

Regulations of the Supervisory Board

The Supervisory Board of Vereniging Buma and Stichting Stemra, having their corporate seat in Amstelveen, adopted the following Regulations of the Supervisory Board in the meeting on 17 February 2020. The Regulations are based on article 18.3 of the Articles of Association of Vereniging Buma and Stichting Stemra and were approved by the CvTA on 30 April 2020.

Definitions

Article 1

For the purpose of these Regulations the following is understood as:

- a. **General Members' Meeting:** the general members' meeting of the Vereniging and the meeting of affiliates of the Stichting;
- b. **Board of Directors:** the board of directors of BumaStemra;
- c. **BumaStemra:** the Vereniging and the Stichting;
- d. **Supervisory Board:** the supervisory board of BumaStemra;
- e. **Regulations:** these regulations;
- f. **Council of Members:** the Council of Members of BumaStemra;
- g. **Articles of Association:** the Articles of Association of BumaStemra;
- h. **Stichting:** Stichting Stemra, having its corporate seat in Amstelveen;
- i. **Vereniging:** Vereniging Buma, having its corporate seat in Amstelveen;
- j. **Chair:** the chair of the Supervisory Board;
- k. **Deputy Chair:** the deputy chair of the Supervisory Board.

Objective, adoption, and scope

Article 2

1. These Regulations provide further substance to the internal matters of the Supervisory Board. These Regulations also organise the working method of the Supervisory Board with other bodies and committees of BumaStemra.
2. These Regulations can be changed by resolution of the Supervisory Board.
3. If these Regulations are in violation of Dutch law or the Articles of Association then the latter shall prevail. If these Regulations are compatible with the Articles of Association but in violation of Dutch law then the latter shall prevail. If a provision of these Regulations is not or no longer valid then this shall not affect the validity of the other provisions of which the effect, given the relevant content and scope, corresponds, in the best way possible, with that of the invalid provision(s).

Composition of the Supervisory Board

Article 3

1. The Supervisory Board consists of nine persons. Only natural persons can be appointed as members of the Supervisory Board.
2. The members of the Supervisory Board are appointed, suspended, and dismissed in the manner foreseen in the Articles of Association.
 - a. A member of the Supervisory Board cannot also be a supervisory director, board member or employee of:
 - a board of directors or a supervisory body of another collective management organisation;
 - an interest group for copyrights and/or neighbouring rights, unless this organisation is specifically for BumaStemra members/affiliates;
 - Buma Culture Foundation, Social Fund Buma Foundation or a similar funds receiving institution.

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3.
 - a. Membership of the Supervisory Board is not compatible with membership of the Council of Members of BumaStemra or the Board of Directors of BumaStemra.
 - b. A person who was a member of the Board of Directors of BumaStemra cannot be a member of the Supervisory Board for a period of four years (4 x 365 days) after resignation from the Board of Directors. Any nominations can, however, take place prior to that period, however an appointment shall only take effect after the aforementioned period of four years has lapsed.
 - c. A person who was a member of the Council of Members can be a member of the Supervisory Board after resignation from the Council of Members.
4. Without prejudice to the provisions set forth in the Articles of Association, the various categories of members and affiliates of BumaStemra must be represented in the Supervisory Board in an equitable and balanced manner.
5. Before a term of office lapses, the Supervisory Board consults on the desirability of reappointment. In this respect, both the performance of the person in question and the latest profile of the Supervisory Board.
6. The members of the Supervisory Board of the Vereniging and the Supervisory Board of the Stichting form a staffing entity. Meetings of both bodies are usually combined, unless expressly resolved otherwise, all with due observance of the tasks and responsibilities of both bodies.
7. Liability insurance, which also covers the costs for legal assistance, is taken out by and at the expense of BumaStemra for the benefit of the members of the Supervisory Board.

Task

Article 4

1. The Supervisory Board has the task to supervise the policy of the Board of Directors and the general course of affairs in BumaStemra. The Supervisory Board assists the Board of Directors in a solicited and unsolicited manner. During the performance of their task, the members of the Supervisory Board depart from the interest of BumaStemra and the business or organisation affiliated with BumaStemra and to this end they weigh the qualifying interests of the stakeholders involved in BumaStemra.
2. The supervisory task does, in any case, include:
 - the realisation of the objectives of BumaStemra;
 - the strategy and the key risks associated with BumaStemra;
 - the outcome of the assessment by the Board of Directors of the organisation and operation of the internal risk management and control systems as well as any significant changes in the same;
 - the compliance with laws and regulations;
 - the compilation of the financial statements as well as the preparation of the annual budget, including capital investments, of BumaStemra;
 - the relationship with public and private financiers;
 - the policy for the dialogue with the internal and external stakeholders.
3. The members of the Supervisory Board jointly and each individually have a personal responsibility to obtain any and all information that they require to properly perform their role. The Supervisory Board can request the Board of Directors, other functionaries, and the external auditor for information.

Working method

Article 5

1. The meetings and the manner of decision-making of the Supervisory Board take place in the manner foreseen in the Articles of Association.
2. Meetings of the Supervisory Board are called by or on behalf of the Chair, by means of calling notices sent to the addresses or email addresses of the members or to a different address and/or email address as communicated by registered letter.
3. The calling of a meeting takes place at the latest five working days prior to the meeting, unless in the given circumstances, at the discretion of the Chair, a shorter period is required. In the convocation, the topics to be covered are stated. Topics that are not mentioned in the

- convocation can be announced at a later date, with due observance of the requirements imposed on the calling of a meeting as elaborated in this article. Any member of the Supervisory Board can put items on the agenda
4. The Chair presides the meetings of the Supervisory Board. In their absence, they are replaced by the Deputy Chair. If both are absent then the Supervisory Board designates a chair at the meeting.
 5. The Supervisory Board can rely on the expertise and the advice of third parties.
 6. The secretary to the Board keeps minutes of the meetings of the Supervisory Board, which minutes are approved in (one of) the following meeting(s).

Chair

Article 6

1. The Chair is an independent person as intended in article 13 paragraph 3 under c of the Articles of Association. The Chair cannot be a former member of the Board of Directors of BumaStemra.
2. The Chair provides for the proper operation of the Supervisory Board and its committees and is the point of contact on behalf of the Supervisory Board for the Board of Directors, the Works Council, and the members of the Council of Members in terms of the performance of the Board of Directors and the Supervisory Board.

Supply of information

Article 7

1. The Board of Directors provides the Supervisory Board with any and all information, which is required for a proper performance of the function of the Supervisory Board, in a timely fashion. The Board of Directors and the Supervisory Board agree further arrangements about the supply of information in the information protocol.
2. The members of the Supervisory Board jointly and each individually have a personal responsibility to obtain any and all information that they require to properly perform their role. The Supervisory Board can, via the Chair, request the Board of Directors for information, as well as other functionaries after consultation with the Board of Directors, bodies, the external auditor, and (external) advisers of BumaStemra.
3. The Supervisory Board can, in coordination with the Board of Directors, request other stakeholders for information as well as employees who hold presentations during meetings of the Supervisory Board on specific topics.

Committees

Article 8

1. In conformity with the Articles of Association, the Supervisory Board establishes an appointments advisory committee and an audit committee.
2. In addition, the Supervisory Board establishes a remuneration committee and a stakeholder committee.
3. Without prejudice to the provisions set forth in the previous paragraph, the Supervisory Board can resolve to establish one or more other committees in respect of one or more topics.
4. The Supervisory Board does not delegate or mandate any authorities to the committees. The committees only provide the Supervisory Board with advice regarding the topic or the topics for which they were established.
5. The Supervisory Board establishes regulations for the working method of the established committees in which, at least, the topics for which the relevant committee was established, the working method, and the supply of information are outlined.

Conflict of interests, conflicting interests, and ancillary positions of the members of the Supervisory Board

Article 9

1. Any form and semblance of a conflict of interests and conflicting interests between members of the Supervisory Board and BumaStemra is avoided. For the purposes of this article, a conflicting interest of a member of the Supervisory Board is understood to mean: such a direct or indirect personal interest of a member of the Supervisory Board who is no longer able to fulfil his/her role as supervisor in an honest, objective and unbiased manner.
2. To (a) signal a conflict of interests at the earliest stage possible, to (b) avoid undesirable conflicts of interests, and to (c) safeguard that members of the Supervisory Board handle any conflicting interests in a transparent and diligent manner, each member of the Supervisory Board makes, in any case, an annual declaration about their conflicting interests, which declaration contains the following information:
 - a. any interest in BumaStemra;
 - b. any remuneration received from BumaStemra in the financial year preceding the year in which the statement is made, including pension schemes, benefits in kind and other types of benefits;
 - c. any amounts they have received from BumaStemra as entitled parties in the financial year preceding the year in which the declaration is made;
 - d. a statement of any direct or indirect personal interest that conflicts with the interest of BumaStemra; and
 - e. a report of investments and related transactions in sector-related companies or companies with which BumaStemra has a business relationship.
3. Without prejudice to paragraph 2 of this article, a member of the Supervisory Board must in all instances, including potential ancillary positions, in which this results (may result) in (potential semblance) of a conflict of interests or (potential) conflicting interests with BumaStemra, report this to the Chair and provide the Chair with any and all thereto-pertaining information.
4. After the notification of a member of the Supervisory Board to the Chair, as intended in the previous paragraph, the Supervisory Board resolves, without the presence of the relevant member, as to whether there is question of an undesirable (semblance of a) conflict of interests or conflicting interests and it shall take appropriate measures. To this end, the Supervisory Board provides openness within the organisation and external stakeholders.
5. If it is observed that there is question of an undesirable (semblance of a) conflict of interests or conflicting interests then the relevant member shall ensure that the said (semblance of a) conflict of interests does not occur or is cancelled as soon as possible. The Supervisory Board supervises this and takes measures if the relevant member of the Supervisory Board fails to comply.
6. If it is observed that there is question of a (semblance of a) conflicting interest then the relevant member shall, in any case, not take part in the preparation, the deliberation, decision-making, and implementation of these matters.

Role of the Supervisory Board in case of conflicts of interests, conflicting interests, or ancillary positions of members of the Board of Directors¹

Article 10

1. The present article contains the tasks and authorities of the Supervisory Board with regard to (a potential semblance of a) conflict of interests, conflicting interests or ancillary positions of members of the Board of Directors. The Board Regulations contain a similar regulation that (further) establishes the obligations of the members of the Board.
2. The Supervisory Board resolves on the granting (or not) of prior consent for ancillary positions of members of the Board of Directors.
3. A member of the Board of Directors must report a (potential semblance of a) conflict of interests or (any) conflicting interests that they have with BumaStemra to the Chair, together with any

¹ If the regulations about conflicting interests in the Board Regulations are revised then this article shall be revised accordingly.

- thereto-pertaining relevant information.
4. After the notification of a member of the Board of Directors to the Chair, as intended in the previous paragraph, the Supervisory Board resolves, without the presence of the relevant member, as to whether there is question of an undesirable (semblance of a) conflict of interests or conflicting interests and it shall take appropriate measures. To this end, the Supervisory Board provides openness within the organisation and external stakeholders.
 5. If it is observed that there is question of an undesirable (semblance of a) conflict of interests of a member of the Board of Directors, then the Supervisory Board monitors that the relevant member of the Board of Directors shall ensure that the said (semblance of a) conflict of interests does not occur or is cancelled as soon as possible. The Supervisory Board takes measures if the relevant member of the Board of Directors fails to comply.
 6. If a board decision that is urgent in terms of the continuity of BumaStemra cannot be taken due to a conflicting interest of one or more members of the Board of Directors, then the relevant decision will be taken by the Supervisory Board.

Relationship with the Board of Directors

Article 11

1. The Board of Directors gives account to the Supervisory Board and provides the latter with any and all information that is required for the proper performance of the Supervisory Board. The Board of Directors does this in a solicited, unsolicited, and timely fashion.
2. The Board of Directors reports to the Supervisory Board on the substance given to the policy for the dialogue with the internal and external stakeholders as intended in article 4 paragraph 2 seventh dash.
3. Without prejudice to the statutory provisions and the provisions set forth in the Articles of Association, the Board of Directors requires the approval of the Supervisory Board for the following resolutions:
 - a. the adoption of the policy plan and the thereto-pertaining annual budget of BumaStemra, with the exception of the policy with regard to the management of funds regarding royalty income as intended in Section 2d Subsections 6a up to and including 6e of the Dutch Collective Management Organizations for Copyrights and Neighbouring Rights and Dispute Settlement (Supervision) Act and the approval of the adoption of the annual transparency report as intended in Section 2d Subsection 6j of the same Act;
 - b. transferring the company or organisation or a significant or (sub)part of the company or organisation of BumaStemra to a third party;
 - c. entering into or terminating a long-term partnership between BumaStemra or a subsidiary with another legal entity or company or as a fully liable partner in a limited partnership or general partnership, if this collaboration or termination is of major significance for BumaStemra;
 - d. the closing – including transfer of ownership or enjoyment – of the company or organisation of BumaStemra or of a major participation of BumaStemra;
 - e. making a proposal to dissolve BumaStemra;
 - f. applying for bankruptcy of BumaStemra and requesting a suspension of payments;
 - g. making a proposal to amend the Articles of Association;
 - h. entering into a merger or demerger of BumaStemra within the meaning of Book 2, Title 7 of the Civil Code;
 - i. terminating the employment contracts of a significant number of employees of BumaStemra or a subsidiary simultaneously or within a short period of time;
 - j. drastically changing the working conditions of a significant number of employees of BumaStemra or a subsidiary;
 - k. the lending or borrowing of funds, with the exception of the withdrawal of funds in current account at the bank(s) of BumaStemra designated by the Supervisory Board, provided that BumaStemra is not in debit with a relevant bank for an amount that exceeds the amount established by the Supervisory Board and communicated to the Board of Directors; the Supervisory Board is always authorised to change this amount;
 - l. establishing legal entities;

- m. the performance of legal transactions (also including the renewal of agreements) in so far as they have not been included in the budget and individually exceed a value of 3% of the total cost budget or in so far as they are otherwise of significant importance to the strategy or the policy of BumaStemra;
 - o. changes in withholding percentages at BumaStemra in conformity with the general policy with regard to withholdings from royalty income as established by the General Members' Meeting, other than as determined in internationally binding arrangements;
 - p. legal acts, such as providing securities and the purchase or sale of registered property exceeding an amount to be determined by the Supervisory Board from time to time;
 - q. the financing of the strategy;
 - r. the provisions for the control of the performance of the organisation through an adequate risk management and control system;
 - s. resolutions regarding the conclusion of transactions or relationships where conflicting interests of members of the Board of Directors are (may be) relevant;
 - t. the strategy as laid down in the strategic plan prepared by the Board of Directors;
 - u. the risk management policy;
 - v. any acquisition, sale or encumbrance of registered property;
 - w. the withdrawal of loans, the provision of loans and securities for loans; and
 - x. decisions regarding transactions or relationships that (may) involve conflicting interests of members of the Board of Directors, whereby the Supervisory Board records these decisions in writing with reasons and reports on them in the management report accompanying the annual accounts.
4. Without prejudice to the statutory provisions and the provisions set forth in the Articles of Association, the Board of Directors is required to consult the Supervisory Board in advance before resolving on:
- a. establishing the policy regarding bonus schemes and special remuneration structures with regard to employees who are not members of the Board of Directors;
 - b. the general licensing policy or the common licensing terms and conditions
 - c. entering into licensing agreements, if they deviate significantly from the usual licensing conditions;
 - d. making agreements to prevent or terminate legal proceedings with users of repertoire with a contract value of more than 1 million Euros per year, where the settlement amount is more than 25% of the annual contract value.

Nomination of members of the Board of Directors

Article 12

1. In pursuance of the Articles of Association, the appointment of members of the Board of Directors takes place on the nomination of the Supervisory Board with due observance of the relevant rules for involvement of the Works Council.
2. The Supervisory Board prepares profiles for members of the Board of Directors in advance, which include the relevant knowledge, experience, and competencies. The profiles are evaluated periodically by the Supervisory Board, whether or not in consultation with the Board of Directors.
3. A selection committee, respectively a delegation of the Supervisory Board, selects candidates for the nomination as a member of the Board of Directors and provides the Supervisory Board with a relevant substantiated opinion.
4. The nomination of a candidate member of the Board of Directors to the General Members' Meeting by the Supervisory Board is substantiated, with due observance of the provisions set forth in article 14.

Evaluation of the performance of the Board of Directors

Article 13

1. A delegation of the Supervisory Board annually conducts at least one performance review with all members of the Board of Directors. The Chair is part of the delegation.
2. The outcome of these performance reviews is discussed by the Supervisory Board without the presence of the Board of Directors.
3. The Supervisory Board prepares a report of the performance reviews with each member of the Board of Directors.

Relationship with the Council of Members

Article 14

The Supervisory Board requests the Council of Members for an opinion regarding the appointment, suspension, and dismissal of members of the Board of Directors.

Auditor

Article 15

1. The Supervisory Board is authorised to award the engagement to the auditor to audit the financial statements, if the General Members' Meeting does not proceed accordingly.
2. The Supervisory Board is required to inform the Dutch Supervisory Authority for Collective Management Organisations (Copyright and Neighbouring Rights) (CvTA) of the appointment of the auditor, if it proceeds accordingly.
3. The Supervisory Board consults at least once a year with the external auditor. The financial statements and the risk management and control system are, in any case, discussed. The Supervisory Board receives a copy of any and all reports of the external auditor to the executive management.

Consultation with the Board of Directors and the Council of Members

Article 16

Twice a year, a joint meeting is held between the Board of Directors, the Supervisory Board, and the Council of Members. This meeting is presided by the Chair.

Evaluation of the performance of the Supervisory Board

Article 17

1. The Supervisory Board is responsible for the quality of its own performance.
2. The Supervisory Board discusses its own performance, that of the committees and the consequences that must be attached to the same at least once a year without the presence of the Board of Directors. In addition, the relationship with the Board of Directors is included in the evaluation.
3. Once every three year, the performance of the Supervisory Board is discussed under external supervision.
4. The individual performance of the members of the Supervisory Board is discussed at least once a year in a personal meeting with the Chair and the Deputy Chair.
5. In advance, the Supervisory Board requests the vision of the Board of Directors about the performance of the Supervisory Board and includes this, and potential other areas of attention of the Board of Directors, in its evaluation.

Confidentiality

Article 18

1. Each and every member of the Supervisory Board is required to observe the necessary discretion in respect of any and all information and documentation obtained in the context of their capacity as a member of the Supervisory Board and, to the extent that it regards confidential information, observe confidentiality.
2. Each and every member of the Supervisory Board shall not take confidential information outside the Supervisory Board or disclose or otherwise make it available to third parties, unless BumaStemra, in consultation with the Supervisory Board, disclosed this information or established that this information has already become available in the public domain, or with express consent of the Supervisory Board and the Board of Directors collectively.

Stakeholder consultation

Article 19

In addition to the supervision on (the policy for) the dialogue of the Board of Directors with internal and external stakeholders, the Supervisory Board can decide to consult stakeholders to give substance to its supervision. Prior to the said decision, the Supervisory Board shall consult the Board of Directors.