

**The Companies Act 2006**

**SPECIAL RESOLUTION**

**of**

**Directors UK Limited (the “Company”)**

**Company Number 2685120**

**PRIVATE COMPANY LIMITED BY GUARANTEE**

**CHANGE OF ARTICLES OF ASSOCIATION**

At a general meeting of the Company, duly convened and held at Directors UK, 22 Stukeley Street, London, WC2B 5LR on 8 September 2020, the following resolution was duly passed as a special resolution.

**SPECIAL RESOLUTION**

That the articles of association contained in the document attached to this Resolution and initialled for the purposes of identification be and hereby are approved and adopted as the new articles of association of the Company (the “**New Articles**”) in substitution for and to the entire exclusion of the existing articles of association.

---

Chief Executive of the Company

No of Company 02685120

---

COMPANY LIMITED BY GUARANTEE AND NOT HAVING A SHARE CAPITAL

---

## **ARTICLES OF ASSOCIATION**

**OF**

## **DIRECTORS UK LIMITED**

1. **In these Articles, unless there is something in the subject or context inconsistent therewith:-**
- 1.1 “Act” means the Companies Act 2006 as amended from time to time;
- 1.2 “Affiliated Society” means any of the societies in countries outside the United Kingdom affiliated to the Company or to which the Company is itself affiliated or which is affiliated in common with the Company to another society or which is associated by contract or otherwise howsoever with the Company;
- 1.3 “Annual Transparency Report” means the annual report on the operations and financial performance of the Company in such form and containing such information as is required by law;
- 1.4 “Articles” means the Company’s articles of association for the time being in force;
- 1.5 “Associate Member” means a person admitted to membership as a member eligible under sub-clause 6.1.4 of Article 6;
- 1.6 “Audio-visual Rights” and “Right” in relation to any Work means any right which currently or may in the future subsist in the said Work arising in the United Kingdom or elsewhere which may be exercised or enjoyed by the owner of the right including so called moral rights, “droit d’auteurs”, copyright, lending right, video cassette levy, secondary use, payments, cable

retransmission right, reproduction right, distribution right, rental right and all other similar rights recognised by the Company as a product of the intellectual endeavour of the owner;

- 1.7 “Board” means the board of DIRECTORS of the Company;
- 1.8 “Chair” means a DIRECTOR appointed by the Board that is responsible for presiding over board meetings;
- 1.9 “Charities Act” means Charities Act 2011 or any subsequent Charities Act;
- 1.10 “Code of Conduct” means the Company’s Code of Conduct, as may be varied from time to time, and the Policy for Unacceptable Behaviour, as may be varied from time to time;
- 1.11 “Company” means Directors UK Limited;
- 1.12 “Conflict” means a situation in which a DIRECTOR has or can have, a direct or indirect interest that conflicts or possibly may conflict with the interests of the Company;
- 1.13 “Corporate Governance Guide” means the Directors UK Limited Corporate Governance Guide;
- 1.14 “director” means any director of any audio/visual work or any other category of creative professional that the Board shall determine to be eligible for membership of the Company;
- 1.15 “DIRECTOR” means a Director of the Company;
- 1.16 “Disciplinary Process” means the Company’s disciplinary process as may be varied from time to time and followed by the Company in relation to the Code of Conduct;
- 1.17 “distribution” means any distribution of Fees which may, pursuant to the Rules, be made among the Members and Affiliated Societies out of the monies received by the Company in respect of the exercise of the Rights, licence or authority granted by them to the Company and “distributed” and “distributable” have corresponding meanings;
- 1.18 “Distribution-only Member” means a Member admitted to membership as a person eligible under clause 7.5 of Article 7;
- 1.19 “Eligible DIRECTOR” means a DIRECTOR who would be entitled to vote on the matter at a meeting of DIRECTORS (but excluding in relation to the authorisation of a Conflict pursuant to Article 55, any DIRECTOR whose vote is not to be counted in respect of the particular matter;
- 1.20 “Fees” means any fee, royalty and other remuneration which the Company believes may be due to any Member, or Affiliated Society (or its members) arising from the exploitation of any Audio-visual Right;

- 1.21 “Full Member” means a Member admitted to membership as a person eligible under sub-clause 6.1.1 or sub-clause 6.1.3 of Article 6;
- 1.22 “General Meeting” means a general meeting of the Members;
- 1.23 “Interested Director” has the meaning given in Article 55;
- 1.24 “Member” means a Right Holder or any entity representing Right Holders and includes a Full Member, a Successor Member, a Distribution-only Member, an Associate Member or a Student Member whose membership has been accepted;
- 1.25 “membership” means membership of the Company;
- 1.26 “the office” means the registered office of the Company;
- 1.27 “ordinary resolution” has the meaning given in section 282 of the Act;
- 1.28 “Present” means in respect of any general meeting:
- (a) present either in person or by electronic means; and
  - (b) able to:
    - i. address and hear the meeting in real time; and
    - ii. vote and have such vote taken into account on any resolutions put into the meeting at the same time as all other persons attending the meeting
- 1.29 “Regulations” means the Collective Management of Copyright (EU Directive) Regulations 2016 and any United Kingdom subordinate legislation implementing EC Directive 2014/26/EU and as amended from time to time;
- 1.30 “Right Holder” means any person (other than a collective management organisation) that owns or controls a copyright or related right in a Work, or under an agreement for the exploitation of rights or by law is entitled to a share of the rights revenue from a copyright or related right in a Work;
- 1.31 “Rules” means the Rules from time to time made for the purposes mentioned in sub-clause 2.5 of Article 2;
- 1.32 “special resolution” has the meaning given in section 283 of the Act;
- 1.33 “Student Member” means a person admitted to membership as a member eligible under sub-clause 6.1.5 of Article 6;

- 1.34 the "Subject Right" means any Audio-Visual Rights in the UK and elsewhere of directors;
- 1.35 "subsidiary" has the meaning set out in section 1159 of the Act;
- 1.36 "Successor Member" means a Member admitted to membership as a person eligible for membership under sub-clause 6.1.2 of Article 6;
- 1.37 "Supervisory Committee" has the meaning given in Article 59;
- 1.38 "United Kingdom" means Great Britain and Northern Ireland;
- 1.39 "Work" means any cinematographic, television, video or other audio/visual work;
- 1.40 Words importing the singular number include the plural vice versa.
- 1.41 Words importing the masculine gender include the feminine.
- 1.42 Words importing persons include corporations.
- 1.43 Words or expressions contained in these Articles shall bear the same meaning as in the Act at the date at which these Articles become binding on the Company.

## **OBJECTS**

- 2.
- 2.1 The objects for which the Company are established are:-
- 2.2 To protect, enhance and enforce Audio-visual Rights of Right Holders in material recognised by the Company as a product of intellectual endeavour belonging whether in whole or in part to the Right Holders (hereinafter "the Right Holder Works").
- 2.3 To negotiate, collect, administer and distribute Fees which the Company believes may be due to the Right Holders from the exploitation within the United Kingdom and elsewhere of Audio-visual Rights in the Right Holder Works.
- 2.4 To make and from time to time to rescind, alter or vary any arrangement or agreement for the use of the Audio-visual Rights and or the Right Holder Works.
- 2.5 To distribute and receive and give effectual discharges and receipts for the Fees arising from the exploitation of the Audio-visual Rights and the use of the Right Holder Works, and to make and from time to time alter or vary any Rules for regulating the distribution of Fees.
- 2.6 To take proceedings, and to recover the Fees and to restrain and recover damages for the infringement of the Audio-visual Rights of the Right Holders or of the Company in respect of

the Right Holder Works, and to release, compromise or refer to arbitration any such proceedings or action or any other disputes or differences in relation to the Right Holder Works.

- 2.7 To obtain from the Right Holders such assignments, assurances, powers of attorney or other authorities as may be necessary for the Company to exercise and enforce in its own name or otherwise all such rights and remedies aforesaid, and to execute and do all such assurances, agreements and other instruments and acts as may be necessary for the purposes of the protections and collection as aforesaid.
- 2.8 To enter into contracts with Affiliated Societies outside the United Kingdom having the same or similar objects as the Company for the purposes of the collection of Fees.
- 2.9 To carry out any business which may seem to the Company capable of being carried on in connection with the above objects or calculated, directly or indirectly, to enhance the value of any of the property or rights of the Company or the Right Holders.
- 2.10 To acquire or undertake the whole or any part of the business, property or liabilities of any person or company carrying on any undertaking or business which the Company is authorised to carry on or possessed of property suitable for the purposes of the Company.
- 2.11 To enter into partnership or into any arrangement for sharing profits, union of interests, co-operation, joint venture, reciprocal concession or otherwise with any other person, association or company carrying on or engaged in or about to carry on or authorised to carry on or engage in or any business or transaction capable of being conducted, and to amalgamate with or become affiliated to any such association or company, and to take or otherwise acquire shares and securities of any such company, and to sell, hold, re-issue, with or without guarantee, or otherwise deal with the same.
- 2.12 To purchase, take on lease, take options over by any other means acquire any freehold, leasehold or real or personal property of any and every kind for any estate or interest whatever, and any rights or privileges of any kind or in respect of any real or personal property.
- 2.13 To construct, erect, procure, lay down, alter, repair, renovate, improve, develop, exchange, rent, let on lease and maintain any property, buildings, works and machinery necessary or desirable for the Company's business and to mortgage, charge, sell, dispose of, turn to account, grant licences, options, rights, rights and privileges in respect of or otherwise deal with all or any part of the aforesaid property, buildings, works and machinery and rights or the Company both real or personal.
- 2.14 To apply for, obtain, register, purchase or by any means acquire and protect, prolong, extend and renew whether in the United Kingdom or elsewhere any patents, patent rights, trade marks, copyrights, names, designs, rights of publication or other rights, licences, brevets

d'invention or secret processes belonging to the Company or the Right Holders, and to disclaim, alter modify use and turn to account any of the aforementioned and manufacture under or grant licences or privileges in respect if the same, and to expend money in experimenting upon, testing and improving any patents, inventions or rights which the Company or the Right Holders may acquire or propose to acquire.

- 2.15 To enter into any arrangements with any Governments or Authorities, trade associations or other representative bodies (supreme, municipal, local or otherwise) that may seem conducive to the attainment of the Company's objects or any of them to obtain from any such Government, Authority, trade association or other representative body any charters, decrees, rights, privileges or concessions which the Company may think suitable and to carry out, exercise and comply with any such charters, decrees, rights, privileges and concessions.
- 2.16 To apply for, promote and obtain any Act of Parliament, European Community Directive, Regulations, Provisional Order, or Licence of the Department for Business, Energy and Industrial Strategy or other authority for enabling the Company to carry any of its objects into effect or for effecting any modifications of the Company's constitution, or for any other purpose which may seem expedient, and to oppose any proceedings or applications which may seem calculated directly or indirectly to prejudice the Company's interests.
- 2.17 To subscribe for, take, purchase, or otherwise acquire and hold shares or other interests in or securities of any other company having objects altogether or in part similar to those of the Company or carrying on any business capable of being carried on so as directly or indirectly to benefit the Company or enhance the value of any of the property of the rights of the Company or the Right Holders and to co-ordinate, finance and manage the businesses and operations of any Company in which the Company holds any such interest.
- 2.18 To enter into any arrangement or contact with any person, firm or company for carrying on the whole or any part of the business of the Company, and to fix and determine the remuneration thereof, which may be by way of money payment, allotment of shares (either fully or partly paid or otherwise) or otherwise as may be thought suitable.
- 2.19 To guarantee the payment of any debentures, debenture stock, bonds, mortgages, charges, obligations, interests, dividends, securities, monies or shares or the performance of contracts or engagements of any other Company or person and to give indemnities and guarantees of all kinds and to enter into partnership or pursue any joint arrangement with any other person, persons, firm or company, having for its objects similar objects to those of this Company or any of them.
- 2.20 To support and subscribe to any charitable activity or purpose as defined in the Charities Act.

- 2.21 To act as agents or brokers and as trustees for any person, firm or company, and to undertake and perform sub-contracts and also to act in any of the businesses of the Company through or by means of agents, brokers, sub-contractors, or others.
- 2.22 To invest the monies of the Company not immediately required for any other purpose of the Company by the purchase of the shares or securities of any company or by the purchase of any interest in land or buildings or in such other manner as shall from time to time be determined either with or without security.
- 2.23 To lend and advance money or give credit in such terms as may seem expedient and with or without security to customers, Members, Right Holders and others, to enter into guarantees, contracts of indemnity and surety-ships of all kinds, to receive money on deposit or loan upon such terms as the Company may approve and to become security for any persons, firms or companies.
- 2.24 To borrow and raise money in such manner as the Company shall think fit and to secure the repayment of any money borrowed, raised or owing by mortgage, charge, lien or other security upon the whole or any part of the Company's property or assets (whether present or future), including its uncalled capital, and also by similar mortgage, charge, lien or security to secure and guarantee the performance by the Company of any obligation or liability it may undertake or which may become binding on it.
- 2.25 To draw, make, accept, endorse, discount, negotiate, execute and issue promissory notes, bills of exchange, bills of lading, warrants, debentures and other negotiable or transferable instruments.
- 2.26 To sell, dispose of, lease, transfer and/or otherwise deal with the business, property and undertaking of the Company or any part thereof in consideration of payments in cash, or in shares, or debentures or upon such terms or for such other consideration as the Company shall deem fit.
- 2.27 To adopt such means of making known the operations of the Company as may seem expedient, and in particular by advertising in the press, by circulars and by publication of books and periodicals.
- 2.28 To insure any officer of the Company and its property.
- 2.29 To receive contributions, subscriptions or donations for any of the aforesaid purposes from Right Holders, Members, employees of the Company or others.
- 2.30 To procure the Company to be registered or recognised in any part of the world.

- 2.31 To appoint any agent or agents for the collection and recovery of any monies receivable by the Company in the exercise of its powers or otherwise for the purpose of the exercise of any such powers.
- 2.32 To uphold, protect and enhance the craft of direction.
- 2.33 To uphold, protect and enhance the interests of television and film directors in respect of their remuneration and working conditions.
- 2.34 To uphold, protect and enforce the creative rights of television and film directors.
- 2.35 To represent United Kingdom directors within the United Kingdom and elsewhere.
- 2.36 To do all such other things as are incidental or conducive to the objects set forth above

And It is hereby declared that the objects set forth in each sub-clause of this clause shall not be restrictively constructed but the widest interpretation shall be given thereto, and they shall not, except where the context expressly so requires, be in any way limited or restricted by reference to or inference from the terms of any other sub-clause or by the name of the Company. None of such sub-clauses or the object or the objects therein specified or the powers thereby conferred shall be deemed subsidiary or ancillary to the objects or powers mentioned in any sub-clause, but the Company shall have as full power to exercise all or any of the objects conferred by and provided in each of the said sub-clauses as if each sub-clause contained the objects of a separate company.

### 3.

- 3.1 The income and property of the Company, whencesoever derived, shall be applied solely towards the promotion of the objects of the Company as set forth in these Articles, and no portion thereof shall be paid or transferred, directly or indirectly, by way of dividend, bonus or otherwise howsoever by way of profit, to the Members qua Members provided that nothing herein contained shall prevent the payments in good faith and subject to clause 9.7 of Article 9 of reasonable and proper remuneration to any officer of the Company or to any Member in return for any services rendered to the Company and of legitimate duties to the Company nor prevent the payment of interest at a reasonable and proper rate on money lent or reasonable rent for premises demised or let by any Member.
- 3.2 The liability of the Members is limited.
- 3.3 Every Member undertakes to contribute to the assets of the Company, in the event of the Company being wound up during the time that he is a Member or within one year afterwards, for the payment of debts and liabilities of the Company contracted before the time at which he ceases to be a Member, and the costs, charges and expenses of winding up the same, and

for the adjustment of the rights of the contributories among themselves, such amount as may be required not exceeding £1.00.

## MEMBERSHIP

4. For the purpose of registration of the Company the number of Members is declared to be unlimited.
5. The Members of the Company are any person who is admitted to membership of the Company.
6.
  - 6.1 The following natural persons shall be eligible for admission to membership of the Company:
    - 6.1.1 any director;
    - 6.1.2 any surviving spouse, child, grandchild, beneficiary under the Will or personal representative or trustee of a deceased director or Member (each being a person eligible to be a "Successor Member");
    - 6.1.3 any other category of creative professional that may be determined by the Board to be eligible for membership;
    - 6.1.4 any working director with a director credit on a publicly screened audio-visual work (including but not limited to music video, commercial or computer game) and/or a director credit on a television show or film where they were not the principal director;
    - 6.1.5 any person who is in their final year of study on an accredited course with modules focusing on audio-visual directing;
  - 6.2 No body corporate, association, limited partnership, partnership, limited liability or other equivalent entity shall be admitted as a Member (save where any such entity is either (i) a trustee pursuant to sub-clause 6.1.2 of Article 6 or (ii) an entity representing right holders including other collective management organisations and associations of right holders).
7.
  - 7.1 Any person who is eligible may apply to the Company for admission to membership. Such applications shall be made in writing signed by the applicant and shall be in such form as the Board shall from time to time prescribe in accordance with the Regulations. The Board may require an applicant to supply such evidence of eligibility as it considers reasonably necessary.

- 7.2 Each application shall be considered by the Board or in such other manner as the Board may from time to time direct in accordance with the Regulations. In the event that the Board refuses an application for membership from a right holder, it shall provide the applicant with a clear explanation of the reasons for its decision.
- 7.3 Any person who is eligible for membership may be admitted to the following categories of membership by the Board in accordance with such procedure as the Board may from time to time prescribe, namely:-
- 7.3.1 a person eligible under sub-clauses 6.1.1 and 6.1.3 of Article 6 may be admitted as a Full Member.
- 7.3.2 a person eligible under sub-clause 6.1.2 of Article 6 may be admitted as a Successor Member and as a replacement to a Successor Member (for example on the death or other termination of the membership of any one or more prior Successor Member).
- 7.3.3 a person eligible under sub-clause 6.1.4 of Article 6 may be admitted as an Associate Member.
- 7.3.4 a person eligible under sub-clause 6.1.5 of Article 6 may be admitted as a Student Member.
- 7.4 If the Company receives more than one application to be the Successor Member to a deceased director or Member, then subject to Article 7.1, the Board shall admit the person whose application it considers, in its absolute discretion, to have been received first.
- 7.5 Any Member who is eligible for admission to membership but who wishes only to take advantage of the Company's collection and distribution services shall be eligible for admission as a Distribution-only Member on or after the first annual membership renewal date.
- 7.6 The categories of membership of the Company may only be altered by special resolution of the Members in General Meeting.
- 8.
- 8.1 Subject to these Articles, a Successor Member shall have the same rights and privileges and shall be subject to the same obligations as a Full Member.
- 8.2 Subject to these Articles, the rights and privileges of a Member are personal to the Member and no Member shall be at liberty to transfer his membership to any other person.

9.

9.1 Every Member shall, on admission to membership, or at any time thereafter if requested by the Company, assign or cause to be assigned to the Company all or any of the Subject Rights to be administered on his behalf by the Company.

9.2 Every assignment to the Company pursuant to this Article 9 shall be in such form as the Board may from time to time prescribe and shall operate for and during the period of the assignor's membership, subject to the provisions of Articles 11 and 12.

9.3 Subject to sub-clause 9.6 the Company shall administer on behalf of a Member, any or all of the Audio-visual Rights as the Board shall in its discretion decide from time to time. The Company shall be entitled to charge a management fee at such rate as shall be determined from time to time by the Board for administering the Subject Rights. The management fee shall be deducted from any distribution made to a Member. The Company shall provide the Member with information on the management fee and such other fees referred to in Article 10 before obtaining the Member's consent to manage his Subject Rights.

9.4 The Members in General Meeting may by ordinary resolution decide that the Company shall administer other categories of rights in respect of the United Kingdom and elsewhere in addition to those mentioned in sub-clause 9.3 provided that, subject to sub-clause 9.6, such a resolution shall not have effect in relation to a person who is a Member when the resolution is passed if, within thirty days from the date of the resolution, the Member serves on the Chief Executive of the Company written notice that he does not wish the resolution to apply to the Rights in his Works.

9.5 If a Member exercises his right pursuant to the proviso to sub-clause 9.4 to serve notice that he does not wish a resolution to the Board or the Members in General Meeting as the case may be, to apply his Works, and the auditors certify that the exercise of this right by the Member, taking into account the extent to which other Members have also exercised their corresponding rights, will lead to a significant increase in the general level of management expenses of the Company the Board may, in its discretion require each such Member to make a special contribution, by way of deduction from fees distributable to him from the Company, towards such increase.

9.6 Every Member by virtue of his admission to membership grants to the Company for and during the period of membership, subject to the provisions of Articles 11 and 12 in his name or in that of the Company the power and authority (but not the duty):-

9.6.1 to authorise or permit or forbid the exercise of the Subject Rights to be administered by the Company on behalf of the Member;

- 9.6.2 to collect Fees, subscriptions or moneys whether for the authorised use of any of the Subject Rights, or by way of damages or compensation for the unauthorised use of the Subject Rights;
- 9.6.3 to institute and prosecute proceedings against all persons infringing the Subject Rights and if the Company in its discretion thinks fit to defend or oppose any proceedings taken against any Member in respect of such Rights and compound, compromise, refer to arbitration or submit to judgement in any such proceedings, and generally to represent the Member in all matters concerning the said Rights;
- 9.6.4 to protect generally the Subject Rights in the Member's Works;
- 9.7 Members may receive remuneration for carrying out work for the Company. In respect of any work for the Company for which the Member is entitled to a fee of £2,000 or more the prior approval in writing of the Chair of the Supervisory Committee is required.
- 9.8 The Company may exercise and enforce the rights of members of any Affiliated Societies pursuant to the terms of any contract now existing or which may hereafter be made between the Company and such Affiliated Societies.
- 9.9 The Company may accept and act upon the authority of any member of an Affiliated Society to exercise rights in their Works to a greater extent than that provided in Article 9.
- 9.10 The Company may, by providing six months' notice in writing to any Member with a clear explanation of the reasons for its decision decline to exercise the whole or any part of the Subject Right in any particular Work or Works of which such Member is the owner or proprietor, and thereupon the provisions of sub-clauses 9.1 and 9.6 of this Article 9 shall cease to apply to such Right, and any grant of authority in respect of such Right already made to the Company by such Member shall be determined by the Company provided always that the Company may at time to time, by further notice in writing to such Member, withdraw such notice in respect of all or any of the Rights comprised therein whereupon the provisions of sub-clauses 9.1 and 9.6 of this Article 9 shall again apply to such Right or Rights.
- 9.11 A Member may, by providing six months' notice in writing to the Company, withdraw any authorisation granted to exercise the whole or any part of the Subject Right in any particular Work or Works of which such Member is the proprietor, and thereupon the provisions of sub-clauses 9.1 and 9.6 of this Article 9 shall cease to apply to such Right, and any assignment thereof already made to the Company by such Member shall be determined by the Company provided always that the Member may at any time, and from time to time, by further notice in writing to the Company, withdraw such notice in respect of all or any of the Rights comprised therein, whereupon the provisions of sub-clauses 9.1 and 9.6 of this Article 9 shall again apply to such Right or Rights.

9.12 The Company may undertake to administer rights equivalent to the Subject Rights for non-Members in accordance with the Regulations and other relevant statutory provisions.

10.

10.1 A Full Member, Associate Member and Student Member shall pay an annual subscription at a rate that shall be determined from time to time by the Board in addition to any management fee deducted from payments to the Member in accordance with sub-clause 9.3 of Article 9. The Board may prescribe different levels of subscription and entitlement to benefits attaching thereto for Full Members who fall into prescribed categories including, by way of example only, Student Members.

10.2 Distribution-only Members shall not pay a subscription but may be asked to pay an annual management fee (at the discretion of the DIRECTORS). Distribution-only Members shall be entitled only to the benefit of the Company's collection and distribution services.

11.

11.1 On the death of a Member his membership shall cease and shall not be transmitted to any other person, but the Rights in such Member's Works (if any) already vested in the Company by such Member, or controlled by the Company by virtue of his membership, shall subject to this Article 11, remain so vested or controlled for a period ending on the 31<sup>st</sup> day of December in the seventh year following the year in which the Member's death took place unless within that period:-

11.1.1 a Successor Member in respect of such deceased Member shall be admitted to membership of the Company in which case such Rights shall remain so vested or controlled for so long as such Successor Member remains a Member; or

11.1.2 a person is elected to the membership of an Affiliated Society in respect of the Rights of the deceased Member, in which case such Rights shall remain so vested or controlled up to the date of such election.

Any payment to which the deceased Member would, if living, have been entitled in accordance with the Rules in respect of any period prior to the admission to membership of the Company of any Successor Member of such deceased Member or any election pursuant to sub-clause 11.1.2 of Article 11 shall be made to the Member's personal representative until the date of admission of such Successor Member or the date of election pursuant to sub-clause 11.1.2 of Article 11 or until the end of such seventh year as aforesaid, whichever is the earlier date. Upon the admission to membership of any successors as aforesaid, any payment to which the Member would, if living, have been entitled in accordance with the Rules in respect of any period subsequent to such admission shall be made to such Successor Member.

- 11.2 Any Member may be given notice by the Board determining his membership at the expiration of six months from the date of such notice with a clear explanation of the reasons for its decision, and his membership shall cease accordingly (unless the Company decides that such termination or withdrawal is to take place at the end of its financial year). Such notice shall be in writing and shall be signed by the Chief Executive of the Company or other officer designated by the Board. Provided always that if, before the expiration of such notice from the Board, such Member shall in writing require the Board to submit the question of the continuance of his membership to the decision of the Company in Extraordinary General Meeting, he shall not cease to be a Member unless and until the Company in Extraordinary General Meeting shall approve the action of the Board in which circumstance the Member shall cease to be a Member at the conclusion of such meeting. A Member's right to require the Board to submit the question of the continuance of his membership to the Company shall not apply where the Member in question has been convicted of a criminal offence and the court has imposed a custodial sentence on him
- 11.3 Any Member may be given notice by the Board suspending his membership with effect from the expiration of six months from the date of such notice with a clear explanation of the reasons for its decision, and his membership shall be suspended accordingly (unless the Company decides that such termination or withdrawal is to take place at the end of its financial year). Such notice shall be in writing and shall be signed by the Chief Executive of the Company or other officer designated by the Board. The terms of such suspension including without limitation its length and the Member's right to receive any membership benefits or hold any office of the Company shall be at the absolute discretion of the Board.
- 11.4 A Member may terminate his membership by giving six months' notice in writing to the Chief Executive of the Company. Subject to Articles 12 and 13, upon termination of membership the Rights, if any, vested in the Company shall revert to the ownership of the ex-Member.
- 11.5 Full Members may change their membership in the Company to Distribution-only membership (in which case such Member would become a Distribution-only Member) by giving notice in writing to the membership officer of the Company and such change shall take effect at the next annual membership renewal date.
- 11.6 Subject to Articles 11.4 any change to the status of a Full Member, Association Member, Student Member, Successor Member or Distribution-only Member to any other category of Member (if the relevant criteria are met) shall only be decided by the Members in General Meeting.
12. If any proceedings have been instituted by or against the Company in respect of a Member's Works, either in the name of the Company or of the Member, and such Member ceases to be a Member during the pendency of the proceedings, any Rights that are the subject of such proceedings which have vested in the Company by such Member, or are controlled by the

Company by virtue of his membership, shall remain to vested or controlled until such proceedings are finally disposed of unless and until the Board otherwise determines.

13. Subject to the provisions of Articles 10 and 11, and rights, privileges and obligations of membership shall cease on the date of cessation of membership. In particular, but without prejudice to the generality of the foregoing, the Member concerned shall cease to have any claim upon the assets of the Company and shall not be entitled to participate in any further distributions, save as to any payment to which he may be entitled in accordance with the Rules in respect of any period prior to cessation of membership.
14.
  - 14.1 The Members shall, at all times, comply with the Code of Conduct [and shall notify the Company if they are or become aware of any possible breach of the Code of Conduct by another Member or if they themselves breach the Code of Conduct.
  - 14.2 The Members agree to be bound by and submit to the Disciplinary Process
  - 14.3 If the Board finds that a Member has breached the Code of Conduct the Board may at its absolute discretion impose sanctions on him including without limitation suspension or a change to his membership category to a Distribution-only Member.

#### **GENERAL MEETINGS**

15. The Company shall hold a General Meeting in every calendar year as its Annual General Meeting at such time and place and by such means as may be determined by the Board, and shall specify the meeting as such in the notices calling it provided that every General Meeting **shall be held within nine months beginning with the day following the Company's accounting reference date** The Annual General Meeting shall be held with such additional means of attendance and participation (including at such other place(s) and/or by means of such electronic facility or facilities), as may be determined by the Board.
16. All General Meetings, other than Annual General Meetings, shall be called General Meetings.
17. The Board may whenever they think fit convene a General Meeting, and General Meetings shall also be convened by such requisitionists, as provided by Sections 303-305 of the Act.
18. Subject to the provisions of the Act relating to special resolutions, twenty-one days' notice at the least of every Annual General Meeting and fourteen days' notice at the least of every other General Meeting (exclusive in every case both of the day on which it is served or deemed to be served and of the day for which it is given), specifying the place, the day and the hour of meeting, any electronic or other facilities by which members may be Present, **any access, identification and security arrangements determined by the Board** and in the case of

special business the general nature of that business shall be given in the manner hereinafter mentioned to such persons as are under these Articles or under the Act entitled to receive such notices from Company; but with the consent of all the Members entitled to received notices thereof, or of such proportion thereof as is prescribed by the Act in the case of meetings other than Annual General Meetings, a meeting may be convened by such notice as those Members may think fit.

19. Subject to the provisions of these Articles, notice of a General Meeting may be given in either hard copy form, electronic form or by making it available on a website and notifying the Members of its availability. If the notice is made available by means of a website, it must be available until the conclusion of the meeting.
20. The accidental omission to give notice of a meeting to, or the non-receipt of such notice by, any person entitled to receive notice thereof shall not invalidate any resolution passed, or proceeding had, at any meeting.
21. **If the Board, in their absolute discretion, consider that it is impractical or unreasonable for any reason to hold a General Meeting on the date or at the time or place specified in the notice calling the General Meeting (or to permit participation and attendance at any of the declared satellite meeting place(s) and/or by any electronic means specified in the notice calling the General Meeting), they may postpone the General Meeting to another date, time and place (which may include participation and attendance at any satellite meeting place(s) and/or by any electronic means) to be no later than nine months after the Company's accounting reference date in any given year . When a meeting is so postponed, notice of the date, time and place of the postponed meeting (and of any satellite meeting place(s) and/or details of participation by electronic means) shall be sent to all members in either hard copy form, electronic form or by making it available on a website and notifying the Members of its availability.. **Notice of the business to be transacted at such postponed meeting shall not be required****

#### **PROCEEDINGS AT GENERAL MEETINGS**

- 22.
- 22.1 The following matters shall not be carried out without the approval of the Members at General Meeting:
- 22.2 amendments to the Articles and membership terms of the Company (where those terms are not regulated by the Articles);
- 22.3 the appointment and dismissal of the DIRECTORS, reviewing their general performance and approving their remuneration and other benefits including without limitation pension benefits and severance pay;

- 22.4 the appointment and removal of auditors (unless already appointed in accordance with the Act);
  - 22.5 approving the Annual Transparency Report;
  - 22.6 the adoption of or any amendment to the general policy on the distribution of amounts due to Right Holders;
  - 22.7 the adoption of or any amendment to the general policy on the use of non-distributable amounts;
  - 22.8 the adoption of or any amendment to the general investment policy with regards to rights revenue and to any income arising from the investment of rights revenue;
  - 22.9 the adoption of or any amendment to the general policy on deductions from rights revenue and from any income arising from the investment of rights revenue;
  - 22.10 the use of non-distributable amounts;
  - 22.11 the adoption of or any amendment to the risk management policy;
  - 22.12 the approval of any acquisition, sale or hypothecation of immovable property;
  - 22.13 the approval of mergers and alliances, the setting up of subsidiaries, and the acquisition of other entities or shares or rights in other entities;
  - 22.14 the approval of taking out loans, granting loans or providing security for loan.
23. No business shall be transacted at any General Meeting, except the adjournment of the meeting, unless a quorum is Present when the meeting proceeds to business. Save as herein otherwise provided, a number of Members personally totalling either 12 or constituting not less than 5 per cent the total number of Members for the time being of the Company (whichever shall be the less) shall be a quorum of Members (whether present in person or by electronic means).
24. If within half an hour from the time appointed for the holding of a General Meeting a quorum of Members is not Present, the meeting if convened on the requisition of Members, shall be dissolved. In any other case it shall stand adjourned to the same day in the next week, at the same time and place, or at such other place as the Chair shall appoint, and if at such adjourned meeting a quorum of Members is not Present within half an hour from the time appointed for holding the meeting the Members Present shall be a quorum.
25. The Chair or a Vice-Chair of the Board shall preside as Chair at every General Meeting, but if there be no such Chair or Vice-Chair, or if at any meeting one of them shall not be Present

within fifteen minutes after the time appointed for holding the same, or shall be unwilling to preside, the Members Present shall choose some member of the Board Present to take the chair. If no member of the Board is willing to preside, the Members Present shall choose some Member who shall be present to preside.

26. The Chair of the meeting, may with the consent of any meeting at which a quorum is present (and shall if so directed by the meeting) adjourn a meeting from time to time, and from place to place, but no business shall be transacted at any adjourned meeting other than businesses which might have been transacted at the meeting from which the adjournment took place. Whenever a meeting is adjourned for ten days or more, notice of the adjourned meeting shall be sent to the Members subject to the provisions of Articles 17 and 18. Save as aforesaid, the Members shall not be entitled to any notice of an adjournment, or of the business to be transacted at an adjourned meeting.
27. The DIRECTORS may make whatever arrangement they consider appropriate to enable Members attending a General Meeting to exercise their rights to speak or vote at it.
28. At all General Meetings a resolution put to the vote of the meeting shall be decided on a show of hands by a majority of the Members Present in person or by proxy (or voting by electronic means approved by the Board) and entitled to vote, unless before or upon the declaration of the result of the show of hands a poll be demanded in writing by the Chair or by at least two Members present in person or by proxy, or by a Member or Members present in person or by proxy and representing one-tenth of the total voting rights of all the Members having the right to vote at the meeting, and unless a poll be so demanded a declaration by the Chair of the meeting that a resolution has been carried, or has been carried unanimously or by a particular majority, or lost, or not carried by a particular majority, shall be conclusive, and an entry to that effect in the minute book of the Company shall be conclusive evidence thereof, without proof of the number or proportion of the votes recorded in favour of or against that resolution.
29. Subject to the provisions of Article 26, if a poll be demanded in manner aforesaid, it shall be taken at such time and place and in such manner, as the Chair of the meeting shall direct, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.
30. No poll shall be demanded on the election of a Chair of a General Meeting, or on any question of adjournment.
31. In the case of an equality of votes, whether on a show of hands or on a poll, the Chair of the meeting shall be entitled to a second or casting vote.
32. The demand of a poll shall not prevent the continuance of a General Meeting for the transaction of any business other than the question on which a poll has been demanded.

33. In no circumstances shall the inability of one or more Members to access, or to continue to access, the electronic facility or facilities for participation in the meeting for all or part of the meeting affect the validity of the meeting or any business conducted at the meeting, provided that sufficient Members are able to participate in the meeting as are required to constitute a quorum under Article 23.

34.

#### **VOTES OF MEMBERS**

35. Subject to these Articles, every Member shall have one vote.

36. A member who is a patient within the meaning of the Mental Health Act 1959 may vote, whether on a show of hands or on a poll, by his receiver or curator bonis and such receiver or curator bonis may also vote by proxy

37. Save as herein expressly provided, no person other than a Member duly registered, and who shall have paid every subscription (if any) and other sum (if any) which shall be due and payable to the Company in respect of his membership, shall be entitled to be present or to vote on any question at any General Meeting.

38. Votes may be given on a poll either personally or by proxy or by such other electronic means determined by the Board. The appointment of a proxy shall not preclude a Member from attending and voting in person at the meeting.

39. The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorised in writing, and, if none then under the hand of some officer duly authorised in that behalf.

40. The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed or a notarially certified copy thereof shall be deposited at the office not less than forty-eight hours before the time appointed for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, otherwise the person so named shall not be entitled to vote in respect thereof. No instrument appointing a proxy shall be valid after the expiration of the three months from the date of its execution.

41. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death of the principal or revocation of the proxy provided that no notification in writing of the death or revocation shall have been received at the office one hour at least before the time fixed for holding the meeting.



## **BOARD OF DIRECTORS**

42. Subject to the provisions of Article 43 the Board shall consist of not less than six and not more than 21 Members.
43. The Board shall hold elections at least every 4 years by the Members and each category of Member will have a fair and balanced representation.
44. The Board shall have the right to co-opt a Member or a non-member as an additional DIRECTOR. The appointment of any person co-opted under this sub-clause shall be submitted to the Members at the next General Assembly for approval. A co-opted Board Member shall be co-opted only for the period of office of the current DIRECTORS.

## **POWERS OF THE BOARD**

45. The business of the Company shall be managed by the Board to which all and any powers of the Members for the time being shall be ceded save insofar as such powers may not be so ceded under the Act or the Regulations. The Board may pay all such expenses of, and preliminary and incidental to, the promotion, formation, establishment, and registration of the Company as they think fit, and may exercise all such powers of the Company, and do on behalf of the Company all such acts as may be exercised and done by the Company and as are not by statute or by these Articles required to be exercised or done by the Company in General Meeting, subject nevertheless to any regulations of these presents, to the provisions of the statutes for the time being in force and affecting the Company, and to such regulations, being not inconsistent with the aforesaid regulations or provisions, as may be prescribed by the Company in General Meeting but no regulation made by the Company in General meeting shall invalidate any prior act of the Board which would have been valid if such regulation had not been made.
46. The members for the time being of the Board may act notwithstanding any vacancy in their body, provided always that in case the members of the Board shall at any time be or be reduced in number to less than the minimum number prescribed by or in accordance with Article 39, it shall be lawful for them to act as the Board for the purpose of filling any vacancies in their body or for summoning a General Meeting, but not for any other purpose.
- 47.
- 47.1 In addition to all powers hereby expressly conferred upon them and without detracting from the generality of their powers under the last preceding or any other Article, the Board shall have the following powers, namely:-
  - 47.1.1** to expend the funds of the Company in such a manner as they shall consider most beneficial to the purposes of the Company and to invest in the name of the

Company or in the name of trustees such part thereof as they shall see fit, and to direct the sale or transposition of any such investments, and to expend the proceeds of any such sale for the purposes of the Company;

47.1.2 to acquire in the name of the Company or in the names of trustees, build upon, pull down, rebuild, add to, alter, repair, improve, sell or dispose of, or otherwise deal with any land, buildings, or premises for the use of the Company;

47.1.3 to enter into contracts on behalf of the Company;

47.1.4 as to the conduct of business by the Board or any sub-committee and as to any of the matters or things within the powers or under the control of the Board, provided that the same shall not be inconsistent with the Articles; and

47.1.5 in general, to do all things necessary or expedient for the due conduct of the affairs of the Company not herein otherwise provided for subject to the Regulations.

PROVIDED THAT the distribution, including its manner and frequency, and the calculation of all moneys received by the Company in respect of the Rights administered by it on behalf of its Members shall be made in accordance with the Rules. Neither the Board nor the Company shall, however, have any duty or obligation of whatever nature (including whether in contract or in tort) to ensure the correctness of any distributions made by any Successor Member.

#### **DISQUALIFICATION OF MEMBERS OF THE BOARD**

48.

48.1 The office of a member of the Board shall be vacated –

48.1.1 if a receiving order is made against him or he makes any arrangement or composition with his creditors;

48.1.2 if, being a Member of the Company, he ceases to be a Member of the Company;

48.1.3 if by notice in writing to the Company he resigns his office;

48.1.4 if he ceases to hold office by reason of any order made under sections 1 to 5 and sections 16 and 17 of the Company Directors Disqualification Act 1986;

48.1.5 if he is, without permission of the Board, absent from three consecutive Meetings of the Board.

#### **ELECTION OF MEMBERS OF THE BOARD**

49. Pursuant to Article 20.3, the Members at General Meeting shall decide on the appointment and dismissal of the DIRECTORS.

#### **PROCEEDINGS OF THE BOARD**

50. The Board may meet together for the dispatch of business, adjourn and otherwise regulate their meetings in accordance with the Corporate Governance Guide which shall be adopted by each newly elected Board. Unless otherwise determined, six shall be a quorum. Questions arising at any meeting shall be decided by a majority of votes. In case of an equality of votes the Chair of the meeting shall have a second or casting vote.
51. A meeting of the Board shall not be convened unless the DIRECTORS have been given no less than ten working days' notice of the date of the meeting. A DIRECTOR may summon a meeting of the Board by notice served upon all the members of the Board. A member of the Board upon being absent from the United Kingdom shall not be entitled to notice of a meeting.
52. The Board shall from time to time elect a Chair and one or more Vice Chairs. The Chair or, in his absence, a Vice Chair, shall be entitled to preside at all meetings of the Board at which he shall be present, and may determine for what period he is to hold office, but if no such Chair or Vice Chair be elected, or if at any meeting the Chair or Vice Chair be not present within five minutes after the time appointed for holding the meeting and willing to preside, the members of the Board present shall choose one of their number to be chair of the meeting.
53. A meeting of the Board at which a quorum is present shall be competent to exercise all the authorities, powers and discretions by or under the regulations of the Company for the time being vested in the Board generally.
54. The Board may delegate any of their power to committees consisting of such member or members of the Board as they think fit, and any committee so formed shall, in the execution of the powers so delegated, conform to the Corporate Governance Guide prescribed by Board. The meetings and proceedings of any such committee shall be governed by the provisions of these Articles for regulating the meetings and proceedings of the Board so far as applicable and so far as the same shall not be superseded by the Corporate Governance Guide.
55. All acts bona fide carried out by any meeting of the Board or of any committee of the Board, or by any person acting as a member of the Board, or by any person acting as a member of the Board, shall, notwithstanding it be afterwards discovered that there was some defect in the appointment of any such member or persons acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such person had been duly appointed and was qualified to be a member of the Board.

56. The Board shall cause proper minutes to be made of all appointments of officers made by the Board and of the proceedings of all meetings of the Company and of the Board and of committees of the Board, and all business transacted at such meetings, and any such minutes of any meeting, if purporting to be signed by the Chair of such meeting, or by the Chair of the next succeeding meeting, shall be sufficient evidence without any further proof of the facts therein stated.
57. A resolution in writing signed by all the members for the time being of the Board or of any committee of the Board, shall be as valid and effectual as if it had been passed at a meeting of the Board or of such committee duly convened and constituted.

### **DIRECTORS' CONFLICTS OF INTEREST**

- 58.
- 58.1 The DIRECTORS may, in accordance with the requirements set out in this Article, authorise any Conflict proposed to them by any DIRECTOR which would, if not authorised, involve a DIRECTOR (an "Interested Director") breaching his duty under section 175 of the Act to avoid conflicts of interest.
- 58.2 Any authorisation under this Article 55 shall be effective only if:
- 58.2.1 to the extent permitted by the Act, the matter in question shall have been proposed by any DIRECTOR for consideration in the same way that any other matter may be proposed to the DIRECTORS under the provisions of these Articles or in such other manner as the DIRECTORS may determine;
  - 58.2.2 any requirement as to the quorum for consideration of the relevant matter is met without counting the Interested Director; and
  - 58.2.3 the matter was agreed to and any relevant resolution was passed without the Interested Director voting or would have been agreed to if the Interested Director's vote had not been counted.
- 58.3 Any authorisation of a Conflict under this Article 55 may (whether at the time of giving the authorisation or subsequently):
- 58.3.1 extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter or situation so authorised;
  - 58.3.2 provide that the Interested Director be excluded from the receipt of documents and information and the participation in discussions (whether at meetings of the DIRECTORS or otherwise) related to the Conflict;

- 58.3.3 Provide that the Interested Director shall not be an Eligible Director in respect of any future decision of the DIRECTORS in relation to any resolution related to the Conflict;
- 58.3.4 Impose upon the Interested Director such other terms for the purposes of dealing with the Conflict as the DIRECTORS think fit;
- 58.3.5 Provide that, where the Interested Director obtains, or has obtained (through his involvement in the Conflict and otherwise than through his position as a DIRECTOR of the Company) information that is confidential to a third party, he shall not be obliged to disclose that information to the Company, or to use it in relation to the Company's affairs where to do so would amount to a breach of that confidence; and
- 58.3.6 Permit the Interested Director to absent himself from the discussions of matters relating to the Conflict at any meeting of the DIRECTORS and be excused from reviewing papers prepared by, or for, the DIRECTORS to the extent they relate to such matters.
- 58.4 Where the DIRECTORS authorise a Conflict, the Interested Director shall be obliged to conduct himself in accordance with any terms and conditions imposed by the DIRECTORS in relation to the Conflict.
- 58.5 The DIRECTORS may revoke or vary such authorisation at any time, but this shall not affect anything done by the Interested Director prior to such revocation or variation in accordance with the terms of such authorisation.
- 58.6 A DIRECTOR is not required, by reason of being a DIRECTOR (or because of the fiduciary relationship established by reason of being a DIRECTOR), to account to the Company for any remuneration, profit or other benefit which he derives from or in connection with a relationship involving a Conflict which has been authorised by the DIRECTORS in accordance with these Articles or by the Company in general meeting (subject in each case to any terms, limits or conditions attaching to that authorisation) and no contract shall be liable to be voided on such grounds.
- 58.7 Each DIRECTOR shall make an annual individual statement in writing that shall be put before the Members in General Meeting containing the following information:
- 58.7.1 Any interests in the Company;
- 58.7.2 Any remuneration or benefits (including pensions and benefits in kind) received in the preceding financial year from the Company;

- 58.7.3 Any amounts received in the preceding financial year as a Right Holder, and
- 58.7.4 Any actual or potential conflict between any personal interests and those of the Company or between any obligations owed to the Company and any duty owed to any other natural or legal person.
- 58.8 Subject to sections 177(5) and 177(6) and sections 182(5) and 182(6) of the Act, and provided he has declared the nature and extent of his interest in accordance with the requirements of the Act, a DIRECTOR who is in any way, whether directly or indirectly, interested in an existing or proposed transaction or arrangement with the Company:
- 58.8.1 May be a party to, or otherwise interested in, any transaction or arrangement with the Company or in which the Company is otherwise (directly or indirectly) interested;
- 58.8.2 Shall be an Eligible Director for the purposes of any proposed decision of the DIRECTORS (or committee of DIRECTORS) in respect of such existing or proposed transaction or arrangement in which he is interested;
- 58.8.3 Shall be entitled to vote at a meeting of DIRECTORS (or of a committee of the DIRECTORS) or participate in any unanimous decision, in respect of such existing or proposed transaction or arrangement in which he is interested;
- 58.8.4 May, subject to clause 9.7, act by himself or his firm in a professional capacity for the Company (otherwise than as auditor) and he or his firm shall be entitled to remuneration for professional services as if he were not a DIRECTOR;
- 58.8.5 May be a DIRECTOR or other officer of, or employed by, or a party to a transaction or arrangement with, or otherwise interested in, any body corporate in which the Company is otherwise (directly or indirectly) interested; and
- 58.8.6 Shall not, save as he may otherwise agree, be accountable to the Company for any benefit which he (or a person connected with him (as defined in section 252 of the Act) derives from any such transaction or arrangement or from any such office of employment or from any interest in any such body corporate and no such transaction or arrangement shall be liable to be avoided on the grounds of any such interest or benefit nor shall the receipt of any such remuneration or other benefit constitute a breach of his duty under section 176 of the Act.
59. If a question as to the right to participate in the meeting (or part of the meeting) should arise in respect of the Chair, the question is to be decided by a decision of the DIRECTORS at that

meeting, for which purpose the Chair is not to be counted as participating in the meeting (or that part of the meeting) for voting or quorum purposes.

### **PRESIDENT**

60. The Board may from time to time appoint any person who in their opinion has either rendered outstanding services to the Company, or is otherwise suitable, to be President of the Company. The President shall not by virtue of his office be deemed a member of the Board or be entitled to any remuneration but shall be entitled to be reimbursed by the Company for an expenditure reasonably incurred in the exercise of his office. The Board may determine for what period the President is to hold office.
61. The President shall be entitled to attend and speak but shall not be entitled to vote at General Meetings of the Company and Meetings of the Board unless he is otherwise qualified to do so in accordance with the provisions of these Articles.

### **SUPERVISORY FUNCTION**

- 62.
- 62.1 The Members shall establish a supervisory function that shall be referred to as the "Supervisory Committee" that shall continuously monitor the activities and the performance of the duties of those individuals who are involved in the management of the business of the Company. The Supervisory Committee may consist of the DIRECTORS.
- 62.2 The Supervisory Committee shall meet at least quarterly and each person exercising the supervisory function shall make an annual individual statement to the Members at General Meetings on conflicts of interest containing the information referred to in Article 56. The conflict provisions contained in Article 56 shall apply to the Supervisory Committee.
- 62.3 The Supervisory Committee shall exercise any powers delegated to it by the Members at General Meetings, including the delegation of the following functions:
- 62.3.1 the adoption of or any amendment to the risk management policy;
  - 62.3.2 the approval of any acquisition, sale or hypothecation of immovable property;
  - 62.3.3 the approval of mergers and alliances, the setting up of subsidiaries, and the acquisition of other entities or shares or rights in other entities;
  - 62.3.4 the approval of taking out loans, granting loans or providing security for loan.
- 62.4 The Supervisory Committee shall also monitor the activities and the performance of the duties of those members of the Board and other individuals who are involved in the management of

the business of the Company, including the implementation of the decisions of the Members at General Meetings and in particular, of the general policies referred to in Article 20.

## **ACCOUNTS**

63.

63.1 The Board shall cause proper books of account to be kept with respect to:-

63.1.1 All sums of money received and expended by the Company and the matters in respect of which such receipts and expenditure take place;

63.1.2 All sales and purchases of goods by the Company; and

63.1.3 The assets and liabilities of the Company.

63.2 Proper books shall not be deemed to be kept if there are not kept such books of accounts as are necessary to give a true and fair view of the state of the affairs of the Company and to explain its transactions.

64. The books of account shall be kept at the office or, subject to Section 388 of the Act, at such other place or places as the Board shall think fit, and shall be open to the inspection of the members of the Board at all reasonable times during business hours.

65. The Company in General Meeting may from time to time make reasonable conditions and regulations as to the time and manner of the inspection by the Members of the accounts and books of the Company or any of them, and subject to such conditions and regulations the accounts and books of the Company shall be open to the inspection of Members at all reasonable times during business hours.

66. At the Annual General Meeting in every year the Board shall lay before the Company a proper income and expenditure account for the period since the last preceding account made up to a date not more than four months before such meeting, together with a proper balance sheet made up as at the same date. Every such balance sheet shall be accompanied by proper reports of the Board and the Auditors and copies of such account, balance sheet and reports (all of which shall be framed in accordance with any statutory requirements for the time being in force under the Regulations in respect of conflicts and other matters of transparency and made available to the public in accordance with such requirements) and of any other documents required by law to be annexed or attached thereto or to accompany the same shall not less than twenty one clear days before the date of the meeting be sent to all persons entitled to receive notices of General Meetings in the manner in which notices are hereinafter directed to be served. The Auditor's report shall be read before the meeting as required by Section 437 of the Act.

## **AUDIT**

67. Once at least in every year the accounts and the Annual Transparency Report of the Company shall be audited by properly qualified Auditors.
68. Auditors shall only be appointed for auditing and their duties regulated in accordance with Chapter 2, Part 16 of the Act, the Regulations and all applicable standards and requirements of the Financial Standards Authority, the members of the Board being treated as the DIRECTORS mentioned in those sections.

## **NOTICES**

69. Any notice to be given to or by any person pursuant to these Articles shall be in writing (including the electronic equivalent) except that a notice calling a Board meeting need not be in writing.
70. Any Member included in the Register of Members by reference to an address not within the United Kingdom, who shall from time to time give the Company an address within the United Kingdom at which notices may be served upon him, shall be entitled to have notices served upon him at such address, but, save as aforesaid, only Members included in the Register of Members by reference to an address within the United Kingdom shall be entitled to receive notices from the Company.
71. Any notice, if served by post, shall be deemed to have been served on the day following that on which the letter containing the same is put into the post, and in proving such service is shall be sufficient to prove that the letter containing the notice was properly addressed and put into the post office as a prepaid first class letter.
72. Any notice, if served by electronic means, shall be deemed to have been served on the date and time that it was sent.
73. Any notice, if served by means of a website, shall be deemed to have been served when the material was first available on the website or (if later) when the intended recipient received (or is deemed to have received) notice of the fact that the material was available on the website.

## **WINDING UP**

74. In the event of and upon the winding-up of the Company whether voluntarily or otherwise, at any time, the assets of the Company (other than the rights vested in or controlled by the Company pursuant to these Articles) shall not be paid to or distributed among the Members but shall be given or transferred to some other society institution or organization having objects similar to those of the Company.