

BECS' Investment Policy

BECS' General Investment Policy with regard to rights revenue and income arising from the investment of rights revenue

The Members of BECS have approved adoption of this Policy in General Meeting on 2nd December 2016

Introduction

BECS applies its mandates to support the collection and distribution of Performers' Remuneration as defined by its Articles of Association.

This policy sets out the basis upon which BECS is authorised to invest monies collected by BECS after the point at which payments are received by BECS and whilst such monies remain as Available Funds as defined.

Permitted Investments

BECS shall not, without specific written consent from the Members, enter into any investments, other than as outlined below:

- Deposit of "Available funds" in interest bearing UK Sterling bank accounts with one or more recognised and licensed UK Banks, with a view to securing bank interest for the benefit of BECS Members.

"Available funds" are defined as cash received and not yet eligible for distribution according to BECS' Distribution Policies or allocated in accordance with BECS' Policy on Deductions.

BECS may place monies on long-term deposits until funds are required to fulfil its distributions as they fall due following authorisation in accordance with the relevant BECS' Distribution Policy.

Any bank interest so earned is referred to as "investment income".

BECS shall report on investment income earned within the annual report and financial statements of the company and within the Annual Transparency Report provided for BECS Members.

Links to BECS' Policy on Deductions and Distribution Policy

BECS' Members have approved a general policy on deductions from rights revenue to enable BECS to operate and apply management fees and any other at source deductions from amounts paid from agents or other collective management organisations ("BECS' Policy on Deductions").

This Investment Policy shall be interpreted and applied in conjunction with the BECS' Distribution Policies and BECS' Policy on Deductions.

Considered investment approach

BECS' Members have agreed that investments made within this Policy should adopt a considered investment approach.

This is intended to secure and safeguard monies invested on behalf of BECS' Members with a view to meeting its obligations for distributions made to BECS' Members in accordance with relevant Distribution Policies.

Treatment of investment income

Rather than allocating investment income to individual BECS' Members in the proportion for which they are eligible to receive shares of approved distributions under relevant approved Distribution Policies, the BECS' Members have agreed that investment income shall be made available to offset the costs of management fees or deductions approved under BECS' Policy on Deductions.

Such transfer of investment income is agreed on the basis that this will:-

- (a) help to reduce the costs otherwise necessary to meet management fees for BECS operating as a collective management organisation and providing its services to members in the capacity of a collective management organisation; and
- (b) ensure that investment income, and any share that would otherwise be allocated to individual BECS' Members, is applied for the benefit of BECS' Members in the same proportion as would have applied if monies fell due for distribution to relevant performers under the relevant Distribution Policy.