

BYLAWS

OF THE

MECHANICAL LICENSING COLLECTIVE

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BYLAWS
OF THE
MECHANICAL LICENSING COLLECTIVE

A Delaware Nonprofit Nonstock Corporation (the “Collective”)

The following terms, as used in these bylaws, shall have the following meanings:

(i) “Covered Activity” or “Covered Activities” means the making of digital phonorecord deliveries of musical works, including in the form of permanent downloads, limited downloads, or interactive streams, where such activity qualifies for a compulsory license under Section 115 of the U.S. Copyright Act (the “Act”), 17 U.S.C. § 115.

(ii) “Digital Licensee Coordinator” has the meaning set forth in Section 115(e) of the Act.

(iii) “Digital Music Provider” has the meaning set forth in Section 115(e) of the Act.

(iv) “Licensor Market” means the market for the licensing of musical works for use in Covered Activities, as measured by estimated total royalties paid or payable to licensors of musical works by licensees for Covered Activities over the most recent full calendar year for which information is reasonably available. “Licensor Market Share” means a Publisher’s estimated percentage share of the Licensor Market, calculated as a fraction where the numerator is the estimated total royalties paid or payable to such Publisher by licensees for Covered Activities over a period, and the denominator is the total Licensor Market for the same period. Licensor Market Share estimates shall be provided by the Chief Executive Officer of the Collective (“CEO”) at the request of the Board for purposes of determining Publisher voting and membership eligibility. The CEO may calculate such estimates using data from the Collective’s own license administration operations as well as data provided by the Publisher Trade Group Director or any other source approved by the Board. Voting and membership eligibility decisions shall be based upon the most recent Licensor Market Share estimates reasonably available. In the event that the CEO is unavailable to provide Licensor Market Share estimates, such may be provided to the Board by the Publisher Trade Group Director. Licensor Market Share estimates shall be kept strictly confidential, and may only be reviewed by (1) the CEO of the Collective, (2) Collective staff proposed by the CEO and authorized by the Board, (3) representatives of a firm serving as independent election inspector, proposed by the CEO and approved by the Board; and (4) outside legal counsel to the Collective.

(v) “Person” means an individual, corporation, partnership (including a general partnership, limited partnership or limited liability partnership), limited liability company, association, trust or other entity or organization.

(vi) “Publisher” means a music publisher to which songwriters have assigned exclusive rights of reproduction and distribution of musical works with respect to Covered Activities.

Subsidiaries and affiliates shall be not be considered separate Publishers, but all parents, affiliates and subsidiaries shall be considered together as a single Publisher.

- (vii) “Songwriter” has the meaning set forth in Section 115(e) of the Act.

ARTICLE I: OFFICES

Section 1.1 Principal Office.

The principal office of the Collective shall be located at such place as the Board of Directors (the “Board”) shall designate from time to time. The Collective may have such other offices as the Board may determine or as the affairs of the Collective may require.

Section 1.2 Registered Office.

The Collective shall have, and continuously maintain, in the State of Delaware a registered office and a registered agent whose office is identical with such registered office, as required by the General Corporation Law of the State of Delaware (“DGCL”). The registered agent and the address of the registered office may be changed from time to time by the Board.

ARTICLE II: MEMBERSHIP

Section 2.1 Members.

The Collective shall have members.

Section 2.2 Membership Criteria

There shall be the following three classes of Members:

- (a) Class A Members

The Class A Members of the Board shall be the Songwriter Directors of the Board, as described in Section 4.2(b)(1). Any individual who ceases to be a Songwriter Director shall simultaneously cease to be a Class A Member.

- (b) Class B Members

Any Publisher with a Licensor Market Share of at least five one-thousandths of one percent (0.005%) (“Class B Publisher”) may express written interest to the Board in becoming a Class B Member, and shall become a Class B Member upon approval of the Board, which approval shall not be unreasonably withheld after verification of qualification is obtained by the CEO and presented to the Board. For avoidance of doubt, Licensor Market Share calculations shall be kept strictly confidential and shall not be provided to the Board, rather the CEO shall simply certify whether a Publisher applying to be a Member is a Class B Publisher. If any subsequent Licensor Market Share estimate determines that a Publisher that is a Class B Member is no longer a Class

B Publisher, the CEO shall provide such information to the Board, and such Publisher shall cease to be a Class B Member upon notice by the Board.

(c) Class C Members

Each of the five Publishers with the five respective greatest Licensor Market Shares among all Publishers (each a “Class C Publisher”) may express written interest to the Board in becoming a Class C Member, and each shall become a Class C Member upon approval of the Board, which approval shall not be unreasonably withheld after verification of qualification is obtained by the CEO and presented to the Board. For avoidance of doubt, Licensor Market Share calculations shall be kept strictly confidential and shall not be provided to the Board, rather the CEO shall simply certify whether a Publisher applying to be a Member is a Class C Publisher. If any subsequent Licensor Market Share estimate determines that a Publisher that is a Class C Member is no longer a Class C Publisher, the CEO shall provide such information to the Board, and such Publisher shall cease to be a Class C Member upon notice by the Board, but shall then automatically become a Class B Member if the Publisher is a Class B Publisher.

Class B Members and Class C Members are referred to collectively herein as “Publisher Members.”

Section 2.3 Action by Members

Other than the recommendation of Directors to the Register of Copyrights for appointment by the Librarian of Congress, any action that requires Member approval shall require the affirmative vote of a majority of each Class of Members, voting as separate Classes. For purposes of any action on which Members are entitled to vote, except as otherwise set forth herein, each Member shall be entitled to one (1) vote.

Section 2.4 Resignation.

Any Member may resign at any time as a Member of the Collective by giving written notice to the Chair of the Board or the Secretary of the Collective. Such resignation shall take effect at the time specified therein and unless specified therein, the acceptance of such resignation shall not be necessary to make it effective.

ARTICLE III: MEETING OF MEMBERS, VOTING AND NOTICE

Section 3.1 Annual Meeting.

An annual meeting of the Members shall be held at such time and place in the month of September as may be fixed in the notice or waiver of notice thereof, or such other month as may be determined by the Board and designated in the notice or waiver of notice thereof, for the purpose of the transaction of any business as may properly be brought before the meeting.

Section 3.2 Special Meetings.

A special meeting of the Members may be called at any time by the Chair of the Board, by the Board, or by any group of at least ten (10) Members; which group must include at least two

Members from each membership class. In the event of a Special Meeting called by a group of the Members, such Members shall communicate the meeting request to the Chair, Vice Chair and Secretary of the Board, who shall give notice of the meeting as described in Section 3.3.

Section 3.3 Notice of Meetings

Written notice of the time and place of holding each Annual or Special Meeting of the Members shall be given by the Chair, Vice Chair or Secretary of the Board. Such notice shall state the place, if any, date and hour of the meeting, the means of remote communication, if any, by which Members and proxyholders may be deemed to be present and vote at such meetings, and in the case of a Special Meeting, the purpose or purposes for which the meeting is called. Such written notice shall be given not less than ten (10) nor more than sixty (60) days before such meeting, to each Member entitled to vote at such meeting. If mailed, it shall be deposited in the U.S. mail within the above mentioned period and directed to such Member at the address for such Member as it appears on the records of the Collective, unless the Member shall have filed with the Secretary of the Collective a written request that notices be mailed to some other address, in which case it shall be directed to the Member at such other address. If transmitted electronically, such notice is given when directed to the Member's electronic mail address as supplied by the Member to the Secretary of the Collective or as otherwise directed pursuant to the Member's authorization or instructions. Notice of meetings may be transmitted solely via electronic means.

Section 3.4 Waiver of Notice

A written waiver, signed by a Member (which includes any electronic transmission from a Member of a waiver), whether before or after the time stated therein, shall be deemed equivalent to notice. Attendance of a Member at a meeting shall constitute waiver of notice of such meeting, except when the Member attends the meeting for the express purpose of objecting at the meeting to the transaction of any business because notice has not been properly issued. Neither the business to be transacted at, nor the purpose of any regular or special meeting of Members, need be specified in any written waiver of notice or any waiver by electronic transmission.

Section 3.5 Adjournment

Notice need not be given of any adjourned meeting if the time, place, if any, by which Members and proxyholders may be deemed to be present in person and vote at such adjourned meeting are announced at the meeting at which the adjournment is taken. Any business that might have been transacted at the original meeting may be transacted at the adjourned meeting. If the adjournment is for more than 30 days, notice of the adjourned meeting shall be given to each Member entitled to vote at the meeting.

Section 3.6 Place of Meeting.

Every meeting of the Members of the Collective shall be held at such place as shall be specified or fixed in a notice thereof. Meetings may, at the discretion of the Chair of the Board, be held solely by means of remote communication.

Section 3.7 Quorum.

At all meetings of the Members except as otherwise required by law or herein, one-third of the Members shall constitute a quorum for the transaction of business, provided that also at least two Members (or the sole Member, if less than two exist) from each membership class must be present. For the purpose of recommending Directors for appointment under Section 4.2, Members constituting at least one-half of the total voting interests for the respective Director seats, including proxies and ballots, shall constitute a quorum. In the absence of a quorum, the meeting shall be adjourned from time to time until a quorum is obtained. At any such adjourned meeting at which a quorum is present, any business may be transacted which might have been transacted at the meeting as originally called.

Section 3.8 Participation in Meetings

The Chair of the Board shall preside at all meetings of the Members. One or more Persons may participate in a meeting of the Members by means of conference telephone or similar communications equipment. The Collective shall implement reasonable measures to provide such Persons a reasonable opportunity to participate in such a meeting and to vote, including an opportunity to read or hear the proceedings of the meeting substantially concurrently with such proceedings. Participation in a meeting pursuant to this subsection shall constitute presence in person at such meeting.

Section 3.9 Voting.

Each Member may authorize any person to vote on the Member's behalf by proxy on all matters in which a Member is entitled to participate. A proxy must be in writing and must identify the specific meeting or matter to which the proxy applies or state that it applies to all matters (subject to specified reservations, if any) prior to a specified date and delivered to the Secretary of the Collective or such other contact as may be provided in a notice by the Secretary. All proxies shall be revocable. Proxies shall count towards the establishment of a quorum.

Voting on recommendations for appointment or actions may be by mail or electronic ballot, in the discretion of the Chair of the Board. Balloting periods shall be not less than thirty (30) days. Ballots for recommendations of Directors for appointment shall be distributed not less than thirty (30) days prior to the Annual Meeting of Members. Notice of ballot voting shall identify the issues on the ballot, the balloting period and the means for casting ballots, and shall be provided prior to the start of the balloting period to all Members entitled to vote, using notice methods consistent with Section 3.3.

Section 3.10 Inspector for Recommendation of Publisher Directors And Member Qualification.

At least three (3) months before each Annual Meeting of the Members at which the term of any Term Publisher Director shall expire, the CEO shall present a proposal to the Board for (1) appointment of an inspector for the Class B Member voting towards recommendation of Term Publisher Directors ("Voting Inspector"), and (2) authorization of any necessary Collective staff to assist in calculation of Licensor Market Shares. The Voting Inspector shall be either a representative of a firm of independent certified public accountants, or of an independent institution which as a part of its regular services provides the services of inspectors of election.

The Voting Inspector shall first take and subscribe an oath or affirmation faithfully to execute the duties of the inspector with strict impartiality and according to the best of its ability. The Voting Inspector shall also certify the qualification of Class B and Class C Members upon request by the CEO.

Section 3.11 Action Without a Meeting.

Any action which may be taken at a meeting of the Members may be taken without a meeting if a consent in writing setting forth the actions so taken has been signed by the Members having not less than the minimum number of votes otherwise required to authorize or take such action, filed with the Secretary of the Collective and, if not signed by all of the Members, notice of such action is promptly given to the Members that did not consent to such action. No written consent shall be effective to take corporate action referred to herein unless written consents signed by a sufficient number of Members to take action are delivered to the Secretary within 60 days of the first date on which a written consent is so delivered to the Secretary. Any electronic transmission consenting to an action to be taken and transmitted by a Member or proxyholder shall be deemed to be written and signed, provided that such electronic transmission sets forth or is delivered with information from which the Collective can determine (a) that the electronic transmission was transmitted by the Member or proxyholder or a Person authorized to act on their behalf and (b) the date on which the such Member or proxyholder or agent thereof made the transmission.

ARTICLE IV: BOARD OF DIRECTORS

Section 4.1 General Powers.

The Board of Directors (the “Board”) shall manage the business and affairs of the Collective subject to the oversight of the Register of Copyrights under the general supervision of the Librarian of Congress, as set forth herein and in applicable statutes. The Board shall also be responsible for admitting members based on the membership criteria set forth in Article II above.

Section 4.2 Number and Qualification; Recommendation and Appointment.

- (a) The Board shall consist of seventeen (17) Directors, which shall include fourteen (14) Voting Directors and three (3) Nonvoting Directors, as described herein.
- (b) The fourteen (14) Voting Directors shall be as follows:
 - 1. *Songwriter Directors*: There shall be four (4) Songwriter Directors, each of whom shall be a professional songwriter who has retained and exercises exclusive rights of reproduction and distribution with respect to Covered Activities with respect to musical works that they have authored. The Songwriter Directors shall be recommended for appointment by a vote of all Class A Members, with each such Member having one (1) vote. A tie vote shall be broken by a vote of the full Board, or if still tied after such vote, by the vote of the Chair of the Board. Any recommendation for appointments shall be sent to the Register of Copyrights. If the Register of Copyrights approves and the Librarian of Congress appoints the Class A

Members' recommendation, the recommended individual will thereby be a Songwriter Director.

2. *Publisher Directors*: There shall be ten (10) Publisher Directors. Each Publisher Director shall be a representative of a Publisher. No two active Publisher Directors may be representatives of the same Publisher (which includes all entities owned by, or under common control with, a Publisher). The Publisher Directors shall be recommended and appointed to the Board as follows:
 - i. Following each determination of the Board that a Publisher has become a Class C Member, the employee of such Class C Member that occupies the position of Mechanical Licensing Collective Liaison ("Collective Liaison") with such Class C Member shall be recommended for appointment to become an *ex-officio* Publisher Director. Any recommendation for appointments shall be sent to the Register of Copyrights. If the Register of Copyrights approves and the Librarian of Congress appoints such Collective Liaison, the Collective Liaison shall become an *ex-officio* Publisher Director. In the event that such Class C Member already has a representative as an active Director on the Board, its Collective Liaison will take the seat of such Director, upon the approval of the Register of Copyrights and appointment by the Librarian of Congress;
 - ii. The remaining Publisher Directors ("Term Publisher Directors") shall be recommended for appointment by a vote of Class B Members. Any recommendation for appointments shall be sent to the Register of Copyrights for approval and appointment. If the Register of Copyrights approves and the Librarian of Congress appoints the Class B Members' recommendation, the recommended individual will become a Board member. For the recommendation of Term Publisher Directors, each Class B Member shall be entitled to one (1) vote for each five one-thousandths of one percent (0.005%) in Licensor Market Share that it is estimated to hold, and may cast all of its votes together for one candidate for each Publisher Director seat to be recommended for appointment. The right to cumulate votes in the recommendation for appointment of Directors shall not exist. Term Publisher Directors shall be recommended to the Register by a plurality of the votes cast. As an example, if two Publisher Director seats are up for recommendation, the two candidates that receive the most total votes from all Class B Member votes cast shall be recommended for appointment. The number of votes possessed by each Class B Member shall be kept strictly confidential subject to the provisions of these bylaws. The Voting Inspector shall be responsible for calculating how many votes each Class B Publisher has based upon Licensor Market Shares and

counting such votes for the respective candidate(s), and shall report the recommendation results only in the aggregate.

(c) The three (3) Nonvoting Directors shall be as follows:

1. Songwriter Trade Group Director: One Nonvoting Director (“Songwriter Trade Group Director”) shall be a representative of a nationally recognized non-profit trade association whose primary mission is advocacy on behalf of songwriters in the United States (“Songwriter Trade Group”). The Songwriter Trade Group Director shall be elected by a vote of all Class A Members, with each Class A Member having one (1) vote. A tie vote shall be broken by a vote of the full Board, or if still tied after such vote, by the vote of the Chair of the Board.
2. Publisher Trade Group Director: One Nonvoting Director (“Publisher Trade Group Director”) shall be the individual occupying the position of Mechanical Licensing Collective Liaison with the nonprofit trade association of music publishers that represents the greatest percentage of the Licensor Market for uses of musical works in Covered Activities, as measured for the preceding three-year period (“Publisher Trade Group”), and shall serve on an *ex-officio* basis. If a Licensor Market Share calculation demonstrates that a different nonprofit trade association of music publishers represents Publishers with the greatest percentage of the Licensor Market for uses of musical works in Covered Activities, such trade association shall then become the Publisher Trade Group as of the next Annual Meeting.
3. Digital Licensee Coordinator Director: One Nonvoting Director (“Digital Licensee Coordinator Director” or “DLC Director”) shall be the individual occupying the position of Mechanical Licensing Collective Liaison with the Digital Licensee Coordinator (“DLC”) and shall serve on an *ex-officio* basis, provided that a DLC is designated pursuant to Section 115(d)(5)(B) of the Act. Otherwise, the DLC Director shall be the individual occupying the position of Mechanical Licensing Collective Liaison with the nonprofit trade association of digital licensees that represents the greatest percentage of the licensee market for uses of musical works in Covered Activities as measured over the preceding three (3) full calendar years (the “Licensee Trade Group” or “LTG”). A determination of which association is estimated to be the LTG shall be provided to the Directors on request by the CEO of the Collective (or, if unavailable, by the Publisher Trade Group Director). Once a DLC is designated, the term of any LTG liaison as DLC Director shall end and the DLC shall be entitled to appoint the DLC Director.

(d) All recommendations to the Register of Copyrights shall be transmitted via written notification to the General Counsel and Associate Register of Copyrights, or as otherwise directed by the Register. Any such notification shall include information explaining the statutory compliance of the recommendation. If the Register rejects

a recommendation, then (i) in the case of a Collective Liaison, the Board may direct the appropriate Class C Member to select a new Collective Liaison, or (ii) in the case of a Term Publisher Director, the Board may recommend for appointment the candidate that received the next highest vote total. In the event that there are no such candidates, the Board may direct the appropriate Nominating Committee to present a new slate of candidates, and may call for another vote of the Members. Notwithstanding anything in these bylaws to the contrary, any individual may be appointed as a Voting Director by the Librarian of Congress upon the recommendation of and in consultation with the Register of Copyrights.

Section 4.3 Term.

The term of office for each appointed Term Publisher Director and Songwriter Director (together, “Term Directors”) shall be three (3) years; provided, however, that a Term Director may be appointed to a shorter term of office for purposes of staggering the terms of the Term Directors such that the terms of one-third (1/3) (or as nearly to one-third (1/3) as possible) of the appointed Term Directors expire each year. There shall be three classes of appointed Term Directors; the initial term of office of those in the first class shall expire at the 2022 Annual Meeting of Members; of the second class at the 2023 Annual Meeting of Members; of the third class at the 2024 Annual Meeting of Members. The term of each Songwriter Trade Group Director shall continue until a vote of the majority of the Class A Members at any Annual Meeting of Members (or by a unanimous written consent of all Class A Members delivered to the full Board) calls for election of a replacement, at which point the term of the Songwriter Trade Group Director shall expire at the next Annual Meeting of Members. Term Directors shall be chosen to succeed those whose terms expire. Each appointed Term Director shall hold office for the term for which the Director is appointed and until the Director’s successor has been appointed and qualified, unless otherwise removed. Term Directors may serve an unlimited number of terms of office.

In the event that a Class C Member ceases to be a Class C Member (as described in Section 2.2 above), then the term of the appointed *ex-officio* Director shall end as of the next occurring Annual Meeting of Members, at which time a Director shall be recommended for appointment to fill that seat pursuant to the procedures of Section 4.2(b)(2)(i) by the new Class C Member.

Notwithstanding anything in these bylaws to the contrary, the Librarian of Congress, upon the recommendation of and in consultation with the Register of Copyrights, may appoint any Voting Director to a different term, and the term of each Voting Director, unless removed or having resigned, shall continue until the Librarian of Congress appoints a replacement upon the recommendation of and in consultation with the Register of Copyrights.

Section 4.4. Replacement of Directors.

Any vacancy occurring in the Board of Directors in the event of the death, resignation, or removal of a Term Director shall be filled as follows: (a) if a vacancy arises for a Term Publisher Director, the remaining Term Publisher Directors shall recommend a replacement Director for appointment by the Librarian of Congress to be made upon the recommendation of and in consultation with the Register of Copyrights; (b) if a vacancy arises for a Songwriter Director, the remaining Songwriter Directors shall recommend a replacement Director for appointment by the

Librarian of Congress to be made upon the recommendation of and in consultation with the Register of Copyrights; (c) if a vacancy arises with respect to the Songwriter Trade Group Director, the Songwriter Directors shall appoint a replacement Director. A Director appointed to fill a vacancy shall serve for the unexpired portion of his or her predecessor's term of office.

Section 4.5 Substitution of *Ex-Officio* Directors.

In the event that a different individual comes to occupy any position that has an *ex-officio* Director seat, such individual shall be recognized as occupying the respective *ex-officio* Director seat upon notice to the Chair or the Secretary by the organization represented by the individual and, with respect to any Voting Director, upon the appointment by the Librarian of Congress made upon the recommendation of and in consultation with the Register of Copyrights.

Section 4.6 Resignation.

A Director may resign at any time by delivering written notice to the Librarian of Congress, the Register of Copyrights, and to the Chair or to the Secretary, or by giving oral notice at any meeting of the Directors so long as notice also is delivered to the Librarian of Congress and Register of Copyrights within three (3) business days. Any such resignation shall take effect at the time specified therein or, if no time is specified, upon delivery. Unless otherwise indicated in the notice of resignation, acceptance of such resignation shall not be necessary for it to be effective.

Section 4.7 Removal.

The Members of the Collective may recommend that any of the Directors be removed for cause by the Librarian of Congress, in consultation with the Register of Copyrights. Except as prohibited by applicable law, the Members entitled to vote in the recommendation for appointment of a particular Director seat may recommend removal of any Director occupying that seat from office at any time, with or without cause, by the affirmative vote of a majority of votes eligible to be cast in the recommendation of that Director, for the approval of the Register of Copyrights and removal by the Librarian of Congress. Cause for removal includes but is not limited to: a Publisher Director ceasing to represent the Publisher that they represented when appointed; a material violation of the conflicts of interest policy or any other policy promulgated by the Board; commission of an act involving moral turpitude, dishonesty, theft, unethical business conduct, or conduct that impairs or injures the reputation of, or harms, the Collective; failure to attend (whether remotely or in person) more than two (2) consecutive Board meetings; failure to fully cooperate in any investigation by the Collective; and failure or neglect to diligently perform the responsibilities of a Director. Notwithstanding anything in these bylaws to the contrary, the Librarian of Congress, upon the recommendation of and in consultation with the Register of Copyrights, may remove any Director occupying any seat from office at any time, with or without cause.

Section 4.8 Board Diversity Report.

At least once every two years, beginning in 2021, the Chair of the Board shall present to the full Board a report on the diversity of the Board ("Board Diversity Report"). This report may be compiled by staff of the Collective, a working group of the Board, a third party, or any other

competent Person, at the discretion of the Chair. The Board Diversity Report should address the extent to which the Board fully and fairly represents the whole music publishing and songwriting communities, and should specifically note any actual or potential concerns or shortcomings. The Board Diversity Report shall address diversity in such areas as gender/race/ethnicity, income, musical genre, geography and expertise/experience. The Nominating Committees may refer to this report and shall make reasonable efforts to ensure a diverse applicant pool when selecting Director and Officer candidates. The Board Diversity Report shall be shared with the Members of the Collective in advance of the subsequent Annual Meeting of Members.

Section 4.9 Notifications to the Librarian of Congress and Register of Copyrights

The Board shall provide notice within three (3) business days, to the Librarian of Congress and the Register of Copyrights, of receiving notice of any of the following events: (a) the resignation of any Director by oral notice at a Board meeting; (b) the resignation, removal or appointment of any Songwriter Trade Group Director, Publisher Trade Group Director, or Digital Licensee Coordinator Director; (c) the resignation, removal or appointment of any members of the Operations Advisory Committee, the Dispute Resolution Committee, or the Unclaimed Royalties Oversight Committee; or (d) the amendment of these bylaws under Article X. In the case of appointments under (b) and (c), notification shall also include information explaining the statutory compliance of the appointment. Any notices to the Librarian of Congress and/or the Register of Copyrights hereunder shall be transmitted via written notification to the General Counsel and Associate Register of Copyrights, or as otherwise directed by the Register or Librarian.

ARTICLE V: BOARD MEETINGS

Section 5.1 Annual and Regular Meetings.

There shall be an Annual Board Meeting and at least one (1) other regular meeting during each calendar year. The Annual and regular meetings of the Board shall be held at such date, time, and place as is determined by the Board.

Section 5.2 Special Meetings.

Special meetings of the Board shall be held upon the call of the Chair of the Board, Vice Chair or upon a written request in writing signed by at least five (5) Voting Directors. The person or persons calling the special meetings shall fix the date, time, and place for such meeting.

Section 5.3 Notice.

Written notice indicating the date, time, and place, if any, of any meeting of the Board, and the means of remote communication by which Directors may be deemed present in person and vote at such meeting, shall be given to all Directors not less than five (5) days prior to the meeting. Meetings may, at the discretion of the Chair of the Board, be held solely by means of remote communication. In the case of a Special Meeting, a description of the purpose or purposes for which the meeting has been called shall be included with the notice. Written notice may be delivered personally or sent by mail, express delivery service, or electronic transmission. If mailed, such notice shall be deemed given when deposited in the U.S. mail, postage prepaid, and addressed to the Director at his or her address as shown on the records of the Collective. If sent by electronic

transmission, such notice shall be deemed given when sent to the Director at the fax number, email address, or other applicable contact information that the Director has provided to the Collective for purposes of communicating with the Director.

Section 5.4 Waiver of Notice.

A Director may waive notice of any meeting at any time. Whenever any notice is required to be given to any Director pursuant to applicable law or these Bylaws, a waiver thereof in writing signed by the Director entitled to notice shall be deemed equivalent to the giving of notice. The attendance of a Director at a meeting shall constitute a waiver of notice of the meeting except where a Director attends a meeting for the express purpose of objecting to the transaction of any business because notice was not properly issued.

Section 5.5 Quorum.

Eight (8) Voting Directors shall constitute a quorum for the transaction of business at any meeting of the Board.

Section 5.6 Manner of Acting.

The vote of a majority of Voting Directors present at a meeting at which a quorum is present shall be the act of the Board, unless otherwise required by law or by these Bylaws.

Section 5.7 Presumption of Assent.

A Director who is present at a meeting of the Board at which action is taken shall be presumed to have assented to the action taken unless such Director's dissent shall be entered in the minutes of the meeting or unless such Director shall file his or her written dissent to such action with the person acting as Secretary of the meeting before the adjournment thereof or shall forward such dissent to the Secretary immediately after adjournment of the meeting. Such right to dissent shall not apply to a Director who voted in favor of such action.

Section 5.8 Presence at Meeting

Directors may participate in any meeting of the Board in person or by means of conference telephone or other communications equipment by means of which all persons participating in the meeting can hear each other, and participation by such means shall constitute presence in person at the meeting.

Section 5.9 Action Without a Meeting.

Any action which is required to be taken, or which may be taken at a meeting of the Board of Directors, may be taken without a meeting if a consent in writing setting forth the action is signed by all of the Voting Directors then in office. Action taken by written consent is effective when the last Voting Director signs the consent, unless the consent specifies a later effective date. Action taken by written consent shall have the same force and effect as a unanimous vote of the Board and may be described as such.

Section 5.10 Compensation.

Directors shall serve without compensation but may be reimbursed for reasonable expenses incurred in conducting the business of the Collective. Written policies promulgated by the Board may authorize, limit or condition such reimbursement of expenses. A person serving as Director may be compensated for services provided to the Collective in another capacity to the extent permitted by law.

ARTICLE VI: COMMITTEES

Section 6.1 Board Committees.

The Board may designate one (1) or more committees, each committee to consist of one (1) or more Directors, that exercise Board authority to the extent provided in the resolution of the Board creating the committee, the Committee Charter established by the Board, or in these Bylaws (each a “Board Committee”); provided, however, that no Board Committee shall have the authority to adopt, amend, or repeal these Bylaws or approve or adopt any action required by the DGCL to be submitted to a corporation’s members for approval, which includes an action to: (a) amend the Collective’s Certificate of Incorporation; (b) approve the sale, exchange, lease, or other disposition of substantially all the assets of the Collective other than in the usual and regular course of the Collective’s activities; or (c) authorize the Collective’s merger with another entity or voluntary dissolution.

The Board may designate one (1) or more Directors as alternate members of any Board Committee, who may replace any absent or disqualified member at any Board Committee meeting. In the absence or disqualification of a Board Committee member, the Board Committee member or members present at any meeting and not disqualified from voting, whether or not such member or members constitute a quorum, may unanimously appoint another Director to act at the meeting in the place of any such absent or disqualified committee member. Each Board Committee shall be governed by the same rules regarding meetings, action without meetings, notice, waiver of notice, quorum, and voting as applicable to the Board, except to the extent that different rules are provided for in the Committee Charter. Each Committee shall operate in accordance with the terms of its Charter established by the Board.

(a) Publisher Nominating Committee

The Board shall establish a Nominating Committee (the “Publisher Director Nominating Committee”), comprised of not less than five (5) Publisher Directors, including at least one Class B and one Class C Publisher, as well as the Publisher Trade Group Director, which shall be responsible for identifying and selecting a slate of candidates for recommendation and appointment of Publisher Directors to the Board and election of publisher members of the Operations Advisory Committee, Unclaimed Royalties Oversight Committee and Dispute Resolution Committee. The members of the Publisher Nominating Committee shall be appointed by the Publisher Directors, and may be removed and replaced by the Publisher Directors, by majority vote at any Board meeting or by a unanimous written consent of all Publisher Directors delivered to the full Board. A tie in voting by Publisher Directors shall be broken by vote of the

full Board, and a tie in voting by the full Board shall be broken by the vote of the Chair of the Board.

(b) Audit Committee

The Board shall establish an Audit Committee comprised of not less than three (3) or more than six (6) Directors, and may include Nonvoting Directors. Beginning in the fourth full calendar year that begins after the initial designation of the Collective as the mechanical licensing collective by the Register of Copyrights under Section 115(d)(3)(B)(i) of the Act, and in every fifth calendar year thereafter, the Audit Committee shall ensure that a qualified auditor is retained by the Collective who shall:

1. Examine the books, records and operations of the Collective;
2. Prepare a report for the Board with respect to the implementation and efficacy of procedures of the Collective (i) for the receipt, handling and distribution of royalty funds, including any amounts held as unclaimed royalties; (ii) to guard against fraud, abuse, waste, and the unreasonable use of funds; and (iii) to protect the confidentiality of financial, proprietary, and other sensitive information; and
3. Not later than December 31 of the year in which the qualified auditor is retained, deliver the report to the Board.

Section 6.2 **Advisory Committees**

The Board may create advisory committees related to the Collective's purposes, operations, or other activities or topics, composed of any individuals determined by the Board to be appropriate for inclusion thereon due to the special skills and knowledge possessed by such persons. Such Committees shall have such responsibilities as may be assigned to them by the Board; provided, however, that the Committees shall be advisory only and that no Committee shall have or exercise any powers of the Board. Each Advisory Committee shall operate in accordance with the terms of its Charter established by the Board.

(a) Statutory Advisory Committees

The following three committees shall be created as described in Section 115 (d)(3)(D)(iv)-(vi) of the Act:

1. Operations Advisory Committee

The Board shall establish an Operations Advisory Committee consisting of not fewer than six (6) individuals to make recommendations to the Board concerning the operations of the Collective, including the efficient investment in and deployment of information technology and data resources. Such committee shall have an equal number of individuals who are: (1) representatives of musical work copyright owners, such individuals to be appointed by the Board; and (2) representatives of digital music providers, such individuals to be appointed by the Digital Licensee Coordinator.

2. Unclaimed Royalties Oversight Committee

The Board shall establish and appoint an Unclaimed Royalties Oversight Committee consisting of ten (10) individuals, five (5) of which shall be Songwriters whose works are used in Covered Activities and five (5) of which shall be representatives of musical work copyright owners. The Songwriter members shall be elected by plurality vote of the Songwriter Directors, subject to subsequent approval by majority vote of the full Board. The musical work copyright owner representative members shall be elected by plurality vote of the Publisher Directors, subject to subsequent approval by majority vote of the full Board.

3. Dispute Resolution Committee

The Board shall establish and appoint a Dispute Resolution Committee that shall consist of no fewer than six (6) individuals and shall include an equal number of Songwriters and representatives of musical work copyright owners. The Songwriter members shall be elected by plurality vote of the Songwriter Directors, subject to subsequent approval by majority vote of the full Board. The musical work copyright owner representative members shall be elected by plurality vote of the Publisher Directors, subject to subsequent approval by majority vote of the full Board.

(b) Songwriter Nomination Committee

The Board shall establish an advisory committee (the “Songwriter Nomination Committee”), which shall assist in identifying candidates to be Songwriter Directors and songwriter members to the Unclaimed Royalties Oversight Committee and Dispute Resolution Committee (“Songwriter Committee Members”). The Songwriter Nominating Committee shall be composed as follows:

1. At least three (3) nationally or regionally recognized not-for-profit organizations that have songwriter representation or advocacy as a significant portion of their mission and operations (“Songwriter Organizations”) shall each appoint one Songwriter member. The Songwriter Organizations shall be selected by the Board, and may be removed and replaced by the Board at any time. Each Songwriter Organization may remove and replace its appointee to the Songwriter Nomination Committee by notice to the Board at any time.
2. Two (2) members shall be Songwriter Committee Members, who shall be appointed by the Songwriter Directors, and may be removed and replaced by the Songwriter Directors at any time, by plurality vote at any Board meeting or by a unanimous written consent of all Songwriter Directors delivered to the full Board. No Songwriter Committee Member shall sit on the Songwriter Nominating Committee for nominations concerning an election in which they are a candidate.

The Songwriter Nominating Committee shall nominate no fewer than two and no more than three candidates for each available Songwriter Director seat, where each candidate may be selected for any of the available Songwriter Director seats. When the Songwriter Trade Group Director is to be elected, the Songwriter Nominating Committee shall nominate no fewer than two and no more than three qualified organizations as candidates for the Songwriter Trade Group

Director position. For each available Songwriter Committee Member seat, the Songwriter Nominating Committee shall nominate no fewer than two and no more than three candidates, where each candidate may be chosen for any of the available Songwriter Committee Member seats on the same committee. The Songwriter Nomination Committee may also provide a slate of up to three (3) alternate candidates for each of the Unclaimed Royalties Oversight Committee and Dispute Resolution Committee, to be valid for one year. In the event that a vacancy occurs in a Songwriter seat on these committees, the Songwriter Directors may fill the vacancy (i) by majority vote selecting a candidate from any valid slate of alternate candidates for the respective committee; or (ii) by convening the Songwriter Nominating Committee to provide a new slate of candidates and voting as provided herein. Notwithstanding anything else in this provision, if the Songwriter Nomination Committee becomes deadlocked over approval of candidates for any position, it shall include candidates that receive the vote of each distinct group of three members, and may enlarge the slate of candidates to four candidates (per available seat) in order to facilitate this inclusion. The Collective will provide on its website a page where the public can submit suggestions for Songwriter Directors and Songwriter Committee Member candidates, and suggestions that come through the MLC website shall be forwarded to the Songwriter Nominating Committee for its consideration.

ARTICLE VII: OFFICERS

Section 7.1 The Officers.

The Officers of the Collective shall be a Chair of the Board, a Vice Chair, a Secretary, a Treasurer (together the “Board Officers”), as well as a Chief Executive Officer and such other Officers and Assistant Officers as may be deemed necessary by the Board and selected in accordance with this Article. A Director or an employee of the Collective may serve as an Officer and any two (2) or more offices may be held by the same person. However, no Officer shall be another employee or agent of any Director or entity represented by a Director. In addition to the powers and duties specified below, the Officers of the Collective shall have such powers and perform such duties as the Board may prescribe.

Section 7.2 Election and Term of Office.

Each Board Officer of the Collective shall be elected by the Board at its Annual Meeting and shall serve for a term of two (2) years, with no term limits. Any vacancy in an office may be filled or new offices created by the Board at any time. A Board Officer elected to fill a vacancy shall serve for the unexpired portion of the predecessor’s term of office. Each Board Officer shall hold office until a successor has been duly elected and qualified. The Chief Executive Officer and any other additional Officers shall be appointed by the Board, and shall serve until removed or replaced by the Board.

Section 7.3 Resignations.

An Officer may resign at any time by delivering written notice to the Board, the Chair or the Secretary. Any such resignation shall take effect at the time specified therein, or, if no time is specified, upon delivery. Unless otherwise indicated in the notice of resignation, acceptance of such resignation shall not be necessary for it to be effective.

Section 7.4 Removal.

Any Officer or agent elected or appointed by the Board may be removed by a majority vote of the entire Board whenever in its judgment the best interests of the Collective would be served thereby.

Section 7.5 Chair

The Chair of the Board shall, if present, preside at all meetings of the Board. The Chair may sign and execute in the name of the Collective any deeds, mortgages, bonds, contracts, and other instruments, except in cases where the signing and execution thereof shall be expressly delegated by the bylaws to some other Officer or agent of the Collective, or shall be required by law otherwise to be signed or executed, or shall conflict with the purposes of the Collective or the authority granted to the Chair by the Board; and in general, shall perform all duties incident to the Chair of the Board and such duties as from time to time may be assigned by the Board.

Section 7.6 Vice Chair.

In the absence or inability to act of the Chair, the Vice Chair shall act as Chair and shall have such other duties as from time to time may be assigned by the Board or by the Chair.

Section 7.7 Secretary.

The Secretary shall cause to be kept the minutes of the meetings of the Board and of Board Committees in one or more books provided for that purpose; see that all notices are duly given in accordance with these Bylaws or as required by law; be custodian of the corporate records; and in general perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned by the Board or by the Chair.

Section 7.8 Treasurer.

The Treasurer shall have custody of all funds and securities of the Collective, and shall keep, or cause to be kept, full and accurate records of all receipts and disbursements in the financial records of the Collective, and deposit or cause to be deposited all such monies in the name of the Collective in such banks, trust companies or other depositories as shall be selected in accordance with these Bylaws; and in general perform the duties incident to the office of Treasurer and such other duties as from time to time may be assigned by the Board or by the Chair.

Section 7.9 Chief Executive Officer (“CEO”).

The CEO shall, subject to the supervision and direction of the Board, have general responsibility for implementation of the policies of the Collective and for the management of the business and affairs and daily operation of the Collective. The CEO shall be authorized to execute any contract or other instrument in the name of the Collective, except in cases where the execution thereof shall be otherwise expressly delegated by the Board or shall be required by law to be otherwise executed, and subject to any express limitations placed on such power by the Board. The CEO shall keep the Board fully informed and shall consult the Board concerning the business of the Collective, shall perform all other duties normally incident to the office of CEO, and shall

have such other powers and perform such other duties as may be prescribed by the Board from time to time.

Section 7.10 Agents and Employees.

The Board may appoint agents and employees who shall have such authority and perform such duties as may be prescribed by the Board. The Board may remove any agent or employee at any time with or without cause. Removal without cause shall be without prejudice to such Person's contract rights, if any, and the appointment of such Person shall not itself create contract rights.

Section 7.11 Compensation of Officers, Agents and Employees.

The Collective may pay reasonable compensation to agents, employees, and any Officers who are not Directors, for services rendered, such amount to be fixed by the Board or, if the Board delegates power to any Officer or Officers, then by such Officer or Officers.

ARTICLE VIII: RELIANCE, LIMITATION ON LIABILITY, INDEMNIFICATION

Section 8.1 Reliance

In performing duties, each Director shall be fully protected in relying in good faith upon the records of the Collective and upon such information, opinions, reports or statements presented to the Collective by any of the Collective's officers or employees, or committees of the Board, or by any other Person as to matters the Director reasonably believes are within such other Person's professional or expert competence and who has been selected with reasonable care by or on behalf of the Collective.

Section 8.2 Limitation of Liability.

Neither the Members nor any Director of the Collective shall be personally responsible for monetary damages for any action taken, or any failure to take any action, provided however, that this provision shall not eliminate or limit the liability of any Member or Director to the extent that such elimination or limitation of liability is expressly prohibited by applicable law, as in effect at the time of the alleged action or failure to take action by such Member or Director.

Section 8.3 Preservation of Rights.

Any repeal or modification of this Article VIII shall not adversely affect any right or protection existing at the time of such repeal or modification to which any Member, Director or former Member or Director shall be entitled under this Article VIII. The rights conferred by this Article VIII shall continue as to any Person who has ceased to be a Member or Director of the Collective and shall inure to the benefit of the successors, heirs, executor, and administrators of such Person.

Section 8.4 Indemnification

(a) The Collective shall indemnify any Person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil,

criminal, administrative or investigative by reason of the fact that such Person is or was a Director or Officer of the Collective, or is or was serving any other corporation or any partnership, joint venture, trust or other enterprise, in any capacity at the request of the Collective, to the fullest extent and in the manner set forth in and permitted by the DGCL, as from time to time in effect. Such right of indemnification shall not be deemed exclusive of any other rights to which such Director or Officer may be entitled apart from the foregoing provisions.

(b) The Collective shall pay expenses (including attorneys' fees) incurred by a Director or Officer of the Collective referred to in Section 8.4(a) of this Article VIII in defending or appearing as a witness in any civil or criminal action, suit or proceeding described in Section 8.4(a) of this Article VIII in advance of the final disposition of such action, suit or proceeding. The expenses incurred by such Director or Officer shall be paid by the Collective in advance of the final disposition of such action, suit or proceeding only upon receipt of an undertaking by or on behalf of such Director or Officer to repay all amounts advanced if it shall ultimately be determined that the Director or Officer is not entitled to be indemnified by the Collective (which undertaking need not be further secured).

(c) The foregoing provisions of this Article VIII shall be deemed to be a contract between the Collective and each Director and Officer who serves or served in such capacity at any time while this Article VIII and the relevant provisions of the DGCL, if any, are in effect, and, except to the extent otherwise required by law, any repeal or modification thereof shall not affect any rights or obligations then existing or thereafter arising with respect to any state of facts then or theretofore existing or thereafter arising or any action, suit or proceeding theretofore or thereafter brought or threatened based in whole or in part upon any such state of facts.

(d) The Board in its discretion shall have power on behalf of the Collective to indemnify and/or defend any Person, other than a Director or Officer, made a party to any threatened, pending or completed action, suit or proceeding by reason of the fact that such Person is or was an employee of the Collective.

(e) The Board in its discretion shall have the power to purchase and maintain insurance in accordance with, and subject to, the provisions of Section 145 (g) of the DGCL.

ARTICLE IX: MISCELLANEOUS PROVISIONS

Section 9.1 Contracts and Other Documents.

The Board may, except as otherwise required by law, the Certificate of Incorporation, or these Bylaws, authorize any Officer or Officers, agent or agents of the Collective, in addition to the Chair, to enter into any contract or execute and deliver any instrument or document in the name of and on behalf of the Collective and such authority may be general or confined to specific instances. Unless so authorized by the Board or expressly authorized by the Board, no Officer or agent or employee shall have the power or authority to bind the Collective by any contract or engagement, or to pledge its credit, or to render or liable for any purpose or in any amount.

Section 9.2 Checks, Drafts, Loans, Etc.

All checks, drafts, loans or other orders for the payment of money, notes or other evidence of indebtedness issued in the name of the Collective shall be signed by such Officer or Officers, agent or agents of the Collective and in such manner as shall be from time to time determined by the Board. In the absence of such determination, such instruments shall be signed by the Treasurer. The Board may accept on behalf of the Collective any contribution, gift, bequest or devise for the general purpose or for any special purpose of the Collective.

Section 9.3 Deposits

All funds of the Collective not otherwise employed shall be deposited from time to time to the credit of the Collective in such banks, trusts, or other depositories as the Board may select or as may be selected by Officers, agents or employees of the Collective to whom such power may from time to time may be delegated by the Board, and for the purpose of such deposit. The Chair, Vice Chair, Treasurer or any other Officer, agent or employee to whom such power may be delegated by the Board, may endorse and deliver checks, drafts and other orders for the payment of monies which are payable to the order of the Collective.

Section 9.4 Books and Records.

The Collective shall keep correct and complete books and records of account and shall also keep minutes of the proceedings of its Board and the proceedings of its Statutory Advisory Committees.

Section 9.5 Fiscal Year.

The financial year of the Collective shall end on December 31st.

Section 9.6 Corporate Seal.

The Collective shall have no corporate seal.

ARTICLE X: AMENDMENT OF BYLAWS

These Bylaws may be altered, amended or repealed and new Bylaws may be adopted by a majority vote of the entire Board or an action by the Members of the Collective, with the exception of Article II and Article IV of these bylaws. The provisions of Article II or Article IV of these bylaws (and related definitions) may only be altered, amended or repealed by the affirmative vote of a majority of all Members, which vote must also include the affirmative vote of a majority of Class A Members, the affirmative vote of a majority of Class B Members, and the affirmative vote of a majority of Class C Members. Notwithstanding anything in these bylaws to the contrary, no alteration, amendment, or repeal of these bylaws shall affect the process for succession or removal of Directors by the Librarian of Congress upon the recommendation of the Register of Copyrights, without prior review and approval by the Register of Copyrights.

----- END OF BYLAWS -----