



CINEMA EXHIBITORS' ASSOCIATION

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ARTICLES OF ASSOCIATION
of
THE CINEMA EXHIBITORS' ASSOCIATION LIMITED
(adopted by Special Resolution passed 16 December 2004)

I. PRELIMINARY

I.1 In these articles:

- I.1.1 'The Act' means the Companies Act 1985 including any statutory modification or re-enactment of it for the time being in force;
- I.1.2 'The Association' means The Cinema Exhibitors' Association Limited;
- I.1.3 'Cinema' shall mean a cinema or other place of entertainment in which the programme consists mainly or partly of the exhibition of a film and for the purposes of these Articles where in any cinema or place of entertainment there exists more than one auditorium with screen each such auditorium with screen shall be treated as one cinema.
- I.1.4 'Circuit' shall mean a group of cinemas which are under common booking arrangements or common trading control.
- I.1.5 'clear days' in relation to the period of a notice means that period excluding the day when the notice is given or deemed to be given and the day for which it is given or on which it is to take effect;
- I.1.6 'communication' means the same as in the Electronic Communications Act 2000
- I.1.7 'Elected Delegates' shall mean the delegates to the Executive Board who are elected in accordance with Article 24.
- I.1.8 'electronic communication' means the same as in the Electronic Communications Act 2000.
- I.1.9 'the Executive Board' means the board of directors of the Association;
- I.1.10 an 'exhibition of a film' means any exhibition of moving pictures.
- I.1.11 'Larger operator' shall mean an exhibitor member which is a circuit having a number of cinemas under its control equal to or more than the specified minimum.

1.1.11 'Nominated Delegates' shall mean the Delegates to the Executive Board who are from time to time nominated in accordance with Article 26

1.1.12 'Smaller operator' shall mean an Exhibitor member which is not a Larger operator.

1.1.13 'the specified minimum' shall mean the number from time to time determined by the Executive Board provided that until otherwise so determined the specified minimum shall be 50 and unless the context otherwise requires, words or expressions contained in these articles bear the same meaning as in the Act but excluding any statutory modification of it not in force when these articles become binding on the Association.

1.2 In these Articles:

1.2.1 Words importing one gender include all other genders; words importing the singular include the plural and vice versa.

1.2.2 The Headings to individual Articles or sub-Articles and the Index to the Articles do not form part of the Articles and must not be taken into account in its construction or interpretation.

1.2.3 Unless expressly stated to the contrary any reference to a specific statute includes any statutory extension or modification amendment or re-enactment of that statute and any regulations or orders made under that statute.

1.2.4 Any reference in these Articles to an Article without further designation is to be construed as a reference to the Article herein so numbered.

1.3 The Association is established for the purposes expressed in the memorandum of association.

2. THE ASSOCIATION IS AN EMPLOYERS' ASSOCIATION

3. MEMBERSHIP OF THE ASSOCIATION

3.1 The members of the Association shall comprise:

3.1.1 Proprietors whether individuals or bodies corporate operating cinemas who have been approved by the Executive Board of the Association. Such proprietors shall be called Exhibitor Members. An Exhibitor Member may nominate as his representative for each cinema a responsible executive actively engaged in the operation of the exhibitor's cinema. In the case of a body corporate a director or the secretary thereof may be nominated in lieu of an executive.

3.1.2 Associate Members who shall be either:

3.1.2.1 Secretaries or Assistant Secretaries of Branches who are not Exhibitor Members; or

3.1.2.2 persons intending to operate cinemas subject to:

- 3.1.2.2.1 their obtaining any necessary planning permission and meeting any licensing requirement for the premises concerned;
 - 3.1.2.2.2 their making application for exhibitor membership of the Association as set out in sub-Article 3.1.1 within 6 months of the intended date of opening of those premises;
 - 3.1.2.2.3 where those premises do not open within the period specified in the last preceding sub-paragraph of this sub-clause the Associate membership in respect of those premises shall lapse or
 - 3.1.2.3 such other category or categories of Associate Members (comprising persons companies organisations or others) as the Executive Board may from time to time specify in Bye-Laws made by the Executive Board which shall have power to vary and revoke such Bye-laws at its discretion.
- 3.2 The members of the Association, both Exhibitor Members and Associate Members may be formed into Branches. The Branches shall be constituted and their business shall be regulated as set out in Bye-Laws made from time to time by the Executive Board which shall have power from time to time to vary and revoke such Bye-laws at its discretion.

APPLICATIONS FOR MEMBERSHIP AND CHANGES OF NOMINEES

4. Applications for membership shall include the particulars necessary for the classification of the cinema or cinemas of the applicant and shall set out the capacity in which a representative is proposed. Applications for the alteration of existing nominations or representatives of Exhibitor Members shall also state the capacity in which the new representatives are nominated. Alterations in nominations shall be registered with the Chief Executive.
5. Applications for membership shall be in the form approved by the Executive Board and shall be delivered to the Chief Executive at the registered office of the Association. On receipt of such applications the Chief Executive shall forthwith supply to the Branches concerned details of such application.
- 6.1 The Executive Board shall by simple majority vote elect or reject such applicants for membership at its next meeting held after the expiry of fourteen days after the receipt at registered office of the relative application forms.
- 6.2 A proposed member who is rejected shall have a right of appeal against such rejection to a General Meeting by giving written notice of appeal to the Chief Executive within fourteen days after receipt by him of notice of his rejection. Such appeal shall be held by a General Meeting which shall be heard not later than three months after receipt by the Chief Executive of notice of appeal. No member of the Executive Board shall participate except as a witness in the hearing of the appeal.
7. Representatives or Exhibitor members must be fully authorised to act as and for the persons or bodies corporate they represent and such persons or bodies corporate will be held by the Association as responsible for the acts of such representatives until such time as by written intimation to the Chief Executive such authority is determined.
8. Upon election a member shall immediately pay the subscription in full in accordance with Article 57.

9. Exhibitor members who are concerned in the operation of more than one cinema shall enrol or cause to be enrolled and shall keep enrolled or cause to be kept enrolled all such cinemas so operated. Failure by any such member to do so shall constitute a breach of the Articles and the provisions of Article 14 shall apply.
10. **MEMBERSHIP AND CESSATION OF MEMBERSHIP**
All Exhibitor Members, Associate Members and representatives shall strictly adhere to the objects of the Association and observe the Articles of Association and shall refrain from taking any action which may be prejudicial to its interests or objects.
- 11.1 A person's membership shall cease if he resigns by giving not less than one month's notice in writing to the Chief Executive and by paying all moneys due to the Association.
- 11.2 If a member fails to pay his subscription so that he is three months in arrears or fails to pay any fine or levy for the period of three months he shall be deemed to have resigned but shall still remain liable to pay such arrears of subscription and fine and levy.
- 12.1 Associate Membership shall cease in the case of Branch or Assistant Branch Secretaries in the event of their ceasing to hold office.
- 12.2 A person who ceases to be a member, or has been expelled shall, unless the Executive Board otherwise determine, not be entitled to any of the rights, privileges or benefits of membership, and shall, subject to the aforesaid, have no claim to any of the funds or property of the Association, but he shall nevertheless remain liable for any sum or sums owing by him at the date of disqualification.
- 13.1 If during the term of his membership an Exhibitor Member shall die, the personal representatives of such deceased Exhibitor Member shall be entitled to nominate a person in his place, provided that such person is eligible to become a member under these Articles, and has been approved by the Executive Board Associate Membership shall lapse on death.
- 13.2 If during the term of its membership an Exhibitor Member being a body corporate shall be wound up for the purpose of reconstruction or amalgamation (but not otherwise) the Company resulting from such reconstruction or amalgamation shall be entitled to nominate a person to represent such new body corporate provided that such body corporate is eligible to become a member under these Articles and that he has been approved by the Executive Board.
14. **DISCIPLINARY OFFENCES, PROCEDURES AND PENALTIES**
- 14.1 If in the opinion of the Officers any member has:
- 14.1.1 Committed a breach of the Articles or
- 14.1.2 Committed any act prejudicial to the interests of the Association or
- 14.1.3 By any act or omission has acted in contravention of the objects of the Association -
- the Officers shall report the alleged breach act or omission complained of to the Executive Board and shall cause to be sent to such member or associate member a written statement of the charges made against him and informing him

of the date when and place where the Executive Board will consider such charges.

- 14.2 The member complained of shall be entitled to be heard in person at such meeting of the Executive Board or to make written representation in answer to the charges made against him.
- 14.3 The Executive Board may if it finds such charges proved expel such member from membership of the Association or in lieu thereof fine him a sum not exceeding £100 and shall in any event cause written notification of its findings to be sent to such member.
- 14.4 A member who is aggrieved by such expulsion or fine shall have the right to appeal to the General Meeting. Such right of appeal shall be exercised by his giving notice in writing to the Chief Executive within three weeks of the determination by the Executive Board. In his notice of appeal the member aggrieved shall set out his grounds of appeal and any facts on which he relies in support of his appeal.
- Such appeal to the General Meeting shall be heard and determined within three months after the receipt by the Chief Executive of his notice of appeal and before such appeal is determined the member aggrieved shall have the right to address the General Meeting either in person or by some other person representing him in support of his grievance and shall be entitled to call such evidence, either documentary or in person, as he shall reasonably think fit in support of his case. No member of the Executive Board shall participate except as a witness in the hearing of the appeal.
- 14.5 A member who has been ordered by the Executive Board to pay a fine shall not be required to do so, nor shall any expulsion take effect before the expiry of three weeks from the date of the imposition of the fine or of the expulsion by the Executive Board or if he shall have given notice of appeal until after the determination of the appeal by the General Meeting.
- GENERAL MEETING OF MEMBERS**
15. A General Meeting of the members of the Association shall be held at least once in every year at such time and place as the Executive Board may determine. These meetings shall be called Annual General Meetings and all other meetings of the members shall be called Extraordinary General Meetings.
16. Twenty one clear days' notice at least, specifying the place and hour shall be given to the members of every Annual General Meeting of the Association and of every Extraordinary General Meeting for the passing of a special resolution and fourteen clear days' notice at least, specifying the place and hour shall be given to the members of every other General Meeting. Non-receipt of such notice by any member shall not invalidate the proceedings at any General Meeting.
17. The Executive Board may whenever they think fit, and they shall upon requisition made in writing signed by the officers of not less than four Branches of the Association or by members representing not less than 10% of the total voting rights of all the members having at the date of the deposit of the requisition the right to vote, convene an Extraordinary General Meeting. Any such requisition shall express the object of the meeting proposed to be called and the resolution to be moved and shall be left at or sent to the registered office of the Association. If the Executive Board does not proceed to convene an Extraordinary General Meeting within 21 days from the receipt of such requisition, the requisitionists may themselves convene an Extraordinary General Meeting.

18. Subject to the provisions of Article 19, voting at General Meetings shall be by show of hands and the Chairman shall declare whether a resolution or other matter is carried or not.
19. Fifteen members or their representatives entitled to vote at a General Meeting immediately after a ruling as to whether a resolution is carried or not may demand a card vote. The Chairman shall thereupon appoint scrutineers who shall issue to all members or approved representatives or members present cards upon which they shall record their votes according to the number of votes which each is entitled to cast on the footing of one vote for each cinema the member or representative represents at 1st January in the year during which such vote is taken in respect of which cinemas' subscriptions have been paid. Such cards shall be signed by the person voting and the names of the cinemas in respect of which the votes are given shall be stated on the card. The scrutineers shall collect such cards and shall check and count the votes so given and their report upon the result of such card vote shall be final and conclusive.

But if fifteen members entitled to vote at a General Meeting immediately after a ruling as to whether a resolution is carried or not shall demand that a postal ballot of the members be taken, a postal ballot shall be taken instead of a card vote. Then and in such case the Chief Executive shall within seven days prepare and issue a voting paper to every member of the Association or his representative. Each voting paper shall set out:-

- (a) The question which is put to the vote.
- (b) The number of votes which the member to whom it is sent is entitled to cast, each member being entitled to one vote in respect of each cinema that the member represents.
- (c) The date (not being later than three weeks from the General Meeting at which the postal ballot was demanded) by which the voting paper is to be returned to the Chief Executive.

The General Meeting at which the demand is made shall appoint scrutineers who shall check and count the votes and their report to a subsequent General Meeting (which shall be held within six weeks of the date of the General Meeting at which the demand is made) shall be final and conclusive on the question.

Where a question or resolution shall have been decided by a postal ballot of members such question or resolution shall for all purposes be deemed to have been decided and the question or resolution passed or not (as the case may be) at the General Meeting at which the result of the postal ballot shall have been reported

20. **OFFICERS**

- 20.1 The Officers shall consist of the Chairman, the Honorary Treasurer, the members of the Executive Board, the Chief Executive and the Secretary.

21. **CHAIRMAN OF THE EXECUTIVE BOARD**

- 21.1 The members of the Executive Board may elect any person (whether or not a member of the Executive Board and whether or not an Exhibitor Member or Associate Member or the nominated representative of an Exhibitor Member) to be Chairman of the Executive Board ("the Chairman") at the first meeting of the Executive Board following the Annual General Meeting. The term of office of the person so elected shall be for such period (not less than three months and ending no later than the close of the first meeting of the Executive Board

ARTICLES OF ASSOCIATION of THE CINEMA EXHIBITORS' ASSOCIATION LIMITED
(adopted by Special Resolution passed 16 December 2004)

following the next succeeding Annual General Meeting) as shall be agreed between the person so elected and the Executive Board.

- 21.2 The members of the Executive Board may at any time remove the Chairman from such office.
- 21.3 The person elected as Chairman under this Article shall be eligible to stand for re-election on completion of his term of office.
- 21.4 If the Chairman shall die, resign or cease to hold such office prior to the first meeting of the Executive Board following the next succeeding Annual General Meeting the Executive Board may elect any person (whether or not a member of the Executive Board and whether or not an Exhibitor Member or Associate Member or the nominated representative of an Exhibitor Member) to fill the vacancy and in such case the term of office of the person so elected shall be for such period (ending no later than the close of the first meeting of the Executive Board following the next succeeding Annual General Meeting) as the person so elected and the Executive Board shall agree.
- 21.5 Unless he shall be unwilling to do so the Chairman shall preside at every meeting of the Executive Board and every General Meeting at which he is present. If the Chairman shall not be present at any such Meeting or if there is no Chairman or if the Chairman shall not be willing to preside the members present may appoint one of their number to be Chairman of the meeting.
22. **HONORARY TREASURER**
- 22.1 The Honorary Treasurer shall be elected and may be removed from such office by the Executive Board. Any person (whether or not a member of the Executive Board and whether or not an Exhibitor Member or Associate Member or the nominated representative of an Exhibitor Member) shall be eligible to be elected as Honorary Treasurer. The term of office of the Honorary Treasurer shall commence on his election and shall continue until the close of the first Executive Board meeting following the next succeeding Annual General Meeting of the Association. The person elected as Honorary Treasurer under this Article shall be eligible for re-election on completion of his term of office.
- 22.2 The Honorary Treasurer shall be responsible for the receipt of all moneys paid to the Association and for their safe-keeping. He will arrange for the keeping of proper accounting records of the receipts and payments of the Association from which the condition of the funds of the Association can at any time be ascertained.
- 22.3 The Honorary Treasurer may be invited by the Executive Board to attend and speak at meetings of the Executive Board but unless he shall also be a member of the Executive Board he shall not be entitled to vote.
23. **THE EXECUTIVE BOARD**
- 23.1 The Executive Board shall govern the affairs of the Association and decide its policy within the terms of the objects of the Association and it shall be duty of all members of the Association to obey all the resolutions of the Executive Board duly and properly passed and in accordance with these Articles.
- 24.1 Five persons shall be elected by the Smaller operators as Elected Delegates to the Executive Board.

- 24.2 The election of the Elected Delegates by the Smaller operators shall be conducted in such manner as the Executive Board shall determine including any of the following:
- 24.2.1 the election of the Elected Delegates by the Smaller operators in the Branches of the Association and the Executive Board shall have power to determine whether the Smaller operators in any Branch shall elect one or more of the Elected Delegates and whether the Smaller operators in two or more Branches of the Association shall combine for the purpose of electing a single Elected Delegate so that a total of five persons shall be elected as the Elected Delegates.
 - 24.2.2 a postal ballot of the Smaller operators.
 - 24.2.3 the election of the Elected Delegates by the Smaller operators at the Annual General Meeting of the Association or at a specially convened meeting of the Smaller operators.
- 24.3 No person shall be eligible to stand for election as an Elected Delegate unless:
- 24.3.1 he or she shall be a Smaller operator or the nominated representative of a Smaller operator and shall have consented in writing to stand for such election.
 - 24.3.2 he or she shall have been nominated as a candidate for election as an Elected Delegate by a Branch of the Association or by a Smaller operator or Smaller operators having in aggregate not less than 25 cinemas under their control at the date of nomination.
- 24.4 No Smaller operator may nominate more than one candidate for election as an Elected Delegate.
- 24.5 The Executive Board may make regulations to govern the conduct of the election of the Elected Delegates including the timetable for nominating candidates.
25. The members of the Executive Board shall comprise:
- 25.1 Chief Executive.
 - 25.2 The Nominated Delegates.
 - 25.3 The Elected Delegates who shall assume office as members of the Executive Board for the forthcoming year at the close of the Annual General Meeting at or immediately before which they shall be elected.
 - 25.4 The Chairman (if not a member of the Executive Board in another capacity).
26. Each Larger operator shall be entitled to nominate one delegate to the Executive Board and shall be entitled from time to time to remove and replace such delegate.
27. The Executive Board shall meet at least 3 times in each calendar year and as often as they may by resolution determine. Five Executive Board members of whom at least three shall be Nominated Delegates and at least two shall be Elected Delegates shall form a quorum.

28. Elected Delegates shall serve as members of the Executive Board from the close of the Annual General Meeting at which they assume office until the close of the next succeeding Annual General Meeting and such persons shall be eligible for re-election.
29. Vacancies occurring in the Executive Board from any cause shall be filled in the case of a delegate nominated under Article 26 by another delegate nominated by the Larger operator concerned and in the case of a delegate elected under Article 25 by the Executive Board appointing on the recommendation of the remaining Elected Delegates a Smaller operator or the nominated representative of a Smaller operator to fill the vacancy and the person so appointed shall serve until the close of the next succeeding Annual General Meeting.
30. Delegates attending meetings of the Executive Board and any Committee of the Executive Board of the Association may, at the discretion of the Executive Board, be entitled to be paid the cost of travelling and subsistence incurred in attending such meetings on such a scale as shall be determined by the Executive Board.
31. Fourteen days' previous notice in writing of every meeting of the Executive Board shall be given. The Chief Executive shall summon a special meeting of the Executive Board:
- 31.1 on the written requisition of the Chairman or of three members of the Executive Board
- 31.2 at any time when he may think fit, by giving fourteen days' notice in writing. If it shall be thought necessary to call an emergency meeting then and in such case 48 hours' notice shall not invalidate the proceedings at any such meeting.
- 32.1 The Executive Board shall meet for the dispatch of business and may adjourn or otherwise regulate their meetings, enquiries or proceedings as they shall think fit, and they may from time to time draw up Byelaws for the proper conduct and dispatch of their business. All questions and resolutions shall be decided on a show of hands by a majority vote of the members present subject to Article 32.3. Each member of the Executive Board (including each of the Chairman and the Chief Executive) shall on a show of hands have one vote. The Chairman in case of equality shall have a second or casting vote.
- 32.2 The Executive Board may from time to time appoint and dissolve Committees to advise the Executive Board on such matters as the Executive Board may refer to them. Persons who are not members of the Executive Board may be appointed to such Committees.
- 32.3 On or before the declaration of the result of the show of hands by the Chairman a card vote may be demanded by not less than one quarter of the members of the Executive Board who are present. On a card vote each Nominated Delegate will have a number of votes equal to the number of cinemas under the control of the Larger operator which has nominated him as its delegate at 1st January in the year during which such vote is taken in respect of which cinemas' subscriptions have been paid. The Elected Delegates present will have between them a number of votes equal to the number of cinemas under the control of the Smaller operators of the Association at the 1st January in the year during which such vote is taken in respect of which cinemas' subscriptions have been paid such votes shall be split equally or as near equally as is possible between or among the Elected Delegates present and in case of inequality the Chairman shall decide to which Elected Delegate/s any votes left over shall be assigned for the purposes of this Article. The Chief Executive shall have one vote on a card vote. The Chairman (if a member of the Executive Board by virtue of Article 25.4 shall also have one vote on a card vote. In case of equality on a card vote the Chairman shall have an

extra or casting vote in addition to whatever votes he has as a member of the Executive Board.

32.4 Any Exhibitor member or the nominated representative of an Exhibitor member may by notice in writing to the Secretary of the Association given not less than 14 days prior to a meeting of the Executive Board require that any matter which has the written approval of an Elected Delegate is placed on the Agenda for such Executive Board and shall have the right to attend such meeting and to address the Executive Board on such matter. The Chief Executive shall have discretion to waive the requirement for 14 days' prior notice in any emergency.

32.5 The Executive Board may delegate any of their powers to any committee whether or not consisting of one or more members of the Executive Board. They may also delegate to the Chief Executive such of their powers as they consider desirable to be exercised by him. Any such delegation may be made subject to any conditions the Executive Board may impose and either collaterally with or to the exclusion of their own powers and may be revoked or altered. Subject to any such conditions, the proceedings of a committee with two or more members shall be governed by the articles regulating the proceedings of directors so far as they are capable of applying.

33. **CHIEF EXECUTIVE AND SECRETARY**

33.1 The Executive Board shall appoint a Chief Executive and a Secretary on such terms as to remuneration and duration of employment as it shall deem proper. Each of the Chief Executive and the Secretary shall be an Officer of the Association and may be removed from his office and (subject to the terms of his service agreement) from his employment by a resolution of the Executive Board. The Executive Board may appoint the same person to hold both the office of Chief Executive and the office of Secretary.

The Chief Executive shall be responsible for all the business and functions of the Association not hereby or by resolution of the Executive Board expressly assigned to some other person. He shall keep the minutes of all meetings and shall attend to all correspondence with members and others. He shall summon meetings in accordance with these Articles and the resolutions of those meetings. He shall be responsible for the good order and management of the office of the Association and shall engage and dismiss any clerks or organisers employed by the Association, subject to the control and directions of the Executive Board, and shall carry into effect the resolutions of the Executive Board.

34. The Executive Board may demand and shall receive all books, papers and documents belonging to the Association from any Officers or members of the Association. The Executive Board may institute proceedings at law in the name of the Association or otherwise against all Officers or members who have defrauded the Association and against Officers who may detain or withhold any books, papers, or other property of the Association, and against any other persons as they may think desirable.

35. **ALTERNATE MEMBERS OF THE EXECUTIVE BOARD**

35.1 Each Larger operator shall be entitled from time to time to nominate remove and replace an alternate delegate to the Executive Board and such alternate shall be entitled to attend, speak and vote at any meeting of the Executive Board at which the person who is then the Nominated Delegate of such Larger operator will be absent.

35.2 Each Elected Delegate may appoint another Smaller operator or the nominated representative of a Smaller operator as his alternate delegate to the Executive Board and the

person so appointed shall be entitled to attend, speak and vote at any meeting of the Executive Board at which such Elected Delegate will be absent.

36. COMPLAINTS

36.1 Any member who considers that action contrary to these Articles has been taken by the Association or by any Officer thereof may give notice in writing delivered to the Chief Executive specifying the action of which he complains.

36.2 The Chief Executive on receipt of such notice shall refer the matter to the next meeting of the Executive Board and shall give notice to the complaining member of the date and place of such meeting.

36.3 The complaining member may if he so desires be present and address the Executive Board in person at the meeting at which his complaint is to be considered.

36.4 The decision of the Executive Board as to such complaint shall be notified in writing to the complaining member.

37. ASSOCIATION FINANCE

37.1 Each member of the Association and each Associate member shall pay an annual subscription at such rates as may from time to time be determined by the Executive Board for each class of member. The Executive Board shall have power to waive the payment of subscription in suitable cases. All subscriptions shall be remitted to registered office or to such other place as the Executive Board may direct.

37.2 Subscriptions shall be payable in advance on 1 January in each year in respect of the ensuing period of twelve months.

37.3 Any member who has not tendered his resignation by 31 December in any year shall be deemed to be in membership from 1 January for the succeeding twelve months and shall be liable for the full subscription for that year unless the Executive Board shall otherwise determine.

37.4 Any new member joining after 1 January in any year shall be liable to pay as his subscription a proportion of the full subscription proportionate to the part of the calendar year unexpired at his date of joining.

37.5 If a member shall resign at any time during a subscription year, he shall not be entitled to any refund of subscription unless the Executive Board shall otherwise determine.

38. The Executive Board shall have power from time to time by resolution to levy from every member other than an Associate Member, a special contribution not exceeding a sum equal to their annual subscription in respect of the year preceding the year in which the levy is made; but after this maximum sum is levied no further levy during the period between one Annual General Meeting and the next Annual General Meeting shall be made.

39. The funds and income of the Association shall be paid in to such bank as the Executive Board may decide, in the name of the Association. The Association shall open and keep current and deposit accounts at the said bank and shall prepare cheques for the payment of all lawful and proper expenditure authorised by the Executive Board within the objects of the Association. The said bank shall be authorised to honour the signature on cheques of any two of the following :

the Chief Executive, and any other person approved by the Executive Board.

40. Whenever the funds of the Association in the opinion of the Executive Board are sufficient to warrant any investment being made, the Executive Board shall have power to invest the moneys of the Association in the purchase of property, debentures, bonds or shares or on loan with or without security as the Executive Board in its absolute discretion shall think fit. The sale or calling in of investments or loans of the Association shall take place as directed by the Executive Board and the proceeds thereof be paid to the Association's bank account.
41. All securities, documents of title, certificates, bonds and other deeds, papers or things of value not required for frequent use or reference shall be deposited with the said bank. Association investments may also be held in the name of a Trust Corporation on behalf of the Association.
42. The pass books, cheque books, bank receipts and other books papers and documents required for ordinary business of the Association shall be kept by the Chief Executive at the registered office or at such place as the Executive Board may direct.
- 43.1 The Accounts of the Association made up to 31 December in each year shall be audited by the Association's auditor and shall be signed by the Chairman and Chief Executive.
- 43.2 A copy of the accounts together with a copy of the auditor's report shall be sent to every member of the Association with the notice convening the Annual General Meeting in every year.
44. Auditors shall be appointed and their duties regulated in accordance with the Act.
45. The Association and any members thereof is authorised to gather and receive gifts donations and legacies for the general or any special objects of the Association.
- LEGAL**
46. The Executive Board may appoint a solicitor or solicitors to act for and advise the Association in all legal matters and may, through the solicitor or solicitors, retain counsel.
47. So far as the law allows the Executive Board, in its absolute discretion, may grant legal benefit or protection to any member who is party or likely to become party to any legal proceedings, provided that such proceedings arise out of the business of such member carried on in his cinema, theatre or place of entertainment and are of important or general interest to the trade.
48. A member to whom legal benefit or protection is granted may be required to sign an undertaking permitting the Association to take full charge of the case or action on his behalf, and if called upon to do so, shall give a full power of attorney to the Chief Executive for this purpose. In any such case all legal fees and costs incurred shall be borne by the Association.
49. If the member has in the opinion of the Executive Board obtained legal benefit or protection by misrepresentation or by the omission to disclose material facts which might be reasonably supposed to have been known to the member, the member shall reimburse the Association the cost to which it has been put in bringing or defending the case or action, either wholly or in part as the Executive Board may decide.
50. The Executive Board may in cases where full legal benefit or protection is not granted assist out of the funds of the Association a member engaged in litigation to such an extent and under such conditions as they may think fit, so far as the law allows.

51. **INSPECTION OF ACCOUNT BOOKS**

51.1 The accounting records and register of members of the Association, other than Branch books, shall be kept at the registered office, or at such other place as the Executive Board may direct, and shall contain a register of the members of the Association, and all books, including such register, shall be open at all reasonable times to inspection by every member or person having an interest in the funds of the Association.

52. **DISSOLUTION**

52.1 A majority of the Members in General Meeting may authorise the Executive Board to transfer the assets and liabilities of the Association to a limited company or other body established with objects the same as or similar to the objects of the Association or to another body the objects of which are charitable.

52.2 If a postal ballot shall be required to be conducted the Chief Executive shall send by post to every member a ballot paper setting out the question to be resolved and providing for the voting member to vote Aye or No by placing a cross in the appropriate box on the ballot paper.

The ballot paper shall state the date by which and the place to which it is to be returned. Such date shall be not less than two or more than three weeks after the date on which the ballot paper was posted to each member. Members shall sign their ballot papers and return them in accordance with the instructions in the ballot paper. Two scrutineers shall be appointed to count the votes and they shall certify in writing to the Executive Board the number of votes cast for and those against the resolution but shall not reveal the manner in which any member has voted. They shall destroy the ballot papers one month after signing such certificate. The Executive Board shall cause the result of the ballot to be communicated to all members.

52.3 On a transfer under Article 52.1 the Executive Board must ensure that all necessary steps are taken as to:

52.3.1 the transfer of leasehold land and other property

52.3.2 the novation of Contracts of Employment and transfer of pension rights

52.3.3 the trusteeship of any property held for special purposes.

52.4 Following the transfer made pursuant to Article 52.1 the Association shall be dissolved on a date to be determined by the Executive Board.

COPIES OF ARTICLES

53. It shall be the duty of the Executive Board to supply the Chief Executive with a sufficient number of copies of the Articles to enable him to deliver a copy to any person on payment of such charge (not exceeding 5 pence), if any, as the Executive Board shall decide, and it shall be the duty of the Chief Executive to deliver the same accordingly. A copy thereof shall also be supplied forthwith to every member on his admission to the Association.

MANAGER AND ASSISTANT MANAGERS – VOTING

54. Cinema Managers or assistant managers who are members may not vote or take part at meetings of the Association or of the Branches in any discussions regarding labour questions which affect themselves or any labour association to which they may belong, unless specifically instructed in writing beforehand by the proprietor or corporation nominating

them, such written instruction to be produced to the Chairman of the meeting at the time of the discussion.

55. **ALTERATIONS TO ARTICLES**

55.1 The power of making, altering, amending and rescinding the Articles shall be exercised by members of the Association in accordance with S.9 of the Act

56. **NOTICES**

56.1 Any notice to be given pursuant to or by any person pursuant to these Articles or any Bye-Laws made pursuant to these Articles (including a notice calling a meeting of the Executive Board) shall be in writing or shall be given using electronic communications to an address for the time being notified for that purpose to the person giving the notice.

In this Article 56, "address", in relation to electronic communications, includes any number or address used for the purposes of such communications.

56.2 The Association may give any notice to a member either personally or by sending it by post in a prepaid envelope addressed to the member at his registered address or by leaving it at that address or by giving it using electronic communications to an address for the time being notified to the Association by the member. In the case of joint members, all notices shall be given to the joint member whose name stands first in the register of members in respect of the joint membership and notice so given shall be sufficient notice to all the joint members. A member whose registered address is not within the United Kingdom and who gives to the Association an address within the United Kingdom at which notices may be given to him, or an address to which notices may be sent using electronic communications shall be entitled to have notices given to him at that address, but otherwise no such member shall be entitled to receive any notice from the Association.

56.3 A member present, either in person or by proxy, at any meeting of the Association or of a meeting of a Branch of the Association or of the Executive Board or any Committee of a Branch or of the Executive Board shall be deemed to have received notice of the meeting and, where requisite, of the purposes for which it was called.

56.4 Proof that an envelope containing a notice was properly addressed, prepaid and posted shall be conclusive evidence that the notice was given. Proof that a notice contained in an electronic communications was sent in accordance with guidance issued by the Institute of Chartered Secretaries and Administrators shall be conclusive evidence that the notice was given. A notice shall be deemed to be given at the expiration of 48 hours after the envelope containing it was posted, or in the case of a notice contained in an electronic communication, at the expiration of 48 hours after the time it was sent.

56.5 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.

57. **TRANSITIONAL PROVISIONS**

57.1 **DEFINITIONS**

In this Article 57 the following expressions shall have the following meanings:

57.1.1 "Adoption Date" means the date on which these Articles of Association are adopted by the Association.

- 57.1.2 "Old Association" means the unincorporated Association known as "The Cinema Exhibitors' Association" of 22 Golden Square, London, W1R 3PA.
- 57.1.3 "Effective Date" means the date on which the assets and liabilities of the Old Association are transferred to the Association

57.2 **EXECUTIVE BOARD**

- 57.2.1 From the Adoption Date until the Effective Date the persons who shall from time to time pursuant to the Rules of the Old Association constitute the members of the Executive Board of the Old Association shall be the members of the Executive Board of the Association
- 57.2.2 The first election of the Elected Delegates in accordance with these Articles of Association shall take place at or prior to the Annual General Meeting of the Association for the year 2005 (as may be determined by the Executive Board). The persons elected as the Elected Delegates on the said first election shall assume office on the announcement of the result of such election and shall serve until the close of the Annual General Meeting of the Association for the year 2006.
- 57.2.3 From the Effective Date and until the persons elected as the Elected Delegates on the said first election of Elected Delegates (referred to in Article 57.2.2) shall assume office the persons who shall pursuant to the Rules of the Old Association be the elected delegates to the Executive Board of the Old Association immediately prior to the Effective Date shall be deemed to be the Elected Delegates and accordingly members of the Executive Board of the Association for all the purposes of these Articles of Association.
- 57.2.4 From the Effective Date the persons who shall pursuant to the Rules of the Old Association be the nominated delegates to the Executive Board of the Old Association immediately prior to the Effective Date shall be deemed to be the Nominated Delegates and accordingly members of the Executive Board of the Association and each of the said persons shall be deemed to have been nominated by the Larger operator by which such person was nominated to be a delegate to the Executive Board of the Old Association. Each such Larger operator shall have the same right (as is contained in Article 26) to remove and replace the delegate deemed to have been nominated by such Larger operator and upon so doing this Sub-Article 57.2.4 shall cease to apply in the case of the Nominated Delegate who is removed from office.

57.3 **MEMBERS**

Each of the members of the Old Association at the Effective Date shall become a member of the Association upon the Effective Date subject to payment of any subscription that may then be due. The Subscribers to the Memorandum and Articles of Association shall cease to be members of the Association upon the Effective Date.

57.4 **THE CHAIRMAN TO THE EXECUTIVE BOARD**

The Chairman of the Executive Board at the Adoption Date shall be the person who holds the office of the Chairman of the Executive Board of the Old Association at the Adoption Date. His term of office shall be determined at a meeting of the Executive Board after the Adoption Date.

57.5 **CHIEF EXECUTIVE OF THE ASSOCIATION**

The Chief Executive of the Old Association, John Wilkinson (who is a director of the Association at the Adoption Date), shall with effect from the adoption of these Articles be the holder of the office of Chief Executive of the Association and accordingly a member of the Executive Board but shall be unpaid until the undertaking and assets of the Old Association and his employment shall be transferred to the Association.

57.6 **CESSATION OF THIS ARTICLE 57**

This Article 57 shall cease to apply at the close of the Annual General Meeting of the Association for the year 2005.

END