

Mandating powers by the General Members' Meeting to the Council of Rights Owners

Background information

Under Article 30, Paragraph 2 of BumaStemra's Articles of Association, the General Members' Meeting (GMM) can mandate certain approval decisions to the Council of Rights Owners. By mandating specific powers, BumaStemra can respond more quickly to new market developments without having to wait for the annual GMM. This enables BumaStemra to act more effectively on behalf of BumaStemra's rightsholders, and it allows the GMM to focus on the more substantive issues.

The preconditions for this mandate are:

- Maximum term of three years.
The GMM may mandate its authority to the Council of Rights Owners for a maximum period of three years.
- Limited scope of mandating powers.
Not all powers vested in the GMM can be mandated to the Council of Rights Owners. Article 30, Paragraph 2 of BumaStemra's Articles of Association states that only approval decisions regarding electronic voting rules (sub a) and Distribution Rules (sub f) can be mandated in whole or in part to the Council of Rights Owners. With regard to the Distribution Rules, it is worth noting that the Distribution Rules broadly describe the BumaStemra distribution process. The mandate only relates to amendments to the Distribution Rules themselves. However, much of the distribution falls under the implementation policy. This implementation policy falls under the responsibility of the Management Board, with an advisory role for the Council of Rights Owners. The Distribution Committee is currently shaping this advisory role. The advice given here often results in a change in the implementation policy rather than Distribution Rules.
- Unanimous decision.
The Council of Rights Owners is required to reach a unanimous decision based on the GMM's mandate decision. Given that the Council of Rights Owners will assume responsibility of the GMM, the entire Council of Rights Owners should be in favour of the decisions taken, hence the need for unanimous voting. If the Council of Rights Owners cannot reach a unanimous decision, the issue can still be submitted to the GMM.

The GMM may revoke a mandating power granted at any time through a subsequent GMM decision. For instance, if after two years it turns out that the mandate power is not working out as expected, the GMM can (despite the three-year term) revoke the mandate through a GMM decision.

The mandate in force dated 2 June 2021:

Based on Article 30, Paragraph 2 of the Buma and Stemra Articles of Association, the GMM granted the following mandate to the Council of Rights Owners on 2 June 2021:

For the next three years, the Council of Rights Owners has the full mandate regarding approval decisions relating to amendments to the electronic voting rules.

For the next three years, the Council of Rights Owners has a limited mandate regarding approval decisions relating to amendments to the Buma and Stemra Distribution Rules, limited as follows:

- Approval decisions regarding technical changes to the Buma and/or Stemra Distribution Rules, the amendment of which does not lead to a shift in the distributions made to rightsholders.
- Approval decisions regarding textual amendments to the Buma and/or Stemra Distribution Rules, the amendment of which does not lead to a shift in the distributions made to rightsholders.
- Approval decisions that relate to rewriting the BumaStemra Distribution Rules, in accordance with actual practice, the amendment of which does not lead to a shift in the distributions made to rightsholders.

This mandate is in effect until 2 June 2024.