

**MONOPOLIES AND MERGERS COMMISSION REPORT ON THE SUPPLY OF  
THE SERVICES OF ADMINISTERING PERFORMING RIGHTS AND FILM  
SYNCHRONISATION RIGHTS**

**UNDERTAKINGS BY PERFORMING RIGHT SOCIETY LIMITED**

Performing Right Society Limited (the Company) hereby gives the following undertakings to the Secretary of State for Trade and Industry, under section 88(2) of the Fair Trading 1973, to take action requisite for the purpose of remedying or preventing the adverse effects specified in the above report (CM 3147, February 1996) of the Monopolies and Mergers Commission (MMC).

**Memorandum and Articles of Association**

1. (1) The Company will not propose any amendment to the Agreement which would:
  - (a) prevent or inhibit its members from self-administering their live performing rights; or
  - (b) prevent or inhibit its members from self-administering the categories of performing rights specified in the European Commission decisions in Re GEMA (No 1) CMLR D35 and Re GEMA (No 2) 24 CMLR D115; or
  - (c) remove the liberty for its writer members to send representatives who are not themselves members of the Company to speak and vote for them at general meetings of the Company; or
  - (d) significantly alter the structure or operation of its Appeals Board; or
  - (e) be contrary to any recommendation made by the MMC in the above report.
- (2) The Company will notify the Director of any proposal to amend the Agreement which would be within any of sub-paragraphs (a)-(e) before members of the Company vote on the proposal.

- (3) The Company will before any such vote bring to the attention of its members any comments the Director might make relating to a proposed amendment to the Agreement.
- (4) The Company will notify its members of any amendment to the Agreement by publication in the next edition of PRS News and the Company's members' handbook.

#### **Corporate Governance**

2. The Company will keep separate the roles and functions of:
  - (a) its Chairman and Chief Executive; and
  - (b) its Board on the one hand and its Chief Executive Committee and Executive Committee on the other.

#### **Monitoring by the Director**

3. The Company will furnish the Director with a report annually specifying measures it has taken to comply with the recommendations made by the MMC in the above report.

#### **Information**

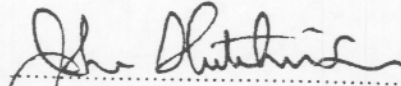
4. (1) The Company will provide the Director with a copy of each of the following documents within seven days after their publication:
  - (a) PRS News; and
  - (b) the Company's Yearbook containing the Company's annual report and accounts which will set out:
    - (i) a simplified description of the Company's cost allocation scheme; and
    - (ii) aggregated details, based on information supplied to the Company by societies outside the UK, of the overseas earnings of the Company's members.
- (2) The Company will provide the Director with the text of any amendment to its members' handbook within 7 days after the handbook has been amended.
- (3) The Company will provide the Director with such other information as he may reasonably require from time to time to monitor compliance by it with these undertakings and the recommendations made by the MMC in the above report.

**Interpretation**

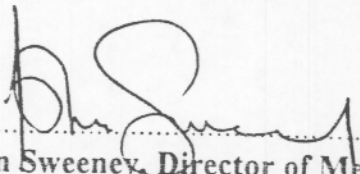
5. In these undertakings:

"Agreement" means the Company's Memorandum and Articles of Association, and Rules and Regulations made thereunder, and

"Director" means Director General of Fair Trading.

Signed by:  .....  
**John Hutchinson, Chief Executive**  
for and on behalf of the Performing Right Society Limited

Dated: ..... 27/2/97 .....

Signed by:  .....  
**John Sweeney, Director of Membership**  
for and on behalf of the Performing Right Society Limited

Dated: ..... 27/2/97 .....