

**Certified translation from the German language**

**Articles of Association**  
**of Pidax Film- und Hörspielverlag GmbH**

**Article 1**

**Name and Registered Office**

The name of the Company shall be

**Pidax Film- und Hörspielverlag GmbH.**

Its registered office is in Riegelsberg.

**Article 2**

**Object**

The object of the Company is the licensing and marketing of films, radio plays and books.

The Company shall be entitled to engage in all relevant activities of a similar nature that appear conducive to its purposes.

The Company may acquire interests in other enterprises and undertakings. It may establish branches.

### **Article 3**

#### **Share Capital, Shares**

1. The share capital of the Company amounts to EURO 26,000.00 (in words: twenty six thousand euros).
2. The share capital has been fully paid in.

### **Article 4**

#### **Assignment/Pledging**

1. Assignment and pledging of shares or parts thereof as well as splitting of shares among heirs shall require prior approval of the Company. This obligation shall not apply when transferring shares to first-degree relatives or spouses as well as co-shareholders; then the acquisition right of the Company shall likewise cease.
2. If a share or a part of a share is assigned to a non-shareholder, the Company may, instead of an approval, demand assignment of the share to itself or to one or several third parties to be named by the Company, based on the terms which the transferring shareholder has agreed with the buyer chosen by him. For this purpose, the notarial authenticated transfer agreement must be submitted as certified copy to the Company forthwith, including the counter-performance. Within four weeks after receipt of the transfer agreement the company must declare whether it will make use of its right. If the Company does not give written notice – the date of the post stamp of the shipment is decisive to comply with the deadline – the assignment shall be viewed as approved; the acquisition right of the Company shall cease.

## **Article 5**

### Commencement, Duration, Financial Year

1. The Company shall commence with the registration in the Commercial Register.
2. The Company shall be established for an indefinite period of time and may be terminated at 6 months' notice, effective at the end of a financial year. Termination must be made by registered letter to all other shareholders and the Company. Termination shall not result in liquidation of the Company, but in retiring of the shareholder giving notice; the Company shall be continued by the remaining shareholders if they do not resolve acceptance of termination for liquidation.
3. The financial year shall be the calendar year.

## **Article 6**

### Management and representation

1. The company has one or several managing directors. If only one managing director is appointed, the Company shall be represented by this managing director. If several managing directors are appointed, the company shall be represented by two managing directors conjointly or by one managing director together with an authorised signatory. The shareholders' meeting may grant one or several managing director the sole power of representation or exemption from the restrictions set out in Section 181 of the German Civil Code.
2. The shareholders' meeting shall resolve on appointing and dismissing a managing director as well as on the content of the contract of employment.
3. The managing director shall require (in the internal relationship) the consent of the shareholders' meeting for such actions and legal transactions which exceed the usual course of business.

The consent is especially required for:

- a) acquisition, disposal or encumbrance of real property and rights equivalent to real property;
- b) taking-up and surrender of business branches;
- c) conclusion of lease contracts for real estate, buildings or rights equivalent to real property with a term of more than three years;
- d) establishment or termination of subsidiaries;
- e) conclusion of agreements in which any kind of participation in the profits of the Company is granted;
- f) acceptance of suretyships, granting credits outside the usual course of business;
- g) granting and revoking power of representation and power of attorney;
- h) appointment, dismissal or amendments to contracts regarding persons whose annual remuneration exceeds double the maximum tariff salary (excluding surcharges) according to the collective agreement relevant to the Company, or if close relatives of managing directors or shareholders are concerned;
- i) introduction, alteration or revocation of a pension scheme, pension commitments;
- j) granting loans to employees in excess of 6 monthly salaries;
- k) taking up loans and entering into bills payable, which exceed EUR 1,000.00 in individual cases;
- l) granting consent for disposal of shares.

The shareholders' meeting may grant the managing directors general authorisation valid for one year in advance. The nature of business activities to which the authorisation applies must be specified therein.

## **Article 7**

### **Shareholder Resolutions**

1. In general, shareholders' resolutions are adopted at a shareholders' meeting. They may also be adopted in writing outside the shareholders' meeting, unless contradicted by a shareholder.
2. Shareholders' resolutions are adopted by simple majority of the votes cast at a shareholders' meeting, unless a different majority is required by law or by these Articles of Association. If the voting results in a tie a motion shall be deemed rejected.
3. Voting shall be according to shares. Every EUR 50 of a share shall attract one vote.
4. Each shareholder may be represented by another shareholder via a written power of attorney or a third party who is bound to observe professional secrecy.
5. Resolutions of the shareholders may only be contested by way of suit within one month from the resolution.

## **Article 8**

### **Shareholders' Meeting**

1. The shareholders' meeting shall be obliged to satisfy the duties which accrue according to these Articles of Association and in line with the legal provisions. The meeting shall take place at the registered office of the Company or at another location in the Federal Republic of Germany to be determined by the company management.
2. The ordinary shareholders' meeting, during which the managing directors shall report on the circumstances of the Company, shall in particular resolve upon the adoption of the annual financial statement, the utilization of the net earnings resulting therefrom and on the discharge of the managing directors.

3. Extraordinary shareholders' meetings shall be convened as deemed necessary in the interest of the Company or if shareholders who hold an interest of at least 10 % of the Company's capital request such.
4. Meetings of the shareholders are convened by the managing director.
5. Meetings of shareholders shall in any case be convened by registered letter to the last address of each shareholder known to the Company and together with the agenda. The period of notice must be at least 14 days between the day of the shareholders' meeting and the day of convening, excluding the day on which the letters are dispatched and the day on which the meeting is to be held. A shareholders' meeting which is not duly convened can only adopt resolutions if all shareholders are present or represented and no objection is made against the resolution.
6. The shareholder who is most senior in age shall chair the shareholders' meeting.
7. The shareholders' meeting constitutes a quorum when at least 50 % of the share capital is present or represented.  
If a meeting does not constitute a quorum, a new shareholders' meeting with the same agenda is to be convened within three weeks by the managing directors which constitutes a quorum irrespective of the amount of the share capital represented; this must be explicitly pointed out in the invitation.
8. Article 7 shall apply with respect to voting right and representation.
9. Minutes of the resolutions of the meeting of shareholders must be taken and signed by the chairman of the meeting of shareholders, unless notarial authentication is required.

## **Article 9**

### **Competition Ban, Information Right and Right to Exercise**

1. No shareholder may, during the term of his contract, compete with the company in its branches of trade or acquire interest in a competing company without prior consent of the shareholders' meeting, neither directly nor indirect, neither occasionally nor by way of trade, neither in his own nor in another name, neither on his own nor on another account.
2. With simple majority the shareholders' meeting may grant exemption from the competition ban with and without compensation to shareholders and managing directors.
3. The competition ban shall continue for a period of two years after retirement of a shareholder. The compensation shall be pursuant to the settlement to be paid according to Article 16.
4. For every case of infringement of the competition ban or the following Section 5 a contractual penalty of EUR 10,000.00 must be paid to the other shareholders in proportion to the shares. Any other contractual or legal rights, in particular compensation claims, shall remain unaffected.
5. No shareholder may disclose or make use of company affairs outside the company or group of people of the shareholders without prior consent of the other shareholders; this shall apply without restriction for all affairs of the company unless they must be published due to legal provisions.
6. All of the aforementioned provisions of this Article 9 shall also apply without restriction to the managing director (s).
7. Every shareholder may demand to be informed of matters of the Company (within and outside the shareholders' meeting), review books and documents, obtain information through plant tours, prepare balance sheets or have them prepared at his own expense.

8. Every shareholder may demand that, at the expense of the Company, business overviews shall be executed in writing on a quarterly basis and monthly reports be made regarding turnover, costs and liquidity.
9. When exercising their aforementioned rights, the shareholders may enlist a third party who is bound to observe professional secrecy.
10. In the event of death of one of the founding shareholders, Edgar Maurer and Frank Biede, the non-competition clause for the remaining founding shareholder shall no longer apply.

## **Article 10**

### Annual Financial Statements

1. At the end of the financial year the managing directors shall draw up the annual financial statement for the previous year (balance sheet, income statement) with notes together with the management report pursuant to statutory regulations.
2. Accounting and drafting of the balance sheet are to be carried out in accordance with the principles relating to the tax provisions and pursuant to the provisions of the German Commercial Code (*Handelsgesetzbuch, HGB*) and of the German Limited Companies Act (*GmbH-Gesetz, GmbHG*). In the event the annual financial statement is rectified retrospectively, especially in the course of an audit, the rectified statement shall be decisive.
3. When preparing the annual financial statement an accounting professional shall be consulted.  
An auditor shall review the annual financial statement and the management report; the shareholders shall appoint the auditor prior to the end of the financial year. A review shall not be necessary for smaller companies pursuant to Section 267 (1) of the German Commercial Code, unless required by law.

4. A balance sheet including profit and loss account, notes and management report must be sent in copy to all shareholders. At the same time a proposal on utilization of the annual revenue must be made.
5. The acknowledged annual financial statement may only be contested by a shareholder by way of suit within one month for infringement of the law or the Articles of Association. The period commences on the day of resolution by the shareholders' meeting.

### **Article 11**

#### **Distribution of Revenue**

1. The shareholders shall participate in profit and loss in proportion to their shares.
2. The shareholders' meeting may resolve on utilization of the revenue in any case. It may also resolve to allocate the surplus to the profit reserves or to carry it forward as profit.
3. The resolution on utilization of the revenue shall not cause change of the acknowledged annual financial statement.

### **Article 12**

#### **Capital Increase and Capital Reduction**

Resolutions on capital increase or capital reduction shall require a majority of 75% of the votes cast.

### **Article 13**

#### Retirement from the Company (Withdrawal)

1. In the event of termination (retirement from the Company) or action for dissolution, the Company shall not be dissolved but shall be continued by the remaining shareholders after retiring of the shareholder concerned. The right of shareholders whose shares together correspond at least to the tenth part of the share capital to dissolve the Company pursuant to Section 61 of the German Limited Companies Act shall not be affected.
2. A shareholder retires from the Company without notice if his share has been pledged or if insolvency proceedings have been filed on his assets or if this procedure has been rejected due to lack of assets despite application.
3. At the discretion of the Company, the retiring shareholder shall be obliged to assign his share in its entirety or in part to the Company itself, to one or several shareholders or to a third party to be named by the Company, or to submit to his share being called in.

### **Article 14**

#### Redemption of Shares

#### Exclusion of a Shareholder

1. Through resolution of the shareholders a shareholder may be excluded if he culpably infringes his shareholder obligations. The exclusion shall become effective upon receipt of the resolution on exclusion, even if the exclusion is against payment and an agreement with regard to the sum has not been achieved yet. At the discretion of the Company, the shareholder shall be obliged to assign his share in its entirety or in part to the Company itself, to one or several shareholders or to a third party to be named by the Company, or to submit to his share being called in.

2. Mandatory recall of shares shall be permitted for good cause, especially if a share has been pledged or if insolvency proceedings have been filed on the assets of the shareholder or if this procedure has been rejected due to lack of assets despite application.
3. The shareholders shall resolve on recalling (exclusion).
4. Recalling and exclusion shall be made against payment which must be calculated and paid pursuant to the provisions of these Articles of Association. Recalling without payment shall only be possible with general consent.

### **Article 15**

#### **Succession**

In the event of death of a shareholder, the Company shall be continued with his heirs. Several heirs or beneficiaries who have not yet been shareholders must appoint a joint representative who must be given written Power of Attorney.

### **Article 16**

#### **Severance Payment**

1. In the event of withdrawal of a shareholder, irrespective of on what legal grounds and the execution of the acquisition right pursuant to Article 4, (2), the retiring shareholder shall be entitled to compensation. The amount of the compensation shall correspond to the market value of the shares. For this purpose, the value of the Company at the time of withdrawal of a shareholder must be determined by a tax consultant or auditor. The aim is to determine an objective company value using a traceable method which is independent of the individual value judgements of the parties concerned. The assessment shall be based on the S 1 standards of the Institute of Public Auditors (Institut der Wirtschaftsprüfer) as from time to time amended.

2. The compensation shall be payable as of 2 January in five equal annual amounts and shall be made for the first time in the calendar year following the date of retirement.
3. With regard to compensation, the retiring shareholder may demand that surety is provided in the form of a bank guarantee of a major bank or a saving bank domiciled in an EU member state or by pledging of his former share until compensation has been fully paid. Further provision of surety shall be precluded.
4. In the event of an amicable assignment of a business share to a co-shareholder or a third party, the consideration shall be freely determinable by the contractual parties.

### **Article 17**

#### **Dissolution, Liquidation**

1. The shareholders may resolve on dissolution of the Company with a majority of 75 % of the votes cast.
2. Liquidators are the managing directors with their previous power of representation.
3. A liquidation surplus shall be distributed to the shareholders in proportion to their shares.

### **Article 18**

#### **Notices of the Company**

Notices of the Company shall be exclusively published in the electronic Federal Gazette.

**Article 19**

Validity

1. The legal provisions shall otherwise apply.

In the event of individual provisions of these Articles of Association being or becoming null and void, this shall not affect the validity of the remaining provisions. For interpretation the null and void terms shall be replaced with a provision that most closely approaches their economic intent. Any loopholes must be completed accordingly.

2. The Company shall bear the costs associated with the formation of the Company for the notarisation of the Articles of Association, the publication, the registration of the Company and its entry in the Commercial Register, the costs incurred for the formation consultancy up to an amount of EUR 1,500. Any additional amount shall be borne by the shareholders.

13 sheets Annex to Deed register No.            /2019 approved:

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This is to certify that the above is a true and correct translation of the German document that has been presented to me as a PDF file.

Siegburg, dated 26 November 2018



**Nina Straub**

*Certified translator for English and French,  
admitted to and authorized by the Saarland Regional Court and notaries.*

