

**The Companies Act 1985 and 2006  
Company Limited by guarantee  
and not having a share capital**

**Articles of Association**

BPI (BRITISH RECORDED MUSIC INDUSTRY) LIMITED  
(Adopted by Special Resolution passed on 4<sup>th</sup> July 2007 and  
as amended by Special Resolution passed on 6<sup>th</sup> February 2008  
and as amended by Special Resolution passed on 12<sup>th</sup> March 2008  
and as amended by Special Resolution passed on 7<sup>th</sup> July 2009)

Company no. 1132389

**THE COMPANIES ACTS 1985 AND 2006**

**COMPANY LIMITED BY GUARANTEE AND**

**NOT HAVING A SHARE CAPITAL**

**ARTICLES OF ASSOCIATION**

- of -

**BPI (BRITISH RECORDED MUSIC INDUSTRY) LIMITED**

**(Adopted by Special Resolution passed on 4<sup>th</sup> July 2007 and as amended by Special Resolution passed on 6<sup>th</sup> February 2008 and as amended by Special Resolution passed on 12<sup>th</sup> March 2008 and as amended by Special Resolution passed on 7 July 2009)**

**DEFINITIONS AND INTERPRETATION**

1. (a) Words and expressions in these Articles have the following meanings unless the context requires otherwise:

**"Act"** the Companies Acts (as defined in section 2 of the Companies Act 2006), in so far as they apply to BPI;

**"Articles"** the Articles of BPI from time to time;

**"Associate Member"** a person admitted to membership of BPI as an Associate Member in accordance with Article 9(b);

<b>"Auditors"</b>	the auditors of BPI from time to time;
<b>"BPI"</b>	BPI (British Recorded Music Industry) Limited (being referred to as "the Association" in the Memorandum of Association of BPI), previously named the British Phonographic Industry Limited;
<b>"Chairman"</b>	the chairman of either a General Meeting appointed pursuant to Article 27 or the chairman of a meeting of the Council appointed pursuant to Article 53 (as the case may be);
<b>"Clear Days"</b>	in relation to a period of notice, that period excluding the day when the notice is given or deemed to be given and the day for which it is to take effect;
<b>"Charts Code of Conduct"</b>	the BPI Charts Code of Conduct which regulates action by Members which may lead to distortions in the official United Kingdom music charts, as amended from time to time;
<b>"Chief Executive Officer"</b>	the chief executive officer of BPI appointed from time to time in accordance with Article 59;
<b>"Committee of Enquiry"</b>	any committee of enquiry as referred to in Article 85;
<b>"Company Secretary"</b>	the company secretary of BPI from time to time;
<b>"Control"</b>	<p>in relation to a body corporate, the power of a person to secure that its affairs are conducted in accordance with the wishes of that person:</p> <p>(a) by means of the holding of shares or the possession of voting power in or in relation to that or any other body corporate; or</p> <p>(b) by virtue of any powers conferred by the articles of association or any other</p>

	document regulating that or any other body corporate;
	and in relation to a partnership, means the right to a share of more than one half of the assets, or of more than one half of the income, of the partnership;
<b>“Co-opted Council Members”</b>	those individuals identified as such in Article 42;
<b>“Corporate Member”</b>	a person admitted to the membership of BPI in accordance with Article 9(c);
<b>“Council”</b>	the body defined in Article 42;
<b>"Council Code of Conduct"</b>	a code of conduct for members of the Council as may be in force from time to time;
<b>“Director”</b>	an individual identified as such in Article 61;
<b>"Designated Member"</b>	a Designated Major Representative or Designated Independent Representative (in each case as defined in Article 42) as the case may be;
<b>“Electronic Form”</b>	has the meaning given in section 1168 of the Companies Act 2006;
<b>"Full Member"</b>	a person admitted to membership of BPI as a Full Member in accordance with Article 9(a);
<b>"General Meeting"</b>	a meeting of the Members;
<b>"Independent"</b>	a Full Member other than a Major or a Subsidiary of a Major;
<b>"in writing"</b>	the representation or reproduction of words, symbols or other information in a visible form by any method or combination of methods, whether sent or supplied in electronic form or otherwise;
<b>"Major"</b>	a Full Member being any of Sony Music Entertainment (UK) Limited, Universal Music (UK) Limited, Warner Music (UK) Limited and EMI Records (UK and Ireland) Limited and

	such other Full Members as may be determined by the Council from time to time;
<b>"Member"</b>	a person admitted as a member of BPI in accordance with the Articles to any class of membership referred to in Article 9;
<b>"Member's Covenant"</b>	the member's covenant as contained in the Charts Code of Conduct;
<b>"Month"</b>	a calendar month;
<b>"Non-Executive Chairman"</b>	the non-executive chairman of BPI appointed from time to time pursuant to Article 53;
<b>"Non-Executive Deputy Chairman"</b>	the non-executive deputy chairman of BPI appointed from time to time pursuant to Article 58;
<b>"Non-Working Days"</b>	a day that is a Saturday, Sunday, Christmas Day, Good Friday or any day that is a bank holiday in England and Wales;
<b>"Office"</b>	the registered office of BPI from time to time;
<b>"Subsidiary"</b>	has the meaning given in section 1159 of the Companies Act 2006; and
<b>"United Kingdom"</b>	Great Britain and Northern Ireland.

- (b) Unless the context requires otherwise:
- (i) words in the singular number include the plural and vice versa;
  - (ii) words for any gender include all genders;
  - (iii) reference to persons includes a body corporate and an unincorporated body of persons; and
  - (iv) words and expressions defined in the Act shall have the same meanings in these Articles unless defined otherwise.
- (c) Reference to any statute or statutory provision includes a reference to statutory instruments and orders made further to it and includes consolidation or amendments or modifications or re-enactments.

- (d) The headings are inserted for convenience only and shall not affect the construction of these Articles.
2. The regulations referred to in Table C contained in The Companies (Tables A to F) Regulations 1985 shall not apply to BPI.

### **PURPOSE**

3. The objects for which BPI is established are:
- (a) to provide a forum in which Members may discuss matters of common interest and to provide a medium to represent Members and to enter into contracts on its behalf in negotiations with government departments, relevant unions, trade association, rights organisations, broadcasting organisations, collecting societies, market research societies and other interested parties;
  - (b) to promote and protect the welfare and interest of the British record industry and in this respect to take such action or authorise the taking of such action on behalf of Members or any individual Members as may be considered necessary;
  - (c) to purchase, take on lease or in exchange, hire or otherwise acquire any real or personal property and any rights or privileges which BPI may think necessary or convenient for the promotion of its objects, and to construct, maintain and alter any buildings or erections necessary or convenient for the work of BPI;
  - (d) to sell, let, mortgage, dispose of or turn to account all or any of the property or assets of BPI as may be thought expedient with a view to the promotion of its objects;
  - (e) to undertake and execute any charitable trusts which may lawfully be undertaken by BPI and may be conducive to its objects;
  - (f) to borrow or raise money for the purposes of BPI on such terms and on such security as may be thought fit;
  - (g) to invest the moneys of BPI not immediately required for its purposes in or upon such investments, securities or property as may be thought fit, subject nevertheless to such conditions (if any) and such contracts (if any) as may for the time being be imposed or required by law and subject also as hereinafter provided;
  - (h) to establish and support or aid in the establishment and support of any charitable associations or institutions and to subscribe or guarantee money for charitable purposes in any way connected with the purposes of BPI or calculated to further any of its objects;
  - (i) to apply for and register or by other means acquire any patents, patent rights, brevets d'invention, licences, trademarks, concessions and inventions and to use and turn to

account or to develop or sell or assign any of these or grant licences or privileges in respect of them or otherwise turn them to the advantage of BPI;

- (j) to purchase or otherwise acquire or take over and undertake all or any part of the business, property, liabilities and transactions of any person or firm or company carrying on any business the carrying on of which is connected with the purposes of BPI or calculated to further its objectives;
- (k) to make representations and to institute and to prosecute and defend proceedings before the Copyright Tribunal and any other Court or Tribunal ; and
- (l) to do all such other things as are incidental or conducive to the attainment of the above objects or any of them.

3A The income and property of BPI however derived, shall be applied primarily towards the promotion of the objects of BPI as set forth in Article 3 provided that nothing herein shall prevent;

- (a) the distribution among Members of any monies received by BPI in exercise of the foregoing powers;
- (b) the payment, in good faith, of reasonable and proper remuneration to any officer, agent or servant of BPI, or to any Member;
- (c) the payment of a reasonable rate of interest on money lent or reasonable and proper rent for premises demised or let by any Member to BPI; and
- (d) the receipt and retention by BPI on and for its own account of any compensation paid or payable to BPI on behalf of any of the Members.

#### **COMPANY NAME**

4. BPI may change its name by a resolution of the Council.

#### **MEMBERS**

5. For the purpose of registration the number of Members shall be unlimited.

6. Every application for membership shall be made to the Council upon a form of application determined by BPI from time to time duly signed and completed by the applicant and two proposers who shall each be a Full Member. The membership application may be signed by the two proposers either before or after it is submitted to BPI by the applicant.

7. Every applicant for membership shall comply with the requirements for admission contained in these Articles.

- (a) No applicant for membership shall be admitted as a Member unless the Council or any sub-committee appointed by the Council for these purposes shall have satisfied themselves that the applicant is of good character and repute and qualifies for membership of the class applied for and is otherwise acceptable to be a Member. The Council (or such sub-committee) shall be entitled to approve or reject any application for membership and shall not be required to give any reason or explanation for any such acceptance or rejection. Following the approval process an applicant whose application has been approved shall become a Member of BPI when his application form is signed as approved by two Council members.
- (b) Each Member agrees as a condition of being admitted as a Member to be bound (in such form as the Council may require) by the Charters Code of Conduct and Member's Covenant and these Articles of Association as varied or amended from time to time in accordance with this Article.
- (c) No resolution of the Council amending, varying or replacing the Charters Code of Conduct, Member's Covenant or other ancillary or related documentation shall take effect unless at least three quarters of the members of the Council present and voting at a meeting of the Council duly convened for the purpose of considering the resolution shall have voted in favour of it.
- (d) By virtue and as a condition of membership of BPI, each Member grants to BPI full power and authority to:
  - (i) take such steps or actions including, without limitation, the instigation and conduct of any proceedings before any court, tribunal or other body for the purposes of stopping, preventing, discouraging or obtaining compensation and/or such other relief as may be available in respect of the actual, threatened or suspected infringement of the intellectual property and associated rights of the Member ("**Proceedings**"); and
  - (ii) if appropriate, procure that any of those things referred to in Article 7(d)(i) above be done by any other Member(s) in a representative capacity on behalf of the Member.

Each Member shall do all such things and execute all such documents as BPI may reasonably require from time to time in order to give effect to the terms and intent of this Article 7 (d). For the avoidance of doubt, the initiation, instigation and conduct of proceedings pursuant to this Article 7 shall at all times remain under the control of BPI, which control BPI shall exercise in its sole and absolute discretion (subject to the remaining provisions of these Articles and BPI's obligations to its Members).

- (e) BPI shall be entitled to receive, retain on its own account and apply generally for its purposes and in accordance with its objects all and any pecuniary compensation due to its Members in the course of any Proceedings.

- 7A The liability of the Members shall be limited.
8. The Chief Executive Officer will report at regular intervals to the Council as to the admission of new Members.
9. A Member shall be a Full Member or an Associate Member or a Corporate Member.
- (a) A Full Member shall be:
- (i) a person, firm or company engaged in the making or production of audio and/or audio visual recordings of music and other data (including but not limited to compact discs, digital audio tapes, vinyl, pre-recorded tapes, digital audio recordings and other media upon or from which recordings may be reproduced) and/or a person, firm or company engaged in the business of selling or exploiting such recordings under his or its own label, mark or trading name; and
  - (ii) an owner of, or any person, firm or company entitled to the benefit of or having an interest in, audio and/or audio/visual recordings of music and other data; and
  - (iii) a person, firm or company having a principal place of business in the United Kingdom; and
  - (iv) a member of the International Federation of the Phonographic Industry (IFPI).
- (b) An Associate Member shall be:
- (i) a person, firm or company who in the opinion of the Council is engaged in a business similar to or associated with that of Full Members; and
  - (ii) is not otherwise eligible to be a Full Member.
- (c) A Corporate Member shall be a person, firm or company who is:
- (i) not eligible to be a Full or Associate Member; and
  - (ii) whose business is not similar to that of Full Members but who nevertheless wishes to be associated with BPI and the UK music industry.
- (d) Notwithstanding any of the provisions of the Articles, Associate Members and Corporate Members shall not be entitled to vote at any General Meeting of BPI nor be entitled to appoint (or, subject to Articles 52, 53, 58 and 59, be) a member of the Council.

10. No person, firm or company shall be admitted as a Member without first undertaking in writing in a form satisfactory to the Council to pay such annual subscriptions to BPI as the Council shall determine in accordance with Article 18.
11. A Member may appoint representatives in accordance with this Article to act on its behalf.
  - (a) A company seeking to become a Member may apply in the name of the company and any such application shall be signed by a director or secretary of such company. In the case of a Full Member, the company may by resolution of its directors or any other governing body authorise any full time employee as it thinks fit to act as its representative who shall have the right of that company to attend and vote at a General Meeting of BPI. Such nomination shall be in writing signed by a director or secretary of the company and lodged at the Office and may be revoked by notice in writing similarly signed and lodged. Subject to Article 42, any person nominated by a Full Member in such a way may be appointed to Council, or any committee or office of BPI.
  - (b) A firm or partnership seeking to become a Member may apply in the name of the firm or partnership but each partner must sign the application form determined by the Council in accordance with the Articles and (in the case of a Full Member) may nominate one of their partners to act as the representative of the firm or partnership to vote at a General Meeting of BPI. Such nomination shall be in writing signed by each of the partners and lodged at the Office and may be revoked by notice in writing similarly signed and lodged. Subject to Article 42, any person nominated by a Full Member in such a way may be appointed to any Council, committee or office of BPI.
12. Every Member and/or their nominated representative shall conform to and observe the rules, standards and codes of practice and such other regulations as may be prescribed by BPI from time to time.

#### **CESSATION OF MEMBERSHIP**

13. A Member may at any time withdraw from BPI by giving at least seven Clear Days' notice to BPI but shall pay in full all subscriptions due from such Member to BPI in respect of the subscription year in which he resigns together with all other sums due from such Member to BPI.
14. The rights of a Member are not transferable and a Member of BPI shall cease to be a Member if:
  - (a) being an individual, he dies or becomes bankrupt or enters into any composition with his creditors;
  - a. being a company:

- i. an order is made or an effective resolution passed for winding up the relevant Member other than a winding up for the purposes of solvent reconstruction or amalgamation) ;
- ii. an administrative receiver or receiver is appointed to, or an encumbrancer takes possession of, the undertaking of the relevant Member or a substantial part of its property or assets, or if an application for an administration order or notice of appointment of an administrator is presented or served in relation to the relevant Member; or
- iii. the relevant Member makes an arrangement or composition with its creditors generally or makes an application to a court of competent jurisdiction for protection of its creditors generally;

and such Member shall notify the Company Secretary as soon as reasonably practicable if it becomes aware of a fact or circumstance which has caused or will or is likely to cause any of the events listed in Article 14.a to occur;

- (c) being a partnership or firm, such partnership or firm is dissolved or otherwise ceases to exist or any partner of such partnership or firm becomes bankrupt or enters into any composition with his creditors; and/or
- (d) in any event, payment of any subscription or other fee or amount due to BPI is not made within two months of the due date and at least one reminder by way of notice has been sent to such Member within that period of two months and formal notice of cessation of membership has been issued to such Member by BPI.

15. The Council may resolve at a meeting of the Council to suspend a Member from membership or terminate a Member's membership of BPI in the manner set out in this Article:

- (a) No resolution of the Council terminating the membership of any Member shall take effect unless at least three quarters of the members of the Council present and voting at the meeting of the Council duly convened for the purpose of considering the resolution shall have voted in favour of it.
- (b) Any Member shall be given reasonable notice of any meeting convened to consider the termination of its membership and shall be entitled to attend such meeting for the purposes of making representations or to make written representations to the Council except if the termination of membership has been recommended to the Council by the Committee of Enquiry established by the Council pursuant to the Charters Code of Conduct in which case the rules contained in the Charters Code of Conduct regarding the expulsion of a Member shall apply in relation to such expulsion in place of this Article 15.
- (c) Subject to Articles 15(a) and 85 the Council may at any time, by notice in writing, suspend from BPI for such period as they shall think fit any Member whose action,

omission or conduct is or could (in the Council's absolute discretion) constitute a breach of the Charters Code of Conduct or the Member's Covenant and such Member shall be suspended on and from the service upon him of such notice, or in the event of such Member being a partnership, firm or corporation, service upon a representative of that firm or corporation.

- (d) Subject to Article 15(a), the Council may at any time, by notice in writing, require any Member who they in their absolute discretion deem unfit or unsuitable to be a Member to withdraw from BPI and such Member shall cease to be a Member of BPI and its membership shall be terminated on and from the service upon him of such notice, or in the event of such Member being a partnership, firm or corporation, service upon the representative of that partnership, firm or corporation. For the avoidance of doubt but without limitation, any Member who is engaged as a defendant in litigation in respect of a breach of copyright or is subject to a criminal investigation in respect of copyright infringement may be deemed by the Council to be unfit or unsuitable for the purposes of this Article 15(d).
  - (e) The Chief Executive Officer may at any time, by notice in writing, suspend from BPI for such period as he shall think fit any Member whom he in his absolute discretion deems unfit or unsuitable to be a Member and such Member shall be suspended on and from the service upon him of such notice, or in the event of such Member being a partnership, firm or corporation, service upon a representative of that firm or corporation. For the avoidance of doubt but without limitation, any Member who is engaged as a defendant in litigation in respect of a breach of copyright or is subject to a criminal investigation in respect of copyright infringement may be deemed by the Chief Executive Officer to be unfit or unsuitable for the purposes of this Article 15(e).
16. If a Member being a Full Member shall cease to fulfil the requirements of a Full Member as set out in Article 9, such Member shall immediately cease to be a Full Member and subject to the objection of the Council shall become an Associate Member.
17. If there is any change in the partners of a firm or partnership which is a Member then:
- (a) if such change is due to the death or retirement of any partner of such firm or partnership, the Member shall continue to be a Member but only on the basis that the continuing partners or partner had originally applied for membership of BPI; or
  - (b) if such change is due to the admission of a new partner to the firm, the firm shall cease to be a Member if the new partner shall not within 21 days of his admission as a partner have agreed in writing with BPI that the firm shall continue to be a Member.

#### **SUBSCRIPTIONS AND ADMISSION FEES**

18. Every Member shall from time to time pay to BPI such subscription fees as shall be prescribed by resolution of the Council. Such resolution may prescribe different rates of subscription for different classes of Members.

19. If a Member defaults in the payment of any subscription fee and the amount remains outstanding for more than two Months following receipt by the Member of the notice from the Company Secretary stating the amount payable, the benefits of membership of the Member shall immediately be suspended and, unless formal notice of cessation of membership has been issued pursuant to Article 14(d), shall only be reinstated upon payment being made in full. If any matter arises while the Member is suspended and, but for such default the Member would have been entitled to seek the assistance of BPI, the Member shall nevertheless remain suspended unless the Council otherwise resolves.
20. The Council may by resolution require the payment of an admission fee as a condition of admission to any class of membership and may from time to time by resolution vary, discontinue or reimpose such requirement. Any admission fee shall be of such amount as shall from time to time be prescribed by resolution of the Council and different amounts may be prescribed for different classes of membership.

### **GENERAL MEETINGS**

21. BPI shall hold a General Meeting each year as its annual general meeting ("**Annual General Meeting**") in addition to any other meetings in that year and shall in the notice calling the meeting specify it as the Annual General Meeting. Not more than 15 months shall elapse between the date of one Annual General Meeting of BPI and that of the next. The Annual General Meeting shall be held at such time and place as the Council shall direct.
22. The Council may convene a General Meeting as it thinks fit and General Meetings shall also or in default be convened on any requisition as provided by the Act.

### **NOTICE OF GENERAL MEETINGS**

23. An Annual General Meeting and a General Meeting shall be called by at least 14 Clear Days' notice in writing given to each Full Member and the Auditors. The notice shall specify the place, the day, the hour of the meeting and the general nature of the business to be transacted. The notice shall be given in the manner mentioned below or in any other manner as may be prescribed by BPI in General Meeting to those persons who are in accordance with the Articles entitled to receive notice of the meeting, provided that a General Meeting of BPI (including an Annual General Meeting) shall (notwithstanding that it is called by shorter notice than that specified in this Article) be deemed to have been duly called if it is agreed by a majority of the Members having a right to attend and vote at the meeting being a majority together representing not less than 90% of the total voting rights at that meeting of all the Members.
24. The accidental omission to give notice of a meeting to or the non-receipt of notice of a meeting by any person entitled to receive notice shall not invalidate the proceedings at that meeting.

## PROCEEDINGS AT GENERAL MEETINGS

25. No business shall be transacted at any General Meeting unless a quorum of Members is present when the meeting proceeds to business and subject to these Articles, 20 Full Members present in person or by proxy or by a duly authorised representative shall be a quorum.
26. If within half an hour from the time appointed for the holding of a General Meeting a quorum is not present the meeting (if convened on the requisition of Full Members) shall be dissolved and 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 Council may determine. At least three Clear Days' prior written notice of any such adjourned meeting shall be given to all Full Members. If at such adjourned meeting a quorum is not present within half an hour of the time appointed for the holding of the meeting the Full Members present shall be deemed to constitute a quorum.
27. The Non-Executive Chairman shall preside as Chairman at every General Meeting. If there be no such Non-Executive Chairman or if at any meeting he shall not be present within five minutes after the time appointed for holding the meeting or he is unwilling to preside, then the Non-Executive Deputy Chairman shall preside as Chairman. If there be no such Non-Executive Deputy Chairman or if he is not present within five minutes after the time appointed for holding the meeting or he is unwilling to preside then the Full Members present acting by majority in number shall choose some member of the Council to preside as Chairman. If no such member is present or if all the members of the Council present decline to preside as Chairman, the Full Members present shall choose a Full Member of BPI who shall be present to preside.
28. The Chairman may with the consent of any meeting at which a quorum is present (and shall if so directed by the meeting) adjourn the meeting but no business shall be transacted at any adjourned meeting other than business which was to have been transacted at the meeting which was adjourned. Whenever a meeting is adjourned for 30 days or more notice of the reconvening of the adjourned meeting shall be given in the same manner as any other meeting of BPI but otherwise it shall not be necessary to give any notice of the reconvening of an adjourned meeting or of the business to be transacted at an adjourned meeting.
29. At any General Meeting a resolution put to the vote of the meeting shall be decided on a show of hands of Full Members present in person or by proxy or by their duly authorised representative unless a poll is demanded by the Chairman or by at least five Full Members present in person or by proxy or by their duly authorised representative or such Full Members present in person or by proxy or by their duly authorised representative representing in aggregate not less than one-tenth of the total voting rights of all the Full Members having the right to vote at the meeting before or upon the declaration of the result of the show of hands. Unless a poll is so demanded a declaration by the Chairman of the meeting that a resolution has been carried or carried unanimously or by a particular majority or lost or not carried by a particular majority and an entry to that effect in the minute book of BPI shall be conclusive

evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against that resolution. The demand for a poll may be withdrawn.

30. Subject to the provisions of Article 33, if a poll is demanded in the manner set out in the Articles, it shall be taken at such time and place and in such manner as the Chairman 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.
31. No poll may be demanded on the election of a Chairman of a meeting, or on any question of adjournment.
32. In the case of an equality of votes whether on a show of hands or on a poll the Chairman of the meeting shall be entitled to a second or casting vote.
33. The demand of a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which a poll has been demanded.
34. Subject to the provisions of the Act, a resolution in writing signed by all the Members who would have been entitled to vote on the resolution on the circulation date of the resolution shall be as valid and effective as if the same had been passed at a General Meeting of BPI duly convened and held.

#### **VOTES OF MEMBERS**

35. Subject as provided in these Articles, every Full Member shall have one vote. Associate Members and Corporate Members shall not be entitled to vote.
36. Only a Full Member duly registered and who has paid in full all subscriptions and other sums and fees (if any) payable by him to BPI in respect of his membership of BPI shall be entitled to vote on any question either personally or by his duly authorised representative appointed as provided by Article 11 or by proxy at any General Meeting.
37. Votes may be given on a poll or a show of hands either personally or by proxy or by the duly authorised representative of a Full Member appointed as provided by Article 11. A Member is entitled to appoint any person as his proxy to attend, speak and, in respect of Full Members, vote at a General Meeting of BPI.
38. The instrument appointing a proxy shall be in writing signed, in the case of an individual, by the appointor or by his attorney duly authorised in writing, or, in the case of a company, signed by a duly authorised signatory of such company.
39. The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed or a notarially certified or office copy thereof shall be deposited at the Office not less than 48 hours (excluding Non-Working Days) before the time appointed for holding the meeting or (when provided by these Articles) adjourned meeting at which the person named in the instrument proposes to vote, or in the case of a poll not less than 24 hours

before the time appointed for the taking of the poll. In default of this Article 39 the instrument of proxy shall not be treated as valid. No instrument appointing a proxy shall be valid after the expiration of 12 Months from the date of its execution.

40. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the principal or revocation of the proxy or of the authority under which the proxy was executed, provided that no intimation in writing of such death, insanity or revocation shall have been received at the Office before the commencement of the meeting or adjourned meeting at which the proxy is used.
41. Any instrument appointing a proxy shall be in the following form or as near to it as possible or in any other form which is usual or which the Council may approve:

"I, [Member's name]

of [company or establishment]

a Full Member of BPI (British Recorded Music Industry) Limited, hereby appoint [proxy]

of [appointee's company or establishment] to vote for me and on my behalf at the [Annual/ adjourned/General] Meeting of BPI (British Recorded Music Industry) Limited to be held on the [date] day of [month], [year] and at every adjournment thereof.

Signed this [date] day of [month] [year]."

The instrument appointing the proxy shall be deemed to confer authority to demand or join in demanding a poll.

### COUNCIL

42. The Council shall comprise:
- (a) the Non-Executive Chairman;
  - (b) the Non-Executive Deputy Chairman;
  - (c) the Chief Executive Officer;
  - (d) the General Counsel of BPI for the time being;
  - (e) six designated chairmen, deputy chairmen, chief executive officers or managing directors (or equivalent office) of (i) any body corporate that Controls a Major, (ii) a Major or (iii) any Subsidiary of a Major that is a Full Member, at the time of election to the Council ("**Designated Major Representatives**");
  - (f) six representatives of Full Members who are Independents at the time of election to the Council ("**Designated Independent Representatives**");

- (g) two co-opted representatives nominated and confirmed by the Designated Major Representatives; and
- (h) two co-opted representatives nominated and confirmed by the Designated Independent Representatives.

The Council members referred to in (g) and (h) (together “**Co-Opted Council Members**”) shall be Full Members or representatives of Full Members.

- 43. Subject to Article 76, each Designated Major Representative and each Designated Independent Representative present and entitled to vote at meetings of the Council shall have one vote, however the votes available to the Designated Major Representatives will be weighted to ensure that each of the Majors has an equal number of votes. Subject to Article 76, no other member or attendee of the Council shall be entitled to vote at meetings of the Council.
- 44.
  - (a) The Majors shall be entitled to appoint the six Designated Major Representatives of the Council and each Major shall be entitled to nominate no more than two representatives for such position. In the event that there are more nominations than vacancies arising by rotation or otherwise provided by these Articles for consideration at any Annual General Meeting, the provisions of Article 44(c) shall apply.
  - (b) The Independents shall be entitled to appoint the six Designated Independent Representatives of the Council and each Independent shall be entitled to nominate one representative for such position. In the event that there are more nominations than vacancies arising by rotation or otherwise provided by these Articles for consideration at any Annual General Meeting, the provisions of Article 44(d) shall apply.
  - (c) Majors shall notify the Chief Executive Officer in writing within 14 Clear Days of receiving a request in writing from the Chief Executive Officer and in any event not less than 14 Clear Days before an Annual General Meeting of nominations for the Designated Major Representatives. If the same number of nominations are received as there are vacancies, these shall be adopted and elected at the relevant Annual General Meeting. If more nominations are received than the number of vacancies in any year the representatives of Majors present in person or by proxy at the relevant Annual General Meeting shall vote to elect the required number of Designated Major Representatives at the relevant Annual General Meeting provided that each Major shall only be entitled to vote for up to the number of vacancies from the representatives of the Majors so nominated.
  - (d) Independents shall notify the Chief Executive Officer in writing within 14 Clear Days of receiving a request in writing from the Chief Executive Officer and in any event not less than 14 Clear Days before an Annual General Meeting of nominations for the Designated Independent Representatives. If the same number of nominations are

received as there are vacancies, these shall be adopted and elected at the relevant Annual General Meeting. If more nominations are received than there are vacancies in any year the representatives of Independents present in person or by proxy at the relevant Annual General Meeting shall vote to elect the required number of Designated Independent Representatives at the relevant Annual General Meeting provided that each Independent shall only be entitled to vote for up to the number of vacancies from the representatives of the Independents so nominated.

45. (a) The Designated Major Representatives shall before or at the first meeting of the Council following each Annual General Meeting and thereafter when vacancies arise by unanimous decision elect individuals to become the non-voting Co-opted Council Members whom the Designated Major Representatives are able to nominate from time to time by virtue of Article 42 for such period not extending beyond the date of the next Annual General Meeting as the Designated Major Representatives may agree.
- (b) The Designated Independent Representatives shall before or at the first meeting of the Council following each Annual General Meeting and thereafter where vacancies arise by majority decision elect individuals to become the non-voting Co-opted Council Members whom the Designated Independent Representatives are able to nominate from time to time by virtue of Article 42 for such period not extending beyond the date of the next Annual General Meeting as the Designated Independent Representatives may agree.
46. A member of the Council being either a Designated Major Representative or a Designated Independent Representative may by notice in writing given to BPI retire from the Council with effect from the date of the receipt by BPI of such notice, in which case the provisions of Article 69 shall apply.
47. (a) The members for the time being of the Council may act notwithstanding any vacancy in their body provided always that if the number of voting members of the Council at any time shall be reduced below nine, the remaining members shall be capable of acting as the Council for the purpose of admitting persons to membership of BPI, filling vacancies in the Council or of summoning a General Meeting, but for no other purpose.
- (b) In addition to its powers under Article 47(a), the Council may from time to time and at any time by unanimous decision of members of the Council present and entitled to vote invite any person to become a non-voting attendee of the Council. Any person so invited shall attend Council Meetings for so long as Council may determine and in any event only until the next Annual General Meeting but he shall then be eligible for further invitation. Any person invited to attend Council Meetings under this Article 47 shall not be considered a member of the Council for the purposes of these Articles.

## **POWERS AND DUTIES OF THE COUNCIL**

48. The day to day business of BPI shall be managed by the Council who may exercise all the powers of BPI that are not required to be exercised by BPI in General Meeting. No resolution of BPI shall invalidate any prior act of the Council which would have been valid if that resolution had not been made.
49. The Council shall have the power to make, impose, vary and repeal the Council Code of Conduct.
50. All cheques and other negotiable instruments and all receipts for money paid to BPI shall be signed or drawn or accepted or endorsed or otherwise executed as the case may be in the manner the Council shall from time to time determine.

#### **ALTERNATES**

51. Subject to a written objection of the Non-Executive Chairman, a member of the Council may appoint a named alternate to attend and (if relevant) vote at Council meetings in his absence. Each member of the Council shall prior to a Council meeting notify the Chief Executive Officer in writing of the identity of his alternate (if any) who in any event shall represent a Full Member.

#### **HONORARY PRESIDENT**

52. The Council may at any time appoint one or more persons to be Honorary President(s) of BPI for so long as the Council may determine. Such Honorary President or Presidents (if any) shall not be members of the Council and need not be Full Members and may be invited by the Council to assist BPI or the Council in any way the Council may determine. The Honorary President or Presidents shall not be entitled to vote at any Council meeting.

#### **NON-EXECUTIVE CHAIRMAN**

53. Whenever a vacancy arises, the Non-Executive Chairman shall be elected by the Council by a ballot of all the voting members of the Council and may be (but does not need to be) an existing member of the Council. Subject as hereinafter provided, the Non-Executive Chairman shall hold office for such term as the Council shall decide and at the end of such term the then current Non-Executive Chairman shall retire from office, but shall be eligible for re-election following nominations by and a ballot of the voting members of the Council. The Non-Executive Chairman's appointment may be terminated by a decision of the Council and, upon termination, he shall cease to be a member of the Council unless he is a member of Council by virtue of Article 42(e), (f), (g) or (h), subject to the provisions of any other Article. The Non-Executive Chairman need not be a Member or the duly authorised representative of a Member.
54. On any occasion at which the Non-Executive Chairman is not present or being present is unable or unwilling to preside then the Non-Executive Deputy Chairman shall act in the place of the Non-Executive Chairman and if the Non-Executive Deputy Chairman is not present, or

being present is unable or unwilling to preside then the Council may at any time appoint one of the members of the Council to act in place of the Non-Executive Chairman.

55. The Non-Executive Chairman shall be entitled to preside at all meetings of the Council at which he shall be present and willing to preside. If at any such meeting the Non-Executive Chairman is not present and/or willing to preside within five minutes after the time appointed for the holding of the meeting then the Non-Executive Deputy Chairman shall be entitled to preside at such meeting and if the Non-Executive Deputy Chairman is not present and/or willing to preside within five minutes after the time appointed for the holding of the meeting then the members of the Council present shall choose one of their number to be Chairman of the meeting.
56. Should the Non-Executive Chairman resign or otherwise relinquish his office before the expiration of the term provided for in Article 53 the Council shall by a ballot of all the voting members of the Council appoint a person to act as Non-Executive Chairman in accordance with Article 53.
57. The Council may delegate to the Non-Executive Chairman for the time being such of the duties and the powers exercisable by the Council as it shall think fit and may confer upon him such powers (and for such time) for the exercise of such objects and purposes and upon such terms and conditions as the Council may deem fit.

#### **NON-EXECUTIVE DEPUTY CHAIRMAN**

58. The Council may at any time appoint a Non-Executive Deputy Chairman for such term as the Council shall decide who may be (but does not need to be) an existing member of the Council. Whenever a vacancy arises the Non-Executive Deputy Chairman shall be elected by a ballot of all the voting members of the Council. At the end of such term the Non-Executive Deputy Chairman shall retire from office, but shall be eligible for re-election following nominations by and a ballot of the voting members of the Council. The Non-Executive Deputy Chairman's appointment may be terminated by a decision of the Council and, upon termination, he shall cease to be a member of the Council unless he is a member of Council by virtue of Article 42(e), (f), (g) or (h), subject to the provisions of any other Article. Any Non-Executive Deputy Chairman so appointed shall act in place of the Non-Executive Chairman on any occasion at which the Non-Executive Chairman is not present or being present is unable or unwilling to preside. The Non-Executive Deputy Chairman need not be a Member or the duly authorised representative of a Member.

#### **CHIEF EXECUTIVE OFFICER**

59. The Chief Executive Officer shall be appointed by the Council or by a sub-committee established by the Council from time to time for the purposes of this Article. The sub-committee shall consist of equal numbers of Independent and Major representatives and the Non-Executive Chairman. The Chief Executive Officer may be appointed at such remuneration and upon such conditions as the Council or such sub-committee may from time

to time think fit. The Chief Executive Officer's appointment may be terminated by a decision of the Council. The Chief Executive Officer need not be a Member or the duly authorised representative of a Member.

60. The Council may delegate to the Chief Executive Officer for the time being such of the duties of and the powers exercisable by the Council as it shall think fit and may confer upon him such powers (and for such time) for the exercise of such objects and purposes and upon such terms and conditions as the Council may deem fit.

### **DIRECTORS**

61. The Directors of BPI shall be:
- (a) the Non-Executive Chairman and the Non-Executive Deputy Chairman;
  - (b) the Designated Members;
  - (c) the Chief Executive Officer; and
  - (d) the General Counsel of BPI.
62. The Directors of BPI shall at all times comply with the Council Code of Conduct.
63. Any person who was a Director prior to the adoption of these Articles but who by virtue of these Articles is ineligible to remain a Director shall resign his office and lodge written confirmation of such resignation with the Secretary within two working days failing which he shall be deemed to have resigned upon the adoption of these Articles.
64. For the avoidance of doubt the Directors of BPI shall not transact any business of the Council otherwise than at Council proceedings conducted in accordance with these Articles or as otherwise set out in these Articles.

### **EXECUTION OF DOCUMENTS**

65. In relation to documents to be executed pursuant to section 44 of the Companies Act 2006, such documents may only be executed as a deed on behalf of BPI if such execution is authorised or ratified by a resolution of the Council which authority may be of a general nature and need not apply only to specific documents or transactions. Every document so authorised or ratified shall be signed by either the Non-Executive Chairman or the Chief Executive Officer and any member of the Council who is a Director of BPI or the Company Secretary.

### **SUSPENSION, REMOVAL AND DISQUALIFICATION OF MEMBERS OF THE COUNCIL**

66. The Council may resolve at a meeting of the Council to suspend or terminate a member of the Council's membership of the Council or a committee of the Council or a BPI committee in the manner set out in this Article:
- (a) No resolution of the Council terminating a member of the Council's membership of the Council or any committee of the Council or a BPI committee shall take effect unless at least 75% of the members of the Council present and voting at the meeting of the Council duly convened for the purpose of considering the resolution shall have voted in favour of it.
  - (b) No resolution of the Council suspending a member of the Council from the Council and/or a committee of the Council or a BPI committee shall take effect unless at least 75% of the members of the Council present and voting at the meeting of the Council duly convened for the purpose of considering the resolution shall have voted in favour of it.
  - (c) Any member of the Council shall be given reasonable notice of any meeting convened to consider the termination and/or suspension of his membership of the Council or any committee of the Council or a BPI committee and shall be entitled to attend such meeting for the purposes of making representations or to make written representations to the Council.
  - (d) Subject to Article 66(b), the Council may at any time, by notice in writing, suspend from the Council and/or any committee of the Council and/or a BPI committee for such period as they shall think fit any member of the Council (including any Director of BPI) whose action, omission or conduct is or could (in the Council's absolute discretion) constitute a breach of the Council Code of Conduct or who they in their absolute discretion otherwise deem unfit or unsuitable to be a member of the Council and such member of the Council shall be suspended immediately upon the service on him of such notice. Any such suspension of a Director of BPI shall be without prejudice to their right to continue to be a member of the Council and a Director of BPI.
  - (e) Subject to Article 66(a), the Council may at any time, by notice in writing, require any member of the Council (including any Director of BPI) whose action, omission or conduct is or could (in the Council's absolute discretion) constitute a breach of the Council Code of Conduct or who they in their absolute discretion otherwise deem unfit or unsuitable to be a member of the Council to vacate their office as a member of the Council and/or any committee of the Council and/or a BPI committee and (if applicable) as a Director of BPI and such member shall cease to be a member of the Council and/or any committee of the Council and/or a BPI committee (as the case may be) and (if applicable) a Director of BPI and his membership of the Council and/or any committee of the Council and/or a BPI committee and (if applicable) his office as a Director of BPI shall be terminated immediately upon the service on him of such notice.

- (f) Any member of Council whose membership is terminated for whatever reason in accordance with this Article 66 shall, subject to a resolution of the Council determining otherwise, be ineligible for nomination as a Designated Member under Article 44, be ineligible for election as a Co-Opted Council Member under Article 45 and be ineligible for election as Non-Executive Chairman or Non-Executive Deputy Chairman under Articles 53 and 58 respectively.

67. A member of the Council shall vacate office and cease to be a member of Council (including in the case of members who are Directors of BPI resigning office as a Director of BPI):

- (a) if a receiver is appointed over all or any of his assets or he makes an arrangement or composition with his creditors;
- (b) if he becomes of unsound mind;
- (c) in the case of Designated Major Representatives and Designated Independent Representatives, if he ceases to be a Full Member or a representative of a Full Member;
- (d) if he resigns his office in accordance with the Articles; or
- (e) if he ceases to hold office by virtue of any provision of the Act, or if he becomes prohibited by law from being a director of a company.

#### **ROTATION AND APPOINTMENT OF MEMBERS OF THE COUNCIL**

68. (a) At each Annual General Meeting one third of the Designated Major Representatives and one third of the Designated Independent Representatives (or if the number is not a multiple of three then the nearest number to one third) shall retire from office and nominations and elections to fill vacancies occurring by reason of such retirement shall be made as otherwise provided in Article 44. Any Designated Member required to retire under Articles 69(a) or 69(b) shall not be taken into account in determining the number of Designated Major Representatives and Designated Independent Representatives required to retire under this Article 68(a). Any Designated Member who holds office as Non-Executive Chairman or Non-Executive Deputy Chairman shall be exempt from the requirement to retire pursuant to this Article 68(a) until the end of their term of office as Non-Executive Chairman or Non-Executive Deputy Chairman (as the case may be).
- (b) The Designated Major Representatives and the Designated Independent Representatives who shall retire as provided in Article 68(a) shall be those who have been the longest in office since their last election or appointment. Where there are Designated Major Representatives of equal seniority, the Designated Major Representative(s) to retire shall, in the absence of agreement between those Designated Major Representatives, be selected from among those Designated Major Representatives by lot. Where there are Designated Independent Representatives of

equal seniority, the Designated Independent Representative(s) to retire shall, in the absence of agreement between those Designated Independent Representatives, be selected from among those Designated Independent Representatives by lot. The length of time a Designated Member has been in office shall be calculated from the date of his last election or appointment. Any such lot shall be undertaken by the Non-Executive Chairman or the Chief Executive Officer with the relevant Designated Members present. A retiring Designated Member shall be eligible for re-election subject to his nomination as provided in Article 44.

69. If a Designated Member retires, dies or otherwise ceases to be a member of the Council otherwise than as provided by Article 68 (a **"Former Member"**), then:

(a) if the Former Member of the Council is a Designated Major Representative, then the remaining Designated Major Representatives shall within 14 days of such retirement by notice in writing to the Chief Executive Officer nominate a replacement representative to the Council. If the Designated Major Representatives fail to nominate a replacement representative within the 14 day period, the Chief Executive Officer shall choose a willing full-time employee of a Major as a replacement Designated Major Representative. If the Chief Executive Officer has an objection to the nomination of the remaining Designated Major Representatives the Chief Executive Officer may request that the Designated Major Representatives propose an alternative representative or, if not, the original proposed representative shall be appointed to Council as a Designated Major Representative. If the Chief Executive Officer requires the Designated Major Representatives to recommend an alternative representative the remaining Designated Major Representatives shall again be given a period of 14 days to make such nomination. If the Designated Major Representatives fail to nominate a second replacement representative within the 14 day period, the Chief Executive Officer shall choose a willing full-time employee of a Major as a replacement Designated Major Representative. The second proposed replacement representative shall be appointed to Council as a Designated Major Representative. Any Council member appointed pursuant to this Article 69(a) shall be required to retire at the first Annual General Meeting following his appointment where he will be able to be nominated as a Designated Major Representative in accordance with Article 44(a) and he shall be eligible for re-election at such Annual General Meeting.

(b) if the Former Member of the Council is a Designated Independent Representative, then the remaining Designated Independent Representatives shall within 14 days of such retirement by notice in writing to the Chief Executive Officer nominate a replacement representative to the Council. If the Designated Independent Representatives fail to nominate a replacement representative within the 14 day period, the Chief Executive Officer shall choose a willing full-time employee of an Independent as a replacement Designated Independent Representative. If the Chief Executive Officer has an objection to the nomination of the remaining Designated Independent Representatives the Chief Executive Officer may request that the

Designated Independent Representatives propose an alternative representative or, if not, the original proposed representative shall be appointed to Council as a Designated Independent Representative. If the Chief Executive Officer requires the Designated Independent Representatives to recommend an alternative representative the remaining Designated Independent Representatives shall again be given a period of 14 days to make such nomination. If the Designated Independent Representatives fail to nominate a replacement representative within the 14 day period, the Chief Executive Officer shall choose a willing full-time employee of an Independent as a replacement Designated Independent Representative. The second proposed replacement representative shall be appointed to the Council as a Designated Independent Representative. Any Council member appointed pursuant to this Article 69(b) shall be required to retire at the first Annual General Meeting following his appointment where he will be able to be nominated as a Designated Independent Representative in accordance with Article 44(b) and he shall be eligible for re-election at such Annual General Meeting.

70. (a) BPI may from time to time in General Meeting increase or reduce the number of members of the Council.
- (b) BPI may from time to time in General Meeting increase or reduce the number of Co-opted Council Members otherwise to be nominated and confirmed by the Designated Major Representatives and/or the Designated Independent Representatives for the purposes of Article 42.
- (c) BPI may, by ordinary resolution of which special notice has been given in accordance with section 168 of Companies Act 2006, remove any member of the Council before the expiration of his period of office notwithstanding anything in these Articles or any agreement between BPI and that member and may by an ordinary resolution appoint another person eligible to act as a member of the Council in his place. Any person so appointed shall retain his office only until the next Annual General Meeting of BPI when he may offer himself for election.
71. If, at any time, there are more than four or less than four Majors, the Majors shall meet prior to each Annual General Meeting to nominate representatives from the Majors to fill vacancies among the Designated Major Representatives on the Council. If the Majors fail to agree on the identity of the representatives required to fill the number of vacancies the provisions of Articles 44(a) and 44(c) shall apply.
72. On a resolution to approve the Designated Independent Representatives to the Council pursuant to Articles 44, the Majors shall not be entitled to vote and on a resolution to approve the Designated Major Representatives to the Council pursuant to Articles 44, 69(a) and 71 the Independents shall not be entitled to vote.

73. For the avoidance of doubt, subject to Articles 44(a) and 71, a Full Member may only nominate one representative to the Council in each year and, if such nominee is appointed as a member of the Council such Full Member shall not be entitled to nominate a further representative to the Council unless the appointed nominee has ceased for whatever reason to be a member of the Council.

#### **NON-DIRECTOR COUNCIL MEMBERS**

74. Non-Director members of the Council shall at all times comply with the provisions of the Council Code of Conduct.
75. Notwithstanding the provisions of Article 48, attendees or members of the Council who are not Directors of BPI (as set out in Article 61) shall, save in respect of powers delegated to them by the Council, have no power or authority to exercise any of the powers granted to the Council pursuant to Article 48 or represent or bind BPI (either as individuals or as part of the Council) and shall not, save in respect of powers delegated to them by the Council, hold themselves out as having such power or authority.

#### **PROCEEDINGS OF THE COUNCIL**

76. The Council shall meet together for the transaction of business, adjourn and otherwise regulate their meetings as they think fit. Notice of Council Meetings shall be given to all members of Council, but a member of Council may waive the requirement that notice be given to him of a Council Meeting either prospectively or retrospectively. Eight members of the Council including at least two Designated Major Representatives and two Designated Independent Representatives shall be the quorum necessary for the transaction of business. Any decisions that require a vote by the Council shall require a vote by at least nine members of the Council who are entitled to vote (or their alternates). The Non-Executive Chairman may refer any matter for decision by a vote of the Council. All such transactions shall be decided by a majority of votes unless otherwise required by another Article. In case of an equality of votes, the Non-Executive Chairman shall have a casting vote.
77. At the election of the Non-Executive Chairman, or at the request in writing of any member of the Council, the Non-Executive Chairman shall summon a meeting of the Council. A member of the Council who is absent from the United Kingdom shall be deemed to have received notice of the meeting by the despatch of such notice to his place of business in the United Kingdom.
78. (a) Save as otherwise provided by these Articles, a Council member who is in any way, whether directly or indirectly, interested in a transaction or arrangement with BPI or a proposed transaction or arrangement with BPI shall declare the nature and extent of his interest to the other Council members.
- (b) A Council member shall declare the nature and extent of his interest:
- (i) in respect of a transaction or arrangement that has been entered into by BPI,

as soon as reasonably practicable; and

- (ii) in respect of a proposed transaction or arrangement with BPI, before BPI enters into such transaction or arrangement.

Such declaration shall be made to the other Council members at a Council meeting, by notice in writing or by way of general notice given at a Council meeting to the effect that the Council member has an interest in a specified body corporate or is connected with a specified person and is to be regarded as interested in any transaction or arrangement that may be made with the specified body corporate or person.

- (c) A declaration of interest is not required in accordance with Article 78(a):
  - (i) if the Council member is not aware of the interest or the relevant transaction or arrangement;
  - (ii) if the interest cannot reasonably be regarded as likely to give rise to a conflict of interest; or
  - (iii) to the extent that the other Council members are already aware of the interest.

79. A meeting of the Council at which a quorum is present shall be entitled to exercise all the authorities, powers and discretions vested in the Council by or under the Articles or any other regulations of BPI for the time being. If at a meeting of the Council there arises any subject or matter in which a Council member or members (including, for the avoidance of doubt, the Chairman) or attendee(s) has, directly or indirectly, an interest or duty which conflicts or may conflict with the interests of BPI, the remaining Council members may authorise, on such terms and subject to such limits or conditions, if any, as they may determine, the conflict and allow the relevant Council member to remain in the Council meeting and to vote on the matter. If the conflict is not so authorised, the Chairman of the meeting may request such member or members of the Council or attendee(s) to leave the room where the meeting is being held for the period that such subject or matter is under discussion or where the Chairman has such a conflict of interest he shall leave the room where the meeting is being held for the period that such subject or matter is under discussion and such member(s) will not be entitled to vote on the subject in question. Any such request shall be complied with by the relevant Council member or attendee(s) forthwith.

80. The Council may delegate any of their powers to a committee of the Council including (without limitation) the delegation of the Council's powers under the Charters Code of Conduct (save for the powers of suspension and/or expulsion under Articles 15 and 66) to a Committee of Enquiry in accordance with Articles 85 to 90. Any committee so appointed shall consist of such persons as the Council may think fit and any committee so formed shall in the exercise of the powers delegated to it conform to any regulations imposed upon it by the

Council. The meetings, procedure and proceedings of any such committee shall be governed (so far as applicable and not inconsistent with any regulations made by Council) by the provisions of Articles 85 to 90 and the provisions of the Articles regulating the meetings and proceedings of the Council.

81. It shall be the responsibility of the Council to nominate for membership of the IFPI Council, the representative of the British National Group of the International Federation of the Phonographic Industry (IFPI).
82. All acts done in good faith by any meeting of the Council or any committee of the Council or by any person acting as a member of the Council shall, notwithstanding it may afterwards be discovered that there was some defect in the appointment or continuation in office of any such member or person acting on the Council or committee of the Council or that they or any of them were disqualified, be as valid as if every such person had been duly appointed or had duly continued in office and was qualified to be a member of the Council.
83. The Council shall cause proper minutes to be made of all appointments of officers made by the Council and of the proceedings of all meetings of BPI and of the Council and of committees of the Council and all business transacted at such meetings. Any minutes of any meeting if purporting to be signed by the Chairman of such meeting or by the Chairman of the next succeeding meeting shall be sufficient evidence of the matters transacted at the relevant meeting without any further proof of the facts therein stated.
84. A resolution or decision in writing of a majority of the members for the time being of the Council or of any committee of the Council who are entitled to receive notice of and vote at a meeting of the Council or of such committee shall, subject to such resolution or decision in writing being circulated to all members of Council or of the relevant committee of Council, be as valid and effectual as if it has been passed or made at a meeting of the Council or of such committee duly convened and constituted and may consist of several documents in the same form.

#### **COMMITTEE OF ENQUIRY**

85. The Council may, in its absolute discretion but without limitation, delegate authority to a Committee of Enquiry:
  - (a) to investigate any alleged breach of the Council Code of Conduct by a Member of Council (a "**Council Code Breach**") referred to it by the Non-Executive Chairman or Chief Executive Officer;
  - (b) to investigate any alleged breach of the Charts Code of Conduct and/or Member's Covenant (a "**Charts Code Breach**") referred to it by the Non-Executive Chairman or Chief Executive Officer;
  - (c) to investigate any other matter pertinent to BPI, Council or members of Council;

- (d) to prosecute any such investigation;
  - (e) to adjudicate and declare whether any such Charts Code Breach has occurred;
  - (f) to make a ruling which shall be final and binding upon the relevant Member requiring immediate cessation of any adjudicated or declared Charts Code Breach;
  - (g) to impose such sanctions and penalties upon such Member as it shall see fit and is empowered to impose pursuant to the provisions of the Charts Code of Conduct in respect of a Charts Code Breach; and
  - (h) to set reasonable time limits for the response by such Member to any enquiry, request for information, documentation or other co-operation.
86. Subject to the rules of application of the Council Code of Conduct or the Charts Code of Conduct (as applicable) the wilful failure by any Member to provide the information, documentation or co-operation referred to in Article 85 above, shall entitle the Committee of Enquiry to find that a Council Code Breach or a Charts Code Breach (as applicable) has occurred by reason of lack of evidence.
87. The Committee of Enquiry shall have the power to recommend to the Council the suspension or expulsion of Members in accordance with the Council Code of Conduct or the Charts Code of Conduct's rules. No recommendation of the Committee of Enquiry recommending the suspension or expulsion of a Member shall take effect unless a majority of the members of the Committee of Enquiry duly convened shall have voted in favour of it.
88. Until otherwise determined by the Council, the number of members of a Committee of Enquiry shall not be less than three nor more than five, of whom in each case one shall be the Non-Executive Chairman, who shall also serve as Secretary of the Committee of Enquiry, at least one shall be a Designated Major Representative and at least one shall be a Designated Independent Representative. Each member of the Committee of Enquiry shall have one vote and in the event of an equality of votes the Non-Executive Chairman shall have a casting vote.
89. The members for the time being of the Committee of Enquiry may act notwithstanding any vacancy in their body provided always that if members of the Committee of Enquiry shall at any time be reduced in number to less than the minimum number prescribed by the Articles the Committee of Enquiry may continue to act as the Committee of Enquiry for the purpose of filling vacancies in their body or of summoning meetings but not for any other purpose.
90. Meetings may be convened by the Committee of Enquiry whenever they think fit provided that in the absence of written agreement to the contrary not less than 10 Clear Days' notice in writing of every such meeting, specifying the place, the day and the hour of meeting, shall be given by the Committee of Enquiry to any signatory to the Council Code of Conduct or the Charts Code of Conduct (as applicable) who is the subject of any investigation. At such

meeting, such signatory may be represented by its representative of BPI as provided pursuant to Article 11 or an adequately senior alternative representative.

### **ACCOUNTS**

91. The Council shall cause accounting records to be kept in accordance with the requirements of the Act.
92. The accounting records shall be kept at the Office or subject to the provisions of the Act at such other place or places as the Council shall think fit and shall always be open to inspection by the members of the Council.
93. Subject to section 431 of the Companies Act 2006, the Council shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations the accounts and books of BPI or any of them shall be open to the inspection of Members who are not members of the Council. No Member (not being a member of the Council) shall have any right of inspecting any account or book or document of BPI except as conferred by statute or authorised by the Council or by BPI in General Meeting.
94. At the Annual General Meeting in every year, the Council shall lay before BPI such profit and loss accounts and balance sheets as are provided for in the Act. Every such balance sheet shall be accompanied by proper reports of the Council and the Auditors and copies of such account, balance sheet and reports (all of which shall be prepared in accordance with any statutory requirements for the time being in force) and of any other documents required by law to be annexed or attached thereto or to accompany the same shall not less than 14 Clear Days before the date of the meeting be sent to the Auditors and to all other persons entitled to receive notices of General Meetings in the manner in which notices are required in accordance with the Articles to be served.

### **AUDIT**

95. At least once in every financial year the accounts of BPI shall be examined and the correctness of the financial statement including balance sheet shall be ascertained by one or more properly qualified Auditor or Auditors.
96. The Auditors will not automatically be deemed to be reappointed at the end of their term of office but will have to be appointed by ordinary resolution at the Annual General Meeting.

### **NOTICES**

97. Subject to the Articles, anything sent or supplied by or to BPI under the Articles may be sent or supplied in any way in which the Act provides for documents or information which are authorised or required by any provision of the Act to be sent or supplied by BPI.
98. A notice to be given to or by a person pursuant to these Articles shall be in writing except that a notice convening a Council meeting need not be in writing.

99. (a) Any notice, document or information ("**Document**") may be given, sent or supplied by BPI to any Member either:
- (i) personally; or
  - (ii) by sending it by post in a prepaid envelope addressed to the Member at his registered address, or by leaving it at that address or another address notified for the purpose; or
  - (iii) by sending it in Electronic Form to a person who has agreed (generally or specifically) that the Document may be sent or supplied in that form (and has not revoked that agreement) and has notified BPI of an address for that purpose; or
  - (iv) by making it available on a website in accordance with Article 100.
- (b) Any Member described in the register of Members by an address not within the United Kingdom and who shall from time to time give BPI an address within the United Kingdom at which Documents may be served upon him, shall be entitled to have Documents served upon him at such address but other than this and as provided by the Act only those members who are described in the register of Members by an address within the United Kingdom shall be entitled to receive Documents from BPI.
100. Subject to the Act, BPI may give any Document under these Articles to a Member by publishing that Document on a website where:
- (a) the Member has agreed (generally or specifically) that the Document may be sent or supplied to him in that manner or the Member is deemed to have so agreed as he failed to respond to an individual request from BPI to send Documents in that manner within 28 days of the date on which BPI's request was sent;
  - (b) the Document is one to which that agreement applies;
  - (c) the Member is notified, in a manner for the time being agreed between him and BPI for the purpose, of:
    - (i) the presence of the Document on a website;
    - (ii) the address of that website; and
    - (iii) the place on that website where the Document may be accessed; and

- (iv) how to access the Document; and
- (d) the Document is available on that website throughout the Publication Period (as defined below), provided that, if the Document is published on that website for a part, but not all of, such period, the Document shall be treated as being published throughout that period if the failure to make it available throughout that period is wholly attributable to circumstances which it would not be reasonable to have expected BPI to prevent or avoid.

For the purpose of this Article 100, "**Publication Period**" means the period specified by any applicable provision of the Act or of these Articles or if no such period is specified, a period of not less than 28 days, beginning on the day on which the notification referred to in Article 100(c) is sent to the Member in question.

101. Proof that an envelope containing a Document was properly addressed, prepaid and posted shall be conclusive evidence that the Document was given. Proof that a Document in Electronic Form was sent or given in accordance with guidance issued by the Institute of Chartered Secretaries and Administrators current at the date of adoption of these Articles, or, if the directors so resolve, any subsequent guidance so issued, shall be conclusive evidence that the Document was sent or given. A Document sent by BPI to a Member by post shall be deemed to be given or delivered:
- (a) if sent by first class post or special delivery post from an address in the United Kingdom on the day following that on which the envelope containing it was posted;
  - (b) in any other case, on the second day following that on which the envelope containing it was posted.
102. A Document sent by BPI to a Member in Electronic Form shall be deemed given to the Member on the day following that on which it was sent to the Member. Such a Document shall be deemed given by BPI to the Member on that day notwithstanding that BPI becomes aware that the Member has failed to receive the relevant Document for any reason and notwithstanding that BPI subsequently sends a copy of such Document by post to the Member.
103. Unless otherwise provided by these Articles, a Member shall give any Document under these articles to BPI by whichever of the following methods he may in his absolute discretion determine:
- (a) by posting the Document in a prepaid envelope addressed to the Office; or
  - (b) by leaving the Document at the Office; or
  - (c) by sending the Document in Electronic Form to such address (if any) for the time

being notified by or on behalf of BPI for that purpose.

### **DISSOLUTION**

104. Every Member undertakes to contribute to the assets of BPI, in the event of the same being wound up while he is a Member, or within one year after he ceases to be a Member, for payment of the debts and liabilities of BPI contracted before he ceases to be a Member, and of the costs, charges and expenses of winding up, and for the adjustment of the rights of the contributories among themselves, such amount as may be required not exceeding £1 (One Pound).
  
105. If upon the winding up or dissolution of BPI there remains, after the satisfaction of all its debts and liabilities, any property whatsoever, the same shall not be paid to or distributed among the Members, but shall be given or transferred to some other institution or institutions having objects similar to the objects of BPI, such institution or institutions to be determined by the Members at or before the time of dissolution, and if and so far as effect cannot be given to such provision, then to some charitable object.