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# Articles of Association

# Name, registered office and period of operation

## Article 1

- 1 The name of the foundation is: Stichting ter exploitatie van naburige rechten (Sena) [Foundation for the Exploitation of Neighbouring Rights].
- 2 The foundation's registered office is in the municipality of Hilversum.
- 3 The foundation has been established for an unlimited period of time.

## Definitions

### Article 2

In these articles of association:

- a 'neighbouring rights' means rights under the Act passed on eighteen March nineteen hundred and ninety-three containing rules for the protection of performers, producers of phonograms or of first fixations of films, and broadcasting organizations, and amendments to the Copyright Act 1912 (Neighbouring Rights Act, referred to below in p as: WNR);
- b 'performer' means performer within the meaning of Article 1(a) of the WNR;
- c 'producer' means the producer of a phonogram within the meaning of Article 1(d) of the WNR;
- d 'rights holder' means a rights holder in the sense assigned to the term according to general law;
- e 'member' means a natural person or corporate entity within the meaning of Article 7 of these articles of association;
- f 'affiliate' means a natural person within the meaning of Article 8 of these articles of association;
- g 'Executive Board' means the Board of the foundation;
- h 'Supervisory Board' means the supervisory body referred to in Article 16 of these articles of association;
- i 'Board of Affiliates' means the body referred to in Article 24 of these articles of association;
- j 'Performers' Section' means the Performers' Section within the meaning of Article 20 of these articles of association;
- k 'Producers' Section' means the Producers' Section within the meaning of Article 20 of these articles of association;
- l 'NVPI Audio' means the association: NVPI Audio [Dutch Association of Producers and Importers of Image and Sound Carriers], with its registered office in Amsterdam;
- m 'FNV KIEM' means the association FNV Kunsten Informatie en Media [Dutch Trade Union Confederation - Arts, Information and Media], with its registered office in Amsterdam;

- n** 'NTB' means the association Nederlandse Toon-kunstenaarsbond [Dutch Musicians' Union], with its registered office in Amsterdam;
- o** 'founding organizations' means the organizations referred to above in (l) to (n), or the corresponding legal successor(s);
- p** 'WNR' means the Neighbouring Rights Act defined more closely in (a);
- q** Supervision Act means the Supervision of Collective Management Organizations (Copyrights and Neighbouring Rights) Act;
- r** 'CvTA' [Copyright Supervisory Board] means the Supervisory Board for Collective Management Organizations of Copyrights and Neighbouring Rights for the purposes of Article 2 of the Supervision of Collective Management Organizations (Copyrights and Neighbouring Rights) Act;
- s** 'Meeting of Affiliates' means a meeting of affiliates within the meaning of Article 20(2);
- t** 'section representatives' means the section representatives referred to in Article 20(4);
- u** Apportionment disputes committee means the disputes committee referred to in the Apportionment Regulations;
- v** Apportionment Regulations means the regulations referred to in article 27;
- w** SENA Rights means the rights referred to in Article 15 in conjunction with Article 7 of the WNR;
- x** 'in writing' means by letter, fax or e-mail or any other electronic means of communication, provided the message is legible and can be reproduced.

## Objective and means

### Article 3

The foundation's objective is to represent, on a non-profit basis, the tangible and intangible interests of performers and producers with respect to the exercise and enforcement of their neighbouring rights.

## Achievement of the objective

### Article 4

- 1** The foundation will try to achieve this objective by:
  - a** exercising and enforcing the rights and claims entrusted to the foundation, including the collection and distribution of equitable remuneration within the meaning of Article 7 of the WNR;
  - b** aiming to maintain and improve the protection of the neighbouring rights, in the broadest sense, both nationally and internationally, of performers and producers.

- 2** With respect to the acts referred to in Paragraph 1a, the foundation can take legal action in its own name, regardless of the legal basis on which it exploits and enforces the rights and claims entrusted to it.
- 3** To achieve its objective, the foundation is authorized to use the following means:
  - a** in collaboration with the founding organizations, engaging in or causing other parties to engage in activities to improve the social and socioeconomic position of the holders of neighbouring rights, including measures with a cultural or educational goal;
  - b** drawing up distribution regulations with regard to the remuneration referred to in this article and implementing these regulations or having other parties implement them;
  - c** maintaining an office to conduct the foundation's activities or partly or wholly outsourcing these activities to third parties;
  - d** other means which are conducive to its objective.
- 4** The foundation is authorized to work both in the Netherlands and elsewhere to achieve its objective.
- 5** The foundation is authorized to enter into agreements with organizations of a similar nature in other countries.
- 6** The foundation is authorized to join national and international organizations relating to intellectual property rights in general and neighbouring rights in particular.

## Financial resources

### Article 5

- 1** The foundation's income consists of:
  - a** remuneration for services rendered;
  - b** revenue from assets;
  - c** voluntary contributions and donations;
  - d** bequests and testamentary dispositions, which may only be accepted under the benefit of inventory;
  - e** other income.
- 2** The funds the foundation receives on the basis of the remunerations for the rights holders referred to in Article 4(1a) will be recorded and managed in separate accounts.

# Communications

## Article 6

- 1** Unless provided otherwise in these articles of association, regulations, operating agreements or other decisions made by the foundation, the following applies with respect to communications to or from the foundation:
  - a** communications to the Executive Board, the Supervisory Board or the Board of Affiliates must be in writing and must be addressed to the office of the foundation; instead of sending a written communication by mail or fax, it will suffice to hand over a written communication at the office of the foundation against acknowledgment of receipt;
  - b** communications from or on behalf of the Executive Board, the Supervisory Board or the Board of Affiliates must be in writing; in cases in which the provisions of these articles of association do not require communication to be in writing, it will suffice for communications to be made public through the office of the foundation.
- 2** In cases in which these articles of association, regulations, operating agreements or other decisions made by the foundation refer to a final date, the date of dispatch as indicated by the postmark, the mail receipt or the email, or the date of receipt at the office or the publication date of the foundation's office respectively will apply.

# Members and members' rights

## Article 7

- 1** A member is any performer or producer, or the assignee of one of these, who has entered into an exploitation agreement with the foundation in accordance with Article 9, provided this exploitation agreement has not been terminated.
- 2**
  - a** Members are entitled to authorize the foundation to manage their SENA Rights for the territories of their choice, regardless of the member's nationality or country of residence or incorporation, provided performing such management is within the scope of the foundation's objective. The foundation may only refuse to perform the aforesaid management for objectively justified reasons;
  - b** A member who authorizes the foundation to manage its SENA Rights grants permission to the foundation specifically and in writing to manage any material protected pursuant to the WNR.
- 3** Members can cancel the authorization referred to in Paragraph 2(a) in full or in part, subject to three months' notice. Such a cancellation will take effect as of the end of the financial year.
- 4** If any amounts are owed to a member for exploitation acts that took place before the authorization was cancelled, or on the basis of a license that was granted before the cancellation took effect, the member will retain its rights as referred to in Article 28(1).

- 5 The foundation will not limit the implementation of the provisions in Paragraphs 3 and 4 of this article by demanding that the management of the SENA Rights that are the subject of the cancellation be entrusted to another collective management organization within the meaning of the Supervision Act.
- 6 The foundation will inform each member of its rights pursuant to this article, before accepting the authorization referred to Paragraph 2(a).

## Affiliates

### Article 8

- 1 Any natural person will be accepted as an affiliate provided that person:
  - a is a member and a performer or producer, and has, over three consecutive calendar years, received one or more payments from the foundation under an exploitation agreement which together exceed the threshold amount referred to in the second paragraph of this Article; or
  - b is a performer and the director of a public limited-liability company, a private limited-liability company or a similar corporate entity under foreign law of which all shares are held by one or more performers for their own account, or is a general partner of a commercial partnership or a similar corporate entity under foreign law and that partnership or company is a member and has, over three consecutive calendar years, received one or more payments from the foundation under an exploitation agreement which together exceed the threshold amount referred to in the second paragraph of this Article; or
  - c is a director, or an officer working in the company, of a public limited-liability company, a private limited-liability company or a similar corporate entity under foreign law, or a general partner of a commercial partnership or a similar corporate entity under foreign law, and that company or legal entity is a producer and has, over three consecutive calendar years, received as a member one or more payments from the foundation under an exploitation agreement which together exceed the threshold amount referred to in the second paragraph of this Article, with the proviso that only one person can be an affiliate on behalf of such a company or legal entity.
- 2 In connection with the admission of affiliates, the Board of Affiliates, after approval by the Supervisory Board, establishes threshold amounts for performers and producers, after consultation at the Meetings of Affiliates referred to in Article 22 The threshold amounts and the indexation of those amounts will be laid down in regulations.
- 3 The foundation will establish a register of affiliates as things stand at 31 December of each calendar year.

# Exploitation agreement

## Article 9

- 1 The foundation will enter into an exploitation agreement with any natural person or corporate entity which registers to participate and which, according to the data the foundation has collected for the purposes of carrying out its tasks and which have been verified by the foundation, holds the rights and powers entrusted to the care of the foundation by virtue of the WNR or by virtue of an explicit mandate.
- 2 If two or more persons have become successors in title under the law of succession, they must designate one person to enter into an exploitation agreement with the foundation and exercise rights as a member.

# Termination of the exploitation agreement

## Article 10

- 1 An exploitation agreement with a member will end:
  - a if the member is a natural person, upon that person's death;
  - b if the member is a corporate entity, if the corporate entity ceases to exist;
  - c upon termination by the Executive Board;
  - d upon termination by the member;
  - e when a member transfers any rights against the foundation to a third party in full.
- 2 The Executive Board is authorized to terminate an exploitation agreement with a member immediately and without notice of default only if:
  - a the member has acted in violation of the articles of association, regulations or decisions of the foundation;
  - b the member is acting or has acted in a way which seriously compromises the interests of the foundation and/or the interests of other members.
- 3 The notice of termination of the exploitation agreement must be in writing and the reasons must be stated.
- 4 In the case of termination by the Executive Board, the member may appeal to the apportionment disputes committee within three months after the notice of termination has been sent to that member.
- 5 Termination of the exploitation agreement by the member may only be done in writing and may only be effected as of the end of a financial year, subject to three months' notice.
- 6 If any amounts are owed to a member for exploitation acts that took place before the exploitation agreement was cancelled, the member will retain its rights as referred to in Article 28(1).

## End of membership/status of affiliate

### Article 11

- 1** Membership ends when a member's exploitation agreement ends by virtue of the provisions of Article 10
- 2** The status of affiliate ends:
  - a** when the party in question loses membership; or
  - b** if the party in question has received no payments under the exploitation agreement for three consecutive calendar years or has received one or more payments which together amount to a sum which is less than the threshold amount referred to in Article 8(2);
  - c** if the party in question is an affiliate as defined by Article 8(1b): if the party in question no longer meets the capacities and criteria defined in Article 8(1b);
  - d** if the party in question is an affiliate as defined by Article 8(1c): if the party in question no longer meets the capacities and criteria defined in Article 8(1c), with the proviso that if the party in question is no longer a director or an officer working in the company or a director of the producer in question, this producer can designate some other director or officer working in the company as an affiliate.
- 3** The Board will notify the party in question in writing that the affiliate has lost the status of affiliate on the grounds of the provisions of Article 11(2b), stating the reasons. Any appeal against this decision must be made in accordance with Article 10(4).

## The board of directors

### Article 12

- 1** The foundation will be governed by an Executive Board, consisting of a general director and a financial director. Only natural persons can be directors of the foundation.
- 2** The directors will be appointed and suspended by the Supervisory Board. Vacancies will be filled as soon as possible.
- 3** If a vacancy should occur in the Executive Board, the Board will retain its powers.
- 4** The salary and other employment conditions of each director will be determined by the Supervisory Board.

# Board of directors: responsibilities and powers

## Article 13

- 1** Subject to the restrictions provided for in these articles of association, the Executive Board is in charge of governing the foundation. It is responsible for and monitors the management and accounts of the foundation. The Board is responsible for achieving the foundation's objectives, for its strategy and policy and for the ensuing trend in results. In fulfilling its tasks, the Board will be guided by the interests of the foundation and will take the interests of the foundation's stakeholders into account. The Board is also responsible for compliance with all legislation and regulations.
- 2** The Board may decide to partially or wholly outsource some of the foundation's activities to third parties. Such a decision requires approval by the Supervisory Board.
- 3** The division of tasks, responsibilities and powers and the operation of the Executive Board as a collective can be laid down in governance regulations. These regulations will be adopted by the Supervisory Board.
- 4** The Executive Board is not authorized to decide to enter into agreements to procure, dispose of or encumber property subject to registration, unless the decision is made with the prior written approval of the Supervisory Board.
- 5** The Executive Board is not authorized to decide to enter into agreements whereby the foundation binds itself as surety or as joint and several debtor, answers for a third party or provides security for another party's debt, unless the decision is made with the prior written approval of the Supervisory Board.
- 6** The following decisions of the Board are subject to prior approval by the Supervisory Board:
  - a** decisions regarding strategy, including policy intended to lead to achievement of the objectives under the articles of association;
  - b** decisions regarding the funding of strategy;
  - c** decisions regarding arrangements for controlling the operation of the organization by means of an adequate risk management and control system;
  - d** decisions regarding the annual plan and the budget associated with it;
  - e** decisions regarding the annual report and annual financial statements and the transparency report referred to in Article 2 of the Act;
  - f** decisions regarding the multi-year policy plan;
  - g** decisions regarding entering into or breaking off long-term or significant collaborative arrangements;
  - h** decisions regarding mergers, the incorporation of subsidiaries and the acquisition of shares or rights in other organizations;
  - i** decisions regarding juridical acts other than those referred to above, if the interest or value of these juridical acts exceeds an amount determined by the Supervisory Board and communicated to the Executive Board;
  - j** decisions regarding the main features of policy on terms and conditions of employment for employees;
  - k** decisions regarding the acceptance of additional positions by directors.

- 7 The Supervisory Board is authorized to subject other decisions of the Executive Board, in addition to those listed in the previous paragraph, to its approval. These other decisions must be clearly defined and communicated to the Executive Board in writing.
- 8 If one director is absent or unable to act, the other director will be temporarily in charge of governing the foundation. If both directors or the only director are absent or unable to act, the person designated for that purpose by the Supervisory Board will be temporarily in charge of governing the foundation until, at the latest, such time as the director is no longer absent or unable to act. Such a person may not be a member of the Supervisory Board or a member of the Board of Affiliates.
- 9 The provisions of Articles 17(2-4) and 18 will, as far as possible, apply mutatis mutandis to the Executive Board.

## Board of directors:retirement from directorship

### Article 14

A director will cease to be a director:

- a upon death;
- b upon losing the right to dispose of his or her property;
- c upon resignation;
- d upon removal by the Supervisory Board;
- e upon removal by virtue of Article 2:298 of the Dutch Civil Code;
- f upon becoming a member of the Supervisory Board or the Board of Affiliates.

## Representation

### Article 15

- 1 The foundation will be represented by the Executive Board. The general director will also be authorized to represent the foundation independently
- 2 If a director enters into an agreement with the foundation in a private capacity or conducts any legal proceedings against the foundation in a private capacity which result in an interest that conflicts with the interest of the foundation, the foundation will be represented by a member of the Supervisory Board, designated for that purpose by the Supervisory Board. In all other cases, the director will still be authorized to represent the foundation.
- 3 The directors are obliged to provide, on their own initiative, the Supervisory Board with any information regarding the possibility of conflicting interests between a director and the foundation.
- 4 The Executive Board may authorize one or more directors and also third parties to represent the foundation within the limits of that authorization.

# Supervisory board

## Article 16

- 1** The foundation has a Supervisory Board. The Supervisory Board's task is to monitor the policy and its execution by the Executive Board and the general operation of the foundation, and to perform those tasks and exercise those powers assigned or allocated to the Supervisory Board in these articles of association. The Supervisory Board will intervene if necessary and will assist the Executive Board in an advisory capacity. In fulfilling its task, the Supervisory Board will be guided by the interests of the foundation and will take the interests of the foundation's stakeholders into account. The Supervisory Board is responsible for the quality of its own performance.
- 2** The Supervisory Board will consist of six natural persons, including a Chair and a financial expert, both of whom must be independent.
- 3** The Supervisory Board must draw up a profile of its size and composition, taking the nature of the organization, its activities and the desired expertise and background of the Supervisory Board into account. The Supervisory Board must be composed in such a way that it can perform its task adequately
- 4** Subject to the provisions of Paragraph 3, the members of the Supervisory Board will be appointed, suspended and removed as follows:
  - a** two members of the Supervisory Board will be appointed, suspended and removed by the section representatives of the performers' section;
  - b** two members of the Supervisory Board will be appointed, suspended and removed by the section representatives of the producers' section;
  - c** two members of the Supervisory Board, namely the Chair and the financial expert, will be appointed, suspended and removed by the members of the Supervisory Board referred to in sub-paragraphs a and b. Vacancies must be filled as soon as possible.
- 5** The members of the Supervisory Board will be appointed for a maximum period of four years. The members of the Supervisory Board will retire according to a schedule to be drawn up by the members of the Supervisory Board. A member of the Supervisory Board who retires in accordance with the schedule may be reappointed immediately. A member of the Supervisory Board may be reappointed twice at most, with the proviso that the maximum term of office must not exceed eight (8) years. Following the expiry of the maximum term of office referred to above, a member of the Supervisory Board is no longer eligible for reappointment during the rest of his or her life.
- 6** The Chair and the financial expert are appointed to those offices.
- 7** The members of the Supervisory Board may not be members of the Executive Board or the Board of Affiliates.

- 8** The Executive Board will promptly provide the Supervisory Board with the data it needs to perform its tasks and exercise its powers, and will also provide every member of the Supervisory Board with any information regarding the affairs of the foundation which that member may require. The Supervisory Board is authorized at all times to inspect all the books, records and other data carriers of the foundation. The Supervisory Board will meet regularly with the Executive Board to discuss the state of affairs within the foundation. At least once a year the Supervisory Board will meet with the Executive Board to discuss strategy, general policy and the financial situation. This includes the budget, the annual financial statements and the accounting and internal auditing systems used by the Executive Board.
- 9** In performing its tasks, the Supervisory Board may engage the assistance of one or more experts at the expense of the foundation.
- 10** A member of the Supervisory Board will cease to be a member:
  - a** upon death;
  - b** upon losing the right to dispose of his or her property;
  - c** upon resignation, whether or not in accordance with the rotation schedule referred to in Paragraph 5;
  - d** upon becoming a member of the Executive Board or the Board of Affiliates;
  - e** upon removal by the person or persons who appointed that member.
- 11** The salary of each member of the Supervisory Board will be determined by the Board of Affiliates.

## Supervisory board: meetings

### Article 17

- 1** The Supervisory Board will meet according to a fixed schedule. The Supervisory Board will meet at least once every quarter. Subject to the provisions of Article 19, the Supervisory Board will invite the directors to its meeting, unless the Supervisory Board decides that the directors will not be present during a particular meeting or part of a meeting. The Supervisory Board will meet at least once a year without the Executive Board being present.
- 2** Subject to the provisions of Paragraph 1, meetings of the Supervisory Board will be held when the members of the Supervisory Board convene them. The meetings of the Supervisory Board will be held in the Netherlands, in principle in the municipality in which the foundation has its registered office, at the location stated in the notice convening the meeting.
- 3** Meetings must be convened by means of a notice at least seven days in advance, not counting the day the notice is sent and the day of the meeting. The notice must state not only the time and place of the meeting, but also the business to be discussed.

- 4 The Chair will lead the meeting. Minutes will be taken of the business discussed at the meeting. The minutes will be adopted and signed by those who have acted as Chair and minute taker at the meeting. The Supervisory Board will ensure that the minutes are kept.

## Supervisory board: decision-making

### Article 18

- 1 The Supervisory Board can only make decisions at a meeting if the majority of the current members are present or represented. A member of the Supervisory Board may be represented by another member of the Supervisory Board provided a written authorization has been given, which the Chair of the meeting has deemed to be satisfactory. A member of the Supervisory Board may only act as the authorized representative of one other member of the Supervisory Board.
- 2 If the majority of current members of the Supervisory Board are not present or represented at a meeting, then a second meeting will be convened, which must be held no sooner than fourteen (14) days and no later than twenty-eight (28) days (four weeks) after the first meeting. At this second meeting, decisions can be made regarding the business on the agenda of the first meeting regardless of the number of members present or represented. The notice convening the second meeting must state that and why a decision can be made regardless of the number of members of the Supervisory Board present or represented.
- 3 Provided all current members of the Supervisory Board are present at a meeting, valid decisions can be made regarding all topics raised, even if the rules set out in the articles of association about convening and holding meetings have not been observed.
- 4 The Supervisory Board can adopt resolutions unanimously without holding a meeting, provided the voting is in writing. A record will be made of a resolution adopted in this way, which will be signed by the Chair and kept with the minutes and of which all members of the Supervisory Board will receive a copy.
- 5 Each member of the Supervisory Board is entitled to cast one vote. To the extent that these articles of association do not prescribe a greater majority, the Supervisory Board's resolutions will be adopted by a simple majority of the valid votes cast.
- 6 All voting at meetings will be by voice, unless one or more members of the Supervisory Board request written voting prior to the meeting. Written votes will be cast by unsigned, sealed ballot papers.
- 7 Blank votes will be regarded as not having been cast.
- 8 The Chair of the meeting will decide regarding any disputes about voting.

## Joint meetings of the board of directors and the super-visorv board

### Article 19

- 1** At least twice a year the Executive Board and the Supervisory Board will meet to discuss the main features of present and future policy.
- 2** The Executive Board and the Supervisory Board are equally authorized to convene a joint meeting.
- 3** The joint meetings will be led by the independent Chair of the Supervisory Board. If this person is absent, the directors and members of the Supervisory Board will appoint a leader of the meeting. Until that time the meeting will be led by the member of the Supervisory Board present at the meeting who is the eldest in age.

## Sections - meeting of affiliates section representatives - board of affiliates

### Article 20

- 1** The foundation has a Performers' Section and a Producers' Section. Each member is assigned by the Executive Board to one or both of these sections.
- 2** A meeting of affiliates of the Performers' Section and the Producers' Section respectively, hereinafter referred to as a 'meeting of affiliates', will be held subject to the provisions of Articles 22 and 23
- 3** Each meeting of affiliates will appoint section representatives, who together will constitute the Board of Affiliates, subject to the following provisions:
  - a** each section will have at least five (5) and at most seven (7) section representatives;
  - b** the number of seats of section representatives from the Performers' Section and the number of seats of section representatives from the Producers' Section must always be equal;
  - c** only affiliates of a section of the foundation can be appointed as section representatives of the section in question, with the proviso that a person who is appointed on the nomination of a founding organization in accordance with the provisions of sub-paragraph d. and/or e. does not have to be an affiliate;
  - d** if all their seats are filled, the founding organizations referred to in Article 2(m) and 2(n), provided they meet the requirements of the Sena Union Seats (Board of Affiliates) Regulations, or organizations which meet the requirements of these regulations, are jointly entitled, in accordance with these regulations, to put forward a nomination with regard to a maximum of three (3) seats of section representatives from the Performers' Section for the appointment of a section representative from the Performers' Section;

- e** if all its seats are filled, the founding organization referred to in Article 2(l) is entitled to put forward a nomination with regard to a maximum of four (4) seats of section representatives from the Producers' section for the appointment of a section representative from the Producers' section;
- f** if one or more vacancies arise for a seat and (a) founding organization(s) or an organization which meets the requirements of the Sena Union Seats (Board of Affiliates) Regulations is or are entitled to nominate a candidate for that vacancy – which seat is referred to below as: nomination seat – then at least seventy days (ten weeks) before the date on which the meeting of affiliates at which decisions will be made about filling the vacancy or vacancies is to be held, the section representatives in question must invite the organization(s) in question in writing to nominate a candidate or candidates;
- g** a nomination must be submitted in writing, stating the name and address and the nominee or nominees, fifty-six days (eight weeks) at the most before the date of the meeting in question, and must be accompanied by a written declaration of the person or persons in question that they are willing to be candidates;
- h** the nominations will be made known to the affiliates in the notice referred to in Article 22(3) convening the meeting of affiliates;
- i** affiliates of the section in question are entitled to propose rival candidates for a nominated candidate for a nomination seat. Affiliates of the section in question are also entitled to propose candidates for any vacancy for a nomination seat for which no candidates have been nominated. Lastly, affiliates of the section in question are entitled to propose candidates for any vacancy for a seat for which, pursuant to these articles of association, no candidates can be proposed – which seat is referred to below as: free seat;
- j** proposals of rival candidates and candidates must be in writing, stating the names of the proposed (rival) candidates, and must be submitted at least twenty-eight days (four weeks) before the date of the relevant meeting of affiliates; the notice proposing rival candidates must be in writing and must be supported by at least thirty affiliates and the proposal of candidates by at least five affiliates; it must be accompanied by a list of the names of the affiliates in question and a written statement by the person or persons in question consenting to candidacy; if the (rival) candidate is a current member of the Board of Affiliates and no other person has been proposed or nominated as a candidate for the same vacancy, written support from other affiliates is not required;
- k** the procedure for proposing (rival) candidates will be set out in the notice convening the relevant meeting of affiliates;
- l** no less than sixteen days before the meeting of affiliates, the section representatives of the section in question will communicate to the affiliates which (rival) candidates have been proposed, listing the names of the (rival) candidates in question and the names of the affiliates who proposed the (rival) candidates.

- 4** If no rival candidates have been proposed for a nomination seat in accordance with the provisions of the previous paragraph, then the candidate nominated by (a) founding organization(s) or an organization which meets the requirements of the Sena Union Seats (Board of Affiliates) Regulations in accordance with the provisions of the previous paragraph is considered appointed.
- 5 a** In the case of vacancies for a nomination seat for which no candidates have been nominated, if the number of candidates proposed by affiliates in accordance with the provisions of Paragraph 3 is equal to or lower than the number of vacancies, the proposed candidates are considered appointed.

**b** In the case of vacancies for a free seat, if the number of candidates proposed by affiliates in accordance with the provisions of Paragraph 3 is equal to or lower than the number of vacancies, the proposed candidates are considered appointed.
- 6 a** If there is a vacancy for a nomination seat, but no candidates have been nominated and no candidates have been proposed in accordance with the provisions of Paragraph 3, or

**b** if there is a vacancy for a free seat and no candidates have been proposed in accordance with the provisions of Paragraph 3 the section representatives of the section in question will themselves select someone to fill the vacancy in question.
- 7** In all other cases the affiliates of the section in question who are present or represented will vote at the meeting of affiliates. Votes will be cast for each vacancy which must be filled at the meeting. Voting will be between the nominated candidate and the proposed rival candidate or rival candidates respectively between the proposed candidates. The person who has gained the most votes for the vacancy in question, with a minimum of half of the votes cast plus one, will be appointed. If it proves impossible to gain the required majority at one ballot, a second ballot will be held between the two candidates for whom the greatest numbers of votes were cast at the first ballot. If at a ballot the highest number or an equal number of the second highest number of votes are cast for two or more persons, one or more repeat ballots will be held between them, until at a repeat ballot the greatest number of votes are cast for one of them. The ballot and the repeat ballots held at the meeting will take place, notwithstanding the provisions of Article 23(3), with unsigned ballot papers or by electronic means.
- 8** For a ballot of the kind referred to in the previous paragraph, the section representatives of the section in question will designate a ballot committee for the meeting of affiliates in question, consisting of two members and a Chair. Section representatives and affiliates, or their proxies, cannot be members of the ballot committee. The ballot committee will supervise the appointment of members to fill the vacancies. In the event of a difference of opinion regarding the status of affiliate and/or the validity of a proxy given by and/or a vote cast by an affiliate, the Chair of the ballot committee will decide.

- 9** The section representatives may decide to engage a civil law notary to monitor the correct implementation of the procedures set out above. Such a decision must be communicated in the notice convening the meeting of affiliates in question, stating the name and address of the civil law notary. Notwithstanding the provisions of Article 6, in such a case communications concerning proposals of (rival) candidates must be addressed to the civil law notary
- 10** The section representatives will be appointed for four years, but at the most for the period until the resignation of section representatives is due in accordance with the rotation schedule referred to in Paragraph 11
- 11** The section representatives of a section will retire according to a schedule determined by the section representatives of that section.
- 12** Retiring section representatives may be reappointed immediately. A section representative may be reappointed twice. Following the expiry of the maximum term of office referred to above, a section representative is no longer eligible for reappointment during the rest of his or her life.
- 13** Vacancies will be filled as soon as reasonably possible, but no later than at the next meeting of affiliates of the section(s) in question qualifying for this owing to the prescribed periods.
- 14** A vacancy is considered to be casual if it arises for any other reason than retirement in accordance with the rotation schedule referred to Paragraph 11. The following applies to casual vacancies:
  - a** if a casual vacancy arises due to the provisions in Article 20(17)(h), the (remaining) section representatives of the section in question will appoint an affiliate as section representative, who will remain in office until (no later than) the next meeting of affiliates of the section(s) in question qualifying for this owing to the prescribed periods, in which meeting the casual vacancy will be filled on a definitive basis in accordance with the relevant provisions in this Article 20;
  - b** if a casual vacancy arises for a reason other than pursuant to Article 20(17)(h), the vacancy will be filled in accordance with the relevant provisions in this Article 20;
  - c** a section representative appointed to a casual vacancy occupies the place in the rotation schedule of his or her predecessor.
- 15** The section representatives of a section will select a Chair from their number.
- 16** The section representatives may regulate their internal working procedures and decision-making as they see fit in section regulations, provided they observe the provisions of these articles of association.
- 17** A section representative will cease to be a section representative:
  - a** upon death;
  - b** upon losing the right to dispose of his or her property;
  - c** upon retirement, whether or not in accordance with the rotation schedule referred to in Paragraph 11;
  - d** upon becoming a member of the Executive Board or the Supervisory Board;

- e** upon removal by the Board of Affiliates, for which a resolution must be passed by the Board of Affiliates with a majority of two thirds of the total number of votes cast;
- f** upon removal by the Board of Affiliates at the proposal of thirty affiliates of the Performers' Section in the case of a section representative of that section, respectively ten affiliates of the Producers' Section in the case of a section representative of that section;
- g** for section representatives who were appointed on the nomination of the founding organizations or an organization which meets the requirements of the Sena Union Seats (Board of Affiliates) Regulations, through a notice in writing from the organization in question stating that the person in question is to be withdrawn and removed as a section representative, and giving the reasons;
- h** for section representatives who were not appointed on the nomination of one of the founding organizations or an organization which meets the requirements of the Sena Union Seats (Board of Affiliates) Regulations, through loss of the status of affiliate.

## Section representatives' tasks

### Article 21

The tasks of the section representatives of the Performers' section and the section representatives of the Producers' Section respectively are:

- a** to prepare the foundation's policy regarding affairs affecting that section in particular, and to determine the contribution of the section in regard to the joint policy of both sections;
- b** to submit a proposal to amend the subregulations for their section; these subregulations will be included in the distribution regulations referred to in Article 27, subject to the provisions of the last sentence of Article 22(1);
- c** to appoint (and remove) a Chair of the section;
- d** to appoint, suspend and remove two members of the Supervisory Board in accordance with the provisions of Article 16(4);
- e** to determine the portion of the revenue acquired through collection that will be withheld for social, cultural and educational purposes relating to the section in question and the implementation of these purposes.
- f** to determine the general policy concerning unallocated amounts and the utilization of unallocated amounts, as referred to in the sub-regulations concerning their own section.

# Meetings of affiliates

## Article 22

- 1** At least once a year, on thirty June of each year at the latest, a meeting of affiliates will be held for each section at which:
  - a** the Executive Board discusses the policy pursued;
  - b** the Supervisory Board discusses the supervision exercised; and
  - c** the section representatives of the section in question account for the supervision exercised by the Board of Affiliates of general policy on matters specifically having regard to the section in question. Proposals formulated by the section representatives of the section in question for the general social, cultural and educational policy and the general policy relating to how the social, cultural and educational funds of the section in question are to be spent will also be discussed at this meeting of affiliates, and those proposals will be submitted to that meeting of affiliates for approval. Lastly, if applicable, a proposal to amend the subregulations for the section in question, as set out in Article 21(b), will be submitted to that meeting of affiliates for approval.
- 2** A meeting of affiliates will also be held if the section representatives of the section in question decide to convene an interim meeting of the affiliates of that section, and also if at least a fifth or thirty of the affiliates in the section in question ask the section representatives of the section in question to convene a meeting, stating the items to be placed on the agenda. This request must be signed by all the affiliates in question and must be accompanied by a clear explanation. The section representatives of the section in question must decide within sixteen days about such a request. If a meeting of the affiliates is not convened within fourteen (14) days thereafter, then the affiliates themselves will be authorized to convene a meeting of affiliates of the section in question, and legally valid decisions will be able to be made at this meeting. The following conditions will apply to the meetings referred to in this paragraph.
- 3** A meeting of affiliates will be convened by the section representatives in question forty-two days in advance by means of a written notice sent to affiliates of the section in question. Where applicable, the notice will state:
  - a** the location, date, starting time and agenda of the meeting;
  - b** the names of the individuals who have been nominated in accordance with the provisions of Article 20(4) by the founding organizations or an organization which meets the requirements of the Sena Union Seats (Board of Affiliates) Regulations to fill vacancies for the office of section representative for that section;
  - c** how rival candidates and/or candidates can be proposed to fill vacancies for the office of section representative for that section.

- 4 A group of at least ten affiliates of a section can put items on the agenda of a meeting of affiliates. These items must be submitted to the section representatives of the section in writing at least twenty-eight days prior to the meeting, accompanied by a brief, clear explanation. The section representatives will ensure that the agenda with these added items, along with the names of the (rival) candidates referred to in Article 20(4)(1) are communicated in writing to the affiliates of the section in question sixteen days before the meeting at the latest.
- 5 A meeting of affiliates will be led by the Chair of the section in question. If the meeting has been convened by the affiliates as set out in the second paragraph, these affiliates will decide how the meeting is to be led.
- 6 Unless otherwise provided for in these articles of association, all resolutions of the section representatives will be passed by a simple majority. Resolutions of the section representatives to appoint, suspend or remove members of the Supervisory Board in accordance with the provisions of Article 16(4) will be passed by section representatives by a majority of two thirds of the votes cast. Blank and invalid votes will be regarded as not having been cast.

## Attendance at meeting of affiliates – decision-making

### Article 23

- 1 A meeting of affiliates of a section may be attended by:
  - a affiliates who have been classified as belonging to that section;
  - b members who are allocated to that section;
  - c the section representatives of the section in question (if they are not included in sub-paragraph a);
  - d members of the Executive Board;
  - e members of the Supervisory Board;
  - f staff members of the office referred to in Article 29;
- 2 other individuals who have been invited by the Chair of the section in question, unless the meeting of affiliates passes a resolution to the contrary.
- 3 An affiliate who is unable to attend the meeting can only authorize another affiliate to represent him or her, and that person may only accept one such authorization. If a member is a corporate entity, that entity may only be represented by a person authorized to do so pursuant to the law or the articles of association, subject to the powers to appoint a proxy pursuant to the provisions of the first sentence.
- 4 A person who is entitled pursuant to Paragraph 1 to attend a meeting of affiliates of a section but does not take part in the ballot in the meeting in person or by means of a proxy can exercise his or her voting rights in writing by means of (electronic) means of communication. Further stipulations on this can be established by regulation to be adopted by the Board of Affiliates.

- 5 Unless otherwise provided for in these articles of association, all resolutions of the meeting of affiliates will be passed by a simple majority of the votes cast. Blank and invalid votes are regarded as not having been cast.
- 6 Unless otherwise provided for in these articles of association, the affiliates and the section representatives (if they do not qualify as affiliates) of the section in question will have one vote each.
- 7 At a meeting of affiliates, legally valid resolutions can be passed only if at least fifteen or five of those present or represented by written proxy are affiliate performers or affiliate producers respectively.
- 8 If as a result of the requirements set out above, no legally valid resolution can be passed, then the section representatives of the section in question will convene a new meeting which will vote on the same motion again. The resolution will then be legally valid regardless of the number of affiliates present or represented by proxy. This new meeting will be convened for a date not later than thirty days after the previous meeting. Article 22(3) applies mutatis mutandis to this meeting, insofar as not provided otherwise in the Paragraph below.
- 9 Unless the meeting resolves otherwise, voting about issues and about individuals will be by written ballot, including by means of voting cards.

## Board of affiliates

### Article 24

- 1 The foundation has a Board of Affiliates consisting of all section representatives of both sections.
- 2 The task of the Board of Affiliates is:
  - I to monitor the foundation's general policy regarding affairs associated with the sections in particular, and to determine the contribution of each section in relation to the joint policy of both sections;
  - II to establish the general policy concerning the distribution of amounts owed to rights holders by establishing and amending distribution regulations as set out in Article 27 with respect to the distribution of remuneration among the rights holders;
  - III to establish the general policy concerning amounts to be withheld from income from rights and the utilization of revenue deriving from the investment of income from rights, including determining the portion of the revenue acquired through collection that will be withheld for social, cultural and educational purposes. This portion will never be greater than five per cent (5%) of that revenue;
  - IV to make recommendations regarding the multi-year policy plan;
  - V to adopt the annual financial statements and the transparency report referred to in Article 2 of the Supervision Act;
  - VI to adopt the annual plan and the budget associated with it;

- VII** to adopt proposals for mergers, incorporation of subsidiaries and the acquisition of shares or rights in other organizations;
  - VIII** to adopt a proposal to amend the articles of association;
  - IX** to adopt other regulations as set out in Article 28;
  - X** to determine the number of seats of section representatives of the Performers' Section or Producers' Section, respectively, as referred to in Article 20(3)(b)
  - XI** to determine the general investment policy concerning income from rights and income from the investment of income from rights, by establishing and amending regulations as referred to in Article 28(2) which are submitted to the Supervisory Board for approval in accordance with the provisions of that Article;
  - XII** the other tasks included in these articles of association or carrying out tasks on request of the Executive Board.
- 3** Annually the Board of Affiliates will appoint a Chair from their number; the Chair of the section representatives of the Performers' Section will be appointed as Chair of the Board of Affiliates in one year and the Chair of the section representatives of the Producers' Section as Chair of the Board of Affiliates in the next year, and so on. The Chair of the section representatives of the section who is not the Chair of the Board of Affiliates in a year will be appointed as Deputy Chair of the Board of Affiliates in that year.
  - 4** As much as possible, the provisions of Articles 17(2-4 and 18) will apply to the Board of Affiliates *mutatis mutandis*.
  - 5** The Executive Board will promptly provide the Board of Affiliates with the data it needs to perform its tasks and exercise its powers, and will also provide it with any information regarding the affairs of the foundation which it may reasonably require.
  - 6** The Board of Affiliates will meet at least once every quarter. The Board of Affiliates will invite the directors to its meetings, unless the Board of Affiliates decides that the directors will not attend a particular meeting or a particular part of a meeting.
  - 7** Each member of the Board of Affiliates is entitled to cast one vote. If these articles of association do not prescribe a greater majority - contrary to the provisions of Article 18(5) - then resolutions of the Board of Affiliates will be passed with a majority of two thirds (2/3) of the valid votes cast.

## Joint meeting of affiliates

### Article 25

- 1** To address matters pertaining to the general interests of the foundation, the Supervisory Board or the Board of Affiliates may decide, whether or not at the suggestion of the Executive Board, to convene a joint meeting of the affiliates of both sections.
- 2** With regard to convening a joint meeting, the provisions of Article 22(2-4) will apply *mutatis mutandis*.

- 3 A joint meeting of the section representatives of both sections will be led by the Chair of the Board of Affiliates or if that person is absent by one of the other members of the Board of Affiliates. If the meeting has been convened by the affiliates as provided for in the second paragraph of Article 22, these affiliates will decide how the meeting is to be led. With regard to passing resolutions, Article 23 (3-7) will apply mutatis mutandis, with the proviso that a motion will be regarded as having been defeated if it is rejected by a majority of the affiliates of the Performers' Section or the Producers' Section who are present at the meeting.
- 4 Should there be any doubt at the meeting as to the authority of the joint meeting, the Board of Affiliates will decide.

## Distribution

### Article 26

- 1 Before the foundation distributes the revenue it has collected among the rights holders, the amounts will be credited to the collection-source related accounts.
- 2 As part of the budget referred to in Article 30(7), after the Supervisory Board has given approval the Board of Affiliates will determine before the beginning of each financial year what proportion of the foundation's costs will be paid from the accounts referred to in the first paragraph. The Board is authorized to take measures aimed at safeguarding the continuity of the foundation's work.
- 3 As provided for in Article 24(2 iii) of these articles of association, the Board of Affiliates is authorized to determine that
  - a certain proportion of all the revenue collected be withheld for social, cultural and educational purposes. This proportion will never be greater than five per cent (5%) of that revenue. By regulation as provided for in Article 27, the Board of Directors will establish further stipulations with respect to the manner in which the amount withheld is to be spent.

## Distribution regulations

### Article 27

- 1 The distribution regulations consist of:
  - > general regulations;
  - > subregulations for the Performers' Section; and
  - > subregulations for the Producers' Section.
- 2 The distribution regulations set out how the amounts allocated to the sections, if possible and if necessary per collection source, are to be distributed. The Board of Affiliates is also authorized to establish further rules regarding procedures and techniques of distribution.

- 3 The net proceeds for the Performers' Section and the Producers' Section will be distributed among the rights holders in accordance with the subregulations for the section in question referred to in Paragraph 1. The section representatives of the section in question will submit a draft version of these distribution subregulations to the Board of Affiliates for assessment.
- 4 The Board of Affiliates will adopt the distribution regulations. The Board of Affiliates will decide about the subregulations referred to in Paragraph 1 in accordance with the proposal of the section representatives of the section in question.
- 5 The Board of Affiliates is authorized to determine in the general distribution regulations that a portion of the net proceeds, or certain net proceeds, will be used for social, cultural and educational purposes for the benefit of the rights holders in question. The Board of Affiliates will indicate how these proceeds are to be spent and/or to which agency or organization this task will be entrusted.
- 6 Before distribution regulations or amendments to them come into force, they must be approved by the CvTA. A copy of the adopted distribution regulations must be sent to the CvTA.

## Complaints and dispute regulations and other regulations

### Article 28

- 1 The Executive Board provides regulations comprising procedures for effective and timely handling of complaints and disputes. Those regulations will in any case stipulate that the Executive Board will respond in writing to complaints and will assess disputes in writing. If the Executive Board rejects a complaint or dispute, it will provide reasons for doing so. The regulations will be established in accordance with the provisions of Paragraph 2.
- 2 To the extent that the articles of association do not provide that the Board of Affiliates must do this, the Executive Board may submit one or more other sets of regulations to the Supervisory Board containing rules about issues that in the opinion of the Executive Board require (further) regulation. The Board of Affiliates will adopt the regulations in question.
- 3 Regulations may not breach these articles of association.
- 4 Regulations adopted in accordance with the provisions of the second paragraph may be amended or terminated subject to the provisions of the second paragraph.
- 5 The provisions of Paragraphs 2 and 4 of this Article do not apply to the regulations referred to in Article 20(3).

## Office

### Article 29

- 1 The foundation has an office managed by one or more officers to be appointed by the Executive Board. The Executive Board is also authorized to suspend and remove these officers and to agree employment terms and conditions with them.
- 2 The Executive Board can authorize the managers appointed by the Executive Board to represent the foundation at law and otherwise, in which connection the Executive Board determines the limits of that authorization .

## Financial year and annual financial statements

### Article 30

- 1 The foundation's financial year will be the same as the calendar year.
- 2 The Executive Board is obliged to keep records of the foundation's financial position and of everything concerning the foundation's activities, in accordance with the requirements arising from these activities, and to keep the books, documents and other data carriers in such a way that the foundation's rights and obligations can be known from them at any time.
- 3 Every year, within six months after the end of the financial year, the Executive Board must prepare and put down in writing, and submit to the Supervisory Board for approval, annual financial statements and an annual report. Before giving its approval, the Supervisory Board will instruct the Executive Board to have the annual financial statements and the annual report audited by a registered accountant, an accounting consultant qualified to issue an audit certificate or some other expert within the meaning of Article 2:393 of the Dutch Civil Code, to be designated by the Supervisory Board. The appointment of this expert must be approved by the CvTA. The expert will submit an audit report to the Supervisory Board and give the result of the audit in an opinion on the accuracy of the documents referred to in the previous paragraph. He or she will submit the report to the Executive Board. The Board of Affiliates will adopt the annual financial statements.
- 4 Every year, within eight months after the end of the financial year, the Executive Board must prepare a transparency report, as referred to in Article 2 of the Supervision Act, for that financial year, of which the annual financial statements and the annual report are part. The transparency report is required to be publicly disclosed on the foundation's website.
- 5 The Supervisory Board is authorized to discharge the directors from liability for their management, if this is justified by the documents adopted or by other information given to it.
- 6 The Executive Board must keep the books, documents and other data carriers referred to in the paragraphs above for seven years.

- 7 The data placed on a data carrier, with the exception of the balance sheet and profit and loss statement drawn up on paper, may be transferred to a different data carrier and stored, provided the data have been transferred accurately and fully and these data remain available throughout the whole storage period and can be retrieved within a reasonable time.
- 8 Every year, before one November, the Executive Board will submit to the Supervisory Board and the Board of Affiliates an annual plan and an associated budget for the next financial year. The annual plan and the associated budget must be approved by the Supervisory Board. The Board of Affiliates will adopt the annual plan and the associated budget.
- 9 Every year, before one November, the Executive Board will submit to the Supervisory Board and the Board of Affiliates a multi-year policy plan. The multi-year policy plan must be approved by the Supervisory Board. The Board of Affiliates will be consulted about the multi-year policy plan.

## Amendments to the articles of association

### Article 31

- 1 After the Executive Board has drawn up the proposal in question and the Board of Affiliates has adopted the proposal in question to amend the articles of association, the Supervisory Board is authorized to amend these articles of association. A resolution to amend the articles of association can only be passed by a majority of at least three quarters of the votes cast at a meeting of the Supervisory Board at which at least three quarters of the sitting members of the Supervisory Board are physically present or represented by written proxy
- 2 If a proposal to amend the articles of association is submitted at a meeting and insufficient members of the Supervisory Board are present or represented by proxy, a new meeting will be convened for a date not sooner than fifteen days after the first meeting, but within a month at the latest. At this meeting a resolution to amend the articles of association can be legally passed by a majority of at least three quarters (3/4) of the votes cast, regardless of the number of members of the Supervisory Board present or represented by proxy
- 3 An amendment to the articles of association will not take effect until it has been drawn up in a notarial deed. Each director is authorized to have this deed drawn up and signed.
- 4 Before taking effect, an amendment to the articles of association must be approved by the CvTA.

# Dissolution

## Article 32

- 1 The Executive Board is authorized, with the approval of the Supervisory Board and the Board of Affiliates, to dissolve the foundation.
- 2 A resolution of the Executive Board to dissolve the foundation must be passed unanimously at a meeting at which all directors are present or represented by proxy.
- 3 After its dissolution, the foundation will continue to exist if and to the extent that this is necessary to wind up its affairs.
- 4 If a decision is made to dissolve the foundation, the Executive Board will act as the liquidation committee. During the winding up, the provisions of the articles of association will remain in force for as much as possible and necessary
- 5 The Executive Board will decide how the remaining assets of the foundation after all debts have been paid will be used, with the proviso that the balance must be used for a goal which is as close as possible to the foundation's goal.
- 6 The books, documents and other data carriers of the foundation will remain in the custody of a person or institution designated by the Executive Board for seven years after the winding up.
- 7 Before taking effect, a decision to dissolve the foundation must be approved by the CvTA.

# General provisions

## Article 33

- 1 The Executive Board will hold all powers which are not allocated by the law or by these articles of association to other bodies.
- 2 In all cases not provided for by the law, the articles of association or the regulations, the Executive Board will decide.