

Company No: 02372740

THE COMPANIES ACT 1985

COMPANY LIMITED BY GUARANTEE

SPECIAL RESOLUTION

OF

British Record Industry Trust

At an EXTRAORDINARY GENERAL MEETING of the Company held at Riverside Building, County Hall, Westminster Bridge Road, London SE1 7JA on 26th February 2004 the following Resolution was passed as a Special Resolution.

SPECIAL RESOLUTION

THAT: pursuant to receiving consent under section 64 of the Charities Act 1993 from the Charity Commission to amend the Memorandum of Association, the Company's Memorandum of Association be and hereby is changed

1. to revise Clause 3 to contain only the objects of the charity;
2. to create a new Clause 4 to contain the powers of the charity, previously contained in Clause 3 and renumber the remainder of the Clauses to reflect this;
3. to incorporate the following new provision with immediate effect:

4(xiii)(1) To provide indemnity insurance to cover the liability of the members of the Committee or governing body:



- (a) which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default, breach of trust, or breach of duty of which they may be guilty in relation to the Trust;
- (b) to make contributions to the assets of the Trust in accordance with the provisions of section 214 of the Insolvency Act 1986.

(2) Any such insurance in the case of (1) shall not extend to:

- (a) any liability resulting from conduct which the members of the Committee or governing body knew, or must be assumed to have known, was not in the best interests of the Trust, or which the members of the Committee or governing body did not care whether it was in the best interests of the Trust or not;
- (b) any liability to pay the costs of unsuccessfully defending criminal prosecutions for offences arising out of the fraud or dishonesty or wilful or reckless misconduct of the members of the Committee or governing body;
- (c) any liability to pay a fine.

(3) Any insurance in the case of (1)(b) shall not extend to any liability to make such a contribution where the basis of the members of the Committee or governing body's liability is his knowledge prior to the insolvent liquidation of that Trust (or reckless failure to acquire that knowledge) that there was no reasonable prospect that the Trust would avoid going into insolvent liquidation.

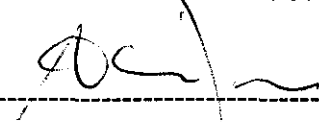
4. To replace the existing provision 4 (3) with the following new provision with immediate effect:

5. The income and property of the Trust shall be applied solely towards the promotion of the objects and no part shall be paid or transferred, directly or indirectly, by way of dividend, bonus or otherwise by way of profit, to members of the Trust, and no member of its Committee or governing body shall be appointed to any office of the Trust paid by salary or fees, or receive any remuneration or other benefit in money, or money's worth from the Trust. Provided that nothing in this document shall prevent any payment in good faith by the Trust:

- (i) of reasonable and proper remuneration for any services rendered to the Trust by any member, officer or servant of the Trust who is not a member of its Committee or governing body;
- (ii) of interest on money lent by any member of the Trust or of its Committee or governing body at reasonable and proper rate per annum not exceeding 2 per cent less than the published bank lending rate of a clearing bank to be selected by the Committee or Governing body;
- (iii) of fees, remuneration or other benefit in money or money's worth to any company of which a member of the Committee or governing body may also be a member holding not more than 1/100th part of the issued capital of that company;
- (iv) of reasonable and proper rent for property demised and let by any member of the Trust or of its Committee or governing body;

- (v) to any member of its Committee or governing body of reasonable out-of-pocket expenses;
- (vi) of any premium in respect of any indemnity insurance to cover the liability of the members of the Committee or governing body which, by virtue of any rule of law would otherwise attach to them in respect of any negligence, default, breach of trust or breach of duty of which they may be guilty in relation to the Trust: Provided that any such insurance shall not extend to any claim arising from liability resulting from conduct which the members of the Committee or governing body knew, or must be assumed to have known, was not in the best interests of the Trust, or which the members of the Committee or governing body did not care whether it was in the best interests of the Trust or not and provided also that any such insurance shall not extend to any claim arising from liability for the costs of unsuccessfully defending criminal prosecutions for offences arising out of the fraud or dishonesty or wilful or reckless misconduct of the members of the Committee or governing body.

Andrew Yeates



Chairman