

## GENERAL POLICY ON DEDUCTIONS

*Version approved by the General Meeting of 28 June 2022, entering into force on 1 August 2022.*

### ARTICLE 1.

Agicoa Europe Brussels SC (“**AEB**”) shall charge, deduct or set off against royalties and any income from the investment of royalties:

- a. The justified and documented management fees incurred for the management of the rights, including the collection and distribution of the royalties, as approved annually by the Board of Directors (the “**Management Costs**”);
- b. Other justified and documented costs incurred in connection with AEB's activities, if any, and approved by the Board of Directors (the “**Other Deductions**”), such as, but not limited to:
  - i. mandatory taxes and contributions;
  - ii. cultural, educational and social funds, to the extent required by applicable law;
  - iii. provisions for misallocations or omissions;
  - iv. interest on royalties other than that accrued between the time of collection and the time of the first distribution;
  - v. provisions to cover risks in accordance with the General Risk Management Policy;
  - vi. other unforeseen costs.

### ARTICLE 2.

AEB shall also have the power to decide on specific deductions in respect of a particular rightholder or group of rightholders, in accordance with AEB's Distribution Rules. These specific deductions constitute a type of Other Deductions.

### ARTICLE 3.

Management Fees and Other Deductions must be reasonable, based on objective criteria and related to the services provided by AEB.

### ARTICLE 4.

Before the beginning of each financial year, the Managing Director or the Director General shall submit to the Board of Directors for approval the Management Fees that AEB will incur during that year, within the framework of the annual budget.

Only the Board of Directors may decide on deviations from the annual budget.



**ARTICLE 5.**

All declarants must be informed of the existence and content of this Policy before giving AEB their consent in relation to the management of their rights.

**ARTICLE 6.**

Specific information regarding Management Fees and Other Deductions shall be included in the annual Management and Transparency Report. If such Management Fees and Other Deductions are higher than 15% of the average royalties collected during the last three (3) years, the Management and Transparency Report shall explain the reasons for this situation.

**ARTICLE 7.**

Any amendments to this General Policy on deductions must be approved by the General Meeting.