

## **Distribution rules Stichting Stemra**

as referred to in Article 30 (2) of the Articles of Association of the Stemra Foundation, as last amended at the meeting of members on 15 May 2024, which amendments have been approved by the Supervisory Board for Copyrights on 1 August 2024.

Non-binding translation. For information purposes only.

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## Distribution rules Stichting Stemra

### Definitions

#### Article 1

For the purposes of these Regulations and the Annexes thereto, the following definitions shall apply:

- a. **Stemra**: the Stemra Foundation, established in Amstelveen;
- b. **Buma**: the Buma Association, established in Amstelveen;
- c. **mechanical reproduction rights**: the rights and/or claims under law, treaty or statutory regulation, anywhere in the world, to which the author or his successors in title are entitled with regard to the recording of copyrighted works on sound and/or image carriers and/or the reproducing or having reproduced on sound and/or image carriers of recorded works and/or making them available to third parties, all in the broadest sense of the word and irrespective of the manner in which the recording and/or reproduction and/or making available takes place;
- d. **label information**: the notification by a producer containing the details relating to a particular sound and/or image carrier, in particular with regard to the works which are or will be produced mechanically on it;
- e. **work**: work of literature, science or art;
- f. **repertoire**: the total of the works in respect of which a natural or legal person, who at the time of the conclusion of the exploitation contract holds the mechanical reproduction rights or has the right to payment under the mechanical reproduction rights, and all the works which he will make during the term of the contract or in respect of which he will acquire either mechanical reproduction rights or a right to payment under the mechanical reproduction rights during the term of the contract;
- g. **permission**: any authorisation or permit granted by or on behalf of the rightsholder(s) to make changes to or additions to a work as well as the permission granted by an authorised publisher to sub-publish a work published by him;
- h. **author**: composer, lyricist and any other natural person who is the author of a work;
- i. **participant**: the relevant person in the case of mechanical reproduction rights, who has concluded an exploitation contract with Stemra either in the capacity of author, or his successor in title, or in the capacity of publisher or publishing company;
- j. **licence**: the copyright permission granted by Stemra to third parties to mechanically reproduce works from its repertoire.
- k. In accordance with Article 2(v) of the Articles of Association, 'assignee' means:
  - a. a natural person who has obtained mechanical reproduction rights under inheritance law (i.e. as heir or legatee) from an author,
  - b. successive heirs and/or legatees,
  - c. a Dutch private or public limited company, or a foreign capital company, of which an author or his named legal successor holds at least ninety percent (90%) of the issued registered shares. The articles of association of the above-mentioned company must state that the company is the successor in title to the entire repertoire of the author,
- d. other legal entities that meet the conditions in regulations to be adopted by the Board.

### General

#### Article 2

These regulations govern the distribution and payment of the monies received by Stemra under mechanical reproduction rights. They are called the Distribution rules.

#### Article 3

1. The mechanical reproduction rights fees invoiced by Stemra to users during any financial year, after deduction of any provisions for irrecoverable amounts, taking into account the nature of the recording and/or distribution of the works and the origin of the funds, accounted for as copyright fees to be paid, shall be subdivided into a number of categories.

- The nature and number of these categories shall be determined in the context of the budget process, taking into account the provisions of Article 6 of these rules.
2. Stemra shall withhold administration fees from the justified collection amounts as described in the previous paragraph.  
These administration fees, together with other income of the Foundation such as annual contributions, the normative return on any investments and other financial income, serve to cover the management costs and financial expenses of the Foundation.
  3. The administrative fees to be withheld referred to in paragraph 2 shall be fixed annually per category for music use in the relevant financial year as part of the budget process. The normative return on any investments referred to in paragraph 2 shall also be determined annually as part of the budget process with the aim of distributing the return on any investments to rightsholders in a balanced manner. As a result of differences between budgeted and actual results, surpluses or deficits in cost coverage arise from year to year and are added to or withdrawn from a provision. In principle, this concerns temporary differences, since the Foundation has no profit motive. The provision serves as a buffer to compensate for these differences. Since an addition to the provision is recorded at the expense of the operating result – and a withdrawal in favour of the operating result – the annual operating result is null.
    - a. If the total of the actual income (the withheld administration fees, any investment result and the other income) provides surplus to fully cover the management costs – resulting in a surplus on cost coverage – this surplus is added to the provision at the expense of the operating result.  
If the range of this provision determined by the Board is exceeded as a result, the Board will include the amount of the excess in the next budget process with the aim of restoring the provision to within the determined range within three to five years. In occasional cases, in the event of a more structural exceedance of the established range, the Board will make a proposal to the members' meeting at the same time as offering the financial statements.
    - b. If the total of the actual income (the withheld administration fees, the possible investment result and the other income) does not fully cover the management costs – resulting in a deficit on cost recovery – this deficit is withdrawn from the provision in favour of the operating result. If this falls below the range determined by the Board, the Board will include the amount of the shortfall in the next budget process with the aim of restoring the provision to within the established range within three to five years. In occasional cases, in the event of a more structural undershooting of the established bandwidth, the Board will make a proposal to the meeting of members at the same time as offering the financial statements.

## Principles

### Article 4

1. The distribution is based on the principle that the mechanical reproduction rights fees invoiced by Stemra must also have been received. Insofar as these received mechanical reproduction rights funds concern (conditional) advances, the Board may lay down further rules with regard to reservations of the part to be distributed.
2. The funds available for distribution shall consist of the mechanical reproduction rights funds referred to in paragraph 1, less:
  - a. withheld administration fees, as set out in Article 3.
  - b. any reservations on (conditional) advances, as set out in paragraph 2.
  - c. any reservations to be determined by the Board for each category for yet unidentified music use.
3. The funds available for distribution referred to in paragraph 2 shall be allocated separately for each category and paid to those listed in Annex I as participants in the proceeds from the work.

### Article 5

1. Participants shall be obliged to register their works in the manner described in Annex II.
2. In the case of works not registered in the manner described in Annex II, the relevant participants shall not be entitled to payment. Stemra is nevertheless authorised to pay the relevant participants on the basis of label information, programme statements and/or notifications from other participants and/or other unambiguous data. The obligation of the participant set out in paragraph 1 of this article shall nevertheless remain.

3. The basis for the distribution shall be the label information made available to Stemra by producers of sound and /or video recordings, the radio and television programme statements made available to Buma and Stemra pursuant to the agreements between Buma and Stemra on the one hand and broadcasting organisations on the other, and the other information relating to the fixation and/or distribution of works obtained by Stemra.
4. Label information or other statements whose accuracy is doubtful in the opinion of the Board may be excluded from the distribution and payment. In that case, the Board shall take measures to obtain the correct information, unless it has reasonable grounds to believe that:
  - a. the costs attributable to the necessary measures will be disproportionate to the possible revenues for the relevant participants;
  - b. there is any form of involvement of one or more of the relevant participants in the creation of the incorrect data.

## Distribution

### Article 6

The share of any work in the amount available for distribution, as set out in Article 3, shall be calculated as follows:

#### A. Sound and/or image carriers intended for trade

With regard to the amount relating to licences for sound and/or image carriers intended for trade, the amount for each sound and/or image carrier shall be allocated separately among and paid to the participants listed in Annex I for the works mechanically reproduced on that sound and/or image carrier, in accordance with their share in the duration of the whole. The Board may decide to deviate from the distribution in accordance with the share in the duration with regard to a particular sound carrier and/or image carrier.

#### B. Works intended for broadcasting organisations

With regard to the monies received from broadcasting organisations, relating to works recorded by those organisations for the benefit of their radio and television broadcasts, these monies shall be allocated and paid in the manner described in the distribution rules as referred to in Article 30 (2) of the Stemra articles of association, with the understanding that the provisions of Annex III shall apply mutatis mutandis to the distribution among the share-rightsholders.

#### C. Online categories

1. In the case of a general licence, the proportion of a work consists of the average amount per stream and/or download times the number of times that the work has been streamed or downloaded, irrespective of the actual/declared duration of the work. The average amount per stream and/or download is determined by dividing the total amount available for distribution under the collection associated with those licence(s) by the total number of streams and/or downloads under those licence(s), unless the provisions of point c apply.
2. In the case of a licence specified per work, the amount available for distribution per work licensed or per group of works shall be allocated among and paid to the participants in that work or group of works, irrespective of the actual/declared duration of the work.
3. If, in the opinion of the Board, a general licence as referred to under a involves:
  - a. relatively small licence proceeds and the distribution thereof, as described above under a, is not considered justified in the opinion of the Board due to cost/benefit considerations, then the entire licence proceeds will be allocated to the share-rightsholders on the basis of the reference repertoire determined in consultation with the Board, or in a manner to be determined by the Board.
  - b. if so much work is required – in terms of processing program data, completing copyright data of works and the like – to be able to distribute the entire licence amount that, in the opinion of the Board, for cost/benefit considerations, it is not considered justified to distribute the entire licence amount, then
    - i) both the work already completed and the work still to be completed, for which the proportion of the work to be completed exceeds a certain amount, shall be allocated in accordance with the provisions of subparagraph a above; and
    - ii) the remaining unallocated amount shall be allocated among the share-rightsholders on the basis of the reference repertoire determined in consultation with the Board or in a manner to be determined by the Board.

#### D. Other licence categories

With regard to the amount relating to other funds received under licences or under compensation

claims for the recording and/or distribution of works, the procedure will be as far as possible in accordance with the provisions under A (sound and/or image carriers intended for trade). If, in the opinion of the Board, this is not possible, this amount, insofar as no other provisions are made in the context of the financial statements, is credited to the operating account.

**E. Home copying and Lending right**

With regard to the amount received in connection with the reimbursement claims arising from home copying, lending or renting out, distribution takes place on the basis of targeted market surveys of the recording behaviour or the lending and/or renting behaviour and using the available information from the distributions referred to under a and b of this article. The amount received in connection with the claims for compensation arising from home copying shall also be allocated in accordance with the provisions of Annex IV. The amount received in connection with the claims for compensation under the lending right shall also be allocated in accordance with the provisions of Annex V.

**Article 7**

1. The income per work calculated in accordance with Article 6 shall be allocated among the share-rightsholders listed in Annex I in accordance with the allocated keys set out in Annex III. This distribution shall take place irrespective of any deviating agreements made between the parties concerned unless these regulations themselves create the possibility of a deviation.
2. In the event of conflicting claims to a share in the work, the Board is entitled to suspend payment of that share until the parties have reached an agreement or until a binding decision has been submitted to it by one of the parties.

**Basic payout**

**Article 8**

1. If the total Buma and Stemra settlement to a share-rightsholder in any year is less than an amount to be determined periodically jointly by the boards of Buma and Stemra, each share-rightsholder shall receive annually, as compensation for the performances, broadcasts and/or mechanical recordings not included in the distribution in that year, a supplement to said amount. The condition is that the annual contribution has been paid.
2. If the annual contribution in any year is zero, the shareholder shall not receive the basic payout referred to in paragraph 1.
3. The Board may make similar arrangements for sister organisations.

**Payments**

**Article 9**

1. All payments by Stemra shall be made in Dutch currency. Stemra shall have the right to charge participants the bank charges for payments made to those participants.
2. At times to be determined by the Board, an amount shall be paid periodically to the share-rightsholder participants on the basis of the funds received in the financial year as these have been entered to the accounts stated in and in accordance with Articles 3, 4 and 6.

**Minimum payments**

**Article 10**

1. Payment to a participant shall only take place if the proceeds in his favour exceed a minimum amount to be determined periodically by the Board per settlement. This minimum amount may also be 0 (null) euros.
2. Unpaid amounts shall be credited to the operating account.

**Article 11**

1. Funds received by virtue of mechanical reproduction rights from sister organisations as referred to in Article 4 (3) of the articles of association shall not be subject to the provisions of these Rules and their Annexes, subject to the allocated keys provided in Annex III, taking into account shares

- already withheld by those organisations, and subject to the provisions of Article 11 (2) and (3).
2. With regard to the funds referred to in paragraph 1, Stemra shall distribute the relevant amounts available for distribution as referred to in Article 4 to the Participants and Non-participants as referred to in Article 12 (1) no later than six (6) months after receipt of these funds, unless objective reasons prevent Stemra or, where applicable, its participants from complying with this deadline.
  3. Payment with regard to the funds referred to in paragraphs 1 and 2 shall be made with due observance of rules to be determined by the Board.

## Article 12

1. For the purposes of this Article 12, the following definitions apply:
  - a. **CBO**: a collective management organisation established in the Netherlands which is authorised by law or by means of transfer, licensing or another agreement by more than one rightsholder with the main purpose of managing copyrights for one or more of them, in the common interest of these rightsholders and which is controlled by its members or is set up for non-profit purposes;
  - b. **Sister organisation**: means the foreign organisation referred to in Article 4 (3) of the articles of association;
  - c. **Share-rightsholder**: the party referred to in Article 1 (1) of Annex 1 as entitled to a share of the proceeds from a work that is a Participant of Stemra or that is represented by a CBO or by a Sister organisation;
  - d. **Non-share-rightsholder**: the party referred to in Article 1 (1) of Annex 1 as entitled to a share of the proceeds from a work that is not a Participant of Stemra and is not represented by a CBO and not represented by a Sister organisation;
  - e. **Supervision Act**: Supervision and Dispute Resolution Act for Collective Management Organisations for Copyright and Related Rights applicable from 26 November 2016;
  - f. **Unallocated Amounts**: Amounts due to Participants and Non-Participants shall be considered as Non-allocable or Non-Payable Funds (unallocated amounts) if these amounts cannot yet be allocated three years after the end of the financial year in which Stemra collected these funds and if Stemra has taken all necessary measures to identify and locate participants and Non-participants as referred to in paragraphs 4 and 5 and which cannot be added to the reservation for social and/or cultural and/or educational purposes as referred to in Article 30 (4) of the articles of association or, due to the maximum percentage being reached, cannot be added to the reservation for social and/or cultural and/or educational purposes as referred to in Article 30 (4) of the articles of association, unless these amounts are reserved for claims of Non-participants as referred to in paragraphs 7a and 7b.
2. Stemra shall distribute the amounts available for distribution as referred to in Article 3 as soon as possible and in any case no later than nine (9) months after the end of the financial year in which the funds have been collected by Stemra to the Participants and Non-participants, unless objective reasons, or Stemra's participants, prevent Stemra from doing so.
3. Amounts due which cannot be allocated among rightsholders within the period specified in the second paragraph (9 months), because the relevant rightsholders cannot be identified or located, shall be recorded separately in Stemra's accounts, unless the exception applies to the period specified in paragraph 2.
4. No later than three months after the expiry of the period referred to in the second paragraph (9 months), Buma shall publish information on funds relating to protected material for which one or more Participants and Non-participants have not been identified or located to Participants and to CBOs or Sister organisations with which a representation agreement has been concluded. Where available, the information referred to above shall include the following:
  - the title of the work;
  - the name of the author;
  - the name of the relevant publisher;
  - any other relevant information available that could assist in identifying the rightsholder.
5. Stemra shall check the register referred to in Section 2b (6) of the Supervision Act and other readily available registers. If such check and the provision of the information referred to in the third paragraph does not produce any results, Stemra shall publish the information referred to in the third paragraph on Stemra's website no later than one year after the expiry of the three-month period.

**A claim expires following more than 2 years after settlement for Participants and (rightsholders of) CBOs and Sister organisations**

- 6.a. Complaints about settlements made in any year will be processed until 31 December of the second (2<sup>nd</sup>) year following the calendar year in which the relevant settlement was made. Subsequently, the right of the Participant and the CBO or Sister organisation to complain about the relevant settlement expires.
- 6.b. If any error has been made in determining the amount due to a Participant, this error can be addressed until 31 December of the second (2<sup>nd</sup>) year following the calendar year in which the relevant settlement was made.
- 6.c. Overpaid amounts will not be recovered if, in the opinion of the Board, there are serious reasons to consider recovery as unreasonable.

**Reservation (4th and 5th year) for Non-participants (rightsholders who are not participants of: Stemra, CBO or Sister organisation)**

- 7.a. Any Non-allocable or Non-payable funds as referred to in paragraph 1 (f) for the benefit of Non-participants who, despite reasonable attempts by Stemra to do so, cannot be traced and distributed, will then remain reserved in the name of the rightsholder for two (2) calendar years for claims of Non-participants arising in that period.
- 7.b. Other Non-allocable or Non-payable amounts as referred to in paragraph 1 (f) for the benefit of Non-participants, which cannot be paid out, because the data of the Non-participant, despite attempts by Stemra to do so, cannot be retrieved, also remain reserved for two (2) calendar years for claims of Non-participants arising in that period.

**A claim expires (after the 5th year) for Non-participants (rightsholders who are not participants of: Stemra, CBO or Sister organisation)**

- 8. If a Non-participant has not made a claim for payment for use in that year of use within five years – to be calculated from the time that Stemra has settled the relevant year of use – that claim to the payment for use in that year of use shall lapse.

**Unallocated Amounts for Stemra**

- 9. The Unallocated Amounts (after 3 years) and the amounts not paid out after expiry of the reservation period (5 years) will be added in the next calendar year on a pro rata basis to the funds available for allocation to Participants and Non-participants, which will be allocated on the basis of a reference repertoire determined by the Board that relates to one or more (representative) sections from the original year of use.

**Percentage of post-claims**

- 10. The Stemra Board periodically determines what percentage of the collected funds per category is reserved for post-claims as referred to in the previous paragraphs for both Stemra Participants and Participants who are represented by a CBO or Sister organisation, and Non-participants.
- 11. The provisions of this article shall apply mutatis mutandis to the Annexes to these Distribution rules.

**Article 13**

In matters not provided for in these regulations, the Board may, if it sees reason to do so, take a decision, whereby decisions are taken as far as possible in the spirit of these regulations and a balanced consideration of all the interests involved is made.

**Effective date****Article 14**

1. These Regulations shall enter into force on 1 January 1987. It does not concern the distribution and payment of monies received by Stemra under mechanical reproduction rights before that date.
2. These Regulations were thus adopted by the Board of Stemra Foundation on 6 November 1986 and approved by the meeting of Stemra Foundation members on 15 December 1986.
3. These regulations were last amended by a decision of the Board of the Stemra Foundation dated 22 April 2024 and approved by the meeting of members of the Stemra Foundation on 15 May 2024 and the Copyright Supervisory Board on 1 August 2024 respectively.
4. The amended Articles 2, 3, 4, 6, 9, 11 and 12 (1) enter into force on 1 January 2021 with regard to collection and distribution from the 2021 financial year after approval by both the meeting of members of the Stemra Foundation and the Copyright Supervisory Board.
5. The amended Articles 3(2) and 11(2) will enter into force on 1 January 2025.
6. The amended Article 12 (9) enters into force after the approval of both the meeting of members of the Stemra Foundation on 10 November 2021 and the Copyright Supervisory Board on 14 January 2022 and relates to the Unallocated Funds or 'unpaid amounts' already released as of 1 January 2021 and released after 1 January 2021 (after 3 or 5 years), insofar as these funds and amounts have not already been allocated or paid at the time referred to in this paragraph 5.
7. The other amendments to the regulations referred to in paragraph 3 shall take effect from the date of approval by both the meeting of members of the Stemra Foundation and the Copyright Supervisory Board.

## Annexes to the Distribution Rules of the Stemra Foundation

### ANNEX I

#### Participants

##### Article 1

1. Only participants, as well as members or affiliates or other third parties, represented by organisations as referred to in Article 4 (3) of the articles of association, may be participants in the proceeds of a work.
2. Participants in the proceeds of the (co-)produced or (sub-)published works are:
  - a. composers
  - b. arrangers
  - c. lyricists
  - d. lyrics arrangers
  - e. publishers
  - f. sub-arrangers
  - g. sub-lyricists
  - h. sub-publishers
  - i. catalogue representatives or their heirs or other other assignees.

#### The composer

##### Article 2

1. The composer of a work is the natural person who created the music of that work.
2. If two or more persons have jointly created the music of a work, they shall be regarded as co-composers. The share of the composer in the proceeds of a work shall be allocated equally among the fellow composers, subject to the provisions of Annex II.
3. A composer who uses the protected music of other composers when making music shall be regarded as a co-composer or as an arranger, depending on the degree of his own contribution. The use must be authorised in writing. In the case of published or sub-published musical works, this permission must have been given by the publisher or the sub-publisher, unless the composer has not given the publisher power of attorney to grant this permission in the concluded publication agreement. In the latter case and in the case of non-published musical works, the permission must be granted by the composer.
4. Where a composer makes use of an already existing musical work in the making of a musical work, either by modifying a fragment of that musical work by digital or non-digital electronic means in such a way as to create a new musical work, or by making interpolations of his own invention within that musical work, the composer of the original musical work and the composer of the new musical work shall be regarded as co-composers.
5. Where the composer of the new musical work referred to in the preceding paragraph has made use of existing recordings of the original musical work when making that musical work, he shall only receive a share of the proceeds of the new musical work if, in addition to the copyright authorisation referred to in paragraph 3 of this Article, he has received written consent from the rightsholders to the use of those recordings on any related right that exists on those recordings.
6. If the composer uses one or more copyrighted lyrics in the making of a work, he shall only receive a share of the proceeds of that work if he has received written permission to use the lyrics. This permission must have been granted by the publisher, the sub-publisher or catalogue representative for published or sub-published lyrics, unless the lyricist has not given the publisher power of attorney to grant this permission in a concluded publication agreement. In the latter case and in the case of non-published works, the permission must be granted by the lyricist.
7. Where a text used by the composer involves sub-publishers as referred to in Article 6 (3) of this Annex and one or more of those sub-publishers have obtained the authorisation referred to in paragraph 3 of this Article, the composer shall receive a share of the proceeds of the work only if he has obtained the written consent of one of those sub-publishers.

## The arranger

### Article 3

1. The arranger is a composer, who changes or supplements a work by another composer in such a way that it will bear a personal stamp through his own creative contribution.
2. The arranger will only receive a share if the work he has arranged is not or no longer protected by copyright in the Netherlands. He then receives the share that the composer would have received if the music had been protected by copyright, but only if his arrangement is reproduced mechanically.
3. Where two or more persons have done the arranging jointly, they shall be considered as co-arrangers. The share of the arranger in the proceeds of a work is allocated equally among the co-arrangers.
4. The following are not arranging:
  - a. arrangements for practical use, limited to:
    - additions of dynamic or agogic indications,
    - additions of phrasing symbols,
    - additions of registers for organ or other key instruments,
    - description of finger placements,
    - illustrations, decorations,
    - transfer of an old method of notation into the present custom,
    - correcting clerical errors in the original draft and similar actions;
    - correcting clerical errors in the original draft and similar actions;
  - b. conversions into another key or voice register (transpositions);
  - c. omitting or simplifying voices (reductions);
  - d. exchanging or doubling voices;
  - e. adding only one parallel voice to a melody voice;
  - f. other changes to works that do not comply with the provisions of paragraph 1 of this article.

## The lyricist

### Article 4

1. The lyricist of a work is the natural person who made the lyrics for that work.
2. If two or more persons have jointly created the lyrics, they shall be regarded as co-lyricists. The share of the lyricist in the proceeds of a work shall be allocated equally among the fellow lyricists, subject to the provisions of Annex III.
3. If the lyricist uses protected music in the making of a work, he shall receive a share of the proceeds of that work only if he has received written permission to use the music. This permission must have been granted by the publisher, the sub-publisher or catalogue representative for published or sub-published music, unless the composer has not given the publisher power of attorney to grant this permission in a concluded publication agreement. In the latter case and in the case of non-published music, the permission must be granted by the composer.
4. If the protected work used by the lyricist has sub-publishers involved as referred to in Article 6 (3) of this Annex and one or more of these publishers have received the authorisation referred to in the previous paragraph, the lyricist will only receive a share in the proceeds from that work if he has obtained the written consent of one of these sub-publishers.
5. The lyricist also receives a share in the proceeds from a work if the music, to which the lyrics belong, is reproduced mechanically without lyrics. This does not apply to lyrics of music no longer protected by copyright.
6. The provisions of the previous paragraph shall not apply to works referred to in paragraph 3 of this article, unless the permission referred to in paragraph 3 of this article provides otherwise.

## The lyrics arranger

### Article 5

1. The lyrics arranger of a work is the lyricist who changes or supplements the lyrics of a work in such a way that it will bear a personal stamp through his creative contribution.
2. If two or more persons have jointly done the lyrics arranging, they shall be regarded as co-lyrics

- arrangers. The share of the lyrics arranger in the proceeds of a work shall be allocated equally among the fellow lyrics arrangers, subject to the provisions of Annex III.
3. The lyrics arranger of a work protected by copyright shall receive a share of the proceeds of that work only if he has received written permission for the lyrics arranging. In the case of published works, this must have been granted by the publisher, unless the original creators or their successors in title have not given the publisher any power of attorney to grant this permission in the concluded publication agreement. In the latter case and in the case of unpublished works, the consent must have been granted by the original creators or their successors in title.
  4. If the protected work used by the lyrics arranger has sub-publishers involved as referred to in Article 6 (3) of this Annex and one or more of these sub-publishers have received the authorisation referred to in the previous paragraph, the lyrics arranger will only receive a share in the proceeds from that work if he has obtained the written consent of one of these sub-publishers.
  5. The lyrics arranger shall only receive a share if his lyrics arranging is reproduced mechanically.

## The publisher

### Article 6

1. The publisher is any natural or legal person who has acquired publishing rights and who, in consequence, arranges and distributes the usual printed or otherwise duplicated publications of the entire work.
2. Where two or more publishers publish a work together, they shall be considered to be co-publishers. The publisher's share of the proceeds of a work will then be allocated equally among the co-publishers, unless they have mutually agreed a different distribution and have stated this at the time of registration.
3. Publishers who, under a contract with one or more participants in a work, have only partially acquired the right of publication in respect of that work shall be deemed to be sub-publishers. The share of the sub-publisher is related to the total publisher's share in the proceeds of a work and the share of the participants with whom he has concluded a contract in the entire author's share.
4. A publisher who, under a contract with the original publisher, has acquired the publishing rights in a specified region in the capacity of substitute publisher (*éditeur substitué*) shall be regarded as the original publisher in that region.
5. Printing rights alone do not entitle to shares in the proceeds of a work.
6. With regard to the settlement, the date of entry into force of a contract with a publisher is always the first day of the settlement period in which the contract date or the effective date of the contract falls, although all undistributed funds relating to previous settlement periods will be paid to the publisher, unless otherwise agreed with regard to another effective date insofar as these agreements are laid down in the publishing contract.

### Article 7

1. The sub-lyricist of a work is the natural person who, with the written consent of a publisher, sub-publisher or catalogue representative, creates new lyrics for a work sub-published in the Netherlands or who translates the original lyrics.
2. The sub-lyricist receives a share only when his sub-lyrics are actually used.
3. The sub-lyricist may also claim a share of the proceeds of a work if the work in question is used without actual use of his sub-lyrics. However, each of the following conditions must then be met:
  - a. The consent shall be given without specifying that it is only valid for a specific use.
  - b. The permission must have been granted by a publisher, sub-publisher or catalogue representative who still acts as such with regard to the work in connection with which the permission was granted.
  - c. Sheet music of the version in which the lyrics of the sub-lyricist were used must have been published.
  - d. A sound carrier manufactured for commercial purposes of the version in which the lyrics of the sub-lyricist are used must be released.
  - e. The version in which the lyrics of the sub-lyricist are used must be of national significance, measured according to criteria to be specified by the Board.
4. If, in addition to the sub-lyricist to whom the provisions of paragraph 3 apply, there is a sub-lyricist who has obtained prior consent, paragraph 3 shall not apply if his sub-lyrics are actually used.

5. If, in addition to the sub-lyricist to whom the provisions of paragraph 3 apply, there is a sub-lyricist who has obtained a subsequent consent, the portion for the sub-lyricist shall be allocated equally between the two sub-lyricists when his sub-lyrics are actually used.
6. Where the protected work used by the sub-lyricist involves sub-publishers or sub-sub-publishers as referred to in Article 6 (3) or Article 8 (3) of this Annex, the sub-lyricist shall receive a share of the proceeds of that work only if he has received the written consent of one of those sub-publishers or sub-sub-publishers.
7. A foreign sub-lyricist who, with the written consent of a foreign sub-publisher or catalogue representative, creates new sub-lyrics for a work that is sub-published abroad, shall receive a share when his sub-lyrics are actually used.
8. If, in addition to the foreign sub-lyricist referred to in paragraph 7, there is a sub-lyricist to whom the provisions of paragraph 3 apply, the share for the sub-lyricist shall be allocated equally between the two sub-lyricists when the foreign sub-lyrics are actually used.
9. The allocation of shares to a foreign sub-lyricist as referred to in paragraph 8 may only take place insofar as the relevant foreign sub-lyricist is a registrant or member of an organisation as referred to in Article 4 (3) of the articles of association.

## **The sub-publisher and the catalogue representative**

### **Article 8**

1. A sub-publisher is defined as a publisher who, with the written consent of the original publisher, not established in the country of the sub-publisher, reissues a work. A sub-publisher shall not be considered to be a sub-publisher if he acquires sub-publishing rights in respect of the country in which the original publication took place.
2. Where two or more sub-publishers sub-publish a work together, they shall be considered to be co-sub-publishers. The share of the sub-publisher in the proceeds of a work is then allocated equally among the co-sub-publishers, unless they have agreed a different distribution between themselves.
3. A sub-publisher who, under a contract with a foreign sub-publisher, has only partially obtained the sub-publishing right in respect of a work shall be considered to be a sub-sub-publisher. The share of a sub-sub-publisher in the proceeds of a work is directly proportional to the share that the sub-publisher has in the original distribution. If for whatever reason it is not known which shareholder authors in a work are represented by the sub-publisher and the sub-sub-publisher, the share of the sub-sub-publisher can never be greater than the share of the sub-publisher in the original distribution.
4. A publisher who has concluded a catalogue representation contract with a foreign publisher or sub-publisher shall be regarded as a catalogue representative. The catalogue representative is not obliged to republish a work belonging to the catalogue in question. With regard to the allocation of shares to a catalogue representative of a foreign share issuer, paragraph 3 shall apply mutatis mutandis.
5. The share in the proceeds of a work for the benefit of the sub-publisher, the sub-sub-publisher or the catalogue representative shall only be awarded if his contract with the original publisher or sub-publisher has at least a term equal to the minimum fixed for that purpose by the international copyright organisations CISAC and BIEM. If such a minimum should no longer be regulated within CISAC and BIEM, the minimum contract duration would be determined by the Board.
6. With regard to settlement, the effective date of a contract with a sub-publisher or catalogue representative shall always be the first day of the settlement period in which the contract date or the effective date of the contract falls, unless otherwise agreed with regard to another effective date, insofar as these agreements are laid down in the contract.
7. Stemra shall receive written notice of the contractual termination of a sub-publication contract or of representation by a catalogue representative in good time before the termination of the contract. Failing this, the contract shall be deemed to have been renewed, without prejudice to paragraph 7a.
- 7a. If two or more parties make a substantiated claim in writing to the representation of a catalogue or to a sub-publication contract, the Board is entitled to suspend the payment of the relevant shares in the works concerned until the parties have reached an agreement or until a binding decision has been submitted to it by one of the parties.
8. If Stemra receives notices relating to the entry into force or termination of a sub-publication contract or a representation by a catalogue representative at a time when the distribution of the

proceeds of works to which this contract or representation relates among shareholders is at an advanced stage, Stemra shall be discharged for distributions that are not in accordance with the relevant notices.

**Article 9**

1. This Annex shall enter into force on 1 January 1987. It does not concern the distribution and payment of monies received by Stemra under mechanical reproduction rights before that date.
2. This Annex was thus adopted by the Board of Stemra Foundation on 6 November 1986 and approved by the meeting of Stemra Foundation members on 15 December 1986.
3. This Annex was last amended by the Board of the Stemra Foundation on 14 February 2018 and approved by the meeting of members of the Stemra Foundation on 22 May 2018 and the Copyright Supervisory Board on 18 May 2018.
4. The amendment referred to in the previous paragraph takes effect from the date of approval by both the meeting of members of the Stemra Foundation and the Copyright Supervisory Board.

## **ANNEX II      REGISTRATION OF WORKS**

### **Article 1**

Upon request, the Board shall make available to each participant forms in which the participant shall register the works in which he is a rightsholder.

### **Article 2**

Authors who have made a work in collaboration must register this jointly on a form provided to them by the Board at their request.

### **Article 3**

No payment will be made for works that are registered by means of forms that are not fully completed or on forms other than those made available under these regulations, unless in the opinion of the Board there are compelling reasons to accept the registration nonetheless.

### **Article 4**

The provisions of Article 2 of this Annex with regard to the obligation to register jointly do not apply to works that have already been registered in the correct manner, in which any changes are made with the written consent of an authorised publisher.

### **Article 5**

Registered works in which changes are made in any way, other than those referred to in Article 4 of this Annex, including title changes, must be registered again.

### **Article 6**

The Board may lay down further rules with regard to whether or not to submit sheet music. The participant is at all times obliged to send Stemra a copy of the manuscript or sheet music of a work or, in the case of electro-acoustic music, a copy of the master tape.

### **Article 7**

In consultation with the Board, catalogue representatives may register the works in which they are a rightsholder in a different manner in a manner to be determined.

### **Article 8**

1. This Annex shall enter into force on 1 January 1987. It does not concern the distribution and payment of monies received by Stemra under mechanical reproduction rights before that date.
2. This Annex was thus adopted by the Board of Stemra Foundation on 6 November 1986 and approved by the meeting of Stemra Foundation members on 15 December 1986.
3. This Annex was last amended by the Board of the Stemra Foundation on 14 February 2018 and approved by the meeting of members of the Stemra Foundation on 22 May 2018 and by the Copyright Supervisory Board on 18 May 2018.
4. The amendment referred to in the previous paragraph takes effect from the date of approval by both the meeting of members of the Stemra Foundation and the Copyright Supervisory Board.

**ANNEX III      ALLOCATION KEYS****Article 1**

The allocation of the funds available per work among the shareholders in that work shall be done using the allocation scales set out below.

- a. For works in manuscript form, of which at least one rightsholder participant is:
  - composer 100%
  - lyricist 100%
  - composer 50%  
lyricist 50%
- b1. For published works of which at least one shareholder is a participant, and which were first registered before 1 January 2019:
  - composer 50%  
publisher 50%
  - lyricist 50%  
publisher 50%
  - composer 33.33%  
lyricist 33.33%  
publisher 33.34%
- b2. For works that have been registered for the first time from 1 January 2019, the allocation applies:
  - composer 66.66  
publisher 33.34%
  - lyricist 50%  
publisher 50%
  - composer 33.33%  
lyricist 33.33%  
publisher 33.34%
- b3. For works that have been registered for the first time from 1 January 2021, the allocation applies:
  - lyricist 66.66%  
publisher 33.34%

The provisions of b2 and b3 will only enter into force after approval by both the meeting of members and the Copyright Supervisory Board.

bbis.

For works for which the participating publisher of a work originally published by him has concluded a publishing contract with authors who are not members of an organisation within the meaning of Article 4 (3) of the articles of association (non-society author), the total publisher's share may be set at 100 % of the total available amount, provided that:

- a. the affiliated publisher can demonstrate by submitting the publishing contract or submitting his correspondence with the authors that he is authorised to do so by the author, and
  - b. the affiliated publisher has actually registered a share of 100% mechanical right on the OU registration.
- c. For works of which the publisher is a member or affiliate of an organisation as referred to in Article 4 (3) of the articles of association, the allocation shall take place in accordance with the documentation sent to Stemra regarding the allocation of those works. In this context, the share of the participants may never be lower than they would be entitled to on the basis of an equal allocation between authors and publishers.

- d. For works of which none of the participants is a participant, the allocation shall take place in accordance with the documentation on the allocation of such works sent to Stemra by the organisations referred to in Article 4 (3) of the articles of association. In the absence thereof, the allocation will take place according to the allocation scales of the relevant sister organisations.

## **Article 2**

In the case of musical works in which little use is made either of music or of lyrics, the Board may reconcile the authors' shares in the proceeds with the ratio of music and lyrics.

## **Article 3**

1. Where the contribution of one of the co-composers referred to in Article 2 (2) of Annex I to these Regulations belongs to the public domain, the other co-composers shall be deemed to be the composer of that work jointly for the purposes of Article 1 of this Annex.
2. Where the music of a work belongs to the public domain but the lyrics do not, the author of the lyrics shall also be deemed to be the composer for the purposes of Article 1 of this Annex.
3. Where the contribution of one of the co-arrangers referred to in Article 3 (3) of Annex I to these Regulations belongs to the public domain, the other co-arrangers shall be deemed to be collectively the arranger of that musical work for the purposes of Article 1 of this Annex.
4. Where the contribution of one of the co-lyricists referred to in Article 4 (2) of Annex I to these Regulations belongs to the public domain, the other co-lyricists shall be deemed to be collectively the lyricist of that work for the purposes of Article 1 of this Annex.
5. Where the lyrics of a work belongs to the public domain but the music does not, the composer shall also be deemed to be the lyricist for the purposes of Article 1 of this Annex.
6. Where both the music and the lyrics of a work belong to the public domain, the arranger whose arranging of the work is reproduced mechanically shall be deemed to be the composer and the lyricist for the purposes of Article 1 of this Annex.
7. Where both music and lyrics of a work belong to the public domain, the lyrics arranger whose lyrics arranging of the work is mechanically reproduced shall also be deemed to be the composer and the lyricist for the purposes of Article 1 of this Annex.
8. Where both music and lyrics of a work belong to the public domain, the sub-lyricist shall also be deemed to be the composer and the lyricist for the purposes of Article 1 of this Annex.
9. Where a work includes both music and lyrics in the public domain, the sub-arranger shall also be deemed to be the composer and the lyricist for the purposes of Article 1 of this Annex.

## **Article 4**

The allocation between co-composers as referred to in Annex I, Article 2 (3) and (4) shall take place as indicated in the written consent granted. If the written consent does not contain a communication about the agreed allocation, the allocation between the fellow composers takes place in equal parts or, if it is clear which part of the work has been made by each of the fellow composers, according to the extent of the duration of each contribution.

## **Article 5**

If a lyrics arranger has created a lyrics arrangement with the permissions required in Annex I, Article 5 (3), his share of the proceeds is set at 10% of the total amount available for the work. This share is not charged to the share of the proceeds that accrues to a publisher.

## **Article 6**

The provisions of Article 3 of this Annex do not apply to works that belong to the public domain for a reason other than the expiry of a certain statutory period after the death of the composer and/or lyricist, unless the Board decides otherwise.

## **Article 7**

The following provisions shall apply to works sub-published by a participant:

1. The allocation between the publisher and the participating sub-publisher or catalogue representative shall be as agreed in the agreement between the publisher and the sub-publisher or catalogue representative.
2. The sub-publisher's share may not exceed 50% of the total amount available for the work, unless

- the organisations referred to in Article 4 (3) of the articles of association, to which both the authors and the publisher are affiliated, agree to a different allocation key.
3. Contrary to the provisions of the previous paragraph, an allocation is permitted with regard to works of nationalities to be designated by the Board, whereby it is left to the sub-publisher to arrange the further payment of the share of the authors and of the original publisher.
  4. If a sub-lyricist has permission to make sub-lyrics, he receives 33.33% of the share of the sub-publisher, which share is the remainder that remains after the sub-publisher has fulfilled the contractual obligation to pay further part of the money paid to him by Stemra to the original publisher abroad. The sub-publisher must report this share to the sub-lyricist before or at the conclusion of the relevant contract, simultaneously notifying Stemra. Should the sub-publisher fail to inform the sub-lyricist of its or his share or to report it to Stemra, the sub-lyricist's share shall amount to 10% of the total amount available for the work.
  5. If one or more of the authors are members or affiliates of one of the organisations referred to in Article 4 (3) of the articles of association, the determination of their shares as well as the method of payment thereof shall take place in accordance with the documentation sent to Stemra regarding the relevant works, irrespective of any provisions to the contrary in the agreement between the publisher and the sub-publisher or catalogue representative, on the understanding that a composer or lyricist who is a participant will never receive a share of less than 50% of the share that he would be entitled to if there were no sub-publisher or catalogue representative.
  6. In the absence of documentation regarding the works referred to in the previous paragraph of this article, the authors and the publisher of which all belong to an organisation as referred to in Article 4 (3) of the articles of association, the distribution shall take place in accordance with Article 1 of this Annex.

#### **Article 8**

The allocation key between the foreign original publisher and the sub-publisher affiliated with Stemra as agreed in the contract concluded between them will be maintained throughout the term of the contract.

#### **Article 9**

For the purposes of Articles 7 and 8 of this Annex, catalogue representatives shall be considered as sub-publishers.

#### **Article 10**

1. Where a participating publisher sub-contributes a work originally published by it to a publisher, whether or not affiliated with an organisation as referred to in Article 4 (3) of the articles of association, the total publisher's share may be set at a maximum of 50% of the total amount available.
2. Notwithstanding the provisions of the previous paragraph, in the case of library editions, the total publisher's share may be set at a maximum of 75% of the total amount available. In this context, library editions are understood to mean works recorded on sound carriers, which are not intended for normal sale to the public, but which are made available by the publishers to users with the intention of being used as background music in audio or audiovisual productions.

#### **Article 11**

1. Where a work falling within the public domain is again protected by legislative measures, the funds available for that work shall be distributed among those who, at the time when the work fell within the public domain, were participants in that work.
2. The composer of a musical work who has made use of lyrics belonging to the public domain when making a musical work shall no longer be regarded as a lyricist within the meaning of Article 3 (5) of this Annex from the moment the lyrics are protected again. The composer shall be deemed to have obtained permission to use the lyrics within the meaning of Article 2 (6) of Annex I.
3. The co-composers as referred to in Article 2 of Annex I who have made use of music belonging to the public domain when making a musical work shall no longer be deemed to be the sole composer within the meaning of Article 3 (1) of this Annex from the time the music is protected again. The co-composers shall be deemed to have obtained permission to use the music within the meaning of Article 2 (3) of Annex I.

4. The arranger of a musical work who has made use of music and lyrics belonging to the public domain when making an arrangement shall no longer be regarded as a composer and lyricist within the meaning of Article 3 (6) of this Annex from the moment that music and lyrics are protected again.
5. If the contribution of one of the co-arrangers referred to in Article 3 (3) of Annex I belongs to the public domain of a musical work, the other co-arrangers shall no longer be deemed to be the sole processors of that musical work within the meaning of Article 2 (3) of this Annex from the time that contribution is protected again.
6. The lyricist of a musical work who has made use of music belonging to the public domain when making a musical work shall no longer be regarded as a composer within the meaning of Article 3 (2) of this Annex from the moment the music is protected again. The lyricist shall be deemed to have obtained permission to use the music within the meaning of Article 4 (3) of Annex I.
7. If the contribution of one of the co-lyricists as referred to in Article 4 (2) of Annex I belonged to the public domain of a musical work, the other co-lyricist(s) shall no longer be deemed to be the sole lyricists of that musical work within the meaning of Article 3 (4) of this Annex from the time that contribution is protected again.
8. The lyrics arranger of a musical work who has made use of lyrics and music belonging to the public domain when making a lyrical arrangement shall no longer be protected as a lyricist and composer within the meaning of Article 3 (7) of this Annex from the moment the lyrics and music are protected again. The lyrics arranger shall be deemed to have obtained permission to use the music and lyrics within the meaning of Article 5 (3) of Annex I.
9. The sub-lyricist who has made use of music and lyrics belonging to the public domain in the creation of sub-lyrics shall no longer be regarded as a composer and lyricist within the meaning of Article 3 (8) of this Annex from the moment that the music and the texts are protected again. The sub-lyricist shall be deemed to have obtained permission to use the music and lyrics within the meaning of Article 7 (1) of Annex I.
10. If, during the period in which the work was in the public domain of an arrangement of that work, an edition has been registered by a publisher who was not considered the publisher when the work entered the public domain, the publisher's share in the proceeds of that arrangement shall be divided equally between the publishers of the original work and those of the arrangement.
11. By way of derogation from the provisions of Annex I, Article 3 (2), the arranger who created and registered an arrangement in the period during which the work was in the public domain shall receive a 10% share of the proceeds of the work after it has again been protected by copyright.
12. The provisions of the preceding paragraphs of this article shall apply mutatis mutandis with regard to works that are protected by the accession of any country to an international convention in the Netherlands after they have been in the public domain in the Netherlands.

## Article 12

1. For the purposes of this article, the following definitions are used:
  - a. **Dutch work:** a new work of which all authors are participants of Stemra;
  - b. **Mixed work:** a new or existing work of which one or more authors are members of Stemra and one or more authors are members of a foreign sister organisation.
2. The authors referred to in Article 1 (h) of these Regulations for Dutch and/or Mixed works may – with due observance of the provisions of this Article 12 - agree on an allocation key deviating from Article 5 of Annex III regarding the copyright shares in their work, for the duration of the copyright, in accordance with rules to be laid down by the Board, without prejudice to:
  - a. the share of the lyrics arranger
  - b. the distribution starting point for Dutch work (composer: lyricist: publisher = 1/3:1/3:1/3), whereby a deviation by the composer/lyricist passes through to the publishers, whereby the share of the (sub-)publishers can collectively amount to a maximum of 50%.
3. In the case of a Dutch work, the different allocation key applies to the entire territory for which the author is affiliated with Buma and Stemra or, in the case of a mixed work, the different allocation key applies to all monies collected by Buma and Stemra for the work in question.
4. In the case of a Dutch work, derogation is only possible under the following conditions:
  - a. all authors must have agreed to the agreed deviating allocation; the registration, which has been approved by all parties, shows that this is the case.
  - b. with the registration approved by all parties
    1. the relevant parties declare that Stemra is not liable for any consequences of the allocations agreed by the authors, which deviate from the allocation keys as referred to in

Article 5 of Annex III.

2. The authors shall indemnify Stemra against any claims by third parties, for example but not limited to claims by existing and any future rightsholders, arising directly or indirectly from the application of the allocation keys deviating from Stemra's allocation regulations as requested.
3. The authors undertake to inform their existing and future publisher(s) about the different allocation.
5. In the case of a Mixed work, deviation is only possible by maintaining the allocation used by Stemra between Stemra's author participant or publisher participant and within the share of Stemra's author participant.

#### **Article 13**

1. This Annex was last amended by the Board of Stemra Foundation on 6 July 2020 and approved by the meeting of Stemra Foundation members on 26 August 2020 and by the Copyright Supervisory Board on 14 October 2020.
2. The amendment to Article 12 (4) referred to in the previous paragraph of this Article shall enter into force on 1 January 2019.

## **ANNEX IV      HOME COPY FEE**

- a. The Stichting de Thuiskopie is charged with the collection and allocation of the fee as referred to in Article 16c of the Copyright Act and Article 10 under e of the Law on Related Rights and pays the fees collected by it to distribution organisations designated by it on the basis of the allocation keys and with due observance of the provisions laid down in the Distribution Regulations approved by the Supervisory Board of Collective Management Organisations and the associated Annex 2 as referred to in Article 15 of the articles of association of the Stichting de Thuiskopie;
- b. Pursuant to agreements with Participants and Reciprocity Agreements with Sister Organisations, Stemra exercises the Mechanical Reproduction Rights in its own name, including with regard to virtually the entire musical world repertoire (music and lyrics);
- c. Pursuant to an appointment by Stichting de Thuiskopie, Stemra distributes the Home Copy Fee it has received among the Rightsholders belonging to its circle on the basis of the Distribution Regulations approved by Stichting de Thuiskopie and the Ministry of Justice in 1993 as referred to in Article 30 (2) of the Articles of Association of Stemra Foundation, which Distribution Regulations were last amended on 22 May 2018 with the approval of the CvTA on 18 May 2018.
- d. By agreement of (to be completed in due course), Stemra has been reappointed by Stichting de Thuiskopie with retroactive effect from (to be completed in due course) as the distribution organisation of the Home Copy Fee for the Rightsholders belonging to its circle;
- e. This Annex is based on the aim of a maximum payment of Home Copy Fees to the largest possible group of Rightsholders, in such a way that the distribution reflects as much as possible the extent to which the relevant works are actually copied for their own practice, study or use, taking into account the need to keep the associated limitations and the aim to distribute the funds effectively and efficiently.  
In view of the time frame within which the Home Copy Fee must be distributed, the number of works with regard to which Rightsholders can claim the Home Copy Fee, the reasonable balance that must be found between the accuracy with regard to the determination of individual claims and the associated costs and the privacy interests of consumers, whereby it is not possible to determine on a title basis to what extent works are copied for their own use, Stemra distributes the Home Copy Fee on the basis of information about the extent to which musical works have been broadcast on radio and/or TV and on the basis of sales figures of sound carriers and DVDs, as well as on the basis of usage statements from online VoD providers and online streaming services, which forms the most realistic possible reflection of the associated copying behaviour; the Stemra Board will periodically evaluate the extent to which the available data are (still) sufficiently representative to serve as the basis for the distribution.
- f. Stemra will examine the possibilities of collecting reliable data on the extent to which music files made available online are copied for its own use; the Stemra Board will periodically evaluate the extent to which the available data are (still) sufficiently representative to base the payment on.
- g. Stemra distributes the Home Copy Fee among the Rightsholders belonging to its circle on the basis of the Stemra Distribution Regulations, on the understanding that in addition to these, the provisions of this annex that are in line with the Distribution Regulations of the Foundation de Thuiskopie apply.

## Article 1

1. Stemra shall receive from the De Thuiskopie Foundation the Home Copy Fees to be distributed by Stemra. The provisions of the Stemra Distribution Regulations – in particular Article 11 – shall apply mutatis mutandis to this Annex as far as possible, unless this Annex provides otherwise.
2. For the purposes of this Annex, the following definitions are used:
  - a. **Rightholders:** the maker referred to in Section 16c (2) of the Copyright Act or his successor in title to whom an equitable remuneration is owed for the reproduction as referred to in Section 16c (1) of the Copyright Act.
  - b. **Home Copy Fee:** the fee as referred to in Section 16c of the Copyright Act.
  - c. **Unallocated Amounts:** Amounts due to Participants and Non-participants are considered Non-allocable or Non-Payable Funds (unallocated amounts) if it has not been possible to allocate these funds for three years after the end of the financial year in which the collection by Thuiskopie of these funds has taken place and which will not be added to the reservation for claims of Non-Participants referred to in Article 4 (1) and (2) of this Annex.
  - d. **Objects:** objects that are intended to present, display or show works and/or protected material, as referred to in Section 16c of the Copyright Act and Section 10 (e) of the Neighbouring Rights Act in conjunction with Section 16c of the Copyright Act and that have been designated as liable to payment by the General Administrative Law Act (AMvB) or by SONT.
  - e. The **Participants, Rightholders and Non-Participants** referred to in this Annex are understood to be participants, rightholders and non-participants who own rights.

## Article 2

Stemra will distribute the Home Copy Fee to the Participants and Non-participants as soon as possible and in any case no later than six (6) months after receipt by the Foundation, unless objective reasons prevent Stemra or, where applicable, its Participants from complying with this period.

### **A claim expires following more than 2 years after settlement for Participants and (rightholders of) CBOs and Sister organisations**

## Article 2A

In derogation of the allocation keys as included in Annex III, Stemra distributes the Home Copy fees collected by Stichting Thuiskopie for the 2015 to 2020 use years as follows:

- a. For participating authors or authors of an organisation as referred to in Article 4 (3) of the articles of association, payment shall be made only to authors and not to publishers and sub-publishers. This means that the full amount available for payment is paid to authors.
- b. For authors of Anglo-American origin who are not affiliated with an organisation as referred to in Article 4 (3) of the articles of association (non-society (NS) authors), payment will be made to a participating publisher or sub-publisher if the participating publisher or sub-publisher signs the standard declaration within a period of one month after Stemra's request, whereby the publisher or sub-publisher declares that they will pay further the required share to authors in accordance with Union law and indemnify Stemra and Stichting Thuiskopie or Stichting Leenrecht (in connection with Annex V Article 2A (1)) against all possible claims in connection with the payment of a Home Copy Fee or Loan Rights Fee to music copyright holders in respect of works for which the relevant music publisher has received Home Copy Fees or Loan Rights Fees. If the relevant (sub-)publishers of music do not sign the indemnification within the stipulated period, the funds will be reserved for the NS authors concerned in accordance with Article 4 Annex IV of the Distribution Regulations.

## Article 3

1. Complaints about settlements made in any year will be processed until 31 December of the second (2<sup>nd</sup>) year following the calendar year in which the relevant settlement was made. Subsequently, the right of the Participant and the CBO or Sister organisation with which a representation agreement has been concluded to complain about the relevant settlement.
2. If any error has been made in determining the amount due to a Participant, this error can be addressed until 31 December of the second (2<sup>nd</sup>) year following the calendar year in which the

- relevant settlement was made.
3. Overpaid amounts will not be recovered if, in the opinion of the Board, there are serious reasons to consider recovery as unreasonable.

**Reservation (4th and 5th year) for Non-participants (rightsholders who are not participants of: Stemra, CBO or Sister organisation)****Article 4**

1. Any Non-allocable or Non-payable funds as referred to in Article 1 (2)(c) of this Annex for the benefit of Non-participants who, despite reasonable attempts by Stemra to do so, cannot be traced and distributed, will then remain reserved in the name of the rightsholder for two (2) calendar years for claims of Non-participants arising in that period.
2. Other Non-allocable or Non-payable amounts as referred to in Article 1 (2)(c) for the benefit of Non-participants, which cannot be paid out, because the data of the Non-participant, despite attempts by Stemra to do so, cannot be retrieved, also remain reserved for two (2) calendar years for claims of Non-participants arising in that period.

**A claim expires (after the 5th year) for Non-participants (rightsholders who are not participants of: Stemra, CBO or Sister organisation)****Article 5**

If a Non-Participant has not made a claim within the statutory limitation period of five years following the financial year of collection by the De Thuiskopie Foundation, that claim to the Home Copy Fee shall lapse. Non-Participants can claim a Home Copy Fee via the Home Copy Fee Stemra claim form provided by the Board on the Stemra website.

**Unallocated Amounts for Stemra****Article 6**

The Unallocated Amounts (after 3 years) and the amounts not paid out after expiry of the reservation period (5 years) will be added in the next calendar year on a pro rata basis to the funds available for allocation to Participants and Non-participants, which will be allocated on the basis of a reference repertoire determined by the Board that relates to one or more (representative) categories from the original year of use with consideration of allocation keys as included in Article 2A of this Annex.

**Percentage of post-claims****Article 7**

The Stemra Board, in consultation with the Board of Stichting De Thuiskopie, periodically determines the percentage of the Home Copy Fee received that is reserved for claims and post-claims as referred to in the previous articles of this Annex for both Stemra Participants and Shareholders who are represented by a CBO or Sister organisation, and Non-participants, for a period of five years following the calendar year in which that Home Copy Fee was collected by the De Thuiskopie Foundation. In 2017, the percentage was set at 1-2%. If necessary, the reservation percentage can be periodically adjusted and evaluated in consultation with Stichting De Thuiskopie.

**Article 8**

The amounts received from Stichting de Thuiskopie in the course of a calendar year will be placed in a separate interest-bearing account. The interest generated will be allocated to the beneficiaries on a pro rata basis.

**Determination of Home Copy Fee****Article 9**

1. The balance of the Home Copy Fee received by Stemra for any calendar year shall – after deduction of the reserves for claims as referred to in Articles 4 and 11 of this Annex – be divided into the categories Home Copy Fee Audio (see paragraph 3 below) and Home Copy Fee Audio-

- Visual (see paragraph 4 below).
2. The Stemra Board shall determine annually, on the basis of available market data, on the basis of which percentages the balance after deduction of the reserves referred to in paragraph 1 shall be allocated to the categories referred to in paragraph 1.
  3. The fees allocated to the Home Copy Fee Audio are divided between a. the Stemra Industry payment and b. the Stemra RTV payment category TKMR, in a ratio to be determined annually by the Board.
    - a. The basis for the allocation to Stemra industry are the CD and music DVD sales. The relevant Home Copy Fee will be paid out as a surcharge.
    - b. The basis for the allocation to Stemra RTV benefit is the fingerprinted music use on the radio in Buma General Rights. The relevant Home Copy Fee is paid in the TKMR category of the Stemra RTV distribution.
  4. The fees allocated to the Audio-Visual Home Copy shall be divided between Part A (see paragraph 5 below) and Part B (see paragraph 6 below).
  5. Part A referred to in paragraph 4 shall be allocated into the categories RTV and Film Music. The Stemra Board determines annually on the basis of available market data which percentages of the balance are allocated to the aforementioned categories. The musical works belonging to the Stemra repertoire are "fingerprinted" so that Stemra – via its sister organisation Buma – has information about the number of times and the time during which each of the musical works and films belonging to its repertoire with musical works recorded therein has been broadcast at least on national radio and/or television stations (hereinafter: RTV distribution or Film distribution).
  6. Part B referred to in paragraph 4 shall be divided into the following categories: (a) Linear TV; (b) Physical; (c) VoD; and (d) Other. The Stemra Board determines annually on the basis of available market data which percentages of the allowances assigned to Part B are allocated to the aforementioned categories a to d and whether the aforementioned categories a to d are maintained or supplemented or lapse.
    - a. **Linear TV:** The Home Copy Fee to be distributed to the Rightsholders shall be added pro rata to the Stemra payment in respect of the broadcasting of musical works on radio and television (RTV Allowance as referred to in paragraph 3 (b)) and to the Stemra payment in respect of the broadcasting of film (Film payment). Compare Part A of the Audiovisual allocation referred to in paragraph 5.
    - b. **Physical:** The musical works belonging to the Stemra repertoire are supplied by distributors of home video images and sound carriers via sales statements. As a result, Stemra has – on the basis of the licences it has granted – the sales figures of Home Video DVDs with regard to the musical works belonging to its repertoire (hereinafter: Stemra AVHV and Stemra AV HVCT distribution). The Home Copy Fee to be allocated to the Rightsholders will be added to the Stemra payment proportionately via a surcharge payment with regard to the sale of image and sound-bearing objects (Stemra AVHV and Stemra AV HVCT) that took place in the calendar year to which the Home Copy Fee relates. The Board of Stemra may deviate from this if the period of use to which the benefit relates is more in line with the period to which the Home Copy fee received relates.
    - c. **VoD:** The musical works belonging to the Stemra repertoire are supplied by online VoD providers via user statements. As a result, Stemra has information on the number of times each of the musical works belonging to its repertoire has been streamed or downloaded in audiovisual products (films and series). The Stemra Board determines annually which providers are selected for this category. The Home Copy Fee to be distributed to the Rightsholders shall be added via a surcharge payment pro rata to the benefits relating to 'on demand' audiovisual products (films and series) that took place in the calendar year in which the Home Copy Fee was received. The Board may deviate from this if the period of use to which the benefit relates is more in line with the period to which the Home Copy fee received relates.
    - d. **Other:** The musical works belonging to the Stemra repertoire are provided by online streaming services via user statements. As a result, Stemra has information on the number of times each of the musical works belonging to its repertoire has been streamed or downloaded in audiovisual products (not being films and series). (Hereinafter: online payment.) The Stemra Board determines annually which providers are selected for this category. The Home Copy Fee to be allocated to the Rightsholders will be added via a surcharge payment pro rata to 19 Stemra Distribution Regulations version 29 April 2019 the payments that have taken place in the calendar year in which the Home Copy Fee was

received. The Board may deviate from this if the period of use to which the benefit relates is more in line with the period to which the Home Copy fee received relates.

7. This Article 9 shall take effect retroactively from the funds received from Stichting De Thuiskopie in 2017 and complied with in respect of the years 2013 to 2016 as referred to in the letter from Stichting De Thuiskopie dated 29 June 2018.

## **Minimum payment rule**

### **Article 10**

1. The provisions of Article 10 of the Stemra Distribution Regulations apply with respect to minimum payments.
2. With regard to the basic payment, the provisions of Article 8 of the Stemra Distribution Regulations apply.

## **Costs**

### **Article 11**

Stemra will deduct an annual percentage, to be determined by the Stemra Board in consultation with Stichting De Thuiskopie, from the total amount of Home Copy Fees received for a given calendar year to cover the costs associated with the distribution of the Home Copy Fee. Stemra shall endeavour to ensure that the costs, including the deduction of costs from Stichting de Thuiskopie, do not exceed 15% of the total amount of the Home Copy Fees received by Stemra in any calendar year. If the ratio between the amount to be paid and the effort to achieve distribution is such that a higher percentage is reasonably appropriate, the Stemra Board may, with the approval of Stichting de Thuiskopie, set a higher percentage.

## **Non-payable funds**

### **Article 12**

If a Distribution Organisation has not allocated the home copy fees received by it to its circle of rightsholders after the expiry of three years and five years respectively following the financial year of collection by Stichting De Thuiskopie with due observance of the preceding provisions, or has not earmarked them for social, cultural and educational purposes, that amount shall be deemed to have been paid to that Distribution Organisation by Stichting De Thuiskopie without being due. In the following financial year, the amount unduly paid – plus the interest received thereon and the costs incurred by Stichting De Thuiskopie in connection with the set-off – will be deducted by Stichting De Thuiskopie, unless Stichting De Thuiskopie decides otherwise.

## **Accounting and accountability**

### **Article 13**

At the Foundation's first request in the year following the financial year in which the Home Copy Fees to be distributed and paid were received by the Foundation's Allocation Organisations, the Allocation Organisations will send the Foundation a report, which will in any case include: a detailed overview of that financial year of the:

- a. home copy fees paid;
- b. management costs;
- c. other deductions;
- d. expenditure for socio-cultural purposes;
- e. reservation in respect of post-claims;
- f. home copy fees still to be paid as referred to in Article 11 of the regulations of Stichting De Thuiskopie.

## **Dispute Resolution**

### **Article 14**

1. Rightsholders may lodge complaints against the Stemra regarding the implementation of these regulations.
2. A dispute between a rightsholder and Stemra may be submitted to the Buma/Stemra Disputes Committee with due observance of the procedure as described in the Buma/Stemra Disputes Committee Regulations.

## **Entry into force, applicability**

### **Article 15**

1. This Annex was adopted by the Board of Stemra Foundation on 12 April 2021, approved by the Copyright Supervisory Board on 17 August 2021, by Stichting de Thuiskopie and by the meeting of Stemra Foundation members on 2 June 2021.
2. These Articles 2A, 6 and 15 were last amended by a decision of the Board of Stemra Foundation on 6 May 2022 and approved by the meeting of Stemra Foundation members on 25 May 2022 and by Stichting Thuiskopie on 23 June 2022 and by the Supervisory Board Copyright on 1 September 2022 respectively.
3. The amended Article 6 enters into force with the approval of the Dutch Copyright Supervisory Board on 14 January 2022 and Stichting de Thuiskopie on (3 February 2022).
4. The amended Article 6 relates to the undistributed funds or 'unpaid amounts' respectively already released as of 1-1-2021 and after 1-1-2021 (after 3 or 5 years, respectively), insofar as these funds and amounts have not already been allocated or paid at the time referred to in this paragraph 2.

## ANNEX V LENDING RIGHT FEE

- a. Stichting Leenrecht is charged with the collection and distribution of the remuneration as referred to in Section 15c of the Copyright Act and Sections 2, 6, 7a and 8 of the Law on Related Rights and pays the Lending right fee collected by it to distribution organisations designated by it on the basis of the allocation keys and with due observance of the provisions laid down in the Distribution Regulations for Audio and Video Lending Rights and the related Distribution Regulations approved by the Minister of Justice by decision of (to be completed);
- b. Pursuant to agreements with Participants and Reciprocity Agreements with Sister Organisations, Stemra exercises the Mechanical Reproduction Rights in its own name, including with regard to the musical world repertoire (music and lyrics) transferred to Stemra;
- c. Stichting Leenrecht has designated Stemra as the distribution organisation; Stemra distributes the Lending Right Fee received by it among the Rightsholders belonging to its circle on the basis of the Distribution Regulations as referred to in Article 30 (2) of the Articles of Association of Stemra Foundation, which Distribution Regulations were last amended on 22 May 2018 with due observance of the provisions of these Regulations with the approval of the CvTA on 18 May 2018;
- d. This Annex is based on the aim of a maximum payment of Lending Right Fees to the largest possible group of Rightsholders, in such a way that the distribution reflects as much as possible the extent to which the relevant works are actually loaned out, taking into account the need to limit the associated costs and the aim to distribute the funds effectively and efficiently. In view of the time frame within which the Lending Right Fee must be distributed, the number of works with regard to which Right Holders can claim the Lending Right Fee, the reasonable balance to be found between the accuracy with regard to the determination of individual claims and the associated costs, where it is not possible to determine on a title basis the extent to which works are loaned out, Stemra distributes the Lending Right Fee on the basis of the information available to it, which forms the most realistic possible reflection of the extent to which musical works are loaned out.
- e. For this purpose, Stemra has – on the basis of the licences it has granted – the sales figures of sound carriers and music DVDs with regard to the musical works belonging to its repertoire (hereinafter: Industry payment). The use of the number of times and the time during which films containing the music works belonging to the Stemra repertoire have been broadcast on national public and commercial TV channels (hereinafter: Film payment) is known via its sister organisation Buma.
- f. Stemra distributes the Lending Right Fee among the Rightsholders belonging to its circle on the basis of the Stemra Distribution Regulations, on the understanding that in addition to these, the provisions of this annex that are in line with the Distribution Regulations of Stichting Leenrecht apply.

### Article 1

1. Stemra shall receive from Stichting Leenrecht Lending Right Fees to be further distributed by Stemra for Audio, Video and Multimedia, hereinafter jointly referred to as: Lending Rights Fee.
2. The provisions of the Stemra Distribution Regulations – in particular Article 11 – shall apply mutatis mutandis to this Annex as far as applicable, unless this Annex provides otherwise.
3. For the purposes of this Annex, the following definitions are used:
  - a. **Rightsholders:** the maker referred to in Section 15c of the Copyright Act or his successor in title to whom an equitable remuneration is owed for the lending out as referred to in Section 15c (1) of the Copyright Act.
  - b. **Loan right fee:** the fee as referred to in Article 15c of the Copyright Act.
  - c. **Unallocated Amounts:** Amounts due to Participants and Non-participants are considered Non-allocable or Non-Payable Funds (unallocated amounts) if it has not been possible to allocate these funds for three years after the end of the financial year in which the collection

by Stichting Leenrecht of these funds has taken place and which will not be added to the reservation for claims of Non-Participants referred to in Article 4 (1) and (2) of this Annex.

## **Article 2**

Stemra will distribute the Lending Right Fee to the Participants and Non-participants as soon as possible and in any case no later than six (6) months after receipt by Stichting Leenrecht, unless objective reasons prevent Stemra or, where applicable, its Participants from complying with this period.

## **Article 2A**

In derogation of the allocation keys as included in Annex III, Stemra will distribute the Lending Rights Fee collected by Stichting Leenrecht for the 2015 to 2020 use year by adding it to the distribution of Home Copy fees as included in Annex IV.

## **A claim expires following more than 2 years after settlement for Participants and (rightsholders of) CBOs and Sister organisations**

### **Article 3**

1. Complaints about settlements made in any year will be processed until 31 December of the second (2<sup>nd</sup>) year following the calendar year in which the relevant settlement was made. Subsequently, the right of the Participant and the CBO or Sister organisation with which a representation agreement has been concluded to complain about the relevant settlement.
2. If any error has been made in determining the amount due to a Participant, this error can be addressed until 31 December of the second (2<sup>nd</sup>) year following the calendar year in which the relevant settlement was made.
3. Overpaid amounts will not be recovered if, in the opinion of the Board, there are serious reasons to consider recovery as unreasonable.

## **Reservation (4th and 5th year) for Non-participants (rightsholders who are not participants of: Stemra, CBO or Sister organisation)**

### **Article 4**

1. Any Non-allocable or Non-payable funds as referred to in Article 1 (2)(c) of this Annex for the benefit of Non-participants who, despite reasonable attempts by Stemra to do so, cannot be traced and distributed, will then remain reserved in the name of the rightsholder for two (2) calendar years for claims of Non-participants arising in that period.
2. Other Non-allocable or Non-payable amounts as referred to in Article 1 (2)(c) for the benefit of Non-participants, which cannot be paid out, because the data of the Non-participant, despite attempts by Stemra to do so, cannot be retrieved, also remain reserved for two (2) calendar years for claims of Non-participants arising in that period.

## **A claim expires (after the 5th year) for Non-participants (rightsholders who are not participants of: Stemra, CBO or Sister organisation)**

### **Article 5**

If a Non-Participant has not made a claim within the statutory limitation period of five years following the financial year of collection by Stichting Leenrecht, that claim to the Lending Right Fee shall lapse. Non-Participants can claim a Lending Right Fee via the Lending Right Fee Stemra claim form provided by the Board on the Stemra website.

## **Unallocated Amounts for Stemra**

### **Article 6**

The Unallocated Amounts (after 3 years) and the amounts not paid out after expiry of the reservation period (5 years) will be added in the next calendar year on a pro rata basis to the funds available for allocation to Participants and Non-participants, which will be allocated on the basis of a reference repertoire determined by the Board that relates to one or more (representative) categories from the original year of use with consideration of allocation keys as included in Article 2A of this Annex.

## Percentage of post-claims

### Article 7

The Stemra Board, in consultation with the Board of Stichting Leenrecht, periodically determines the percentage of the Lending Right Fee received that is reserved for claims and post-claims as referred to in the previous articles of this Annex for both Stemra Participants and Shareholders who are represented by a CBO or Sister organisation, and Non-participants, for a period of five years following the calendar year in which that Lending Right Fee was collected by Stichting Leenrecht. In 2017, the percentage was set at (maximum 15%). If necessary, the reservation percentage can be periodically adjusted and evaluated in consultation with Stichting Leenrecht.

### Article 8

The amounts received from Stichting Leenrecht in the course of a calendar year will be placed in a separate interest-bearing account. The interest generated will be allocated to the beneficiaries on a pro rata basis.

## Determination of the Lending Right Fee

### Article 9

The balance of the Lending Right Fee received by Stemra for any calendar year shall – after deduction of the reserves for claims as referred to in Article 4 of this Annex and in Article 11 of the Stemra Distribution Regulations – be added to the Stemra distribution with regard to the sale of image and sound carriers (Industrial payment) and to Stemra distribution with regard to broadcasting film (Film payment) as follows:

- Lending right for Audio and Multimedia to Stemra Industry;
- Lending right for Video to Stemra Film.

## Minimum payment rule

### Article 10

1. The provisions of Article 10 of the Stemra Distribution Regulations apply with respect to minimum payments.
2. With regard to the basic payment, the provisions of Article 8 of the Stemra Distribution Regulations apply.
3. If the Lending Right Fee received by Stemra in any category is less than €12,500, that amount will be added pro rata to the Stemra Industry and Film distribution.

## Costs

### Article 11

Stemra will deduct an annual percentage, to be determined by the Stemra Board in consultation with Stichting Leenrecht, from the total amount of Lending Right Fees received for a given calendar year to cover the costs associated with the distribution of the Lending Right Fee. Stemra shall endeavour to ensure that the costs, including the deduction of costs from Stichting Leenrecht, do not exceed 15% of the total amount of the Lending Right Fees received by Stemra in any calendar year. If the ratio between the amount to be paid and the effort to achieve distribution is such that a higher percentage is reasonably appropriate, the Stemra Board may, with the approval of Stichting Leenrecht, set a higher percentage.

## Accounting and accountability

### Article 12

If requested by Stichting Leenrecht, Stemra will report annually no later than 1 July of the year following that in which the lending right fees were received on the collection and distribution thereof.

The report includes at least:

the annual report and the financial statements with an unqualified audit opinion and the associated management letter insofar as applicable to the distribution of lending rights fees;

## Dispute Resolution

### Article 13

1. Rightsholders may lodge complaints against Stemra regarding the implementation of these regulations.
2. A dispute between a rightsholder and Stemra may be submitted to the Buma/Stemra Disputes Committee with due observance of the procedure as described in the Buma/Stemra Disputes Committee Regulations.

## Entry into force, applicability

### Article 14

1. This Annex was adopted by the Board of the Stemra Foundation on 6 July 2020, approved by the Copyright Supervisory Board on 14 October 2020 and by Stichting Leenrecht on 3 September 2020 and by the meeting of Stemra Foundation members on 26 August 2020.
2. Articles 2A, 6 and 14 were last amended by a decision of the Board of Stemra Foundation on 6 May 2022 and approved by the meeting of Stemra Foundation members on 25 May 2022 and by Stichting Leenrecht on 23 June 2022 and by the Supervisory Board Copyright on 1 September 2022 respectively.
3. The amended Article 6 enters into force with the approval of the Dutch Copyright Supervisory Board on 14 January 2022 and Stichting Leenrecht on 17 February 2022.
4. The amended Article 6 relates to the undistributed funds or 'unpaid amounts' respectively already released as of 1-1-2021 and after 1-1-2021 (after 3 or 5 years, respectively), insofar as these funds and amounts have not already been allocated or paid at the time referred to in this paragraph 4.