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Hurst Italia Limited
(the "Company")

Minutes of the meeting of the board of directors of the Company
held at Atlantic House, Holborn Viaduct, London EC1A 2FG
on 6th December 2003 at 8.45 am/pm

(the "Meeting")

Present: Brian Muirhead
Andrew Miller



In attendance:

1. **CHAIRMAN AND QUORUM**

Brian Muirhead was appointed chairman of the Meeting (the "**Chairman**"), and confirmed that the Meeting was duly convened and that the board was quorate pursuant to the Company's articles of association. The Chairman of the Meeting declared the Meeting open.

2. **DEFINED TERMS**

The Chairman referred to the Facilities Agreement (as defined below) and declared that all capitalised terms in the minutes of the Meeting shall, unless otherwise defined, have the same meaning given to them in the Facilities Agreement.

3. **PURPOSE OF THE MEETING**

The Chairman reported as follows:

- (a) that the shares comprising the entire issued share capital of a holding company of the Company, Trader Media Group Limited (company number 3591156) (the "**Target**") (the "**Shares**") had been purchased by GMG Auto Trader Group Limited (registered number 4768833) ("**GMG Newco 2**") on 3 October 2003. Part of the Shares had been acquired by GMG Newco 2 pursuant to the terms of a sale and purchase agreement dated 5 August 2003 between BC European Capital V, BC European Capital VI and others and Graham Luff and others (the "**Vendors**") and GMG Auto Trader Limited (the "**Sale Agreement**"). The remainder of the Shares were acquired by way of a contribution of the Shares from GMG Newco 2's immediate holding company, GMG Auto Trader Holdings Limited (registered number 4768840) ("**GMG Newco 1**") to GMG Newco 2 in exchange for shares in GMG Newco 2 (these shares were contributed to GMG Newco 1 by its immediate holding company, GMG Auto Trader Limited (registered number 3673138) in exchange for shares in GMG Newco 1);
- (b) the 2003 Acquisitions (as defined in the Statutory Declaration (as defined below)) had taken place;

- (c) that the entire issued share capital of each of Trader Publishing Limited (company number 3909628) ("**TPL**") and Trader Media Holdings Limited (company number 1279747) ("**TMHL**") were previously acquired by Trader Media Corporation Limited (company number 3592155) ("**Corporation**") (the Company being a wholly owned subsidiary of TPL and Corporation) in May 2000 and July 1998 respectively (the "**Previous Acquisitions**");
- (d) that in order to finance the acquisitions referred to in (c) above, various liabilities were incurred, including but not limited to, the following:
 - (i) the notes issued under the Old Vendor Note Instruments referred to below;
 - (ii) £250,000,000 unsecured loan notes constituted by an instrument created and issued by Hurst Publishing Holdings Limited (company number 3591323, renamed Trader Media Group Holdings Limited) ("**TMGH**") and dated 4 July 1998;
 - (iii) £250,000,000 unsecured loan notes constituted by an instrument created and issued by TMGH and dated 24 May 2000;
 - (iv) £100,000,000 15% unsecured loan notes constituted by an instrument created and issued by TMGH and dated 24 May 2000;
 - (v) £57,000,000 11 and ⅛% notes due 2008 constituted by a deed executed by Hurst Group PLC (company number 3591656);
 - (vi) a senior facility agreement dated 4 July 1998, as amended and restated on 24 May 2000 in the maximum aggregate principal amount (as amended) of £258,000,000 granted by, inter alios, Deutsche Bank AG, London Branch and GMG Auto Trader Limited; and
 - (vii) a senior subordinated facility dated 24 May 2000 in a maximum aggregate principal amount of £50,000,000 granted by GMG Auto Trader Limited;
- (e) that a facilities agreement dated 22 August 2003, as amended on 2 October 2003, (the "**Facilities Agreement**") had been entered into between, inter alios, GMG Newco 1, GMG Newco 2, Trader Media 2003 Limited (the "**Borrower**"), GMG Auto Trader Investment Limited (registered number 4829505) ("**Investment**") and CIBC World Markets, ING Bank N.V., London Branch and The Royal Bank of Scotland plc (as Arrangers), the persons listed in Part 2 of Schedule 1 thereto (as Original Lenders) and The Royal Bank of Scotland plc (as Issuing Bank, Facility Agent and Security Agent) (the Arrangers, Lenders, Issuing Bank, Facility Agent, Security Agent and Hedging Bank (as defined in the Priority Agreement (as defined below)) together being the "**Finance Parties**"), which sets out the terms on which the Lenders provided acquisition facilities of £479,900,000 (the "**Acquisition Facilities**") to the Borrower and a revolving credit facility of £35,000,000 (which may be substituted in part by ancillary facilities) (the "**Revolving Credit Facility**") to the Borrowers (as defined in the Facilities Agreement) (together "**the Facilities**");
- (f) that part of the Acquisition Facilities drawn down by the Borrower had been lent in cash to GMG Newco 2 or certain of its subsidiaries to assist in, inter alia:
 - (i) funding the 2003 Acquisitions (as defined in the Statutory Declaration (as defined below));

- (ii) discharging liabilities which were previously incurred for the purpose of the Previous Acquisitions; and
- (iii) the payment of all costs incurred in the 2003 Acquisitions (as defined in the Statutory Declaration (as defined below)).

It was also noted that certain of the Acquisition Facilities:

- (1) have been utilised by way of the Old Vendor Note Guarantees or by cash drawings to repay amounts due under the Old Vendor Note Instruments; and
 - (2) may be utilised by way of the New Vendor Note Guarantee in respect of the New Vendor Note Instrument (the liabilities in respect of which will be incurred for the purposes of the acquisition of the Shares by GMG Newco 2) and, as a consequence of the utilisation of the New Vendor Note Guarantee by way of automatic cash drawings to repay amounts claimed under the New Vendor Note Guarantee;
- (g) it was noted that pursuant to the Facilities Agreement, a mechanism is in place whereby if a demand is made under the Vendor Note Instruments, such demand is met by the automatic mechanism in place pursuant to clause 5.4 (*Refinancing of Vendor Guarantees*) of the Facilities Agreement which results in the Borrower drawing down such amount equal to the amount of the Vendor Note Demand under the A2 Term Loan (in respect of the Old Vendor Note Instruments) or the A3 Term Loan (in respect of the New Vendor Note Instruments) and such amount being lent on to Corporation or GMG Newco 2 respectively so that the relevant notes can be repaid;
- (h) it was noted that pursuant to clause 7.5 (*Indemnities*) of the Facilities Agreement, the Borrower agreed to further indemnify the Issuing Bank under the terms of the Facilities Agreement for any loss or liability incurred by the Issuing Bank in connection with the guarantee issued by the Issuing Bank in respect of the Vendor Note Instruments;
- (i) that the Company had become an Additional Guarantor by virtue of an accession deed to the Facilities Agreement dated 3 October 2003 (the "**Accession Deed**");
- (j) pursuant to a waiver letter dated 2 October 2003 from, inter alios, The Royal Bank of Scotland plc to, inter alios, GMG Newco 1 (the "**Waiver Letter**") and as a condition precedent to, inter alia, Edizeta (as defined below) becoming an Additional Borrower for the purposes of utilising Ancillary Facilities (as defined in the Facilities Agreement) pursuant to the Revolving Credit Facility, GMG Newco 1 undertook (such undertaking being deemed to be pursuant to subclauses 23.30 and 23.31 of the Facilities Agreement for the purposes of paragraph (a) of subclause 24.3 of the Facilities Agreement) by no later than 90 days after 3 October 2003 to:
 - (i) procure that the documents specified in Part 2 and Part 3 of Schedule 2 to the Facilities Agreement, in respect of Edizeta S.r.l. (a limited liability company incorporated under the laws of Italy) ("**Edizeta**"), a wholly owned subsidiary of the Company, are provided to The Royal Bank of Scotland plc as the Facility Agent (each in form and substance satisfactory to the Facility Agent); and
 - (ii) procure delivery to The Royal Bank of Scotland plc as the Facility Agent of an additional Security Document creating an Italian law first ranking

Security Interest over all of the shares in Edizeta in form and substance satisfactory to The Royal Bank of Scotland plc as the Facility Agent;

- (k) that in accordance with the terms of the Waiver Letter and as described in paragraph 3 (j) (ii) above, the Company is to enter into an Italian law deed of pledge to be made between, amongst others, the Company (as Pledgor (as defined therein)) (1) and ING Bank N.V., London Branch, The Royal Bank of Scotland plc and Canadian Imperial Bank of Commerce, London Branch (as Arrangers and Original Lenders (as defined therein)) (2) (the "**Italian Deed of Pledge**"). Pursuant to the Italian Deed of Pledge the Company will agree, inter alia, to grant in favour of the Secured Creditors (as defined therein) a first ranking pledge as security for the full and unconditional performance of the Secured Obligations (as defined therein), over a quota representing the entire corporate capital of Edizeta held by the Company at the date of the Italian Deed of Pledge, and any future increase in the corporate capital of Edizeta that the Company might own from time to time, in each case together with all Related Rights (as defined therein);
- (l) that he had been advised that the entry into the Italian Deed of Pledge by the Company and the compliance with its obligations under the Italian Deed of Pledge would constitute financial assistance by the Company under section 151 of the Companies Act 1985 (the "**Act**"); and
- (m) that the primary purpose of the Meeting was to approve the terms of the Italian Deed of Pledge and the entry into the Italian Deed of Pledge by the Company and to approve and implement the corporate procedures and formalities required for compliance with sections 151 to 158 of the Act in respect of the financial assistance constituted by the entry by the Company into the Italian Deed of Pledge to enable the Company to take advantage of the financial assistance relaxation provisions contained in sections 155 to 158 of the Act and the compliance by the Company with its obligations under the Italian Deed of Pledge.

4. **DIRECTORS' INTEREST**

In accordance with section 317 of the Act, the directors each declared, where applicable, their respective personal interests in matters to be discussed at the Meeting, including their interests as directors of the Borrower and the other Obligor.

5. **DOCUMENTS PRODUCED**

5.1 The following documents were produced at the Meeting:

- (a) the Facilities Agreement;
- (b) the Accession Deed;
- (c) the Waiver Letter; and
- (d) a final draft of the Italian Deed of Pledge.

5.2 The terms of the Italian Deed of Pledge were carefully considered and it was noted, in particular, that pursuant to the Italian Deed of Pledge:

- (a) the Collateral (as defined below) will be pledged in favour of the Secured Creditors as first ranking security for the full and unconditional performance of:
 - (i) all the present and future monetary obligations of each Obligor to the Secured Creditors (or any of them) arising from the Facilities Agreement, including, in particular, all payment obligations in relation to principal and

- any indemnity obligation for any outstanding interest, default interest, fees, costs and expenses, damages, indemnity obligations, stamp duties and other Taxes payable, any amount of breakage costs payable following the prepayment or repayment of all or any part of the Facility other than on the due date and any and all other costs, expenses, stamp duties or other Taxes payable in connection with the protection, preservation and enforcement of the rights of the Secured Creditors under the Facilities Agreement or the Italian Deed of Pledge; and
- (ii) all the monetary obligations of the Company under the Italian Deed of Pledge;
- (b) the Company will grant in favour of the Secured Creditors a first ranking pledge over:
- (i) a quota of €41,600 representing the entire corporate capital of Edizeta (the "**Quota**");
 - (ii) any dividend and accounts on dividends paid or payable in relation to the Quota after the date of the Italian Deed of Pledge;
 - (iii) any other distribution (in cash or in kind) or other amount paid or payable in relation to the Quota (including, without limitation, any amount paid or payable as a result of the distribution of reserves, however denominated, or the reimbursement of quotaholders' contributions by the Company or the liquidation of the Company);
 - (iv) any dividend, distribution or other amount paid or payable in relation to the Related Securities (as defined below);
 - (v) any option or right relating to:
 - (1) the Quota; or
 - (2) any quotas or other securities or rights attributed or attributable to the Company in exchange for or in relation to the Quota (including, without limitation, as a result of a merger, demerger or transformation of the Company) (the "**Related Securities**");
 - (vi) any quotas or other securities or rights attributed or attributable to the Company in exchange for or in relation to any Related Securities; and
 - (vii) following any capital increase of Edizeta all future increases of any of the interests referred to paragraph 5.2(b) (i) to (vi) (inclusive) above (the "**Collateral**") that the Company might own in Edizeta from time to time; and
- (c) the Company will also agree, at its own expense, promptly to execute and to deliver all documents and take all actions which the Secured Creditors may request in order to perfect the Pledge on the Collateral (including, without limitation, in respect of the Related Securities) or to enable the Secured Creditors to exercise the rights and the remedies to which they are entitled pursuant to the Italian Deed of Pledge, including, without limitation, all rights and remedies exercisable upon the occurrence of a Default or an Enforcement Date.

It was noted that notwithstanding anything else in these minutes, in this paragraph 5.2 the following terms shall have the meanings given to them in the Italian Deed of Pledge: Secured Creditors, Obligor, Facility, Pledge and Enforcement Date.

6. **CONSIDERATION OF BALANCE SHEET**

- 6.1 The balance sheet of the Company as at 23 November 2003 (the "**Balance Sheet**") was produced to the Meeting.
- 6.2 The directors carefully considered the details of the Balance Sheet and it was agreed that it disclosed that the Company had net assets.
- 6.3 *The financial position of the Company and the conduct of its business since the date of the Balance Sheet was also considered by the directors and each director confirmed that he was of the opinion that there had been no material change in the conduct of the business of the Company nor any reduction in the net assets or distributable profits of the Company since that date.*

7. **FINANCIAL ASSISTANCE**

7.1 **Compliance with statutory procedures**

(a) The Chairman reported that:

- (i) the execution by the Company of the Italian Deed of Pledge would constitute "financial assistance" (within the meaning of sections 151 and 152 of the Act);
- (ii) the giving of unlawful financial assistance was a criminal offence and, if committed by a company, such a company would be liable to be a fine and each of its officers in default would be liable to imprisonment or a fine or both; and
- (iii) subject to the provisions of the constitutional documents of the Company, the giving of financial assistance would be lawful if the provisions contained in sections 155-158 inclusive of the Act applicable to private companies were complied with.

(b) It was agreed that the Meeting should continue to consider the relevant provisions of the Act and other factors relating to the giving of the financial assistance by the Company.

7.2 **Summary of provisions relating to financial assistance**

Summarising advice given to the Company by professional advisers regarding compliance by the Company with sections 155-158 of the Act, the Chairman stated that:

- (a) under section 155(2) of the Act, financial assistance can be given by a company if it has net assets (as defined by section 154(2) of the Act) and the giving of financial assistance would not reduce such net assets (as defined in that section) or, to the extent that such net assets would be reduced, that the financial assistance would be provided out of its distributable profits;
- (b) under section 155(6) of the Act, prior to the giving of the financial assistance by the Company, all of the directors of the Company and each holding company of the Company, being a subsidiary of GMG Newco 1, would each need to make a statutory declaration in respect of the financial assistance to be given by the Company for assisting in the reducing or discharging of liabilities incurred for the purpose of the 2003 Acquisitions (as defined in the Statutory Declaration (as defined below)) in the form prescribed by section 156 of the Act to the effect that immediately following the date on which it was proposed that the assistance be given there will be no grounds on which the Company could then be found to be

unable to pay its debts in full and that the Company will be able to pay its debts as they fall due during the year immediately following that date.

In forming such opinion the directors would have to take into account the same liabilities (including contingent and prospective liabilities) as would be relevant under the provisions of sections 122 and 123 of the Insolvency Act 1986 in determining whether the Company is unable to pay its debts. These included circumstances where it is proved to the satisfaction of the Court that the value of the Company's assets is less than the amount of its liabilities, taking into account its contingent and prospective liabilities;

- (c) under section 156(4) of the Act, each declaration must have a report annexed to it from the auditors of the Company (an **"Auditors' Report"**), stating that, having enquired into the state of affairs of the Company, they were not aware of anything to indicate that the opinion expressed in the declarations was unreasonable in all of the circumstances;
- (d) in addition to considering the specific statutory requirements applicable to the giving of the financial assistance the directors were required to decide whether the giving of the financial assistance would in any event be for the benefit of the Company and constitute a proper exercise of the directors' powers; and
- (e) that section 158(4) of the Act required that the financial assistance could not be given after the expiry of 8 weeks beginning with the date on which the Company's directors made the declaration.

8. **COMPANY'S FINANCIAL ASSISTANCE**

The board considered the advice minuted at paragraph 7.2 above with respect to the Company's entry into the Italian Deed of Pledge. After due and careful consideration, IT WAS UNANIMOUSLY AGREED AND RESOLVED THAT it was the good faith judgment of the directors that it would be bona fide in the best interest and to the Company's benefit and be conducive to the attainment of its objects and in furtherance of its business to provide the financial assistance referred to.

It was noted that if the Company did not execute the Italian Deed of Pledge, the conditions of the Waiver Letter would not be satisfied, the Company would breach its obligations to the Finance Parties and Edizeta (as defined above), European Auto Trader BV (a limited liability company incorporated under the laws of The Netherlands) (one of whose indirect holding companies was TPL, the holding company of the Company), and Irish Auto Trader Limited (a limited liability company incorporated under the laws of Northern Ireland with registered number 29022) (a wholly owned subsidiary of TPL) would not be able to accede to the Facilities Agreement for the purposes of utilising the Revolving Credit Facility.

9. **COMPLIANCE WITH STATUTORY REQUIREMENTS**

9.1 There were produced to the Meeting:

- (a) a declaration relating to the financial assistance to be given by all of the directors of the Company in relation to the Company on a form 155(6)(a) (the **"Statutory Declaration"**);
- (b) an Auditors' Report (as defined above) from PricewaterhouseCoopers, the auditors of the Company, in support of the Statutory Declaration reporting that they had enquired into the state of affairs of the Company and were not aware of anything to indicate that the opinions expressed by the directors in the Statutory Declaration

regarding the ability of the Company to pay its debts as and when they fell due were unreasonable in all the circumstances;

- (c) a cash flow forecast and a set of covenant projections; and
- (d) a board memorandum (the "**Board Memorandum**") prepared by the board for the purposes of PricewaterhouseCoopers giving a non-statutory report on net assets to the Finance Parties, in satisfaction of a condition of the Facilities Agreement and the Waiver Letter.

9.2 The directors of the Company were all of the opinion, having considered the documents referred to above, that:

- (a) at the date of the Meeting and as at the date on which the financial assistance is to be given, applying the definitions contained in section 154(2) of the Act, the aggregate of the Company's assets as stated in its accounting records exceeds or will exceed the aggregate of its liabilities as similarly stated;
- (b) the giving of such financial assistance would not at the date of the Meeting, or on the date on which the financial assistance is to be given reduce the net assets of the Company;
- (c) the obligations assumed by the Company under the Italian Deed of Pledge were neither certain nor likely to be called, that no provision for all or any part of the liability under the Italian Deed of Pledge ought to be made and no reduction in the net assets of the Company would result from entering into the Italian Deed of Pledge;

and accordingly IT WAS UNANIMOUSLY RESOLVED THAT the financial assistance as proposed should be given in compliance with section 155 of the Act.

9.3 (a) The Chairman drew the attention of each and every director to the fact that the Statutory Declaration was tabled in the form prescribed by section 155(6) and section 156 of the Act relating to the financial assistance proposed to be given by the Company. It was noted that section 156(4) of the Act required an Auditors' Report to be attached to the Statutory Declaration.

(b) The Statutory Declaration was studied by all of the directors of the Company and in particular the statements that the directors had formed the opinion as regards the initial situation of the Company immediately following the date on which the financial assistance was proposed to be given that there would be no ground on which the Company could then be found unable to pay its debts in full, and that the Company would continue to be able to pay its debts as they fall due during the year immediately following the giving of the financial assistance. In this context, it was noted that "debts" included all contingent liabilities under the Finance Documents to which the Company was a party.

(c) The other statements in the Statutory Declaration were noted and approved.

9.4 The Statutory Declaration was approved and duly sworn by all the directors of the Company and the Auditors' Report was signed by PricewaterhouseCoopers and dated and attached to the Statutory Declaration.

10. **HOLDING COMPANY**

It was noted that the Company was presently a wholly owned subsidiary of Trader Publishing Limited. Accordingly, no special resolution of the Company's shareholders was required under section 155(4) or 155(5) of the Act.

11. EXECUTION AND DELIVERY OF ITALIAN DEED OF PLEDGE

The terms of the Italian Deed of Pledge were carefully considered AND IT WAS UNANIMOUSLY RESOLVED THAT:

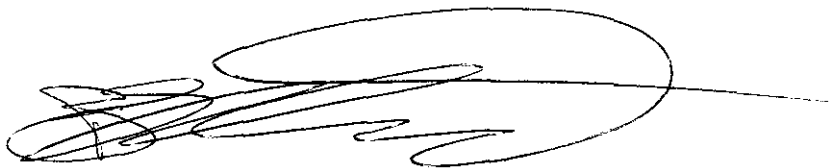
- (a) it was in the good faith and judgment of all the directors, for the commercial benefit and in the best interests of the Company to enter into the transactions proposed;
- (b) the terms of the Italian Deed of Pledge and the delivery to PricewaterhouseCoopers of a signed copy of the Board Memorandum be approved by the Company;
- (c) any two directors or any director and the secretary of the Company be authorised to execute the Italian Deed of Pledge on behalf of the Company; and
- (d) any director or the secretary either singly or with another director be authorised on behalf of the Company to execute and do all such acts, deeds, documents, certificates and notices as he may consider expedient in connection with the execution or performance by the Company of the Italian Deed of Pledge or any other agreement or document in connection therewith.

12. FILING

The secretary was instructed to complete appropriate entries in the books of the Company and arrange for all necessary forms and documents including the Statutory Declaration and the Auditors' Report to be completed and filed with the Registrar of Companies within the appropriate time limits.

13. CONCLUSION

There being no further business the Chairman declared the Meeting closed.

A large, stylized handwritten signature in black ink, consisting of several loops and a long horizontal stroke extending to the right.

Chairman