

# ANNUAL REPORT STICHTING STEMRA 2020

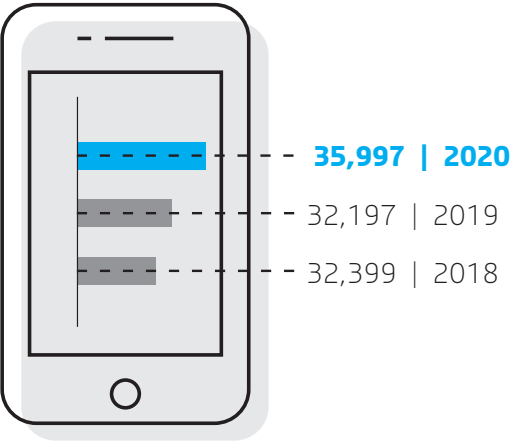
**buma•stemra**

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# KEY FIGURES OF STEMRA

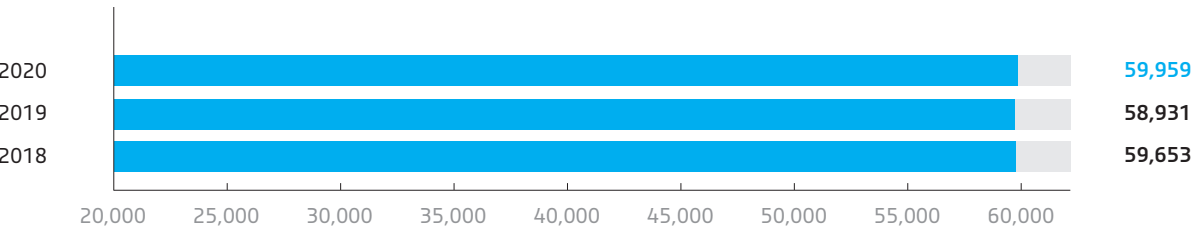
## COLLECTION STEMRA (x € 1000)



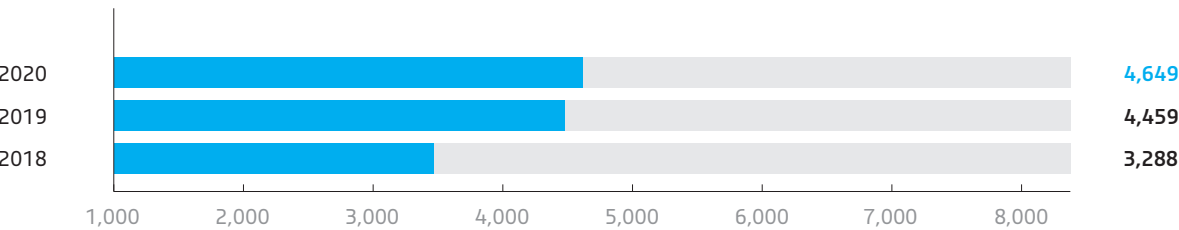
## NUMBER OF FTES



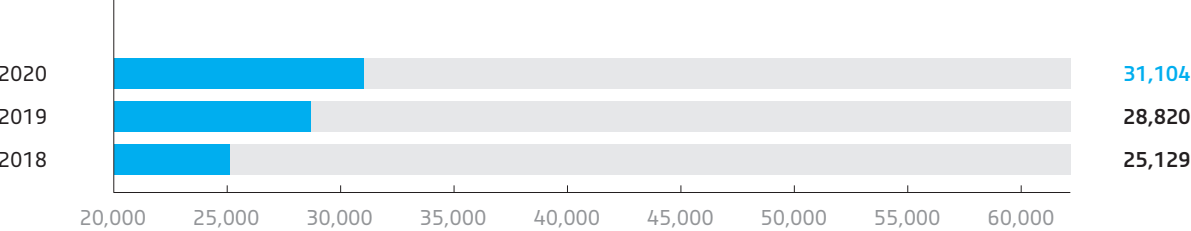
## COPYRIGHT ROYALTIES TO BE DISTRIBUTED (x € 1000)



## MANAGEMENT COSTS (x € 1000)



## DISTRIBUTIONS (x € 1000)



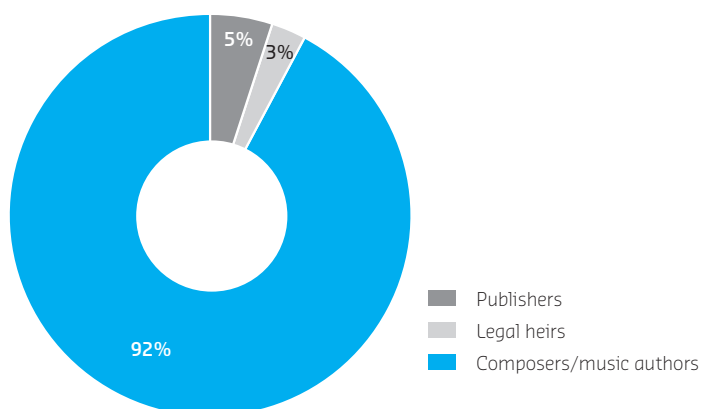
KEY FIGURES						
(x € 1,000)	2020	2019	2018	2017	2016	2015
<b>COPYRIGHT ROYALTIES RECEIVED/RECEIVABLE</b>						
Phono-mechanical rights BIEM / Central Licensing	4,177	4,946	5,610	6,058	6,192	6,169
PIEB (custom pressing) / Special Licensing	5,293	4,042	3,869	4,935	4,922	4,919
Radio & TV	6,384	6,140	6,579	5,819	6,970	6,046
Online	11,668	7,548	5,347	5,339	4,596	3,793
Private Copy / Public Lending Rights	4,362	5,664	5,312	10,198	6,213	13,414
Reprographic rights		107	-	115	-81	341
<b>Music use in the Netherlands</b>	<b>31,884</b>	<b>28,446</b>	<b>26,718</b>	<b>32,464</b>	<b>28,813</b>	<b>34,682</b>
<b>Music use abroad</b>	<b>4,113</b>	<b>3,751</b>	<b>5,681</b>	<b>3,827</b>	<b>5,082</b>	<b>4,581</b>
<b>Total</b>	<b>35,997</b>	<b>32,197</b>	<b>32,399</b>	<b>36,291</b>	<b>33,894</b>	<b>39,263</b>
<b>DISTRIBUTIONS</b>						
Rights owners	28,511	25,399	22,448	20,809	24,993	27,307
CMOs Abroad	2,593	3,421	2,682	2,122	2,603	3,363
	<b>31,104</b>	<b>28,820</b>	<b>25,129</b>	<b>22,931</b>	<b>27,596</b>	<b>30,670</b>
<b>Administration fee withheld upon distribution</b>	3,865	4,099	3,510	2,930	3,961	4,755
<b>Total</b>	<b>34,969</b>	<b>32,919</b>	<b>28,639</b>	<b>25,861</b>	<b>31,557</b>	<b>35,425</b>
<b>COPYRIGHT ROYALTIES TO BE DISTRIBUTED</b>						
Copyright royalties to be distributed at end of financial year	59,959	58,931	59,653	55,913	45,483	43,145
<b>OPERATING STATEMENT</b>						
Administration fee withheld upon distribution	3,865	4,099	3,510	2,930	3,961	4,755
Other income	975	892	848	803	782	729
<b>Total income</b>	<b>4,840</b>	<b>4,991</b>	<b>4,357</b>	<b>3,733</b>	<b>4,744</b>	<b>5,484</b>
Management costs	-4,649	-4,459	-3,288	-4,181	-2,966	-5,921
<b>Total expenses</b>	<b>-4,649</b>	<b>-4,459</b>	<b>-3,288</b>	<b>-4,181</b>	<b>-2,966</b>	<b>-5,921</b>
<b>BALANCE OF TOTAL INCOME AND EXPENSES</b>	<b>191</b>	<b>532</b>	<b>1,069</b>	<b>-448</b>	<b>1,777</b>	<b>-437</b>
Financial income and expenses	-257	-98	17	-25	60	308
<b>Available for appropriated reserve</b>	<b>-66</b>	<b>434</b>	<b>1,087</b>	<b>-473</b>	<b>1,837</b>	<b>-129</b>
<b>Extraordinary charge, withdrawn from continuity reserve</b>	<b>-500</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

KEY FIGURES						
	2020	2019	2018	2017	2016	2015
Actual cost percentage withheld for the Dutch industry: BIEM	7.3%	7.3%	7.3%	7.3%	7.3%	7.3%
Actual cost percentage withheld for Foreign Central Licensing	3.7%	3.7%	3.7%	3.7%	3.7%	3.7%
Actual cost percentage withheld for Background music / Audio-visual education and Corporate productions	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%
Actual cost percentage withheld for Radio & TV	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%
Actual cost percentage withheld for Audio Visuals TV / Cinema	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%
Actual cost percentage withheld for Audio Visuals Commercials	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%
Actual cost percentage withheld for Private Copy / Public Lending Rights	9.0%	9.0%	9.0%	9.0%	15.0%	15.0%
Actual cost percentage withheld for Online	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%
Actual cost percentage withheld for Abroad	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Actual cost percentage withheld for P.I.E.B./ Home Video/Imports/ Reprographic rights	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%
Actual average percentage withheld (administration fees as a percentage of distribution)	12.4%	14.2%	14.0%	12.8%	14.4%	13.4%
Management costs (gross) as a percentage of total copyright royalties received/receivable	12.9%	13.8%	10.2%	11.5%	8.8%	15.1%
Management costs (gross) as a percentage of total distributed copyright royalties	14.9%	15.5%	13.1%	16.2%	9.4%	16.7%
Annual change in operating costs	4.3%	35.6%	-21.3%	41.0%	-49.9%	-10.1%
Derived consumer price index	1.3%	2.6%	1.7%	1.4%	0.3%	0.6%
Number of affiliates and participants	31,520	29,618	28,223	26,937	25,364	24,092
Number of invoiced licensees	1,025	1,136	1,248	1,200	1,500	2,600
Number of employees in FTEs	14.4	14.3	14.2	14.2	15.2	14.7

#### Joined 2020

Composers/music authors	29,069
Publishers	1,556
Legal heirs	895

**TOTAL** **31,520**



# — 1. DIRECTORS' REPORT

# 1. DIRECTOR'S REPORT

## 1.1 EXPLANATION BY THE BOARD

### INTRODUCTION

Stemra is managing mechanical reproduction rights for its affiliates, grants appropriate licences for music use, advocates fair and sustainable compensation for musicians and supports a wide variety of collective ambitions of its affiliates. In 2020, we did that amid special and challenging circumstances. On 12 March, the first national Covid-19 measures were announced. Restaurants and bars, live performances and shops were closed for a large part of the year and festivals and events were first postponed and later cancelled. Radio and TV stations struggled with shrinking advertising revenues and the music sector was hit hard by the loss of performances. The exact impact of Covid-19 can only be determined in retrospect, but it is clear that the consequences are enormous for the world in general and the Netherlands and the Dutch music industry in particular. In 2020, based on the conviction that the impact of the virus will diminish in the foreseeable future, we launched our new strategy. Although the short-term future is still uncertain, we are getting ready nonetheless.

### RESULTS

In 2020, Stemra collected € 36.0 million in copyright royalties, a rise of 11.8% compared to the previous year. This rise was mainly accounted for by the Online market segment, within which fees collected rose by no less than 55%. In 2020, the share of the Online segment in Stemra's total collection rose from 23% to 32%. Growth in this segment more than offsets the decline in collection from the traditional markets for mechanical rights, such as the sale of CDs and other sound carriers. On balance, the conclusion is that the Covid-19 crisis does not appear to have a negative impact on Stemra's rights revenue. Unfortunately, this does not alter the fact that many affiliates DO experience serious consequences of the Covid-19 crisis, albeit in other ways.

In 2020, Stemra distributed € 31.1 million to affiliated rights owners and organisations with which we have a reciprocity contract: an increase of € 2.3 million. This increase is mainly explained by the rise in available Online copyright royalties. Other, more incidental increases and decreases in the other segments have a neutral effect on balance.

Management costs increased by € 0.2 million, partly due to necessary investments in IT.

The year 2020 was challenging, but there were also positive results to report and we launched our new strategy. For a large part of the year we were unable to attend live concerts, but the importance of music as a connecting factor in a distancing society has rarely been greater.

### AID FOR MUSICIANS

Stemra and Vereniging Buma, together forming the Buma/Stemra work organisation, have made a strong commitment to helping distressed members and affiliates. This includes accelerated

distribution of copyright royalties for the RTV and Live Performances segments; in addition, in collaboration with Sociaal Fonds Buma and Buma Cultuur, we contributed € 2.8 million to the Emergency Music Fund in the first months of the crisis. In addition, an Investment Fund of € 2.5 million has been formed with the cooperation of the Ministry of Education, Culture and Science.

While the Emergency Fund is aimed at relieving initial distress, this Investment Fund focuses on stimulating new initiatives in the creation of music.

### AID FOR LICENSEES

Agreements have been made with licensees via VNO/NCW, in collaboration with the industry organisations, about how parties interact during the lockdown. The principle agreement is that no copyrights have to be paid during the period that an organisation was forcibly closed. The starting point is that we are collectively facing difficulties and will therefore collectively have to find solutions.

### THE EMPLOYEES OF BUMA/STEMRA

In addition to the musicians and licensees, Covid-19 has also had an impact on the employees of Buma/Stemra. From mid-March, our entire organisation switched to fully working from home. The good news was that our workflow and systems were already set up for that contingency. The downside was that, for example, employees with children were confronted with practical challenges. Employees missed the social contact with colleagues and the digital interaction was a blessing in some cases, but led to inefficiency or ineffectiveness in others. Workplaces were not always ergonomically designed and all these changed circumstances may have a long-term effect that is still difficult to foresee. In 2020, we conducted two staff surveys to better understand the well-being of our people and better meet their needs. In view of the results, we conclude that we got through the first Covid-19 year reasonably well, but that there is a great need for perspective for the second Covid-19 year.

### NEW STRATEGY: TO THE BEAT OF THE DRUM

We believe the Covid-19 crisis is temporary, which is why Buma/Stemra is preparing for the future. We have formulated a new strategy entitled: *To the Beat of the Drum*. The world will be up and running again and we will be keeping pace. Important long-term trends such as internationalisation, digitisation, the rise of tech giants and higher demands from musicians and licensees means change and adaptation to the new reality are at the heart of our vision. Buma/Stemra wants to contribute to achieving a sustainable balance between making music and using it, with the ultimate objective of our members and affiliates being satisfied. We will make four important strategic choices:

- 1) our services will be future-proof,
- 2) we aim for growth,
- 3) we promote collectivity and

4) we are strengthening business operations. Our mission is to enable musicians and publishers to collectively contribute to a healthy musical ecosystem, administering their copyrights and creating a world of music. Buma/Stemra has the ambition to permanently establish itself in the top 10 of collective management organisations globally.

## MARKET DEVELOPMENTS

Online streaming and subscription services are becoming increasingly popular and both musicians and licensees are placing higher demands on the service. Tech giants are forcing existing players to modernise the organisation and corporate culture. There is a strong suspicion that the lockdown has boosted online music use, leading to new revenue models within that market segment. The consequences of Covid-19 for the music industry are enormous, but as stated earlier, there are major differences between them, which are exacerbated by this ongoing trend. Streaming music has quickly become commonplace and watching linear TV is increasingly making way for video on demand.

When the piano roll was introduced at the end of the nineteenth century, it was feared that it would usher in the end of live music. When music downloads became popular more than a century later, there was a fear that no one would want to pay for music anymore. With regard to streaming, it is sometimes thought the minimal amounts paid per stream will never lead to a viable revenue model. However, as volumes continue to increase, that picture is beginning to change and income from online music use is for some of our affiliates compensation for falling income from other market segments. This is certainly not the reality for all musicians: the picture is inconsistent.

Another development in the market that started as early as 2019 is that the relationship with our sister societies abroad is changing. Due to globalisation and accelerated growth of online music use, the playing field is becoming more international and musicians are increasingly concluding multi-territorial licences with online providers. Musicians do not think in terms of existing structures, but in terms of new needs and look for a collective management organisation to suit. So-called carve-outs are occurring more and more, as part of which musicians no longer have the use abroad represented by a sister society, but by Buma/Stemra, or vice versa. In turn, the collective management organisations go in search of valuable repertoire to represent. Whereas our and our sister organisations' work used to be complementary, more and more overlap is beginning to emerge now and we are starting to compete with each other in places.

## THE DEMANDS PLACED ON US BY THE RAPIDLY CHANGING MUSIC INDUSTRY

The music industry is changing rapidly and Buma/Stemra is changing with it. Because we want to, but also because we have to. The strong increase in the use of online music, streaming in particular, places new demands on a collective management organisation such as Stemra. The strategic choices for growth, future-proofing our services and strengthening business operations stand or fall with the modernisation of our digital infrastructure. Online music use means that high volumes must be processed quickly,

correctly and transparently. In a highly competitive market, consumers set high standards in terms of ease of use and price. **IT** - In the field of IT, we are starting to replace our old ERP system in phases. This system is at the end of its life and replacement is urgent. This conclusion was confirmed in a study by Software Improvement Group. This consultancy also tested the project plan and mapped out what parts of the new IT system will have to be specially designed. Maintenance on the old environment can only expire after the transition, but is kept to a minimum during the transition period. Over the next two years, we will be working towards a modern, modular network: flexible and cloud-based. The new system will be simpler, more efficient and more accurate and be better suited to handle the increasing flow of data.

We made the decision for this investment in November 2020. The investment involved with this modernisation is substantial, but also necessary to safeguard the continuity of our services and our position in the market.

The timing in terms of the Covid-19 impact may seem unfortunate, but we believe the impact of the virus to be temporary and a long-term focus is therefore warranted. If we were not to innovate, the total fees collection and distribution flow and thus a large part of the musical ecosystem in the Netherlands would be endangered. Besides, we want to become a global top 10 player in a changing market that strongly focuses on online use, requiring an excellent IT infrastructure.

**CULTURE** - To compete with the major providers of online and streaming music on the international playing field, we will have to bring about a change of mentality within Buma/Stemra. In view of the disappointing collection as a result of the lockdown and given the well-being of our people, we are adjusting the pace of this change, but the fact remains that as an organisation, we will transform from task-oriented to customer-oriented and from reactive to proactive. Customer-driven will increasingly become sales-driven. New, more volume-oriented markets require customisation and a more transparent operating method. Effectiveness and efficiency are key words, also to keep our costs at acceptable levels and to be able to compete on quality AND price.

We want a simple and clear collection and distribution process to collect and distribute copyright royalties quickly and clearly. Integrity goes hand in hand with transparency. Existing and new employees must feel safe in order to be able to be transparent. Excellence in working methods does not mean people are not allowed to make mistakes. It does mean, however, that mistakes are communicated and lessons learned from them. This ensures that we work professionally and that we are really connected with each other and our members and affiliates.

## COSTS

Management costs increased by € 0.2 million, partly due to the investments in IT. The growth in Online also resulted in higher costs of outsourcing usage processing within this specific market segment. In Chapter 1.2, we will elaborate on the three cost standards that we must comply with as a collective management organisation in the context of the Supervision Act. If the standards are exceeded, the cause must be stated. In 2020, Stemra's cost percentage came to 12.9%, meaning that we complied with the norm that costs as a rule may not exceed 15% of the collection. With a cost percentage of 14.9%,



Stemra also complied with the norm that costs may not exceed 15% of copyright royalties distributed.

In 2020, management costs rose faster than the consumer price index, as a result of which Stemra does not meet the standard that states that these may not rise faster than the consumer price index compared to the same period of the previous year. If we assess the period from 2015 to now, Stemra's management costs have not risen faster than the consumer price index.

Thanks to cost savings, management costs did remain below the 2020 budget. We introduced a recruitment freeze and saved on the costs of hiring external parties by replacing them with internal employees as much as possible. Travel expenses were also significantly lower. In other areas, savings were not so extensive: for example, we extended contracts for facility services at more favourable rates and we saved on catering, coffee machines and photocopiers. That doesn't make for huge gains, but it helps. Besides, even making small savings improves cost awareness within the organisation.

On the date of reporting, it is unclear whether Buma/Stemra is eligible for the Temporary Emergency Bridging Measure for Sustained Employment (NOW) and the resulting compensation in wage costs. If granted, that compensation will lead to a reduction in management costs, to be specified in more detail.

## LAWS AND REGULATIONS

In 2020, in close consultation with the Ministry of Justice and Security, we ensured that the Temporary Act governing the COVID-19 Measures was adjusted in such a way that foundations too could hold their annual meetings digitally. This required an additional amendment to the Civil Code, which was organised in a very short period of time. As regards laws and regulations, the Copyright Directive has been implemented, which has improved the negotiating position of copyright owners on the Internet, especially on platforms where user-generated content is shared. This directive entered into force on 1 January 2021, with the exception of the main article (Article 17), which will come into effect on 1 June 2021. The Online Broadcasters Directive will be implemented in 2021. These legislative amendments were preceded by about six years of negotiations.

An amendment to the Supervision Act gives the Supervisory Authority for Copyrights more options to intervene directly. Another change is that collective management organisations must from now on request prior written permission for the unilateral introduction of new rates, where this was previously only necessary in the event of rate increases. If new or amended contracts are concluded with representative organisations of users (industry organisations in particular), this must be reported to the Supervisory Authority, although requesting permission is not necessary in that case. On the cost side, it is important to report that, from now on, Buma/Stemra will have to contribute to the supervision of the sector. Lastly, the Supervisory Authority will be given the opportunity to test directors, board members and supervisors of CMOs for their reliability and suitability.

Furthermore, Buma/Stemra has become a member of the Alliance of Event Builders, which negotiates with the Ministry

of Education, Culture and Science about experiments with organising events in a publicly responsible and safe manner in the period until society as a whole opens again. We also set up Encore, a lobby organisation that consults with the Ministry of Economic Affairs and Climate Policy and the Ministry of Education, Culture and Science about leniency measures in the field of laws and regulations, such as making the TOGS and TOZO schemes applicable to those we represent. These schemes are necessary to help the creative sector get through the crisis.

## GOVERNANCE

Marleen Kloppers, the new Chief Financial Officer, took office on 1 July, completing the Management Board, which further consists of Chief Executive Officer Bernard Kobes. Kloppers brings more than 25 years of experience as a financial director and supervisor. With her appointment, Buma/Stemra also contributes to the wish of more women in senior positions. In the coming years, we will further improve the male-female ratio and the degree of diversity throughout our organisation. Buma/Stemra expresses its gratitude to Siebe van Elsloo, former interim CFO, for everything he has done for Buma/Stemra.

The year 2020 was the second full year in which we worked with the new governance structure. All decisions in the field of strategy and investments have been taken in close consultation with the Supervisory Board and the Council of Rights Owners. The involvement of the Council of Rights Owners means that those represented by Buma/Stemra feel more involved in the organisation. Due to the multitude of topics on the agenda in 2020, the various bodies discussed twice as much as had been planned in advance. The collaboration has been experienced as very positive by the Management Board.

## RISKS

Buma/Stemra distinguishes strategic risks, compliance risks, operational risks and financial risks. A major strategic risk is a scenario in which Covid-19 is not temporary and continues to disrupt our society and therefore the music industry and our organisation. Another strategic risk is that, as a result of organisational or technical reasons, Buma/Stemra will not be able to cope with the dominant position of the tech giants that have started to play an increasingly dominant role in the global music industry in recent years. If we don't get our IT systems in order or don't change our task-oriented and process-oriented culture to a customer-oriented culture quickly enough, there is a risk that our negotiating position will deteriorate. To overcome this risk, as an organisation we will change along with the market, aim for growth, promote collectivity and strengthen our business operations. Compliance risks arise in the event of tensions in complying with all kinds of laws and regulations, including the Supervision Act. Complying with these laws and regulations is vital to be the reliable social player (corporate citizen) we aspire to be and to not incur reputational damage.

Operational risks can arise due to possible disruptions in the process of collection from users or in the process of distribution to rights owners. The functioning of IT systems plays an important part in ensuring the continuity of the collection and distribution process which once again justifies the decision to invest in replacing the current IT system now.

Investment in IT is also necessary to hedge one of the main financial risks, viz. fraud risk. Proper security of our information and all our data flows is vital. Liquidity risks, currency risks and interest risks are three other important financial risks.

In Chapter 1.2.9, we will discuss in more detail the different types of risks that Buma/Stemra takes into account in its business operations.

## OUTLOOK

We believe the impact of the Covid-19 virus is temporary, but we also know we will never return to the way things were before. More working from home will be a trend that is here to stay, as are far-reaching digitisation and a continued advance of streaming services and video on demand. We will not comment on the prospects for shops, restaurants, bars and events, because these depend entirely on developments in the coming months.

The Covid-19 crisis has major consequences for musicians and publishers affiliated to Stemra and also for Stemra itself, although the collection of rights revenue does not appear to be adversely affected by Covid-19 on balance. While Buma/Stemra postponed expanding the workforce in 2020 due to the economic reality, we do want to recruit new people in 2021 in order to be able to give substance to the strategic choices made, including replacing the IT system and strengthening the commercial team. This is expected to lead to additional costs in 2021. If the collection of royalties is disappointing, this will lead to a higher cost ratio, the percentage in which the costs are related to fees collected.

Stemra has set fixed withholding percentages for the administration fee for 2021; this policy has remained unchanged from 2020 and previous years (see 1.2.3). Compared to 2020, we will not increase these withholding percentages. As regards withholding from the fees collected for online music streaming, we will even be lowering that withholding: from 15 to 10 percent. Stemra expects to be able to make up for any funding deficit in the 2021 operation from existing reserves.

Distribution showed an increase in 2020 and we expect a further sharp increase for Stemra in 2021 because in that year, we will be catching up with older Private Copy royalties that could not be paid out earlier. The cause was ongoing discussions on the distribution of these royalties between rights owners.

## MUSIC IS NOT A LUXURY ITEM

Music connects and brings people together. At a time when we have to keep a physical distance from each other and are confronted with many uncertainties, there is a strong need for comfort and connection. Music plays a major role in this, in fact: it is part of our essential infrastructure. People cannot live without music, a healthy musical ecosystem is of the utmost importance and secures Buma/Stemra continuity. We monitor where and by whom music is listened to, collect the copyright royalties and distribute them among the rights owners who can then make more music. We have been monitoring and boosting that musical cycle for over a hundred years and we are happy to continue doing so for at least another hundred years.

## IN CONCLUSION

Each year, but this year in particular, we thank our employees. Working from home has its advantages, but also puts a heavy strain on some of our people. Despite the distance we are forced to keep from each other, we have managed to maintain the level of our service, together. At a time when everyone was asked to stay indoors, we managed to provide our affiliates and customers with the best possible support as an outward-looking organisation. We are looking forward to contributing in 2021 and beyond to ensure that music continues to be the connecting factor in a society that needs this more than ever.

Hoofddorp, 5 May 2021

The Management Board:

Bernard Kobes, Chief Executive Officer

Marleen Kloppers, Chief Financial Officer

## 1.2 FINANCIAL RESULTS AND RISK MANAGEMENT

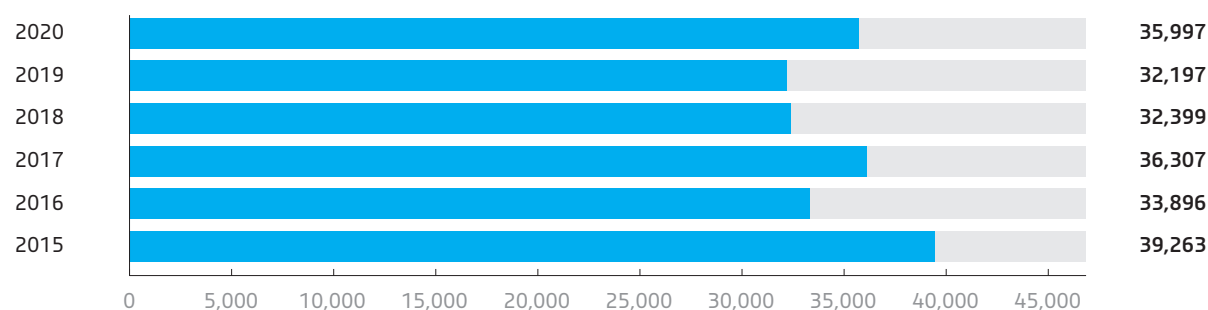
### 1.2.1 COPYRIGHT ROYALTIES (TO BE) RECEIVED

The copyright royalties were received from the following categories:

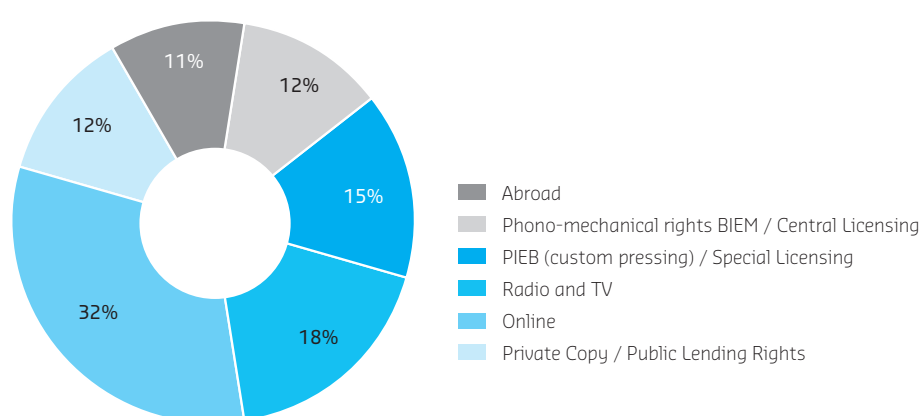
(x € 1,000)	2020	2019
Phono-mechanical rights BIEM / Central Licensing	4,177	4,946
PIEB (custom pressing) / Special Licensing	5,293	4,042
Radio & TV	6,384	6,140
Online	11,668	7,548
Private Copy / Public Lending Rights	4,362	5,664
Reprographic rights *	-	107
Abroad	4,113	3,751
<b>TOTAL</b>	<b>35,997</b>	<b>32,197</b>

\* the exploitation of the graphic reproduction rights for sheet music and song lyrics was discontinued with effect from 1 January 2016. The fees collected in 2019 concern a subsequent payment.

#### DEVELOPMENT OF COLLECTION (x € 1000)



#### COMPOSITION OF COLLECTION



The table and bar chart show that Stemra collected nearly € 36.0 million in 2020. Compared to 2019, Stemra's collection of royalties increased by € 3.8 million in 2020, a percentage of 11.8%. The largest increase (€ 4.1 million or 54.6%) was realised from Online streaming and video on demand, 25% of which is attributed to Stemra. Growth in Online was also achieved thanks to new licence agreements with several large parties and the collection of additional royalties for previous usage years. In 2020, 32% of Stemra's total collection of royalties is accounted for by Online (2019: 23%) and therefore the growth in this category compensates for the fall in the traditional Stemra markets.

In 2020, the PIEB (custom pressing)/Special Licensing category too contributes to the growth by € 1.3 million, or 31.0%. This can mainly be attributed to non-recurrent large proceeds of € 1.8 million from an audiovisual commercial on or around the Super Bowl in the American Football competition.

In 2020, royalties collected from the category of Phono-mechanical rights BIEM/Central Licensing continued to fall compared to

2019 (€ -0.8 million). This was due to a shrinking market for mechanical rights, particularly for CDs.

Compared to 2019, rights revenue from the Radio & TV category increased by € 0.2 million. This is mainly as a result of the growing on-demand income from TV channels, which generates a larger share in rights revenue for Stemra. In addition, due to a new regulation, RTV rights revenue in 2019 fell following a non-recurrent reduction on account of refund of rights revenue for 2018 to local and regional broadcasters.

In 2020, a total of € 1.4 million less was collected from Private Copy, Lending Rights and Reprographic rights compared to 2019. This is mainly due to the 20% reservation that Stichting de Thuiskopie withheld on account of the main distribution yet to be determined.

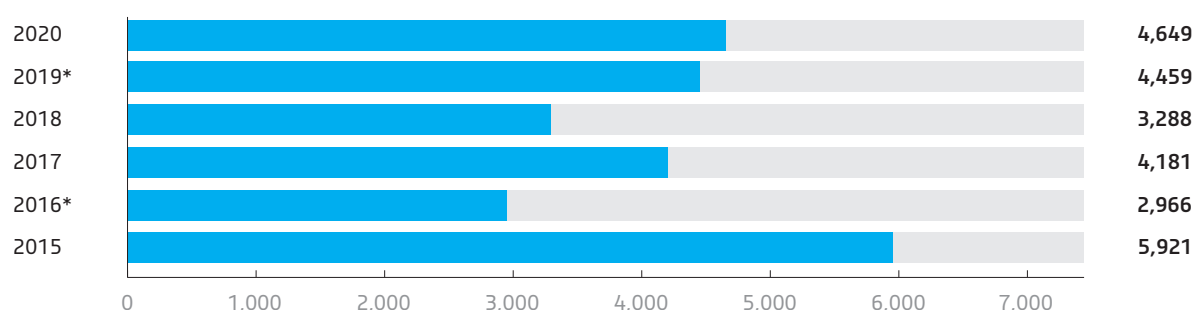
Fees collected from abroad show a rise in 2020 (€ 0.4 million). This is better than expected; for 2020, we had taken into account a carve-out effect of pan-European direct licensing of Online use to Digital Service Providers.

## 1.2.2 MANAGEMENT COSTS

Stemra's expenses can be specified as follows:

(x € 1,000)	2020	2019
Personnel costs	2,073	2,116
Accommodation costs	149	129
Amortisation and depreciation	-	-
Other expenses	2,427	2,214
<b>TOTAL</b>	<b>4,649</b>	<b>4,459</b>

### DEVELOPMENT OF MANAGEMENT COSTS (x € 1000)



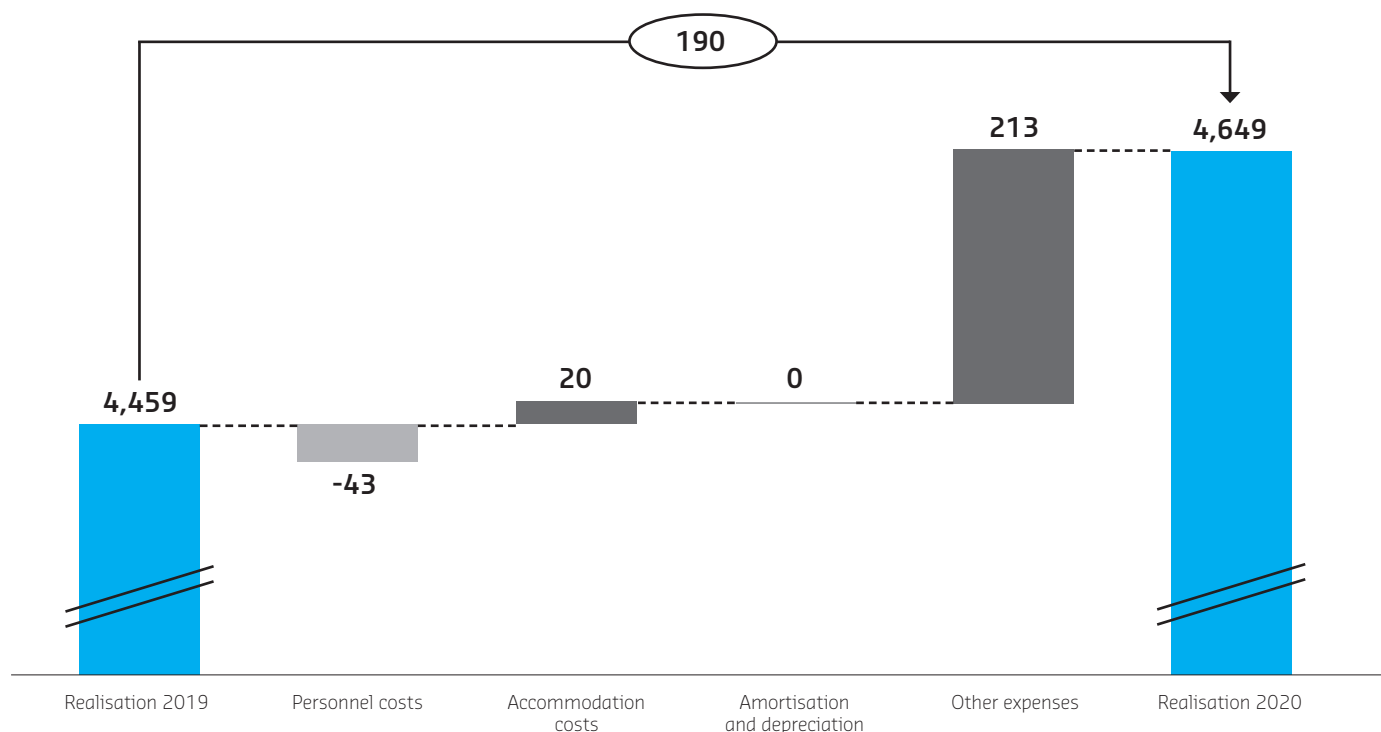
\* In 2016, the development of the management costs shows a decrease due to the fact that the allocation key for the costs between Buma and Stemra was adjusted from 75/25 to 90/10 in that year. In 2019, the percentage was set to 83/17.

The costs increased by € 0.2 million in 2020 compared to 2019. The personnel costs allocated to Stemra fell slightly, whereas allocated other costs rose mainly due to the IT infrastructure replacement programme initiated in 2020 and due to an increase in variable costs for outsourcing the processing of online music use, which rose in line with growth in this market segment.

The distribution of joint costs between Buma and Stemra in accordance to the ratio of 83% and 17% respectively has been maintained on the basis of the cost allocation model developed

in 2019. This takes into account that the costs for the Supervisory Board and the Council of Rights Owners will be distributed 50% / 50%. In 2020, the Covid-19 crisis caused disruptive impulses in the recalculation of this cost allocation. The reason is that the collection flows, which fell mainly at Buma, are important allocation keys in the cost allocation model. A recalculation would lead to a larger allocation to Stemra and would not be a representative reflection of the actual cost level of the entities. The Management Board has decided not to attribute the non-recurrent effect to Stemra too heavily in 2020.

The changes per category of costs are shown in the table below.



### 1.2.3 COVERAGE OF MANAGEMENT COSTS

#### COVERAGE OF THE MANAGEMENT COSTS

(x € 1,000)

	2020	2019
<b>MANAGEMENT COSTS</b>	<b>4,649</b>	<b>4,459</b>
<b>NOTES TO THE COVERAGE</b>		
Administration fee withheld upon distribution	3,865	4,099
Contributions and registration fees	975	892
Interest income/expenses and similar income	-257	-98
<b>Coverage of the management costs</b>	<b>4,583</b>	<b>4,893</b>
<b>ADDITION TO / WITHDRAWAL FROM THE APPROPRIATED RESERVE</b>	<b>-66</b>	<b>434</b>

Stemra uses a fixed administration fee and does not apply a variable administration fee. If the fixed administration fee plus income from contributions and registration fees and financial income and expenses are higher than Stemra's management costs, the surplus will be added to the appropriated reserve; if it is lower than the management costs, an amount will be withdrawn from the appropriated reserve.

In 2020, € 0.1 million was withdrawn from the appropriated reserve. In 2020, due to the increasing interest expenses on cash and cash equivalents and increased management costs, the coverage from administration fees deducted and other income is not sufficient. In addition, the administration fees decreased compared to 2019, despite the higher distributions. The reason for this is that, in 2020, a relatively large amount was distributed in sections from which a low percentage is withheld (Audiovisual Commercials and Abroad). Distributions in the RTV section on the other hand, from which the highest percentage is withheld, decreased compared to 2019.

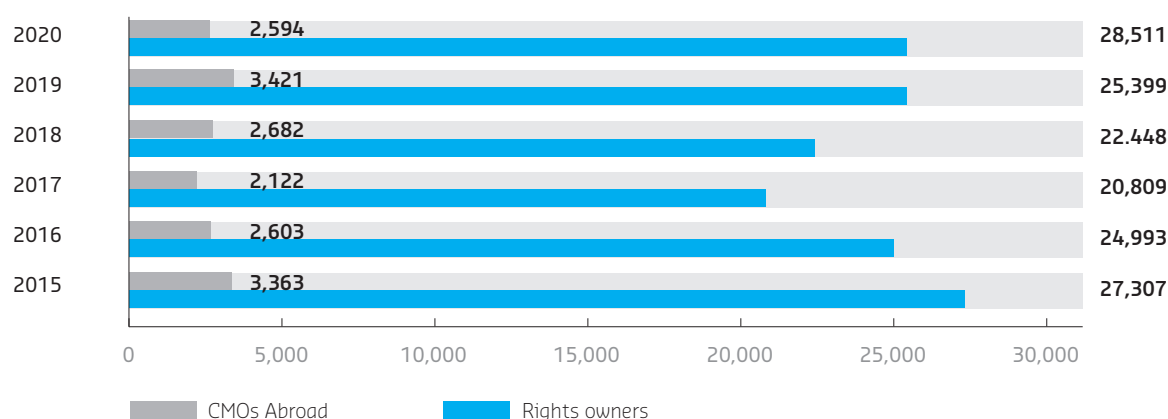
## 1.2.4 FINANCIAL INCOME AND EXPENSES

Stemra does not invest copyright royalties yet to be distributed. This was decided on the basis of the analysis of the size of the base stock that Stemra has available for the longer term and an assessment of the expected opportunities and risks. Stemra keeps its cash and cash equivalents in various (deposit) accounts that are freely available.

Since the interest on cash and cash equivalents has been negative since 2019 and the threshold above which negative interest is calculated has been gradually lowered, financial income and expenses are € 0.3 million negative on balance.

## 1.2.5 DISTRIBUTIONS

(x € 1,000)



In 2020, Stemra distributed € 31.1 million to rights owners and organisations with which it has reciprocal contracts. This is € 2.3 million more than in 2019. In addition to the growth in Online royalties to be distributed (€ +2.2 million), this is mainly due to non-recurrent items such as the undistributed Surcharge Abroad (€ +3.0 million) and a non-recurrent large audiovisual commercial (€ +1.8 million). Despite the accelerated distribution of RTV royalties, as a result of which an extra quarter was distributed in 2020, distribution fell compared to 2019 because in that year, substantial subsequent payments were made for previous years (€ -0.9 million). Subsequent payments for previous years were lower in other categories as well (€ -0.8 million). In addition, distributions in the Film and Industry categories continued to decline (€ -1.5 million). In December 2020, after the necessary adjustments to the distribution rules and the IT system had been completed, the 2015 Private Copy royalties were paid out. The private copy distribution was lower than in 2019 because in that year, two old annual tranches were paid out (€ -1.6 million). In 2021, a further catch-up in the distribution of Private Copy royalties is expected.

In addition to the accelerated distribution of copyright royalties, Buma/Stemra has initiated campaigns to support affiliated rights owners, resulting in the Emergency Music Fund and the Music Investment Fund. Buma/Stemra, together with Sena, set up the Music Emergency Fund and jointly contributed € 3.8 million to it. Supplemented by private donations and contributions from Spotify and the Ministry of Education, Culture and Science and that of Economic Affairs and Climate, almost € 5 million was raised for the most affected rights owners. The € 2.8 million contribution from Buma/Stemra was drawn from grants through Buma Cultuur and Sociaal Fonds Buma and from Stemra's reserves.

The Music Investment Fund was formed at the initiative of Buma/Stemra and with the cooperation of the Ministry of Education, Culture and Science. Nearly € 2.5 million has been made available through this fund to contribute to the continuity of the creative process and the creation of new cultural productions.

## 1.2.6 COST STANDARD

Since the introduction of the Supervision Act in July 2013, the government has imposed three cost standards for collective management organisations. If these cost standards are exceeded, the reasons for this must be explained. These cost standards are deemed to have been exceeded if:

- the (gross) management costs in the year to which the annual report pertains exceed 15% of the amount that was collected in that year (the collection/royalties);
- the (gross) management costs in the year to which the annual report pertains exceed 15% of the amount that was distributed in that year (the distribution);
- the increase in management costs in the year to which the annual report pertains compared to the management costs in the previous year exceeds the increase in the consumer price index for the year to which the annual report pertains.

In conjunction with Section 1(1)(a-c) of the Decree implementing the Collective Management Organisations for Copyright and Neighbouring Rights (Supervision and Dispute Resolution) Act <http://wetten.overheid.nl/BWBR0033622/2016-12-21>

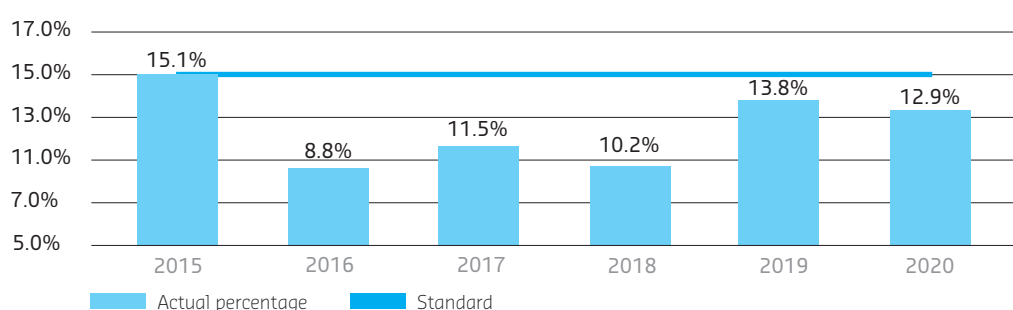
## COST PERCENTAGES

(x € 1,000)

	2020	2019
Collection by Stemra	35,997	32,197
Distribution by Stemra (gross)	31,104	28,820
Costs of Stemra	4,649	4,459
Costs of Stemra as % of the collection (gross)	12.9%	13.8%
Costs of Stemra as % of the distribution (gross)	14.9%	15.5%
Changes in costs of Stemra compared to previous year	4.3%	35.6%
Actual average percentage withheld by Stemra (net) *	12.4%	14.2%

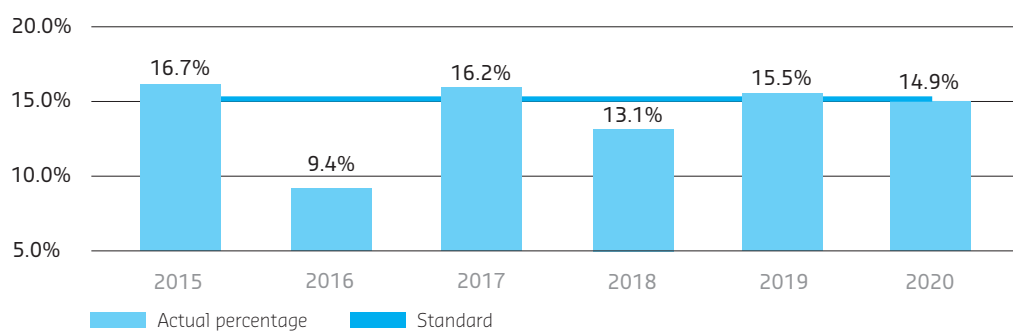
\* The withholding percentage that is effectively charged to the rights owners is often below the cost percentages for which the standards of the Supervisory Authority for Copyrights (CvTA) have been set. This is because predefined fixed withholding percentages are applied and also because a lower amount in costs is charged to rights owners thanks to the offsetting of costs against other income.

## COSTS AS PERCENTAGE OF THE COLLECTION



In 2020, Stemra's cost percentage came to 12.9%, meaning that we complied with the standard that costs as a rule may not exceed 15% of the collection.

## COSTS AS PERCENTAGE OF THE DISTRIBUTION



In 2020, the cost percentage came to 14.9%. Hence, Stemra complies with the standard that specifies that the costs may not exceed 15% of the amount paid.



## INCREASE IN COSTS COMPARED TO THE CPI

The table shows that the costs of Stemra increased by 4.3% (€ 0.2 million) compared to 2019. In 2020, the consumer price index rose by 1.3%. Stemra therefore does not comply with this standard.

This is partly due to the strong increase in collected copyright royalties for Online music use and the corresponding increase in costs for outsourcing the processing. On the other hand, maintenance costs of the outdated IT system and the initiated IT transition increased.

Compared to 2015, Stemra's management costs fell by 21.5%, from € 5.9 million to € 4.6 million. The combined costs of the Buma/Stemra work organisation rose by 0.7% in the same period. The cumulative increase in the consumer price index in the years 2016 to 2020 is 7.5%. Over a timespan of several years, Stemra and the joint work organisation Buma/Stemra still comply with the standard that management costs have not increased beyond the consumer price index.

### 1.2.7 ASSESSMENT OF FINANCIAL POSITION AND LIQUIDITY POSITION

Stemra's capital consists mainly of (appropriated) reserves. Calculating solvency based on capital divided by debts has no direct significance, because effectively, no distinction can be made between equity and loan capital. By this we mean that both the reserves and the vast majority of debts on Stemra's balance sheet at some point concern an obligation between Stemra and its rights owners.

The liquidity ratio indicates to what extent the debts can be serviced in the short term from cash and cash equivalents. The liquidity ratio for Stemra is 1.08, which means that Stemra can fulfil its obligations in the short term.

### 1.2.8 CASH FLOWS AND THE FINANCING NEED

The key cash flows for Stemra are the copyright royalties collected and distributed during the year, as well as the management costs.

Since Stemra distributes most of the copyright royalties received in the year after their receipt, and a large part of the copyright royalties is received at the beginning of the year, Stemra does not have any need for external financing. The above system leads to a 'base stock' of copyright royalties to be distributed, which can be used to finance current expenses and investments.

### 1.2.9 RISK MANAGEMENT

Stemra focuses on managing the copyright of affiliated rights owners and issues licences for the use of music. This means that the organization is exposed to various risks, namely: strategic risks, compliance risks, operational risks and financial risks.

As befits a collective management organisation, Stemra is highly prudent in the performance of the tasks entrusted to it.

Our risk appetite is low. Risks are managed by means of the planning & control cycle. This cycle ensures the annual updating of the strategic objectives and their translation into annual plans, the annual determination of the financial budget based on the annual budget, and the periodical reporting of the progress and state of affairs on the basis of financial and non-financial information. The monthly Business Review Meetings of the Board with the various business units, in which the progress and quality of the activities are thoroughly discussed, are an important part of the planning & control cycle. In addition, these risks are periodically discussed with the Audit Committee.

Below is a brief (non-exhaustive) overview of the main risks Stemra is exposed to and how we deal with these risks.

## STRATEGIC RISKS

At a strategic level, Stemra is exposed to various risks due to emerging market trends and technological developments. These strategic risks are identified, closely monitored and regularly discussed in management consultations.

In 2020, the strategic course up to and including 2025 was set. It anticipates external opportunities and threats, taking into account internal strengths and weaknesses. The changing market and technology play a major role in this.

The strategic course reflects Buma/Stemra's mission and vision, what our objectives are and what choices we make to achieve them. In the coming period, we will further develop our objectives and choices in consultation with all those involved and our stakeholders.

## COMPLIANCE RISKS

Stemra is subject to a variety of laws and regulations, such as the Supervision Act, Title 9 of Book 2 of the Netherlands Civil Code, relevant governance codes, the CMO guidelines and international agreements in the CISAC context (Confédération Internationale des Sociétés d'Auteurs et Compositeurs). These laws and regulations must be complied with regarding the primary processes (such as collection and distribution) and also the supporting processes (such as financial processes).

An internal Compliance Officer ensures compliance with the laws and regulations within our organisation. This is important because non-compliance would mean that we risk losing our licence and our quality mark.

The unqualified auditor's report would not be issued and we would incur reputational damage. The main reason, however, is that Stemra aims to be a reliable partner who accepts its responsibility towards musicians and licensees, its employees and the society in which it operates.

For 2020, Stemra once again meets the norms of the CMO quality mark criteria. The associated CMO certificate will be renewed up to and including 2021. Stemra's current governance model is in line with the VOI@E Guidelines for good governance and integrity of CMOs. An independent Supervisory Board is in place that supervises the Management Board and a Council of Rights Owners that provides the Management Board with solicited and unsolicited advice.



## OPERATIONAL RISKS

Operational risks can arise due to possible disruptions in the process of collection from users or in the process of distribution to rights owners. The functioning of IT systems is an important part of this. Partly for this reason, the decision was taken in 2020 to replace the IT system. In 2020, special attention was paid to the far-reaching, forced situation of working from home. The operational risks were taken within in a so-called Risk Management and Control Framework. The set-up and operation of this framework are regularly tested by the Internal Audit department.

## ASSESSMENT OF THE DESIGN AND OPERATING EFFECTIVENESS OF INTERNAL CONTROL

Stemra has an Internal Audit department. Internal Audit systematically assesses the quality of procedures and the internal control of internal business processes on the basis of an annual audit plan. The department forms an objective opinion on the quality of the control measures with regard to the primary and supporting business processes, including governance, risk management and internal audit measures. In 2018, the first steps were taken to improve the effectiveness of the deployment of Internal Audit through an approach based on risk analysis. The Internal Audit department reports hierarchically to the CFO and has a direct reporting line to the CEO and to the Audit Committee of the Supervisory Board. The Supervisory Board discusses the progress made on the audit plan adopted for the relevant year and the performance of the audits with Internal Audit at least once a year.

## FINANCIAL RISKS

Stemra recognises as its main financial risks: risk of fraud, liquidity risk, currency and interest rate risk.

A financial budget is drawn up by the Management Board each year. Based on predetermined budgets, the financial reporting is discussed monthly by the Management Board in Business Review Meetings with the directors of the business units. A department manager attends on a rotating basis for specific explanations.

The measures taken to control the COVID-19 pandemic have had a huge impact on the music industry and therefore also on Stemra. The vaccination programme offers prospects of reopening the economy, but it is unclear when and at what pace this will take place. The (expected) developments and their effect on the collection of copyright royalties for 2021 are uncertain. Stemra has roughly calculated a few possible scenarios in a scenario analysis. These scenarios will be closely monitored throughout the year and updated if necessary. Based on this, Stemra can make adjustments in the operation, where desired.

Healthy and transparent accounting for income and expenditure and strict internal control by the whole of management (based on e.g. data analyses and detailed checks) reduce the risk of fraud and comparable irregularities within our organisation. The fraud risk is mitigated through a proactive, structured and focused approach in which the Internal Audit department plays a key role. In addition, various measures are in place to manage fraud risks, such as segregations of duties and authorisation matrices. These measures apply to actions that create obligations (including purchasing), payment transactions and contract management.

Stemra mitigates liquidity risks by means of a monthly liquidity forecast. The liquidity development is influenced mainly by the processing time between the collection and distribution of copyright royalties. Currency and interest rate risks are mitigated by striving for a cash flow (incoming and outgoing cash flows) in euros as much as possible.

## INFORMATION SECURITY

The proper security and availability of our information is crucial for Stemra. This applies to all data flows, both physical and digital. Information security is high on the agenda at Stemra and we work with a *General IT Control Framework* for all IT-related processes. In 2019 and 2020, a number of improvement projects were implemented: old servers were replaced and we modernised the backup method and it now includes both data and systems and is cloud-based.

## REPLACEMENT IT SYSTEM

In 2020, a start was made on the programme to replace the current IT system for Usage Processing & Distribution including components for Finance and CRM. The programme will take more than two years to complete. An analysis of potential risks was made in advance, including strategic risks, technological risks, operational risks and financial risks. Control measures have been identified and included in the programme. Within the governance of the entire programme, in which the Supervisory Board and the Council of Rights Owners are involved as well, each sub-project has its own project manager and steering group.

## INSURANCE

Stemra has an insurance portfolio in which effectively insurable risks have been placed that cannot be prevented by internal control measures. This portfolio includes a third-party liability insurance policy, a supervisory board and management board liability insurance policy, a cyber security policy and a group business travel and accident insurance policy.

## TAX MATTERS

Stemra operates exclusively in the Netherlands and is subject to the Dutch tax regime. Stemra is confronted with foreign withholding taxes for the collection of copyright royalties through foreign sister societies. Tax is levied at normal or reduced rate, depending on the existence of any tax treaties. Discussions are held with the Tax and Customs Administration about the applicability of corporation tax.

## 1.3 VOI©E QUALITY MARK DISTRIBUTION AUDIT

The *Association of Organisations that Collectively Administer Intellectual Property*, i.e. VOI©E, is the trade association of CMOs for copyrights or neighbouring rights. Buma/Stemra is a member of this association. The condition VOI©E sets for membership is that the CMO meets the criteria of the CMO quality mark. This quality mark contains specific and verifiable norms for transparency and quality. Part of this quality mark is that CMOs must continuously review the distribution rules and board resolutions on the distribution, i.e. every three years. This review is performed by the Management Board within Buma/Stemra in various board and committee meetings, partly on the basis of advice from the Council of Rights Owners and the Distribution Committee. The advice and decisions in 2020 with regard to distribution concerned the following topics:

- the method of distribution of Protestant church music,
- processing of symphonic Music (CE) and Chamber Music and Recitals (CR),
- adaptation procedure fingerprinting of radio and TV channels,
- expansion of scope and assessment framework Distribution Committee,
- structural acceleration of RTV distribution,
- changes in category Mechanical Background Music,
- customised arrangement Surcharge Serious,
- working method live streams,
- provision of information to publishers with regard to Private Copy,
- adoption of the review calendar for the year 2021.

### PROTESTANT CHURCH MUSIC

On 2 March 2020, the Management Board adopted the advice of the Council of Rights Owners and decided that the method of distribution for Protestant church music will be maintained. Based on the analyses made, no indications were found that gave cause to deviate from this method.

### PROCESSING OF SYMPHONIC MUSIC (CE) AND CHAMBER MUSIC AND RECITALS (CR)

On 2 March 2020, the Management Board adopted the advice of the Council of Rights Owners and decided that the processing of Symphonic Music (CE) and Chamber Music and Recitals (CR) will move from general to a special category. This will be processed on a one-to-one basis, starting in usage year 2021. This change is necessary to enable quarterly payments for these categories. This decision follows on from an outstanding agenda item following the earlier decision to move Amusement Special (AS) and Amusement Live (AL) to quarterly distribution\*. All performances with a collection value above € 50 are settled in the category Amusement Special Serious (ASE), whereas all other performances are charged at the standard AL amount in the new category Amusement Live Serious (ALE).

### ADAPTATION PROCEDURE FINGERPRINTING OF RADIO AND TV CHANNELS

On 2 March 2020, the Management Board endorsed the advice of the Council of Rights Owners to step away from the current way of fingerprinting (full one-to-one identification and processing of radio and TV channels), with the aim of identifying and processing more as a whole. To make this possible, a new channel list has been drawn up. All radio and TV channels are classified into categories. For each category, it is determined whether full processing of the channel will take place, or only partial (for example, during prime time only). By working with channel lists and categories, ultimately a larger reach can be fingerprinted without investing more. By applying a fingerprint technique per channel/category, the way of submitting comments changes also. This has been adjusted per channel/category.

### EXPANSION OF SCOPE DISTRIBUTION COMMITTEE COUNCIL OF RIGHTS OWNERS

In recent years, it has become apparent that the Distribution Committee cannot properly advise the Council of Rights Owners if the process steps from collection to distribution are skipped. For this reason, the scope of the Distribution Committee has been adjusted and included in the regulations of the Council of Rights

Owners (Article 7, paragraph 1): In accordance with the provisions of the Articles of Association, a Distribution Committee has been set up, which deals with the substantive principles and rules regarding the allocation of distribution funds, including the collection of data. This includes the entire chain from collection to distribution, so that the Council of Rights Owners can see and understand when, how and why money and information flows have been processed. The Management Board approved this change on 2 March 2020.

### STRUCTURAL ACCELERATION OF RTV DISTRIBUTION

On 6 July 2020, the Management Board adopted the advice of the Council of Rights Owners to structurally accelerate RTV royalties. With regard to the RTV sections, the decision has been made to switch from an annual payment method to one in which we make quarterly pre-payments, starting the current year of usage. A final settlement will take place annually in retrospect, in the month of September. There will also be a transition period during which two intervening quarters will be used in the current and coming year of usage. Subsequently, after an evaluation, work will be carried out on the intended end goal, viz.: one intervening quarter. The quarterly distribution will not be a full distribution, but the largest possible advance on the final settlement.

### MECHANICAL BACKGROUND MUSIC

On 6 July 2020, the Management Board adopted the advice of the Council of Rights Owners to distribute the collection on the basis of the Media Market Share Survey specified by origin per sector, from the moment that payment was made in the Buma General Rights and Film 2019 category (to be paid in September 2020). This change makes it clearer from which sector the royalties that are distributed in this category originate.

In the coming years, this advice will form the basis for moving towards one-to-one distribution per sector even further, which is a precondition for the larger objective to be realised later: a more detailed distribution of the collection in the category Mechanical Background Music. In addition, the specification by origin per sector instantly offers more transparency in the origin and distribution of background music royalties. This specification also offers the possibility of creating a clear overview per sector of the impact of the reduced collection for background music in restaurants and bars, shops and workspaces (as a result of COVID-19) and explaining this to the rights owners.

### CUSTOMISED ARRANGEMENT SURCHARGE SERIOUS (HAFABRA)

On 9 November 2020, the Management Board adopted the advice of the Council of Rights Owners and decided to maintain the current arrangement.

### LIVE STREAMS

On 9 November 2020, the Management Board adopted the advice of the Council of Rights Owners and opted for a method that can be implemented quickly with regard to the licences that Buma/Stemra offers for live streams of music events. As regards the distribution of collected licence amounts, the method for Online is combined with that for Events. These are live streams that took place before 1 January 2021. For these streams, it doesn't matter which platform was used (e.g. YouTube or Facebook), as long as the minimum duration of the stream is ten minutes and there are at least 1000+ views.

This is subject to the condition that a set list has been supplied via the portal or via the set lists app. If a stream meets the conditions,

\* See paragraph 1.3 of the 2019 annual report

an amount of € 150 will be paid per set list supplied. Lastly, it has been decided that a cost percentage of 15% will be applied, without socio-cultural deductions. The approach will be one-to-one processing based on set lists. The distribution will then be divided into a General section on the one hand and, on the other, a Special section. In the General section, music use is charged on the basis of point value instead of second value. The point value is determined based on the duration of a work and the number of times the work has been used.

#### PROVISION OF INFORMATION TO PUBLISHERS WITH REGARD TO PRIVATE COPY

Following the decision at the General Meeting of Affiliates of 26 August 2020 to change the distribution rules for the Private Copy levy and Public Lending Right levy in connection with the implementation of the legislative change (known as Repobel fix), the publishers requested to review the information provided. The Management Board has adopted the advice of the Council of Rights Owners and decided that publishers will be given an insight into what a musician has received in copyright royalties. The reason for this was that with the new way of distributing Private Copyroyalties, one hundred percent of the BIEM\* repertoire is paid out to the musicians. With this new method, publishers no longer have insight into the royalties, while they've often made agreements about this in the contracts with those musicians. It has therefore been decided that publishers are given insight into these royalties. This of course only concerns the royalties of musicians in which publishers missed out on a share. Furthermore, the General Data Protection Regulation does not apply, because Buma/Stemra does not provide the publishers with income information about musicians. They will only be able to see the share they missed out on.

#### DISTRIBUTION REVIEW CALENDAR 2021

The Management Board and the Council of Rights Owners have adopted the 2021 Review Calendar (list with planning of distribution topics to be achieved). The necessary leeway has been factored into this on account of the consequences and impact of Covid-19 .

### 1.4 PROVISIONS OF THE ARTICLES OF ASSOCIATION REGARDING THE SUPERVISORY BOARD AND THE MANAGEMENT BOARD

The Stemra Supervisory Board consists of nine persons. Only natural persons may be appointed to the Supervisory Board. Six persons are appointed in the manner referred to in Article 17, paragraph 3, under a and b. Three independent persons, including the independent Chairman of the Supervisory Board, are appointed by the affiliates in accordance with Article 17, paragraph 2. A member of the Supervisory Board of Stemra must also be a member of the Supervisory Board of Buma. The profiles of the members of the Supervisory Board are:

- A. Four musicians who are members or who are musicians within a company that is a member, which musicians are elected by the members/affiliates, including:
  - composers of serious music,
  - composers of entertainment music,
  - composers of media music and
  - lyricists.
- B. Two persons who are participant publishers (Article 8, paragraph 1) or hold a managerial position in a publishing company that is a participant (Article 9, paragraph 1) and who are elected by the members/affiliates who are publishers.
- C. Three independent persons, including one independent Chairman, as referred to in Article 13, paragraph 2.

The Management Board consists of at least two members, one of which is the Chairman of the Board and one the Financial Director. Members of the Management Board must be natural persons who are not members or participants of Stemra and who do not sit on the Supervisory Board of Stemra. Members of the Management Board are appointed and dismissed by the General Meeting of Affiliates on the recommendation of the Supervisory Board. On the recommendation of the Supervisory Board, the General Meeting of Affiliates appoints one of the members of the Management Board as Chairman of the Board and one as Financial Director.

The complete provisions of the Articles of Association regarding the Supervisory Board are contained in Article 13 through to Article 19 of the Articles of Association of Stemra. The complete provisions of the Articles of Association regarding the Management Board are contained in Article 21 through to Article 24 of the Articles of Association of Stemra.

### 1.5 TRANSPARENCY REPORT

The Transparency Report (Collective Rights Management Directive) Decree came into effect on 1 January 2017. This resolution is a further implementation of Article 2q of the Supervision Act, under which the publication of a transparency report has been required from the 2017 reporting year. This annual report includes all components as described in this Act. Appendix 1 contains the reference table regarding the legal obligation to publish a transparency report. The purpose of this table is to make it easy for the reader to find the mandatory elements of the transparency report in this annual report.

\*BIEM (Bureau International des sociétés gérant les droits d'enregistrement et de reproduction mécanique) is the umbrella organisation of mechanical law organisations across the globe.

## REFUSAL OF INFORMATION TO GRANT A LICENCE

Anyone who plays music belonging to the repertoire administered by Stemra must obtain prior permission for this from Stemra. Provided that certain standard conditions are met, including the payment of a fee, Stemra grants this permission in the form of a licence. Stemra does not refuse to grant licences, however, it does have the option of suspending its permission if certain contractual obligations, including payment of the fee due, are not met. If music is published or about to be published without the necessary permission, Stemra exercises its right of prohibition.

## DISTRIBUTION FREQUENCY

The table below shows the distribution frequency per type of use within Stemra.

	Q1	Q2	Q3	Q4
Phono-mechanical rights BIEM / Central Licensing		X		X
PIEB (custom pressing) / Special Licensing		X		X
Radio & TV			X	X
Online	X	X	X	X
Private Copy / Public Lending Rights*				
Abroad	X	X	X	X

\* Will be distributed as soon as possible. This depends in part on the receipt of royalties and the decision-making on the distribution method

## COMMENTS AND COMPLAINTS

Stemra regards the number of comments and complaints we receive as a measure of how well we have succeeded in identifying copyrighted work and carrying out the subsequent allocation and distribution. A higher success rate means fewer comments. Unresolved comments become complaints; this has not occurred in the 2020 reporting year.

## —2. REPORT FROM THE **SUPERVISORY BOARD**



## 2. SUPERVISORY BOARD REPORT

### INTRODUCTION

The Directors' Report describes the results, main events, market developments and the priorities of the Management Board of Buma/Stemra and accounts for the policy pursued. Following on from this, the report by the Supervisory Board reports on the supervision of this policy. To this end, the Supervisory Board provides insight into meetings and resolutions and into the interaction with the Management Board and stakeholders of Buma/Stemra.

The year 2020 was overshadowed by the Covid-19 crisis. The topics of short-term supervision were urgent issues surrounding the safety and mental resilience of our people and the impact of Covid-19 on rights owners and licensees. The Management Board managing the continuity of Buma/Stemra's operations was another special topic. The medium and long-term themes were strategic and investment issues. Last year, these were mainly the new strategic course of Buma/Stemra and the necessary IT transition.

In addition, the Supervisory Board's attention was focused on the extra support offered by Buma/Stemra to musicians. This support was provided, among other things, by paying out part of the copyrights early and by setting up a Music Emergency Fund and a Music Investment Fund. These funds were set up by Buma/Stemra in collaboration with other collective management organisations in the Netherlands and with the support of the Ministry of Education, Culture and Science. The Supervisory Board encouraged these initiatives and, where possible, supported them.

### A WORD OF THANKS

The Supervisory Board is mindful that Buma/Stemra was set up *by and for its members and affiliates*. Everything revolves around the rights and royalties of its members and affiliates. We want to see this principle of supervision reflected in the organisation, our working method and decision-making, as well as in the advice we provide. The Supervisory Board would like to thank the employees and members of the Management Board for their huge dedication to the members and affiliates in this exceptional year. Despite the Covid-19 crisis, they have managed to reasonably stabilise the collection and distribution targets and control the cost percentages.

The Supervisory Board likes to thank Siebe van Elsloo, the interim CFO, for his important contribution to Buma/Stemra and fortunately was able to say goodbye to him personally, even though it was at a distance of one and a half metres. We also said goodbye to Anja Kroeze, General Counsel, and would like to thank her for her unique contribution to Buma/Stemra for many years. The Supervisory Board also thanks the Council of Rights Owners for its huge efforts and contributions to the objectives of Buma/Stemra in 2020. The same gratitude is extended to the Works Council and the Appointments Advisory Committee.

### GOVERNANCE

Since mid-2018, Buma/Stemra applies the Supervisory Board model set out in the Dutch Governance Code for the cultural sector and, more specifically, the Supervisory Board model of VOI®E. Stemra distinguishes the following bodies in its structure:

the General Meeting of Affiliates, the Council of Rights Owners, the Management Board, the Supervisory Board and the Works Council. The professional associations are also involved in governance within Buma, because they have the right to nominate supervisory directors. The powers vested in the professional associations are described in the Articles of Association and the Rules.

The policy of Buma/Stemra is decided and its success assessed within this governance structure. This structure involves the necessary complexity and is time-consuming, because a large number of people are active in the various bodies. Consequently, the effectiveness of this structure depends not only on the rules, but also on how everyone involved works together and how the various bodies actually use their powers. All those involved have made an extra effort in 2020 to remain connected with each other and with Buma/Stemra.

Within the governance structure, the Supervisory Board also supervises the interaction between the Council of Rights Owners and the Management Board. Of particular importance therein is that the Management Board involves the Council of Rights Owners in the relevant topics in a timely and adequate manner, that the Council of Rights Owners provides sound information in this respect and that the Management Board includes the input of the Council of Rights Owners in its decision-making process, in a manner that can be verified by both the Council of Rights Owners and the Supervisory Board. The Management Board has incorporated the topics discussed with the Council of Rights Owners in its report.

Buma/Stemra is supervised externally by the Supervisory Authority for Copyrights. In addition to the Management Board, the Supervisory Board too periodically liaises with this Authority, partly driven by the Supervisory Agenda.

### MEETINGS AND CONSULTATIONS

Appendix 2.1 includes an overview of the Supervisory Board meeting dates, the items discussed and the resolutions. The Supervisory Board supervises in line with the annual administrative calendar. It follows the cycle from strategy to annual plan and budget and subsequently to the policy and accountability rendered for it in the annual report. The Supervisory Board closely examines the underlying factors that are relevant to the success of the strategy and its implementation.

In 2020, the Supervisory Board, like everyone else, largely worked from home. Meetings were attended via video conferencing. The three chairmen of the Supervisory Board, the Council of Rights Owners and the Management Board met a total of three times. A new periodic consultation is planned for 2021.

In addition to the regular meetings, a more informal and intensive consultation cycle has been set up between the Supervisory Board and the Management Board. In a number of cases, the Council of Rights Owners attended these meetings as well, in which the impact of the Covid-19 crisis on Buma/Stemra and the musicians and users was always the main point of discussion. The Supervisory Board, Management Board and Council of Rights Owners were represented in these meetings by the chairmen and vice-chairmen.

During a joint walk, the Supervisory Board discussed everyone's individual motives for supervising Buma/Stemra, inquired about each other's motives and arrived at a shared vision on that supervision.

At the meeting of the Council of Rights Owners of 25 November, a delegation from the Supervisory Board explained how the Supervisory Board oversees the IT transition and how the self-evaluation of its members works. The Board met twice with the Works Council, as prescribed in Section 24(1) of the Works Councils Act.

**STRATEGY** - In the midst of the Covid-19 crisis, the Management Board announced a new strategic course. This was necessary, because developments in the field of music use and music carriers and the associated consequences for licences and distributions required a strategic response. Globalisation, digitisation AND Covid-19 together create a market in which developments can quickly shift in the right or the wrong direction for all players concerned. As a regulated collective management organisation, Buma/Stemra faces increasing competition from non-regulated players in parts of the chain and market. The rules that a regulated collective management organisation must adhere to, protect rights owners and users and guarantee transparency, participation, quality and cost control. However, to achieve that, Buma/Stemra must combine these advantages with best practice services for musicians and licensees. The IT transition is necessary and vital for this, because the current IT system is technically very outdated and cannot support the strategic ambition.

**IT TRANSITION** - In November 2020, the Management Board took the decision to proceed with the IT transition. This involves the step-by-step replacement of the existing IT system, thereby working towards a flexible and future-proof IT environment. The Supervisory Board has performed its supervisory task and conducted in-depth discussion on the dilemma of whether or not to make such investments in times of economic and social uncertainty. The final conclusion was that the IT transition **MUST** take place: in the short term, to keep our operations stable and, in the longer term, to lead the way in services to musicians and licensees.

## APPOINTMENTS

In 2020, the Supervisory Board selected and recruited Marleen Kloppers as the new financial director, in close collaboration with Bernard Kobes (CEO), the Works Council and the Council of Rights Owners. After the appointment during the General Meeting of Affiliates, Bernard Kobes, supported by the Supervisory Board, welcomed her, insofar as possible in these times of lockdown, and helped her to find her feet within the organisation.

In 2020, the terms of Anthony Fiumara, René Meister and Raymond van Vliet expired; they retired from the Supervisory Board. We would like to extend our gratitude for their contributions over many years. It was the first time we said goodbye to members of the Supervisory Board who were part of the Board of Buma/Stemra in the governance structure until 2018. Alexander Beets, Monique Krüs and Edith Severs were appointed by the General Meeting of Affiliates and joined as new members.

A new aspect was that professional associations nominated new candidates for the Supervisory Board on the basis of a previously shared profile. The Appointments Advisory Committee and the

Supervisory Board conducted introductory interviews with the candidates, who also entered into discussions with the Supervisory Authority for Copyrights. To get off to a good start, the new members of the Supervisory Board were offered an onboarding programme. As part of this programme, they were further introduced to Buma/Stemra, its operations and its people, and gained further insight into the responsibilities and role of the internal supervisor.

## SELF-EVALUATION

The Supervisory Board evaluates its own performance annually. Every other year, the Supervisory Board is supervised in that process by an external supervisor. In all self-evaluations, the Supervisory Board uses '360 degree feedback' from the Management Board, the Works Council and the Council of Rights Owners. The Supervisory Board regarded its 2020 self-evaluation as a 'baseline measurement'.

In 2020, the focus of the evaluation was on the functioning of the new governance structure. Extra attention was paid to the question as to whether rights owners who previously held an administrative role in the Board of Buma/Stemra were able to make the step to the supervisory role or to a sufficient extent. That was certainly the case. A second topic was the collaboration between the Supervisory Board and the Management Board in an exceptional year like that of 2020. In 2020, this collaboration was characterised by interaction, in which the Supervisory Board aimed to support and at the same time explicitly challenge the Management Board to think through the IT transition and the new strategic course both broadly and in depth. On 22 September 2020, the Council of Rights Owners, the Management Board, the Works Council and the Supervisory Board attended a joint training programme, partly on the basis of the self-assessment results held in 2019.

## COMMITTEES

The Supervisory Board has two committees: the Audit Committee and the Remuneration Committee. These committees explore and prepare important topics prior to a broader exchange of views and where relevant advise on decision-making within the Supervisory Board as a whole.

The Audit Committee spoke intensively with the Management Board about the IT transition. The expertise of external parties was engaged therein, including the Software Improvement Group (SIG). Given the impact of the Covid-19 crisis, the Management Board and Audit Committee jointly examined the phasing of the IT transition. It was considered whether the pace of the transition could be or perhaps would even have to be slowed down, if circumstances so dictated. Spreading the overall investment more would somewhat slow down the deployment of funds. At the same time, the vital parts of the transition must go ahead in order not to fall behind. In consultation with the auditor, the Audit Committee also considered tax matters and the financial continuity of the organisation.

As stated earlier, the Remuneration Committee took on the recruitment and selection of the financial director under the Articles of Association in 2020, which efforts included drawing up and discussing the CFO profile in conjunction with the Works Council and the Council of Rights Owners.

## COMPOSITION OF COMMITTEES

### Audit Committee

1. Ruud Hopstaken
2. Jolanda Messerschmidt
3. Marc Swemle
4. Niels Walboomers
5. Monique Krüs (from 1 January 2021)
6. Alexander Beets (from 1 January 2021)

### Remuneration committee

1. Jolanda Messerschmidt
2. Arriën Molema
3. Raymond van Vliet (until 26 August 2020)
4. Josephine de Zwaan
5. Edith Severs (from 1 January 2021)

Appendices 2.2 and 2.3 provide an overview of the meeting dates and the items discussed in both committees. During the meetings, no items were discussed that could have led to a conflict of interest for the members of the Supervisory Board.

## GENERAL MEETING OF AFFILIATES

Due to Covid-19, the regular General Meeting of Affiliates was held later than usual, namely on 26 August 2020. In addition to adopting the minutes of the previous General Meeting of Affiliates, the following items were on the agenda:

- the transparency report including the 2019 financial statements of Stemra,
- the adoption of and feedback on the social and cultural policy,
- a preview of the strategy session on 15 September,
- motion to amend the Articles of Association, including to fix the voting rights of English affiliates after Brexit,
- motion to change the Distribution Rules, which involved the amended deduction of fixed cost percentages, among other things. In addition, following the HP-Retrobel ruling, a temporary adjustment was required with regard to the Private Copy and Lending Right, calculated from usage year 2015 until the introduction of the new Supervision Act at the end of 2020,
- motion to appoint Marleen Kloppers as a director under the Articles of Association and CFO at Stemra,
- motion to appoint five new members for the Council of Rights Owners,
- motion to appoint three new members for the Supervisory Board and lastly
- motion to appoint two board members at Buma Cultuur.

The General Meeting of Affiliates adopted the following resolutions:

- approval of the 2019 financial statements of Stemra,
- discharging the Management Board and the Supervisory Board of Stemra from all liability,
- endorsement of the proposed amendments to the Articles of Association,
- endorsement of the proposed change to the Distribution Rules,
- appointment of Marleen Kloppers as a director under the Articles of Association and CFO at Stemra,
- appointment of Wiboud Burkens, David Dramm, Gregor van Offeren and Jitze de Raaff and re-appointment of Mark Bremer as members of the Council of Rights Owners,
- appointment of Edith Severs, Monique Krüs and Alexander Beets as members of the Supervisory Board and
- appointment of Dennis Braunsdorf and Noëlla Jansen as board members of Buma Cultuur.

In anticipation of the General Meeting of Affiliates, the Management Board and the Supervisory Board organised an informal evening with the chairmen of the professional associations and a delegation from the Council of Rights Owners, to give them the opportunity to obtain information prior to the General Meeting of Affiliates.

## DRAFT OF ANNUAL REPORT AND MANAGEMENT LETTER, ADOPTION BY THE SUPERVISORY BOARD

The 2020 draft annual report was discussed with the Audit Committee on 19 April 2021 and with the full Supervisory Board on 5 May 2021, both times in the presence of the auditor. The management letter of the auditor was discussed with the Audit Committee on 15 March 2021 and on 31 March 2021 with the full Supervisory Board, in the presence of the auditor.

## RETIREMENT SCHEDULE

Early 2019, the Supervisory Board adopted a retirement schedule that provides for members taking office and retiring in phases. This schedule was adhered to in 2020, resulting in the current composition:

Alexander Beets (from 27 August 2020)  
Anthony Fiumara (until 26 August 2020)  
Ruud Hopstaken  
Monique Krüs (from 27 August 2020)  
René Meister (until 26 August 2020)  
Jolanda Messerschmidt  
Arriën Molema, Vice-chairman  
Edith Severs (from 27 August 2020)  
Marc Swemle  
Raymond van Vliet (until 26 August 2020)  
Niels Walboomers  
Josephine de Zwaan, Chairwoman



# —3. REPORT COUNCIL OF RIGHTS OWNERS

## 3. REPORT FROM THE COUNCIL OF RIGHTS OWNERS

### INTRODUCTION

The COVID-19 crisis has been very dramatic for the members and affiliates of Buma/Stemra and therefore also for the members of the Council of Rights Owners. The Council has been actively involved in the organisation of various support schemes that Buma/Stemra set up in collaboration with the Ministry of Education, Culture and Science. In addition, sufficient time and space was left to provide advice on many other current cases. The Council has extensively considered its own role within the governance structure and the nature and scope of its activities. In 2020, Rita Zipora Verbrugge was re-elected as chairwoman and Mark Bremer as vice-chairman. In addition, a number of committees were continued and new committees established.

### COMMITTEES

In 2020, the Council of Rights Owners included three permanent committees and a number of temporary committees. In addition, the chairwoman and vice-chairman took part in the meetings about the Music Emergency Fund and the Music Investment Fund.

The permanent committees concerned the Distribution Committee, the GMM committee and (new for 2020) the Communication Committee.

- The Distribution Committee is concerned with the distribution rules, with a number of elements scheduled for review each year. These elements are listed on the review calendar. In 2020, the Distribution Committee issued ten recommendations to the Council of Rights Owners (see section 1.3 of the Directors' Report). These have been adopted and forwarded to the Management Board, which endorsed them. In addition, the Distribution Committee was involved in the preparation of several amendments to the distribution rules. The Council of Rights Owners subsequently issued a positive advice to the General Meeting of Affiliates, where the amendments were approved.
- The GMM committee, together with Buma/Stemra, prepares the annual General Meeting of Affiliates, which in 2020 was held in a different format due to the COVID-19 virus. The intention still is for the Council of Rights Owners to continue to play a major role in these preparations.
- The Communications Committee was formed to review communications from Buma/Stemra to its members, its affiliates and the media, together with the Communications Department.

In addition to these permanent committees, a number of temporary committees were active:

- The Foreign Affairs Committee was set up to gain insight into the problems involved in obtaining and distributing foreign royalties. The committee is examining how this process can be organised differently and more effectively. We are also looking at the collaboration with ICE (International Copyright Enterprise), our supplier for the IT system that determines and records the distribution of copyright royalties.
- The Cultural Funds Committee is examining the issue of how best to use the Buma/Stemra cultural budget from the Fund for Social and Cultural Purposes.
- The US Mechanical Rights Committee is concerned with the changes in the field of mechanical rights in US legislation (Music Modernisation Act) and the arrival of the Mechanical Licensing Collective and the consequences this has for Buma/Stemra and its members and affiliates.

- The Role Committee of the Council of Rights Owners has examined the nature and scope of the work of said Council, to gain a better understanding of its role within the organisation as a whole.
- A number of members of the Council of Rights Owners have taken a seat on the Appointments Advisory Committee. Its purpose was to provide advice on the appointment of the new financial director under the Articles of Association, CFO Marleen Kloppers.
- Lastly, the Council of Rights Owners, as part of a smaller set-up, participated in the discussion about personalisation and differentiation of services provided by Buma/Stemra towards its members and affiliates and contributed ideas about various new licensing forms.

### MEETINGS AND ADVICE

The Council of Rights Owners held ten regular meetings in 2020 and completed one self-evaluation session. The Council took part in a number of strategy sessions and issued advice on request to the Management Board a total of fourteen times. The Council, together with Buma/Stemra and acting in a short period of time, looked at the accelerated disbursement of copyright royalties and to the licensing of a model for the live streaming of concerts, to provide some compensation to members and affiliates after the loss of income from live performances. Appendix 2.4 includes an overview of the meeting dates of the Council of Rights Owners, the items discussed and the advice issued.

### SELF-EVALUATION

The self-evaluation of 2019 showed that the Council of Rights Owners felt a need for stronger interaction with the Supervisory Board and also for supplementary training. In 2020, that need will be addressed: periodic consultations were held between the Council, the Management Board and the Supervisory Board and a joint onboarding session was organised for the new members. The Council of Rights Owners, as well as the Management Board and the Supervisory Board, took part in a training session.

### GRATITUDE

The Council of Rights Owners would like to extend its gratitude to the Management Board, the Supervisory Board, the Works Council and all Buma/Stemra employees. The year 2020 was special in many respects, and everyone made every effort to represent the interests of members, affiliates and licensees as best as possible in these times of crisis. All have shown themselves to be creative, flexible and resourceful in their efforts, and we are grateful for that.

Members of the Council of Rights Owners:

Mark Bremer, Vice-chairman  
Wiboud Burkens  
David Damm  
Hans Everling  
Gregor van Offeren  
Davo van Peursen  
Jitze de Raaff  
Aafke Romeijn  
Martijn Schimmer  
Koen Vergouwen  
Johan van der Voet  
Rita Zipora Verbrugge, chairwoman

# —4. ADOPTION OF THE **FINANCIAL STATEMENTS**

## 4. ADOPTION OF THE FINANCIAL STATEMENTS

After having audited the financial statements of Stichting Stemra, Mazars N.V. has issued an unqualified auditor's report in respect of the financial statements. We propose to adopt the Stemra 2020 financial statements in accordance with Article 27, paragraph 7, of the Articles of Association and to grant discharge from liability to the members of the Management Board in respect of the performance of their duties in the 2020 financial year.

Hoofddorp, 5 May 2021

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### MEMBERS OF THE SUPERVISORY BOARD

Josephine de Zwaan	Chairwoman
Alexander Beets	Member of the Supervisory Board
Ruud Hopstaken	Member of the Supervisory Board
Monique Krüs	Member of the Supervisory Board
Jolanda Messerschmidt	Member of the Supervisory Board
Arriën Molema	Member of the Supervisory Board
Edith Severs	Member of the Supervisory Board
Marc Swemle	Member of the Supervisory Board
Niels Walboomers	Member of the Supervisory Board

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### MEMBERS OF THE MANAGEMENT BOARD

Bernard Kobes	Chief Executive Officer
Marleen Kloppers	Chief Financial Officer

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# — 5. FINANCIAL STATEMENTS

## 5.1 BALANCE SHEET AS AT 31 DECEMBER 2020

After appropriation of the result

(x € 1,000)

	31/12/2020	31/12/2019
<b>ASSETS</b>		
<b>FIXED ASSETS</b>		
Tangible fixed assets (1)	-	-
<b>CURRENT ASSETS</b>		
<b>Receivables</b>		
Accounts receivable (2)	2,344	2,151
Other receivables (3)	2,865	120
Taxes and social security contributions	1,318	977
	<b>6,527</b>	<b>3,248</b>
<b>Cash and cash equivalents (4)</b>	<b>69,460</b>	<b>72,744</b>
<b>TOTAL ASSETS</b>	<b>75,987</b>	<b>75,992</b>
	31/12/2020	31/12/2019
<b>LIABILITIES</b>		
<b>Equity (5)</b>		
Foundation capital	1	1
Continuity reserve	5,259	5,759
Appropriated reserve	6,569	6,635
	<b>11,829</b>	<b>12,395</b>
<b>Provisions (6)</b>	<b>35</b>	<b>37</b>
<b>Non-current liabilities (7)</b>	<b>-</b>	<b>65</b>
<b>Current liabilities</b>		
Copyright royalties to be distributed (8)	59,959	58,931
Accounts payable	216	120
Taxes and social security contributions	27	26
Other liabilities (9)	351	525
Accruals and deferred income (10)	3,570	3,892
	<b>64,123</b>	<b>63,495</b>
<b>TOTAL LIABILITIES</b>	<b>75,987</b>	<b>75,992</b>

## 5.2 OPERATING STATEMENT FOR 2020

(x € 1,000)	2020	2019
<b>INCOME</b>		
Administration fee withheld upon distribution	3,865	4,099
Contributions and registration fees	975	892
<b>Total income</b>	<b>4,840</b>	<b>4,991</b>
<b>EXPENSES</b>		
Personnel costs (11)	2,073	2,116
Accommodation costs	149	129
Amortisation and depreciation	-	-
Other expenses (12)	2,426	2,214
<b>Total expenses</b>	<b>4,649</b>	<b>4,459</b>
<b>Balance of financial income and expenses</b>	<b>191</b>	<b>532</b>
<b>Financial income and expenses</b>		
Interest income and expenses	-257	-98
<b>Balance of financial income and expenses</b>	<b>-257</b>	<b>-98</b>
<b>Result before tax (from ordinary business operations)</b>	<b>-66</b>	<b>434</b>
Extraordinary charge: payment into in Music Emergency Fund (5)	-500	-
Taxes (13)	-	-
<b>Result after taxes</b>	<b>-566</b>	<b>434</b>
<b>Appropriation of the result</b>	<b>2020</b>	<b>2019</b>
Addition to/withdrawals from:		
- Continuity reserve	-500	-
- Appropriated reserve	-66	434
	<b>-566</b>	<b>434</b>

## 5.3 CASH FLOW STATEMENT FOR 2020

(x € 1,000)	2020	2019
<b>Result after taxes</b>	<b>-566</b>	<b>434</b>
<b>Adjustments for</b>		
Depreciation tangible fixed assets (1)	-	-
Changes in working capital	-3,679	2,479
	<b>-3,379</b>	<b>2,479</b>
<b>CASH FLOW FROM OPERATIONS</b>	<b>-4,245</b>	<b>2,913</b>
Changes in provisions (6)	-2	-39
Change in non-current liabilities (7)	-65	15
Change in copyright royalties to be distributed (8)	1,028	-722
	<b>961</b>	<b>-746</b>
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>-3,284</b>	<b>2,167</b>
Investments in tangible fixed assets (1)	-	-
<b>CASH FLOW FROM INVESTMENT ACTIVITIES</b>	<b>-</b>	<b>-</b>
<b>NET CASH FLOW</b>	<b>-3,284</b>	<b>2,167</b>
Cash and cash equivalents as at 1 January (4)	72,744	70,577
Cash and cash equivalents as at 31 December (4)	69,460	72,744
<b>CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>-3,284</b>	<b>2,167</b>



## 5.4 NOTES TO THE FINANCIAL STATEMENTS

### INFORMATION ABOUT THE LEGAL ENTITY

#### Business address and trade register number

Stemra's registered office under the Articles of Association is in Amstelveen, and its head office is located at Saturnusstraat 46-62 in Hoofddorp. The company is registered with the Chamber of Commerce in Amsterdam under file number 41198521.

### GENERAL INFORMATION

#### Key activities of the legal entity

The objective of Stichting Stemra (the Foundation or Stemra) is to promote both the tangible and the intangible interests of music authors and their successors in title, and of publishers and publishing companies as a non-profit institution. Stemra stands for Stichting tot Exploitatie van Mechanische Reproductierechten voor Auteurs (Foundation for Administration of Mechanical Reproduction Rights for Authors).

#### Period under review

These financial statements concern the financial year 2020, which ended at the balance sheet date of 31 December 2020.

#### Information about group structure

The financial statements of Stichting Stemra are separate financial statements. The financial data of Stichting Stemra are included in the financial statements in accordance with the Annual Reporting Guidelines.

Stichting Stemra Beleggingsfonds (SBF), a legal affiliate, was dissolved in 2019.

In accordance with the prevailing laws and regulations, there is no group relationship with related organisations. Although Vereniging Buma and Stichting Stemra collaborate in one staffing organisation, there is no intragroup relationship between them, as they are not part of the same economic entity under the relevant statutory provisions, because of the strict segregation between Vereniging Buma and Stichting Stemra.

#### Information about estimates

In the preparation of the financial statements, the Management Board uses estimates and assumptions when applying the accounting policies and determining the reported amounts for assets, liabilities, income and expenses. The estimates and underlying assumptions are based on past experience and various other factors which are considered to be reasonable given the circumstances, and which are assessed periodically. Actual results may differ from these estimates. Changes in estimates are recognised in the period affected by the change.

In the view of the Management Board, the following changes in accounting policies are the most critical to the presentation of the financial position and require estimates and assumptions:

- valuation of receivables,
- actuarially determined provisions, such as the provision for long-service awards,
- claims by licensees and/or rights owners related to the collection and distribution of copyright royalties.

### BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

#### Continuity of the activities

These financial statements have been prepared based on the going-concern assumption.

#### Impact of Covid-19 virus

The outbreak of the Covid-19 virus and the preventive measures taken by the government have significant consequences for the economy and therefore also for Stemra. Giving a reasonable estimate of the impact of this on Stemra is possible to a limited extent only.

The reasons for this are the high degree of uncertainty about the further spread of the Covid-19 virus, the nature, scope and effectiveness of government measures and the moment at which vaccines or medicines provide sufficient protection to relax the measures. However, the scenarios we have set out do not point to an impending liquidity deficit.

#### Applied accounting standards

The financial statements have been prepared in accordance with Part 9 of Book 2 of the Netherlands Civil Code, as required by Section 2q(3) of the Collective Management Organisations for Copyright and Neighbouring Rights (Supervision and Dispute Resolution) Act ('Supervision Act'). In addition, the applicable quality mark criteria of VOI@E (Association of Organisations that Collectively Administer Intellectual Property) have been taken into account.

Unless stated otherwise in the explanation of the accounting policies, assets and liabilities are stated at historical cost.

An asset is recognised in the balance sheet when it is probable that the future economic benefits will flow to the organisation and the asset can be measured reliably.

A liability is recognised in the balance sheet when it is probable that its settlement will result in an outflow of resources embodying economic benefits and the amount at which the settlement will take place can be measured reliably.

An asset or liability recognised in the balance sheet remains on the balance sheet when a transaction (with respect to the asset or liability) does not lead to a significant change in the economic substance with respect to the asset or liability.

An asset or liability is no longer recognised in the balance sheet when a transaction results in all or substantially all rights to economic benefits and all or substantially all risks associated with the asset or liability being transferred to a third party or being lost. Income is recognised in the operating statement when an increase in economic potential associated with an increase in an asset or a decrease in a liability has arisen that can be measured reliably. Income and expenses are allocated to the period to which they relate.

Income and expenses are allocated to the period to which they relate. Revenue is recognised when the services provided in respect of the copyright royalties can be determined reliably.

The functional currency of Stichting Stemra is the euro. Unless stated otherwise, all amounts are rounded to thousands of euros.

### Translation of amounts in foreign currency

Transactions denominated in foreign currency are translated into euros at the exchange rate prevailing at the transaction date. Monetary assets and liabilities in foreign currency are translated into euros on the balance sheet date at the exchange rate applicable at this date.

Exchange rate differences arising from the settlement of monetary items, or arising from the translation of monetary items into foreign currency, are recognised in the operating statement in the period in which they arise.

Non-monetary assets and liabilities in foreign currency that are recognised at historical cost are translated into euros at the exchange rate applicable at the transaction date.

The exchange rate differences arising from the translation are recognised in the operating statement.

### Leases

The organisation can enter into financial and operational lease contracts. A lease agreement where all or substantially all the risks and rewards associated with the ownership of the leased asset are transferred to the lessee qualifies as a financial lease. All other lease agreements classify as operational leases. The classification of a lease is determined based on the economic substance of the transaction, not its legal form.

### Operational leases

If the organisation acts as the lessee in an operational lease, the leased asset is not recognised. Fees received as an incentive to conclude an agreement are recognised as a reduction in the lease costs over the lease period. Lease payments and fees in respect of operational leases are debited and credited respectively to the operating statement using the straight-line method over the lease period, unless a different allocation system is more representative of the pattern of the benefits to be derived from the use of the leased asset.

### Pension plans

Stichting Stemra offers its employees a career average pension plan. This pension scheme is administrated by Pensioenfond PNO Media. The pension contributions payable for the financial year are recognised as costs. A liability is recognised for unpaid pension contributions as at balance sheet date. As the liabilities in respect of the pension contributions have short terms, they are measured at their nominal value. The risks in connection with wage developments, price indexation and the investment returns on the pension plan assets could lead to future adjustments in the annual contributions to the pension fund. In the event of a shortfall at the industry-wide pension fund, Stichting Stemra is not obliged to pay additional contributions other than higher future pension contributions.

### Financial instruments

Financial instruments comprise primary instruments (receivables, cash and cash equivalents and liabilities). Financial instruments are initially recognised at fair value, with the directly attributable transaction costs being included in the initial recognition. If, however, financial instruments are subsequently measured at fair value with changes in value being recognised in the operating

statement, the directly attributable transaction costs are recognised directly in the operating statement upon initial recognition.

After their initial recognition, financial instruments are measured as follows:

- receivables are stated at amortised cost using the effective interest rate method. Provisions deemed necessary for the risk of uncollectibility are withheld. These provisions are determined based on individual assessments of the receivables,
- cash and cash equivalents are stated at nominal value. If cash and cash equivalents are not at the free disposal of Stemra, this is taken into account in their valuation. Cash and cash equivalents denominated in foreign currency are translated into the functional currency at the balance sheet date at the exchange rate applicable on that date. Reference is made to the pricing principles for foreign currencies,
- liabilities are stated at amortised cost using the effective interest rate method. The effective interest is recognised directly in the operating statement. The repayment obligations for the non-current liabilities for the coming year are recognised under current liabilities.

Stemra does not hold an investment portfolio and does not have any derivative financial instruments.

## PRINCIPLES FOR THE VALUATION OF ASSETS AND LIABILITIES

### Tangible fixed assets

Tangible fixed assets are stated at cost of acquisition or manufacture less cumulative depreciation and impairment. Depreciation charges are calculated as a percentage of the cost of acquisition cost or manufacture using the straight-line method based on the estimated useful life. Advance payments on tangible fixed assets and assets under construction are not depreciated. Tangible fixed assets are assessed at each balance date for indications that these assets are subject to impairment. If such indications are present, the recoverable amount of the asset is estimated. The recoverable amount is the higher of the value in use and the net realisable value. When the carrying amount of an asset is higher than the recoverable amount, an impairment loss is recognised for the difference between the carrying amount and the recoverable amount.

The estimated useful life is as follows:

- hardware / computer equipment 3 - 5 years
- other operating assets 5 - 10 years

### Receivables

Receivables are initially recognised at fair value and subsequently measured at amortised cost. Provisions deemed necessary for possible losses on account of uncollectibility are withheld. These provisions are determined based on individual assessments of the receivables.

### Cash and cash equivalents

Cash and cash equivalents are stated at nominal value. If cash and cash equivalents are not at the free disposal of Stemra, this is taken into account in their valuation.

### Continuity reserve

One of the aims of the continuity reserve is to ensure the continuity of the performance of the activities and the fulfilment of obligations to third parties, also with regard to the distribution of copyright royalties that still have to be distributed according to the financial statements.

### Appropriated reserve

Because of the system of fixed administration fees to cover the costs, an operating result is realised each year. This amount is added to or withdrawn from the appropriated reserve via the appropriation of the result, to the extent that this reserve is sufficient. Pursuant to Article 27, paragraph 6, of the Articles of Association of Vereniging Buma, the financial statements are adopted by the General Meeting of Affiliates. The Management Board proposes to the General Meeting of Affiliates to withdraw the deficit from or to add the surplus to the appropriated reserve. The appropriation of the result is included in the financial statements.

### Provisions

A provision is recognised in the balance sheet for a legally enforceable or actual commitment arising from a past event. Settlement of that event is likely to require an outflow of resources, as well as the possibility of making a reliable estimate of this. Provisions are measured at the present value of the expenditure expected to be required to settle the obligation.

### Provision for long-service awards

The provision for future long-service awards is the provision for future long-service awards to active employees with a permanent employment contract. The provision concerns the estimated amount of the future long-service awards. The calculation is based on the commitments made, employee retention rates and ages.

### Non-current and current liabilities

Liabilities are initially recognised at fair value and subsequently measured at amortised cost.

### Copyright royalties

Stemra recognises a receivable in respect of copyright royalties when the amount can be determined reliably, it is probable that it will flow to Stemra, and it is enforceable as at balance sheet date. Copyright royalties received from other, mainly international, collective management organisations (CMOs) are generally recognised on a cash basis, as the amount cannot be determined reliably at an earlier time. Copyright royalties are recognised in the balance sheet in the item 'Copyright royalties to be distributed'. The Distribution Rules set out the rules for the distribution and payment of music copyright royalties received by Stemra to the participants and other stakeholders. The distribution rules are reviewed by the Management Board once every three years, partly on the basis of advice from the Council of Rights Owners and the Distribution Committee.

As part of the distribution process, reserves are formed for, among other things:

- works for which Stemra has insufficient information to be able to distribute royalties, for example because information on rights owners, copyright details or cue sheets for films, series or commercials is missing,
- works for which the cumulative revenue is lower than the threshold for distribution (non-distributed items),
- claims in respect of comments with regard to the distribution (also in view of the indemnification that Stemra provides to the paying licensee\*). The reserve is based on historical data regarding claims paid out per distribution section for comments that were deemed to be justified, and amounts to no more than 2%.

In the agreements that Stemra concludes with the licensee, Stemra indemnifies the licensee against claims of rights owners affiliated directly or via sister societies. Furthermore, we refer to Section 26 a-c of the Copyright Act, which sets out the provisions for mandatory collective management. Reserves are periodically reviewed and distributed when the necessary information has been added or, in the case of a non-distributed item, when the threshold for distribution has been attained.

Reserves that have not been distributed within three calendar years after the year of collection are divided proportionally over the various distribution sections and distributed via the regular distribution in the fourth calendar year after collection (in accordance with the Supervision Act). For works that are claimed by multiple rights owners (contradictory claims), no distribution takes place until it is clear who the rights owner is. A longer reserve period may be used for royalties received from sister societies for which insufficient information has been received to be able to distribute them.

## PRINCIPLES FOR DETERMINING THE RESULT

### Administration fee

The administration fee is recognised as income in the operating statement. A percentage of the collected copyright royalties is withheld from the distribution to rights owners as an administration fee. This administration fee is recognised as income in the year of distribution under 'Administration fee withheld'.

### Financial income and expenses

Interest income and expenses are recognised in the period to which they relate.

### Taxes

Taxes comprise the current income tax payable or recoverable for the reporting period. The taxes are recognised in the operating statement. Current tax comprises the expected tax payable or recoverable in respect of the taxable profit for the financial year, calculated on the basis of tax rates enacted as at balance sheet date.

In an advance tax ruling extended up to no later than 31/12/2023, the Dutch Tax and Customs Administration has determined that Stichting Stemra is subject to corporation tax. Deductible foreign withholding taxes may be deducted up to a maximum equal to the amount of tax due under this advance tax ruling.

Consequently, no corporation tax is due for the financial year 2020. Stemra will enter into consultation with the Tax and Customs Administration about the entity's tax qualification from 2024 onward.

## PRINCIPLES FOR THE PREPARATION OF THE CASH FLOW STATEMENT

The cash flow statement has been prepared using the indirect method. Cash flows denominated in foreign currency are converted at an estimated average exchange rate. Interest income and expenses are regarded as cash flows from operating activities.

In the presentation of the cash flow statement, the copyright royalties received on behalf of the rights owners and the distributions made to rights owners are not recognised in the cash flow statement. The cash flows associated with the copyright royalties to be distributed by Stemra are disclosed separately.

## NOTES TO THE SPECIFIC ITEMS OF THE BALANCE SHEET

### (1) TANGIBLE FIXED ASSETS

The changes in tangible fixed assets are as follows:

(x € 1,000)	Machinery and equipment
Balance as at 1 January 2020	
Cost of acquisition/manufacture	674
Cumulative depreciation and impairment	-674
<b>Carrying amount as at 1 January 2020</b>	<b>-</b>
<b>Changes</b>	
Investments	-
Depreciation	-
Disposals cost of acquisition/manufacture	-
Disposals, cumulative depreciation	-
<b>Total changes</b>	<b>-</b>
<b>Balance as at 31 December 2020</b>	
Cost of acquisition/manufacture	674
Cumulative depreciation and impairment	-674
<b>Carrying amount as at 31 December 2020</b>	<b>-</b>

### (2) RECEIVABLES

(x € 1,000)	2020	2019
Accounts receivable	2,372	2,173
Provision for bad debt	-28	-22
<b>Total as at 31 December</b>	<b>2,344</b>	<b>2,151</b>

Receivables from debtors include an amount of € 0.5 million (2019: € 0.4 million) with a term of more than one year. All the other receivables have an expected term of less than one year. The carrying amount of the recognised receivables corresponds to their fair value, given the short-term nature of the receivables. Provisions for uncollectible amounts have been recognised where necessary.

The total provision for bad debts at year-end 2020 amounts to € 28k (2019: € 22k).

### (3) OTHER RECEIVABLES

(x € 1,000)	2020	2019
Stemra affiliates	1,607	120
Buma current account	1,258	-
<b>Balance as at 31 December</b>	<b>2,865</b>	<b>120</b>

The other receivables have a term of less than one year. The claim against Stemra affiliates at the end of 2020 relates to advances on the 2021 distribution.

#### (4) CASH AND CASH EQUIVALENTS

(x € 1,000)	2020	2019
Various banks	69,460	72,744
<b>Balance as at 31 December</b>	<b>69,460</b>	<b>72,744</b>

The cash and cash equivalents are at the free disposal of Stemra. The cash and cash equivalents consist of cash held at Dutch system banks. Since autumn 2019, Stemra has been confronted with the fact that the negative policy interest rate of the European Central Bank is passed on by the Dutch banks. At Stemra, the impact of a negative interest rate on cash and cash equivalents is € 257k (2019: € 98k). The threshold above which negative interest is calculated has been gradually lowered.

#### (5) RESERVES

(x € 1,000)	Foundation capital	Continuity reserve	Appropriated reserve	Total
<b>Balance as at 1 January 2020</b>	<b>1</b>	<b>5,759</b>	<b>6,635</b>	<b>12,395</b>
Appropriation of result for previous financial year	-	-500	-66	-566
<b>Balance as at 31 December 2020</b>	<b>1</b>	<b>5,259</b>	<b>6,569</b>	<b>11,829</b>

Buma/Stemra have jointly allocated € 2.8 million to the Music Emergency Fund. Of this amount, € 1.5 million has been made available from Stemra's continuity reserve. In 2020, Stemra paid € 0.5 million into the Music Emergency Fund; this amount is presented as an extraordinary charge in the operating statement and is withdrawn from the continuity reserve through the appropriation of the result. When the remaining amount of € 1.0 million made available is paid into the Music Emergency Fund, Stemra intends to withdraw it from the continuity reserve through the appropriation of the result.

Pursuant to Article 27, paragraph 6, of the Articles of Association of Stichting Stemra, the financial statements are adopted by the General Meeting of Affiliates. The Management Board has proposed to the General Meeting of Affiliates to withdraw the extraordinary charge resulting from the payment into the Music Emergency Fund from the continuity reserve and to withdraw the deficit from ordinary business operations of € 66k from the appropriated reserve. The appropriation of the result is included in the financial statements.

#### (6) PROVISIONS

(x € 1,000)	2020	2019
Long-service awards	35	37
<b>Balance as at 31 December 2020</b>	<b>35</b>	<b>37</b>

Changes in the provision for long-service awards are as follows:

(x € 1,000)	2020	2019
<b>Balance as at 1 January</b>	<b>37</b>	<b>34</b>
Distributions	-5	-
Change in staffing and regulations	1	2
Change in interest rate	2	1
<b>Balance as at 31 December</b>	<b>35</b>	<b>37</b>

This provision concerns future long-service awards to employees, and is largely long term.

**(7) NON-CURRENT LIABILITIES**

(x € 1,000)	2020	2019
Pension liability	-	65
<b>Total as at 31 December</b>	<b>-</b>	<b>65</b>

**(8) COPYRIGHT ROYALTIES TO BE DISTRIBUTED**

The composition of the copyright royalties to be distributed at the balance sheet date is as follows:

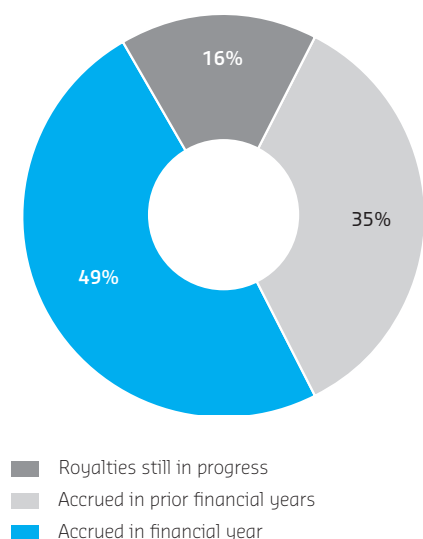
(x € 1,000)	2020	2019
Accrued in financial year	31,916	29,391
Royalties still in progress	7,555	7,979
Accrued in prior financial years	20,488	21,560
<b>Total as at 31 December</b>	<b>59,959</b>	<b>58,931</b>

Changes in the royalties to be distributed in the financial year were as follows:

(x € 1,000)	2020	2019
<b>Balance as at 1 January</b>	<b>58,931</b>	<b>59,653</b>
<b>Collection</b>		
Music use in the Netherlands	31,884	28,446
CMOs Abroad	4,113	3,751
	<b>35,997</b>	<b>32,197</b>
<b>Distributions to:</b>		
Directly affiliated rights owners	-28,511	-25,399
CMOs Abroad	-2,594	-3,421
<b>Distributions</b>	<b>-31,104</b>	<b>-28,820</b>
Administration fee withheld upon distribution	-3,865	-4,099
<b>Withholdings</b>	<b>-3,865</b>	<b>-4,099</b>
<b>Balance as at 31 December</b>	<b>59,959</b>	<b>58,931</b>

On balance, the copyright royalties to be distributed increased by € 1.0 million compared to the previous year. The changes are explained in more detail in the tables and texts below.

#### COMPOSITION OF COPYRIGHT ROYALTIES TO BE DISTRIBUTED FOR 2020



The royalties to be distributed as at balance sheet date can be specified as follows:

(x € 1,000)	2020	2019
<b>1. Accrued in financial year</b>	<b>31,916</b>	<b>29,391</b>
<b>2. Royalties still in progress</b>		
- As yet unallocatable royalties	4,947	5,345
- Rome Rule	388	396
- Contradictory claims	1,867	1,786
- Claim differences	353	452
<b>Total royalties still in progress</b>	<b>7,555</b>	<b>7,979</b>
<b>3. Accrued in prior financial years</b>	<b>20,488</b>	<b>21,560</b>
<b>Total as at 31 December</b>	<b>59,959</b>	<b>58,931</b>

The balance of the royalties to be distributed can be divided into three categories. These categories indicate in which phase of the distribution process the royalties are.

The first category concerns the royalties accrued in the financial year. These became available for distribution in the financial year. Some of this was already paid out in 2020.

The second category concerns the royalties for which the distribution process could not be completed. Stemra is committed to ensuring the fair distribution of the collected royalties. The collected royalties must be allocated to the correct rights owners. Sometimes, it is not possible yet to distribute royalties to the correct rights owners, for example because the registration of the copyrights is incomplete, or because there is disagreement between the rights owners on the distribution of the copyright to their works.

The third category concerns royalties accrued in previous years that cannot yet be distributed to the correct rights owners.

The following sections provide further information on each category.

#### 1. COPYRIGHT ROYALTIES ACCRUED IN THE FINANCIAL YEAR (€ 31.9 MILLION)

These royalties were accrued in the financial year and became available for distribution in the financial year. This section explains the composition of this category of royalties in more detail.

The composition of the copyright royalties that became available for distribution during the financial year is as follows:

(x € 1,000)	2020	2019
Revenue from copyright royalties	35,997	32,197
Addition from release of copyright royalty reserves	4,713	4,026
Distributed in financial year *	-8,795	-6,832
<b>Became available during the year for distribution</b>	<b>31,916</b>	<b>29,391</b>

\* this distribution partly consists of royalties accrued in previous years.



In 2020, the copyright royalties that have become available for distribution during the financial year increased by € 2.5 million compared to 2019. Collection increased by € 3.8 million and € 2.0 million more was paid out within the same financial year. In addition, € 4.7 million from the release of copyright royalty reserves will be added to the amount available for distribution (2019: € 4.0 million), regarding the lapsed reserves after expiry of the (legal) reserve period.

The copyright royalties were received from the following categories:

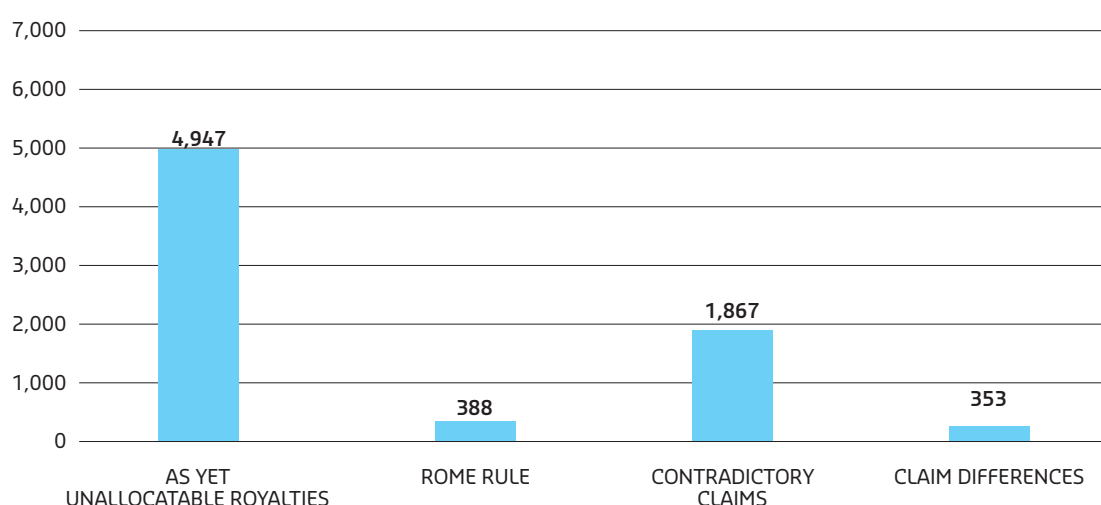
(x € 1,000)	2020	2019
Phono-mechanical rights BIEM / Central Licensing	4,177	4,946
PIEB (custom pressing) / Special Licensing	5,293	4,042
Radio & TV	6,384	6,140
Online	11,668	7,548
Private Copy / Public Lending Rights	4,362	5,664
Reprographic rights	-	107
Abroad	4,113	3,751
<b>Total</b>	<b>35,997</b>	<b>32,197</b>

## 2. ROYALTIES STILL IN PROGRESS (€ 7.6 MILLION)

The Supervision Act stipulates terms within which rights revenue received must be distributed by. The distribution period is set at nine months after the end of the financial year in which the royalty revenues were received. An exception to this is the rights revenue received from other CMOs. This is subject to a period of six months after receipt of the rights revenue. In accordance with the Supervision Act, Stemra distributes the copyright royalties received to its rights owners within the stipulated periods, with the exception of a number of situations in which this is not possible. These royalties are referred to as royalties still in progress. The underlying reasons for these different royalties still in progress are explained in more detail in the relevant sections.

Royalties still in progress concern royalties for which the distribution process could not yet be completed. This section explains the composition of this category of royalties in more detail.

### Composition of royalties still in progress (x € 1,000)



There can be various reasons why royalties are included in the category 'Royalties still in progress'. This is explained in the sections below.

### As yet unallocatable royalties (€ 4.9 million)

If data is missing or there is uncertainty about the received data, the use of music cannot be allocated to the correct rights owners. This item also includes a reserve for possible subsequent claims. There can be three reasons why music use cannot be allocated to the correct rights owner:

- no detailed data is available about broadcasts or this data is incomplete, which means no or only incomplete information is available about the musical works used,

- no copyright data is available or this data has not yet been fully processed, which means no active copyright is available that can serve as a basis for the distribution. This data is submitted by the rights owners, but is not always correct or complete.
- assessment of royalties received from abroad. After receiving royalties and the associated use from the sister societies, Stemra checks the distribution of these royalties as specified by the sister society. Any anomalies must be examined. The royalties are distributed after the necessary checks have been completed.

#### Rome rule (€ 0.4 million)

This concerns a reserve that is recognised if some of the rights owners are not fully identifiable. The unidentifiable portion is distributed or reserved depending on the identifiable portion. This depends on the origin of the identified rights owners. If the majority of the known rights owners are affiliates of Stemra, the unidentified portion is reserved. If the majority of the known rights owners are affiliated with another society, the amount is distributed to the relevant society. In this way, Stemra also receives Rome rule amounts from other CMOs for unknown rights owners.

#### Contradictory claims (€ 1.9 million)

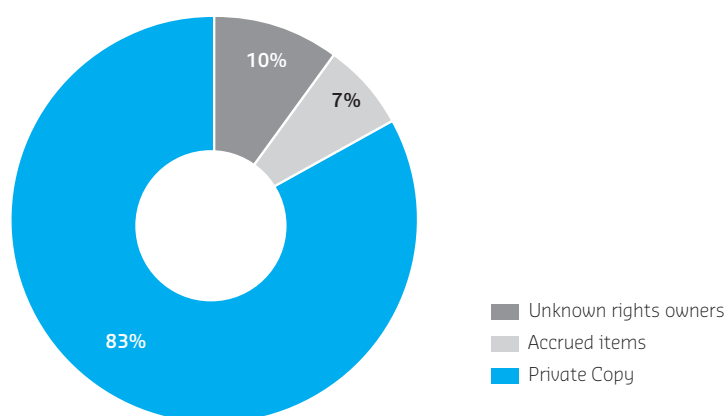
These amounts relate to copyrights in respect of which the rights owners are still in consultation about the distribution.

#### Claim differences (€ 0.4 million)

This item concerns reserves for claims against record companies submitted by Stemra where the estimates of the claim amounts were initially too high.

### 3. ACCRUED IN PREVIOUS YEARS (€ 20.5 MILLION)

In addition to the amounts accrued in the financial year and the royalties still in progress, there are also royalties that cannot yet be distributed due to other reasons. The graph below shows the distribution of these royalties.



#### Private Copy (€ 17.0 million)

These royalties could not be distributed sooner due to ongoing discussions about the distribution of these royalties among rights owners. The 2015 Private Copy royalties were paid out in December 2020. In 2021, a further catch-up in the distribution of Private Copy royalties is expected.

#### 'Unknown rights owners' and 'Information still to be verified' respectively (€ 2.1 million)

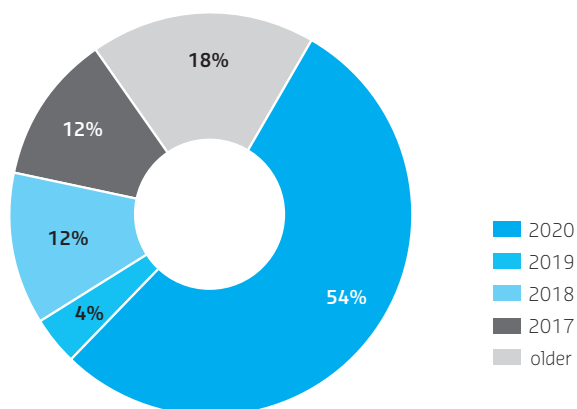
The royalties recognised under this item concern royalties for which the rights owners to which the royalties must be distributed have not yet been identified, or for which the information submitted by the sister societies is still to be verified. When the rights owners can be identified or the information submitted by sister societies can be processed, these royalties are paid out.

This item partly concerns royalties for which the manual verification process could not be completed in time. It is expected that the processing of these royalties will be completed in 2021, so that they can be distributed.

#### Accrued items (€ 1.4 million)

This concerns royalties which became available for distribution late in 2020 and which could therefore not be processed in 2020. Most of these royalties will be distributed in 2021.

#### 4. AGE OF COPYRIGHT ROYALTIES TO BE DISTRIBUTED



##### DISTRIBUTABLE COPYRIGHT ROYALTIES BY ANNUAL TRANCHE

(x € 1,000)	Total	2020	2019	2018	2017	older
<b>Accrued in financial year</b>	<b>31,916</b>	<b>31,916</b>	-	-	-	-
<b>Royalties still in progress</b>						
- As yet unallocatable royalties	4,947	337	1,685	1,510	1,415	-
- Rome rule	388	32	74	91	106	85
- Contradictory claims	1,867	44	208	163	156	1,296
- Claim differences	353	29	74	100	150	-
<b>Accrued in prior financial years</b>	<b>20,488</b>	4	240	5,584	5,058	9,602
<b>Total as at 31 December</b>	<b>59,959</b>	<b>32,362</b>	<b>2,281</b>	<b>7,448</b>	<b>6,885</b>	<b>10,983</b>

Part of the copyright royalties to be distributed has a long-term character.

If royalties cannot be distributed upon the first attempt in the year of collection, they are taken to the item 'Royalties still in progress'. Stemra has, for a period of three years, the obligation to identify the rightful owner of these royalties and to distribute them. If Stemra is unable to do so, these royalties are distributed through the distribution of undistributed royalties. An exception to this rule applies to contradictory claims.

In addition to the contradictory claims reserve of € 1.3 million, the reserve for the collection for years prior to 2017 mainly consists of royalties received from sister societies for which the information required for a correct distribution is not yet available. Furthermore, € 9.6 million was recognised in relation to prior financial years. This mainly concerns Private Copy royalties to be distributed, which cannot be paid out due to ongoing liaison between the rights owners. Private copy royalties for 2015 were paid out in December 2020 and we expect to make further catch-ups in 2021.

The royalties accrued in previous years are expected to be distributed in 2021. This depends, however, on the timely submission of data by third parties to Stemra.

##### (9) OTHER LIABILITIES

(x € 1,000)	2020	2019
Buma current account	-	320
Stemra affiliates and participants	339	201
Foreign sister societies	5	4
Other	7	-
<b>Total as at 31 December</b>	<b>351</b>	<b>525</b>

The other liabilities have a term of less than one year.

**(10) ACCRUALS AND DEFERRED INCOME**

(x € 1,000)	2020	2019
Dutch industry advance payment	1,976	2,583
To be settled with industry and custom pressers	233	237
Holiday allowance and annual leave	113	95
Invoices to be paid	37	16
Other	1,211	961
<b>Total as at 31 December</b>	<b>3,570</b>	<b>3,892</b>

'Dutch industry advance payment' includes the invoiced advance payments on reproduction rights that have yet to be paid for the periods until year-end 2020. Advance payments are offset against the final payment.

The accruals and deferred income have a term of less than one year.

**NOTES TO THE OPERATING STATEMENT****(11) PERSONNEL COSTS**

(x € 1,000)	2020	2019
Salaries	836	806
Social security contributions	131	142
Pension costs	80	77
Other personnel costs	20	29
	<b>1,067</b>	<b>1,054</b>
Allocated by third parties	1,007	1,062
<b>Total</b>	<b>2,073</b>	<b>2,116</b>

In 2020, personnel costs rose by 1.2% and amount € 1.1 million, partly as a result of a small increase in the average number of FTEs. Additional costs allocated by Buma have fallen slightly, with the cost allocation remaining the same.

The coverage ratio of Pensioenfond PNO Media as at 31 December 2020 is 94.9% (31 December 2019: 99.5%).

During the 2020 financial year, the average number of employees converted to FTE was 14.4 (2019: 14.3). As shown in the table below, the workforce can be divided into the following personnel categories.

	2020	2019
Legal Affairs	1.0	1.0
General Affairs	1.0	1.0
Front office	5.1	5.1
Back office	7.3	7.2
<b>Total</b>	<b>14.4</b>	<b>14.3</b>

## REMUNERATION OF THE MANAGEMENT BOARD, SUPERVISORY BOARD AND COUNCIL OF RIGHTS OWNERS

Under the Supervision Act, which came into force on 1 July 2013, a number of paragraphs in the Public and Semi-Public Sector Senior Officials (Standard Remuneration) Act (WNT) have been declared applicable to Collective Management Organisations. Vereniging Buma and Stichting Stemra work together in one staffing organisation under one Management Board, one Supervisory Board and one Council of Rights Owners.

The agreements with the Management Board, the Supervisory Board and the Council of Rights Owners have been entered into jointly by Vereniging Buma and Stichting Stemra. The total remuneration of the senior officials of Vereniging Buma is specified in the tables below in accordance with Section 4.1 of the WNT 2018, where relevant. However, the costs for the Supervisory Board and the Council of Rights Owners are accounted for by Vereniging Buma and by Stichting Stemra in the financial statements at 50% each. The remuneration of the Management Board is included in the financial statements of Vereniging Buma and Stichting Stemra based on 83% / 17% (2019: 83% / 17%). Reference is made to note (12) for a more detailed description of the cost allocation.

### 1. REMUNERATION OF SENIOR OFFICIALS

#### 1A. SENIOR MANAGEMENT OFFICIALS WITH AN EMPLOYMENT CONTRACT, AS WELL AS THOSE WHO HAVE SERVED WITHOUT AN EMPLOYMENT CONTRACT FOR 13 MONTHS OR MORE

The remuneration per individual for 2020 – as defined in the Supervision Act – can be specified as follows (in €)\*:

Name	Position	Employed	Total remuneration plus taxable expense allowance 2020	Post-contract benefits	Total WNT remuneration 2020	WNT maximum 2020	Total WNT remuneration 2019	WNT maximum 2019
<b>Senior official with an employment contract</b>								
B.H. Kobes	CEO	1 Jan - 31 Dec 100%	182,870	18,130	201,000	201,000	32,422	32,422
M.C. Kloppers	CFO	1 Jul - 31 Dec 100%	91,969	9,080	101,049	101,049	-	-

\* This concerns the total remuneration received from Buma/Stemra.

The remuneration per individual for 2020 – as defined in the Supervision Act – can be specified as follows (in €)\*:

Name	Position	Employment	Total WNT remuneration 2020	WNT maximum 2020	Total WNT remuneration 2019	WNT maximum 2019
<b>Senior officials without an employment contract</b>						
S.H. van Elsloo	Acting CFO	1 Jan - 26 Aug 100%	130,900	131,254	193,930	194,000
C.J.J. van Steijn	Acting CEO**		-	-	16,424	16,477
W.H.L. van Limpt	Consultancy assignment***		-	-	154,773	185,554

\* This concerns the total remuneration received from Buma/Stemra; the directors do not have an employment contract.

\*\* The remuneration of C.J.J. van Steijn up to and including September 2019 is included in table 1b.

\*\*\* W.H.L. van Limpt (former CEO) left the employment as from 31/12/2018. He carried out a consultancy assignment in 2019, the remuneration for which is accounted for in the table above.

#### 1B. SENIOR MANAGEMENT OFFICIALS WHO SERVED WITHOUT AN EMPLOYMENT CONTRACT IN THE CALENDAR MONTHS 1 TO 12

The remuneration per individual for 2020 – as defined in the Supervision Act – can be specified as follows (in €)\*:

Name	Position	Employment	Total WNT remuneration 2020	WNT maximum 2020	Total WNT remuneration 2019	WNT maximum 2019
<b>Senior officials without an employment contract</b>						
C.J.J. van Steijn	Acting CEO**		-	-	195,228	195,300
S.H. van Elsloo	Acting CFO***	-	-	-	-	-

\* This concerns the total remuneration received from Buma/Stemra; the directors do not have an employment contract.

\*\* From 1 Oct 2019, the remuneration of C.J.J. van Steijn is accounted for in table 1a.

\*\*\* The remuneration of S.H. van Elsloo for 2019 and 2020 is accounted for in table 1a.

## 1C. SENIOR SUPERVISORY OFFICIALS

### REMUNERATION OF THE SUPERVISORY BOARD

The remuneration per individual for 2020 – as defined in the Supervision Act – can be specified as follows (in €)\*:

Name	Position	Employment	Total WNT remuneration 2020	WNT maximum 2020	Total WNT remuneration 2019	WNT maximum 2019
<b>J. de Zwaan</b>	Chairwoman of the Supervisory Board	1 Jan - 31 Dec	<b>30,150</b>	30,150	29,100	29,100
<b>A. Beets</b>	Member of the Supervisory Board	27 Aug - 31 Dec	<b>6,974</b>	6,975	-	-
<b>A. Fiumara</b>	Member of the Supervisory Board	1 Jan - 26 Aug	<b>13,125</b>	13,125	19,400	19,400
<b>R.J.M. Hopstaken</b>	Member of the Supervisory Board	1 Jan - 31 Dec	<b>20,100</b>	20,100	19,400	19,400
<b>M. Krüs</b>	Member of the Supervisory Board	27 Aug - 31 Dec	<b>6,974</b>	6,975	-	-
<b>R. Meister</b>	Member of the Supervisory Board	1 Jan - 26 Aug	<b>13,125</b>	13,125	19,400	19,400
<b>J. Messerschmidt</b>	Member of the Supervisory Board	1 Jan - 31 Dec	<b>20,100</b>	20,100	19,400	19,400
<b>A.B. Molema</b>	Vice-chairman of the Supervisory Board	1 Jan - 31 Dec	<b>20,100</b>	20,100	19,400	19,400
<b>E. Severs</b>	Member of the Supervisory Board	27 Aug - 31 Dec	<b>6,974</b>	6,975	-	-
<b>M. Swemle</b>	Member of the Supervisory Board	1 Jan - 31 Dec	<b>20,100</b>	20,100	19,400	19,400
<b>R. van Vliet</b>	Member of the Supervisory Board	1 Jan - 26 Aug	<b>13,125</b>	13,125	19,400	19,400
<b>N.M. Walboomers</b>	Member of the Supervisory Board	1 Jan - 31 Dec	<b>20,100</b>	20,100	19,400	19,400

\* This concerns the total remuneration received from Buma/Stemra; these members of the Supervisory Board do not have an employment contract.

## REMUNERATION OF THE COUNCIL OF RIGHTS OWNERS

The remuneration per individual for 2020 – as defined in the Supervision Act – can be specified as follows (in €)\*:

Name	Position	Employment	Total WNT remuneration 2020	WNT maximum 2020	Total WNT remuneration 2019	WNT maximum 2019
<b>R. Zipora</b>	Chairwoman of the Council of Rights Owners	1 Jan - 31 Dec	<b>15,203</b>	30,150	10,674	25,751
<b>M.A. Bremer</b>	Vice-chairman of the Council of Rights Owners	1 Jan - 31 Dec	<b>10,452</b>	20,100	7,650	19,400
<b>W. Burkens</b>	Member of the Council of Rights Owners	27 Aug - 31 Dec	<b>2,921</b>	6,975	-	-
<b>I.M. Chronis</b>	Member of the Council of Rights Owners	1 Jan - 26 Aug	<b>6,281</b>	13,125	7,352	19,400
<b>D. Damm</b>	Member of the Council of Rights Owners	27 Aug - 31 Dec	<b>2,571</b>	6,975	-	-
<b>D.D. van den Dungen</b>	Member of the Council of Rights Owners	1 Jan - 26 Aug	<b>5,231</b>	13,125	6,627	19,400
<b>J.M.F. Everling</b>	Member of the Council of Rights Owners	1 Jan - 31 Dec	<b>9,552</b>	20,100	7,527	19,400
<b>M. Krüs</b>	Member of the Council of Rights Owners	1 Jan - 26 Aug	<b>4,881</b>	13,125	6,652	19,400
<b>W. Kwakman</b>	Member of the Council of Rights Owners	1 Jan - 26 Aug	<b>7,156</b>	13,125	7,502	19,400
<b>G. van Offeren</b>	Member of the Council of Rights Owners	27 Aug - 31 Dec	<b>2,921</b>	6,975	-	-
<b>D. van Peursen</b>	Member of the Council of Rights Owners	1 Jan - 31 Dec	<b>10,602</b>	20,100	8,708	21,685
<b>J.S. de Raaff</b>	Member of the Council of Rights Owners	27 Aug - 31 Dec	<b>3,096</b>	6,975	-	-
<b>A. Romeijn</b>	Member of the Council of Rights Owners	1 Jan - 31 Dec	<b>8,327</b>	20,100	7,780	20,463
<b>M. Schimmer</b>	Member of the Council of Rights Owners	1 Jan - 31 Dec	<b>9,727</b>	20,100	7,652	19,400
<b>K. Vergouwen</b>	Member of the Council of Rights Owners	1 Jan - 31 Dec	<b>8,327</b>	20,100	6,652	19,400
<b>J. van der Voet</b>	Member of the Council of Rights Owners	1 Jan - 31 Dec	<b>7,802</b>	20,100	6,777	19,400

\* This concerns the total remuneration received from Buma/Stemra; these members of the Council of Rights Owners do not have an employment contract.

## 3. OTHER REPORTING OBLIGATIONS UNDER THE WNT

### 3A. REMUNERATION OF NON-SENIOR OFFICIALS

The titular directors with an employment contract in 2020 (and 2019) do not have a position implying (day-to-day) management of the entire organisation, nor do they have decision-making powers. This means the titular directors did not serve as senior officials in 2020 (and 2019) and their remuneration is therefore disclosed under the category of non-senior officials. With regard to non-senior officials whose remuneration exceeds the WNT maximum, Vereniging Buma and Stichting Stemra have the policy to scale this back in accordance with the statutory transitional scheme until the WNT maximum is no longer exceeded. Severance payments made fall outside the phase-out scheme and are accounted for in the remuneration.

The remuneration per individual for 2020 – as defined in the Supervision Act – can be specified as follows (in €)\*:

Position	Employed	Total remuneration plus taxable expense allowance 2020	Post-contract benefits	Total WNT remuneration 2020	WNT maximum 2020	Total WNT remuneration 2019	WNT maximum 2019
<b>Non-senior officials</b>							
Titular Director**	1 Jan - 31 Dec 100%	343,163	18,129	361,292	201,000	216,365	194,000
Titular Director**		-	-	-	-	389,164	194,000

\* This concerns the total remuneration received from Buma/Stemra

\*\* The severance payment is included in the remuneration.

<b>(12) OTHER EXPENSES</b>	<b>2020</b>	<b>2019</b>
Advisory fees	96	89
Contributions and other fees	53	51
Other expenses	15	12
	<b>164</b>	<b>152</b>
Allocated by third parties	2,262	2,062
<b>Total</b>	<b>2,426</b>	<b>2,214</b>

In 2020, the costs allocated to Stemra increased by € 0.2 million. In the allocation of costs, the distribution between Buma and Stemra in accordance to the ratio of 83% and 17% respectively has been maintained on the basis of the cost allocation model developed in 2019. This takes into account that the costs for the Supervisory Board and the Council of Rights Owners will be distributed 50% / 50%. In 2020, the COVID-19 crisis caused disruptive impulses in the recalculation of this cost allocation, since the collection flows, which fell mainly at Buma, are important allocation keys in the cost allocation model. A recalculation would lead to a larger allocation to Stemra and would not be a representative reflection of the actual cost level of the entities. The Management Board has decided not to attribute the non-recurrent effect to Stemra too heavily in 2020.

### **(13) TAXES**

In an advance tax ruling extended up to no later than 31/12/2023, the Dutch Tax and Customs Administration has determined that Stemra is subject to corporation tax. Deductible foreign withholding taxes may be deducted up to a maximum equal to the amount of tax due under this advance tax ruling. Consequently, no corporation tax is due for the financial year 2020. Stemra will enter into consultation with the Tax and Customs Administration about the entity's tax qualification from 2024 onward.

## **OTHER DISCLOSURES**

### **(14) FINANCIAL INSTRUMENTS**

The financial instruments included in the assets are receivables and cash and cash equivalents (100% of the balance sheet total), which are measured at amortised cost and nominal value respectively. Receivables are generally non-interest-bearing. The interest payment on cash and cash equivalents is zero or even negative.

The maximum credit risk with regard to receivables and cash and cash equivalents equals the carrying amount. There is no concentration of the credit risk. The financial liabilities represent 84% of the balance sheet total (2019: 84%). The main component of this are the copyright royalties to be distributed, which account for 79% (2019: 78%). These are stated at cost. The financial liabilities are non-interest-bearing. The fair value of all the financial instruments approximates the carrying amount. There are no financial instruments with a carrying amount exceeding the fair value.

### **(15) RELATED PARTIES**

The following parties are considered to be related parties of Stichting Stemra: Vereniging Buma, Stichting Sociaal Fonds Buma, Stichting Service Centrum Auteurs- en Naburige rechten (SCAN) and members of the Management Board, Supervisory Board members and members of the Council of Rights Owners of Vereniging Buma and Stichting Stemra. For more information about the remuneration of the members of the Management Board, Supervisory Board members and members of the Council of Rights Owners, reference is made to the relevant notes in the corresponding section. Normal transactions relating to the administration of copyrights involving Supervisory Board members or members of the Council of Rights Owners, or involving related parties of Supervisory Board members or members of the Council of Rights Owners, are not explicitly disclosed in the financial statements.

Any distributions of copyright royalties to Supervisory Board members and members of the Council of Members, or to related parties of Supervisory Board members or members of the Council of Members, have been calculated in the same manner as the distributions to all members and affiliates and have been paid out in accordance with the normal procedures within Stemra. Due to the close relationships within the sector, Supervisory Board members and members of the Council of Members can also be related parties as customers of Stemra, such as through a music-related service that Stemra uses. Transactions with these parties are carried out at arm's length and under conditions that are no different from the conditions that would have been agreed with other parties.

For reasons of transparency, the copyright royalties distributed to members of the Supervisory Board and their companies must be made public. This concerns copyright royalties which Supervisory Board members have received as an individual or through legal entities in which they have a majority interest. For reasons of privacy, only the categories into which the royalties received fall are disclosed.



**THE COPYRIGHT ROYALTIES RECEIVED FALL INTO THE FOLLOWING CATEGORIES:**

No distribution	A
Between € 0 and € 15k	B
Between € 15k and € 50k	C
Between € 50k and € 0.1 million	D
Between € 0.1 million and € 0.5 million	E
More than € 0.5 million	F

The Supervisory Board members and the Management Board members have the following financial interests:

NAME	POSITION	BUMA
Josephine de Zwaan	Chairwoman of the Supervisory Board	A
Alexander Beets	Member of the Supervisory Board from 27 August	B
Anthony Fiumara	Member of the Supervisory Board until 26 August	B
Ruud Hopstaken	Member of the Supervisory Board	A
Monique Krüs	Member of the Supervisory Board from 27 August	B
René Meister	Member of the Supervisory Board until 26 August	B
Jolanda Messerschmidt	Member of the Supervisory Board	A
Arriën Molema	Member of the Supervisory Board	B
Edith Severs	Member of the Supervisory Board from 27 August	B
Marc Swemle	Member of the Supervisory Board	B
Raymond van Vliet	Member of the Supervisory Board until 26 August	A
Niels Walboomers	Member of the Supervisory Board	B
Bernard Kobes	Director	A
Marleen Kloppers	Director from 27 August	A
Siebe van Elsloo	Director until 26 August	A

## (16) OFF-BALANCE SHEET LIABILITIES

Buma and Stemra work together in one staffing organisation under one Management Board, one Council of Rights Owners and one Supervisory Board. Off-balance sheet assets and liabilities in connection with the outsourcing, coffee machines and plants have been entered into by Buma and Stemra jointly and are recognised in full by both Buma and Stemra. The allocation of costs between Buma and Stemra for each liability is specified in the notes. The obligations regarding the IT transition, rent and lease have been entered into by Buma; costs are subsequently charged on to Stemra. The estimated amount of the future charge-on is included in the notes as contracts entered into independently.

As at 31 December, the off-balance sheet liabilities had the following terms:

(x € 1,000)	2020	2019
<b>Joint contracts with Vereniging Buma</b>		
Less than 1 year	2,847	1,415
Between 1 and 5 years	1,244	46
	<b>4,091</b>	<b>1,461</b>
<b>Stemra share in Buma contracts entered into independently</b>		
Less than 1 year	167	133
Between 1 and 5 years	492	570
Longer than 5 years	216	238
	<b>875</b>	<b>941</b>
<b>Total</b>	<b>4,966</b>	<b>2,403</b>

The long-term liabilities in the table above concern lease costs, replacement of the IT system, rental costs and costs for outsourcing activities.

The allocation of costs between Buma and Stemra for each liability is specified in the notes. The rental and lease obligations have been entered into by Buma; costs are subsequently charged on to Stemra.

### Leasing and software

The operational lease costs for printers, lease cars and software have been assumed by Buma and will be divided between Buma and Stemra (in 2020: 83% / 17%). The costs are recognised over the lease period in the operating statement using the straight-line method. The obligation to Buma for less than one year is € 11k (2019: € 12k) and the obligations between one and five years are € 15k (2019: € 19k).

### Replacement of IT systems

At the end of 2020, Buma entered into the first contractual obligations with regard to the IT transition. The costs are divided between Buma and Stemra (in 2020: 83% / 17%). The obligation to Buma for less than one year is less than € 0.1 million (2019: zero) and the obligations between one and five years too are less than € 0.1 million (2019: zero).

### Rent

As of 1 January 2018, a financial liability has been assumed for a period of ten years. The rental obligation has been entered into by Buma. The (annual) rental obligation is divided between Buma and Stemra (in 2020: 83% / 17%). The total rental obligation to Buma for the remaining term of the contract amounts to € 0.7 million (2019: € 0.9 million).

### Outsourcing of activities – ICE Copyright

Buma and Stemra have jointly entered into the obligation to outsource their musical works database to ICE for an initial period of five years (as from March 2015) and extended by one year. The remaining financial liability resulting from this amounts to € 0.8 million (2019: € 0.7 million). The costs of ICE are divided between Buma and Stemra (in 2020: 83% / 17%).

### Outsourcing of activities – NMP

Buma and Stemra have extended their joint obligation to outsource the processing of online music use to NMP for a period of two years (as from March 2020). The remaining financial liability resulting from this amounts to € 1.5 million (2019: less than € 0.1 million). These costs divided between Buma and Stemra (in 2020: 83% / 17%).

## Accenture

Buma and Stemra have jointly entered into the contractual obligation to outsource part of the back-office activities to Accenture until the end of December 2022. The remaining financial liability resulting from this amounts to € 1.8 million (2019: € 0.6 million, in addition to an amount paid in advance included on the balance sheet). These costs divided between Buma and Stemra (in 2020: 83% / 17%).

## Claims

A number of claims have been lodged against Stemra which it disputes, as well as a number of claims for which an outflow of funds is expected. A provision has been recognised for the claims for which an outflow of cash is expected that can be estimated reliably. Although the outcome of these disputes cannot be predicted with certainty, it is assumed – also based on legal advice – that these disputes will not have a significant negative effect on the presented financial position of Stemra.

### (17) EVENTS AFTER THE BALANCE SHEET DATE

In 2021, as in the year before, the Dutch government has taken measures to control the spread of Covid-19. In the first months of 2021, the Netherlands was in an intensified partial lockdown. The consequences of the third wave in the Covid-19 pandemic are classified as events after the balance sheet date, which do not provide further information about the actual situation as at the balance sheet date. This means that the financial consequences of 2021 have not been recognised in the 2020 financial statements. The impact of these events on the collection appears to be limited to date, but estimating what the impact of the COVID-19 crisis will be for the longer term is not possible at this time. The reasons for this are the high degree of uncertainty about the further spread of the Covid-19 virus, the nature, scope and effectiveness of government measures and the moment at which vaccines or medicines provide sufficient protection to relax the measures. However, the scenarios we have set out do not point to an impending liquidity deficit.

From 2021, based on the amended distribution rules, Stemra will deduct fixed administration fees at the time of collection. This is because the deduction is intended to cover the costs that Stemra will incur to process and distribute collected royalties. Based on the distribution rules, administration fees were withheld from the royalties collected up to and including 2020, at the time of distribution. Therefore, no deduction has yet been made from royalties that are still to be paid out at the end of 2020. The adjustment of the time of withholding means that Stemra will realise one-off extra income from administration fees in 2021: in addition to deduction of fixed administration fees from royalties to be distributed at year-end 2020 from which no administration fees have yet been deducted, administration fees will be deducted from royalties collected in 2021.

As regards Stemra, we estimate the one-off extra cost coverage at approximately € 6.5 million, an average of 10.8% of approximately € 60 million of royalties still to be paid out. As a result, we expect an operating surplus in 2021. In the 2021 financial statements, it will be proposed to add the final result to the appropriated reserve, in order to absorb future fluctuations in coverage surplus/deficit of management costs. We are investigating the possibility of paying out extra from the reserves at a certain point. This partly depends on the developments of the pandemic and the associated economic reality and on the expectations regarding Stemra's future cost coverage.

## Signature

Hoofddorp, 5 May 2021

### SUPERVISORY BOARD

Josephine de Zwaan	Chairwoman
Alexander Beets	Member of the Supervisory Board
Ruud Hopstaken	Member of the Supervisory Board
Monique Krüs	Member of the Supervisory Board
Jolanda Messerschmidt	Member of the Supervisory Board
Arriën Molema	Member of the Supervisory Board
Edith Severs	Member of the Supervisory Board
Marc Swemle	Member of the Supervisory Board
Niels Walboomers	Member of the Supervisory Board

### MANAGEMENT BOARD

Bernard Kobes	Chief Executive Officer
Marleen Kloppers	Chief Financial Officer

## — 6. OTHER INFORMATION

# INDEPENDENT AUDITOR'S REPORT

To: the Affiliates of Stichting Stemra

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS  
2020 INCLUDED IN THE ANNUAL REPORT

## OUR OPINION

We have audited the financial statements 2020 of Stichting Stemra, based in Amstelveen.

In our opinion the accompanying financial statements give a true and fair view of the financial position of Stichting Stemra as at 31 December 2020, and of its result for 2020 in accordance with Part 9 of Book 2 of the Dutch Civil Code and section 25a of the Collective Management Organisations for Copyright and Related Rights (Supervision and Disputes Settlement) Act (hereafter: 'Supervision Act').

The financial statements comprise:

1. the balance sheet as at 31 December 2020;
2. the operating statement for 2020; and
3. the notes comprising a summary of the accounting policies and other explanatory information.

## BASIS FOR OUR OPINION

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing and the Supervision Act. Our responsibilities under those standards are further described in the 'Our responsibilities for the audit of the financial statements' section of our report.

We are independent of Stichting Stemra in accordance with the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics).

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## COMPLIANCE WITH ANTI-CUMULATION PROVISION OF WNT HAS NOT BEEN AUDITED

With regard to the provisions in Section 25a of the Supervision Act, our audit did not include a review of whether any senior management official exceeded remuneration standards due to being employed at another institution which is subject to the Standards for Remuneration Act (WNT), nor did we review the accuracy and completeness of the disclosures required in this respect.

## REPORT ON THE OTHER INFORMATION INCLUDED IN THE ANNUAL REPORT

In addition to the financial statements and our auditor's report thereon, the annual report contains other information that consists of:

- key figures Stemra;
- board report;
- supervisory board report;
- approval on the financial statements;
- other information.

Based on the following procedures performed, we conclude that the other information:

- is consistent with the financial statements and does not contain material misstatements;
- contains the information as required by Part 9 of Book 2 of the Dutch Civil Code;
- contains the information as required by sections 2b through to 3.d.4 of the 'Besluit transparantieverlag richtlijn collectief beheer'.

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing these procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of the procedures performed is substantially less than the scope of those performed in our audit of the financial statements.

The board is responsible for the preparation of the other information, including the board report and supervisory board report, in accordance with Part 9 of Book 2 of the Dutch Civil Code, sections 2b through to till 3.d.4 of the 'Besluit transparantieverlag richtlijn collectief beheer' and other information as required by Part 9 of Book 2 of the Dutch Civil Code.

## DESCRIPTION OF RESPONSIBILITIES REGARDING THE FINANCIAL STATEMENTS

### RESPONSIBILITIES OF THE BOARD AND THE SUPERVISORY BOARD FOR THE FINANCIAL STATEMENTS

The board is responsible for the preparation and fair presentation of the financial statements in accordance with Part 9 of Book 2 of the Dutch Civil Code and the Supervision Act. Furthermore, the board is responsible for such internal control as the board determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, the board is responsible for assessing the foundation's ability to continue as a going concern. Based on the financial reporting framework mentioned, the board should prepare the financial statements using the going concern basis of accounting unless the board either intends to liquidate the foundation or to cease operations, or has no realistic alternative but to do so.

The board should disclose events and circumstances that may cast significant doubt on the foundation's ability to continue as a going concern in the financial statements.

The supervisory board is responsible for overseeing the company's financial reporting process.

## OUR RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objective is to plan and perform the audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material errors and fraud during our audit.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgement and have maintained professional scepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included among others:

- identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the foundation's internal control;
- evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the board;
- concluding on the appropriateness of the board's use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the foundation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report

to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a foundation to cease to continue as a going concern;

- evaluating the overall presentation, structure and content of the financial statements, including the disclosures; and evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the supervisory board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identify during our audit.

We provide the supervisory board with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards

Amsterdam, 5 May 2021

Mazars N.V.

Signed on the original drs. R.C.H.M. Horsmans RA RV

# —APPENDICES

# 1. REFERENCE TABLE TRANSPARENCY REPORT

Section	Description	Part of the annual report	Page number
<b>Section 2</b>			
2a	Cash flow statement	Cash flow statement	32
2b	Information about refusals to grant a licence on the basis of Article 2l(3) of the Supervision Act;		20
2c	A description of the legal and governance structure of the collective management organisation;	Notes to the financial statements	33
2d	Information on entities directly or indirectly owned or controlled, wholly or in part, by the collective management organisation;	Notes to the financial statements	33
2e	Information on the total amount of remuneration paid in the past financial year to the persons referred to in Section 2e(3) and Section 2f of the Supervision Act, and on other benefits granted to them;	Notes to the financial statements, Remuneration of the Management Board, Supervisory Board and Council of Rights Owners	45-47
2f	The financial data referred to in Section 3 of the Transparency Report (Collective Rights Management Directive) Decree	See Section 3	
2g	A special report on the use of amounts withheld for the purposes of social, cultural and educational services, including the information referred to in Section 3 of the aforementioned Decree	See Section 3	
<b>Section 3</b>			
3a	Financial information on rights revenue per category of rights managed and per type of use, including information on the income arising from the investment of rights revenue and the use of this income;	Directors' report, operating statement and notes to the financial statements	11-15, 31, 33 et seq.
3b	Financial information on the costs of rights management and other services provided to rights owners by the collective management organisation, including a full description of at least the following items:		
	1. All operating costs and financial costs, with a breakdown per category of rights managed and, in the case of indirect costs that cannot be attributed to one or more categories of rights, an explanation of the method used for the allocation of these indirect costs;	Directors' report, operating statement and notes to the financial statements	11-15, 31, 33 et seq.
	2. Operating costs and financial costs, with a breakdown per category of rights managed and, in the case of indirect costs that cannot be attributed to one or more categories of rights, an explanation of the method used for the allocation of these indirect costs, to the extent that these costs relate to the rights management, including the management costs which were deducted from or offset against rights revenue or income arising from the investment of rights revenue in accordance with Section 2g(4) and Section 2h(1-3) of the Supervision Act;	Directors' report, operating statement and notes to the financial statements	11-15, 31, 33 et seq.
	3. Operating costs and financial costs for services other than rights management, including social, cultural and educational services;	Notes to the financial statements	
	4. Funds used to cover costs;	Coverage of the management costs	13
	5. Amounts that were withheld from rights revenue, with a breakdown per category of rights managed and per type of use, and the purpose of the withholding;	Coverage of the management costs	13-16
	6. The percentages which the costs of the rights management and other services provided by the collective management organisation to rights owners represent compared to the rights revenue in the relevant financial year, per category of rights managed, and, in the case of indirect costs that cannot be attributed to one or more categories of rights, an explanation of the method used for the allocation of these indirect costs;	Key figures and key indicators	3-5
3c	Financial information on the amounts due to rights owners with a full description of at least the following items:		
	1. The total amount attributed to rights owners, with a breakdown per category of rights managed and per type of use;	Notes to the financial statements, copyright royalties to be distributed	39-43
	2. The total amount paid to rights owners, with a breakdown per category of rights managed and per type of use;	Key figures and key indicators	3-5
	3. The frequency of the payments, with a breakdown per category of rights managed and per type of use;		20
	4. The total amount collected but not yet allocated to rights owners, with a breakdown per category of rights managed and per type of use, and indicating in which the financial year these amounts were collected;	Notes to the financial statements, copyright royalties to be distributed	39-43



Section	Description	Part of the annual report	Page number
	5.The total amount allocated to but not yet distributed among rights owners, with a breakdown per category of rights managed and per type of use, and specification of the financial year in which these amounts were collected;	Notes to the financial statements, copyright royalties to be distributed	39-43
	6.If a collective management organisation has not carried out the distribution and payment within the period laid down in Section 6i(2) of the Supervision Act: the reasons for the delay;	Notes to the financial statements, copyright royalties to be distributed	39-43
	7.The total balance of undistributed amounts, with an explanation of the use of these amounts;	Notes to the financial statements, copyright royalties to be distributed	39-43
3d	Information on the financial relationship with other collective management organisations, with a description of at least the following items:		
	1. Amounts received from other collective management organisations and amounts paid to other collective management organisations, with a breakdown per category of rights managed, per type of use and per organisation;	Key figures and key indicators	3-5
	2. Management costs and other withholdings from the rights revenue due to other collective management organisations, with a breakdown per category of rights, per type of use and per organisation;	Key figures and key indicators	3-5
	3. Management costs and other withholdings from the rights revenue paid by other collective management organisations, with a breakdown per category of rights and per organisation;	Key figures and key indicators	3-5
	4. Amounts distributed directly to rights owners originating from other collective management organisations, with a breakdown per category of rights and per organisation.	Key figures and key indicators	3-5
<b>Section 4</b>			
4a	The amounts withheld in the financial year for the purposes of social, cultural and educational services, with a breakdown per type of purpose and, for each type of purpose, with a breakdown per category of rights managed and per type of use;	Notes to the financial statements	
4b	An explanation of the use of those amounts, with a breakdown per type of purpose including the costs of managing amounts withheld to fund social, cultural and educational services and of the separate amounts used for social, cultural and educational services.	Notes to the financial statements	

## 2. MEETINGS OF THE SUPERVISORY BOARD, COMMITTEES AND COUNCIL OF RIGHTS OWNERS

### 2.1 SUPERVISORY BOARD MEETING DATES, ITEMS DISCUSSED AND RESOLUTIONS

#### Overview of resolutions for the 2020 annual report

Date	Body	Topics	Decision-making
17 February 2020	Supervisory Board	<ul style="list-style-type: none"> <li>- IT and replacement AX (Pyramid)</li> <li>- remuneration of Supervisory Board and Management Board 2020</li> <li>- cyber security</li> <li>- internal audit plan</li> <li>- strategy update</li> <li>- profiles of Supervisory Board (members)</li> <li>- rules and regulations: elections, Appointments Advisory Committee and Supervisory Board</li> <li>- CFO recruitment &amp; selection update</li> <li>- update self-evaluation of Council of Rights Owners and training Supervisory Board/Management Board/Council of Rights Owners/Works Council</li> <li>- update stakeholders</li> <li>- Brexit consequences for rights owners and GMM preparation May 2020</li> <li>- provisional figures 2019</li> </ul>	<ul style="list-style-type: none"> <li>- internal audit plan 2020</li> <li>- profiles of Supervisory Board (members)</li> <li>- elections, Appointments Advisory Committee and Supervisory Board</li> <li>- selection candidate CFO to the Appointments Advisory Committee</li> <li>- remuneration of Supervisory Board and Management Board 2020</li> </ul>
27 March 2020	Supervisory Board	<ul style="list-style-type: none"> <li>- Emergency Fund update</li> </ul>	none
1 April 2020	Supervisory Board	<ul style="list-style-type: none"> <li>- Covid-19 crisis: policy update</li> <li>- IT strategy and replacement AX (Pyramid)</li> <li>- draft management letters 2019</li> <li>- Change in distribution rules cost allocation including undistributed rights</li> <li>- dissolution of Stichting Sociaal Fonds</li> <li>- international representation</li> <li>- Brexit proposal amendment to the Articles of Association</li> <li>- Dissolution of Integrity Committee amendment to the Articles of Association</li> <li>- CFO recruitment &amp; selection update</li> <li>- update training Supervisory Board/Management Board/Council of Rights Owners/Works Council</li> <li>- update Stakeholders</li> <li>- monthly report February 2020</li> <li>- Update developments Buma Investment Fund</li> </ul>	<ul style="list-style-type: none"> <li>- Covid-19 crisis: informal weekly consultation between (vice-)chairmen of the Council of Rights Owners, the Management Board and the Supervisory Board</li> <li>- Emergency Fund</li> <li>- Brexit Articles of Association proposal</li> <li>- the integrity committee proposal Articles of Association</li> </ul>
3 April 2020	Supervisory Board	<ul style="list-style-type: none"> <li>- Strategy afternoon</li> </ul>	none
4 May 2020	Supervisory Board	<ul style="list-style-type: none"> <li>- Strategy in relation to Covid-19</li> </ul>	none
6 May 2020	Supervisory Board	<ul style="list-style-type: none"> <li>- draft annual report 2019</li> <li>- policy reserves in relation to Emergency Fund</li> <li>- draft audit report 2019</li> <li>- update Covid-19 impact on operations, collection and distribution</li> <li>- state of affairs strategy</li> <li>- IT preparation decision-making</li> <li>- retirement schedule Supervisory Board and Council of Rights Owners</li> <li>- nomination appointment CFO</li> <li>- update stakeholders</li> <li>- update governance code Voice</li> <li>- Monthly report March 2020 including policy update regarding Covid-19 crisis</li> <li>- distribution planning update"</li> </ul>	<ul style="list-style-type: none"> <li>- annual report 2019 Buma and Stemra with the exception of the events after the balance sheet date in connection with the Covid-19 crisis.</li> <li>- retirement schedule of Supervisory Board and Council of Rights Owners</li> <li>- Final decision nomination of CFO for the appointment by the GMM on 26 August 2020 as director under the Articles of Association and also CFO for a period of 4 years, with effect from 27 August 2020."</li> </ul>
9 July 2020	Supervisory Board	<ul style="list-style-type: none"> <li>- update Covid-19 impact on operations, collection and distribution</li> <li>- update Appointments Advisory Committee interviews with candidates Council of Rights Owners and Supervisory Board</li> <li>- evaluation consultation Council of Rights Owners, Management Board and Supervisory Board</li> <li>- training Supervisory Board members</li> <li>- update stakeholders</li> <li>- notice of meeting GMM 26 August</li> <li>- IT update including contacts with foreign CMOs</li> <li>- E-mail decision-making regarding the granting of a loan to SFB for Emergency Fund</li> </ul>	<ul style="list-style-type: none"> <li>- loan to SFB for Emergency Fund.</li> </ul>
5 August 2020	Supervisory Board	<ul style="list-style-type: none"> <li>- draft annual report 2019</li> <li>- transfer of right to claim against Buma/Stemra</li> <li>- change in distribution rules regarding Repobel and text-only works</li> <li>- strategic plan update</li> <li>- update replacement AX (Pyramid) including contacts with foreign CMOs</li> <li>- training Supervisory Board members</li> <li>- update stakeholders</li> <li>- second notice of meeting GMM 26 August</li> </ul>	<ul style="list-style-type: none"> <li>- Annual report 2019 of Buma and Stemra</li> <li>- Distribution rules regarding Repobel and text-only works</li> <li>- Strategic Plan Buma/Stemra 2020-2025 and further elaboration in tactical and operational implementation plans</li> </ul>

Date	Body	Topics	Decision-making
21 September 2020	Supervisory Board	<ul style="list-style-type: none"> <li>- Dissolution of Stichting Sociaal Fonds</li> <li>- Retirement schedule of Supervisory Board and Council of Rights Owners</li> <li>- onboarding new members of Supervisory Board and Council of Rights Owners</li> <li>- annual calendar of meetings and agenda items of Supervisory Board and Council of Rights Owners</li> <li>- update stakeholders</li> <li>- update contacts with foreign CMOs regarding IT</li> <li>- evaluation GMM 26 August</li> <li>- e-mail decision-making proposed Investment Fund decision</li> </ul>	<ul style="list-style-type: none"> <li>- retirement schedule of Supervisory Board</li> <li>- onboarding new members of Supervisory Board and Council of Rights Owners</li> <li>- annual calendar Supervisory Board and committees</li> <li>- Investment Fund</li> </ul>
22 September 2020	Supervisory Board	self-evaluation Supervisory Board	- self-evaluation Supervisory Board
2 November 2020	Supervisory Board	<ul style="list-style-type: none"> <li>- overall update Buma/Stemra including Covid-19, Emergency Fund, IT and strategy, monthly report, outstanding old files</li> <li>- Replacement AX (Pyramid)</li> <li>- new strategy (beat of the drum, core values)</li> <li>- training day</li> <li>- nomination re-appointment Supervisory Board member</li> <li>- self-evaluation Supervisory Board 22/09/2020</li> <li>- stakeholders</li> <li>- 3rd quarter figures</li> </ul>	<ul style="list-style-type: none"> <li>- replacement of AX (Pyramid)</li> <li>- nomination re-appointment Supervisory Board member</li> </ul>
7 December 2020	Supervisory Board	<ul style="list-style-type: none"> <li>- overall update Buma/Stemra including Covid-19, IT, strategy and outstanding old files</li> <li>- budget 2021</li> <li>- planning annual report 2020</li> <li>- investment plan 2021</li> <li>- reserves including negative interest effects</li> <li>- Senior Executives in the Public and Semi-Public Sector (Standards for Remuneration) Act (WNT) 2021 remuneration</li> <li>- composition Supervisory Board committees</li> <li>- feedback attending Council of Rights Owners meeting</li> <li>- update stakeholders including feedback discussion on clarification role of Council of Rights Owners</li> </ul>	<ul style="list-style-type: none"> <li>- budget 2021</li> <li>- planning annual report 2020</li> <li>- investment plan 2021</li> <li>- remuneration of Management Board 2021</li> <li>- composition Supervisory Board committees</li> </ul>
14 December 2020	Supervisory Board	<ul style="list-style-type: none"> <li>- Feedback discussion chairmen Sena/BumaStemra</li> <li>- Supervision Act and requirements of reliability of suitability of Supervisory Board and Management Board members</li> <li>- WNT remuneration 2021 Supervisory Board</li> </ul>	<ul style="list-style-type: none"> <li>- Making Sena/Buma/Stemra a permanent agenda item</li> <li>- remuneration of Supervisory Board 2021.</li> </ul>

## 2.2 AUDIT COMMITTEE MEETING DATES, ITEMS DISCUSSED AND RESOLUTIONS

### Overview of resolutions for the 2020 annual report

Date	Body	Topics	Decision-making
3 February 2020	Audit Committee	<ul style="list-style-type: none"> <li>- Provisional figures 2019</li> <li>- Time schedule financial statements 2019</li> <li>- IT Strategy and replacement AX</li> <li>- Internal Audit Plan 2020</li> <li>- Update tax position Buma/Stemra</li> </ul>	- the 2020 Audit Plan will be submitted to the Supervisory Board with a positive recommendation.
18 March 2020	Audit Committee	<ul style="list-style-type: none"> <li>- Draft management letters Buma and Stemra 2019</li> <li>- Planning Annual Report 2019</li> <li>- Update replacement AX</li> <li>- Financial strategy</li> <li>- Monthly report February 2020</li> <li>- International representation</li> <li>- Dissolution of Stichting Sociaal Fonds</li> <li>- Development in investment fund</li> <li>- ABN report investments December 2019</li> </ul>	none
31 March 2020	Audit Committee	- call Audit IT with Management Board: Ruud Hopstaken, Niels Walboomers and Marc Swemle with Bernard, Siebe, Eric, Sjaak	none
3 April 2020	Audit Committee	Consultation with the Works Council, Management Board and Supervisory Board about SIG	
22 April 2020	Audit Committee	<ul style="list-style-type: none"> <li>- draft annual report Buma and Stemra 2019</li> <li>- Draft audit report 2019</li> <li>- Update replacement AX</li> <li>- Monthly report March 2020</li> </ul>	- the Buma annual report, the Buma audit report, the Stemra annual report and the Stemra audit report are submitted to the Supervisory Board with a positive recommendation from the Audit Committee.
13 May 2020	Audit Committee	- regarding SFB loan	
29 May 2020	Audit Committee	<ul style="list-style-type: none"> <li>- Joint assignment SIG</li> <li>- PWC Internship report</li> </ul>	none
2 June 2020	Audit Committee	- in response to steering group 2-6 ac 29-5 respectively	none
18 June 2020	Audit Committee	- Business case Pyramid	none
24 June 2020	Audit Committee	SIG Quotation Expansion scope review approach and solution replacement AX for Buma/Stemra.	none
14 July 2020	Audit Committee	SIG final presentation review approach and solution replacement AX for Buma/Stemra	none
27 July 2020	Audit Committee	<ul style="list-style-type: none"> <li>- Transfer of right to claim against Buma/Stemra</li> <li>- Advice to the Supervisory Board regarding the 2019 financial statements of Buma and Stemra</li> <li>- Update replacement AX</li> </ul>	- the 2019 financial statements are submitted to the Supervisory Board with a positive recommendation from the Audit Committee.
18 August 2020	Audit Committee	- Interim update preparations Pyramid	none
7 September 2020	Audit Committee	<ul style="list-style-type: none"> <li>- Dissolution Sociaal Fonds Buma</li> <li>- Monthly report July 2020</li> <li>- Progress/update IT</li> </ul>	- the (preparations for the) dissolution of SFB are submitted to the Supervisory Board with a positive recommendation from the Audit Committee.
30 September 2020	Audit Committee	SIG preliminary discussions	none
5 October 2020	Audit Committee	Presentation of final report SIG	none
23 October 2020	Audit Committee	<ul style="list-style-type: none"> <li>- 3rd quarter figures</li> <li>- Pyramid decision-making (IT replacement investment AX)</li> <li>- ABN AMRO MeesPierson investment report September 2020</li> </ul>	none
23 November 2020	Audit Committee	<ul style="list-style-type: none"> <li>- Portal</li> <li>- budget 2021</li> <li>- reserve and negative interest memo</li> <li>- investment plan 2021</li> <li>- main points interim control</li> <li>- monthly report October</li> </ul>	none

## 2.3 REMUNERATION COMMITTEE MEETING DATES, ITEMS DISCUSSED AND RESOLUTIONS

### Overview of resolutions for the 2020 annual report

Date	Body	Topics	Decision-making
13 January 2020	Remuneration committee	<ul style="list-style-type: none"> <li>- Profiles of the Supervisory Board and Supervisory Board members</li> <li>- Profile of the Council of Rights Owners</li> </ul>	None
10 February 2020	Remuneration committee	<ul style="list-style-type: none"> <li>- Profiles of the Supervisory Board and Supervisory Board members</li> <li>- Profile of the Council of Rights Owners</li> <li>- Election regulations</li> <li>- Appointments Advisory Committee regulations</li> <li>- Supervisory Board regulations</li> <li>- Council of Rights Owners regulations</li> <li>- Recruitment and selection of CFO</li> <li>- Self-evaluation Supervisory Board</li> <li>- Training Supervisory Board/Management Board/Council of Rights Owners/Works Council</li> <li>- Remuneration of Supervisory Board, Council of Rights Owners, Committees</li> <li>- Brexit</li> </ul>	<ul style="list-style-type: none"> <li>- The profiles are submitted to the Supervisory Board with a positive recommendation from the Remuneration Committee.</li> <li>- The regulations are submitted to the Supervisory Board with a positive recommendation from the Remuneration Committee.</li> <li>- The remuneration proposal Supervisory Board members is submitted to the Supervisory Board with a positive recommendation.</li> </ul>
3 March 2020	Remuneration committee	Call: Remco/directors advice re candidate	
16 March 2020	Remuneration committee	<ul style="list-style-type: none"> <li>- International representation</li> <li>- Brexit proposal amendment to the Articles of Association</li> <li>- Dissolution of Integrity Committee</li> <li>- Employee satisfaction survey 2019</li> <li>- Recruitment &amp; selection of CFO</li> <li>- Training Supervisory Board/Management Board/Council of Rights Owners/Works Council</li> <li>- CEO employment contract addendum</li> <li>- Annual calendar</li> </ul>	<ul style="list-style-type: none"> <li>- The international representation proposal is submitted to the Supervisory Board with a positive recommendation from the Remuneration Committee.</li> <li>- The Remuneration Committee supports the Brexit proposal of the Management Board.</li> <li>- The Remuneration Committee supports the proposal from the Management Board to dissolve the Integrity Committee and indicate on the website who members can contact if they have a complaint.</li> </ul>
6 April 2020	Remuneration committee	<ul style="list-style-type: none"> <li>- Appointment new CFO</li> <li>- Date of GMM</li> </ul>	None
14 April 2020	Remuneration committee	<ul style="list-style-type: none"> <li>- Retirement schedule of Supervisory Board and Council of Rights Owners</li> <li>- Strategy in relation to personnel</li> <li>- Extension acting CFO</li> <li>- Legal Counsel recruitment progress</li> <li>- CFO recruitment &amp; selection update</li> </ul>	<ul style="list-style-type: none"> <li>- The Supervisory Board retirement schedule is submitted to the Supervisory Board with a positive recommendation from the Remuneration Committee.</li> </ul>
10 June 2020	Remuneration committee	<ul style="list-style-type: none"> <li>- consultation Council of Rights Owners, Management Board and Supervisory Board</li> <li>- Onboarding/Introduction members of Management Board</li> <li>- Candidates vacancies Supervisory Board</li> <li>- Planning and process Appointments Advisory Committee</li> <li>- Introduction programme new members of Supervisory Board and Council of Rights Owners</li> <li>- Annual performance and appraisal interview for directors</li> <li>- Ongoing training Supervisory Board members</li> <li>- Completion of 2019 self-evaluation Supervisory Board</li> <li>- Strategy in relation to personnel</li> <li>- 3rd addendum of acting CFO</li> <li>- Legal Counsel recruitment progress</li> </ul>	<ul style="list-style-type: none"> <li>- The 3rd addendum of acting CFO is submitted to the Supervisory Board with a positive recommendation from the Remuneration Committee.</li> </ul>
11 September 2020	Remuneration committee	<ul style="list-style-type: none"> <li>- Onboarding new members of Supervisory Board and Council of Rights Owners</li> <li>- Strategy in relation to personnel Management Board</li> <li>- Legal Counsel recruitment progress</li> <li>- Retirement schedule of Supervisory Board</li> <li>- Annual calendar Supervisory Board and committees 2021</li> </ul>	None
12 October 2020	Remuneration committee	<ul style="list-style-type: none"> <li>- strategy in relation to personnel</li> <li>- human resource matters</li> <li>- feedback training day</li> <li>- evaluation of performance Management Board</li> <li>- self-evaluation of the Supervisory Board and informing the Council of Rights Owners about topics subject to supervision</li> <li>- Supervision Act and requirements of reliability of suitability of Supervisory Board and Management Board members</li> <li>- planning phasing out intensified supervision CvTA</li> </ul>	None
2 December 2020	Remuneration committee	<ul style="list-style-type: none"> <li>- Senior Executives in the Public and Semi-Public Sector (Standards for Remuneration) Act (WNT) 2021</li> <li>- composition of committees</li> </ul>	<ul style="list-style-type: none"> <li>- The Remuneration Committee advises the Supervisory Board through various considerations with regard to WNT.</li> <li>- The Remuneration Committee advises the Supervisory Board to adjust the composition of the Supervisory Board committee, partly in connection with the appointment of new Supervisory Board members by the GMM.</li> </ul>

## 2.4 COUNCIL OF RIGHTS OWNERS MEETING DATES, ITEMS DISCUSSED AND RECOMMENDATIONS MADE

### Overview of resolutions for the 2020 annual report

Date	Body	Topics	Advisory
22 January 2020	Council of Rights Owners	<ul style="list-style-type: none"> <li>- Profile of the Council of Rights Owners</li> <li>- Feedback Distribution Committee</li> <li>- Basic distribution</li> <li>- Proposal from Cultural Funds Committee</li> <li>- Investment plan 2020</li> <li>- Update RTV/Online</li> </ul>	<ul style="list-style-type: none"> <li>- Requested advice issued to the Management Board regarding changes in distribution (Protestant church music, CE/CR from general to special category, small commercial stations/ procedure MRT &amp; processing of music use and expansion of scope and assessment framework distribution committee)</li> <li>- Requested advice to the Management Board regarding the Cultural Funds proposal</li> </ul>
12 February 2020	Council of Rights Owners	<ul style="list-style-type: none"> <li>- Feedback abroad meeting</li> <li>- Adjusting Council of Rights Owners regulations</li> <li>- Profile of the Council of Rights Owners</li> <li>- SoCu (ODV and SFB)</li> <li>- Update RTV/Talpa</li> <li>- MTO results 2019</li> <li>- Update online</li> <li>- Provisional figures 2019</li> </ul>	
25 March 2020	Council of Rights Owners	<ul style="list-style-type: none"> <li>- Update (policy) Covid-19 (including accelerated payout, emergency fund and policy on music use)</li> <li>- Change in distribution rules (cost allocation including undistributed rights)</li> <li>- Recruitment and selection of CFO</li> <li>- Strategy session</li> </ul>	<ul style="list-style-type: none"> <li>- Positive advice on the proposal of the Management Board for the accelerated payment of various distribution sections on the basis of fixed cost percentages and the assignment to the Distribution Committee to develop a methodology for Media/RTV; this in anticipation of the adoption of the financial statements.</li> <li>- Requested advice to the Management Board regarding the change in distribution rules</li> <li>- Requested advice issued to the Supervisory Board regarding the recommendation of the new CFO.</li> </ul>
29 April 2020	Council of Rights Owners	<ul style="list-style-type: none"> <li>- Draft annual report 2019</li> <li>- Draft audit report 2019</li> <li>- Abroad</li> <li>- Distribution calendar</li> <li>- Replacement AX</li> <li>- Update Covid-19 virus &amp; emergency fund including inventory impact Covid-19 per genre</li> <li>- Amendment to the Articles of Association (Brexit and dissolution of Integrity Committee)</li> <li>- One-time extension of dispute committee term</li> </ul>	<ul style="list-style-type: none"> <li>- Requested advice issued to the Management Board regarding 2019 BUMA/STEMRA annual reports.</li> <li>- Requested advice issued to the Management Board regarding 2019 BUMA/STEMRA audit reports</li> <li>- Requested advice issued to the Management Board regarding amendments to the Articles of Association</li> </ul>
17 June 2020	Council of Rights Owners	<ul style="list-style-type: none"> <li>- Re-election of Chairman and Vice-chairman</li> <li>- Composition of distribution committee</li> <li>- Distribution committee (structural acceleration RTV and mechanical background music)</li> <li>- GMM specifics and draft agenda</li> <li>- Update AX replacement process</li> <li>- Explanation of YouTube agreement</li> <li>- Evaluation consultation Council of Rights Owners, Management Board and Supervisory Board</li> <li>- Update Covid-19 virus</li> </ul>	<ul style="list-style-type: none"> <li>- Requested advice issued to the Management Board regarding distribution</li> </ul>
29 July 2020	Council of Rights Owners	<ul style="list-style-type: none"> <li>- Adoption of 2019 BUMA/STEMRA financial statements</li> <li>- Analysis of comments</li> <li>- Change in Stemra distribution rules (Private copy/ Lending right and text-only works)</li> <li>- Update replacement AX</li> <li>- Update 2020-2025 BUMA/STEMRA strategic plan</li> <li>- Composition of distribution committee</li> </ul>	<ul style="list-style-type: none"> <li>- Requested advice issued to the Management Board regarding the 2019 financial statements</li> <li>- Requested advice issued to the Management Board regarding change in Stemra distribution rules</li> </ul>
19 September 2020	Council of Rights Owners	<ul style="list-style-type: none"> <li>- Customer segmentation, customer journeys and recommended services catalogue</li> <li>- Update mijn.bumastemra.nl</li> <li>- Update from communication</li> <li>- Proposed decision to dissolve SFB</li> <li>- Update from Cultural Funds Committee</li> <li>- Evaluation GMM</li> <li>- Changes to Council of Rights Owners regulations</li> <li>- Composition of Distribution Committee</li> <li>- Retirement schedule of Co</li> <li>- Council of Rights Owners 2021 meeting schedule</li> </ul>	
21 October 2020	Council of Rights Owners	<ul style="list-style-type: none"> <li>- Distribution Committee (Evaluation customised arrangement Surcharge Serious HF &amp; LIVE streams)</li> <li>- Review list 2020/2021</li> <li>- Update Abroad process and Abroad Committee set-up</li> <li>- Harmonisation RTV/Online</li> <li>- Update Management Board (Process Update IT, business case and cost justification)</li> <li>- Evaluation training day 22/09/2020</li> <li>- Set-up of committees (Role of Council of Rights Owners and US Mechanical Rights)</li> </ul>	<ul style="list-style-type: none"> <li>- Requested advice issued to the Management Board to agree to maintaining the current regulation surcharge serious HF and proposal LIVE streams</li> </ul>

Date	Body	Topics	Advisory
4 November 2020	Council of Rights Owners	- Self-evaluation Council of Rights Owners	
25 November 2020	Council of Rights Owners	<ul style="list-style-type: none"> <li>- Review list 2020/2021 modified version</li> <li>- Distribution Committee (review of inspection &amp; information provision to publishers regarding Private Copy)</li> <li>- Distribution media composers (commercials/YouTube)</li> <li>- Draft budget 2021</li> <li>- Meeting with delegation of Supervisory Board (feedback on self-evaluation Supervisory Board &amp; feedback on supervision by the Supervisory Board with regard to the IT file (Pyramid project))</li> </ul>	<ul style="list-style-type: none"> <li>- Requested advice issued to the Management Board regarding the adjusted review calendar</li> <li>- Requested advice issued to the Management Board regarding information provision to publishers in relation to Private Copy</li> </ul>
16 December 2020	Council of Rights Owners	<ul style="list-style-type: none"> <li>- Deputising chairmanship</li> <li>- Appointment GMM committee 2021</li> <li>- Feedback working group role Council of Rights Owners</li> <li>- Final report Segmentation study</li> <li>- Update Management Board (SFB &amp; Feedback Cultural Committee)</li> </ul>	

### 3. OTHER POSITIONS OF THE SUPERVISORY BOARD, COUNCIL OF RIGHTS OWNERS AND MANAGEMENT BOARD

#### OTHER POSITIONS/OCCUPATIONS OF MEMBERS OF THE SUPERVISORY BOARD

<b>Ms Josephine de Zwaan</b>	Paid	Chairwoman of the Supervisory Board of Fairphone BV	1 Jan - 31 Dec
		Chairwoman of the Supervisory Board of Stichting Cito	1 Jan - 31 Dec
		Chairwoman of the Board of Stichting Administratiekantoor Aandelen Triodos	1 Jan - 31 Dec
		Bank NV Vice-chairwoman of the Supervisory Board of Stichting Hogeschool Leiden	1 Jan - 30 Sep
		Member of the Supervisory Board of Avans University of Applied Sciences (as from January 2021)	-
	Unpaid	Board member of Stichting Academeia	1 Jan - 31 Dec
		Chairwoman of the Board of Stichting Register Code Sociale Ondernemingen	1 Jan - 31 Dec
<b>Mr Alexander Beets (appointed on 27 August 2020)</b>	Paid	Director / Owner of Maxanter Muziek Groep BV	27 Aug - 31 Dec
		Producer of (music) theatre productions	27 Aug - 31 Dec
		International World Jazz saxophonist / improviser / composer	
		Festival director of Amersfoort Jazz Festival	27 Aug - 31 Dec
		Lecturer of Enterprise at Fontys Rock Academy / Head of Business Department	27 Aug - 31 Dec
		Chairman of the Board VCTN	27 Aug - 31 Dec
		Chairman of the Board NTB	27 Aug - 01 Nov
	Unpaid	Stage Arts Fund Advisor (Upstream scheme)	27 Aug - 31 Dec
		Board member of Stichting Promotie Popcultuur Nederland	27 Aug - 31 Dec
		Treasurer of Stichting JazzNL	27 Aug - 31 Dec
		Chairman of Jazz Podium Amersfoort	27 Aug - 31 Dec
		Member of the Music Emergency Fund complaint committee	27 Aug - 31 Dec
<b>Mr Anthony Fiumara (resigned on 26 August 2020)</b>	Paid	Composer	1 Jan - 26 Aug
		Lecturer of Composition at Fontys School of the Arts in Tilburg	1 Jan - 26 Aug
		Music journalist	1 Jan - 26 Aug
		Partner at De Merkcultuur	1 Jan - 26 Aug
		Board Member of Stichting BREIN	1 Jan - 26 Aug
	Unpaid	Board member of Stichting Temko	1 Jan - 26 Aug
		Board member of Amstel Music Award	1 Jan - 26 Aug
		Board member of Stichting AskolSchönberg	1 Jan - 26 Aug
		Board member of Stichting Nieuw Geneco	1 Jan - 26 Aug
<b>Mr Ruud Hopstaken</b>	Paid	Supervisory Board member of Central Agency for Reception of Asylum Seekers (COA)	1 Jan - 30 Jun
		Board member of Eligius BV	1 Jan - 31 Dec
	Unpaid	Supervisory Board member of PharmAccess Group Amsterdam	1 Jan - 31 Dec
<b>Ms Monique Krüs (appointed on 27 August 2020)</b>	Paid	Composer / Producer / Conductor / Soprano / Vocal coach	27 Aug - 31 Dec
		Vice-chairwoman of New Geneco	27 Aug - 31 Dec
		Partner at Lunam Publishing	19 Nov - 31 Dec
<b>Mr René Meister (resigned on 26 August 2020)</b>	Paid	Composer / Arranger	1 Jan - 26 Aug
		Founder of BEAR project	1 Jan - 26 Aug
		Owner of BEAR studio	1 Jan - 26 Aug
		Producer	1 Jan - 26 Aug
		Music compiler	1 Jan - 26 Aug
		Performing musician	1 Jan - 26 Aug
<b>Ms Jolanda Messerschmidt CPA</b>	Paid	Director / Owner of TB&E Advice BV	1 Jan - 31 Dec
		Supervisory Board member of BMW Finance NV	1 Jan - 31 Dec
		Supervisory Board member of BMW International Investments BV	1 Jan - 31 Dec
		External adviser at Align Matters	1 Jan - 31 Dec
		Owner of J. Messerschmidt Beheer BV	1 Jan - 31 Dec
		Member of the Supervisory Board of NV Haagse Milieu Service	1 Jan - 31 Dec
		Member of the Supervisory Board of Krauthammer Investments Holding BV (with effect from February 2021)	-
	Unpaid	Member of the Union Council of the Athletics Union	12 Jun - 31 Dec



## OTHER POSITIONS/OCCUPATIONS OF MEMBERS OF THE SUPERVISORY BOARD

<b>Mr Arriën Molema</b>	Paid	Songwriter / Composer / Producer	1 Jan - 31 Dec
		Guitarist and business manager of Room Eleven	1 Jan - 31 Dec
		Vice-chairman of BAM!	1 Jan - 31 Dec
		Member of the Visitation Committee for the Policy Document on Culture of the Municipality of Utrecht	1 Jan - 31 Dec
		Stage Arts Fund Advisor	1 Jan - 31 Dec
	Unpaid	Board member of CIAM (option to claim travel and accommodation costs through Buma Stemra)	1 Jan - 31 Dec
<b>Ms Edith Severs (appointed on 27 August 2020)</b>	Paid	Director / Owner of music publishing company Copyright Power International BV	27 Aug - 31 Dec
		Partner at Fully Charged Music Group	27 Aug - 31 Dec
			27 Aug - 31 Dec
	Unpaid	Vice-chairwoman of Nederlandse Muziek Uitgevers Vereniging (NMUV)	
<b>Mr Marc Swemle</b>	Paid	Director / Owner of VaVaVoom! Music Company	1 Jan - 31 Dec
		Director / Owner of Swemle Media Holding B.V.	1 Jan - 31 Dec
		Board member of BCMM	1 Jan - 31 Dec
<b>Mr Raymond van Vliet (resigned on 26 August 2020)</b>	Paid	Director/Major Shareholder of Cloud 9 Music Holding	1 Jan - 26 Aug
	Unpaid	Vice-chairman of Nederlandse Muziek Uitgevers Vereniging (NMUV)	1 Jan - 26 Aug
<b>Mr Niels Walboomers</b>	Paid	Managing director of Sony/ATV Music Publishing Benelux	1 Jan - 31 Dec
		Director/Major Shareholder of Walboomers Publishing BV	1 Jan - 31 Dec
		Director/Major Shareholder of Nelis Holding BV	1 Jan - 31 Dec
		Board member of Cliq Digital AG	1 Jan - 31 Dec
		Board member of Donemus	1 Jan - 31 Dec
	Unpaid	Board member of Nederlandse Muziek Uitgevers Vereniging	1 Jan - 31 Dec
		Board member of BMPA (Belgium Music Public Association)	1 Jan - 31 Dec

All members of the Supervisory Board of Stichting Stemra are/were also members of the Supervisory Board of Vereniging Buma

## OTHER POSITIONS/OCCUPATIONS OF MEMBERS OF THE COUNCIL OF RIGHTS OWNERS

<b>Mark Bremer</b>	Paid	Managing Director of Universal Music Publishing Benelux	1 Jan - 31 Dec
	Unpaid	Chairman of Nederlandse Muziek Uitgevers Vereniging (NMUV)	1 Jan - 31 Dec
<b>Wiboud Burkens (appointed on 27 August 2020)</b>	Paid	Composer / musician / theatre producer	27 Aug - 31 Dec
		Theatre producer / director of The Legends	27 Aug - 31 Dec
		Member of Council of Members of Kunstenbond	27 Aug - 31 Dec
		Section head and principal subject lecturer Amsterdam University of the Arts	27 Aug - 31 Dec
	Unpaid	Advisory Council of De Concertzender	27 Aug - 31 Dec
<b>Iason Chronis (resigned on 26 August 2020)</b>	Paid	Composer / producer / DJ	1 Jan - 26 Aug
		Owner of Animal Language Recordings	1 Jan - 26 Aug
		Event organiser	1 Jan - 26 Aug
	Unpaid	Board member of Popauteurs.nl	1 Jan - 26 Aug
		Board member of DDJF	1 Jan - 26 Aug
		Affiliate of Popcoalitie	1 Jan - 26 Aug

## OTHER POSITIONS/OCCUPATIONS OF MEMBERS OF THE COUNCIL OF RIGHTS OWNERS

<b>David Dramm</b> (appointed on 27 August 2020)	Paid	Vice-chairman of New Geneco Teacher Royal Conservatory The Hague	27 Aug - 31 Dec 27 Aug - 31 Dec
	Unpaid	Board member of 7090 (music theatre collective) Board member of Stichting Rodeo of Wonder	27 Aug - 31 Dec 27 Aug - 31 Dec
<b>Ben van den Dungen</b> (resigned on 26 August 2020)	Paid	Musician / composer	1 Jan - 26 Aug
		Lecturer at Rotterdams Conservatorium Codarts	1 Jan - 26 Aug
		Producer at JWA Jazz	1 Jan - 26 Aug
		Kunstenbond - Council of Members	1 Jan - 26 Aug
<b>Hans Everling</b>	Paid	Director/owner of SOB Audio Imaging BV	1 Jan - 31 Dec
		Vice-chairman of BCMM	1 Jan - 31 Dec
		Director/owner of Haramitsu Holding BV	1 Jan - 31 Dec
<b>Monique Krüs</b> (resigned on 26 August 2020)	Paid	Composer / Producer Soprano / Conductor / Vocal coach	1 Jan - 26 Aug 1 Jan - 26 Aug
	Unpaid	Board member of Nieuw Geneco	1 Jan - 26 Aug
<b>Wim Kwakman</b> (resigned on 26 August 2020)	Paid	Music publisher (Director/Major Shareholder) of Pennies From Heaven BV	1 Jan - 26 Aug
	Unpaid	Board member of Nederlandse Muziek Uitgevers Vereniging (NМУV)	1 Jan - 26 Aug
<b>Gregor van Offeren</b> (appointed on 27 August 2020)	Paid	DJ / producer / composer / lyricist Label owner Publisher	27 Aug - 31 Dec 27 Aug - 31 Dec 27 Aug - 31 Dec
	Unpaid	Co-founder of www.duurzameles.nl Ambassador of the World Wide Fund for Nature	27 Aug - 31 Dec 27 Aug - 31 Dec
<b>Davo van Peursen</b>	Paid	Managing Director and Director/Major Shareholder of Donemus Publishing BV	1 Jan - 31 Dec
		Board secretary at Stichting Donemus Beheer	1 Jan - 31 Dec
		Director of NМУV/VMN (as from January 2021)	-
	Unpaid	Chairman of Vereniging van Muziekhandelaren en -uitgevers in Nederland (VMN)	1 Jan - 31 Dec
		Chairman of Schuldhulpmaatje Rijswijk	12 Oct - 31 Dec
<b>Jitze de Raaff</b> (appointed on 27 August 2020)	Paid	Owner of CTM Entertainment	27 Aug - 31 Dec
	Unpaid	Board member of Nederlandse Muziek Uitgevers Vereniging (NМУV) Bookkeeper of Jaap ter Haar	27 Aug - 31 Dec 27 Aug - 31 Dec
<b>Aafke Romeijn</b>	Paid	Musician / Composer / Producer	1 Jan - 31 Dec
		Writer and journalist	1 Jan - 31 Dec
		Treasurer of BAM!	1 Jan - 31 Dec
		Representative of ECSA (European Composers & Songwriters Alliance)	1 Jan - 31 Dec
	Unpaid	Commercial leader at Stichting Babi Pangang Producties	1 Jan - 31 Dec
<b>Martijn Schimmer</b>	Paid	Director / owner of TFS Media Group	1 Jan - 31 Dec
		Director / owner of Schimmer Music Productions	1 Jan - 31 Dec
		Partner / owner of Scripted Music B.V.	1 Jan - 31 Dec
		Director / owner of Talents for Brands B.V.	1 Jan - 31 Dec
		Director / owner of Track Media Music Publishing	1 Jan - 31 Dec
		Director / owner of SMP Copyrights BV	1 Jan - 31 Dec
		Partner / owner of Online Cookie Collective BV	1 Jan - 31 Dec

## OTHER POSITIONS/OCCUPATIONS OF MEMBERS OF THE COUNCIL OF RIGHTS OWNERS

<b>Koen Vergouwen</b>	Paid	Tierolff Muziekcentrale BV	1 Jan - 31 Dec
	Unpaid	Board member of VMN	1 Jan - 31 Dec
<b>Johan van der Voet</b>	Paid	Composer / Songwriter / Producer	1 Jan - 31 Dec
		Director / owner of SOUNDGRAM Music & Audio Post Production	1 Jan - 31 Dec
		Director / Owner of Studio Soundgram & Soundgram Publishing	1 Jan - 31 Dec
		Guest lecturer at various Universities of Applied Science	1 Jan - 31 Dec
		Director / Owner of AV Sound Education	1 Jan - 31 Dec
<b>Rita Zipora Verbrugge</b>	Paid	Performing musician & songwriter	1 Jan - 31 Dec
		Moderator / presenter of music events	1 Jan - 31 Dec
		Board member of BAM!Popauteurs	1 Jan - 31 Dec
		Lecturer / mentor at Pop Department Amsterdam Academy of Music	1 Jan - 31 Dec
		Chairwoman of POPnl	1 Jan - 31 Dec
	Unpaid	Affiliate of Popcoalitie	1 Jan - 31 Dec
		Member of Music committee of Amsterdam Arts Council\ (expense allowance)	1 Jan - 31 Dec
		Monitoring Committee of Council for Culture (expense allowance)	1 Jan - 31 Dec

All members of the Council of Rights Owners of Stichting Stemra are/were also members of the Council of Rights Owners of Vereniging Buma.

## OTHER POSITIONS/OCCUPATIONS OF MEMBERS OF THE MANAGEMENT BOARD

<b>Bernard Kobes</b>	Paid	Board member and Vice-chairman of VOIØE	1 Jan - 31 Dec
		Board Member of Stichting SCAN	1 Jan - 31 Dec
		Board member of Stichting Buma/Stemra Projecten	1 Jan - 31 Dec
		Board member of Stichting Beheer Rechten Fingerprint Database	1 Jan - 31 Dec
		Owner of Kobes Beheer B.V.	1 Jan - 31 Dec
<b>Marleen Kloppers (appointed on 27 August 2020)</b>	Paid	Board Member of Stichting SCAN	27 Aug - 31 Dec
		Board member of Stichting Buma/Stemra Projecten	27 Aug - 31 Dec
		Board member of Stichting Beheer Rechten Fingerprint Database	27 Aug - 31 Dec
		Member of the Supervisory Board and chairwoman of the Finance Committee	
		Information provision Rijndam Revalidatie	27 Aug - 31 Dec
		Owner of Sound Finance (Supervisory activities / Hotel Oudegracht)	27 Aug - 31 Dec
<b>Siebe van Elsloo (resigned on 26 August 2020)</b>	Paid	Board member of Vereniging VOIØE	1 Jan - 26 Aug
		Board Member of Stichting SCAN	1 Jan - 26 Aug
		Owner of SvE Beheer B.V.	1 Jan - 26 Aug
	Unpaid	Member of the Supervisory Board and Chairman of the Audit Committee of Eye Filmmuseum	1 Jan - 26 Aug

All members of the Management Board of Stichting Stemra are/were also members of the Management Board of Vereniging Buma.

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