

Old Age Provision Rules for Authors  
**Vereniging Buma**

## Definitions

- Official state retirement age (AOW)** : The retirement age provided for in Article 7a of the AOW (The General Old Age Pensions Act).
- Author** : The natural person who, by reason of the Articles of Association of Buma, belongs to the group of composers and lyricists and who receives a payment from Buma himself/herself or through a B.V. arising from music copyrights.
- Available deposit** : The deposit as defined in Article 3 of these Old Age Provision Rules.
- B.V.** : The company to which the Author has transferred his music copyrights and which receives a payment from Buma arising from the music copyrights.
- Buma** : Vereniging Buma, with registered offices in Amstelveen and registered in the Commercial Register of the Chamber of Commerce under number 40530934.
- Beneficiary** : The Author and, where applicable, his/her B.V.
- Basic deposit** : The sum of all payments arising from music copyrights that the Beneficiary receives in a calendar year (t) from Buma, excluding the Available deposit paid out in that calendar year (t).
- Deposit percentage** : 10%. Buma may adjust this percentage every year.
- Minimum basic deposit** : For the calendar year 2017, a basic deposit of € 1.104,-. This amount is indexed annually in accordance with the index rules of Buma.
- Old age provision** : Provision for the purpose of financing the desired living standard once the official state retirement age is reached.
- Agreement** : The so-called 'Agreement Old Age Provision' between Buma and the Beneficiary with regard to the participation in the Old Age Provision Rules.
- Payment** : The payments arising from music copyrights that the Beneficiary receives from Buma in any year.

#### **Article 1. Goal**

The Old Age Provision aims to enable the Beneficiary to arrange an Old Age Provision for the benefit of the Author and/or his surviving dependent(s).

#### **Article 2. Conditions for participation**

1. Participation by Beneficiaries in the Old Age Provision starts in the calendar year in which the basic deposit of the Beneficiary amounts to at least the minimum level of the applicable basic deposit.
2. Participation in the Old Age Provision ends no later than the first day of the calendar year following the calendar year in which the Author reaches the official state retirement age. In addition, participation also ends with immediate effect on the death of the Author.

#### **Article 3: Available deposit**

1. The Available deposit in one calendar year (t) is the deposit percentage of that calendar year (t) multiplied by the basic deposit of the Beneficiary in that calendar year (t).
2. The Available deposit is zero in the calendar year (t) if :
  - a. the basic deposit in that calendar year (t) is less than the minimum basic deposit for that calendar year (t); and/or
  - b. Buma has not received a complete, irrevocable and unconditional Agreement signed by the Beneficiary at the latest by 31st of December of the third calendar year (t + 3) following the calendar year (t) to which the Available deposit relates.

#### **Article 4. Payment**

The available deposit is not part of the rights assigned (debts) by the Beneficiary, and will therefore be paid out regardless of any possible debt.

1. The Available deposit of the respective calendar year (t) will be paid by Buma to the bank account specified by the Beneficiary, to which the Payments are also made, except in the case of debts known to Buma and/or attachments of the Payments (and the like). In the latter cases known to Buma, Buma will consult the Beneficiary.
2. The payment of the Available deposit takes place:
  - a. if Buma is already in possession of a complete, irrevocable and unconditional signed Agreement: the following calendar year (t + 1), and as soon as possible after the adoption by the members' meeting of the annual accounts of Buma with regard to calendar year (t), and
  - b. if Buma does not yet hold a complete, irrevocable and unconditional signed Agreement: as soon as possible after receipt by Buma of such a complete, irrevocable and unconditional signed Agreement, with the provision that, by definition, no payment will take place if Buma has not received a complete, irrevocable and unconditional signed agreement by 31st of December of the following year (t + 3) at the latest.

#### **Article 5. Obligations of the Beneficiary**

1. At the request of Buma, the Beneficiary will provide all the information that is reasonably required for the implementation of these Old Age Provision Rules.
2. The Beneficiary shall only use the Available deposit for the Old Age Provision of the Author and/or his surviving dependent(s), whereby, first of all, full use will be made of the fiscal provisions that are foreseen and available for this.
3. The Beneficiary is obliged to sign the Agreement and to return it to Buma within one month from receipt. The provisions of Article 3 paragraph 2 sub b and Article 4, paragraph 2 b will apply if Buma has not received a complete, unconditional and irrevocable signed agreement, or has not received it in time.

#### **Article 6. Fiscal responsibility**

1. The Beneficiary is himself/herself responsible for using the Available deposit for a tax-qualified Old Age Provision on behalf of the Author and/or his/her surviving dependent(s).
2. Buma is not liable in any way whatsoever with regard to the tax qualification of the Old Age Provision. Any applications for adjustment of tax assessments or penalties and interest related to the tax qualification of the Old Age Provision cannot be recovered from Buma.
3. If and insofar as any retroactive taxation takes place at Buma, Buma will recover this tax from the Beneficiary. The Beneficiary shall indemnify Buma from any claims and demands against Buma from the tax authorities and from any consequences that arise for Buma from such demands and claims.

#### **Article 7. Responsibility**

The Beneficiary - and nobody else - is responsible for the way in which the Available deposit is used for the benefit of the Old Age Provision.

#### **Article 8. Liability**

1. Buma shall bear no responsibility with regard to the facilitation of an Old Age Provision for the Author. Buma has not advised the Beneficiary in any way whatsoever. Buma excludes any liability regarding this.
2. Buma has no obligation of care towards the Author and/or his direct dependents with regard to a fair Old Age provision. Buma simply obliges the Beneficiary to make use of the Available deposits for an Old Age Provision.

#### **Article 9. Costs**

1. The costs that arise for Buma itself from making the Available deposit from Buma available to the Beneficiary shall be borne by Buma.
2. All other costs (for example, costs in connection with the implementation of an Old Age Provision) will be borne by the Beneficiary.

**Article 10. Amendments and termination**

1. Buma may unilaterally amend or terminate these Old Age Provision Rules.
2. Buma will notify the Beneficiary in writing of any amendment or termination pursuant to paragraph 1 of this article.

**Article 11. Applicable Law and Disputes**

1. These Old Age Provision Rules are exclusively subject to Dutch law
2. All disputes arising from these Old Age Provision Rules or their implementation shall be resolved exclusively by the competent court in Amsterdam.

**Article 12. Effective Date and Transitional Provision**

1. These Old Age Provision Rules come into effect on 1 January 2013
2. With regard to the amount and the payment of the Available deposits regarding the calendar year 2017, the components of the following articles must be read as follows:
  - a. Article 3 paragraph 2 sub b: "Buma has not received the returned complete, irrevocable and unconditional signed Agreement by 31<sup>st</sup> of December 2020 at the latest."
  - b. Article 4 paragraph 2: "The payment of the Available deposit takes place as quickly as possible after receipt of the complete, irrevocable and unconditional signed Agreement, at the latest by 31<sup>st</sup> of December 2020."