

BRITISH EQUITY COLLECTING SOCIETY LIMITED

Company No: 3547531

MINUTES of the Sixteenth Annual General Meeting
of British Equity Collecting Society Limited ('the Society')
held on Monday 1 December 2014 at 1.45pm
in the David Lean Room, BAFTA, 195 Piccadilly, London W1J 9LN

1. Welcoming remarks from the Chairman

The Chair, Graham Hamilton, opened the AGM and said that it was good to be opening the Sixteenth AGM in his third term as the Chair of BECS, since the Society was established in 1998. He welcomed all present and recorded his thanks to all those in attendance. A quorum of members (being the lesser of 25 members or one twentieth of the members entitled to attend and vote at the meeting) was present for the meeting.

The Chair asked each of the members of the Board present at the meeting to introduce themselves. Jo Cameron Brown, Louis Rolston, Peter Barnes, Steve Kenis, Nicholas Woodeson, Bryn Evans and Andy Prodger each then introduced themselves. The Chair explained that Nick Fletcher was unable to be present due to work commitments and referred to the business of the meeting and the proposed election of three further members to the Board.

The Chair then proposed that the formal business of the meeting be addressed.

Formal Business

ORDINARY BUSINESS

1. To receive and approve the Minutes of the Fifteenth Annual General Meeting of the Society held on Thursday 29 November 2013

The Chair asked all present whether they wished to raise any comments or corrections to the Minutes of the 2013 AGM.

Valda Gale asked whether BECS was involved in the collection of royalties from the use of feature films made as far back as 1955. Andy Prodger confirmed that BECS was not involved in the collection or chasing of contractual royalties, but did act as an appointed distribution agent for specified monies due to performers. Since the concern related to the collection of payments due to Walk-on performers, he pointed out that entitlement to receive royalties has been changed quite some time ago in 1998.

Lionel Guyett noted that the Minutes had recorded a discussion about the financial concerns raised in connection with commissioning the new IT system and asked if these had now been addressed. It was agreed that this matter should be raised as a question under the CEO report.

Sally Treble noted the reference in the Annual Review to resources allocated to making contact with estates of deceased performers and recalled that, when BECS was first established, Equity had sent out information to all members of Equity to explain the importance of their joining BECS. She asked

whether it was time for a similar mail-out to be undertaken. It was agreed that this matter should be raised as a question under the CEO report.

There being no further comments, the Chair asked the members present to approve the Minutes from the previous AGM:

- The resolution to approve the Minutes was proposed by Jonathan Courage.
- The proposal was seconded by Ian Barritt.
- The Minutes were approved unanimously by all members present.

2. To receive and consider, and if thought fit, approve the Director's Report and Financial Statements of the Society and the Annual Report for the Society for the year ended 30 April 2014, and the Auditors' report thereon

Tayyiba Nasser presented a summary of the Financial Statements included in the 2014 Annual Review which had been sent to all members. Members had also been given notice that copies of the full Financial Statements, the Annual Report for the year ended 30 April 2014 and the Auditors' Report on these and the Directors' Report had been made available for all members through the BECS website.

Tayyiba Nasser's presentation highlighted how the total revenue distributed by BECS broke down into the distribution of Equity Royalties, contractual payments, statutory payments linked to performers' rights and the distribution of ex-gratia monies secured under Equity cable retransmission agreements. She explained how totals under each heading had developed over the last four years. She also showed the movements in total expenses and costs of distribution over the last four years and underlined the reduction in total staff costs between 2012/13 and 2013/14.

Questions on the Financial Statements were then invited.

Ian Barritt asked for clarification about how the total figure shown as commission earned by BECS during the year ended 30 April 2014 related to a higher figure shown as income for the year ended 30 April 2013. Tayyiba Nasser confirmed that the 2013 figure included both commission income and administration charges made by BECS linked to the distribution of statutory revenues.

A member asked for clarification of the basis upon which BECS held monies under 'Cash at Bank'. It was confirmed that monies were held in current accounts and as short-term timed deposits with various reputable financial institutions.

Monies held in the BECS investment account were subject to an ethical bonds policy, but beyond that it was stressed that BECS did not place funds directly. The member agreed to contact Tayyiba Nasser after the meeting for further background.

Another member asked whether there was a cap on the payment of film royalties. Andy Prodger said that he would address this point in his report.

Phil Clark from Chantry Vellacott DFK LLP was then invited to report on the Audit for the Accounts. He reported that part of the Audit process was to ensure that monies held by BECS for its members was properly safeguarded. He then confirmed that the 2013-14 audit had been carried out successfully and a clean audit report provided. He had no concerns to raise with the meeting and recognised the hard work of the BECS Board and BECS staff in ensuring that such a clean report could be provided.

The Chair then asked for a proposer and seconder for the resolution to approve the Directors' Report and Financial Statements and the Annual Report of the Society for the year ended 30 April 2014:

- The resolution was proposed by Jean Rogers.
- This was seconded by Sally Treble and approved by all members present save for one abstention.

3. To consider, and if thought fit, pass a resolution that the auditors of the Society, Chantrey Vellacott DFK LLP, be reappointed as auditors of the Society, to hold office from the conclusion of the meeting until the Annual Report and Financial Statements are next laid before the Members, and that their remuneration be determined by the Directors

Jenny Goodall asked for an explanation of the deferred taxation provision included in the accounts. Phil Clark provided a detailed response.

The Chair then asked for a proposer and seconder for the resolution:

- The resolution was proposed by Alan Thompson.
- It was then seconded by Frederick Pyne.
- The resolution was then approved by all members present save for one vote against and four abstentions.

4. Special Business

The Chair then referred the Meeting to the Special Business announced in the Notice of the Meeting. He noted that nine nominations had been received from members of BECS for three vacancies on the Board of the Society to sit as Elected Directors on the Board.

Prior to closing the ballot he asked for any members present who had not previously submitted completed ballot papers to hand in completed forms for the count.

Following collection of ballot papers the Chair announced that the ballot was closed and confirmed that the final count would be overseen by Tayyiba Nasser as Company Secretary, with Phil Clark acting as an independent observer from the auditors of the Society. He confirmed that the results of the ballot would be announced following the reports to be given under items 5 and 6 on the Agenda.

5. Report from the Chief Executive Officer - Andy Prodger

Andy Prodger then addressed the meeting. He thanked his colleagues on the Board for all their work on behalf of the Society during the course of the year. He welcomed Laurence Oxenbury, the first Chief Executive of BECS to the meeting, as well as representatives of First Act Insurance.

He then gave a presentation covering highlights of the work of the Society during the year and recognised the work of BECS staff, welcoming Katie Stretton who had joined BECS that morning.

He outlined developments towards the expected launch of the new IT system in 2015 and the importance of linking it to performer and works databases being developed at international level to which BECS, as a member of the international community of collective management organisations, contributes.

He invited questions on his report.

Tony Parker asked for clarification of any changes to minimum payment levels applied by the Society. It was confirmed that the minimum payment by BACS remained at £10 and £50 remained as the minimum payment for international bank transfers.

Ian Barritt picked up on an earlier question from Lionel Guyett about costs that were incurred in the development of the IT system that was eventually cancelled in favour of development of the current new system. Andy Prodger confirmed that a confidential settlement had been reached with the developers, but that a significant amount of money had been recouped and monies paid had attracted Research and Development tax relief.

Frederick Pyne asked if there was any current indication of when the European Commission and the UK might ratify the WIPO Beijing Treaty. Andrew Yeates indicated that the new Commission's plans to undertake a further review of copyright rules during 2015 might be one of the reasons for the delay. More generally it was noted that considerable international efforts had been put behind steps to ratify the WIPO Treaty to support access to works by the Visually Impaired, and this might have contributed to delays in the provisions of the Beijing Treaty being fully addressed.

Diana Brooks asked how changes to the UK position as a member of the European Union might affect performers' rights. It was recognised that changes were unlikely to be helpful.

Inez Thorn reiterated her question about whether there was a cap on film royalties and Andy Prodger confirmed that there was no end date to contractually agreed payments. However, the term of statutory rights was defined.

6. Legal Update

The Chair invited Andrew Yeates to address the meeting. He reported on a number of Regulatory changes that had occurred during the year.

He highlighted the length of time that it took for some changes to work their way from ideas into regulations that actually delivered results for artists. The regulations that now enabled narrators of audio-books to receive Public Lending Right payments for the first time from July 2015 provided a good example of this.

However, such changes did show that perseverance in lobbying on behalf of the membership could deliver rewards. The principle of BECS being able to process and distribute quite small, but economically significant payments, on behalf of BECS members underpinned BECS's lobbying for Regulatory change and preservation of rights in an environment when yet further review of copyright rules was expected at European Commission level in the coming year.

7. To report on the results of the ballot and confirm the election of Elected Directors

At the invitation of the Chair, Tayyiba Nasser reported that 424 completed ballot papers had been received and votes provided for 1, 2 or 3 of the 9 nominated candidates.

The three candidates with the most votes were Jean Rogers, Frederick Pyne and Natasha Gerson.

The Chair therefore confirmed that Jean Rogers, Frederick Pyne and Natasha Gerson were duly elected as Elected Directors on the Board of BECS with effect from 1 December 2014.

8. Any other Business

The Chair invited members to raise any other business.

Jenny Goodall asked for clarification of the basis upon which BECS paid for the use of office space within Guild House and Andy Prodger explained the commercial basis of this.

Noel Butler thanked Phil Clark for his clear explanation of the complex issue of deferred taxation and took comfort from the fact that the Society had this professional backing.

There being no further matters raised, the Chair then declared the meeting closed and invited all present to join members of the Board for refreshments.