



STATUTES

of

THE INTERNATIONAL OPTICAL DISC REPLICATORS ASSOCIATION ("IODRA")

Article 1 - Name

The Association is created under the name of

THE INTERNATIONAL OPTICAL DISC REPLICATORS ASSOCIATION

in accordance with Articles 60 to 79 of the Swiss Civil Code and shall be a non-profit organisation.

Article 2 - Objects

To represent the interests of the Members in connection with the technologies necessary for their business activities and for the benefit of the consumers and to develop agreed standards and for such other matters as the Members may determine from time to time.

Article 3 - Registered office

The registered office of the Association shall be in Geneva.

Article 4 - Organisation

The governing bodies of the Association are :

- a. The General Meeting.
- b. The Board.

- c. The Officers.
- d. The Auditors.

The General Meeting

The General Meeting is the supreme authority of the Association.

The Board convenes the General Meeting.

The General Meeting shall be charged with :

- i. Approving the balance-sheet and profit and loss account of the Association for the last financial year, together with the written report of the Chairman.
- ii. Modifying the Statutes.
- iii. Dismissing a Board Member for serious material grounds.
- iv. Choosing the Auditors.
- v. Proposing any matter that it chooses.
- vi. Dealing with such other issues according to the Statutes.
- vii. Deciding upon the dissolution of the Association.

The General Meeting is held at least once a year. Special Meetings can be called for by the Board or by 10% of the Members, but not fewer than 10 Members.

The General Meeting shall be convened by written notice at least 30 days prior to the date of the Meeting. It shall be held in Geneva unless the Board proposes otherwise or the previous General or Special Meeting determines otherwise.

The notice shall clearly indicate the agenda to be discussed. Where any modification of the Statutes shall be involved, the proposed new text must be circulated 30 days before the General Meeting.

Each Full Member disposes of one vote.

Associate Members have no vote.

The General Meeting shall only be able to deliberate if at least 10% of the Members, but not fewer than 10 Members, are present.

Proxies are authorised for Full Members.

The decisions of the General Meeting shall be legitimately taken by a simple majority of the present or represented Full Members, except in the case of modification of the Statutes, merger or dissolution, where a 2/3 majority of the present or represented Full Members will be required.

A Member who has not settled its Annual Membership Fee, including the one of the current year, up to the opening of the General Meeting, cannot take part in the votes, nor be elected.

The Board

Members of the Board

The Association shall have a Board comprising of a representative of all Full Members paying an annual fee of an amount equal to or in excess of one-quarter (25%) of the Maximum Annual Membership Fee and also comprising of four (4) representatives of all other Full Members who shall be voted upon by such other Full Members from time to time.

The Chairman and the Secretary shall be ex-officio Members of the Board in any event and may or may not represent in addition any Member of the Association.

Board Meetings and Decisions

The Chairman of the Association shall convene a meeting of the Board at least four times per year on at least 21 days notice given to all Board Members.

The 21 days notice can be shortened or waived by a simple majority of the Members of the Board.

The Board may meet in such locations as seem convenient and Board Members may participate by telephone or video conference link.

The Board may also take decisions by way of circulation of fax messages.

A quorum of at least one-third of the Board Members eligible to attend and vote shall be required for the Board Meetings to be validly held.

Each Member of the Board shall have one vote and there shall be no Chairman's casting vote.

If the Chairman of the Association is not able to attend a Board meeting the Board Members present shall elect a Chairman for the meeting amongst themselves.

Each Board Member may appoint an alternate to attend and vote at Board meetings.

The Board may invite any other person to attend and participate in its discussions but such persons shall not vote.

Powers of the Board

The Board is entitled to deal with any issue except those assigned by the Statutes to the General Meeting.

The Board has the power to make any rules which it seems to the Board will improve the functioning of IODRA and the opportunity of better serving the Members.

The Board will determine the banking arrangements of the Association.

The Board may vote to change the manner in which it is composed at any time but this shall be subject to ratification in due course by the Full Members of the Association at the General Meeting.

The Board may delegate such of its business as it wishes to committees which shall meet and function as the Board may determine from time to time.

The Officers

The Association shall have a Chairman and a Secretary who shall hold office upon terms determined by the Board of the Association from time to time.

The Chairman shall preside at Board meetings of the Association.

The Auditors

The accounts of the Association will be audited once a year by a firm of auditors chosen by the General Meeting.

The Board may recommend a firm of auditors to the General Meeting.

The first auditors of the Association will be OFOR SA, Geneva.

Article 5 -Membership

The Association shall have Full Members and Associate Members.

Full Members

The Full Members of the Association are those accepted by The Board from time to time.

They must be engaged in the manufacture of pre-recorded optical discs in quantities for commercial sale and hold technology licenses appropriate and necessary for their business activities.

Associate Members

The Board may accept Associate Members who, whilst otherwise qualifying for membership, are engaged in the licensing of primary optical disc patents in several major markets.

All Members are exonerated from any personal liability as to commitments validly entered into by the Association.

Member Applications

The applications for membership shall be submitted in writing to the Board.

The Board is empowered to consider the applications and accept or reject them.

Membership may be refused without stating the reasons for such refusal.

Member Termination

Membership in IODRA shall be terminated :

- a. By resignation of the member, which must be addressed in writing to the Board.

There will be no Membership Fee refund in case of resignation.

- b. By the dissolution or bankruptcy of the member.

There will be no Membership Fee refund in such a case of termination.

- c. Through expulsion pronounced by the Board, which may be without stating any reasons.

There will be in such a case a pro-rata refund of the Membership Fee.

Membership Categories and Annual Membership Fees

From time to time the Board shall determine the Annual Membership Fee and a Minimum Annual Membership Fee and a Maximum Annual Membership Fee. The present Annual Membership Fee shall be determined by reference to the number of CD mould and DVD moulds used by each Full Member for pre-recorded disc replication at the end of the calendar year prior to the membership year and shall be the sum of USD 300 for each CD mould and USD 600 for each DVD mould

(aggregating all of the sites of the Full Member) with a Minimum Annual Membership Fee of USD 2,000 and a Maximum Annual Membership fee of USD 40,000.

Membership shall start immediately after notification of acceptance to the applicant and upon payment of the related financial obligations.

The Membership Year will be the calendar year.

The Board may, from time to time, change, add and delete Membership categories and change the amounts of the Annual Membership Fees.

Article 6 - Means of the Association

The income of the Association shall arise from :

Membership fees decided by the Board from time to time.

Such other activities as determined from time to time by the Association (organisation of conferences, sale of brochures, books, etc.).

Article 7 - Accounts

The financial year of the Association shall start on the 1st of January and end on the 31st of December.

The balance-sheet and profit and loss account shall be drawn up annually at the end of the financial year.

The Board or the Auditors may demand interim balances, statements of accounts, etc., at any time and as frequently as they deem it necessary.

Article 8 - Dissolution and winding up of the Association

The dissolution of the Association shall intervene by operation of law or be decided by the General Meeting.

The surplus assets, after payment of the outstanding debts, shall be distributed in equal parts to such Full and Associate Members as are Members of the Association on the day of the dissolution.

The provisions stated in articles 60 to 79 of the Swiss Civil Code or any other related Swiss legal stipulations will apply to any issues which have not been otherwise dealt with in these Statutes.

These Statutes are written in English and in French. In the event of any inconsistency between the two versions, then the English version shall prevail.

Modified : November 4, 2004