process without need to vote

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## ARTICLE X

### SOCIAL WELFARE COUNCIL

#### Section 39

The Social Welfare Council, pursuant to the provisions of Article Eleven of the Bylaws, shall be chaired by the Social Welfare Secretary. In addition to its Chairperson, this Council shall consist of a Social Welfare Deputy Secretary, three (3) Regular Members and two (2) Alternate Members appointed by the Board of Directors.

#### Section 40

The Social Welfare Council shall hold ordinary meetings twice a month and extraordinary meetings upon request of the Chairperson or two of its members. Such extraordinary meetings shall be held within three days after being requested. There shall be a quorum with the presence of four members, and resolutions shall be passed by majority voting among attendees. In the event of tie, the Chairperson shall be entitled to cast two votes.

#### Section 41

In the event of temporary or permanent absence of any of its regular members, they shall be automatically replaced by the alternate members. This shall be reported to the Board of Directors.

#### Section 42

Through its internal regulations, the Social Welfare Council shall put an Individual Scoring System in place to classify the Members that are eligible for different benefits.

#### Section 43

The Social Welfare Council shall draft an annual budget for social security, pensions, subsidies and aids to be granted to the Members according to their classification by number of works and scoring, except for pensioners, who shall receive equal subsidies. The subsidies available for pensioners shall depend on the availability of resources and shall be deemed as an exceptional subsidy that shall not be binding to the Association.

#### Section 44

Pursuant to Section 4, paragraph f) of the Bylaws, the funds available to the Social Welfare Council shall account for 6.5% of all income received according to the provisions of Section 30 herein and the contributions received by the Association, either directly or through cooperation agreements and/or treaties.



## Individual Scoring System:

### Section 45

The Individual Scoring System to be used for the implementation of the Social Benefit Allocation System, access to Social Assistance and the Social Security Compensation Fund shall calculate the number of points according to the following items:

- a) **By number of films made and released:** fiction feature films released on 35mm film in movie theaters that issue BOCs= 10 points. Fiction feature films released in digital systems in movie theaters that issue BOCs= 3 points. Documentary feature films released on 35mm film in movie theaters that issue BOCs= 5 points. Digital documentary feature films released in movie theaters that issue BOCs= 1 point.
- b) **By number of audiovisual works broadcasted on TV:** telefilms (fiction feature films for TV)= 1 point. Documentary feature films for TV= 1 point every 5 chapters released. Biographical, journalistic and/or educational documentaries for TV= 1 point every 80 chapters of 1 hour duration. Weekly series= 1 point every 13 chapters. Series= 1 point every 26 chapters. Miniseries= 1 point every 13 chapters. Daily shows or soap operas= 1 point every 60 chapters of 1 hour duration. Sitcoms= 1 point every 80 chapters. Comedy TV shows= 1 point every 40 shows of 1 hour duration. Sketches= 1 point every 150 sketches of 10 minute-duration. TV Shows for Kids= 1 point every 50 shows.

In the event of co-direction, each Director shall be entitled to the corresponding part on a pro-rata basis pursuant to the Affidavit submitted in relation to such work.

Films or audiovisual works that have not been managed by the Association shall not be taken into account for scoring purposes.

### Section 46

The points scored by seniority shall be calculated as one (1) point per year of membership with active involvement (attendance to members meetings, gatherings, etc.) in DAC. The maximum number of points shall be twenty (20).

### Section 47

The score obtained according to the services provided to the Association as officer shall be as follows: ten (10) points for Chairperson, Vice Chairperson and General Secretary; seven (7) points for Treasurer and Social Welfare Secretary; six (6) points for Deputy Treasurer, Deputy Secretary General and Deputy Social Welfare Secretary; five (5) points for Voting Members; three (3) points for Comptrollers; two (2) points for members of Professional Councils or Special Commissions that may be created and/or appointed by the Board of Directors. The abovementioned points shall be additional to regular activities. For this purpose, only complete terms of office shall be taken into account, and they shall be calculated as from March 2006.

## Section 48

The Social Welfare Council shall deal with the following categories: Category A: those who score over 100 points; Category B: those who score between 50 and 99 points; and Category C: those who score between 10 and 49 points.

## Section 49

For the purpose of allocating all, some or minimum social assistance, forty percent (40%) of all available funds shall be allocated to Category “A” members, whereas sixty percent (60%) shall be allocated to Category “B” members. The social welfare benefits shall be received only by Active Members and Managed Members Class A of Categories “A” and “B”, and Managed Members Class B that have been receiving such benefits as of December 5, 2012. Budget allowing, social welfare benefits may be received by other new members classified as Managed Members Class B, upon request of the Social Welfare Council and approval of the Board of Directors. The benefits obtained as discounts in healthcare insurance plans, entertainment or any other areas entailing fixed expenditures for the Association shall be available for members of all categories.

## Social Security Compensation Fund

## Section 50

For all purposes, a Basic Universal Service (i.e. a minimum amount arising from the available assets of the Association) shall be made available to members over 65 years old. The members classified as Category “C” shall be only eligible for this Basic Universal Service. Category “B” members shall be entitled to receive the Basic Universal Service, plus an additional amount corresponding to the calculation of the works provided for in Section 7 of the Bylaws. Category “A” members shall be entitled to receive the Basic Universal Service, plus an additional amount corresponding to the calculation of the works provided for in Section 7 of the Bylaws. The budgets allocated for such purposes (Social Assistance and Social Security Compensation Fund) shall be approved and reserved on an annual basis.

# ARTICLE XI

## GENERAL RULES REGARDING FEES

### I. DAC’s List of Works and their Beneficiaries

## Section 51

DAC shall exclusively manage films and any other similar works, provided that their directors or their assigns are entitled to receive copyrights in relation to them, and they are not part of the public domain. The spaces referred-to in Section 7 of the Bylaws shall be assessed to determine the use of the works managed by DAC.

Such works may be national or foreign, regardless of the nationality or country of residence of their director pursuant to Law No. 17741.

### **Section 52**

For the directors of these works or their assigns to be entitled to collect copyrights in connection therewith, they shall submit the agreement entered into by them as film, TV or audiovisual director. Pursuant to Law No. 17741, DAC shall demand to the film or audiovisual producer submission of the agreement entered into with the relevant director modified pursuant to the template contract offered by DAC or else, with the addition of the following wording, which shall be required for authorization purposes: “the Director hereby reserves the right to receive equal compensation anywhere in the world for direct or secondary use or publication of the relevant film or audiovisual work, regardless of the media and format used or to be used in the future”. Authorized agreements shall be filed by DAC with the National Copyright Office pursuant to Law No. 11723.

### **Section 53**

Notwithstanding the foregoing, by virtue of the legal representation held by DAC, the reservation of rights clause shall not be necessary for the collection in the national territory of the equitable remuneration in concept of fees for the secondary use of the cinematographic and audiovisual work, regardless of its country of origin. Such clause shall not be necessary either in foreign countries when such requirements are not demanded by the foreign entities referred to in National Decree 124/2009, Section 5°. The rights collected in connection with foreign works shall be kept on behalf of their beneficiaries until the reciprocal representation agreements are executed for settlement, as well as the rights of the members of DAC until their works are declared with the entity, in both cases for a term of two (2) years.

### **Section 54**

Together with the submission of the abovementioned agreement, directors shall pay a fee amounting to 2% of the value of the agreement. If there is no amount provided for in such agreement, it shall be deemed that such amount is equal to 10% of the cost for producing the relevant film or audiovisual work. Payment of the abovementioned fee shall be required as from January 1, 2012.

## **II. Definition and Value of Fees**

### **Section 55**

The fees collected pursuant to Resolution No. 61/2010 of the Cabinet Office, or any other fees agreed upon with the users of their works, shall not be fractioned, i.e. the use of any of the works provided for in Section 7 of the Bylaws, works in the public domain and, in general, works that are not managed by the DAC shall not be deducted on a pro-rata basis. The foregoing applies to the collection of rights arising from primary use of the works pursuant to the fees listed in the Exhibit attached to the Resolution under items I, II and III (movie theaters and wireless TV or CCTV), and to the collection of equal compensation for secondary use of the works

(hotels, transportation means, hospitals, restaurants) pursuant to items IV and VIII of the Exhibit attached to the Resolution.

## Section 56

DAC classifies its repertoire according to the greater or lesser artistic involvement of the Director, as follows:

- 1) Theatrical Films: All audiovisual works, regardless of their format, intended for commercial exploitation and released in movie theaters: Value= 15 points.
- 2) Television Films: All original audiovisual works created for television, similar to films and miniseries (up to 13 episodes): value= 3 points.
- 3) Television Shows: All audiovisual works created for television and released in episodes: Value= 1 point. In telecast channels, theatrical films shall have the same value than television shows when the rerun occurs in the same channel and in the same month. This category shall not be applied to the first broadcast, but on all reruns, until a waiting period of six month is detected without the broadcast of the same work and on the same channel.

## Section 57

Based on the report submitted by the television technical inspector, reserves shall be made for a decisive term of two (2) years to address claims regarding the screening of works in the spaces referred to in Section 7° in fine of the Bylaws, and, regarding the areas of primary use, a tenth part of what might correspond to works not managed by DAC due to a lack of an authorized agreement.

## III. Payable Fees for Availability of the Works

### Section 58

The statement to be used for the distribution of TV rights shall be in all cases the “schedule” containing the list of channels of each user. This information may be delivered in digital format, provided that the relevant controls are performed pursuant to the provisions of these internal regulations.

### Section 59

TV channels shall perform a technical-artistic inspection every six months. Such inspection shall be entrusted to an expert Director/Author chosen randomly from the list of members of DAC available for such service. The work of the inspector is not remunerated; however, he/she may receive compensation and an advance payment for expenses to be incurred. The chosen inspector shall be notified and shall accept the position within five (5) days; otherwise a new inspector shall be appointed. For the performance of this task, the programming of each of these signals or channels of the “schedule” shall be recorded at random for one day. The inspector shall report the duration of the whole programming in minutes, the number of minutes of each category of works and their titles, and also the duration in minutes of the works provided for in Section 7 of the Bylaws. If there are material differences between the content of the “schedule” and the information reported

by the inspector, such schedule shall be cancelled and the relevant measures shall be taken with the informant in relation to any inaccuracies.

### **Section 60**

Pursuant to the outcome of the technical-artistic inspection, the points of each work shall be multiplied by their number of minutes. The resulting number shall be the factor applied on the revenues and the result shall be the value allocated to each work. Payments shall be made every six months in arrears.

### **Section 61**

In relation to the rights payable for the availability of works for secondary screening (hotels, hospitals, transportation means, etc.), the results of the settlement of other items for primary screening can be considered, except that these rights shall be settled regardless of whether DAC members submitted the required contract. It is understood that directors in general act as co-producers, which is considered as the reservation of rights required for contract authorization.

*Approved at the Extraordinary General Members Meeting held on December 5, 2012*