

Council Regulations 25 of 2002

Trusts

Redesignated as regulations by Council on 11 July 2002

The Ertegun House Endowment Fund

[Made by the General Purposes Committee of Council on 15 March 2012]

1. All money or property paid or transferred to the University to be held on the trusts declared in these Regulations will be held by the University, on trust, in a trust fund known as The Ertegun House Endowment Fund (“the Fund”) in one of two separate designated sub-funds to be known as The Ertegun House Endowment Sub-Fund for Facilities (“the Facilities Sub-Fund”) and The Ertegun House Endowment Sub-Fund for Programming (the “Programming Sub-Fund”).

2. The University shall retain the assets of the Fund as permanent endowment.

3. (a) The University shall apply the income of the Facilities Sub-Fund exclusively toward the following objects, each of which shall be a “main object” of the Fund:

(i) To advance education by helping to defray in perpetuity the costs of operating and maintaining (and updating when needed) a well-designed, well-equipped and well-managed non-residential facility at 37A St Giles’ in the City of Oxford, United Kingdom, named in perpetuity “The Mica and Ahmet Ertegun House for the Study of the Humanities” and dedicated in perpetuity exclusively for the academic studies and fellowship of those graduate students at the University of Oxford who are in receipt of scholarships through The Mica and Ahmet Ertegun Graduate Scholarship Programme.

(ii) If the building at 37A St Giles’ in the City of Oxford, United Kingdom or any successor to it is at any time destroyed or becomes unusable for the objects specified in Regulation 3(a)(i), to accomplish such objects instead by helping to defray the costs of operating and maintaining a facility of comparable size and quality, in the same location or, if such location is no longer usable for this purpose on account of a long-term environmental, political or legal condition that is not within the University’s power to alter, in as close a location within the University of Oxford complex as circumstances allow.

(iii) If the objects specified in Regulations 3(a)(i) and 3(a)(ii) cannot be fulfilled, then for the same objects as specified in Regulation 3 of the Trust Regulations Governing The Mica and Ahmet Ertegun Graduate Scholarship Programme Endowment Fund, as if the Facilities Sub-Fund were part of The Mica and Ahmet Ertegun Graduate Scholarship Programme Endowment Fund.

(b) The University shall apply the income of the Programming Sub-Fund exclusively toward the following objects, each of which shall be a “main object” of the Fund (collectively, together with the objects set forth in Regulation 3(a), “the main objects”):

(i) To advance education by helping to defray in perpetuity the costs of presenting at The Mica and Ahmet Ertegun House for the Study of the Humanities lectures, seminars, screenings, concerts and other educational programmes developed specifically for students at

the University of Oxford who are in receipt of scholarships through The Mica and Ahmet Ertegun Graduate Scholarship Programme, and

(ii) If the objects specified in Regulation 3(b)(i) cannot be fulfilled, then for the same objects as specified in Regulation 3 of the Trust Regulations Governing The Mica and Ahmet Ertegun Graduate Scholarship Programme Endowment Fund, as if the Programming Sub-Fund were part of The Mica and Ahmet Ertegun Graduate Scholarship Programme Endowment Fund.

4. In furtherance of the main objects of the Fund set forth in Regulation 3, the University shall with respect to Ertegun House, in so far as its operations and maintenance, the updating of it, and the programming for it are funded from the income of the Fund, act in accordance with the Incorporated Provisions (as hereinafter defined) of that certain contract by and between Ioana “Mica” Ertegun (“the Benefactor”) and The Chancellor, Masters and Scholars of the University of Oxford, dated January 20, 2012 (“the Bequest Agreement”).

5. Section 16, Section 18, Section 29(a), and the relevant provisions of Sections 1(d) and 30 of the Bequest Agreement (“the Incorporated Sections”), together with any definitions set out in other Sections of the Bequest Agreement and any cross-referenced Sections thereof which are necessary for the interpretation of the Incorporated Sections (together with the Incorporated Sections being “the Incorporated Provisions”) are incorporated herein as if they were set forth in their entirety in the body of these Regulations. Every reference in these Regulations to “these Regulations” shall mean these Regulations together with the Incorporated Provisions and every reference in the Incorporated Provisions to “this Agreement” shall mean these Regulations.

6. The administration of the Fund and the application of its income in accordance with these Regulations shall be the responsibility of the Humanities Board of the University of Oxford.

7. The University shall have power to pay out of the income of the Fund all reasonable costs of and incidental to the management and administration of the Fund.

8. The University may exercise any of its corporate powers in the management and administration of the Fund in so far as those powers are not inconsistent with these Regulations.

9. These Regulations shall be deemed to be Trust Regulations under the provisions of Part D of Statute XVI of the University of Oxford.

10. Subject to Regulations 11 and 12, Council may amend, repeal or add to these Regulations in accordance with Part D of Statute XVI of the University of Oxford, but no such amendment is valid if it would cause the Fund to:

- (1) cease to be exclusively charitable according to the law of England and Wales; or

(2) be outside the objects of the University of Oxford.

11. Any amendment to these Regulations which would amend or have the effect of amending Regulation 3 is an amendment to the main objects of the Fund for the purposes of Part D of Statute XVI of the University of Oxford and must be approved both by Congregation of the University of Oxford and subsequently by Her Majesty in Council. No part of Regulation 3 shall be considered a procedure with respect to the administration of the Fund.

12. For so long as there shall be a Protector serving hereunder, no amendment to these Regulations which would amend or have the effect of amending Regulation 3, Regulation 4, this Regulation 12, or Regulations 13 through 25 or the Incorporated Provisions shall be valid unless first approved in writing by the Protector in the sole discretion of the Protector.

13. The University recognises the intention of the Benefactor that no amendment to Regulation 3 should be sought from or approved by the Protector, Congregation, Her Majesty in Council or any other body having approval rights or powers of amendment of these Regulations unless (a) there shall have first been a *cy-près* event as specified in Section 62 of the Charities Act 2011, as amended, extended, or re-enacted, or any successor thereto (“the Charities Act”) and (b) such amendment is consistent with the principles of *cy-près* as set forth in the Charities Act.

14. The University further recognises the intention of the Benefactor that no amendment to these Regulations be made unless (i) literal compliance with the provision(s) of these Regulations in respect of which amendment is proposed has become impossible or unlawful or jeopardises the accomplishment of the main objects of the Fund and (ii) such amendment is narrowly tailored to address the circumstances that warrant the amendment.

15. There shall be a Protector, appointed as set out in Regulation 18, and the function of the Protector shall be to procure that due regard is given to the intentions of the Benefactor as expressed in these Regulations. The Protector shall serve in a non-fiduciary capacity and without liability or responsibility for the use, management and disposition of the assets held pursuant to these Regulations or the exercise or non-exercise of the Protector’s powers under these Regulations.

16. The Protector shall have the non-exclusive right to seek judicial enforcement in the United Kingdom of the University’s obligation to use, manage and dispose of the Fund as provided in these Regulations.

17. The Protector shall be entitled to reimbursement, out of the assets of the Fund, for the expenses properly incurred in connection with the exercise or attempted exercise of the Protector’s rights and powers under these Regulations and the Protector’s rights and powers under the Bequest Agreement, without regard to the outcome of such exercise or attempted exercise, provided such exercise or attempted exercise was not arbitrary or capricious. This right to reimbursement shall include without limitation reimbursement for reasonable legal fees and disbursements incurred in connection with obtaining legal advice concerning

whether or how to exercise the Protector's rights and powers under these Regulations and the Bequest Agreement, even if there shall be no exercise or attempted exercise of such rights and powers.

18. (a) If these Regulations shall be adopted during the lifetime of the Benefactor, the initial Protector shall be the Benefactor, acting directly or by and through her duly authorised attorney (being her attorney-in-fact in the jurisdiction in which the Benefactor is domiciled) (her "duly authorised attorney"). Upon the death of the Benefactor or such earlier date as the Benefactor or her duly authorised attorney shall determine, or upon the adoption of these Regulations if such adoption shall occur after the death of the Benefactor, the Protector shall be the person or persons designated during her lifetime by the Benefactor or by her duly authorised attorney, not to exceed two in number ("the Designated Persons").

(b) The Designated Persons will serve in their capacity as Protector for life or until their earlier resignation or incapacity. Each of the Designated Persons may (whether or not accepting office) designate one person as his or her successor and one person as alternate successor if the first designee for any reason does not commence to serve or serves for a period of less than five (5) years.

(c) Successors designated by the Designated Persons shall on taking office serve for life or until their earlier resignation, removal under Regulation 18(d) or incapacity and shall be the last persons capable of serving as Protector.

(d) Designations under this Regulation 18 must be by written instrument acknowledged before or witnessed by a notary public in the United States or the United Kingdom, the last such unrevoked instrument to control. Such designations must be delivered to the person so designated, with a copy to the University of Oxford's Registrar or the holder of the then-equivalent position within the University of Oxford ("the Registrar"), and will take effect on the effective date therein specified. The revocation of a designation prior to its effective date will take effect either upon the delivery of written notice of revocation to the designee or upon the designation of a different person, with a copy to the Registrar in either event. If any designation of a successor shall take effect prior to the death of the person making the designation, such person (or in the case of the Benefactor, her duly authorised attorney) may remove the successor and designate a different person as successor.

(e) So long as two persons constitute the Protector, such persons must act unanimously in order for the Protector to act. The term "Protector" shall refer to the Protector serving from time to time.

19. For so long as there shall be a Protector serving hereunder, the Protector shall be entitled to ninety (90) days' advance written notice by the University of (a) the submission to Council, Congregation or any other University body or committee of any proposal or request to approve any amendment of these Regulations which amendment requires the approval of the Protector and (b) the submission or application to Her Majesty in Council or any other organ or agency of government, any Court, or any public body with power of amendment of

any proposal or request to approve any amendment of these Regulations which amendment requires the approval of the Protector.

20. A “Termination Event” will arise if while there is a Protector:

(a) There shall be any application to any Court or other body seeking amendment or approval of an amendment of these Regulations without the Protector having first granted the approval required under Regulation 12, or

(b) The University takes any action that would modify or eliminate the rights and powers of the Protector under these Regulations, or

(c) There shall occur a Termination Event within the meaning of the Trust Regulations Governing The Mica and Ahmet Ertegun Graduate Scholarship Programme Endowment Fund or the Trust Regulations Governing The Ertegun Senior Scholar in Residence Endowment Fund.

21. If a Termination Event arises, the University shall immediately and automatically cease to be the trustee(s) of the Fund and shall be immediately and automatically divested of the rights and responsibilities as trustee(s) under these Regulations (other than the responsibilities under this Regulation 21). Upon such Termination Event the University shall collect the property of the Fund and promptly turn it over to the trustee(s) of the trusts governed by the Trust Regulations Governing The Mica and Ahmet Ertegun Graduate Scholarship Programme Endowment Fund (“the Scholarship Trusts”), to be added to and applied as a part of the property held pursuant to the Scholarship Trusts.

22. Notwithstanding Regulation 21, the Protector, in the exercise of sole discretion, may consent ex post facto to the application or action which gave rise to the Termination Event, whereupon the property of the Fund shall automatically and immediately vest again in the University, to be held and applied by the University as provided in these Regulations as if the Termination Event had not occurred. If a Termination Event arises as a result of any inadvertent act or omission which is capable of remedy and which is remedied within ninety (90) days of the Termination Event, the Protector will exercise discretion in favour of giving consent under this Regulation 22. The Protector’s consent, if granted, must be by written instrument delivered to the Registrar and the Standby Trustee(s).

23. (a) No failure or delay by a person to exercise any right or remedy provided under these Regulations or by law shall constitute a waiver of that or any other right or remedy, nor shall it preclude or restrict the further exercise of that or any other right or remedy. No single or partial exercise of such right or remedy shall preclude or restrict the further exercise of that or any other right or remedy.

(b) No consent given under Regulation 22 in respect of an application or act giving rise to one Termination Event shall imply any consent in respect of any other application or act giving rise to any other Termination Event.

24. In these Regulations the term “the University”, save where specified as “the University of Oxford”, means the University of Oxford as the first trustee and any future trustee or trustees of this settlement.

25. These Regulations and any dispute or claim arising out of or in connection with them shall be governed by and construed in accordance with the law of England and Wales.