

# **Member's Covenant and Code of Conduct**

# Charts Code of Conduct

## Explanatory notes issued in October 2002

All BPI Members must sign the Code of Conduct relating to the Charts. The Code was originally introduced in the days when the Charts were commissioned direct from Gallup by the BPI. By regulating its own members' activities, the BPI sought to assist Gallup in preparing Charts which would accurately reflect the sales of records in the UK.

The UK Charts are now commissioned from Millward Brown by Music Industry Chart Services Limited trading as The Official UK Charts Company Ltd, a joint venture between the BPI and the British Association of Record Dealers (BARD), whose members ensure the speedy and accurate flow of information to Millward Brown. The BPI is continuing to operate a Code of Conduct for its own Members. BARD operates a similar Code for its retailer members. The BPI and The Official UK Charts Company Ltd will also continue to work with the other bodies involved in the Charts in developing the best means of imposing on non-members of the BPI a Code of Conduct similar to the BPI's Code of Conduct. The BPI feels that the Charts must reflect an accurate sales picture, and the best way of doing this is to ensure that all record companies in the UK abide by the same rules.

The Charts Code of Conduct in its present form was introduced in 1992, following Committee of Enquiry hearings in 1991 when it became apparent that the previous BPI Code of Conduct was out of date and difficult to apply. The Code is a formal document as previous experience with the Committee of Enquiry showed that it was important to set out in black and white both the procedure to be adopted whenever a Committee of Enquiry is convened and the penalties available to be imposed by it. The Code was revised in March 2001 to take into account changes in the BPI Articles and other matters and has now been revised to incorporate the change of the company name of CIN to The Official UK Charts Company Ltd.

The BPI Code of Conduct is now formed of three sections, namely:

### 1. MEMBER'S COVENANT

This is to be signed by each BPI member. Signing the Covenant places the BPI member under a legally binding obligation to abide by the terms of the Covenant and the Code of Conduct and to abide by and submit to the Code of Conduct Rules of Application.

The Member's Covenant contains a general provision which was to be found at the beginning of the previous Code of Conduct. Obviously by signing the Covenant a BPI member agrees to abide by the terms of this document and the other associated documents. In addition, Paragraphs (C) and (D) clarify each BPI member's obligations under the previous Code in respect of procuring others to abide by its terms.

Paragraph (C) provides that the BPI member will *procure* that all its employees and all third parties with whom it contracts (including production, marketing, promotion, distribution and selling services), all artists and label licensees must abide by the Code of Conduct. In the documents these people are referred to as "Contracted Parties".

Paragraph (D) provides that the BPI Member must use *its best endeavours to procure* that all other third parties must abide by the Code of Conduct. These parties are referred to as "Connected Parties" and include all those obviously connected with the production, marketing, promotion, distribution, sale or other exploitation of artists' records, including artists' management and promoters. In most cases these people would not be contracted to the BPI member, but the BPI member is nevertheless responsible for doing its best to ensure that these people abide by the terms of the Code of Conduct.

Paragraph (E) of the Member's Covenant obliges the BPI member to put terms in all its contracts with Contracted Parties requiring those Contracted Parties to abide by the Code of Conduct and indicates the scope of the obligations which we would like included in these contracts.

Paragraph (F) provides that the contents of the Code of Conduct must be notified to all other Connected Parties, and the BPI member is responsible for making sure that these Connected Parties continue to abide by the Code.

Paragraph (G) requires the BPI member to give notice if the member purchases any retail outlets.

### 2. THE CODE OF CONDUCT

This provides that any conduct by a Code Signatory which is reasonably foreseeable as being capable of distorting the Chart (an objective test to be applied by the Committee of Enquiry) will constitute a breach of the Code. A definition of "distortion" is set out in Paragraph 2. Clause 2(a)-(e) lists examples of the sort of activities which the BPI currently believes would lead to a distortion of the Charts and would amount to a breach of the Code of Conduct. The list is by way of illustration only and any activity which is reasonably foreseeable as being capable of distorting the Charts will be a breach of the Code. The list merely gives examples of those obvious situations in which the Code is likely to have been breached.

Paragraphs 2(a)-(d) are self-explanatory. In relation to Paragraph 2(e), this would only apply where an artist's record would not have been sold but for an attached gift or other benefit to the consumer. The benefit would either have to be unrelated to the

artist or of a greater value than the normal retail price of the record. For example, if a consumer received a free football with every purchase of a record by Mickey Mouse that would be a benefit which was unrelated to the artist. If a consumer could buy the same record and receive with such purchase a stuffed soft toy of Mickey Mouse which was in itself worth more than the retail price of the record, this again would, in the view of the BPI Council amount to a breach of Paragraph 2(e).

The basis of this provision is that each record is intended to be sold "on its own merits" and not on the basis of collateral benefits offered.

### 3. THE CODE OF CONDUCT RULES OF APPLICATION

This sets out the rules which apply to the investigation of any breaches of the Code of Conduct and possible sanctions to be applied if a breach has occurred.

Paragraph 2 sets out the powers of the Chart Administrator. The current Chart Administrator is The Official UK Charts Company Ltd, which sub-contracts part of its responsibilities to Millward Brown. Both are within the definition of Client Administrator.

Paragraph 2(a)-(c) deals with the Chart Administrator's investigation and reporting obligations. Clause 2(d) permits the Chart Administrator to remove records from the Charts if there has been a breach of the Code of Conduct in relation to such records.

Paragraph 3 deals with the BPI's powers to investigate and prosecute alleged breaches of the Code of Conduct, and sets out the procedure to be followed in relation to any complaint about an alleged breach. Complaints should be made in the first instance to the BPI's Director General. Under paragraph 3.2 the Director General can ask for formal details of the complaint, in writing, and also a payment towards any administration costs of carrying out the investigation of the complaint.

Paragraph 3.3 sets out the powers of the BPI Council to investigate and adjudicate upon any alleged breach of the Code. It provides that these powers shall be delegated (except for the power to expel or to suspend any member of the BPI from the BPI) to a Committee of Enquiry appointed in accordance with the Articles, to which the Director General shall be appointed as Secretary.

Paragraph 3.4 sets out the obligations of the Code Signatory if the Code Signatory is investigated by the Committee of Enquiry. It provides that Code Signatories must attend all meetings and hearings of the Committee of Enquiry, must respond accurately, promptly and fully to all correspondence, must supply all documents or other information required by the Committee of Enquiry in relation to the investigation, and must permit the Committee of Enquiry to send authorised representatives to make enquiries at the Code Signatory's place of business.

Paragraph 3.5 is important. It states specifically that if the Committee of Enquiry is satisfied on the balance of probability that a breach of the Code of Conduct has been established, sanctions may be imposed on the relevant Code Signatory.

Paragraph 4 deals with the adjudication of any breach of the Code of Conduct and applicable sanctions are listed in Paragraph 4.2.

The remaining Paragraphs of the Rules are procedural, dealing with such matters as notices, law and jurisdiction.

# Code of Conduct

## 1. DEFINITIONS AND INTERPRETATION

- 1.1 In this Code of Conduct, and in the attached Member's Covenant enclosed in this booklet, the following terms shall have the meanings set against them below:
- 1.1.1 "Artist" means any performer or contributor whose performance or contribution has been included on Records which have been or will be exploited by a Code Signatory.
- 1.1.2 "the Charts" means the Charts designated by the Council from time to time as the official United Kingdom charts determining the relative sales of Records within a prescribed period.
- 1.1.3 "the Chart Administrator" means the person engaged from time to time to compile, administer and generally to manage the Charts or any of them including any sub-contractor of such person.
- 1.1.4 "the Chart Objective" means the underlying object and purpose of the compilation of each of the Charts namely the accurate reflection of the relative genuine and bona fide sales of such Records as shall from time to time be deemed to be within the terms of reference of the relevant Chart to members of the public marketed and distributed in the normal course of business individually and in their own right without collateral benefits or inducement.
- 1.1.5 "Code Signatory" means any person which has executed the Member's Covenant.
- 1.1.6 "the Council" means the Council of the BPI from time to time.
- 1.1.7 "Records" means and includes all conventional types of phonograph records now in use, as well as tape recordings of all types and any other products and devices now known (including without limitation compact disc laser disc and digital audio tape) or unknown by which sounds may be recorded for later transmission to listeners whether in the immediate presence of a reproducing instrument or device or by radio, television, cable, telecommunications system, cinematic exhibition or any other medium and whether embodying sound alone or sound synchronised with visual images by film, video tape or any electronic or any other device by which pictures and sound may be projected, played back or transmitted simultaneously including without limitation music video.
- 1.2 Headings are inserted in this Code of Conduct for convenience only and shall not affect its interpretation in any way.
- 1.3 Reference to Paragraphs are to paragraphs of this Code of Conduct unless otherwise expressly provided. References to the singular shall include the plural and vice versa. References to persons includes natural persons, firms, partnerships, companies and associations (in each case whether or not having separate legal personality).
- 1.4 This Code of Conduct shall include the Code of Conduct Rules of Application which are hereby incorporated.

## 2. CODE

No action, omission or conduct is to be permitted or undertaken whether deliberately, recklessly or negligently pursuant to which it shall be reasonably foreseeable that the Charts (or any of them) shall be distorted so as to render any Record in a higher or lower relative position than it would be upon the relevant Chart compiled so as to achieve the Chart Objective. By way of illustration only but without prejudice to the generality of the foregoing the following shall constitute actions, omissions or conduct which are hereby deemed reasonably foreseeable to distort the Charts (or any of them) for the purposes of this Paragraph 2:-

- (a) promoting the sale of any Artist's Record by supplying a dealer with records by another artist free of charge or upon terms more favourable than would be the case but for that promotion;
- (b) purchasing Records or causing Records to be purchased other than as a genuine consumer purchase;
- (c) interference with the operation of datapoint machines or other equipment or computer software used to compile the Charts or collect or collate its information or in any other way being a party to the submission of false or inaccurate data to the Chart Administrator;
- (d) offering money or other benefits to a dealer contingent upon a Record entering any of the Charts or attaining a minimum Chart position;
- (e) procuring the sale of an Artist's Record in conjunction with a non-related or excessive gift i.e. which gives the consumer a product, voucher or benefit or anything else which is either (a) unrelated to the Artist concerned, or (b) of a value in excess of the value of the Record without that gift ("value" means normal retail price).

# Code of Conduct Rules of Application

## 1. DEFINITIONS AND INTERPRETATION

- 1.1 In these Rules, terms defined in the Member's Covenant and the Code of Conduct shall have the meanings set out in those documents and the following terms shall have the meanings set against them below:
- 1.1.1 the "Member's Covenant" means the Member's Covenant a copy of which is enclosed in this booklet;
  - 1.1.2 the "Code of Conduct" means the BPI Code of Conduct a copy of which is enclosed in this booklet as may be amended or replaced from time to time pursuant to and in accordance with the Articles;
  - 1.1.3 the "Committee of Enquiry" means such Committee of Enquiry as may be appointed by the Council from time to time in accordance with the Articles.
- 1.2 Headings are inserted in these Code of Conduct Rules of Application for convenience only and shall not affect their interpretation in any way.
- 1.3 References to paragraphs are to paragraphs of these Code of Conduct Rules of Application unless otherwise expressly provided. References to the singular shall include the plural and vice versa. References to persons includes natural persons, firms, partnerships, companies and associations (in each case whether or not having separate legal personality).

## 2. CHART ADMINISTRATOR'S POWERS

Each Code Signatory hereby acknowledges and agrees that the BPI is entitled to grant and may grant to the Chart Administrator the rights and obligations:

- (a) to take all necessary steps to ensure the accuracy and validity of the data it collects in respect of its compilation of the Charts (or any of them) including but not limited to the imposition of obligations upon retailers of Records with respect to their collection and submission to the Chart Administrator of such data and further to investigate the returns made by such retail outlets the sales of Records by which are monitored by the Chart Administrator for such compilation;
- (b) to investigate any prima facie substantiated reports of alleged contravention of the Code of Conduct and/or the Member's Covenant;
- (c) to report any contravention of the Code of Conduct and/or the Member's Covenant identified by it to the Director General;
- (d) subject to prior notification by the Chart Administrator or the Director General in respect thereof, to take such action with a view to avoiding, rectifying or to minimising any distortion of the Charts (or any of them) as is occasioned by my breach of the Code of Conduct and/or the Member's Covenant, by omitting the relevant Record(s) from any Chart or by adjusting its/their position on the relevant Chart(s) IT BEING EXPRESSLY PROVIDED THAT each Code Signatory hereby acknowledges that it is not vested with any contractual remedy against either the Director General or the Chart Administrator in respect of such conduct and further acknowledges that it shall commence no action in tort against the Chart Administrator in respect of such conduct without first having notified the Director General of its intention so to do and further without entering into bona fide consultations with the Director General as to its rights of action prior to commencing any such proceedings.

## 3. THE BPI'S POWERS TO INVESTIGATE AND PROSECUTE ALLEGED BREACHES OF THE CODE OF CONDUCT AND/OR THE MEMBER'S COVENANT

- 3.1 The Director General is hereby empowered and obliged to receive any complaint, whether from the Chart Administrator, any BPI member, any retailer of Records, any member of the public or any other person in respect of an alleged breach of the Code of Conduct and/or the Member's Covenant.
- 3.2 Upon receipt of any complaint as provided for pursuant to paragraph 3.1 the Director General is hereby empowered to require:
- 3.2.1 the delivery by the complainant of formal written details of the complaint; and/or
  - 3.2.2 a payment by the complainant towards BPI's administration expenses of investigation of the same as conditions precedent to convening a meeting of the Council to consider any complaint notified by the Director General.

- 3.3 The Council is hereby expressly empowered:
- 3.3.1 to investigate any alleged breach of the Code of Conduct and/or the Member's Covenant referred by the Director General to it; and
  - 3.3.2 to prosecute such investigation as provided for pursuant to the remainder of this paragraph 3 below; and
  - 3.3.3 to adjudicate and declare whether any such breach has occurred; and
  - 3.3.4 to make a ruling which shall be final and binding upon the relevant Code Signatory requiring immediate cessation of any adjudicated and declared breach of the Code of Conduct and/or the Member's Covenant; and
  - 3.3.5 to impose such sanctions and penalties upon the relevant Code Signatory as it shall see fit and is empowered to impose pursuant to paragraph 4 which each Code Signatory hereby acknowledges and agrees shall be binding upon it; and
  - 3.3.6 to set reasonable time limits for the response by the Code Signatory the subject of any investigation hereunder to any enquiry, request for information, request for submission of documentation or any other cooperation it may require from the same in connection with such investigation, the Code Signatory's failure to observe the same entitling the Committee of Enquiry to find, on the evidence available, that a breach of the Code of Conduct and/or the Member's Covenant has occurred

PROVIDED THAT it shall delegate (except for the power to expel or to suspend any BPI member from the BPI) its powers pursuant to paragraph 3.1 to a Committee of Enquiry appointed in accordance with Article 74 and 82 of the Articles.

- 3.4 Each Code Signatory hereby irrevocably agrees fully to co-operate with any investigation of an alleged breach of the Code of Conduct and/or the Member's Covenant including but not limited to:
- 3.4.1 attending such meetings and hearings as the Committee of Enquiry may on not less than ten (10) working days prior notice convene and there to be represented by its BPI representative (as provided for pursuant to Article 9 of the Articles) or any adequately senior alternative representative; and
  - 3.4.2 responding accurately, promptly and fully to all correspondence issued by the Committee of Enquiry in connection with its investigation; and
  - 3.4.3 supplying to the Committee of Enquiry on demand all such documents, data, correspondence and all other written information as shall relate to the matters the subject of the investigation; and
  - 3.4.4 permitting the authorised representatives of the Committee of Enquiry to inspect all accounts, books, records, invoices, receipts and all other documentation in the possession and/or control of the Code Signatory and to take copies of the same insofar as these be found to be relevant to the Committee of Enquiry's investigation at the Code Signatory's principal place of business during normal business hours on at least seventy-two (72) hours prior written notice or such shorter period as may be agreed between the Committee of Enquiry and the relevant Code Signatory.
- 3.5 Each Code Signatory hereby expressly acknowledges and agrees that, in the event that the Committee of Enquiry is satisfied on the balance of probability that the alleged breach of the Code of Conduct and/or the Member's Covenant is established, the Committee of Enquiry may in its absolute discretion (notwithstanding any failure by the relevant Code Signatory to discharge its obligations pursuant to paragraph 3.4) make a finding that the Code of Conduct has been breached PROVIDED ALWAYS THAT the Code Signatory which is the subject of any investigation of an alleged breach shall have been notified of the complaint made against it, the Committee of Enquiry's investigation of it and further shall have been afforded the opportunity to adduce evidence to rebut the allegation of the breach.
- 3.6 The Committee of Enquiry may regulate its proceedings as it thinks fit.

#### **4. ADJUDICATION OF ANY BREACH OF THE CODE OF CONDUCT AND/OR THE MEMBER'S COVENANT AND THE SANCTIONS APPLICABLE THERETO**

- 4.1 Upon conclusion of any investigation the Committee of Enquiry shall determine whether any breach of the Code of Conduct and/or the Member's Covenant has occurred and shall issue a written judgement embodying the same which it shall notify to the Code Signatory the subject of the relevant investigation and which it is hereby expressly empowered not earlier than 14 days thereafter to issue to all BPI members and to the public (in the case of the latter in the form of a press release or otherwise).
- 4.2 The Committee of Enquiry is hereby empowered to impose upon a Code Signatory, in respect of any breach of the Code of Conduct and/or Member's covenant that it determines has occurred, in any combination any one or more of the sanctions and penalties provided for below or in the case of those sanctions set out in paragraphs 4.2.4 and 4.2.5 to recommend the imposition of the same by the Council:

- 4.2.1 the issue of the relevant Code Signatory of an official notice of censure;
- 4.2.2 the delivery of all BPI members and/or issue to the public of a copy of any official notice of censure (in the case of the latter in the form of a press release or otherwise) issued pursuant to paragraph 4.2.1;
- 4.2.3 a fine;
- 4.2.4 suspension from the BPI;
- 4.2.5 expulsion from the BPI;
- 4.2.6 any other penalty, sanction or direction to a relevant Code Signatory (including without limitation a direction on the Code Signatory to sanction any Contracted Party and/or to prescribe dealings with any Connected Party) deemed by the Committee of Enquiry in its sole discretion to be applicable and equitable on the facts of the particular breach.

## **5. GOVERNING LAW AND JURISDICTION**

The Member's Covenant, the Code of Conduct and these Code of Conduct Rules of Application shall be governed by the laws of England and Wales and each Code Signatory acknowledges that the BPI is vested with the exclusive jurisdiction to administer the Code of Conduct and/or the Member's Covenant and these Code of Conduct Rules of Application and to investigate, adjudicate and impose sanctions in respect of breaches of the said Code and Member's Covenant and agrees to submit to the same.

## **6. NOTICES**

Any notice required to be given hereunder shall be in writing and shall be served by sending the same by pre-paid first class post or telecopy or by delivering the same by hand to the then current address of the addressee which in the case of the Code Signatory shall be the last address notified by it to the BPI. Any notice sent by post as provided for pursuant to this paragraph shall be deemed to have been served two working days after despatch and any notice sent by telecopy as provided for in this paragraph shall be deemed to have been served at the time of despatch. In proving the service of the same it will be sufficient to prove in the case of a letter that such letter was properly stamped addressed and placed in the post and in the case of telecopy that such telecopy was duly despatched to the then current telecopy number of the addressee. Any notice sent by hand shall be deemed to have been served on delivery.

## **7. MISCELLANEOUS**

- 7.1 No failure or delay by either the BPI or any Code Signatory to exercise any right or remedy vested in it pursuant to the Member's Covenant and/or the Code of Conduct and/or these Code of Conduct Rules of Application shall constitute a waiver by either of them of that right or remedy.
- 7.2 In the event that any provision of the Member's Covenant, the Code of Conduct or these Code of Conduct Rules of Application shall be declared unlawful or unenforceable by a court of competent jurisdiction the remainder thereof shall remain in full force and effect.
- 7.3 These Code of Conduct Rules of Application, the Member's Covenant and the Code of Conduct replace and supervene all previous Codes of Conduct or any other codes, agreements and arrangements relating to the subject matter of these documents.

# Code of Conduct Rules of Application

## 1. DEFINITIONS AND INTERPRETATION

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  - 1.1.3 the "Committee of Enquiry" means such Committee of Enquiry as may be appointed by the Council from time to time in accordance with the Articles.
- 1.2 Headings are inserted in these Code of Conduct Rules of Application for convenience only and shall not affect their interpretation in any way.
- 1.3 References to paragraphs are to paragraphs of these Code of Conduct Rules of Application unless otherwise expressly provided. References to the singular shall include the plural and vice versa. References to persons includes natural persons, firms, partnerships, companies and associations (in each case whether or not having separate legal personality).

## 2. CHART ADMINISTRATOR'S POWERS

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- (a) to take all necessary steps to ensure the accuracy and validity of the data it collects in respect of its compilation of the Charts (or any of them) including but not limited to the imposition of obligations upon retailers of Records with respect to their collection and submission to the Chart Administrator of such data and further to investigate the returns made by such retail outlets the sales of Records by which are monitored by the Chart Administrator for such compilation;
- (b) to investigate any prima facie substantiated reports of alleged contravention of the Code of Conduct and/or the Member's Covenant;
- (c) to report any contravention of the Code of Conduct and/or the Member's Covenant identified by it to the Director General;
- (d) subject to prior notification by the Chart Administrator or the Director General in respect thereof, to take such action with a view to avoiding, rectifying or to minimising any distortion of the Charts (or any of them) as is occasioned by my breach of the Code of Conduct and/or the Member's Covenant, by omitting the relevant Record(s) from any Chart or by adjusting its/their position on the relevant Chart(s) IT BEING EXPRESSLY PROVIDED THAT each Code Signatory hereby acknowledges that it is not vested with any contractual remedy against either the Director General or the Chart Administrator in respect of such conduct and further acknowledges that it shall commence no action in tort against the Chart Administrator in respect of such conduct without first having notified the Director General of its intention so to do and further without entering into bona fide consultations with the Director General as to its rights of action prior to commencing any such proceedings.

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- 3.2 Upon receipt of any complaint as provided for pursuant to paragraph 3.1 the Director General is hereby empowered to require:
- 3.2.1 the delivery by the complainant of formal written details of the complaint; and/or
  - 3.2.2 a payment by the complainant towards BPI's administration expenses of investigation of the same as conditions precedent to convening a meeting of the Council to consider any complaint notified by the Director General.

# Member's Covenant

We, ..... as a member of the British Phonographic Industry Limited ("the BPI") and in consideration of the sum of £1 (receipt of which is hereby acknowledged) as well as the benefits of the collective and public adherence to good business practices and other good and valuable consideration HEREBY AGREE from the date of our signature on the following page and for so long as we remain such a member:-

- (A) to abide by the terms of the Code of Conduct ("the Code of Conduct") enclosed in this booklet as may be amended or replaced from time to time pursuant to and in accordance with the BPI's Articles of Association as amended from time to time ("the Articles").
- (B) irrevocably to submit to the exclusive jurisdiction of the BPI generally to administer this Member's Covenant, the Code of Conduct, including to investigate alleged breaches thereof, to reach decisions binding upon us as to the existence of any actual breach thereof and to make decisions binding upon us as to the sanctions and penalties applicable to a breach thereof and further we agree to comply with the foregoing as is provided for and governed by the rules for the application of the Code of Conduct ("the Code of Conduct Rules of Application") enclosed in this booklet as the same may be amended or replaced from time to time pursuant to and in accordance with the Articles and further we hereby expressly confirm our agreement to each of the obligations imposed upon and the acknowledgements made by each Code Signatory pursuant to the Code of Conduct Rules of Application.
- (C) to procure that (a) all of our employees, and (b) all persons supplying services or granting rights to us in connection with the marketing and sale of Records (as defined in the Code of Conduct) or granted rights by us to produce, market, promote, distribute, sell or otherwise to exploit Records or otherwise acting on our behalf including but not limited to any Artist, any third party publicity or promotion agency and any label licensee ("the Contracted Parties") abide by the Code of Conduct.
- (D) to use our best endeavours to procure that all persons (not being Contracted Parties) in any way connected with the production, marketing, promotion, distribution, sale or any other exploitation of our products ("the Connected Parties") including but not limited to Artists' management and promoters of public appearances by Artists abide by the Code of Conduct.
- (E) without prejudice to the generality of our obligations pursuant to paragraph (C) above, to impose a legally valid enforceable and effective obligation upon all Contracted Parties to abide by the Code of Conduct and further to vest in ourselves the legally valid, enforceable and effective right to sanction any Contracted Party in respect of any failure to discharge such obligation including the right in the case of employees to terminate their employment, and in the case of any other person to terminate the contract or other arrangement pursuant to which it is engaged appointed or licensed by us and further to enforce such obligations and to exercise such rights of sanction.
- (F) without prejudice to the generality of our obligations pursuant to paragraph (D), to disclose to all Connected Parties the Code of Conduct and to monitor the conduct of the Connected Parties with regard to the matters governed by the Code of Conduct.
- (G) to notify the then current Director General of the BPI ("the Director General") (i) contemporaneously with the execution of this Member's Covenant of any retail outlet from which Records are sold the ownership or control of which is vested in us and (ii) within three days of our becoming vested with the same, of any further retail outlets in respect of which we became vested with ownership or control.

Signatory

Name (Please print)

Position in Company

Duly authorised for and on behalf of  
(name of company)

Date

## The British Phonographic Industry Limited

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