

Company No. 02268007

**THE COMPANIES ACT 2006
PRIVATE COMPANY LIMITED BY GUARANTEE
AND NOT HAVING A SHARE CAPITAL**

ARTICLES OF ASSOCIATION

OF

ENTERTAINMENT RETAILERS ASSOCIATION

(adopted by special resolution passed on 11 September 2003, and as amended by special resolutions passed on 20 September 2005, 11 July 2006, 18 September 2007, 26 May 2011, and 18 September 2014)



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GENERAL

1. In these Articles the words standing in the first column of the table next hereinafter contained shall bear the meaning set opposite to them respectively in the second column thereof, if not inconsistent with the subject or context:-

WORDS

MEANINGS

The Act

The Companies Act 2006.

Affiliate Member

A Member admitted as an Affiliate Member of the Association pursuant to Article 8 or their Nominated Representative.

Annual
Meeting

General A general meeting held in accordance with Article 28.

Associate

Any person who controls or is controlled by or who is under common control with, or who is a partner of or in partnership with or who is an employee, director, or consultant of, the person concerned.

Associate Member

A Member admitted as an Associate Member of the Association pursuant to Article 9 or their Nominated Representative.

The Association

The above-named Company.

¹Pursuant to a special resolution passed on 11 July 2006 the Company's name was changed on 3 August 2006 from British Association of Record Dealers to Entertainment Retailers Association.

The Board	The Board of the Association established by Article 51 or the Board Members present at a duly convened meeting of the Board at which a quorum is present.
Board Member	A Nominated Representative duly elected to the Board pursuant to Article 51 or 56.
The Bye-laws	Bye-laws of the Association made pursuant to Article 26.
Chairman	The Nominated Representative holding the office of Chairman of the Executive Board, and concurrently also the Chairman of the Board, Annual General Meetings, or of General Meetings, for the time being pursuant to Article 96 or 98 or in the absence of the Chairman, the Nominated Representative holding the office of Deputy Chairman or, in the absence of the Deputy Chairman, his representative as elected pursuant to Articles 35, 36, 74 or 114.
Deputy Chairman	The Nominated Representative holding the office of Deputy Chairman for the time being, pursuant to Article 96 or 98 who in the absence of the Chairman will have all the powers vested in the Chairman by these Articles.
Director General	The person holding the office of Director General for the time being, pursuant to Article 57.
Entertainment Product	Sounds (including without limitation music, literary works and non-music recordings), visual images (including without limitation films) and software (including without limitation computer games), whether applied independently of a carrier medium (by digital download or otherwise) or by any other means known or to be developed in the future (including without limitation compact disks (CDs) and digital video disks (DVDs)) and any equipment, instruments and facilities for receiving, transmitting, making, producing, recording, replaying or reproducing in any way, whether known or to be developed in the future, such sounds, visual images or software, in each case made or to be made available for sale to the public.
The Executive Board	The Executive Board of the Association established by Article 83 or the Executive Board Members present at a duly convened meeting of the Executive Board at which a quorum is present.
Executive Board Member	An individual elected, entitled, or appointed to sit on the Executive Board as described in Article 83.
Executive Officers	The Chairman, Deputy Chairman, Secretary and Treasurer.
Executive Offices	The offices of the Chairman, Deputy Chairman, Secretary

and/or Treasurer.

Full Member	A Member admitted as a Full Member of the Association pursuant to Article 9 or their Nominated Representative.
General Meeting	Any general meeting other than an Annual General Meeting.
Independent Board Member	A Board Member that is a Nominated Representative of an Independent Member.
Independent Member	A Full Member or an Associate Member that is independently owned, or has a turnover of less than £2 million per annum, and in each case which operates through a physical retail outlet or a mail order service that distributes Entertainment Products on physical media.
in writing	Written, printed or lithographed, or partly one and partly another, and other modes of representing or reproducing words in a visible form.
Member	Any individual, firm, partnership, company, corporation or other legal entity admitted to any class of membership mentioned in Article 6.
month	Calendar month.
Non-Independent Board Member	A Board Member that is a Nominated Representative of a Non-Independent Member.
Non-Independent Member	A Full Member or an Associate Member that is not an Independent Member, including (without limitation) general multiple retailers of Entertainment Products, supermarkets with dedicated Entertainment Product departments, wholesalers and internet retailers that sell Entertainment Products digitally or on physical media.
Nominated Representative	The individual for the time being authorised to act as the Nominated Representative of a Member in accordance with Article 50.
The Office	The registered office of the Association.
Ordinary Resolution	A resolution requiring a majority of votes in favour in order to be passed.
The Seal	The common seal of the Association.
Secretary	The Nominated Representative or person holding the office of Secretary for the time being pursuant to Article 96 or 98.

Special Resolution	A resolution requiring a vote of three-quarters in favour in order to be passed.
Treasurer	The Nominated Representative holding the office of Treasurer for the time being pursuant to Article 96 or 98.
working day	Any day when the banks of the City of London are open for business.

And words importing the singular number only shall include the plural number, and vice versa.

Words importing the masculine gender only shall include the feminine gender; and

Subject as aforesaid, any words or expressions defined in the Act shall, if not inconsistent with the subject or context, bear the same meanings in these presents.

No regulations or model articles contained in any statute or subordinate legislation, apply as the articles of association of the Association.

PURPOSE

2. The Association is established for the purposes expressed in Article 133.

MEMBERS

3. The number of Members with which the Association proposes to be registered is not more than 200 but the Board may from time to time register any increase of Members as it may determine.
4. Every application for membership shall be made to the Board upon a form to be provided by the Association, duly signed and completed as regards all particulars therein required.
5. The Subscribers to the Memorandum of Association and such other persons as the Board shall admit to membership in accordance with the provisions hereinafter contained shall be Members of the Association.
6. There shall be the following classes of members of the Association:-
 - (a) Full Members;
 - (b) Associate Members;
 - (c) Affiliate Members;
 - (d) such other classes of membership as the Association upon the recommendation of the Executive Board may, subject to these Articles and the Bye-laws, from time to time determine.

7. Every candidate for membership shall comply with requirements for admission contained in these Articles and in the Bye-laws and, in addition, before admission as a Member the Board shall satisfy themselves that the candidate is of good character and repute and qualifies for membership of the class applied for.
8. Every candidate for admission as an Affiliate Member shall belong to or carry on or be engaged in a business related to or connected with the Entertainment Product industry which deals with Full Members or Associate Members of the Association and shall comply with the qualification requirements laid down in the Bye-laws. Each Affiliate Member shall be invited to join the Association by a majority decision of the Board. Rejection, termination and reinstatement of Affiliate membership shall be on the same basis as prescribed for Full membership; however an Affiliate Member shall not be entitled to voting rights on matters presented for approval to the membership; shall not be entitled to receive notice of General Meetings; and shall not be entitled to receive copies of the Association's annual reports and accounts.
9. Candidates for admission as a Full Member or Associate Member shall only include general multiple retailers of Entertainment Products, independent Entertainment Product retailers, retailers of Entertainment Products by internet and mail order, specialist multiple Entertainment Product retailers, supermarkets with dedicated Entertainment Product departments, wholesalers of Entertainment Products, internet service providers or telecommunications companies offering Entertainment Products or other categories determined by a majority decision of the Board, and shall comply with the qualification requirements laid down in the Bye-laws. Each Full Member or Associate Member shall be invited to join the Association by a majority decision of the Board. Rejection, termination and reinstatement of Associate membership shall be on the same basis as prescribed for Full membership; however an Associate Member shall not be entitled to voting rights on matters presented for approval to the membership; shall not be entitled to receive notice of General Meetings; and shall not be entitled to receive copies of the Association's annual reports and accounts.
10. Every Member shall from time to time notify the Board of an address to which communication regarding the Association shall be sent and such address shall for the purposes of these Articles be deemed to be the place of address of that Member.
11. If any Full Member shall fail to give such place of address or notify the Board of any change thereto such Full Member shall not be entitled to receive notice of any meetings or proceedings of the Association and no meetings or proceedings of the Association shall be invalidated by reason of such Full Member not having received any such notices.

DISCIPLINARY PROCEDURES

12. Where the Board has reason to believe that a Member of the Association is breaking or has broken any of the Member's undertakings to the Association or any of the provisions contained in the Articles of Association or Bye-laws of the Association, or any other rules or regulations of the Association, or where a Member is reported to be guilty of discreditable conduct or conduct prejudicial to the interests of the Association or its Members, or if the Member shall cease to satisfy the provisions of Articles 8 or 9 regarding eligibility for membership of the Association, the Chairman shall appoint a Committee of Enquiry to investigate the matter. The Committee of

Enquiry shall consider whether disciplinary action should be taken against the Member including cessation of membership, fines, censure, payment of the costs and expenses of the Association in connection with the investigation by the Committee of Enquiry and publication of the findings of the Committee of Enquiry.

13. The Committee of Enquiry shall notify the Member that it is considering the matter. The Member shall be given the opportunity to make representations to the Committee of Enquiry orally and in writing and the Member shall supply it with such information as the Committee of Enquiry may request. The Committee of Enquiry shall consider the representations of the Member. The Committee of Enquiry shall prepare a report for the Board's consideration.
14. The Chairman shall also refer to the Committee of Enquiry any case where the Board is considering refusing membership to a candidate and where the candidate requests provided that there appears to be a reasonable possibility that the candidate may be entitled to membership. The candidate shall be given the opportunity to make representations to the Committee of Enquiry orally and in writing and shall supply it with such information as the Committee of Enquiry shall request. The Committee of Enquiry shall consider the representations of the candidate. The Committee of Enquiry shall prepare a report for the Board's consideration.
15. The Chairman shall nominate such persons to the Committee of Enquiry as he shall deem appropriate and his decision shall be final.
16. The Chairman shall convene a meeting of the Board to consider the Committee of Enquiry's report. Such meeting shall take place within one (1) month of receipt of the report. Any action (including the refusal of membership to a candidate) by the Board shall be by a simple majority of those Board Members present and voting except that a decision to expel a Member shall be approved with a majority of 75 per cent. of the Board Members present and voting. The Board shall give reasons for its decision and the Chairman shall inform the Member or candidate of the decision and the reasons for it.
17. The candidate or Member, as the case may be, may appeal by letter addressed to the Chairman against the Board's decision which must be received by the Chairman within one (1) month of the date on which the candidate or Member was informed of the Board's decision. The letter shall state the grounds on which the appeal is being made and an arbitrator shall be appointed by agreement between the Association and the candidate or Member within one (1) month of receipt by the Chairman of the letter of appeal, or in the absence of agreement by the President of the Law Society. The arbitrator will be requested to hear the appeal as soon as possible but in any event within one (1) month of his appointment.
18. The candidate or Member and the Association shall make representations to the arbitrator orally and in writing and shall supply him with such information as the arbitrator may request. The arbitrator shall give its decision within one (1) month of receiving all representations and information and shall give reasons for its decision. The arbitrator's decision shall be final. The costs of the appeal to the arbitrator shall be borne by the candidate or Member, as the case may be, unless the arbitrator rules that the candidate should be allowed membership or that a Member's membership

shall not cease, in which case the costs shall be borne equally by the Association and the candidate or Member.

19. The Board may authorise the pursuit of legal proceedings by the Association and the handing over of the findings of the Committee of Enquiry to a relevant authority.

CESSATION OF MEMBERSHIP

20. A Member may resign at any time but shall pay subscriptions or other sums due in respect of the year in which he resigns, always provided that after such resignation the number of Members of the Association shall not be less than two (2).
21. A Member shall cease to be a Member of the Association upon going into liquidation or compounding with creditors or executing an assignment for the benefit of creditors or upon attempting to take the benefit of any statutory provisions for arrangements with creditors or if the Member shall cease to satisfy the provisions of Articles 8 or 9 regarding eligibility for membership of the Association.

SUBSCRIPTIONS AND ADMISSION FEES

22. Every Member shall from time to time pay to the Association such subscription as shall be prescribed in the Bye-laws or by resolution of the Executive Board. Such resolution may prescribe different rates of subscription for different classes of Members. The Executive Board or Director General may at their discretion waive such subscription for an Affiliate Member.
23. If a Member makes a default in the payment of any subscription for more than two (2) months after notice from any Member, Officer or Servant of the Association of the amount payable by him his privileges of membership shall be thereafter ipso facto suspended until such payment be made. And if any matter arises during the interval between such suspension and payment in respect of which he would but for such default have been entitled to seek the assistance of the Association he shall notwithstanding such payment be in respect of such matter excluded from the privileges of membership unless the Board otherwise resolve.
24. The Executive Board 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 such admission fee shall be of such amount as shall be from time to time prescribed, and different amounts may be prescribed for different classes of membership.

RIGHTS OF MEMBERS

25. Neither membership of the Association nor any benefit or other right or privilege of any Member shall be transferable or transmissible.

BYE-LAWS

26. The Association shall upon the recommendation of the Board but not otherwise have power by Ordinary Resolution to make Bye-laws for the regulation of the affairs of the Association and for the furtherance of its objects and from time to time to amend or revoke the same. All such Bye-laws for the time being in force shall be binding

upon the Members in the same manner as these Articles. In the event of any conflict between the Bye-laws and these Articles the provisions of these Articles shall prevail. In the interpretation of the Bye-laws the provisions of Article 1, so far as applicable, shall apply thereto.

27. Bye-laws may be made, amended and revoked by the Board at any time.

GENERAL MEETINGS

28. The Association shall in each year hold a general meeting as its Annual General Meeting in addition to any other meetings in that year, and shall specify the meeting as such in the notices calling it; and not more than 15 months shall elapse between the date of one Annual General Meeting of the Association and that of the next. Provided that so long as the Association holds its first Annual General Meeting within 18 months of its incorporation, it need not hold it in the year of its incorporation or in the following year. The Annual General Meeting shall be held at such time and place as the Executive Board shall appoint.
29. The Board may, whenever they think fit, convene a General Meeting, and General Meetings shall also be convened on the requisition of (i) Members representing not less than 5 per cent. of the total voting rights of all the Members having at the date of deposit of the requisition a right to vote at general meetings or, in default, may be convened by such requisitionists, as provided by Section 303 of the Act; or (ii) the Executive Board. If a General Meeting is called under sub-clause (i) of this Article 30, such General Meeting must be (a) called by the Board within 21 days; and (b) held within 28 days from the date the Board became aware of the request

NOTICE OF GENERAL MEETINGS

30. General Meetings of the Association shall be called by not less than 14 days' notice in writing. The notice shall be exclusive of the day on which it is served or deemed to be served and of the day for which it is given, and shall specify the place, the day and the hour of meeting and, in case of special business, the general nature of that business and shall be given, in manner hereinafter mentioned or in such other manner, if any, as may be prescribed by the Association in general meeting, to such persons as are, under the Articles of the Association, entitled to receive such notices from the Association:-

Provided that a meeting of the Association 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 so agreed:-

- (a) in the case of a meeting called as the Annual General Meeting, by all the Members entitled to attend and vote thereat; and
- (b) in the case of any other meeting, by a majority in number of the Members having a right to attend and vote at the meeting, being a majority together representing not less than 95 per cent. of the total voting rights at that meeting of all the Members.

31. 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

32. All Members of the Association, all Board Members, and all Executive Board Members shall be entitled to attend General Meetings of the Association.
33. All business at a General Meeting, and also all that is transacted at an Annual General Meeting requires approval by Special Resolution, with the exception of:
- 33.1 the consideration of the
- (a) accounts;
 - (b) balance sheets; and
 - (c) the reports of the Board, Executive Board and auditors;
 - (d) results of the election of Board Members and Executive Board Members in the place of those retiring;
 - (e) appointment and fixing of the remuneration of the auditors; and
- 33.2 as specifically stated otherwise in these Articles.
34. No business shall be transacted at any General Meeting unless a quorum of Members entitled to vote is present at the time when the meeting proceeds to business; save as herein otherwise provided, a quorum shall be not less than five (5) present in person or by their Nominated Representatives. If within 30 minutes after the time appointed for the meetings a quorum is not present, the meeting, if convened upon the requisition of Members, shall be dissolved; in any other case it shall stand adjourned to the same day in the next week, at the same time and place, or to such other day and at such other time and place as the Executive Board may determine.
35. If the Chairman or Deputy Chairman is not present within 15 minutes after the time appointed for the holding of the meeting or is unwilling to act the Board Members present shall elect one of their number to be Chairman of the meeting but for no other purpose.
36. If at any meeting no Board Member is willing to act as Chairman or if no such Member is present within 15 minutes after the time appointed for holding the meeting, the Members present shall choose one of their number to be Chairman of the meeting but for no other purpose.
37. 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 from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. When a meeting is adjourned for 30 days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. Save as aforesaid it shall

not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

38. At any General Meeting a resolution put to the vote of the meeting shall be decided on a show of hands, unless a poll is (before or on the declaration of the result of the show of hands) demanded:-

- (a) by the Chairman; or
- (b) by two (2) Members entitled to vote present in person or by proxy or Nominated Representative.

Unless a poll be so demanded a declaration by the Chairman that a resolution has on a show of hands been carried or carried unanimously, or by a particular majority, or lost and an entry to that effect in the book containing the minutes of proceedings of the Association shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution.

The demand for a poll may be withdrawn.

39. Except as provided in Article 41, if a poll is duly demanded it shall be taken in such manner as the Chairman of the meeting directs, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.
40. In the case of an equality of votes, whether on a show of hands or on a poll, the Chairman of the meeting at which the show of hands takes place or at which the poll is demanded, shall be entitled to a casting vote in addition to any other vote he may have.
41. A poll demanded on the election of a Chairman of the meeting or on a question of adjournment, shall be taken forthwith. A poll demanded on any other question shall be taken at such time as the Chairman of the meeting directs, and any business other than that upon which a poll has been demanded may be proceeded with pending the taking of the poll. No notice need be given of a poll not taken forthwith if the time and place at which it is to be taken are announced at the meeting at which it is demanded. In any other case at least seven (7) days' clear notice shall be given specifying the time and place at which the poll is to be taken.
42. Subject to the provisions of the Act a resolution in writing signed by all the Full Members for the time being entitled to receive notice of and to attend and vote at General Meetings (whether in the form of one document or separate documents in identical form) shall be as valid and effective as if the same had been passed at a General Meeting of the Association duly convened and held.

VOTES OF MEMBERS

43. At a General Meeting every Member entitled to vote shall have one (1) vote on a show of hands and one (1) vote on a poll.
44. No Member shall be entitled to vote at any General Meeting unless all moneys presently payable in respect of his membership of the Association have been paid.

45. On a poll votes may be given either personally, or by proxy or by the Member's Nominated Representative.
46. The instrument appointing a proxy shall be in writing and signed under the hand of the appointor or of his attorney duly authorised in writing and shall specify the membership category of the appointer and shall be deposited at the Office or such other place as specified in the notice convening the meeting not less than 48 hours before the time for the meeting at which the person named in the instrument proposes to vote. The Members may also accept the appointment of a proxy received by electronic means at an address specified for such purpose, on such terms and subject to such conditions as they consider fit. An instrument of proxy not so deposited shall be invalid.
47. An instrument appointing a proxy shall be clear and unambiguous and in any usual or normal form.
48. The instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll.
49. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous liquidation 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 revocation as aforesaid shall have been received by the Association at the Office before the commencement of the meeting or adjourned meeting at which the proxy is used.

NOMINATED REPRESENTATIVE

50. Every Member shall by notice in writing to the Association appoint an individual to act as their Nominated Representative for all purposes of membership of the Association. Every such appointment shall remain in effect until the Association shall have received notification from the Member of the appointment of the replacement Nominated Representative. Provided, however, that if a Nominated Representative, being also a Board Member (and Executive Board Member, if applicable) resigns as a Nominated Representative, or ceases to be an employee of the Member by whom he was appointed, that Member shall be entitled to appoint a replacement Nominated Representative, who shall automatically take the place of the outgoing Nominated Representative as a Board Member (and Executive Board Member, if applicable).

THE BOARD

51. The Association will be governed by a Board whose members will be the directors of the Association. The Board shall consist of not more than 20 Nominated Representatives elected by the Independent Members and the Non-Independent Members, up to two (2) additional Nominated Representatives as may be appointed by the Board pursuant to Article 56, and the Director General if so appointed pursuant to Article 56. Subject to the provisions of the Act and the Articles and to any directions given by Special Resolution, the business of the Association shall be managed by the Board who may exercise all the powers of the Association.

52. The Board shall decide from time to time what proportion of its membership shall consist of Independent Board Members and what proportion should consist of Non-Independent Board Members. The Association shall endeavour to reflect the retail landscape and its membership in the composition of the Board provided that the total number of Independent Board Members may not exceed 25 per cent. of the total number of Board Members, and there shall not be more than five (5) Independent Board Members in total.
53. At the first Annual General Meeting of the Association one-third (or the number nearest to but not exceeding one-third) of the Board Members except the Director General shall retire, those retiring being those drawn by lot. Subject thereto, and except in the case of the Director General, each Board Member shall hold office for a three (3) year period, in accordance with Article 64 below.
54. Any outgoing Board Member may be re-elected or re-appointed as a Board Member.
55. Subject to the conditions laid down in these Articles, but the requirement for Special Resolution in Article 33 notwithstanding, the Association may from time to time by Ordinary Resolution increase or reduce the maximum number of Board Members.
56. The Board shall have power at any time, and from time to time to appoint any Nominated Representative to the Board either to fill a casual vacancy or as an additional Board Member to hold office in either case until the next Annual General Meeting.
57. The Board shall have the power at any time, and from time to time, to appoint a person of their choosing (acting by majority vote) to the post of the Director General. The Director General shall be responsible for the day-to-day running and activities of the Association, with duties defined from time to time by the Board, and shall hold this appointment for such period and on such terms as the Board shall determine. Retirement of the Director General shall be governed by Article 58.
58. The position of Director General shall not be subject to any requirement to retire under Articles 53, 96 and/or 99. The person appointed under Article 57 to such post shall continue to hold office and be a Board Member and an Executive Board Member unless a majority of the Board Members decide otherwise. Such removal shall be without prejudice to any claims that the Director General may have for damages for breach of any contract of service between him and the Association.
59. If the Director General is dismissed, the Board shall undertake to fill the relevant vacancy as soon as is practicable.
60. A Board Member may by notice in writing given to the Association retire from the Board with effect from the date of the receipt by the Association of such notice.
61. Every candidate for election as an Independent Board Member pursuant to Article 51 must be nominated in writing by not less than two (2) Independent Members. Every candidate for election as a Non-Independent Board Member pursuant to Article 51 must be nominated in writing by not less than two (2) Non-Independent Members. Each nomination under this Article 61 shall state that the candidate is willing to serve

if elected and shall be lodged at the Office or other place specified by the Board prior to a date to be notified to the Members.

62. The Association may by Ordinary Resolution, of which special notice has been given in accordance with Sections 168 and 312 of the Act, remove any Board Member before the expiration of his period of office notwithstanding anything in these Articles or in any agreement between the Association and such Board Member. Such removal shall be without prejudice to any claims that the Board Member may have for damages for breach of any contract of service between him and the Association.
63. In every election of Board Members pursuant to Article 51 every Independent Member shall be entitled to vote for as many candidates as there are vacancies for Independent Board Members to be filled only and every Non-Independent Member shall be entitled to vote for as many candidates as there are vacancies for Non-Independent Board Members to be filled only.
64. No less than 90 days prior to the date that notice of the Annual General Meeting of the Association in each year is served on the Members, the Board shall cause voting papers giving a list of the persons retiring from the Board and those nominated pursuant to Article 61 as candidates to serve on the Board for the ensuing three (3) years to be drawn up in such form and giving such other particulars as the Board may determine. The voting papers are to be served by post upon every Independent Member and every Non-Independent Member intimating in each case a date by which and an address to which such voting papers shall be returned directed to the auditors of the Association or such one or more other persons as shall be nominated by the Board to act as scrutineers. It shall be the duty of the scrutineers to report to the existing Board the result shown by such voting papers and the new Board shall present the report to the Annual General Meeting. For the avoidance of doubt, the existing Board shall serve until and including the Annual General Meeting referred to in this Article.
65. In case of an equality of votes appearing from the report of the scrutineers to have been given to two (2) or more candidates, and the vacancies not permitting both or all to be elected, the Independent Members and/or the Non-Independent Members (as applicable) present at the Annual General Meeting at which the scrutineers make their report shall by ballot determine which of such candidates is or are to be elected. Any subsequent ties will be decided by drawing lots.
66. Any question arising upon the scrutineers' report or otherwise in connection with the election of Board Members shall be determined by the Independent Members and the Non-Independent Members.
67. The first Board Members to hold office until the determination of the result of the first election shall be appointed by written notice to the Association signed by all the subscribers to these Articles.

PROCEEDINGS OF THE BOARD

68. The Board may meet together for the despatch of business, adjourn, and otherwise regulate their meetings, as they think fit. Questions arising at any meeting shall be

decided by a majority of votes. In the case of an equality of votes the Chairman of the meeting shall have a casting vote.

69. All Board Members and all Executive Board Members shall be entitled to attend Board Meetings.
70. The quorum necessary for the transaction of the business of the Board may be fixed by the Board from time to time and unless so fixed shall be five (5).
71. A Board Meeting will be summoned by the Director General by giving at least five (5) working days' notice served on all Board Members (i) on the request of a Board Member; or (ii) on the request of the Executive Board.
72. The continuing Board Members may act notwithstanding any vacancy in their body, but, if and so long as their number is reduced below the number fixed by or pursuant to these Articles as the necessary quorum of the Board, the continuing Board Member(s) may act for the purpose of increasing the number of Board Members to that number, in accordance with Article 89, or of summoning a General Meeting of the Association, but for no other purpose.
73. Any Board Member may by writing appoint any other Board Member or any other person who is approved by the Board as hereinafter provided to be his alternate. Every such alternate shall (subject to his giving the Association an address within the United Kingdom at which notices may be served on him) be entitled to receive notices of all meetings of the Board and, in the absence from the Board of the Board Member appointing him, to attend and vote at meetings of the Board and to exercise all the powers rights duties and authorities of the Board Member appointing him. No such appointment of a person other than a Board Member shall be operative unless and until the approval of the Board by a majority is given.
74. If the Chairman or Deputy Chairman is not present within 15 minutes after the time appointed for holding a meeting of the Board, the Board Members present may choose one of their number to be Chairman of the meeting but for no other purpose.
75. The Board may delegate any of their powers to committees consisting of such member or members of their body as they think fit and such other persons as any such committee shall co-opt, provided that all acts and proceedings of any such subcommittee shall be fully reported to the Board as soon as possible. Any committee so formed shall in the exercise of the powers so delegated conform to any regulations that may be imposed on it by the Board.
76. Article 75 notwithstanding, any powers of the Board to administer, maintain and/or manage the finances and accounts of the Association on a non-discretionary basis must be delegated to the Executive Board and must be delegated to the Executive Board exclusively. Nothing in this Article 76 grants the Executive Board any authority to spend, deal in, encumber, or commit to do any of the foregoing, the finances of the Association without the prior approval of the Board.
77. A committee may elect a chairman of its meetings; if no such chairman is elected, or if at any meeting the chairman is not present within 15 minutes after the time

appointed for holding the same, the members present may choose one of their number to be chairman of the meeting.

78. A committee may meet and adjourn as it thinks proper. Questions arising at any meeting shall be determined by a majority of votes of the members present, and in the case of an equality of votes the chairman shall have a second or casting vote.
79. The Board shall cause minutes to be made in books provided for the purpose of recording:-
- (a) all elections to the Executive Board made by the Board;
 - (b) the names of the Board Members present at each meeting of the Board and of any committee thereof;
 - (c) all resolutions and proceedings at all meetings of the Association and of the Board, and committees thereof;

and every Board Member present at any meeting of the Board shall sign his name in a book to be kept for that purpose.

80. All acts done by any meeting of the Board or of a committee of the Board, or by any person acting as a Board Member, shall notwithstanding that it be afterwards discovered that there was some defect in the appointment of any such Member or person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such person had been duly appointed and was qualified to be a Board Member.
81. A resolution in writing, signed by all the Board Members for the time being entitled to receive notice of a meeting of the Board (whether in one document or comprising separate documents in identical form) shall be as valid and effectual as if it had been passed at a meeting of the Board duly convened and held.
82. A Board Member shall not vote in respect of any contract in which he is interested or any matter arising thereout and if he does so vote his vote shall not be counted.

THE EXECUTIVE BOARD

83. The Association will be run, operated and governed on routine or non-discretionary basis by the Executive Board. At minimum, the Executive Board will have such powers granted to it under Article 76, though the Board has the discretion to delegate more responsibilities, duties and powers as it sees fit from time to time. The Executive Board will consist of not more than eight (8) members, of which (i) six (6) will be elected by Board Members, subject to Articles 84 and 91; (ii) one (1) seat will be occupied by the Director General; and (iii) one (1) seat may be filled by the Executive Board with a Board Member, an individual external to the Association, or remain vacant, as the Executive Board sees fit.
84. The Board Members shall endeavour to reflect the retail landscape and its membership in the composition of the Executive Board provided that the total number of Independent Executive Board Members may not exceed 25 per cent. of the total number of Executive Board Members, and there shall not be more than two (2)

Independent Executive Board Members in total. The remainder of the Board-elected seats on the Executive Board are to be occupied by Non-Independent Executive Board Members.

85. At the first Annual General Meeting of the Association after election of the first group of Executive Board Members, one-third (or the number nearest to but not exceeding one-third) of the Board-elected Executive Board Members shall retire, those retiring being those drawn by lot. Subject thereto, each Board-elected Executive Board Member shall hold office for a three (3) year period, in accordance with Article 93.
86. Any Executive Board Member appointed in accordance with Article 83(iii) above will hold office for as long as the Executive Board sees fit, but in any case for a maximum of three (3) years.
87. Any outgoing Executive Board Member may be re-elected or re-appointed, as the case may be, as an Executive Board Member, including any outgoing Executive Board Member appointed in accordance with Article 83(iii) above.
88. Subject to the conditions laid down in these Articles, the Board may from time to time increase or reduce each kind of Executive Board Member, as well as their maximum number.
89. The Executive Board shall have power at any time, and from time to time to (i) appoint any Board Member to a seat specified in Article 83(i) above; or (ii) any individual to a seat specified in Article 83(iii) above to fill a casual vacancy. The Executive Board also has the power to appoint any Board Member as an additional Executive Board Member to hold office in any case until the next Annual General Meeting.
90. An Executive Board Member may by notice in writing given to the Executive Board retire from the Executive Board with effect from the date of the receipt by the Executive Board of such notice.
91. Every candidate for election for a seat as an Independent Executive Board Member as specified under Articles 83(i) and 84 above must be nominated in writing by not less than two (2) Independent Board Members. Every candidate for election for a seat as a Non-Independent Executive Board Member as specified under Articles 83(i) and 84 must be nominated in writing by not less than two (2) Non-Independent Board Members
92. In every election of Executive Board Members pursuant to Article 83(i) and 84, every Independent Board Member shall be entitled to vote for as many candidates as there are vacancies for Independent Executive Board Members to be filled only and every Non-Independent Board Member shall be entitled to vote for as many candidates as there are vacancies for Non-Independent Executive Board Members to be filled only.
93. No less than 90 days prior to the date that notice of the Annual General Meeting of the Association in each year is served on the Members, the Board shall cause voting papers giving a list of the persons retiring from the Executive Board and those nominated pursuant to Article 91 as candidates to serve on the Executive Board for the ensuing three (3) years to be drawn up in such form and giving such other

particulars as the Board may determine. The voting papers are to be served by post upon every Independent Board Member and every Non-Independent Board Member intimating in each case a date by which and an address to which such voting papers shall be returned directed to the auditors of the Association or such one or more other persons as shall be nominated by the Board to act as scrutineers. It shall be the duty of the scrutineers to report to the existing Board the result shown by such voting papers and the new Board shall present the report to the Annual General Meeting. For the avoidance of doubt, the existing Executive Board shall serve until and including the Annual General Meeting referred to in this Article.

94. In case of an equality of votes appearing from the report of the scrutineers to have been given to two (2) or more candidates, and the vacancies not permitting both or all to be elected, the Independent Executive Board Members and/or the Non-Independent Executive Board Members (as applicable) present at the Annual General Meeting at which the scrutineers make their report shall by ballot determine which of such candidates is or are to be elected. Any subsequent ties will be decided by drawing lots.
95. Any question arising upon the scrutineers' report or otherwise in connection with the election of Executive Board Members shall be determined by the Independent Members and the Non-Independent Members.

OFFICERS

96. At the first Executive Board Meeting after the election of the Board-elected Executive Board Members, Executive Board Members shall, subject to Article 99, elect from among their members the Executive Officers. These Executive Officers will hold office up to and including the first Executive Board meeting held on or after the first anniversary of the Executive Board meeting at which they were appointed (the "**Relevant Meeting**"), unless unanimously agreed otherwise by the Executive Board. Elections for any vacant Executive Offices, or for any Executive Offices which would be vacant immediately after the Relevant Meeting at which the vote would take place, will take place at each Relevant Meeting accordingly.
97. The person appointed as Director General pursuant to Article 57 shall also be eligible for election as the company secretary.
98. The Executive Board may, subject to Article 99, elect one of their number to fill a casual vacancy in any of the Executive Offices, and an Executive Board Member so elected shall hold office for the remainder of the term of office of the person whose vacancy he fills.
99. Subject to the provisions of any resolution passed at an Annual General Meeting of the Association, the Board Members elected to the Executive Board must at all times be Board Members or Nominated Representatives of Board Members. If any Board-elected Executive Board Member ceases to be a Board Member or a Nominated Representative of a Board Member, such Executive Board Member must retire immediately and an interim replacement may be selected in accordance with Article 98.

100. The Chairman shall be entitled to such remuneration as the Association may by ordinary resolution determine and, unless the resolution provides otherwise, the remuneration shall be deemed to accrue from day to day.
101. The Executive Board shall appoint the Director General for the time being (or such other person as the Executive Board thinks fit) as company secretary of the Association on such conditions as the Executive Board thinks fit; and any company secretary so appointed may be removed by the Executive Board. If the company secretary of the Association for the time being is the same person as the Director General, the company secretary shall be automatically removed if the Director General resigns, is removed from office in accordance with Article 58 or is disqualified in accordance with Article 120.

POWERS AND DUTIES OF MEMBERS OF THE EXECUTIVE BOARD

102. Subject to the approval of the Board, the Executive Board may exercise all the powers of the Association to borrow money, and to mortgage or charge its undertaking and property, or any part thereof, and to issue debentures, debenture stock and other securities, whether outright or as security for any debt, liability or obligation of the Association or of any third party.
103. The business of the Association shall be managed by the Executive Board who may pay all expenses incurred in promoting and registering the Association and may exercise all such powers of the Association as are not, by the Act or by these Articles or the Bye-laws required to be exercised by the Association in General Meeting, subject nevertheless to the provisions of the Act or these Articles and to such regulations being not inconsistent with the aforesaid provisions, as may be prescribed by the Association in General Meeting and/or Board; but no regulation made by the Association in General Meeting and/or Board shall invalidate any prior act of the Executive Board which would have been valid if that regulation had not been made.
104. All cheques, promissory notes, bills of exchange and other negotiable instruments, and all receipts for moneys paid to the Association, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, in such manner as the Executive Board shall from time to time by resolution determine.
105. The Executive Board is subordinate to the Board. Subject to Article 75, the Executive Board must take up and accept whatever delegation of duties, direction and instructions from the Board as it may provide from time to time, subject to law and these Articles.
106. The Executive Board shall cause minutes to be made in books provided for the purpose:-
- (a) of all appointments of officers made by the Executive Board;
 - (b) of the names of the Executive Board Members present at each meeting of the Executive Board and of any committee thereof;
 - (c) of all resolutions and proceedings at all meetings of the Association and of the Board, and committees thereof;

and every Executive Board Member present at any meeting of the Executive Board shall sign his name in a book to be kept for that purpose.

107. An Executive Board Member shall not vote in respect of any contract in which he is interested or any matter arising thereout and if he does so vote his vote shall not be counted.

PROCEEDINGS OF THE EXECUTIVE BOARD

108. The Executive Board may meet together for the despatch of business, adjourn, and otherwise regulate their meetings, as they think fit. Questions arising at any meeting shall be decided by a majority of votes. In the case of an equality of votes the Chairman of the meeting shall have a casting vote.
109. All Executive Board Members shall be entitled to attend Executive Board Meetings.
110. The quorum necessary for the transaction of the business of the Executive Board may be fixed by the Executive Board from time to time and unless so fixed shall be three (3).
111. An Executive Board Member may, and on the request of an Executive Board Member the Director General shall, at any time, summon a meeting of the Executive Board by giving at least five (5) working days' notice served on all the Executive Board Members.
112. The continuing Executive Board Members may act notwithstanding any vacancy in their body, but, if and so long as their number is reduced below the number fixed by or pursuant to these Articles as the necessary quorum of the Executive Board, the continuing Executive Board Member(s) may act for the purpose of increasing the number of Executive Board Members to that number, in accordance with Article 89, or of summoning a Board Meeting of the Association, but for no other purpose.
113. Any Executive Board Member may by writing appoint any other Board Member or any other person who is approved by the Executive Board as hereinafter provided to be his alternate; and every such alternate shall (subject to his giving the Association an address within the United Kingdom at which notices may be served on him) be entitled to receive notices of all meetings of the Executive Board and, in the absence from the Executive Board of the Executive Board Member appointing him, to attend and vote at meetings of the Executive Board and to exercise all the powers rights duties and authorities of the Executive Board Member appointing him. No such appointment of a person other than an Executive Board Member shall be operative unless and until the approval of the Executive Board by a majority shall have been given.
114. If the Chairman or Deputy Chairman is not present within 15 minutes after the time appointed for holding a meeting of the Executive Board, the Executive Board Members present may choose one of their number to be Chairman of the meeting but for no other purpose.
115. The Executive Board may delegate any of their powers to committees consisting of such member or members of their body as they think fit and such other persons as any

such committee shall co-opt, provided that all acts and proceedings of any such subcommittee shall be fully reported to the Executive Board as soon as possible. Any committee so formed shall in the exercise of the powers so delegated conform to any regulations that may be imposed on it by the Executive Board.

116. A committee may elect a chairman of its meetings; if no such chairman is elected, or if at any meeting the chairman is not present within 15 minutes after the time appointed for holding the same, the members present may choose one of their number to be chairman of the meeting.
117. A committee may meet and adjourn as it thinks proper. Questions arising at any meeting shall be determined by a majority of votes of the members present, and in the case of an equality of votes the chairman shall have a second or casting vote.
118. All acts done by any meeting of the Executive Board or of a committee of the Executive Board, or by any person acting as an Executive Board Member, shall notwithstanding that it be afterwards discovered that there was some defect in the appointment of any such Executive Board Member or person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such person had been duly appointed and was qualified to be an Executive Board Member.
119. A resolution in writing, signed by all the Executive Board Members for the time being entitled to receive notice of a meeting of the Executive Board (whether in one document or comprising separate documents in identical form) shall be as valid and effectual as if it had been passed at a meeting of the Executive Board duly convened and held.

DISQUALIFICATION OF MEMBERS OF THE BOARD AND EXECUTIVE BOARD

120. The office of a Board Member or an Executive Board Member shall be vacated if such member:-
 - (a) becomes bankrupt or makes any arrangement or composition with his creditors generally; or
 - (b) becomes prohibited from being a Board Member by reason of any disqualification order made under the Act; or
 - (c) by reason of his mental health, a court makes an order which wholly or partly prevents a Board Member or an Executive Board Member from personally exercising any powers or rights which he would otherwise have, and the remaining Board or Executive Board Members (as appropriate) resolve that the cessation is appropriate in those particular circumstances; or
 - (d) resigns his office by notice in writing to the Association; or
 - (e) is directly or indirectly interested in any contract with the Association and fails to declare the nature of his interest in manner required by Section 182 of the Act; or
 - (f) ceases to be the Nominated Representative of a Member.

121. An Executive Board Member may be disqualified and lose his membership of the Executive Board if he fails to attend or participate in two (2) or more consecutive Executive Board meetings or fails to attend or participate in three (3) Executive Board meetings within a 12 month period.

THE SEAL

122. The Executive Board shall provide for the safe custody of the Seal, which shall only be used by the authority of the Board or of a committee of the same authorised by the Board in that behalf, and every instrument to which the Seal shall be affixed shall be signed by a Board Member and shall be countersigned by the company secretary or by a second Member or by some other person appointed by the Board for the purpose.

ACCOUNTS

123. The Executive Board shall cause accounting records to be kept in accordance with Sections 386 to 389 (inclusive) of the Act.
124. The accounting records shall be kept at the Office or, subject to Section 388 of the Act, at such other place or places as the Executive Board shall think fit, and shall always be open to the inspection of the Executive Officers.
125. The Executive Board 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 the Association or any of them shall be open to the inspection of Members not being Executive Board Members, and no Member of the Association (not being such a Member) shall have any right of inspecting any account or book or document of the Association except as conferred by statute or authorised by the Executive Board, the Board, or by the Association in General Meeting.
126. The Executive Board shall from time to time cause to be prepared and to be sent to all Members and other persons entitled to receive the same in accordance with Section 423 of the Act such profit and loss accounts, balance sheets, group accounts (if any) and reports as are required by the Act.
127. A copy of every balance sheet including every document required by law to be annexed thereto which is to be laid before the Association in General Meeting, together with a copy of the Auditor's report and report of the Board and Executive Board shall not less than 21 days before the date of the meeting be sent to every Full Member of the Association. This Article 127 shall not require a copy of those documents to be sent to any person of whose address the Association is not aware.

AUDIT

128. Auditors shall be appointed and their duties regulated in accordance with Part 16 of the Act.

NOTICES

129. A notice may be given by the Association to any Member either personally or by sending it by post to him or to his registered address, or to the address supplied by

him to the Association for the giving of notice to him, or in electronic form, or by means of a website.

Where a notice is sent by post, service of the notice shall be deemed to be effected by properly addressing, preparing and posting a letter containing the notice, and to have been effected in the case of a notice of a meeting at the expiration of 24 hours after the letter containing the same is posted and in any other case at the time at which the letter would be delivered in the ordinary course of post. Any notice given as aforesaid to the Nominated Representative of any Member shall be deemed given to such Member.

A notice, document or information sent or supplied by electronic means to an address specified for the purpose by the Member is deemed to have been given to or received by the intended recipient 24 hours after it was sent, and in proving service it is sufficient to prove that the communication was properly addressed and sent.

A notice, document or information sent or supplied by means of a website is deemed to have been given to or received by the intended recipient when (i) the material was first made available on the website; or (ii) if later, when the recipient received (or, in accordance with this Article 129, is deemed to have received) notification of the fact that the material was available on the website.

130. Notice of every General Meeting shall be given in any manner hereinbefore authorised to:-

- (a) every Full Member or its Nominated Representative;
- (b) every Board Member;
- (c) every Executive Board Member;
- (d) the Auditor for the time being of the Association.

No other person shall be entitled to receive notices of General Meetings.

131. Notice of every Board Meeting shall be given in any manner hereinbefore authorised to:-

- (a) every Board Member;
- (b) every Executive Board Member;

No other person shall be entitled to receive notices of Board Meetings.

132. Notice of every Executive Board Meeting shall be given in any manner hereinbefore authorised to:-

- (a) every Executive Board Member;

No other person shall be entitled to receive notices of Executive Board Meetings.

OBJECTS

133. The objects for which the Association is established are:-

- (a) To provide an organisation which will seek to promote and ensure the maintenance of the highest standards of retail and wholesale in the Entertainment Product industry and ancillary goods and services and facilitate the improvement of the trade and management knowledge of persons engaged or about to be engaged at every level in the Entertainment Product industry and to foster and engage in trade education generally including the provision of specific training and training facilities and to represent all the interests of those who are or about to be engaged in or connected with the Entertainment Product industry in the United Kingdom or anywhere else in the world.
- (b) To encourage and provide for formal and informal contact between the public and Members and the Entertainment Product industry and industries allied or associated therewith and to undertake research and investigations into all or any matters of mutual interest and or concern, produce and publish circulars, brochures, catalogues and other literature and organise exhibitions and displays either alone or in co-operation with others and generally do, sponsor or support any other business or activity with, in the opinion of the Association will be of benefit or interest to all or any of the Members.
- (c) To furnish information by the issue of reports and other publications and by the holding of meetings, seminars and conferences; to undertake the collection, tabulation and circulation of data serviceable to Members and the public and to render to Members such services, advice or other assistance as shall seem appropriate and desirable and to broaden the understanding and appreciation of the Entertainment Product industry and industries allied or associated therewith among Members and the public.
- (d) To communicate and negotiate for the benefit of and on behalf of Members with any government department or public or other authority and to monitor legislation affecting Members and to promote or support and assist in any legitimate manner the carrying into effect of any legislation having for or among its objects the common good of Members and to oppose any legislation or proposals therefor considered harmful or contrary to the interests of Members.
- (e) To engage, either alone or with others in trade promotion, publicity and public relations ventures of all kinds of benefit to and in the interest of Members and to take such steps by appeals, public meetings or otherwise for the purpose of making known the activities of the Association and of procuring contributions in any form to the funds or property of the Association, or to any funds or property of which the Association shall be manager or trustee.
- (f) To cultivate relations and to establish affiliations with kindred associations whether of a national or international nature.

And the Association shall have the following powers exercisable in furtherance of its said objects but not otherwise, namely:-

- (a) To borrow and raise money upon such terms and on such security as may be considered expedient and to secure or discharge any debt or obligation of or binding on the Association in such manner as may be thought fit including the creation and issue on such terms as may be thought expedient debentures, debenture stock, charges, liens or other securities of any description.
- (b) To buy, take leases of, accept licences or permission to occupy, use, hold, deal with, furnish, equip, maintain, manage, direct the management of, sell, surrender, exchange, mortgage, charge, lease, dispose of or grant any right or interest in over or upon any real or personal property of any kind whatsoever, including contingent and reversionary interests in any property, and upon any terms whatsoever.
- (c) To buy, sell, manufacture, repair, alter, improve, manipulate, prepare for market, let or hire and generally deal in all kinds of plant, machinery, apparatus, tools, utensils, materials, produce, substances, articles and things for the purpose of any of the objects specified herein, or likely to be required by persons having, or about to have, dealings with the Association.
- (d) To establish, promote, take over or otherwise acquire either in full or in part any company or other body whether corporate or otherwise whose objects shall be the same as or in some way linked to or associated with or ancillary to the objects of this Association including any company with objects related to the provision of finance, and financial services including clearing house facilities, underwriting and commercial agencies, and to finance or otherwise assist any other company for the purpose of acquiring all or any part of the property rights and liabilities of this Association, its subsidiaries or associates or for any other purpose which may seem directly or indirectly calculated to benefit the Association and/or its Members.
- (e) To enter into partnership or into any union interest, co-operation, joint venture, reciprocal concession, or otherwise with any body carrying on or engaged in any business, project or transaction capable of being conducted so as directly or indirectly to further the objects of the Association.
- (f) To draw, make, accept, endorse, discount, execute and issue promissory notes, bills of lading, warrants, debentures and other negotiable and transferable instruments.
- (g) To lend money or give credit to any company, firm or person and to give all kinds of indemnities and either with or without the Association receiving any consideration or advantage, to act or interact, for giving any such guarantee.
- (h) To undertake and carry out the office and duties of trustee, custodian trustee, executor, administrator, manager, agent or nominee of or for any person, company, corporation, Association, scheme, trust fund, government, state, municipal or other body politic or corporate.
- (i) To execute and undertake any trusts or discretion the undertaking of which may seem desirable, and distribution amongst the beneficiaries or other person entitled thereto of any capital income or annuity, whether periodically or

otherwise, and whether in money or specie in furtherance of any trust direction, discretion or other obligation or permission.

- (j) To establish, grant and take up agencies in any part of the world, and to do all such other things which shall be deemed necessary for the furtherance of the objects of the Association either as principals, or agents and to remunerate any persons in connection with the establishment or granting of such agencies upon such terms and conditions as the Association may think fit.
- (k) To subscribe or guarantee money for any national, local, chargeable, benevolent, public, general or useful object, or for any exhibition, or for any purpose which may be considered likely directly or indirectly to further the objects of the Association or the interests of its Members.
- (l) To grant pensions to any person (including Board Members, Executive Board Members or any former members of either body) who may have served the Association or its predecessors in business or any subsidiary, allied or associated company or to the spouse, children or dependents of such persons, and to make advance provision for the payment of such pensions.
- (m) To invest the monies of the Association 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 consents if any as may be for the time being imposed.
- (n) To accept subscriptions, donations, devises, bequests, grants, loans and subsidiaries for all or any of the purposes aforesaid.
- (o) To enter into contracts, agreements and arrangements with any other person firm or company for the carrying out by such person firm or company on behalf of the Association of any of the objects for which the Association is formed.
- (p) To enter into any arrangements with any government or authorities, supreme, municipal, local or otherwise that may seem conducive to the Association's objects or any of them and to obtain from such government or authority any rights, privileges, and concessions which the Association may think it desirable to obtain, and carry out, exercise and comply with such arrangements, rights, privileges and concessions.
- (q) To apply for, or join in applying for, purchase or by other means acquire and protect, prolong and renew, whether in the United Kingdom elsewhere any trade or service marks or any other industrial or intellectual property rights, licences, protections and concessions, which may appear likely to be advantageous or useful to the Association, and to use and turn to account and to manufacture under or grant licences or privileges in respect of the same and to expend money in experimenting and testing and making these searches and in improving or seeking to improve any rights which the Association may acquire or propose to acquire.

- (r) To do all such other lawful things which shall be deemed necessary for the furtherance of the objects of the Association.

Provided that:-

- (s) in case the Association shall take or hold any property which may be subject to any trusts, the Association shall only deal with or invest the same in such manner as allowed by law, having regard to such trusts.
- (t) the Association's objects shall not extend to the regulation of relations between workers and employers or organisations or workers and organisation of employers.
- (u) in case the Association shall take or hold any property subject to the jurisdiction of the Charity Commissioners for England and Wales, the Association shall not sell, mortgage, charge or lease the same without such authority, approval or consent as may be required by law, and as regards any such property the Board of the Association shall be chargeable for any such property that may come into their hands and shall be answerable and accountable for their own acts, receipts, neglect and defaults, and for the due administration of such property in the same manner and to the same extent as they would as such Board have been if no incorporation had been effected, and the incorporation of the Association shall not diminish or impair any controllable authority exercisable by the Chancery Division or the Charity Commissioners over such Board but they shall as regards any such property be subject jointly and separately to such control or authority as if the Association were not incorporated.

134. The income and property of the Association shall be applied solely towards the promotion of its objects as set forth in Article 133 and no portion thereof shall be paid or transferred directly or indirectly by way of dividend, bonus or otherwise howsoever by way of profit, to Members of the Association, and no Board Member nor Executive Board Member, except the Director General and the Chairman, shall be appointed to any office of the Association paid by salary or fees, or receive any remuneration or other benefit in money or money's worth from the Association.

Provided that nothing herein shall prevent any payment in good faith by the Association:-

- (a) of reasonable and proper remuneration to any Member, officer or servant of the Association (not being a Board Member or Executive Board Member) or the Secretary General for any services rendered to the Association;
- (b) of interest rate not exceeding 2 per cent. above the base rate of the Association's bankers for the time being from time to time per annum on money lent or reasonable and proper rent for premises demised or let by any Member of the Association, its Board, or its Executive Board;
- (c) to any Board Member or Executive Board Member for reasonable out of pocket expenses incurred in connection with the business of the Association;

- (d) to a company of which a Member of the Association, its Board, or its Executive Board may be a Member holding not more than one-hundredth part of the capital of such company;
 - (e) of reasonable and proper remuneration to anyone including Board Members and Executive Board Members for acting on behalf of the Association in Committee meetings.
135. The Association is a private company limited by guarantee and accordingly any offer to the public to subscribe for any shares or debentures of the Association is prohibited.
136. The liability of the Members is limited.
137. Every Member of the Association undertakes to contribute such amount as may be required (not exceeding £10) to the assets of the Association if it should be wound up while he is a Member or within one (1) year after he ceases to be a Member, for payment of the Association debts and liabilities 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. And if upon the winding up or dissolution of the Association 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 transferred either to some other institution (whether or not a Member of the Association) having objects similar to the objects of the Association, or to some institution (whether or not a Member) the objects of which are the promotion of charity and anything incidental or conducive thereto, such institute or institutions to be determined by the Members at or before the time of dissolution.