

ANNUAL REPORT 2018

Sena

REPORTS

RESULTS

FINANCIAL STATEMENTS

CONTENTS

2 2018 Key figures

4 Executive Board report

8 Supervisory Board report

12 Board of Affiliates report

16 Comprehensive risk management

20 Notes to the 2018 results

23 General licences

24 Media

26 International

28 Distributions

28 Private Copy

29 Exploitation

30 Control Board

30 2019 Budget

32 Key figures 2018 - 2017

34 About us

35 Distributions

36 Management model and monitoring
of distribution regulations

38 Financial statements 2018

39 Cash flow statement 2018

40 Balance sheet as at 31 December

42 Statement of income and expenditure

43 Statement of movements in
distributable licence fees

44 Consolidated accounting principles

48 Notes to the cash flow statement

49 Notes to the balance sheet as at 31 December

62 Notes to the statement of income
and expenditure

68 Independent auditor's report

71 Personal details and relevant activities

80 Appendices

80 1. Profile of the Supervisory Board

81 2. Profile of the Board of Affiliates

82 3. Agreements with international
organizations as at December 2018

88 4. Transparency report (reference table)

92 5. Transparency report

94 6. Social-Cultural projects 2018

96 7. General information Sena

KEY FIGURES 2018

INVOICED LICENCE FEE INCOME

RECEIVED LICENCE FEE INCOME

OPERATING EXPENSES

| | |
|-------|--------------|
| Gross | €7.8 million |
|-------|--------------|

| | |
|-----|--------------|
| Net | €7.0 million |
|-----|--------------|

FTE

PERCENTAGES

Actual costs withheld on the International licence fee income 2018 **4% respectively 6%**

| | |
|---|-------|
| Operating expenses (net) as a percentage of total invoiced licence fee income | 10.1% |
|---|-------|

DISTRIBUTIONS

RIGHT-HOLDERS

REPORT OF THE EXECUTIVE BOARD

The past year was partly dominated by the 25-year jubilee of the Neighbouring Rights Act (Wet op de naburige rechten, WNR). Since its entry into force, on 1 July 1993, we have collected more than €1 billion for our right-holders. Record companies, main artists, session musicians, conductors, bands, choirs and orchestras received from us what they were entitled to when their music was played in public. We are proud of this, as well as of our stable financial results of the past year and the many process optimisations we implemented in 2018.

FINANCIAL RESULTS

In 2018, the invoiced licence fee income increased by €2.2 million to a total of €69.7 million; an increase of 3.3%. As in the previous year, the entire increase was attributable to Dutch licence fee income, which rose by €2.9 million to €62.4 million. For music use in companies and organizations, €1.6 million more was invoiced for general licences. In the media segment, we invoiced €1.3 million more (+6.9%). Income from abroad decreased by €734 thousand to a total of €7.3 million.

In line with previous years, the received licence fee income in 2018 was slightly above the invoiced licence fee income. In 2018 we received €70.4 million in actual revenue, which is an increase of 4.6% compared to 2017. Received licence fee income from the Netherlands (+4.7%) and abroad (+3.8%) increased to €62.6 million and €7.8 million respectively.

In 2018, we distributed a gross total of €67.9 million to our right-holders (+15.4%). This increase was partly the result of a decrease in the work in progress position, causing the payment percentage to increase, particularly of music years 2015 and 2016. Another contributing factor to this increase was a further acceleration in the payment process, enabling us to pay out licence fee income from the same year as early as in March 2018. The gross Dutch distribution of collected fees totalled €57.7 million (+11.7%). The gross international distribution of collected fees totalled €10.2 million (+40.3%) in 2018. During 2018, we were able to pass on the money received from previous years. Specific actions in respect of our sister organizations have contributed to this.

It is evident from our mission that we strive to do our work at the lowest possible cost. As in previous years, we succeeded in reducing the actual expense ratio, which came out at 11.3% of the Dutch invoiced licence fee income in 2018. The deduction percentage of 12% was therefore sufficient to cover our overhead costs.

OTHER RESULTS

Licence fee income follows a complex route before it reaches the proper right-holders. This requires us to process large amounts of data from various data sources. Continuous control of the quality of our source data

and the associated feedback to suppliers and processors play an important role. A stable and efficient IT environment is crucial for our organization. In 2018, we took various steps to optimise the automated processing of data. In addition, we devoted considerable attention to making our distribution information available to our right-holders in a user-friendly manner. Highly valued service provision, partly as a result of far-reaching transparency to our right-holders, is our goal in this respect.

After extensive testing among users, we introduced the Sena app for right-holders in May 2018. Right-holders can use their mobile device to register their repertoire, view payments and view the amount they will receive from us at the next payment on a daily basis. The many positive messages we received about the app stimulated us to further develop its functionality in the second half of the year. Four additional functions were added to the app in January 2019.

At the same time, the development of our online portal MySena made great progress as well. We added a new feature to MySena that allows record producers to resolve double claims. We also introduced a feature for recording rights per title per country for producers. Right-holders who are both performers and producers now have the possibility to link their separate accounts, making it easy for them to share their repertoire on both accounts.

In 2018, we devoted extra attention to optimising the exchange of information with our sister organizations abroad. During the year under review, we opened our rights-holder portal MySena to them. In addition, we actively participate in several international projects, such as the creation of the Virtual Repertoire Database (VRDB) within the SCAPR collective (the international umbrella organization of collective management organizations for performing artists). After a design and development phase in 2014–2016, followed by extensive user tests, part of the database could be effectively put into use in 2018. This has simplified the exchange and standardisation of repertoire data at international level, which has a positive effect on the payment of licence fees collected in the Netherlands and the reliability of our international collection.

The results of two projects launched in 2018 look promising. The development of IRIS Web is a thorough modernisation of our current back-office application. The other major development that was initiated is automatic claim confirmation. With this tool, we wish to start confirming repertoire claims for right-holders ourselves, based on our repertoire knowledge.

END OF 2016–2018 POLICY PERIOD

Our three-year policy plan concluded at the end of 2018. During this period, we made a great deal of progress towards the objectives we set ourselves. Our Dutch invoiced licence fee income increased by 12% during this period. We anticipated and allowed for the loss of international mandates. Much has been done to improve data access, such as introducing visualised analysis reports at the quarterly distributions, which can be downloaded in MySena and the aforementioned Sena app for right-holders. Cooperation with Buma has been further intensified, including through the Service Centre for Copyright and Neighbouring Rights (Service Centrum Auteurs- en Naburige rechten: Scan), cooperation in the field of fingerprinting and the joint efforts for the Muziekwerkt.nl website.

In some areas, however, the results fell short of the objectives. For example, despite several attempts by the Executive Board and the Supervisory Board, it proved impossible to achieve more intensive cooperation with international collective management organizations (CMOs) at a strategic level.

TWENTY-FIVE YEARS OF NEIGHBOURING RIGHTS

The 25th anniversary of the Dutch Neighbouring Rights Act – and linked to this, the fifth five-year anniversary since Sena's activities began – has not gone unnoticed. Together with music users, right-holders and other stakeholders, we reflected on this happy event with a lunch meeting at the North Sea Jazz Festival in July. The presentation of the Golden Nutcracker award in September in Paradiso (Amsterdam) this year was entirely devoted to music and 25 years of Sena, including performances by artists and session musicians whose repertoire has been of special significance. Furthermore, the newly created humble heroes award was presented to session musician Michel van Schie.

The SCAPR working group meetings were held in Amsterdam in November. As host on the occasion of the anniversary, we welcomed almost 100 foreign colleagues representing 42 CMOs affiliated with SCAPR.

EXTENSION OF THE CMO QUALITY MARK

For the eighth year in a row, we have been awarded the CMO Quality Mark by VOI®E on the basis of a binding recommendation by the Keurmerkinstituut (a certification institute). During its audit of 26 September 2018, the Keurmerkinstituut found that we meet all the criteria laid down in the CMO Quality Mark.

COMPLAINTS AND DISPUTES

Compared to 2017, approximately the same amount of complaints and comments relating to the non-payment or incomplete payment of played repertoire were reported to us in 2018. However, the complexity and scope of these complaints and comments has increased and they relate in particular to music used as tunes and jingles ('vormgevingsmuziek' in Dutch) and in commercials. We received five complaints and 105 comments from right-holders, of which two complaints and 32 comments had not yet been fully handled by the end of 2018. The number of complaints from music users decreased, from 52 in 2017 to 18 in 2018. One complaint could not be finalised before the end of 2018.

LEGAL PROCEEDINGS

In the lengthy proceedings concerning the level of a fee for dance festivals, the appeal to the Court of Appeal in The Hague was heard in 2018. A judgement in this case is expected in 2019. In the proceedings on determining equitable remuneration for commercial radio stations, launched in 2017, extremely extensive reports were exchanged and commented on by the parties in 2018. The scheduled hearings have been postponed several times and are expected to commence in 2019. The case relating to the accuracy and completeness of distribution was heard on appeal and a judgment was given in 2019. The judgment of 2017 was annulled.

In 2018, the Copyright and Neighbouring Rights Collective Management Organizations Control Board (CvTA) was confronted with the unwinding of several 'FOI' requests under the Government Information (Public Access) Act (WOB). It was also confronted with

enforcement requests. These requests concerned the functioning of Sena. Where the CvTA did not, or not fully, grant the FOI or enforcement requests, appeal procedures were initiated.

USE OF MUSIC IN BUSINESSES

After long and intensive discussions in 2018, an agreement was reached with the Copyright Committee of the VNO-NCW (the Confederation of Netherlands Industry and Employers) and the Dutch SME Association (MKB-Nederland) on an update to the September 2010 Bargaining Protocol. New regulations, tariffs or types of use are now discussed in advance by the CMOs and the committee. An important first result of the renewed cooperation is an agreement on an adjustment of a payment scheme for services provided by sectors where a collective agreement applies. The sector organizations will receive a payment of a maximum of 19.5% on the invoice for their members participating in a collective arrangement, if they have agreed on the relevant services and deliver them to the CMOs involved. This arrangement will be valid up to 2022.

Music – in shops, on the shop floor or in a café – has a big impact on people's experience, for customers, visitors and employees alike. Our online knowledge platform Muziek Werkt is a source of information for businesses who want to embrace the benefits of music in their organization. The available information was supplemented by various research results and news items in 2018. A total of 3,500 businesses participated in the annual Muziek Werkt competition. Nature management organization SBNL Natuurfonds was the winner and was presented with a 10-person VIP arrangement for the North Sea Jazz festival.

LOOKING FORWARD: POLICY PERIOD 2019–2021

In 2018, we drew up a plan for the new policy period that runs from 2019 to 2021. IT, data and a focus on service are the main pillars of the plan approved by the Supervisory Board in December 2018. Within the scope of our statutory duty, we have limited opportunities to achieve substantial growth in our revenue stream. The focus will be on increasing the rates for radio, television and Internet broadcasters. The strategy for the next three years is aimed at positioning ourselves as a technological leader in the landscape of national and international collective management organizations.

We have built a good track record in the area of IT applications. This also applies to our contribution to international industry-wide projects such as the Virtual Repertoire Database (VRDB) (for performing artists) and the MLC Dataportal (for producers). This will require additional innovative power from our organization, especially when it comes to adopting new technologies and translating data into valuable information.

HUMAN WORK

Expert and service-oriented employees are of the utmost importance. In order to optimise service and transparency for right-holders, we have implemented a reorganization of employee assignments across the data and relationship management departments. This has had a positive effect on the business processes and translates into a faster and better handling of questions and requests. In 2018, we invested in our people again and a number of employees attended courses or training programmes in the areas of personal development, technology, leadership and communication.

We thank all employees for their efforts and commitment to the organization. Together we have achieved great results, and we expect to be able to continue doing so in 2019.

Markus Bos
CEO

Hans Moolhuijsen
CFO

Hilversum, 27 March 2019

SUPERVISORY BOARD REPORT

The Supervisory Board (Raad van Toezicht, RvT) consists of four members appointed by the Producers and Performers Sections, supplemented by an independent chair and an independent financial expert member.

As a result of Anne de Jong's appointment as CEO of the Dutch Association for Producers and Importers of Image and Sound Carriers (NVPI), after which he withdrew from the Supervisory Board, Rob Gruschke was appointed as a member of the Supervisory Board at the Meeting of Affiliates on 28 May 2018. Rob had already been active in Sena's Board of Affiliates for many years. We welcome him and at the same time would like to express our great thanks to Anne for his long-term and valuable efforts as internal supervisor and, in particular, for his active role in the Audit Committee. On the occasion of his farewell, Anne de Jong was awarded the status of 'Sena Icon'.

TOPICS IN 2018

The Copyright and Neighbouring Rights Collective Management Organizations Control Board (CvTA) is charged with the supervision of a number of collective management organizations (CMOs), including Sena, pursuant to the Supervision of Collective Management Organizations (Copyright and Neighbouring Rights) Act (WTCBO), which came into force on 15 July 2003. Among other things, the CvTA ensures that CMOs keep clear records (financial and otherwise), collect the fees due for the use of works protected by copyright and works protected by neighbouring rights in a lawful manner and at reasonable management costs, and distribute them in a timely manner to right-holders, while maintaining transparent fee structures. The CvTA also assesses whether the organizations are adequately equipped to carry out their tasks properly. As a result of pending 'FOI' requests and enforcement requests, Sena had more to do with the CvTA in 2018 than in previous years. Staff members were proactive in keeping the Supervisory Board informed of this and other important matters.

This information also covered various other subjects, on which we received several updates in 2018. These included the often lengthy legal proceedings and the introduction of the General Data Protection Regulation (GDPR) on 25 May 2018. The GDPR gives companies a greater responsibility to protect the privacy of individuals. We were able to conclude that Sena had prepared well for the introduction of the GDPR, for example by means of policy formulations, protocols and data processing agreements with parties that process data for Sena.

The Audit Committee was assisted by staff members in the selection process of a new auditor. Although not a formal obligation, the Supervisory Board considers it advisable to appoint a new auditor every eight years. At the end of December, on the recommendation of the Audit Committee, the Supervisory Board decided to award the contract to PricewaterhouseCoopers (PwC) with effect from the financial statements and ISAE-3402 audit over 2019. At this point we would like to thank BDO for its professional services while acting as Sena's auditor in the past period.

Every year we evaluate Sena's governance structure, including in 2018. All members of the Supervisory Board and Board of Affiliates were able to give their opinion on a broad spectrum of aspects of the management structure through an electronic survey. The results were presented and discussed during the annual seminar on 12 November. The three bodies involved – the Executive Board, the Board of Affiliates and the Supervisory Board – are broadly satisfied with the current structure and its functioning, as a result of which it was decided to continue it unchanged. Other topics discussed during the annual seminar were the proposed amendments to the WTCBO and 'Boardroom Dynamics', about which professor Philip Wagner gave an inspiring presentation.

Other annually recurring topics included the evaluation of the Supervisory Board's own performance, the approval of the financial statements and the annual report, the granting of discharge to the Executive Board and the evaluation of Sena's investment policy. The Supervisory Board decided to continue the latter unchanged. The independent chair of the Supervisory Board attended several relevant meetings, amongst which those of sector association VOI©E.

AUDIT AND REMUNERATION COMMITTEE MEETINGS

The Supervisory Board has set up two committees from among its members: the Audit Committee and the Remuneration Committee. Both committees have an advisory role for the Supervisory Board. All committee advices have been presented to the Supervisory Board, who decided accordingly, when necessary.

The Audit Committee met four times in 2018 and discussed a large number of subjects, such as the financial implications of the various legal proceedings

in which Sena is involved, the budgets (draft or otherwise) of Sena and Scan, the annual report and the financial statements. During the year under review, there was also discussion about the possible implications of the Public Servants (Standardisation of Legal Status) Act (WNRA), an act that will apply to everyone working for a government employer. An assessment investigated whether Sena can be considered a public body, which is not the case. The Audit Committee also invested time in the selection process of the new auditor.

The Remuneration Committee met twice in 2018 and carried out the annual evaluation of the two Executive Board members. It also discussed the implications of the declaration of conformity application of the Senior Executives in the Public and Semi-Public Sector (Standards for Remuneration) Act (WNT) within the WTCBO. The latter Act is still subject to evaluation. The Supervisory Board agrees on the undesirability of the excessive implications of application of this act for Sena.

CLOSURE SENA POLICY PERIOD

Sena worked diligently towards achieving its objectives for the 2016–2018 policy period. We have seen that many of the objectives have been fully achieved. With the new policy plan for the 2019–2021 period, the organization shows healthy ambition. We are confident that this policy period will also be successful thanks to the efforts of Sena's expert and service-oriented employees, whom we would like to thank for their efforts in 2018.

Aleid Wolfsen
Chair of the Supervisory Board

Hilversum, 27 March 2019



Michel van Schie wins the first humble heroes award, which is presented to him by Marco Borsato

REPORT BY THE BOARD OF AFFILIATES

Sena is, although legally designated to execute the rights compensation arising from Article 7 of the Neighbouring Rights Act, an organization for, but also and especially of musicians and music producers. The 14 elected members of the Board of Affiliates represent the more than 33,000 entitled performers and producers who are right-holders of Sena.

As supervisors, they represent the interests of their constituencies, interests that are often shared but may also sometimes diverge. The reason why the Board of Affiliates is divided in a Performers section and a Producers section, each with partly their own and partly shared authorities. At the annual Meetings of Affiliates, both sections of the Board of Affiliates report on their activities and are held accountable for these activities. During both Meetings of Affiliates, important decisions are taken that can also affect you as a right-holder. We warmly invite you to attend a Meeting of Affiliates in the flesh. You can also follow the meeting and cast your vote remotely.

POP MUSIC INVESTMENT FUND

The Board of Affiliates has wanted to establish a new investment fund for pop musicians for several years. A fund in which we were prepared to participate on the condition of 'matching' by the government. Many conversations, with several departments and possible collaboration partners, finally resulted in the Upstream fund, which the Minister of Culture launched at Noorderslag in January 2019. The Performers and Producers Sections decided to jointly make €300,000 per year available for the 2019 to 2021 period. This fund is available for artists who already have a solid foundation and aims to promote talent development and professionalization. Success has many fathers, but we would like to take this opportunity to thank Anita Verheggen (Performers section) and Michiel van Veen (Producers section) in particular for the amount of work they did. Thanks to their relentless dedication and persistence, the Ministry of Education, Culture and Science (OCW) was willing to match Sena's 'SoCu-contribution' so that the fund could take shape while closely working together with the Fonds Podiumkunsten and the Stimuleringsfonds Creatieve Industrie. With these partners in this public-private partnership, the Board of Affiliates will monitor the functioning of the fund in the years to come. After all, the starting point is an extra financing option that actually connects to the music practice.

ONLINE CONSULTATION AMENDMENT TO THE SUPERVISION ACT (WTCBO)

From April to early June 2018, interested parties could provide their input on a proposed amendment to the Supervision of Collective Management Organizations (Copyright and Neighbouring Rights) Act (WTCBO)

via an online consultation. This act contains standards that collective management organizations (CMOs) must comply with, whereby the Copyright and Neighbouring Rights Collective Management Organizations Control Board (CvTA), on behalf of the Ministry of Justice and Security, is expected to check CMOs for compliance. The proposed legislative amendment provides for an extension of the CvTA's range of instruments. In consultation with fellow CMOs within the sector association VOI©E, the sector responded to the amendment proposal given in consultation. In general, Sena is of the opinion that government supervision must not go too far. Although we perform a legislative task, the collective management of rights is, and remains, a private activity. In other words: we are not only there for our right-holders, we are also of the right-holders. These right-holders too can benefit of a well-functioning governmental supervision but it must be avoided that the legal supervision completely overtakes the seat of the right-holders' representatives.

UNDISTRIBUTED FEES

On 23 March 2018, the section representatives of the Producers and Performing Artists Sections took a decision on the undistributed fees from 2014. Given the booking period of three years, this music year ended on 31 December 2017. The Producers Section decided to add the foreign undistributed fees to the Social-Cultural Fund. The undistributed fees from the Netherlands have been fully added to the fees intended for distribution, which were paid out in proportion to the fees already received for music year 2014.

The Performers Section decided to add both foreign and Dutch undistributed 2014 fees to the Social-Cultural Fund.

REGULAR TOPICS

As in previous years, a number of topics were also on the agenda of the Board of Affiliates in 2018. Among other things, the Board of Affiliates established the financial statements, the 2017 annual report and the 2019 budget. Every three years, the Executive Board draws up a long-term plan in which it issues advice on the basis of a draft policy plan; they did this in 2018 as well. The Policy Plan for 2019–2021 was subsequently approved by the Supervisory Board. This plan sets the priorities for Sena for the coming period.

During the annual seminar for supervisors on 12 November, the governance model of Sena and the functioning of the various bodies within it were discussed. The overall conclusion of this evaluation is that the current model is effective.

MEETINGS OF COMMITTEES AND WORKING GROUPS

Various committees are active within and from the Board of Affiliates. The Distribution Committee has a varying composition of right-holders, that consult with representatives of the Board of Affiliates, the Executive Board and Sena staff. The committee functions as a sounding board for distribution-related subjects. It met once in 2018. The agenda included the distinction made in the distribution between prime time and non-prime time on national TV channels and whether such a policy should also be applied to national radio stations. The Committee was also consulted on an evaluation of the criteria used to process playlists. Staff members presented scenarios on how to deal with undistributed fees for performers at the end of the booking period. In September 2018, the Board of Affiliates decided to change the name of the Distribution Committee to 'Distribution Focus Group', in order to take away any confusion about the status of the group.

In response to questions asked during the Meeting of Affiliates of 9 May 2017, the informal Tunes and Jingles Working Group was established. At the beginning of 2018, the working group discussed the registration process for music for tunes and jingles. One result of this is that the Repertoire Reporting Form has been replaced by a number of extra fields within MySena.

AMENDMENT OF THE DISTRIBUTION REGULATIONS

As advised by the CvTA, the Board of Affiliates decided at its meeting of 21 September 2018 to amend the distribution regulations. This concerns the mention of the distinction between a prime time and non-prime time minute value for national television stations, the reduction of the use of music as tunes and jingles ('vormgevingsmuziek' in Dutch) and the recording thereof in the distribution regulations. At the time of writing, the amended distribution regulations await approval of the CvTA.

SOCIAL, CULTURAL AND EDUCATIONAL PROJECTS

Every year, the Performers and Producers Sections support various projects in the social, cultural and

educational fields. The Producers Section takes a cautious policy line as regards social-cultural expenditure. The Performers Section, on the other hand, has an active social and cultural policy and has laid down five objectives in its Social-Cultural Policy Plan for 2017–2019. The section receives an average of 300 applications per year, which it assesses on the basis of set criteria. Each year, both sections render account for the Social-Cultural Policy during the Meetings of Affiliates. Approval for the policy of the sections is sought through a vote. Right-holders can participate in the vote remotely since 2018.

One of the social-cultural projects supported by the Performers section is the Sena Performers Music Production Fund: a fund for professional musicians who want to make a music recording under their own management but do not have sufficient resources to do so. The fund received 188 applications in 2018. Of these, 112 were granted for a total value of €385,000. The recipient is required to repay one third of the awarded amount after a period of two years. Two thirds of the amounts awarded are donations. In 2018, all 72 recipients of a grant in the year 2016 repaid their share of the loan to Sena. The amounts paid are returned to the Social-Cultural Fund. Four prizes have also been paid out of this total amount. The Bop Collective won €5,000 as public favourite at the Sena Performers Dutch Jazz Competition. Maaïke Adegeest, winner of the Muzikale Snelkookpan during Buma NL, received €3,000. Magda Mendes and Nina June, winners of the Gold and Silver Nutcracker, respectively, each received an amount of €5,000.

Jointly, the sections support amongst others the Edisons, the Golden Nutcracker ('Gouden Notekraker') and the new investment fund for pop music.

ELECTION OF NEW MEMBERS OF THE BOARD OF AFFILIATES

During the Meeting of Affiliates of 28 May 2018, elections were held for two seats available within the Performers section. Marius Beets and Rolf Delfos were re-elected as section representatives by the performing artists who were entitled to vote. Olivier de Neve and Fons Merckies were appointed as new members of the Board of Affiliates to fill the vacant positions in the Producers Section.

TO CONCLUDE

According to the Articles of Association, the chairmanship within the Board of Affiliates must change annually. In September, the chair went to the chair of the Performers Section and the vice-chair to that of the Producers Section. The sections are jointly responsible for overseeing general policy and together they take important decisions. Despite the fact that we sometimes have different opinions, we always retain a spirit of solidarity and are respectful of the separate interests,

in applicable situations. On behalf of both sections and the right-holders they represent, the Board of Affiliates would like to express its gratitude to all Sena employees, who are committed to promoting our joint interests.

Erwin Angad-Gaur
Chair of the Board of Affiliates

Hilversum, 27 March 2019



Nina June performs during the Golden Nutcracker on 17 September 2018

COMPREHENSIVE RISK MANAGEMENT

Risks pose a threat to the realization of Sena's objectives. The risk management framework describes our approach to the comprehensive management of all current and potential risks which may affect our organization. The Executive Board prepares this risk management framework, regularly updates the document and ensures that it is communicated to staff members. The strategic risk analysis makes up part of the Policy Plan. This risk management framework is approved by the Supervisory Board.

THE KEY RISK MANAGEMENT FRAMEWORKS ARE:

STRUCTURE AND GOVERNANCE

- The articles of association set out in detail the responsibilities and powers of the Executive Board, the Supervisory Board, the Board of Affiliates, the Sections and the Meeting of Affiliates.
- We have drawn up specific job profiles that are used to guide recruitment for the supervisory bodies.
- Our formal organizational structure reflects the hierarchical and functional relationships between the various positions. Sena's organizational model emphasises the competencies needed in order to conduct our primary and auxiliary processes (process orientation).
- The necessary distinction between the various responsibilities is reflected in the processes described. Crucially, we strive to ensure clear segregation between the issue of licences, the registration of right-holders, the registration of playlist data, distribution activities on the basis of the distribution regulations, and administration activities.
- The organization is subject to supervision by the Copyright and Neighbouring Rights Collective Management Organizations Control Board (CvTA).

DESIRED ORGANIZATIONAL CULTURE

- Sena derives its right to exist from its legal authority to collect and pay out fees for the broadcasting, rebroadcasting or publication by any other means of commercially released phonograms (released in countries that have ratified the Treaty of Rome) by all performers and record companies. Based on this duty, and in line with the mission that was formulated, our stakeholders include right-holders, customers (those companies and organizations that broadcast or use music), national and international sister organizations, suppliers, our internal and external supervisory authorities, and our employees.

Our organizational culture is aimed at representing the interests of our right-holders by collecting and distributing a fair fee as efficiently and fast as possible, and to provide transparency regarding this process. The organizational culture needed in order to optimally service these stakeholders is based on several core values: a service-oriented approach, quality/professionalism, the reliability of general and management information, and commercial drive. These values can be summed up as follows: Professional, Reliable and Committed.

- Our Complaints and Disputes Committee for Right-Holders (Distribution Disputes Committee) processes and handles complaints from our right-holders, ensuring that any problems relating to our services are taken seriously and learned from.
- Sena is a voluntary member of the VOI®E sector organization. Our annual CMO Quality Mark accreditation – awarded following an annual audit by an independent certification body (the Keurmerkinstituut quality assurance institute) – serves as an additional guarantee that any deficiencies in the quality and transparency of Sena's rights management activities and related information services are adequately identified.
- Sena is a member of SCAPR (Societies' Council for the Collective Management of Performers' rights), AEPO ARTIS and actively participates in meetings of the IFPI Performance Rights Committee (International Federation of the Phonographic Industry). Our goal is to further professionalize the international exchange between CMOs.

REQUISITE COMPETENCIES

- We expect our staff members to possess specific competencies, which have been elaborated in further detail within various job profiles. These profiles are linked to a salary scale, assessment and remuneration system which is administrated by the Office Manager and adjusted to accommodate amendments by the Executive Board.
- As the quality and reliable implementation of the distribution process is crucial in ensuring the quality of our data and we wish to provide our right-holders with certainty on this aspect, this process is independently audited, resulting in the issue of an ISAE 3402 Type 2 compliance statement. This statement confirms that the process is adequately structured, established and implemented. An annual independent audit is carried out by the accountant to review compliance.

TECHNOLOGY (ICT)

- In view of the fact that Sena depends to a large degree on the continuity, reliability and security of automated data processing to achieve its objectives, it has implemented a number of overarching measures in the area of ICT.

- ICT services are structured on the basis of Information Technology Infrastructure Library (ITIL) principles.
- The build of ICT changes is done via the scrum agile method.
- The security of our ICT infrastructure is periodically assessed by means of an independent external audit.
- As from May 2018, we carefully apply the standards of the General Data Protection Regulation to our processes.

POLICY PLAN

Every three years, we draw up a new policy plan, which is updated annually during that period. The current multi-year policy plan was drawn up for the period of 2016-2018. Last year was also used to draft a new policy plan for the period of 2019-2021.

BUDGET

Each year, we draw up a budget that gives us an understanding of our income and costs in the following year. Throughout the calendar year, we compare the results that we actually achieved to the budget and try to account for any deviations.

ANNUAL PLANS FOR DEPARTMENTS

Every department draws up an annual plan based on the Policy Plan, which contains the department's objectives and associated projects. The annual plans serve as a framework for our efforts to achieve policy objectives, attain the relevant department's service level targets and effectively and efficiently conduct the processes for which the relevant organizational department is responsible. These objectives established for each department are subsequently translated to the responsibilities of the individual employee. The agreements relating to these objectives are laid down on an individual basis and are monitored in the annual performance reviews (plan-evaluation-assessment).

OPERATIONAL RISK MANAGEMENT

The key controls are laid down in risk control matrices for each sub-process. These key controls are evaluated by the process owner and adjusted where necessary, both on a periodical basis and in the event of any major process adjustments. The process owners are advised by the F&A Manager on these matters.

DUTIES, RESPONSIBILITIES AND ROLES

Line management (Executive Board and MT) is responsible for risk analysis (the identification and prioritisation of risks), the implementation of control measures and the monitoring of their effectiveness, making the line management the 1st line of defence. F&A is additionally responsible for monitoring the structure and effectiveness of the administrative organization and internal controls (as described in the AO/IC manual, and in aid of ISAE 3402) and providing advice on the structure and adjustment of control measures for specific processes ('2nd line of defence').

As an additional guarantee for the functioning of internal controls, external auditors and supervisory authorities acting as a third line of defence monitor and evaluate specific activities and achievements of the organization as follows:

- The external auditor checks the financial statements (on the basis of Title 9 Book 2 of the Dutch Civil Code, RJ640 and the AO/IC manual) and assesses the annual report.
- An external auditor assesses the distribution process and issues the ISAE 3402 conformity statement (based on a description of the relevant process and controls).
- An external consultant is charged with reporting on the security of the ICT infrastructure.
- CBO Quality Mark audit.
- Annual assessment by the Copyright and Neighbouring Rights Collective Management Organizations Control Board.

The Supervisory Board oversees the Executive Board and is charged with aspects such as the approval of policies, the budget and strategy (linked to the proposed strategic risk control measures), and the annual report (including the financial statements), serving to record the outcomes of current policies.

The Board of Affiliates provides advice on proposed policies and adopts the distribution regulations, articles of association, annual plan, the budget and financial statements. The Code of Conduct – Communications Protocol sets out how the different forums deal with subjects in which they have a different interest in terms of communication.

The most important strategic risks have been defined as follows:

- Changing legislation and regulations could impact our exclusive position. The scope of government intervention could expand. In addition, the government may compel CMOs to intensify their mutual collaboration. This risk category also includes unfavourable legal precedents in other EU Member States.
- The relevant commercial risks are highly dependent on the CMOs' general reputations and image. The growing popularity of right-free music and declining advertising revenues at traditional radio and television stations – partly caused by the shift from linear media consumption to on-demand consumption – also play a key role in this regard, as well as the growing demands of licensees in terms of the further streamlining of the apportionment process and discussions on equitable fees.

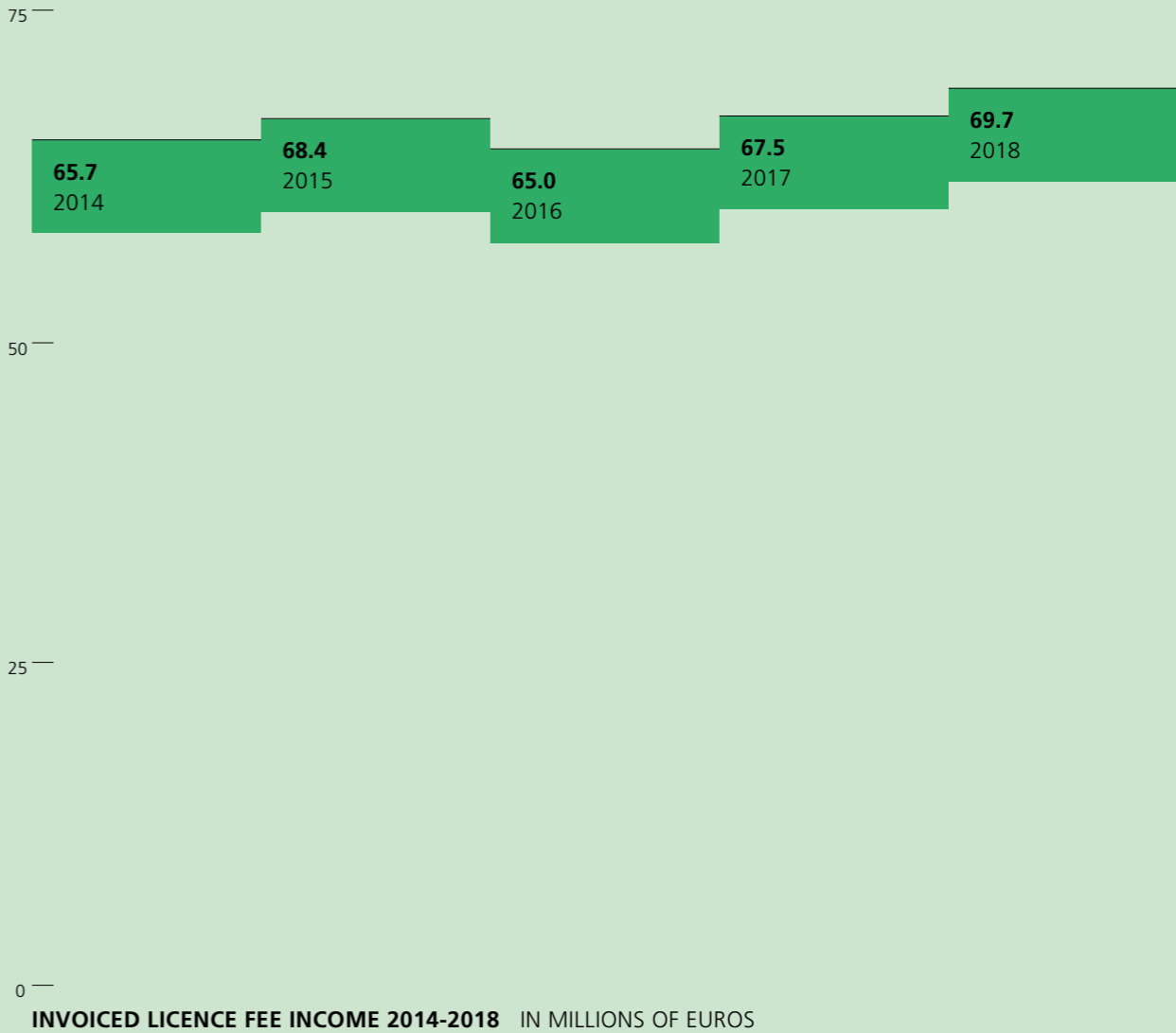
Our relationship with right-holders is subject to the following risk factors:

- The loss of international mandates to agents and/or international sister organizations could put pressure on licensing revenues.
- Efforts to ensure privacy and compliance with the Personal Data Protection Act (by means of adequate data protection measures) could impede Sena's efforts to meet legislative requirements in this area.
- Because of the use of fingerprinting data, Sena has become responsible for playlist data in the event that this was agreed upon with licensees.
- Risks with regard to internal control include: the maintenance of standards in the area of process control and requisite documentation. The loss of quality marks and/or certifications would have major consequences. Partly in view of the large volume of financial transactions, we are also susceptible to the risk of fraud. The loss of officials key to the organization also comes into this category of risks.
- Finally, technological risks can result in significant cost increases. Naturally, a potential calamity involving the temporary unavailability of ICT systems presents a risk, as does the loss of data. This risk category also includes the failure to synchronise processes and procedures accurately.

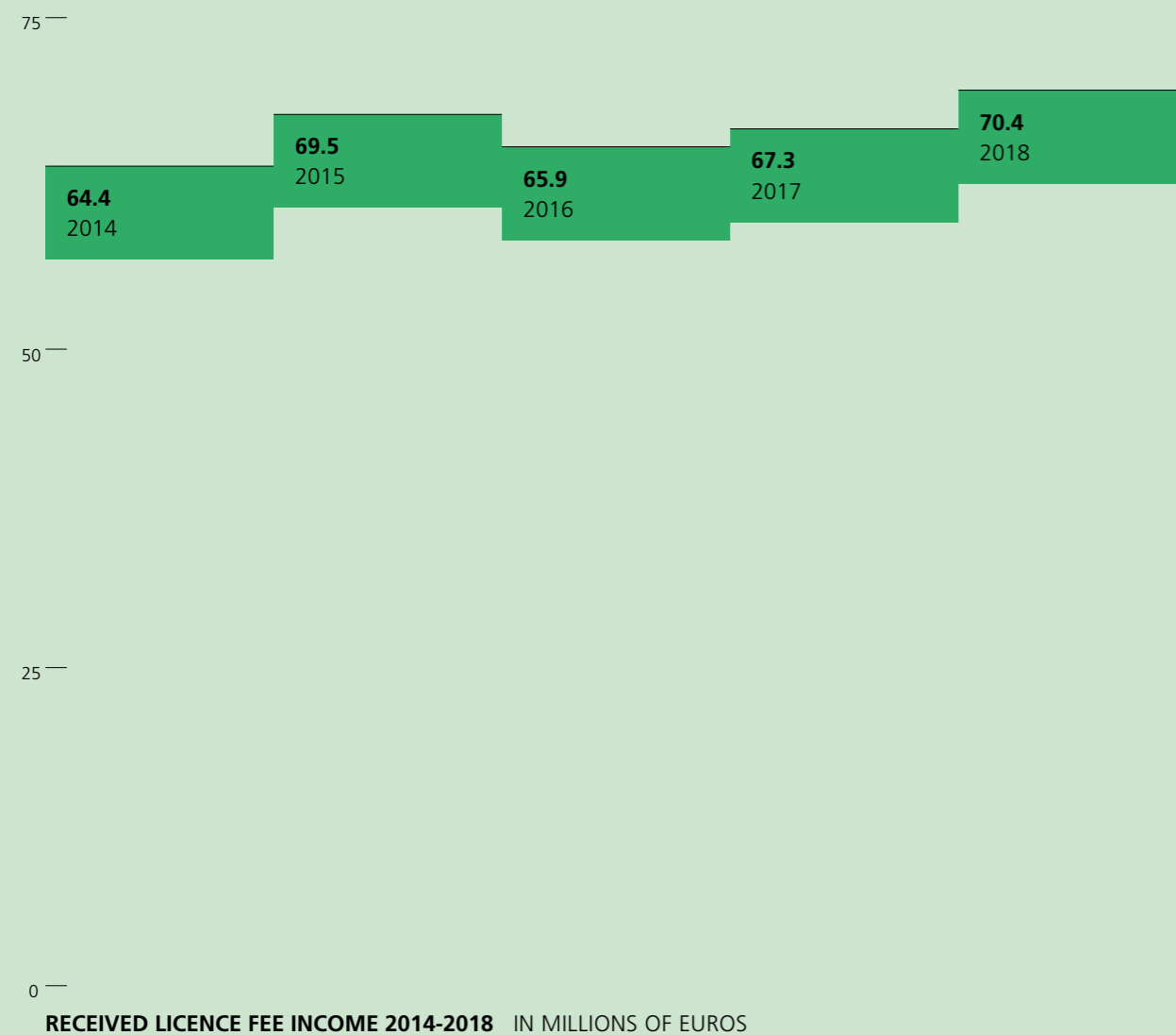
Where possible, response and control measures for all identified strategic risks have been formulated and assessed as satisfactory by the Executive Board and supervisory bodies.

NOTES TO THE 2018 RESULTS

In accordance with CMO Quality Mark guidelines, this annual report was prepared in compliance with the Supervision of Collective Management Organizations (Copyright and Neighbouring Rights) Act (WTCBO) and Title 9, Book 2 of the Dutch Civil Code (BW), as elaborated in Guideline RJ640 on ‘Not-for-profit organizations’ of the Dutch Annual Reporting Council (DASB).

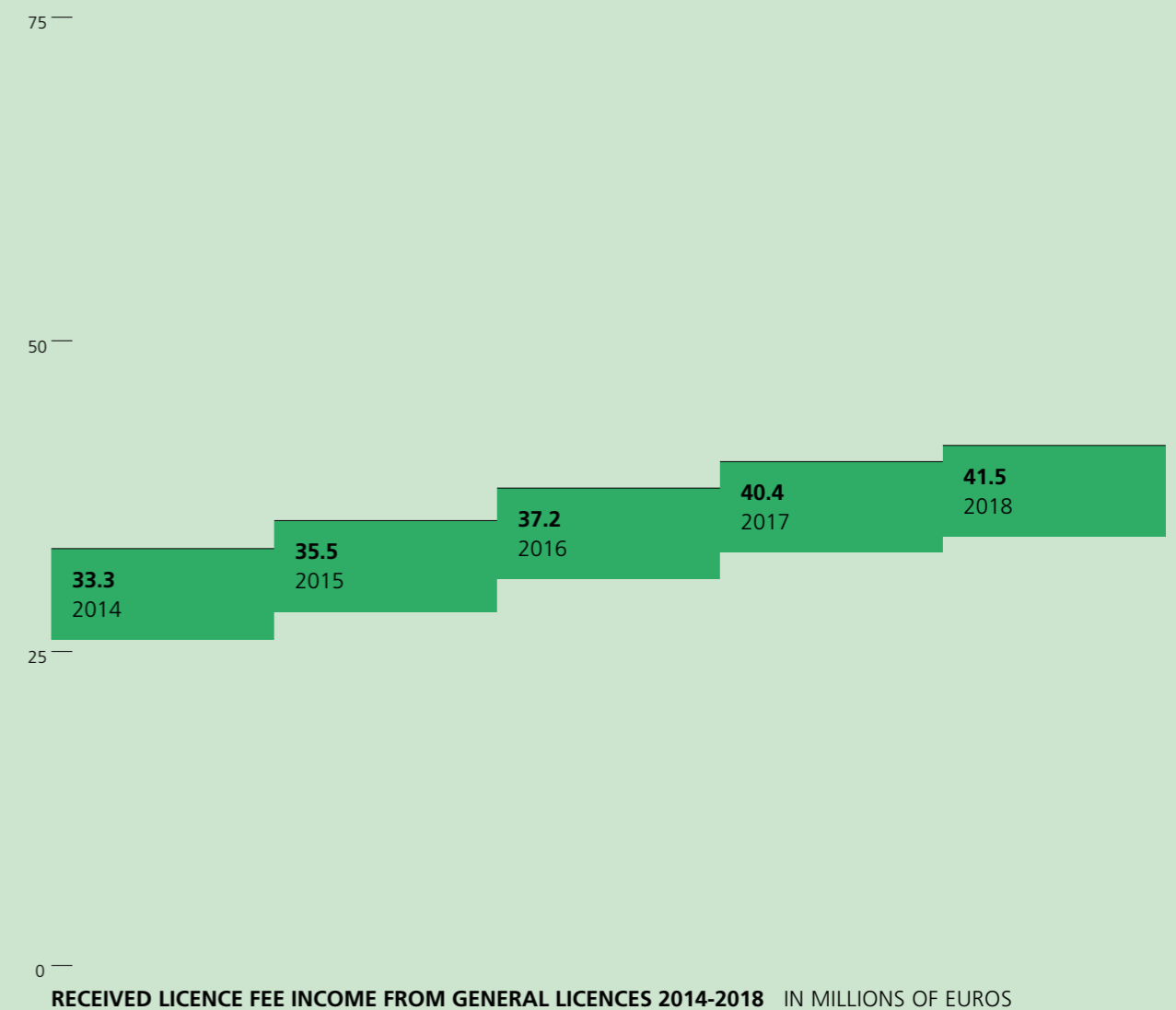


Total invoiced licence fee income in 2018 amounted to €69.7 million, €2.2 million more than in 2017. The decrease in foreign invoiced licence fee income (-€734 thousand) was more than compensated by the increase in Dutch invoiced licence fee income (+€2.9 million).



The received licence fee income increased from €67.3 million in 2017 to €70.4 million in 2018. We received more income than invoiced from both the Netherlands and abroad.

Compared to 2017, net distributions increased by 15.8% to a total of €60.4 million. The net operating expenses of the organization amounted to €7.0 million in 2018 (2017: €6.9 million). The percentage withheld from the licence fees collected in the Netherlands that we calculated for right-holders remained unchanged at 12%.



GENERAL LICENCES

The General licences segment covers licences for both individual companies and companies that have collectively arranged their music licence through a sector organization or a central scheme (companies with several branches and purchasing organizations). The Service Centre for Copyright and Neighbouring Rights (Scan) is responsible for the administrative handling of this licensing. In 2018, the processes for licence holders were further improved, resulting in higher efficiency and more intensive field monitoring.

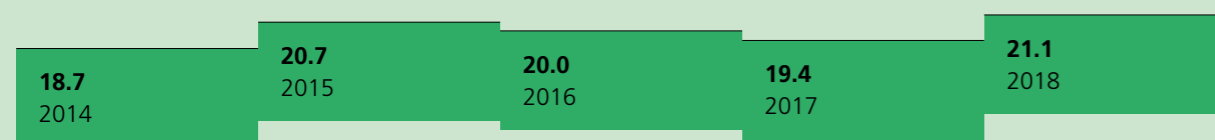
In 2018, the licence fee income received for collective licences increased by €1.1 million to a total of €18.5 million (+6.2%). Within the individual licences sub-segment, revenues decreased slightly by €17 thousand to a level of €23 million. It should be noted that there was a one-off effect of €700 thousand in 2017. Adjusted for this, growth is 3%. The total licence fee income received for general licences amounted to €41.5 million (+2.7%). This growth is partly the result of a decrease in the number of bankruptcies in 2018. Our focus on marketing and the phasing out of discount schemes also contributed.

75 —

50 —

25 —

0 —



RECEIVED LICENCE FEE INCOME FROM MEDIA 2014-2018 IN MILLIONS OF EUROS

MEDIA

In 2018, received licence fee income in the media segment increased by 9% to a total of €21.1 million.

Negotiations with Netherlands Public Broadcasting (NPO) were concluded in 2018. Agreements have been made on a phased increase in the fee to be paid, including compensation for fingerprinting.

Revenues from the commercial national radio segment rose as a result of higher settlements for the year 2017. Unfortunately, the legal proceedings initiated in that same year did not progress in 2018.

Within the commercial television segment, we have completed our negotiations with the representative market parties, the result of which includes a retroactive increase in the rate and hence the received licence fee income. Agreements were also made on the use and funding of fingerprinting.

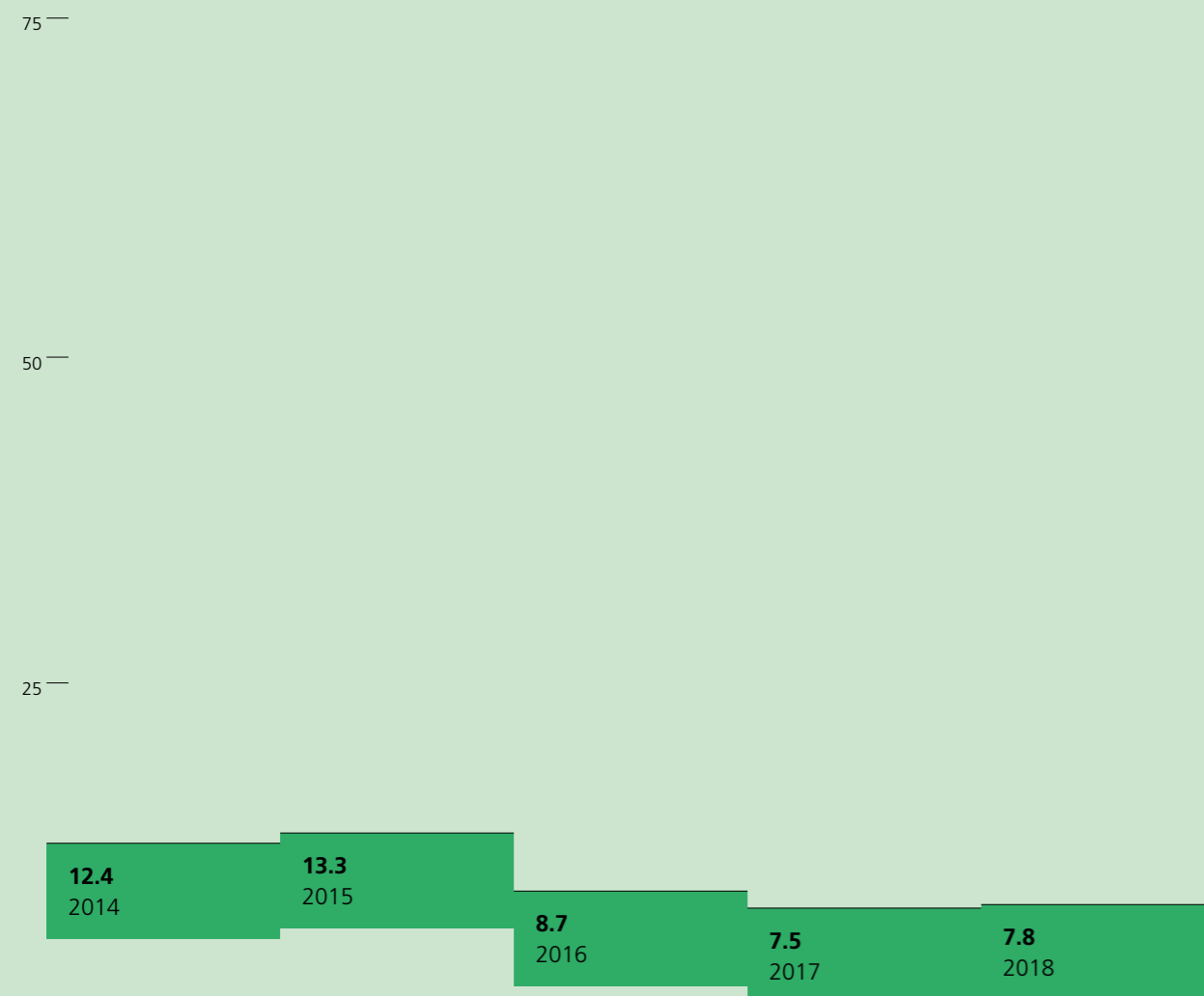
Received licence fee income from non-national commercial radio decreased in 2018. A number of regional commercial stations ceased their activities. In general, radio stations in this segment are suffering from declining advertising revenues.

Due to the persistent decrease in the number of playback points at background music suppliers, licence fee income within this segment decreased in 2018 compared to 2017.

Revenues from the dance segment show a stable trend. It is our expectation that in 2019 the outcome of legal proceedings will result in more clarity about the rate to be applied.

Received licence fee income received from the small-scale webcasting segment increased in 2018, partly due to the mediation of the Dutch Webcasting Foundation (Stichting Webcasting Nederland, SWNL).

Cable revenues have grown; it should be noted that this includes a one-off extra fee.



RECEIVED INTERNATIONAL LICENCE FEE INCOME 2014-2018 IN MILLIONS OF EUROS

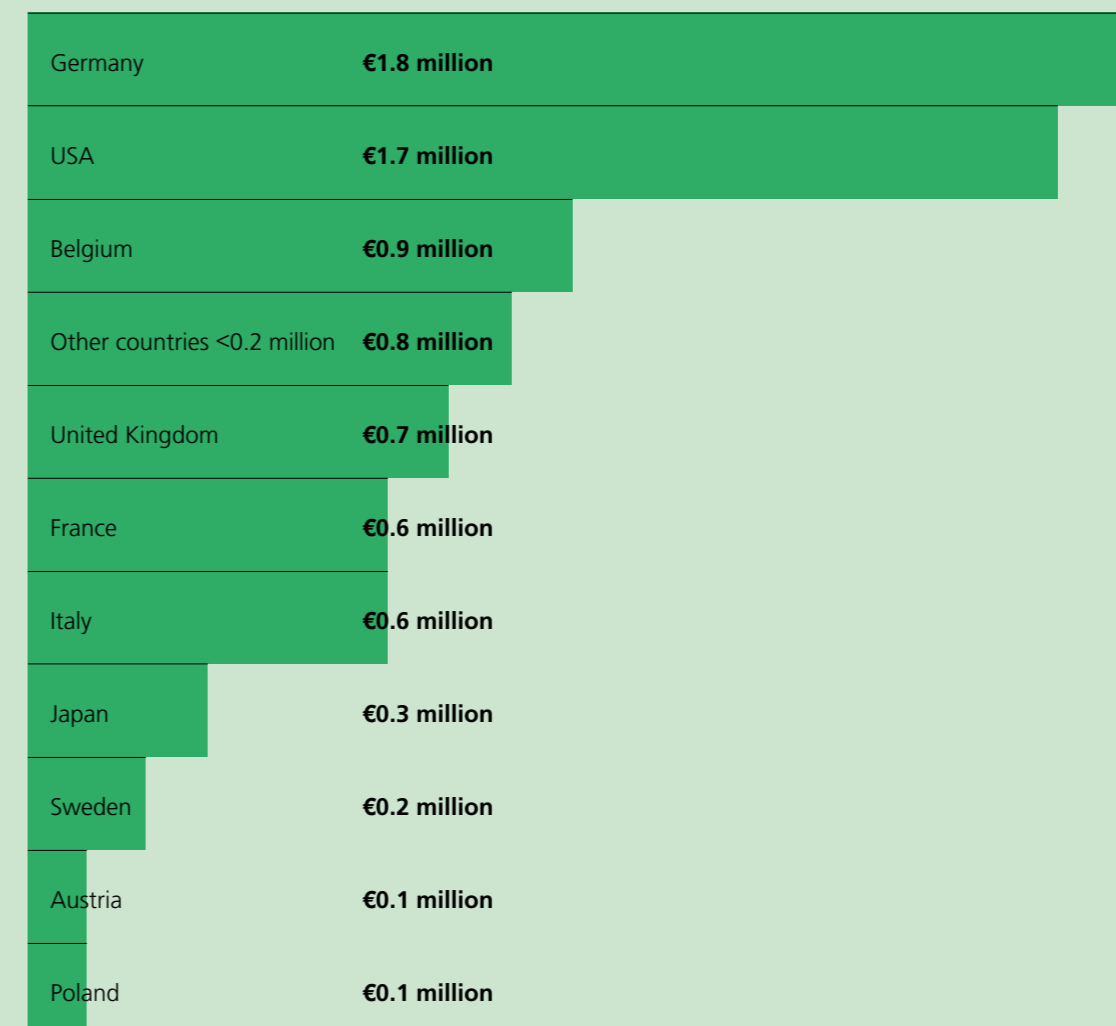
INTERNATIONAL

Licensing income received from abroad in 2018 amounted to €7.8 million, an increase of 3.8% compared with 2017. A number of specific developments at country level require explanation.

In 2018, the American organization Sound Exchange (SX) paid more fees to a larger number of right-holders represented by Sena in the United States. This was partly due to the adjustment of the US satellite radio rate. In addition, SX now also supplies airplay data of fees not yet paid to Sena. Our claims process at SX has thus gained considerably in transparency and efficiency.

GVL, the German neighbouring rights organization, has been working for a number of years on a thorough review of its IT and distribution system. This has delayed the processing of claim data from other CMOs, including Sena. The result was also noticeable for independent producers in 2018. Sena received no fees for this category this year either. For performing artists, we received a final payment for the years 2010 to 2012 in the reporting year.

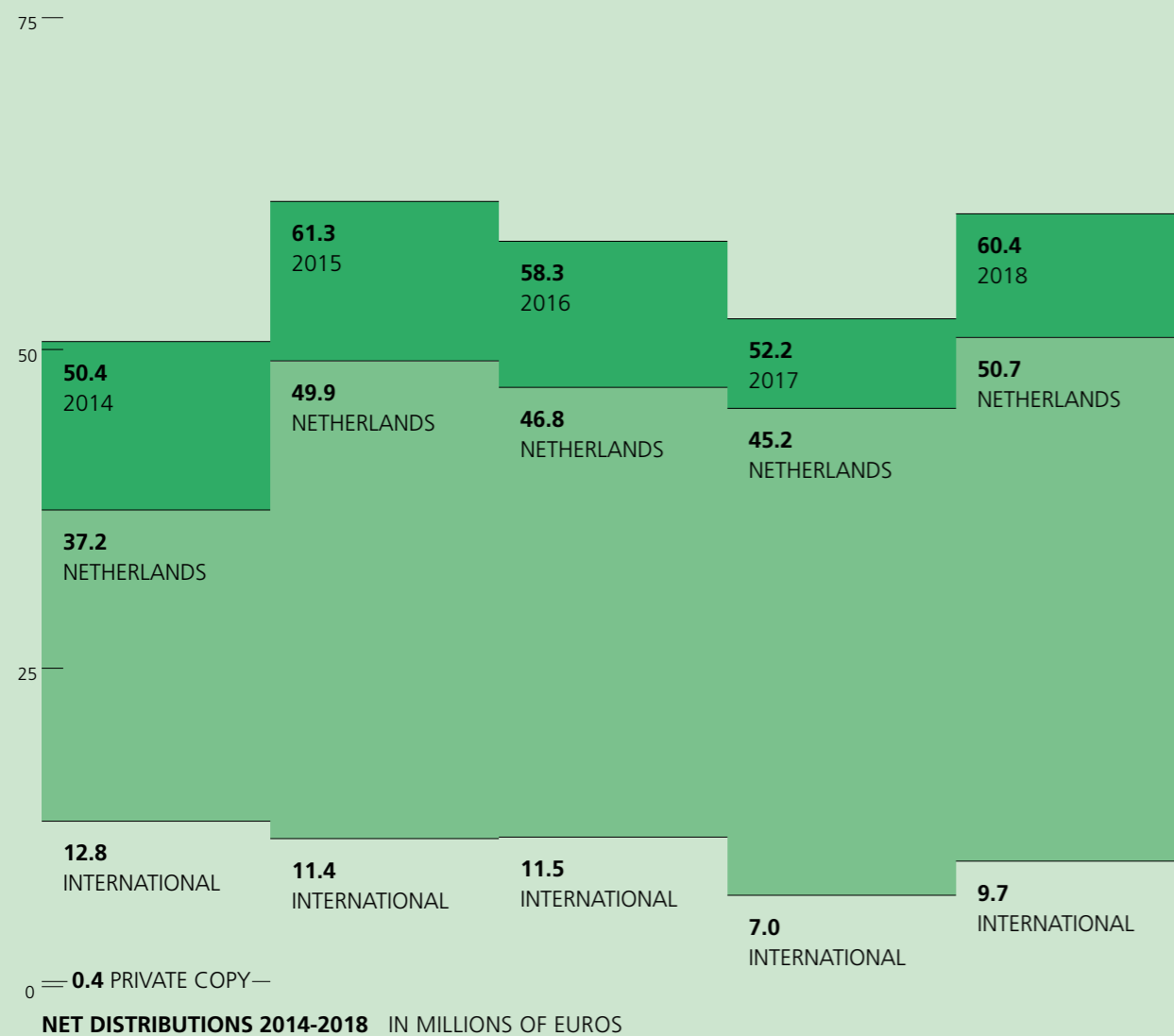
The airplay of a number of right-holders we represent in the United Kingdom was disappointing in 2018. As a result, the fees from PPL were lower than in 2017.



RECEIVED LICENCE FEE INCOME PER COUNTRY IN 2018 TOTAL 7.8 MILLION EURO

In mid-2018, the 'rights per track, per country' functionality was made available on our online portal MySena. This offers (independent) producers the opportunity to indicate the countries for which they represent the rights in their repertoire list for each track. An accurate and detailed recording of title rights per country increases our ability to file targeted claims with foreign sister organizations. We expect not only that the licence fee income for independent producers will increase, but also that the number of double claims for foreign airplay will decrease. A first indication of this was already visible in 2018. The 'rights per track, per country' functionality enabled us to submit better claims to the

French organization SCPP, among other things, which resulted in a substantial increase in income. In 2019 we will try to persuade more (independent) producers to record their title rights per country in MySena.

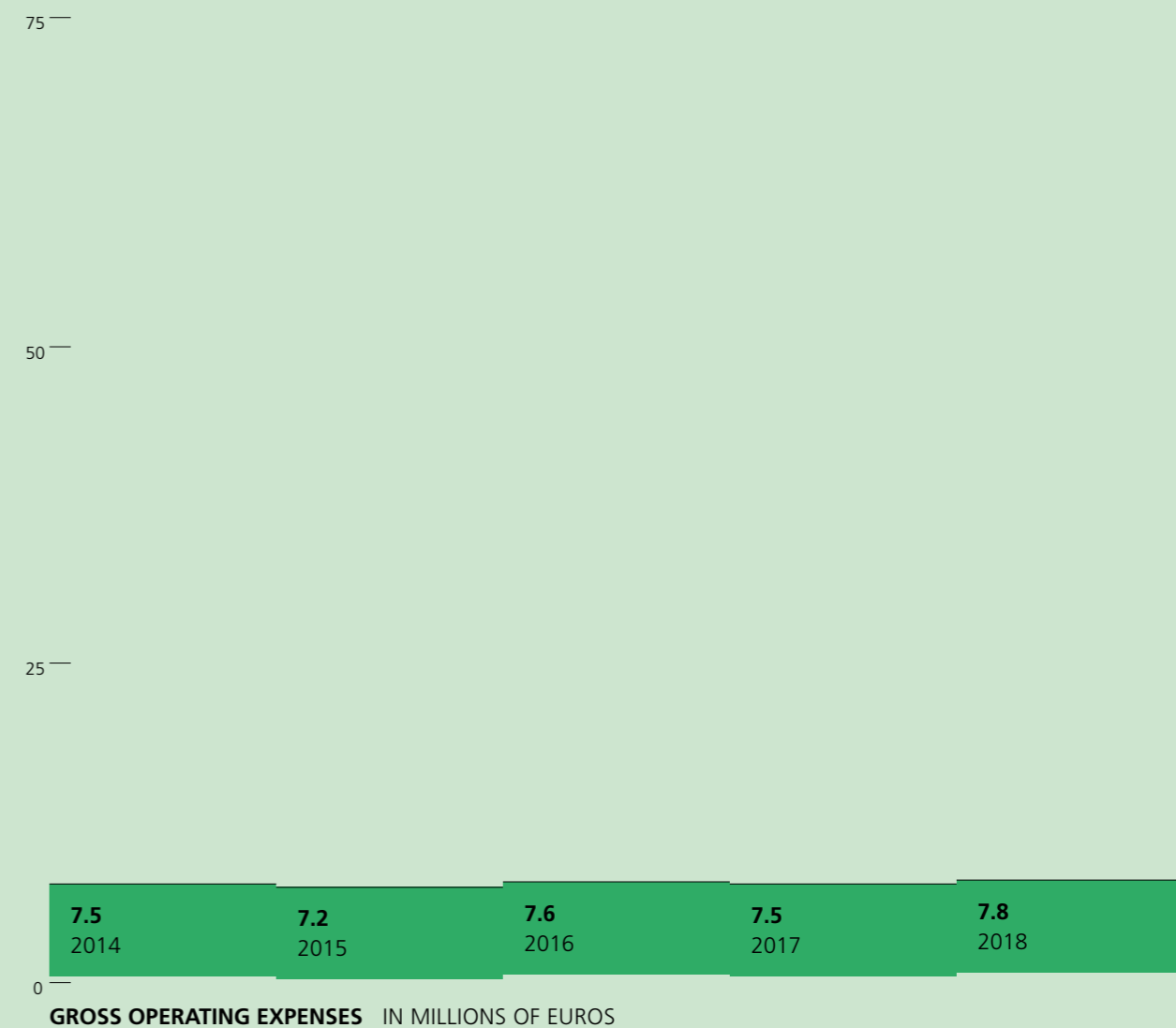


DISTRIBUTION

The further acceleration in the distribution process has in part helped to ensure that our payments to right-holders have increased in 2018. We distributed €67.9 million gross, of which €57.7 million originated in licence fees collected in the Netherlands, and €10.2 million came from abroad. Net distributions amounted to €60.4 million. In March 2018, we were already able to distribute licence fee income from the same collection year. Apart from the extra efforts, the use of fingerprinting data and the possibility of consulting the Virtual Repertoire Database (VRDB) have made a positive contribution to this.

PRIVATE COPY

Stichting NORMA has mandated us to collect audio fees for Private Copying abroad from its affiliates and to distribute them directly to all entitled performing artists, to the extent known to Sena. In 2018 we were able to collect €301 thousand in private copying audio fees from abroad.



OPERATING EXPENSES

Our gross operating expenses amounted to €7.8 million in 2018, which is up 4.4% compared with 2017. This is mainly due to higher expenses for advice and services from third parties related to legal proceedings and the FOI (WOB) and appeal procedures at the Supervisory Authority for Collective Management Organizations (Copyright and Neighbouring Rights), CvTA. The various events in connection with Sena's 25th anniversary and the Neighbouring Rights Act (WNR) also entailed additional costs.

Included in the Mailing and collection costs item in 2017 was a one-off release at Scan. Scan also incurred higher costs due to the preparation for a new IT system. Net operating expenses (adjusted for financial result and miscellaneous income) also increased, albeit to a lesser extent: they rose by 2% to a total of €7.0 million. The cause of this difference lies in the fact that the item 'Miscellaneous income' yielded higher income in line with higher foreign payments.

CONTROL BOARD (CVTA)

The Copyright and Neighbouring Rights Collective Management Organizations Control Board (CvTA) is responsible for supervising compliance with the Collective Management Organizations Supervision and Dispute Settlement Act on behalf of the Minister of Justice and Security. This Act also includes a number of 'comply or explain' provisions.

Our gross operating expenses, expressed as a percentage of the invoiced licence fee income, amounted to 11.2% in 2018. Expressed as a percentage of the distributions, including the addition from the Social-Cultural Fund, the gross operating expenses were 10.9%. In this way, Sena is in compliance with the guidance that stipulates a maximum deduction percentage that can be withheld from income and distribution (15%), as laid down by the legislator in a Government Decree. According to another guideline, gross operating expenses may not increase more than the Consumer Price Index (CPI). We did not comply with this in 2018, as a result of the operating items mentioned above.

BUDGET FOR 2019

In 2019, the first year of our new policy period, we will make various investments in the areas of IT and innovation. We expect this to result in an increase in gross operating expenses of approximately 7.5%. Over the course of the policy period, this could mean that we would have to increase the withholding percentage, which is currently 12%.



Carel Kraayenhof enchants Paradiso with his rendition of 'Adios Nonino'

KEY FIGURES FOR 2018 – 2017

| | 2018 | | 2017 |
|---|---------------|---------------|---------------|
| <i>amounts in thousands of euros</i> | | | |
| INVOICED LICENCE FEE INCOME | | | |
| Dutch use | 62,356 | +5.0% | 59,409 |
| International CMOs | 7,311 | -9.1% | 8,045 |
| TOTAL | 69,667 | +3.3% | 67,454 |
| DISTRIBUTION | | | |
| Right-holders | 57,981 | +17.2% | 49,457 |
| International CMOs | 9,956 | +5.5% | 9,433 |
| SUBTOTAL | 67,937 | +15.4% | 58,890 |
| Deduction of costs from distribution | (7,498) | +12.1% | (6,686) |
| TOTAL | 60,439 | +15.8% | 52,204 |
| DISTRIBUTABLE LICENCE FEE INCOME | | | |
| | 65,053 | -1.7% | 66,189 |
| SOCIAL-CULTURAL FUND | | | |
| Addition | 3,552 | -12.5% | 4,061 |
| Expenditure | (2,906) | +12.2% | (2,591) |
| Available for distribution at the end of financial year | 4,652 | +16.1% | 4,006 |
| STATEMENT OF INCOME AND EXPENDITURE | | | |
| Dutch income | 7,047 | +2.0% | 6,911 |
| International income | 450 | +51.0% | 298 |
| Miscellaneous income | 266 | +27.3% | 209 |
| SUBTOTAL | 7,763 | +4.7% | 7,418 |
| Operating expenses (gross) | (7,813) | +4.4% | (7,483) |
| SUBTOTAL | (50) | -23.1% | (65) |
| Financial result | 50 | -23.1% | 65 |
| OPERATING RESULT | - | | - |

| | 2018 | | 2017 |
|---|---------|--------------|---------|
| KEY FIGURES | | | |
| Received Dutch licence fee income | 62,568 | +4.7% | 59,759 |
| Received international licence fee income | 7,828 | +3.8% | 7,543 |
| Percentage of actual costs withheld | 12.0% | 0.0% points | 12.0% |
| Net operating expenses expressed as a percentage of: | | | |
| Total invoiced licence fee income | 10.1% | -0.1% points | 10.2% |
| Dutch invoiced licence fee income | 11.3% | -0.3% points | 11.6% |
| Gross operating expenses expressed as a percentage of: | | | |
| Total licence fee income | 11.2% | +0.1% points | 11.1% |
| Total gross distribution (including addition to Social-Cultural Fund) | 10.9% | -1.0% points | 11.9% |
| Annual movements in operating expenses (gross) | 330 | | (102) |
| Decrease/increase in operating expenses | 4.4% | +5.8% points | (1.3)% |
| Derivative consumer price index | +1.3% | +0.2% points | +1.1% |
| Representation of right-holders | >90% | 0.0% points | >90% |
| Number of right-holders with distributions up to and including 2018 * | 62,401 | +6.3% | 58,707 |
| Number of right-holders with distributions in 2018 * | 30,971 | +14.7% | 27,001 |
| Number of invoiced users | 101,913 | -2.2% | 104,224 |
| Number of employees expressed in FTE (average) | 41.7 | -1.2% | 42.2 |

* In contrast to the past year, all I-members for 2018 have been included separately in the count. In 2017, only the W and R members were listed. W and R members are directly affiliated with Sena as right-holders and have mandated Sena for worldwide (W) or regional (R) collection respectively. I members are international right-holders that are affiliated with Sena via an intermediary.

ABOUT US

In 1993, the government appointed Sena – the ‘Foundation for the Exploitation of Neighbouring Rights’ – to secure the right of compensation for the broadcasting, rebroadcasting or publication by any other means of commercially released music on behalf of all artists and record companies, in accordance with the Dutch Neighbouring Rights Act. We perform these activities on an exclusive basis in The Netherlands, which means that no other parties are authorised to collect and distribute these fees.

Next to nearly all Dutch artists and music companies, we also represent some international artists abroad. Our mission is to create greater awareness of the value of music amongst music users, in order to facilitate a fair collection of fees on behalf of national and international artists and music companies, and distribute these fees as quickly and accurately as possible at the lowest possible cost.

DISTRIBUTIONS

We divide all collected fees on the basis of our distribution regulations. We make use of fingerprinting, a technology that allows the automatic registration of a piece of music to take place based on the recognition of a unique profile. We process the playlists of all nationwide radio stations with a market share of at least 0.3%, providing these stations are members of National Listening Research (NLO). The playlists of regional radio stations are also processed, subject to the condition that these stations pay us an annual fee of at least €30 thousand. The playlists of nationwide television stations are processed subject to a minimum Sena contribution of €60 thousand, and reporting to Stichting Kijkonderzoek (SKO). The playlists of background music suppliers such as Mood Media, DJ Matic and Xenox are also processed. These parties are responsible for reporting the music use of some 600 music playing bars and cafes in the Netherlands. Within general licences, the playlist data are processed if a user pays at least €30,000 or more for one specific establishment, the party responsible for payment has at least two thirds of the producer rights of the total repertoire played and a complete playlist in accordance with the layout stipulated by Sena can be submitted.

We strive to further increase the number of collection sources on basis of which we distribute fees, at a reasonable cost level. As a part of our efforts to ensure the accurate and fair distribution, we apply both primetime and non-prime-time rates for the nationwide television stations and a reduction of 25% is applied to the distribution of titles used as design music. The definition of design music is: Title used to identify * and / or frame of radio and television programs and / or channels, is considered to be design music. When submitting their claim in MySena, Sena right-holders must state at the title level whether the title is design music. (* tunes, jingles, promos, leaders, bumpers, fillers, station idents, underscores etc.)

We largely distribute the revenues generated through our General Licenses on the basis of the Intomart GfK survey, which is conducted twice a year by commission of Buma and Sena. This survey of 3,400 businesses is conducted by phone. Respondents are asked whether they listen to music, and if so, on which station or from which source.

Revenues from New Media are distributed on the basis of legal downloading data. We register which music was played in public in a specific year on the basis of the above methods.

Fees are then distributed over the various right-holders on the basis of a distribution key recorded in the distribution regulations.

Half of the fees reserved for each title are distributed to the producers, while the other half is distributed to the performers. Fees for each phonogram/title are distributed on the following basis:

- a The total amount available for distribution over the contributing performers and/or producers is divided by the total number of minutes of actual use of repertoire liable to compensation by the collection source.
- b This amount per minute is multiplied by the number of minutes of airtime per title. The end result is an amount per title that can then be distributed amongst the contributing performers and producers.

As regards popular repertoire, performers divide the available amount for the title (or titles) to which they have contributed on the basis of the following scale:

- main artist: 5 points. A main artist is a band member (each fixed associated member of the band) and/or soloist with an artist contract and/or exploitation agreement, not being the session musician or conductor;
- conductor: 3 points. A conductor is the person leading the orchestra, choir or band by means of physically directing in which he or she defines the rhythm and mood for the performing artists;
- session musicians: 1 point per instrument, up to a maximum of 3 points. The amount to be divided over these musicians will never exceed 50% of the total amount available for performers per title. Session musicians and/or other performers, not being the

main artist or conductor, are defined as follows:
the musician who participates by a supporting musical contribution on a commercially released phonogram released by a main artist.

As regards classical repertoire, performers will divide the available amount for the title (or titles) to which they have contributed on the basis of the following scale:

- main artist: 5 points;
- conductor: 3 points;
- session musicians: 1 point.

We deduct a withholding percentage from all collected fees. The withholding percentage for 2018 was set at 12%. We also allocate 3% of all funds designated for performers to social-cultural initiatives.

MANAGEMENT MODEL AND MONITORING OF DISTRIBUTION REGULATIONS

In accordance with the CMO Quality Mark and accompanying Good Governance and Integrity Guidelines for CMOs, our distribution regulations and management model are assessed every three years in order to ensure their currency and usability. The most recent assessment of the articles of association and the distribution regulations took place in 2018.

Our current management model, Articles of Association and distribution regulations also comply with the Principles and Best Practices anchored in the Good Governance and Integrity Guidelines for CMOs.



A specially formed band of session musicians played renowned Dutch hits from the past 25 years in Paradiso

2018 in numbers

CASH FLOW STATEMENT 2018

| | 2018 | | 2017 | |
|--|----------|-----------------|----------|-----------------|
| <i>in thousands of euros</i> | € | € | € | € |
| RECEIVED LICENCE FEE INCOME | | | | |
| Invoiced licence fee income | | 69,667 | | 67,454 |
| Movement in received licence fee income versus invoiced licence fee income | | 729 | | (152) |
| TOTAL RECEIVED LICENCE FEE INCOME | | 70,396 | | 67,302 |
| THESE REVENUES CAN BE ITEMISED AS FOLLOWS | | | | |
| National | 62,568 | | 59,759 | |
| International | 7,828 | | 7,543 | |
| TOTAL RECEIVED LICENCE FEE INCOME | | 70,396 | | 67,302 |
| DISTRIBUTION (NET) | | | | |
| National | (50,671) | | (45,235) | |
| International | (9,768) | | (6,969) | |
| TOTAL DISTRIBUTION ¹ | | (60,439) | | (52,204) |
| CASH FLOW FROM LICENCES AND DISTRIBUTION | | 9,957 | | 15,098 |
| Operating expenses (gross) | (7,813) | | (7,483) | |
| International income | 450 | | 298 | |
| Miscellaneous income | 266 | | 209 | |
| Financial result | 50 | | 65 | |
| Depreciation and amortisation | 189 | | 179 | |
| Investments in tangible/intangible fixed assets | (66) | | (111) | |
| Movement in accrued income | (696) | | 223 | |
| Movement in current liabilities | (192) | | (391) | |
| OPERATING CASH FLOW | | (7,812) | | (7,011) |
| EXPENDITURE ON SOCIAL-CULTURAL FUND | | (2,906) | | (2,591) |
| MOVEMENT IN CASH RESOURCES | | (761) | | 5,496 |
| Cash resources as at 31 December | | 68,334 | | 69,095 |
| Cash resources as at 1 January | | 69,095 | | 63,599 |
| MOVEMENT IN CASH RESOURCES | | (761) | | 5,496 |

BALANCE SHEET AS AT 31 DECEMBER

| ASSETS | 31 December 2018 | | 31 December 2017 | |
|---|------------------|---------------|------------------|---------------|
| <i>in thousands of euros</i> | € | € | € | € |
| | | | | |
| Fixed assets | | | | |
| Intangible fixed assets ² | 194 | | 217 | |
| Tangible fixed assets ³ | 70 | | 170 | |
| | | 264 | | 387 |
| | | | | |
| Current assets | | | | |
| Accounts receivable ⁴ | 7,307 | | 6,852 | |
| Tax and social security contributions | 11 | | - | |
| Accrued receivables and income ⁵ | 1,186 | | 501 | |
| | | 8,504 | | 7,353 |
| | | | | |
| Cash resources ⁶ | | 68,334 | | 69,095 |
| | | | | |
| TOTAL ASSETS | | 77,102 | | 76,835 |

| LIABILITIES | 31 December 2018 | | 31 December 2017 | |
|--|------------------|---------------|------------------|---------------|
| <i>in thousands of euros</i> | € | € | € | € |
| | | | | |
| Equity | | - | | - |
| | | | | |
| Non-current liabilities | | | | |
| Social-Cultural Fund ⁷ | | 4,831 | | 4,116 |
| | | | | |
| Current liabilities | | | | |
| Provision for claims ⁸ | 92 | | 94 | |
| Liability with regard to distribution ⁹ | | | | |
| Payable | 56,270 | | 58,155 | |
| Not yet payable | 7,307 | | 6,852 | |
| Outstanding amounts | 1,476 | | 1,182 | |
| | | 65,145 | | 66,283 |
| | | | | |
| Other current liabilities | | | | |
| Accounts payable | 133 | | 59 | |
| Tax and social security contributions | - | | 429 | |
| Accrued liabilities ¹⁰ | 6,993 | | 5,948 | |
| | | 7,126 | | 6,436 |
| | | | | |
| TOTAL LIABILITIES | | 77,102 | | 76,835 |

STATEMENT OF INCOME AND EXPENDITURE

| | 2018 | | 2017 | |
|--|----------------|---|----------------|---|
| <i>in thousands of euros</i> | € | € | € | € |
| Income | | | | |
| Dutch income | 7,047 | | 6,911 | |
| International income | 450 | | 298 | |
| Miscellaneous income ¹¹ | 266 | | 209 | |
| | 7,763 | | 7,418 | |
| Operating expenses (gross) | | | | |
| Salaries ¹² | (3,039) | | (3,028) | |
| Mailing and collection costs ¹³ | (1,980) | | (1,831) | |
| Other operating expenses ¹⁴ | (2,447) | | (2,290) | |
| Depreciation and amortisation ¹⁵ | (189) | | (179) | |
| Supervisors' costs ¹⁵ | (158) | | (155) | |
| | (7,813) | | (7,483) | |
| Financial result ¹⁵ | 50 | | 65 | |
| OPERATING RESULT | - | | - | |
| BUDGETED OPERATING EXPENSES ¹⁶ | (7,985) | | (7,715) | |
| OPERATING EXPENSES (NET) | (7,047) | | (6,911) | |

The net operating expenses are calculated by adding up the following amounts:
Gross operating expenses plus international income, miscellaneous income and the financial result.

STATEMENT OF MOVEMENTS IN DISTRIBUTABLE LICENCE FEES

| | 2018 | | 2017 | |
|---|-----------------|---|-----------------|---|
| <i>in thousands of euros</i> | € | € | € | € |
| Balance as at 1 january | 66,189 | | 62,621 | |
| INVOICED LICENCE FEE INCOME | | | | |
| Dutch use | 62,356 | | 59,409 | |
| International CMOs | 7,311 | | 8,045 | |
| SUBTOTAL | 69,667 | | 67,454 | |
| DISTRIBUTION (GROSS) | | | | |
| Right-holders | (57,981) | | (49,457) | |
| International CMOs | (9,956) | | (9,433) | |
| SUBTOTAL | (67,937) | | (58,890) | |
| OTHER MOVEMENTS | | | | |
| Additions | | | | |
| International income | 450 | | 298 | |
| Miscellaneous income | 266 | | 209 | |
| Financial result | 50 | | 65 | |
| Deduction of costs from distribution | 7,498 | | 6,686 | |
| Deduction of costs from distribution provision for claims | 1 | | 1 | |
| Settlement judgment 12 March 2019 | 637 | | - | |
| Release of bad debt provision | 5 | | - | |
| Currency losses | 1 | | - | |
| Fund for Performing Artists | 144 | | 84 | |
| Various claims and titles | 1 | | - | |
| SUBTOTAL | 9,053 | | 7,343 | |
| Deductions | | | | |
| Operating expenses (gross) | (7,813) | | (7,483) | |
| Withholding tax | - | | (224) | |
| Currency losses | - | | (73) | |
| Social-Cultural Fund | (3,676) | | (3,391) | |
| Distributable fees | - | | (777) | |
| Provision for claims | - | | (100) | |
| Deduction of costs on international distribution | (430) | | (291) | |
| SUBTOTAL | (11,919) | | (12,339) | |
| BALANCE AS AT 31 DECEMBER | 65,053 | | 66,189 | |

CONSOLIDATED ACCOUNTING PRINCIPLES

GENERAL

Amounts are stated in thousands of euros, unless indicated otherwise. The general principle for the valuation of the assets and liabilities, and for determining the result, is the acquisition or manufacturing cost. Unless stated otherwise, assets and liabilities are carried at nominal value. We compile our financial statements in accordance with Title 9, Book 2 of the Dutch Civil Code. In addition, we take into account the provisions of guideline RJ640 of the Dutch Accounting Standards Board (Raad voor de Jaarverslaggeving).

OUR ACTIVITIES

Under the Neighbouring Rights Act (Wet op de naburige rechten), we have two core duties. First, we grant licences to businesses or organizations using music on behalf of our right-holders and collect the fees owed in that respect. We carefully check and register where, in what manner and for what purpose music is being played as well as which licences apply. Our second duty is to ensure that the fees are correctly distributed among the performers and producers. To facilitate this process, we first register right-holders' details and the repertoire which they produced or helped to create. Subsequently, we work out who is entitled to what. We do so by means of data such as the playlists used by radio and television stations. In addition, we use the results of a market survey which is carried out in collaboration with Buma. The survey maps the listening behaviour of a representative sample of the Dutch business sector. Finally, we distribute the fees to the right-holders. This distribution takes place on a not-for-profit basis, while we regard it as our mission to distribute the fees correctly, at the lowest possible cost and as fast as possible. Distributions are made four times a year. We distribute the fees in relation to music played in the Netherlands as well as music of the right-holders we represent played abroad.

COMPARATIVE FIGURES

Where necessary, the figures for 2017 have been restated in order to facilitate a comparison with 2018.

ESTIMATES

In compiling the financial statements, the Executive Board – in accordance with generally applicable principles – has to make specific estimates and assumptions that help to

determine the amounts included. The actual results may differ from these estimates.

FOREIGN CURRENCY

Transactions in foreign currency during the reporting period are accounted for in the financial statements at the exchange rate on the transaction date. The foreign currency account is measured at the exchange rate as at year-end. Any measurement differences resulting from the conversion are stated under 'Liability with regard to distribution'.

FINANCIAL INSTRUMENTS

Financial instruments refer to primary financial instruments such as receivables and liabilities as well as derivative financial instruments (derivatives). Sena does not use derivative financial instruments. The accounting policies relating to the primary financial instruments are explained in the notes to the individual balance sheet items.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of cash in hand, bank balances and deposits with a term to maturity of less than 12 months. Cash and cash equivalents are carried at nominal value.

VALUATION PRINCIPLES FOR ASSETS AND LIABILITIES

Intangible and tangible fixed assets

Tangible and intangible fixed assets are carried at acquisition or manufacturing cost, reduced by straight-line depreciation based on the expected economic lifetime and, where applicable, by impairments.

Receivables

Receivables are carried at fair value on initial recognition and are subsequently measured at amortised cost, which is equal to the nominal value, less any bad debt provisions considered necessary.

Provisions

Provisions are made for concrete or specific risks and liabilities which exist on balance sheet date and whose amount is uncertain but can be estimated with reasonable accuracy. This item is carried at the nominal value of the expected obligations required in order to unwind any losses.

Pensions

We offer our employees a pension scheme, where the pension payments are based on the available contributions. This pension scheme has been accommodated with an insurance company. The contributions owed for the financial year are recognised as costs. A reserve is included for contributions not yet paid by the balance sheet date. Since these liabilities are of a current nature, they are measured at nominal value. In the event that the contribution amounts paid should exceed the contributions to be paid to the pension provider, the surplus amount is considered as prepayment or accrued income, to the extent that the pension provider provides reimbursement or settlement with contributions in future.

Non-current liabilities

The non-current liabilities comprise liabilities with a remaining term to maturity of more than one year. The liabilities are carried at fair value on initial recognition and are subsequently measured at amortised cost. Amortised cost is equal to the nominal value.

Current liabilities

Most of the current liabilities have an expected term to maturity of one year or less. The liabilities are carried at fair value on initial recognition and are subsequently measured at amortised cost. Amortised cost is equal to the nominal value.

Liabilities regarding distribution

The liabilities regarding distribution to right holders are recognised in accordance with the provisions of the articles of association and the distribution regulations. Licence fee income is recognised at the moment that the invoice is issued. The liabilities regarding distribution item is carried at nominal value.

Outstanding amounts

The 'Outstanding amounts' item is carried at nominal value. This item is created in order to absorb a possible balance between the deduction rate and the actual cost percentage. The item is calculated by multiplying the applicable cost deduction percentage by the licensing revenues received in the reporting year per music year, less the net operating expenses. If the balance is still positive after three years, a positive balance during the reporting year will be added to the liability regarding distribution. Movements in this item are also caused by

the unrealised part of the cost deduction for receivables movements. Any other movements will be clarified in the notes.

PRINCIPLES FOR DETERMINING THE RESULT

General

The result is measured as the difference between turnover and all the associated costs that can be allocated to the reporting year. Costs are determined in accordance with the accounting principles set out above. Losses are accounted for in the year in which they are foreseeable.

Dutch income

Our services primarily consist of invoicing licence fees, registering the repertoire, processing the playlists and making distributions to the right-holders. These activities may be performed in a year other than the year of collection. Because the result generated by these services cannot be estimated with reasonable accuracy in the interim, the amount of revenue recognised is equal to the costs incurred. The difference between the fee deducted and the actual operating expenses is immediately credited or charged, as the case may be, to the liability regarding distribution.

International income

This item accounts for the benefits arising from the withholding rate on foreign income.

Miscellaneous income

This item comprises the income generated by other services.

Depreciation

Depreciation is related to the acquisition value of the tangible and intangible fixed assets concerned. Such depreciation is based on the estimated economic life and calculated on the basis of a fixed percentage of the acquisition cost, taking account of any residual value. Depreciation starts at the moment when an asset is put into use.

Financial result

Financial results realised relate to resources placed with banks (deposits, savings accounts and current accounts) and are recognised in the year to which they refer.

PRINCIPLES UNDERLYING THE CASH FLOW STATEMENT

The indirect method was used to prepare the cash flow statement.



Alain and Dane Clark perform 'Father and Friend' during the Golden Nutcracker award show

NOTES TO THE CASH FLOW STATEMENT

DISTRIBUTION (1)

The summary below shows the composition of gross and net distribution in the period 2018–2017. Our distribution frequency is four times a year, at the end of each quarter. In 2018 gross and net Dutch distribution increased by 11.9% and 12.0% respectively in comparison to 2017. In the past two years, we have been able to pass on more of the money received from the current collection year. In total, we distributed €20.4 million gross worth of Dutch licence fee income during the 2018 collection year (2017: €18.2 million). We also distributed more from older music years. Furthermore, the distribution payment from the Fund for Performing Artists took place during the financial year in the amount of €96,000 net. This distribution also relates to domestic Dutch collection. For the time being, no costs are deducted from this. The late receipt of the 2017-playlists of background music suppliers (in the fourth quarter of 2018) was the primary reason for this belated distribution in December 2018. Compared to 2017, the gross foreign distribution of fees shows an increase of 40.3%. This is because funds received in previous years that, for various reasons, could not be distributed earlier, were distributed in 2018.

| | The Netherlands | International | 2018 |
|--------------------|-----------------|---------------|---------|
| Gross distribution | 57,750 | 10,187 | 67,937 |
| Deduction of costs | (7,079) | (419) | (7,498) |
| NET DISTRIBUTION | 50,671 | 9,768 | 60,439 |

| | The Netherlands | International | 2017 |
|--------------------|-----------------|---------------|---------|
| Gross distribution | 51,630 | 7,260 | 58,890 |
| Deduction of costs | (6,395) | (291) | (6,686) |
| NET DISTRIBUTION | 45,235 | 6,969 | 52,204 |

NOTES TO THE BALANCE SHEET AS AT 31 DECEMBER

INTANGIBLE FIXED ASSETS (2)

Movements in this item are as follows:

| | 2018 | 2018 | 2018 | 2017 |
|--------------------------------|------|------|----------|----------|
| | 20% | 10% | Software | Software |
| Book value as at 1 January | 208 | 9 | 217 | 208 |
| Investments | 60 | - | 60 | 80 |
| Disinvestments | (1) | - | (1) | (306) |
| Depreciation | (80) | (3) | (83) | (71) |
| Depreciation of disinvestments | 1 | - | 1 | 306 |
| BOOK VALUE AS AT 31 DECEMBER | 188 | 6 | 194 | 217 |

In 2018, we invested primarily in the further development of the Sena app launched in May of that year. In addition, there have been investments in software licences and launching the blockchain project. The disinvestments relate to licences for the previous Microsoft Office package. These licences are no longer in use and have therefore been written off more quickly.

The total acquisition values and depreciation are as follows:

| | 2018 | 2017 |
|------------------------------|---------|---------|
| Acquisition value | 4,678 | 4,619 |
| Cumulative depreciation | (4,484) | (4,402) |
| BOOK VALUE AS AT 31 DECEMBER | 194 | 217 |

Depreciation rates

The following depreciation rates are applied: software (10% and 20%).

TANGIBLE FIXED ASSETS (3)

Movements in this item are as follows:

| | REFURBISHMENT | FIXTURES & FITTINGS | HARDWARE | 2018 | 2017 |
|-------------------------------------|---------------|---------------------|------------|------------|------------|
| Book value as at 1 January | 4 | 20 | 146 | 170 | 247 |
| Investments | - | 1 | 5 | 6 | 31 |
| Disinvestments | - | - | (40) | (40) | (14) |
| Depreciation | (1) | (8) | (97) | (106) | (108) |
| Depreciation of disinvestments | - | - | 40 | 40 | 14 |
| BOOK VALUE AS AT 31 DECEMBER | 3 | 13 | 54 | 70 | 170 |

The investments in tangible fixed assets in 2018 mainly related to the acquisition of iPads. The hardware disinvestments consist of laptops and hard drives that were no longer in use and fully depreciated.

The total acquisition values and depreciation are as follows:

| | REFURBISHMENT | FIXTURES & FITTINGS | HARDWARE | 2018 | 2017 |
|-------------------------------------|---------------|---------------------|-----------|-----------|------------|
| Acquisition value | 145 | 236 | 533 | 914 | 948 |
| Cumulative depreciation | (142) | (223) | (479) | (844) | (778) |
| BOOK VALUE AS AT 31 DECEMBER | 3 | 13 | 54 | 70 | 170 |

Depreciation rate

The following depreciation rates were applied: refurbishment (20%), fixtures and fittings (20%) and hardware (33.33%).

ACCOUNTS RECEIVABLE (4)

| | 2018 | 2017 |
|----------------------------------|--------------|--------------|
| Accounts receivable | 7,436 | 7,035 |
| Bad debt provision | (129) | (183) |
| BALANCE AS AT 31 DECEMBER | 7,307 | 6,852 |

Movements in receivables and bad debt provision

| | 2018 | 2017 |
|-----------------------------------|--------------|--------------|
| ACCOUNTS RECEIVABLE | | |
| Balance as at 1 January | 7,035 | 5,726 |
| Invoiced licence fee income | 69,667 | 67,454 |
| Revenue | (70,396) | (67,302) |
| Written off against the provision | (49) | (4) |
| Other | 1,179 | 1,161 |
| BALANCE AS AT 31 DECEMBER | 7,436 | 7,035 |

| | 2018 | 2017 |
|----------------------------------|--------------|--------------|
| BAD DEBT PROVISION | | |
| Balance as at 1 January | (183) | (187) |
| Debts written off | 49 | 4 |
| Release | 5 | - |
| BALANCE AS AT 31 DECEMBER | (129) | (183) |

The ‘Receivables’ item has increased by €0.4 million compared to 2017. Throughout the year, €49,000 was written off in relation to debts that will no longer be collected. As in 2017 the formation of the bad debt provision was analysed and established in detail on the basis of empirical figures. This analysis shows that the provision was too high. Therefore, a release of €5,000 has been booked. The ‘Other’ item consists of licence fees that have not yet been realised.

TAX AND SOCIAL SECURITY CONTRIBUTIONS

| | 2018 | 2017 |
|---------------------------------------|-----------|----------|
| Tax and social security contributions | 11 | - |
| TOTAL | 11 | - |

The balance of taxes and social security contributions concerns a receivable from the tax authorities regarding VAT (declaration period November and December 2018).

ACCRUED RECEIVABLES AND INCOME (5)

| | 2018 | 2017 |
|---|--------------|------------|
| Interest due | 39 | 65 |
| Prepaid expenses | 231 | 254 |
| Sena Performers Music Production Fund loans | 179 | 110 |
| Settlement judgment 12 March 2019 | 637 | - |
| Other | 100 | 72 |
| BALANCE AS AT 31 DECEMBER | 1.186 | 501 |

The 'Interest due' item has decreased in comparison to 2017 as a result of the fall in the market rate of interest. One third of the funding from the Sena Performers Music Production Fund is in the form of loans that must be paid back after two years. For further information regarding the 'Settlement judgment 12 March 2019' item we refer to 'Legal proceedings' and 'Events after the balance sheet date' on pages 60 and 61 of the annual report. The 'Other' item includes a receivable of €6,000 owed by Scan.

CASH RESOURCES (6)

| | 2018 | 2017 |
|----------------------------------|---------------|---------------|
| Savings account/deposit | 65,004 | 59,000 |
| Current account | 3,330 | 10,095 |
| BALANCE AS AT 31 DECEMBER | 68,334 | 69,095 |

In compliance with the approved policy, the cash resources have been deposited at a variety of banks.

SOCIAL-CULTURAL FUND (7)

This item is based on a decision made by the respective sections and is earmarked for social-cultural projects for performers and producers. Expenditure of these funds comes under the responsibility of the section representatives. This item is formed by adding 3% of the amount available for distributions to performers to the provision as input VAT. The undistributed fees of the performing artists for music year 2014 and the undistributed international fees for music years <2009 in accordance with a resolution dated 23 March 2018 have been added. Moreover, a sum of €396,000 from the amount available for distributions to producers was added to the Social-Cultural Fund in 2018.

| | Performers | Producers | 2018 | 2017 |
|---|----------------|--------------|----------------|----------------|
| Balance as at 1 January | 4,006 | 0 | 4,006 | 2,536 |
| Additions for joint projects | 191 | 191 | 382 | 444 |
| Additions during financial year | 840 | 205 | 1,045 | 953 |
| Additions of distributable fees | - | - | - | 791 |
| Additions of undistributed fees | 2,125 | - | 2,125 | 1,873 |
| ADDITIONS: SUBTOTAL | 3,156 | 396 | 3,552 | 4,061 |
| Expenditure on joint projects | (191) | (191) | (382) | (444) |
| Expenditure in financial year | (2,319) | (205) | (2,524) | (2,147) |
| EXPENDITURE: SUBTOTAL | (2,510) | (396) | (2,906) | (2,591) |
| BALANCE AS AT 31 DECEMBER | 4,652 | 0 | 4,652 | 4,006 |
| Sena Performers Music Production Fund loans | 179 | - | 179 | 110 |
| BALANCE AS AT 31 DECEMBER | 4,831 | 0 | 4,831 | 4,116 |

| Specifications per year | Balance as at 1 January | Addition | Withdrawal | Balance as at 31 December |
|--|----------------------------|--------------|----------------|------------------------------|
| Up to 2010 | 2,457 | - | - | 2,457 |
| 2017 | 1,549 | - | (1,549) | - |
| 2018 | - | 1,427 | (1,357) | 70 |
| 2018 (addition for the 2014 music year) | - | 1,876 | - | 1,876 |
| 2018 (addition previous years international) | - | 249 | - | 249 |
| TOTAL | 4,006 | 3,552 | (2,906) | 4,652 |

Overall, this is a non-current item, as the balance up to and including 2010 (€2.5 million) has no limitation period. The balance remaining after addition in the reporting year has a limitation period of three years.

SOCIAL, CULTURAL AND EDUCATIONAL SERVICES

| | 2018 | 2017 |
|--|--------------|--------------|
| <i>in thousands of euros</i> | € | € |
| Expenditures | | |
| Social-Cultural projects | 2,337 | 2,366 |
| Sena Performers magazine | 100 | 81 |
| Grants by the Sena Performers Music Production Fund ¹ | 418 | 89 |
| TOTAL USE | 2,855 | 2,536 |
| | | |
| | 2018 | 2017 |
| | € | € |
| Objective | | |
| Social-Cultural projects | 42 | 50 |
| Sena Performers Music Production Fund | 9 | 5 |
| TOTAL MANAGEMENT COSTS | 51 | 55 |
| | | |
| TOTAL | 2,906 | 2,591 |

The management costs listed in the overview above only include out-of-pocket costs. Sena actively supports the Social-Cultural Fund administratively and in terms of promotional activities, with the corresponding hours included in Sena’s general operations.

1: Offset with the loan shares received from the Sena Performers Music Production Fund (the total amount awarded to applications to the Sena Performers Music Production Fund was €385,000 in 2018; €282,000 in 2017).

PROVISION FOR CLAIMS (8)

Following the decision of the Performers and Producers Sections of 17 March 2017, the provision for claims item was created. This item is intended for the payment of claims that can no longer be recovered from third parties or cannot be charged to the account of a music year. A provision was made available of €100,000 in total (50 per cent performers and 50 per cent producers) in review year 2017. In 2018, €2,000 worth of old claims has been paid to right-holders.

| | Performers | Producers | 2018 | 2017 |
|----------------------------------|------------------------------------|-----------------|-------------------|--------------------------------------|
| Balance as at 1 January | 46 | 48 | 94 | - |
| Additions | 0 | 0 | 0 | 100 |
| ADDITIONS: SUBTOTAL | 0 | 0 | 0 | 100 |
| Payment | (1) | (1) | (2) | (6) |
| Release | - | - | - | - |
| WITHDRAWALS: SUBTOTAL | (1) | (1) | (2) | (6) |
| | | | | |
| BALANCE AS AT 31 DECEMBER | 45 | 47 | 92 | 94 |
| | | | | |
| Specifications per year | Balance as at 1 January | Addition | Withdrawal | Balance as at 31 December |
| Up to and including 2017 | 94 | - | (2) | 92 |
| TOTAL | 94 | - | (2) | 92 |

This item has a limitation period of three years. If a balance remains after three years, it will be used again for distribution and added to the liability regarding distribution.

LIABILITY REGARDING DISTRIBUTION (9)

The liability regarding distribution is of a long-term but generally current nature. The moment at which this liability is distributed depends on the income from debtors and the progress made in distribution to the right-holders. Distribution depends on the status of the distribution process (the moment of processing the right-holders' claims and processing the playlists). The 'Not yet payable' item relates to the debtor balances. Since the start of 2015, Sena has applied differentiated deduction percentages: 12% on Dutch licence fee income, 4% on income from the EU and EFTA, and 6% on income from the remaining countries.

| PAYABLE | The Netherlands International Total 2018 | | | The Netherlands International Total 2017 | | |
|---|--|----------------|-----------------|--|----------------|-----------------|
| Balance as at 1 January | 53,434 | 4,721 | 58,155 | 50,825 | 4,735 | 55,560 |
| DISTRIBUTION | | | | | | |
| Gross distribution | (57,750) | (10,187) | (67,937) | (51,630) | (7,260) | (58,890) |
| Deduction of costs | 7,079 | 419 | 7,498 | 6,394 | 291 | 6,686 |
| NET DISTRIBUTION | (50,671) | (9,768) | (60,439) | (45,235) | (6,969) | (52,204) |
| SOCIAL-CULTURAL FUND | | | | | | |
| Gross deduction | (3,997) | (263) | (4,260) | (3,959) | - | (3,959) |
| Deduction of costs | 573 | 11 | 584 | 568 | - | 568 |
| NET DEDUCTION | (3,424) | (252) | (3,676) | (3,391) | - | (3,391) |
| INVOICED LICENCE FEE INCOME | | | | | | |
| Invoiced licence fee income | 62,356 | 7,311 | 69,667 | 59,409 | 8,045 | 67,454 |
| Movement in receivables | 212 | 517 | 729 | 350 | (502) | (152) |
| TOTAL RECEIVED LICENCE FEE INCOME | 62,568 | 7,828 | 70,396 | 59,759 | 7,543 | 67,302 |
| Movement in receivable licence fee income | (1,179) | - | (1,179) | (1,161) | - | (1,161) |
| Movement in other receivables items | - | - | - | - | - | - |
| Movement in outstanding amounts | (294) | - | (294) | 340 | - | 340 |
| Operating expenses (net) | (7,047) | - | (7,047) | (6,911) | - | (6,911) |
| Deduction of withholding tax | - | - | - | - | (224) | (224) |
| International deduction of costs | - | (430) | (430) | - | (291) | (291) |
| Deduction of costs for provision of claims | 1 | - | 1 | 1 | - | 1 |
| Withdrawal under provision of claims | - | - | - | (100) | - | (100) |
| Fund for Performing Artists: Addition | 144 | - | 144 | 84 | - | 84 |
| Addition of liability for various claims and titles | 1 | - | 1 | - | - | - |
| Settlement judgment 12 March 2019* | 637 | - | 637 | - | - | - |
| Currency gains/losses | - | 1 | 1 | - | (73) | (73) |
| Distributable fees | - | - | - | (777) | - | (777) |
| OTHER MOVEMENTS | (7,737) | (429) | (8,168) | (8,524) | (588) | (9,112) |
| BALANCE AS AT 31 DECEMBER | 54,170 | 2,100 | 56,270 | 53,434 | 4,721 | 58,155 |

* For further information regarding the 'Settlement judgment 12 March 2019' item we refer to 'Legal proceedings' and 'Events after the balance sheet date' on pages 60 and 61 of the annual report.

| NON-PAYABLE | The Netherlands International Total 2018 | | | The Netherlands International Total 2017 | | |
|---|--|--------------|---------------|--|--------------|---------------|
| Balance as at 1 January | 6,237 | 615 | 6,852 | 5,426 | 113 | 5,539 |
| Movement in receivables | 972 | (517) | 455 | 811 | 502 | 1,313 |
| BALANCE AS AT 31 DECEMBER | 7,209 | 98 | 7,307 | 6,237 | 615 | 6,852 |
| OUTSTANDING AMOUNTS | | | | | | |
| Balance as at 1 January | 1,182 | - | 1,182 | 1,522 | - | 1,522 |
| 16% cost deduction on received Dutch licence fee income | 22 | - | 22 | 18 | - | 18 |
| 12% cost deduction on received Dutch licence fee income | 7,492 | - | 7,492 | 7,158 | - | 7,158 |
| Operating expenses (net) | (7,047) | - | (7,047) | (6,911) | - | (6,911) |
| Belated claim ** | (271) | - | (271) | (637) | - | (637) |
| Other movements | 98 | - | 98 | 32 | - | 32 |
| BALANCE AS AT 31 DECEMBER | 1,476 | - | 1,476 | 1,182 | - | 1,182 |
| LIABILITY REGARDING DISTRIBUTION | 62,855 | 2,198 | 65,053 | 60,853 | 5,336 | 66,189 |

** In the reporting year 2018, €271,000 was paid out to several right-holders in respect of claims relating to previous years. In relation to a judgment issued by the Court of The Hague on 8 February 2017, we made a distribution payment of €637,000 in 2017 that related to previous years.

Distribution and payment of the fees took place on the basis of the distribution regulations (see notes in the chapter 'About us'). As this relates to different years, two different deduction percentages have been used. This year saw another distribution take place from the Fund for Performing Artists (Fonds Uitvoerende Kunstenaars), as mentioned previously. This distribution payment was included in the 'The Netherlands' column (net €96,000). In addition, the collected amount for the Fund was added to the liability (€144,000). As such, the ongoing work item for this Fund comes to €73,000 at year-end.

The 'Other movements' item includes the items 'Withholding costs for debtor movements' (€129,000), and 'Movements for reservation for the Social-Cultural Fund' (-€120,000) and a movement in the balance of the double claims of the closed years (€89,000).

THE NETHERLANDS

The overview below reflects the payable component of the liabilities for each music year. This breakdown of the distribution obligation is a requirement set by the Copyright and Neighbouring Rights Collective Management Organizations Control Board as well as being one of the criteria for the CMO Quality Mark.

| | Age | Total music year |
|---|----------------|------------------|
| Settlement judgment 12 March 2019 | ≥5 year | 637 |
| Double claims up to and including 2013 (closed music years) | ≥5 year | 413 |
| Double claims 2014 (closed music year) | ≤5 and ≥3 year | 417 |
| 2015 | ≤5 and ≥3 year | 5,906 |
| 2016 | <3 year | 8,463 |
| 2017 | <3 year | 11,129 |
| 2018 | <1 year | 27,205 |
| TOTAL NET DISTRIBUTABLE FEES | | 54,170 |

Since 2009, a booking period of three years following completion of the music year in question has been applied. In 2018, the 2014 music year was closed. In accordance with a resolution by the section representatives, the balance of undistributed fees was distributed as follows: the producers’ share was paid out to the producers (€1.9 million gross), and the performers’ share was added to the Social-Cultural Fund in full (€1.9 million following deduction of costs, including VAT). The remaining balance for the period up to 2014 (shown above) relates to double claims. Included in the 2018-distribution was a net amount of €6.4 million pertaining to music year 2017. The late receipt of the 2017-playlists of background music suppliers (in the fourth quarter of 2018) was the primary reason for Sena’s inability to distribute the fees related to these playlists. Up to December 2018, claims could still be submitted in relation to the 2015 music year. The final claims submitted for the 2015 music year will be processed during the first quarter of 2019.

Our mission states that we aim to distributed collected fees as quickly and as accurately as possible. Under the law, and in accordance with Section 2i(3) of the Copyright and Neighbouring Rights Supervision and Dispute Settlement Act, we must distribute fees within nine months after the end of the collection year, unless there are reasonable grounds that preclude such distribution. We more than fulfil this requirement for most of our distribution activities given that we, as one of the few collective rights management organizations, are able to distribute licence fees to right-holders already across the collection year. The part that we are unable to distribute within the set period of time is due to the following objective reasons, among others: delayed submission of playlists, played but not yet claimed repertoire, and right-holders who have not yet registered. These right-holders have the possibility to register and/ or claim repertoire within a period of three years after the end of the collection year. We make every effort to trace rightful claimants. We do this, amongst others, by means of searches via the internet, inquiries with right-holders known to us, and suggestions via our online portal MySena and the Sena app. Despite these efforts, it is not always possible to find the right-holders within a period of three years. After the expiry of this period, the fees will be labelled as undistributed fees and submitted for decision-making to the Section Delegates of the Producers Section and to the Performers Section.

INTERNATIONAL

Due in part to differences in the national distribution regulations, there is great divergence in the breakdown of the payments received from international sister organizations, which inhibits the lead time of processing distributions. Section 2k(5) of the Supervision of Collective Management Organizations (Copyright and Neighbouring Rights) Act (WTCB) stipulates that the collected fees must have been distributed within six months of collection. Furthermore, the settlements usually relate to multiple years, making it difficult to distinguish collection years from music years. For this reason, the outstanding international distributable fees have been shown separately. The total amount still to be distributed amounts to €2.1 million in this financial year.

| | Age | Collection year | Music year |
|---------------|-----------------|-----------------|------------|
| <2009 | >5 years | 90 | - |
| 2009 | >5 years | - | 41 |
| 2010 | >5 years | - | 74 |
| 2011 | >5 years | - | 99 |
| 2012 | >5 years | - | 115 |
| 2013 | >5 years | - | 96 |
| 2014 | ≤5 and ≥3 years | - | 38 |
| 2015 | ≤5 and ≥3 year | - | 46 |
| 2016 | ≤5 and ≥1 year | (18) | 227 |
| 2017 | ≤5 and ≥1 year | (55) | 111 |
| 2018 | <1 year | 1,215 | 21 |
| TOTAL PAYABLE | | 1,232 | 868 |

The above figures show that not all licence fee income can be paid in full within six months after receipt. An important reason for this is the fact that we do not always receive the necessary data about relatively old years correctly and/or completely. As a result, it may be that Sena no longer has the mandate for a right-holder, or that parts of the amount received have remained unspecified. As soon as we are able to process the collected funds in our distribution system, the same reasons apply as when it is not possible to distribute payments as stated in relation to the Dutch collection. Examples of this are unknown right-holders or not yet claimed repertoire.

In the reporting year 2018, it was decided to add the €90,000 as presented in the collection year <2009 to the Social-Cultural Fund or to distribute it pro rata among right-holders if the individual amounts exceed €5,000. The processing of this item will be effected in the 2019 reporting year, in line with the decision made. The negative items from 2016 and 2017 relate to the revaluation results (currency gains/losses) of our US dollar account. These results will eventually be netted off against the undistributed fees from the US. The balance of 2018 relates mainly to fees collected in the months of November and December.

OTHER CURRENT LIABILITIES

| | 2018 | 2017 |
|---------------------------------------|-------|-------|
| Payables | 133 | 59 |
| Tax and social security contributions | - | 429 |
| Accrued liabilities ¹⁰ | 6,993 | 5,948 |

The payables balance includes €513,000 in negative items. This item relates to receivables owed by right-holders.

Accrued liabilities

The principal items included in ‘Accrued liabilities’ are reserves for liabilities such as holiday entitlements, holiday allowances, anniversary bonuses, invoiced licence fees, collection charges, external advisers and claims.

COMMITMENTS AND RIGHTS NOT SHOWN IN THE BALANCE SHEET

As at 31 December 2018, the following commitments not shown in the balance sheet had been undertaken:

| | <1 year | 1–5 years | >5 years |
|--|------------|--------------|----------|
| Rent (contract runs up to and including April 2021) | 231 | 308 | - |
| Lease contracts for cars | 70 | 85 | - |
| Copiers (contract runs up to and including January 2023) | 5 | 16 | - |
| Lessor's bank guarantee | - | 25 | - |
| Guarantee to Scan | - | 1,000 | - |
| TOTAL FOR 2018 | 306 | 1,434 | - |
| TOTAL FOR 2018 | 306 | 1,434 | - |

Legal proceedings

Sena terminated the agreement with commercial national radio broadcasters per 1 Januari 2012. As a consequence of the WTPP-ratification in March 2010, amongst others, Sena is of the opinion that the fees paid by commercial national radio broadcasters must be increased. The Neighbouring Rights Act states that parties must ask the Court in The Hague to stipulate what constitutes a fair remuneration, should parties not be able to reach an agreement on this themselves. After years of ineffective negotiations with the Commercial Radio Association (VCR), Sena started legal proceedings in May 2017. On 1 October 2018, a first court hearing took place. The Court indicated that a presentation of the case to the Copyright Dispute Committee Business will be unavoidable. As a result of this action, we expect that the proceedings in this case might take up to several years.

EVENTS AFTER THE BALANCE SHEET DATE

On 12 March 2019, the Court of Appeal in The Hague ruled that the judgment of 8 February 2017 in the proceedings AMP c.s. against Sena is annulled. Since the judgment of 2017 was immediately enforceable, Sena paid remuneration in 2017. On the basis of the new judgment, this remuneration can be recovered, increased by legal interest and a partial compensation for litigation costs. As the remuneration payment was deducted from the distribution liability, the repayment has been added to this item (under item ‘Settlement judgment 12 March 2019’). In the meantime, AMP c.s. have indicated that they will set up cassation against the judgment.

Following the balance sheet date, the section representatives of the Producers and Performers Sections came to a decision on 22 March 2019 regarding the undistributed fees from 2015. The Producers Section decided to add the undistributed fees of the 2015 music year to the fees designated for distribution to right-holders in full, while the Performers Section decided that half of their share of the fees will be added to the Social-Cultural Fund.

The other half will be added to the fees designated for distribution to right-holders. Consequently, these fees will be divided equally amongst right-holders of music year 2015, in the understanding that the performer in question received a minimum of €100 gross in the reservation period of the music year in question.

NOTES TO THE STATEMENT OF INCOME AND EXPENDITURE

MISCELLANEOUS INCOME (11)

In the statement of income and expenditure, the 'Miscellaneous income' item includes fees for our services to NVPI, Stichting NORMA and the fees received from media stations for the use of fingerprinting were recognised as income.

SALARIES (12)

| | 2018 | 2017 |
|-------------------------------|--------------|--------------|
| Wages and salaries | 2,345 | 2,395 |
| Social security contributions | 501 | 452 |
| Pension costs | 193 | 181 |
| Total | 3,039 | 3,028 |

Our workforce comprised an average of 45.7 employees in 2018 (2017: 46.5), totalling 41.7 FTEs (2017: 42.2). The average number of FTEs in 2018 can be broken down into 5.1 FTEs for Executive Board and support, 7.8 FTEs for commerce, 9.9 FTEs for distribution, 2.0 FTEs for legal affairs, and 16.9 FTEs for IT, data analysis, communication and finance.

The item wages and salaries shows a net decrease in 2018 of €50,000 compared to 2017. There were several reasons for this decline. Despite the fact that wages rose slightly in 2018 compared to the level of 2017, the number of FTEs fell by 0.5 FTEs and, in the context of the transitional arrangement of the Senior Executives in the Public and Semi-Public Sector (Standards for Remuneration) Act (WNT), a decrease was implemented. As a result, the total gross salary remained approximately the same as last year. In 2018 no provision was included for the payment of the final levy on the work-related expenses scheme because the costs remained entirely within the discretionary margin (2017: €15,000). Furthermore, there was a negative change in the reserve for holidays and holiday pay compared to a positive change in 2017 because more holidays were taken in 2018. This resulted in a decrease of €27,000 compared to 2017. Social security charges and pension costs were higher in 2018 due to increases in contributions in 2018.

EXECUTIVE BOARD REMUNERATION

| amounts x €1 | 2018 | 2018 | 2017 | 2017 |
|---|---|--|---|--|
| Name | M.J. Bos | J.A. Moolhuijsen | M.J. Bos | J.A. Moolhuijsen |
| Position | CEO | CFO | CEO | CFO |
| Duration of employment | 1/1 - 31/12 | 1/1 - 31/12 | 1/1 - 31/12 | 1/1 - 31/12 |
| Extent of employment in FTE | 1.0 | 1.0 | 1.0 | 1.0 |
| Remuneration plus taxable reimbursement of expenses | 225,251 | 168,146 | 241,360 | 168,026 |
| Remuneration payable in the future | 41,473 | 21,479 | 41,473 | 21,479 |
| TOTAL | 266,724 | 189,625 | 282,833 | 189,504 |
| Individually applicable remuneration cap | 189,000 | 189,000 | 181,000 | 181,000 |
| Reason for possible exceeding of this cap | Transitional scheme under Executives' Pay (Standards) Act I | Transitional scheme under Executives' Pay (Standards) Act II | Transitional scheme under Executives' Pay (Standards) Act I | Transitional scheme under Executives' Pay (Standards) Act II |

SUPERVISORY BOARD REMUNERATION

DATA 2018

| amounts x €1 | | | | | | | | |
|-------------------------------------|---------------|-------------------------|-------------------------|---------------|-------------------|--------------|-----------------|-----------------|
| Name | A. Wolfsen | P.K. van Olphen | C.G. Boot | R.A. Gruschke | C. van der Hoeven | A. de Jong | K.P. Ligtermoet | W.A.Q. Wanrooij |
| Position | Chair | Financial expert member | Financial expert member | Member | Member | Member | Member | Member |
| Duration of employment | 1/1 - 31/12 | 1/1 - 31/12 | | 1/7 - 31/12 | 1/1 - 31/12 | 1/1 - 30/6 | 1/1 - 31/12 | 1/1 - 31/12 |
| Extent of employment in FTE | 1.0 | 1.0 | | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 |
| Employment | Yes | Yes | | Yes | Yes | Yes | Yes | Yes |
| REMUNERATION | 20,000 | 17,500 | | 7,500 | 15,000 | 7,500 | 15,000 | 15,000 |
| General applicable remuneration cap | 28,350 | 18,900 | | 18,900 | 18,900 | 18,900 | 18,900 | 18,900 |

DATA 2017

| | | | | | | | | |
|-------------------------------------|---------------|--------------|--------------|--|---------------|---------------|---------------|---------------|
| Duration of employment | 1/1 - 31/12 | 20/11- 31/12 | 1/1 - 26/06 | | 1/1 - 31/12 | 1/1 - 31/12 | 1/1 - 31/12 | 1/1 - 31/12 |
| Extent of employment in FTE | 1.0 | 1.0 | 1.0 | | 1.0 | 1.0 | 1.0 | 1.0 |
| Employment | Yes | Yes | Yes | | Yes | Yes | Yes | Yes |
| REMUNERATION | 20,000 | 1,944 | 8,750 | | 15,000 | 15,000 | 15,000 | 15,000 |
| General applicable remuneration cap | 27,150 | 18,100 | 18,100 | | 18,100 | 18,100 | 18,100 | 18,100 |

For the sake of transparency, any benefits paid from neighbouring rights to the members of the Supervisory Board and the Executive Board should be made public. More specifically, this concerns benefits received from neighbouring rights by a member of the Supervisory Board and/or the Executive Board in person or by legal entities in which the member has a majority interest. For privacy reasons we have used the following scale.

LEVEL OF BENEFIT RECEIVED FROM NEIGHBOURING RIGHTS (IN EUROS)

| | |
|-----------------------------|---|
| No remuneration | A |
| Between 0 and 15,000 | B |
| Between 15,000 and 50,000 | C |
| Between 50,000 and 100,000 | D |
| Between 100,000 and 500,000 | E |
| More than 500,000 | F |

OVERVIEW OF BENEFITS RECEIVED BY MEMBERS OF THE SUPERVISORY BOARD AND THE EXECUTIVE BOARD

| | | |
|-----------------------|--|---|
| Mr A. Wolfsen MPA | Independent Chair of the Supervisory Board | A |
| Ms P.K. van Olphen RA | Independent financial expert member of the Supervisory Board | A |
| Mr R.A. Gruschke | Member of the Supervisory Board | B |
| Mr C. van der Hoeven | Member of the Supervisory Board | A |
| Mr A. de Jong | Member of the Supervisory Board | A |
| Mr K.P. Ligtermoet | Member of the Supervisory Board | B |
| Mr W.A.Q. Wanrooij | Member of the Supervisory Board | A |
| Mr M.J. Bos | CEO | A |
| Mr J.A. Moolhuijsen | CFO | A |

BOARD OF AFFILIATES REMUNERATION

| | | | | |
|---------------------------------------|--------------|--------|--------------|--------|
| amounts x €1 | 2018 | 2018 | 2017 | 2017 |
| Position | (Vice) Chair | Member | (Vice) Chair | Member |
| REMUNERATION | 6,000 | 4,000 | 5,000 | 3,500 |
| Generally applicable remuneration cap | 18,900 | 18,900 | 18,100 | 18,100 |

In 2018, one position was vacant for member of the Board of Affiliates. Because this spot was not fully occupied, €1,500 less was paid out in 2018. We would kindly refer you to pages 71 up to and including 79 of chapter ‘Personal details and relevant activities’ for the fulfilment of the position.

The salary details of the Executive Board and the supervisory bodies are disclosed in compliance with the Supervision of Collective Management Organizations (Copyright and Neighbouring Rights) Act (WTCB) and the CMO Quality Mark.

The transitional arrangement for the Senior Executives in the Public and Semi-Public Sector (Standards for Remuneration) Act (WNT) applies to both members of the Executive Board. This transitional scheme applies pursuant to Section 25a of the Collective Management Organizations (Copyright and Neighbouring Rights) Supervision and Dispute Settlement Act.

More information on the regular/additional positions of the members of the Supervisory Board, the Board of Affiliates and the Executive Board can be found in the ‘Personal details and relevant activities’ chapter.

MAILING AND COLLECTION COSTS (13)

We have outsourced the invoicing and collection processes for general licences to the Copyright and Neighbouring Rights Service Centre (Scan). The corresponding costs have been charged to this item. The transition to a new IT system started in 2018, resulting in higher costs than in 2017. Also, a one-off release took place in 2017.

OTHER OPERATING EXPENSES (14)

| | | |
|--|-------|-------|
| | 2018 | 2017 |
| Other staff costs | 524 | 456 |
| Accommodation costs | 261 | 257 |
| IT costs | 207 | 251 |
| Office costs | 71 | 67 |
| Publicity costs | 249 | 157 |
| Advice and services from third parties | 601 | 378 |
| Overheads | 534 | 724 |
| TOTAL | 2,447 | 2,290 |

Other staff costs rose by €68,000 in 2018. The main reasons for this were the higher absenteeism insurance and the hiring of On Music to process repertoire. These higher costs are partly offset by lower study costs and lower staff mediation costs compared to 2017.

The ‘Accommodation costs’ item increased by €4,000 in 2018 as a result of the annual indexation of the rental costs by the lessor.

In 2018, €48,000 less costs were incurred for the Virtual Repertoire Database (VRDB), which is the main reason for the €44,000 decrease in IT costs.

Office costs in 2018 were virtually in line with 2017 (+€4,000).

The cost of publicity increased by €92,000. In 2018, a number of stakeholder festivities were organised to celebrate 25th anniversary of both Sena and the Neighbouring Rights Act (WNR), such as the special edition of the Golden Nutcracker award. Sena also organised an international meeting for the SCAPR-working groups in Amsterdam this year. By contrast, there were fewer costs incurred for promotional and research activities in 2018.

Advice and services provided by third parties increased by €223,000 in 2018. This is due to the following reasons. Firstly, the costs of legal files were €227,000 higher in 2018 than in 2017. Secondly, there was also an increase of €66,000 in the number of external IT parties hired, such as for the construction of a management dashboard in Qlikview, the construction of the Sena app and additional work for the use of fingerprinting. In addition, €32,000 less costs were made in 2017 because of the one-off character of the use of a webcrawler and a detection pilot. We also had €37,000 less costs for advice from external parties.

The overheads increased by €190,000 in 2018 compared to 2017. This decrease is mainly due to the fact that the reserve from 2017 for a possible fine and interest charges (€120,000) for the US tax authorities (IRS) in connection with the settlement of Sena’s Qualified Intermediary status has been definitively averted, as a result of which the reserve has been released. On balance, less was spent on the other items included in this item (€70,000).

OTHER OPERATING EXPENSES (15)

This item comprises depreciation and amortisation, supervisors’ costs and the financial result. Depreciation on tangible and intangible assets was higher in the financial year because a number of larger investments were made in the development of the Sena app at the end of 2017 and during 2018. The costs of the Supervisory Board and the Board of Affiliates are recognised under ‘Supervisors’ costs’. The financial result consisted almost entirely of income from interest on savings accounts and deposits. Due to a fall in interest rates and the introduction of a maximum interest-bearing balance that is maintained at the various financial institutions, interest income was lower in 2018 than in 2017.

BUDGETED OPERATING EXPENSES (16)

| | 2018 | Budget |
|-------------------------------|-------|--------|
| | € | € |
| Operating expenses (gross) | | |
| Salaries | 3,039 | 3,069 |
| Mailing and collection costs | 1,980 | 2,045 |
| Other operating expenses | 2,447 | 2,484 |
| Depreciation and amortisation | 189 | 220 |
| Supervisors' costs | 158 | 167 |
| TOTAL OPERATING EXPENSES | 7,813 | 7,985 |

The current gross operating expenses in 2018 were €172,000 lower than budgeted. Due to a number of changes in the workforce and a different distribution of activities, the number of FTEs employed was 41.7 FTEs, 0.9 FTEs lower than budgeted (budget: 42.6 FTE). There were also more people with long-term sickness than expected, as a result of which more compensation was received from the absenteeism insurance than had been budgeted for in 2018. There was no final levy for the work-related costs scheme, even though this was included in the budget. In addition, the social security charges and pension charges for 2018 have risen compared to 2017 and, when the budget was drawn up, the percentages for 2017 were taken into account (percentages were not yet known at the time the budget was drawn up).

In 2018, Scan’s operating result was €65,000 below budget. Since the new IT system had not yet been switched to in 2018, some of the budgeted depreciations have not yet taken place.

Despite the fact that a number of cost items, including ‘Other staff costs’ and ‘Advice and services from third parties’, were higher than budgeted, the total was still lower than foreseen in the budget. This concerned ‘IT costs’, ‘Publicity costs’ and ‘Overheads’.

Depreciation in 2018 was €31,000 lower than budgeted. This is because some of the investments have been shifted to 2019 and a large investment in the construction of the producer portal has not yet been activated.

In 2018, the costs for supervisory authorities were €9,000 lower than foreseen in the budget. The reason for this is that less expenses were declared than had been included in the budget.

AFFILIATED PARTIES

We have entered into a partnership with Buma under the name Copyright and Neighbouring Rights Service Centre (Scan). Scan carries out the invoicing for as well as the collection of licence fees from general licences on Sena’s behalf and ensures that all fees received are distributed as soon as possible. It invoices its operating result to both parties each month. Both parties are represented on the Scan board. Both have given a guarantee of up to €1 million for the fulfilment of Scan’s obligations (see ‘Commitments not shown in the balance sheet’).

Hilversum, 27 March 2019

Executive Board

M.J. Bos
J.A. Moolhuijsen

Supervisory Board

A. Wolfsen
P.K. van Olphen
R.A. Gruschke
C. van der Hoeven
K.P. Ligtermoet
W.A.Q. Wanrooij



Dennis and Bart of Racoon perform two of their hits in Paradiso

INDEPENDENT AUDITOR'S REPORT

To: the Board and Supervisory Board of
Stichting ter Exploitatie van Naburige Rechten

A. REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS 2018

Our opinion

We have audited the financial statements 2018 of Stichting ter Exploitatie van Naburige Rechten, based in Hilversum.

In our opinion, the enclosed financial statements give a true and fair view of the financial position of Stichting ter Exploitatie van Naburige Rechten as at 31 December 2018 and of its result for 2018 in accordance with Part 9 of Book 2 of the Dutch Civil Code, the Guideline for annual reporting 640 "Not-for-profit organizations" of the Dutch Accounting Standards Board and the relevant rules under and pursuant to the "Wet normering bezoldiging topfunctionarissen publieke en semipublieke sector" (WNT).

The financial statements comprise:

1. the balance sheet as at 31 December 2018;
2. the profit and loss account for 2018; and
3. the notes comprising a summary of the applicable 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 Guidelines for auditing WNT. 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 ter Exploitatie van Naburige Rechten in accordance with the Wet toezicht accountantsorganisaties (Wta), the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO) and other relevant independence regulations in the Netherlands. Furthermore we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA).

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

B. REPORT ON OTHER INFORMATION INCLUDED IN THE ANNUAL REPORT

Next to the financial statements and our opinion thereon, the annual report consists of other information, including:

- Key figures 2018;
- The executive board report;
- Supervisory Board report;
- Board of Affiliates report;
- Integrated Risk Management;
- Explanation of the results 2018;
- Key figures 2018-2018
- About us;
- The other information;
- Personal details and relevant activities;
- Attachments

Based on the procedures as mentioned below, we are of the opinion that the other information:

- is consistent with the financial statements and contains no material deficiencies;
- includes all information as required by Part 9 of Book 2 of the Dutch Civil Code and the Guideline for annual reporting 640 "Not-for-profit organizations" of the Dutch Accounting Standards Board;
- includes all information as required by article 2b until article 3.d.4 of the "besluit transparantieverslag richtlijn collectief beheer".

We have read the other information and based on our knowledge and understanding obtained from the audit of the financial statements or otherwise, we have considered if the other information contains material deficiencies.

With these procedures, we have complied with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Auditing Standard 720. These procedures do not have the same scope as our audit procedures on the financial statements.

Management is responsible for the preparation of the management board report and the other information in accordance with Part 9 of Book 2 of the Dutch Civil Code.

C. DESCRIPTION OF RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

Responsibilities of management and the Supervisory Board for the financial statements

Management 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, the Guideline for annual reporting 640 "Not-for-profit organizations" of the Dutch Accounting Standards Board and the relevant rules under and pursuant to the "Wet normering bezoldiging topfunctionarissen publieke en semipublieke sector" (WNT). Furthermore, management is responsible for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to errors or fraud.

As part of the preparation of the financial statements, management is responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting framework mentioned, management should prepare the financial statements using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so. Management should disclose events and circumstances that may cast significant doubt on the company'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 assignment 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 have detected all material errors and fraud.

Misstatements can arise from errors or fraud 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 judgment and have maintained professional skepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included e.g.:

- Identifying and assessing the risks of material misstatement of the financial statements, whether due to errors or fraud, 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 errors, 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 company's internal control;
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- Concluding on the appropriateness of management'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 company'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 the company ceasing 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.

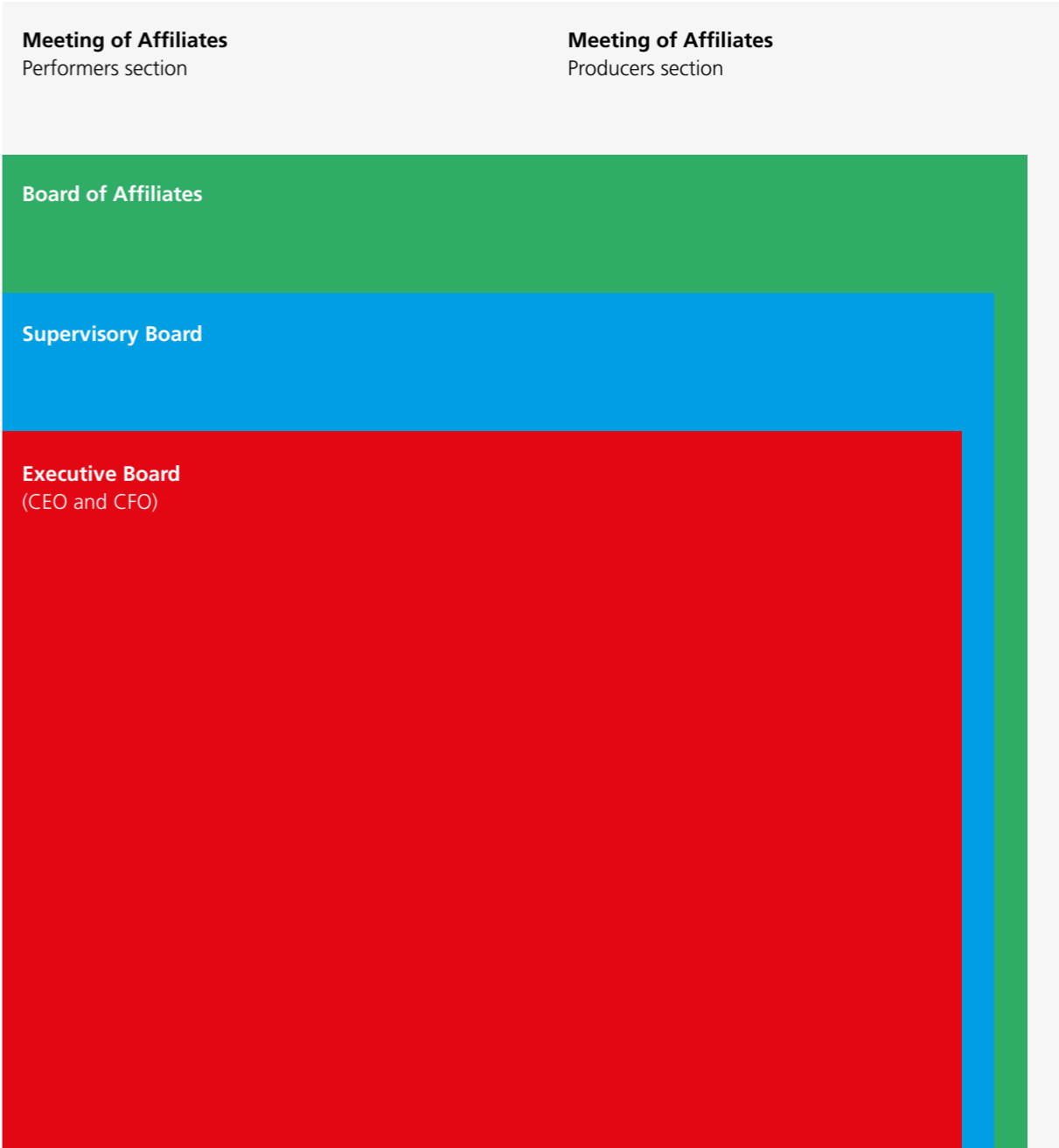
Utrecht, 27 March 2019

For and on behalf of BDO Audit & Assurance B.V.,

R.W.A. Eradus RA

PERSONAL DETAILS AND RELEVANT ACTIVITIES

The day-to-day management of Sena is conducted by the Executive Board (Management Board). The Executive Board is monitored by the Supervisory Board. All important decisions must be adopted by the Board of Affiliates after having been approved by the Supervisory Board. This model meets all the requirements laid down in the Good Governance and Integrity Guidelines and the CMO Quality Mark awarded by VOI©E.



BOARD OF AFFILIATES

Unless stated otherwise, all the members of the Board of Affiliates were in post throughout 2018. As from 31 December 2018, the Board of Affiliates comprised the following members:

Mr E.R. Angad-Gaur

Vice-Chair of the Board of Affiliates until 21 September 2018 / Chair of the Board of Affiliates from 21 September 2018 / Chair of the Performers Section (paid)

Additional positions:

- > Musician / composer / lyricist / publicist (paid)
- > CEO of VCTN (paid)
- > Chair of Platform Makers (paid)
- > Senior advisor Kunstenbond/Ntb (paid)
- > Secretary of Scobema (paid)
- > Member of the Board of Stichting Leenrecht (paid)
- > Member of the Board (Secretary) of Stichting de Thuis kopie (paid)
- > Member of the Board of Kunsten 92 (paid)
- > Member of the Board of D66's National Thematic Department for Culture
- > Member of the Board of SONT (paid)
- > Editor of Sena Performers Magazine (paid)
- > Member of the Board of Stichting Federatie Auteursrechtbelangen (paid)
- > Member of the Commission of interested parties CMO Quality Mark (paid)

Mr M. Beets

Member of the Board of Affiliates /
Section representative of the Performers Section (paid)

Additional positions:

- > Bass player (paid)
- > Double bass teacher at Codarts Rotterdam (paid)
- > Joint owner of Maxanter Records VOF (paid)
- > Owner of Studio de Smederij, Zeist (paid)
- > Composer, arranger, producer (paid)
- > Joint owner of a music store in Zeist, The Netherlands (paid)

Mr G. Bleijerveld LLM

Member of the Board of Affiliates /
Section representative of the Performers Section (paid)

Additional positions:

- > Musician (paid)
- > Lecturer at Inholland in Media Entertainment Management/International Music Management (paid)
- > Member of the examination committee Creative Business School (paid)
- > External member of the examination committee Haarlem Conservatory (paid)
- > Teacher Alsbach foundation (paid)
- > Independent legal consultant (paid)
- > Secretary of the Buma Social Fund (paid)
- > Member of the Board of Stichting de Thuis kopie (paid)
- > Member of the Board of Stichting Leenrecht (paid)
- > Member of the Board of Stichting Leenrecht Kunstfonds (paid)
- > Vice-Chair of the Visual Works section at Stichting Leenrecht (paid)
- > Secretary at Popauteurs.nl (paid)
- > Popauteurs consultant (paid)
- > Member of the Board of Platform Makers (paid)
- > Member of the Board of the Kunstenbond (paid)
- > Member of the Board committee music/Ntb Kunstenbond

Mr P. Boertje

Chair of the Board of Affiliates until 21 September 2018 / Vice-Chair of the Board of Affiliates from 21 September 2018 / Chair of the Producers Section (paid)

Additional positions:

- > Joint owner of Casual Solution B.V. (paid)
- > Owner of P. Boertje Holding B.V. (paid)
- > Lobbyist for Dierenbescherming South-West region (paid)
- > Chair of STAP (paid)
- > Member of the Board of STOMP
- > Member Federatieraad

Mr R.P. Delfos

Member of the Board of Affiliates /
Section representative of the Performers Section (paid)

Additional positions:

- > Teacher of saxophone technique and improvisation at the Royal Conservatoire (paid)
- > Teacher of saxophone for light music at ArtEZ Zwolle (paid)
- > Performer in various bands (Artvark, Houdini's, Jazzinvaders, Licksandbrains; paid)
- > Freelance arranger and composer (paid)
- > Radio programme host Dutch Jazz at Sublime FM (paid)

Mr M.J.T. van Duijvenbode

Member of the Board of Affiliates /
Section representative of the Performers Section (paid)

Additional positions:

- > Owner of Paloma Music (paid)
- > Involvements through Paloma Music:
 - Douwe Bob – management, songwriting, and band member (paid)
 - Tangarine – management (paid)
 - Freelance session musician (paid)
 - Freelance producer (paid)

Mr J.N. Favié CFM EMFC RC

Member of the Board of Affiliates /
Section representative of the Producers Section (paid)

Additional positions:

- > Managing Director of Promogroup B.V. (paid)
- > Managing Director of PragmaFlex Holding B.V. (paid)
- > Interim Director of U2 Limited (paid)

Mr R.A. Gruschke (until 1 July 2018)

Member of the Board of Affiliates /
Section representative of the Producers Section (paid)

Additional positions:

- > Vice-President Global Collective Rights Beggars Group (paid)
- > Member of the Financial Committee of PPL
- > Member of the Distribution Committee of PPL
- > Member of the Board of PPL
- > Member of the Executive Board of SIMIM
- > Member of the WIN/Impala Collecting Rights Committee
- > Member of the Board of GVL (paid)
- > Advisor tender IFPI/WIN portal
- > Producer DOM Music (paid)

Mr E.J. Loon RA

Member of the Board of Affiliates /
Section representative of the Producers Section (paid)

Additional positions:

- > Financial Controller of Universal Music (paid)
- > Member of the Board of Stichting Pensioenfonds voor de Media PNO (paid)
- > Member of the Board of Werkgeversvereniging voor de Media
- > Member of the Board of Stichting Federatie Muziekauteurs en Uitgevers

Mr F. Merkies (as of 1 July 2018)

Member of the Board of Affiliates /
Section representative of the Producers Section (paid)

Additional positions:

- > Major shareholder and CEO of Studio Fons Merkies (paid)
- > Major shareholder and CEO of Studio Fons Merkies BVBA (Belgian branche; paid)
- > Chair Dutch Film Composers
- > Member of the Board of BCMM (paid)

Mr O.A. de Neve MSc (as of 28 May 2018)

Member of the Board of Affiliates /
Section representative of the Producers Section (paid)

Additional positions:

- > Owner of OA Music (paid)
- > Involvements through OA Music:
Manager / songwriter / singer / keyboard player for
Oliver Alexander (paid)
Music Producer
Voice-over, freelance (paid)
Business and music advisor, freelance (paid)
DJ KX Radio

Mr B. van Sandwijk

Member of the Board of Affiliates /
Section representative of the Producers Section (paid)

Additional positions:

- > Financial Director of Sony Music Entertainment Benelux (paid)
- > Treasurer of STAP
- > Member of the Board of NVPI Audio

Mr M.C.J. ten Veen LLB

Member of the Board of Affiliates /
Section representative of the Producers Section (paid)

Additional positions:

- > Director of Business and Legal Affairs of Warner Music Benelux (paid)
- > Member of the Legal Committee of NVPI
- > Member of the Copyright Committee of NVPI
- > Member of the Board of STAP

Ms A. Verheggen

Member of the Board of Affiliates /
Section representative of the Performers Section (paid)

Additional positions:

- > Senior policy assistant at Ntb / Kunstenbond (paid)
- > Chair of Stichting JA
- > Chair of Stichting Dutch Jazz Competition
- > Chair of Stichting European Jazz Competition
- > Secretary of Stichting Jazz NL
- > Editor of Sena Performers Magazine (paid)
- > Chair of Stichting Dutch Performers House (paid)

Mr E. Winkelmann

Member of the Board of Affiliates /
Section representative of the Performers Section (paid)

Additional positions:

- > Bass player with the Metropole Orchestra (paid)
- > Ensemble member of SoWhat (paid)
- > Feldenkrais teacher (paid)

SUPERVISORY BOARD

Unless stated otherwise, all members of the Supervisory Board were in post throughout 2018. As from 31 December 2018, the Supervisory Board consisted of the following members:

Mr A. Wolfsen MPA

Independent Chair of the Supervisory Board (paid)

Additional positions:

- > Chair of the Supervisory Board of Stichting de Basis (paid)
- > Chair of the Supervisory Board of Oasen N.V. (paid)
- > Chair of Autoriteit Persoonsgegevens (paid)
- > Member of the Supervisory Board of Bartholomeus Gasthuis (paid)
- > Member of the Arbitration Board for the building industry (paid)
- > Chair of the Employment and Remuneration Committee NVTZ (paid)
- > Chair of Stichting Vrienden van de oude hortus Utrecht
- > Member of the Board of foundation Move Utrecht
- > Chair of the Supervisory and Advisory Board of the Asbestslachtoffers Institute (paid)

Ms P.K. van Olphen RA

Independent financial expert member of the Supervisory Board (paid)

Additional positions:

- > CFO of SLTN Inter Access (paid)
- > Member of the Supervisory Board foundation Achmea Rechtsbijstand (paid)

Mr R.A. Gruschke (from 1 July 2018)

Member of the Supervisory Board, Producers Section (paid)

Additional positions:

- > Vice-President Global Collective Rights Beggars Group (paid)
- > Member of the Financial Committee of PPL
- > Member of the Distribution Committee of PPL
- > Member of the Board of PPL
- > Member of the Executive Board of SIMIM
- > Member of the WIN/Impala Collecting Rights Committee
- > Member of the Board of GVL (paid)
- > Advisor tender IFPI/WIN portal
- > Producer DOM Music (paid)

Mr C. van der Hoeven

Member of the Supervisory Board, Producers Section (paid)

Additional positions:

- > CEO/President of Universal Music Benelux (paid)
- > Chair of NVPI Audio
- > Member of the Board of NVPI Federatie
- > Member of the Advisory Board of FC Klap

Mr A. de Jong (until 1 July 2018)

Member of the Supervisory Board, Producers Section (paid)

Additional positions:

- > Managing Director of Challenge Records International B.V. (paid)
- > Managing Director of New Arts International B.V. (paid)
- > Secretary of STOMP
- > Director and major shareholder of Knockwood B.V. (paid)
- > Managing Director of NVPI (paid)

Mr K.P. Ligtermoet

Member of the Supervisory Board, Performers Section (paid)

Additional positions:

- > PINT Performers Interests Consultancy (paid)
- > Secretary of the Board of Stichting BREIN (paid)
- > Secretary of EEGA (paid)
- > Member of the Disputes Committee Auteurscontractenrecht (paid)
- > Member of the Member Council Kunstenbond (paid)

Mr W.A.Q. Wanrooij LLM

Member of the Supervisory Board, Performers Section (paid)

Additional positions:

- > Executive Secretary of Stichting Federatie Auteursrechtbelangen (paid)
- > Member of Koning Willem III Kring

Four members of the Supervisory Board were appointed by the section representatives on the Board of Affiliates. The independent Chair and the independent financial expert member are appointed by the four Supervisory Board members appointed by the section representatives.

EXECUTIVE BOARD**Mr M.J. Bos**

CEO (paid)

Additional positions:

- > Chair of the Board of the Service Centre Copyright and Neighbouring Rights
- > Treasurer of the Executive Board of VOI©E
- > Member of the Board/Treasurer of SCAPR
- > Chair of the Board foundation Podium de Vorstin

Mr J.A. Moolhuijsen

CFO (paid)

Additional position:

- > Member of the Board of the Service Centre Copyright and Neighbouring Rights

COPYRIGHT AND NEIGHBOURING RIGHTS COLLECTIVE
MANAGEMENT ORGANIZATIONS CONTROL BOARD

Chair

Mr J.W. Holtslag (until 1 July 2018)
Mr. A. Koppejan (from 1 July 2018)

Members

Ms N. Loonen-van Es RA
Mr M.R. de Zwaan

Director and Secretary

Dr V.L. Eiff

DISTRIBUTION DISPUTES COMMITTEE

Chair

Prof. F. W. Grosheide

Members

Mr B.J. Lenselink
Mr R. Dijkstra

Secretary

Mr H.W. Roerdink



Jubilee lunch at the North Sea Jazz festival, 15 July 2018



Winner of the Golden Nutcracker: Magda Mendes

RESIGNATION ROTA FOR SUPERVISORY BOARD AND BOARD OF AFFILIATES AS FROM 1 JULY 2018

| Name | Body | End current term |
|---------------------------|--|-------------------|
| Mr E.R. Angad-Gaur | Board of Affiliates, Performers Section | 30 June 2021 |
| Mr M. Beets | Board of Affiliates, Performers Section | 30 June 2022 |
| Mr G. Bleijerveld LLM | Board of Affiliates, Performers Section | 30 June 2021 |
| Mr P. Boertje | Board of Affiliates, Producers Section | 30 June 2022 |
| Mr R.P. Delfos | Board of Affiliates, Performers Section | 30 June 2022 |
| Mr M.J.T. van Duijvenbode | Board of Affiliates, Performers Section | 30 June 2021 |
| Mr J.N. Favié CFM EMFC RC | Board of Affiliates, Producers Section | 30 June 2020 |
| Mr E.J. Loon RA | Board of Affiliates, Producers Section | 30 June 2022 |
| Mr F. Merkies | Board of Affiliates, Producers Section | 30 June 2022 |
| Mr O.A. de Neve MSc | Board of Affiliates, Producers Section | 30 June 2020 |
| Mr B. van Sandwijk | Board of Affiliates, Producers Section | 30 June 2022 |
| Mr M.C.J. ten Veen LLB | Board of Affiliates, Producers Section | 30 June 2022 |
| Ms A. Verheggen | Board of Affiliates, Performers Section | 30 June 2020 |
| Mr E. Winkelmann | Board of Affiliates, Performers Section | 30 June 2020 |
| Mr A. Wolfsen MPA | Supervisory Board, independent Chair | 31 December 2021 |
| Ms P.K. van Olphen RA | Supervisory Board, independent financial expert member | 19 November 2021 |
| Mr R.A. Gruschke | Supervisory Board, Producers Section | 30 June 2022 |
| Mr C. van der Hoeven | Supervisory Board, Producers Section | 30 June 2020 |
| Mr K.P. Ligtermoet | Supervisory Board, Performers Section | 30 June 2020 |
| Mr W.A.Q. Wanrooij LLM | Supervisory Board, Performers Section | 12 September 2021 |

APPENDICES

1. PROFILE OF THE SUPERVISORY BOARD

Sena collects fees on behalf of national and international performers and record producers when their music is played outside the private sphere. This may be the use of music in shops, supermarkets, bars and discos, but also the broadcasting of music on radio and television stations. Sena has been designated by the Ministry of Security and Justice to ensure the implementation of the Neighbouring Rights Act, and has performed this task since 1 July 1993.

On the basis of playlists of radio and television broadcast stations and legally approved Distribution Regulations, these earnings are distributed to the entitled performers and producers in the Netherlands and abroad, against the lowest possible costs.

Size and composition of the Supervisory Board

The Supervisory Board consists of six members, including an independent chair and an independent financial expert. The members are appointed for a term of four years and can be reappointed once for the same term. The members of the Supervisory Board cannot be part of the Executive Board or the Board of Affiliates at the same time. The Supervisory Board will meet at least four times a year.

Fields of activity of the Supervisory Board

- Supervising the (execution of the) Executive Board's day-to-day management as well as the foundation's general state of affairs, taking into account the foundation's results, performance and risks.
- Advising the Executive Board, both on request and on its own initiative, and acting as a sounding board.
- Testing the key strategic, organizational, financial, personnel and performance decisions.
- Supervising the compliance with relevant legislation and regulations.
- Supervising the compliance with guidelines for good governance and integrity for collective management organizations.
- Ensuring all requirements of financial reporting, internal control and risk management are met.
- Appointing the independent chairman and the independent financial expert member of the Supervisory Board.
- Appointing, suspending and dismissing the Executive Board, as well as acting as an authorised employer of the Executive Board.

Job requirements for members of the Supervisory Board

- Administrative and supervising qualities and administrative understanding.
- A keen sense of political and administrative relations.
- Being able to act broadly as a sounding board for the Executive Board.
- Knowledge of and experience with administrative decision-making processes.
- Capacity to make an overall assessment of the foundation's results in an independent way.
- Administrative knowledge and experience.
- Understanding of strategic considerations.
- Being able to work in a team.
- Qualities such as discussion, consultation, decision-making and communication skills.
- Interest in the music sector and in copyright and neighbouring rights in general.
- Experience with (administrative) organizations where large-scale data processing is executed.
- Affinity with day-to-day management on the basis of a (clear) job demarcation between the Supervisory Board and the Executive Board.
- An academic working and thinking level.
- Broad social interest.
- Integrity and independence.
- Having the (helicopter view) qualities to function as a supervisor of a complex organization.

2. PROFILE OF THE BOARD OF AFFILIATES

Size and composition of the Board of Affiliates

The Board of Affiliates consists of representatives of the Performers Section and representatives of the Producers Section. Each Section has at least five and at the most seven Section representatives; the number of representatives of both Sections should be equal at all times. In its current state, the Board of Affiliates consists of fourteen Section representatives. The members of the Board of Affiliates are appointed by the Meeting of Affiliates of the respective Section for a term of four years, and can be reappointed twice for a same term. Nomination of candidates can take place on the recommendation of the founding organizations. Affiliates are also entitled to nominate candidates for free seats and/or to nominate opposing candidates.

In order to enable candidates and opposing candidates to get a picture of the Board of Affiliates' most important fields of activity, the following profile has been prepared, including the most desirable competencies and experience. The members of the Board of Affiliates cannot be part of the Executive Board or the Supervisory Board. The Board of Affiliates will meet at least four times a year.

Fields of activity of the Board of Affiliates

- Supervising the overall policy-making process with respect to matters that are of specific importance to the Sections.
- Amending and approving the Distribution Regulations.
- Approving the annual financial statements, the annual plan and the budget.
- Advising the Executive Board, both on request and on its own initiative.
- Appointing, suspending and dismissing four members of the Supervisory Board (two by the Section representatives of the Performers Section and two by the Section representatives of the Producers Section).

Desired competencies of the members of the Board of Affiliates

- Knowledge of and experience with administrative decision-making processes.
- Capacity to make an overall assessment of the foundation's results in an independent way.
- Understanding of strategic weighing processes.
- Being able to work in a team.
- Qualities such as discussion, consultation, decision-making and communication skills.

3. AGREEMENTS WITH INTERNATIONAL ORGANIZATIONS AS AT DECEMBER 2018

For the benefit of **performers**, we have made agreements with the following international organizations:

| Country | Organization |
|----------------|------------------------|
| Argentina | AADI |
| Austria | LSG |
| Belgium | Playright |
| Brasil | Abramus |
| Bulgaria | Prophon |
| Canada | Actra PRS |
| Croatia | Huzip |
| Czech Republic | Intergram |
| Denmark | GRAMEX |
| Estonia | EEL |
| Finland | GRAMEX |
| France | ADAMI |
| France | Spedidam |
| Germany | GVL |
| Greece | Apollon |
| Greece | ERATO |
| Hungary | EJI |
| Iceland | SFH |
| Ireland | RAAP |
| Italy | NUOVO IMAIE |
| Japan | Geidankyo |
| Latvia | Laipa |
| Lithuania | Agata |
| Norway | Gramo |
| Norway | Norwaco (Private Copy) |
| Poland | STOART/SAWP |
| Portugal | GDA |
| Romania | Credidam |
| Russia | VOIS |
| Russia | RUR (Private Copy) |
| Serbia | PI |
| Slovakia | SLOVGRAM |
| South Africa | Sampra |
| South Korea | FKMP |
| Spain | AIE |
| Sweden | SAMI |
| Switzerland | SWISSPERFORM |
| Ukraine | UMA/UMRL |
| United Kingdom | PPL |
| United States | AARC |
| United States | AFM/AFTRA |
| United States | Sound Exchange |
| Uruguay | Sudei |

| Country | Organization | Received licence fee income international | Gross distribution licence fee income international | Cost percentage withheld | Gross distribution licence fee income The Netherlands | Cost percentage withheld |
|-------------------------|----------------------|--|---|--------------------------------|---|--------------------------------|
| Argentina | AADI | - | - | 6% | 1 | 16% / 12% |
| Austria | LSG | 121 | - | 4% | 20 | 16% / 12% |
| Belgium | Playright | 625 | 1 | 4% | 201 | 16% / 12% |
| Brasil | Abramus | 71 | - | 6% | 56 | 16% / 12% |
| Brasil | SBACEM | - | - | 6% | 2 | 16% / 12% |
| Canada | Actra PRS | 129 | 1 | 6% | 89 | 16% / 12% |
| Canada | ARTISTI | - | - | 6% | 5 | 16% / 12% |
| Canada | MROC | - | - | 6% | 20 | 16% / 12% |
| Croatia | Huzip | 5 | - | 4% | - | 16% / 12% |
| Czech Republic | Intergram | - | - | 4% | 17 | 16% / 12% |
| Denmark | GRAMEX | 105 | - | 4% | 90 | 16% / 12% |
| Estonia | EEL | 7 | - | 4% | 1 | 16% / 12% |
| Finland | GRAMEX | 95 | - | 4% | 16 | 16% / 12% |
| France | ADAMI | 450 | - | 4% | 186 | 16% / 12% |
| France | Spedidam | - | - | 4% | 74 | 16% / 12% |
| Germany | GVL | 1,815 | 1 | 4% | 231 | 16% / 12% |
| Greece | ERATO | 6 | - | 4% | - | 16% / 12% |
| Iceland | SFH | - | - | 4% | 1 | 16% / 12% |
| Ireland | RAAP | 30 | 1 | 4% | 280 | 16% / 12% |
| Italy | ITSRIGHT | - | - | 4% | 51 | 16% / 12% |
| Italy | IMAIE | 518 | - | 4% | 27 | 16% / 12% |
| Italy | NUOVO IMAIE | 44 | - | 4% | 1 | 16% / 12% |
| Japan | Geidankyo | 186 | - | 6% | 6 | 16% / 12% |
| Lithuania | Agata | - | - | 4% | 1 | 16% / 12% |
| Norway | Gramo (Private Copy) | 72 | - | 4% | 36 | 16% / 12% |
| Poland | STOART/SAWP | 129 | - | 4% | 1 | 16% / 12% |
| Portugal | GDA | 15 | - | 4% | 2 | 16% / 12% |
| Romania | Credidam | - | - | 4% | 3 | 16% / 12% |
| Russia | VOIS | - | - | 6% | 1 | 16% / 12% |
| South Africa | POSA | 9 | - | 6% | - | 16% / 12% |
| Spain | AIE | 133 | (1) | 4% | 194 | 16% / 12% |
| Sweden | SAMI | 195 | 1 | 4% | 359 | 16% / 12% |
| Switzerland | SWISSPERFORM | 106 | - | 4% | 5 | 16% / 12% |
| United Kingdom | PPL | 509 | 130 | 4% | 6.291 | 16% / 12% |
| United States | AARC | - | - | 6% | 33 | 16% / 12% |
| United States | AFM/AFTRA | 51 | - | 6% | 315 | 16% / 12% |
| United States | SOUND EX-CHANGE | 1,351 | 1 | 6% | 460 | 16% / 12% |
| TOTAL PERFORMERS | | 6,777 | 135 | | 9,076 | |

For the benefit of **producers**, we have made agreements with the following international organizations:

| Country | Organization |
|----------------|---------------------------|
| Australia | PPCA |
| Austria | LSG |
| Belgium | SIMIM |
| Brasil | Abramus |
| Bulgaria | Prophon |
| Canada | Re:Sound |
| Czech Republic | Intergram |
| Denmark | GRAMEX DK |
| Estonia | EFÜ |
| Finland | GRAMEX FI |
| France | SCPP |
| Germany | GVL |
| Greece | GRAMMO |
| Hungary | MAHASZ |
| Ireland | PPI |
| Italy | SCF |
| Jamaica | JAMMS |
| Japan | RIAJ |
| Korea | RIAK |
| Latvia | Laipa |
| Lithuania | Agata |
| Norway | Gramo |
| Poland | ZPAV |
| Russia | VOIS |
| Serbia | O.F.P.S. |
| Slovenia | Zavod IPF |
| Spain | Agedi |
| Sweden | IFPI Svenska |
| Ukraine | UMA/UMRL |
| United Kingdom | PPL |
| United States | AARC (Private Copy/Audio) |
| United States | Sound Exchange |

| Country | Organization | Received licence fee income international | Gross distribution licence fee income international | Cost percentage withheld | Gross distribution licence fee income The Netherlands | Cost percentage withheld |
|-----------------|-------------------|--|---|--------------------------------|---|--------------------------------|
| Australia | PPCA | 14 | - | 6% | - | 16% / 12% |
| Austria | LSG | 29 | - | 6% | - | 16% / 12% |
| Belgium | SIMIM | 237 | - | 4% | 57 | 16% / 12% |
| Brasil | Abramus | 2 | - | 6% | - | 16% / 12% |
| Canada | Re:Sound | 4 | - | 6% | - | 16% / 12% |
| Denmark | GRAMEX DK | 28 | - | 4% | 8 | 16% / 12% |
| Estonia | EFÜ | 7 | - | 4% | - | 16% / 12% |
| Finland | GRAMEX FI | 15 | - | 4% | - | 16% / 12% |
| France | SCPP | 175 | - | 4% | - | 16% / 12% |
| Germany | GVL | 23 | - | 4% | 2 | 16% / 12% |
| Germany | IFPI DE | - | - | 4% | 31 | 16% / 12% |
| Hungary | MAHASZ | 12 | - | 4% | - | 16% / 12% |
| Ireland | PPI | 2 | - | 4% | 1 | 16% / 12% |
| Japan | RIAJ | 65 | - | 6% | - | 16% / 12% |
| New Zealand | Recorded Music NZ | 8 | - | 6% | - | 16% / 12% |
| Norway | Gramo | 17 | - | 4% | - | 16% / 12% |
| Sweden | IFPI Svenska | 21 | - | 4% | - | 16% / 12% |
| United Kingdom | PPL | 177 | 1 | 4% | 640 | 16% / 12% |
| United States | Sound Exchange | 215 | - | 6% | 5 | 16% / 12% |
| Total producers | | 1,051 | 1 | | 744 | |
| TOTAL | | 7,828 | 136 | | 9,820 | |

PRIVATE COPYING

Stichting NORMA has mandated us to collect audio fees for Private Copying abroad from its affiliates and to distribute them directly to all entitled performing artists, to the extent known to Sena.

In 2018 we were able to collect €301 thousand in private copying audio fees from abroad. This income is inclusive of an amount of €11 thousand which we received directly from Stichting NORMA, who collected this from ADAMI and forwarded it to Sena. In total, Sena could distribute €278 thousand of Private Copying/Audio (Dutch licence fee income) in 2018.

| Country | Organization | Received licence fee income international | Gross distribution to right-holders | Cost percentage withheld |
|---------------|--------------|--|--|-----------------------------|
| Austria | LSG | - | 7 | 4% |
| Belgium | PLAYRIGHT | 246 | 242 | 4% |
| Belgium | SIMIM | 25 | 12 | 4% |
| Estonia | EEL | 7 | 1 | 4% |
| Finland | GRAMEX FI | - | - | 4% |
| France | ADAMI | 11 | 10 | 4% |
| Germany | GVL | - | - | 4% |
| Greece | ERATO | - | - | 4% |
| Hungary | MAHASZ | 1 | 1 | 4% |
| Japan | GEIDANKYO | 1 | - | 6% |
| Japan | RIAJ | - | - | 6% |
| Spain | AIE | 1 | 1 | 4% |
| Sweden | IFPI Svenska | - | - | 4% |
| Sweden | SAMI | 8 | 3 | 4% |
| United States | AARC | - | 1 | 6% |
| TOTAL | | 301 | 278 | |



Magda Mendes, Michel van Schie and Nina June

4. TRANSPARENCY REPORT (REFERENCE TABLE)

Please find below the reference table regarding the statutory obligation to publish a transparency report, as referred to in the Transparency Report (Collective Management Directive) Decree and published in the Government Gazette on 23 November 2016. The purpose of this table is to increase the ease for the reader to find the required elements of the transparency report in this annual report.

| Section | Description | Part of annual report | Page number |
|------------------|---|--|-------------|
| Section 2 | | | |
| a | cash flow statement; | Cash flow statement | 39 |
| b | information on refusals to grant a licence under Section 2l(3) of the Collective Management Organizations (Copyright and Neighbouring Rights) Supervision and Dispute Settlement Act; | Transparency report | 92 |
| c | a description of the statutory and administrative structure of the collective management organization; | Personal details and relevant activities, Appendices 1 and 2 | 71, 80, 81 |
| d | information on the entities that are directly or indirectly owned by, or are wholly or partially under the supervision of, the collective management organization; | Notes to the statement of income and expenditure; Affiliated parties | 67 |
| e | information on the total remuneration amount that was paid to the persons referred to in Section 2e(3) and Section 2f of the Collective Management Organizations (Copyright and Neighbouring Rights) Supervision and Dispute Settlement Act in the past financial year, including any other benefits granted to such persons; | Notes to the statement of income and expenditure; Executive Board and Supervisory Board remuneration | 63, 64 |
| f | the financial information referred to in Section 3 of this Decrees; | See Section 3 | 88 |
| g | a special report on the use of amounts that have been withheld for social cultural, and educational services, in which the information as referred to in Section 3 of this Decree is included; | See Section 3 | 88 |
| Section 3 | | | |
| a | financial information on rights revenue specified by category of managed rights and by type of use, including information on the income from the investment of rights revenue and the use of such revenue; | Report of the Executive Board, Notes to the 2018 results, Appendix 5, Transparency report | 4, 20, 92 |
| b | financial information on the costs of rights management and services provided by the collective management organization to right-holders, with a full description of at least the following items: | | |

| Section | Description | Part of annual report | Page number |
|---------|---|---|-------------|
| | 1 all operating expenses and financial costs, specified by category of managed rights, and, in the event of indirect costs that cannot be attributed to one or more rights categories, an explanatory note on the method of allocation of indirect costs; | Appendix 5, Transparency report | 92 |
| | 2 operating expenses and financial costs, specified by category of managed rights, and, in the event of indirect costs that cannot be attributed to one or more rights categories, an explanatory note on the method of allocation of indirect costs, to the extent that these costs relate to rights management, including the management costs that have been withheld on or compensated with rights revenue or income arising from the investment of rights revenue under Section 2g(4) and Section 2h(1–3) of the Collective Management Organizations (Copyright and Neighbouring Rights) Supervision and Dispute Settlement Act; | N/A | |
| | 3 operating expenses and financial costs for services other than rights management, including social, cultural and educational services; | Notes to the balance sheet; Social-Cultural Fund and Social, cultural and educational services, Social-Cultural projects (Appendix 6) | 53, 54, 94 |
| | 4 resources that are used to cover costs; | N/A | |
| | 5 amounts that have been withheld on rights revenue, specified by category of managed rights, type of use and purpose of the deduction; | Statement of movements in distributable licence fee income. Also see: Notes to the balance sheet; Liability regarding distribution | 43, 56 |
| | 6 the percentages of the costs of the rights management and other services provided by the collective management organization to right-holders in respect of the rights revenue in the relevant financial year, by category of managed rights, and, in the event of indirect costs that cannot be attributed to one or more rights categories, an explanatory note on the method of allocation of indirect costs; | Key figures and Appendix 3, Agreements with international organizations as at December 2018 | 32, 82 |

| Section | Description | Part of annual report | Page number |
|---------|---|---|-------------|
| c | financial information on amounts owed to right-holders, with a full description of at least the following items: | | |
| | 1 the total amount attributed to right-holders, specified by category of managed rights and type of use; | Notes to the balance sheet; liability regarding distribution | 56 |
| | 2 the total amount paid to right-holders, specified by category of managed rights and type of use; | Notes to the cash flow statement, Notes to the balance sheet; liability regarding distribution | 48, 56 |
| | 3 the frequency of the payments, specified by category of managed rights and type of use; | Notes to the cash flow statement | 48 |
| | 4 the total amount collected but not yet allocated to right-holders, specified by category of managed rights and type of use, and an indication of the fiscal year in which these amounts were collected; | Notes to the balance sheet; liability regarding distribution | 56 |
| | 5 the total amount allocated but not yet distributed to right-holders, specified by category of managed rights and type of use, and an indication of the fiscal year in which these amounts were collected; | Notes to the balance sheet; liability regarding distribution | 56 |
| | 6 if a collective management organization has not carried out the distribution and payment within the period stipulated by Section 21(3) of the Act, the reasons for this delay; | Notes to the balance sheet; liability regarding distribution | 56 |
| | 7 the total of non-distributable amounts, with an explanatory note on the use of those amounts; | Notes to the balance sheet; liability regarding distribution | 56 |
| d | information on the financial relationship with other collective management organizations, with a description of at least the following items: | | |
| | 1 amounts received from other collective management organizations and amounts paid to other collective management organizations, specified by category of managed rights, type of use and organization; | Transparency report and Appendix 3, Agreements with international organizations as at December 2018 | 92, 82 |
| | 2 management costs and other deductions on income from managed rights that are owed to other collective management organizations, specified by category of managed rights, type of use and organization; | Appendix 3, Agreements with international organizations as at December 2018 | 82 |
| | 3 management costs and other deductions on the amounts that have been paid by other collective management organizations, specified by category of managed rights and organization; | Appendix 3, Agreements with international organizations as at December 2018 | 82 |
| | 4 the amounts directly distributed to right-holders that derive from other collective management organizations, specified by category of rights and by organization; | Notes to the cash flow statement | 48 |

| Section | Description | Part of annual report | Page number |
|------------------|--|---|-------------|
| Section 4 | | | |
| a | the amounts for social, cultural and educational services withheld during the financial year, specified by type of objective, and a specification of each objective by category of managed rights and type of use; | Key figures, Statement of movements in distributable licence fee income, Notes to the balance sheet, Liability regarding distribution | 32, 43, 56 |
| b | a clarification of the use of those amounts, with a specification by type of objective, including the management costs of the withheld amounts for the funding of social, cultural and educational services as well as the individual amounts that have been used for social, cultural and educational services; | Notes to the balance sheet; Social-Cultural Fund and Social, cultural and educational services, Social-Cultural projects (Appendix 6) | 53, 54, 94 |

5. TRANSPARENCY REPORT

Information on refusal to grant a licence

Due to the fact that Sena exercises a right to be compensated rather than a right of prohibition on behalf of its right-holders, it is in principle unable to withhold, suspend or terminate music licences from or of music users. Licences can only be terminated at the initiative of the music user, if that user wishes to terminate the publication or disclosure of protected mechanical music and notifies Sena of this fact.

Licences will be suspended if a music user refuses the payment of fair compensation in accordance with Section 7 of the Neighbouring Rights Act (Wet op de naburige rechten). Should the music user report to have played music in public for which Sena is not owed a fee, the rights incumbent on the music that has been used will be verified before the termination of the licence is effected.

| Rights revenue | | 2018 | 2017 |
|--|----------------------------|--------|--------|
| | | € | € |
| Rights category | Type of use | | |
| Neighbouring rights | The Netherlands | 62,356 | 59,409 |
| DUTCH LICENCE FEES | | 62,356 | 59,409 |
| Rights category | Type of use | | |
| Neighbouring rights | International | 7,010 | 7,901 |
| Other rights | International private copy | 301 | 144 |
| INTERNATIONAL LICENCE FEES | | 7,311 | 8,045 |
| TOTAL RIGHTS REVENUE | | 69,667 | 67,454 |
| Income from investment* of rights revenue | | 50 | 65 |
| TOTAL RIGHTS FEES INCLUDING INCOME FROM INVESTMENT | | 69,717 | 67,519 |

* Rights revenue that is not yet payable, in accordance with the investment principles, will be held at banks on savings accounts that yield the highest possible interest. The income from investment outlined here exclusively relates to revenue from interest.

| Costs | | 2018 | 2017 |
|-------------------------------|----------------------------|-------|-------|
| | | € | € |
| Rights category – type of use | | | |
| Dutch collection | Operating expenses (gross) | 7,394 | 7,104 |
| International collection | Operating expenses (gross) | 419 | 379 |
| TOTAL COST ALLOCATION | | 7,813 | 7,483 |

Sena employees do not record their hours. As such, we make no distinction in terms of the hours dedicated to the rights categories listed above. Nevertheless, in order to comply with the requirements of the transparency report, the gross operating result has been charged to the Dutch collection and International collection rights categories based on a estimate of the dedicated hours for each department. This overview is founded on a comprehensive cost calculation, which also includes pro rata rental costs for the premises.

6. SOCIAL-CULTURAL PROJECTS 2018

Joint projects

| Name project | Awarded in 2018 | Realized in 2018 |
|----------------------------------|-----------------|------------------|
| Edison Jazz/World 2018 | x | x |
| Edison Pop 2018 | | x |
| Edison Pop 2019 | x | |
| Gouden Notekraker / Sena 25 jaar | x | x |
| Investeringsfonds Pop | x | x |
| Stichting BREIN | x | x |

Producers' projects

| Name project | Awarded in 2018 | Realized in 2018 |
|----------------------------------|-----------------|------------------|
| Edison Jazz/World 2018 | x | x |
| Edison Pop 2018 | | x |
| Edison Pop 2019 | x | |
| Gouden Notekraker / Sena 25 jaar | x | x |
| Investeringsfonds Pop | x | x |
| Muziekids | x | |
| Stichting BREIN | x | x |
| STOMP | x | x |

Performers' projects

| Name project | Awarded in 2018 | Realized in 2018 |
|--|-----------------|------------------|
| 24 Chambers | x | x |
| ADE Beats | x | x |
| Alba Rosa Viva! Festival | x | x |
| Amersfoort Jazz | x | |
| Amsterdam Roots Festival | x | x |
| Bachdag Amersfoort | x | x |
| Bevrijdingsfestivals Nationaal Comité 4 en 5 mei – Sena Performers Talent Stages | x | x |
| Big Rivers Festival | x | |
| BIMHUIS Radio | x | x |
| Blazen aan het Spui | x | x |
| Boy Edgar Prijs | x | x |
| Buitenspelen voor de GRAP | x | x |
| Buma NL | x | x |
| ChambeR | x | x |
| Cutting Edge Jazzfestival | x | |
| Delft Chamber Music Festival | x | x |
| De Nacht van de Kaap | x | x |
| Dias Latinos | x | x |
| Djazzvibes | x | x |
| Dordt in Cello | x | |
| Drentsch Peil XL | x | x |
| Duizel in het Park | x | x |
| Dutch Double Bass festival | x | |
| Dutch Jazz | x | |
| Dutch Performers House – Unsung Heroes | x | x |
| Edison Jazz/World | x | x |
| Edison Pop 2019 | x | |
| Eurosonic Noorderslag (ETEP) | x | |
| Festival Colores Colombia | x | x |
| Festival Jazz International Rotterdam | x | x |
| Flamenco Biënnale | x | x |
| Freeze Festival | x | x |

| Name project | Awarded in 2018 | Realized in 2018 |
|---|-----------------|------------------|
| Geef multimediale muziek en zijn makers gehoor! | x | |
| Generations | x | |
| Goois Jazz Festival | x | |
| Gouden Notekraker / Sena 25 jaar | x | x |
| Grachtenfestival Conservatorium Concours | x | x |
| Grachtenfestival Weekend | x | x |
| Happy Bachdag | x | |
| Herfstfest Drumfestival | x | x |
| Houtfestival | x | x |
| Internationale Koorbiënnale | x | |
| Investeringsfonds Pop | x | x |
| Jazzfest Amsterdam | x | |
| Jazz en de Walvis | x | x |
| Jazz in de Kamer | x | |
| Jazz in Duketown | x | x |
| Jazz on the Sofa | x | x |
| Jazz te Gast | x | |
| Kaagwater Jazz | x | |
| Kaderock | x | x |
| Klassiek op het Amstelveld | x | x |
| Kunstenbond / Ntb | x | |
| Leusden Jazz | x | x |
| Loosdrecht Jazzfestival | x | x |
| Motel Mozaïque festival | x | |
| Nationaal Jeugd Jazz Orkest | x | x |
| Newlands festival | x | x |
| New York Round Midnight Orchestra | x | |
| Muziek van het hoge Noorden | x | x |
| North Sea Round Town | x | x |
| Nu of Nooit | x | x |
| Operadagen Rotterdam | x | |
| Oranjewoud Festival | x | |
| Oriental Landscapes | x | x |

| Name project | Awarded in 2018 | Realized in 2018 |
|---|-----------------|------------------|
| Orlando Festival | x | x |
| Peter de Grote festival | x | x |
| Popunie Live | x | |
| Prinses Christina Jazz Concours | x | x |
| RIGHTABOUTNOW festival | x | |
| Rotterdam Bluegrass Festival | x | |
| Schiermonnikoog Jong Talent Festival | x | |
| Sena Performers European Guitar Awards | x | x |
| Sena Grote Prijs van Rotterdam | x | x |
| Sena Performers Guitar Week | x | x |
| Sena Performers International Jazz Laureates Festival | x | x |
| Sena Performers Muziekproductiefonds podium Uitmarkt | x | x |
| September Me | x | x |
| SoccerRocker | x | |
| Soundsofmusic | x | x |
| Splendor jubileum | x | x |
| Storioni Festival | x | |
| Trommel internationaal festival | x | x |
| VESTROCK | x | x |
| Weitjerock | x | x |
| Wonderfeel lustrumeditie 2019 | x | |
| World Music Forum NL | x | x |
| Zeeland Jazz | x | x |
| Zeister Muziekdagen | x | x |
| Zomeracademie Zutphen | x | x |
| ZomerJazzFietsTour | x | x |

7. GENERAL INFORMATION SENA

On 29 September 1992, Sena (Stichting ter Exploitatie van Naburige Rechten), the Dutch Foundation for the Exploitation of Neighbouring Rights, was established by notarial deed. The foundation has its registered office in Hilversum, the Netherlands. On 24 November 2017, the foundation's Articles of Association were lastly amended. In its Articles of Association, the foundation has included the following objective:

"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."

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 Neighbouring Rights Act;
- 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. setting up and 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 inside and outside the Netherlands 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.

On 1 July 1993, the Dutch Neighbouring Rights Act entered into force by Royal Decree. Amongst other things, the Neighbouring Rights Act protects the interests of producers and performers of musical works.

The Minister of Justice and Security has designated Sena as the only body authorised to collect and distribute second-use fees under the Neighbouring Rights Act.

The annual financial statements have been prepared under the responsibility of the Executive Board, approved by the Supervisory Board and adopted by the Board of Affiliates. The annual financial statements are available for inspection to the Meetings of Affiliates.



Nina June, winner of the Silver Nutcracker, receives her prizes from Jacqueline Govaert

COLOPHON

Contact
Catharina van Renneslaan 20
1217 CX Hilversum
The Netherlands

Telephone
+31 (0)35 - 625 1700

Email
sena@sena.nl

Internet
www.sena.nl

Editor-in-chief
Melanie van de Kuinder, Sena

Concept and realization
Fellows

| | |
|-----------------------------|------------------------|
| Credits | |
| Pages 11, 15, 31, 47 and 97 | Richard Tas |
| Pages 37 and 87 | Monique Shaw |
| Pages 67 and 77 | Melanie van de Kuinder |
| Page 78 | Eelkje Colmjon |

MAKES
THE
MOST
OF
MUSIC