



DIRECTORS UK LIMITED Rightholders Funds Risk Policy: 25 April 2017

1. Introduction

1.1 Directors UK is a company limited by guarantee and owned by its members. Directors UK is the professional association for film, television and all moving image directors in the UK, providing services and support to its members. It also operates a collecting society, distributing revenues to rightholders from copyright levies accrued in other European countries in respect of the works of British directors, and operates a collective licensing scheme with the major UK television producers and broadcasters. Directors UK seeks to protect and enhance the creative, economic and contractual rights of directors in the UK, and works closely with organisations in the UK, Europe and around the world to represent directors' rights and concerns. Directors UK is a non-profit making organisation.

1.2 Directors UK has approximately £17m of assets in the form of royalties collected and held pending allocation and distribution to rightholders in accordance with its Distribution Rules.

1.3 Directors UK will act in compliance with the regulations implementing the EC Directive on Collective Management, and in particular with regard to the regulations concerning dealing with rightholders' funds and investment policy.

2. Investment Objectives

2.1 Directors UK seeks to produce the best financial return within a minimal level of risk. As the assets are required to be distributed over the next year, capital preservation is of paramount importance.

3. Risk

3.1 Directors UK holds assets to distribute to rightholders over the next year. As such, capital volatility cannot be tolerated and assets should be invested to minimise risk.

3.2 Directors UK's assets should be held in cash or near cash investments denominated in sterling

3.3 Directors UK's cash balances should be deposited with banks or building societies which have permission from the Bank of England's Prudential Regulation Authority to accept deposits in the UK or invested in a diversified money market fund.

3.4 Deposits should be spread by counterparty, subject to a maximum exposure of 25% of the total cash balance per institution.

4. Liquidity Requirements

4.1 Directors UK will draw down the cash in line with the planned distribution schedule. Maturities of cash deposits should facilitate this timetable.

5. Time Horizon

5.1 Directors UK will continue to collect royalties in accordance with its mandate from its members and rightholders, and with its agreements with licensees and commercial partners regarding the uses of rightholders' works and rights.

6. Management, Reporting and Monitoring

6.1 Directors UK will manage its own cash deposits and has nominated a list of authorised signatories, two of which are required to sign instructions to the deposit taking institution. The Chief Executive will monitor the cash position and prospective cash flow schedule and report this to the Board at each quarter.

7. Approval and Review

This Rightholders Funds Risk Policy was prepared by the Chief Executive of Directors UK to provide a framework for the management of its assets. It will be reviewed on an annual basis to ensure continuing appropriateness.

Approved by the Board: 25 April 2017