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22 May 2003

We hereby certify this to be  
a true copy of the original

*City Law Partnership*  
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City Law Partnership

DATED 11 JUNE 2003

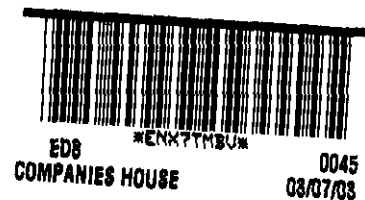
**SUPPLEMENTAL SUBSCRIPTION AND ADVERTISING AGREEMENT**

**BETWEEN**

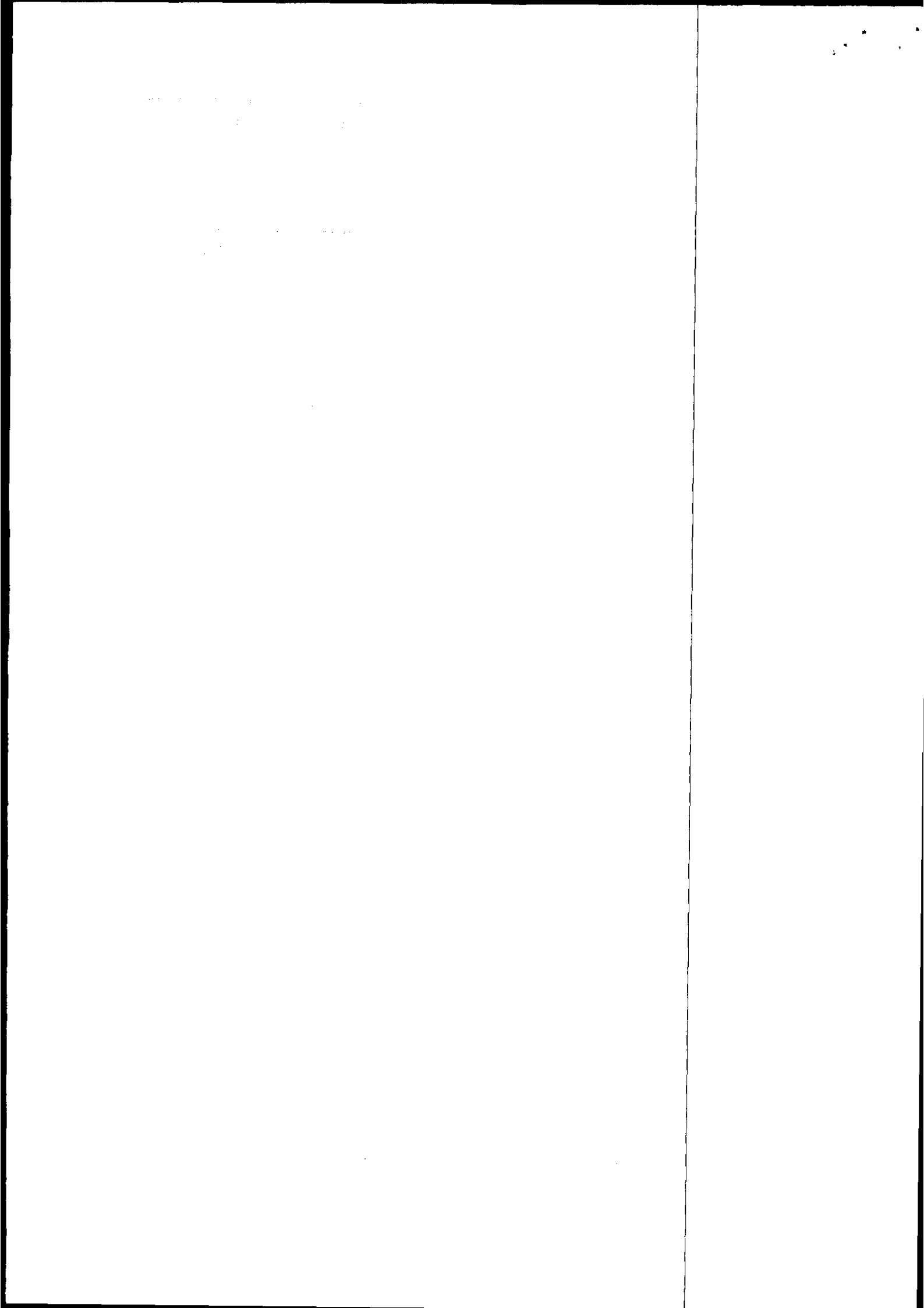
**ASSOCIATED NEWSPAPERS LIMITED**

*and*

**INDIGO HOLIDAYS LIMITED**



**CITY LAW PARTNERSHIP  
99 CHARTERHOUSE STREET  
LONDON EC1M 6NQ  
TEL: 020 7253 5505  
FAX: 020 7253 5525**



THIS AGREEMENT IS DATED THE 11<sup>th</sup> day of June 2001



C.A.J.

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**BETWEEN**

- (A) **ASSOCIATED NEWSPAPERS LIMITED** a company registered in England (Company number 84121) whose registered office is situate at Northcliffe House, 2 Derry Street, London W8 5TT ("**Associated**"); and
- (B) **INDIGO HOLIDAYS LIMITED** a company registered in England (Company number 4081927) whose registered office is situate at 99 Charterhouse Street, London EC1M 6NQ (the "**Company**")

**RECITALS**

- A. The Company is a private company limited by shares incorporated 27th September 2000 having at the time of execution of this agreement an authorised share capital of £1,260,000 divided into 2,000,000 'A' ordinary shares of 0.1p, each 3,000,000 'C' ordinary shares of 0.1p each and 1,255,000,000 Preference Shares of 0.1p each.
- B. By a Subscription Agreement and Advertising Agreement between Associated and the Company dated 5 September 2001, Associated subscribed for 342,638 'B' Ordinary Shares in the Company (the "Subscription Agreement").
- C. At the date hereof Associated holds 1,059,306 'A' Ordinary Shares and 1,255,000,000 Preference Shares in the Company subject to the Subscription and Shareholders' Agreement entered into between the Company and the shareholders of the Company dated September 2001 (the "Shareholders Agreement").
- D. At 31<sup>st</sup> May 2003 the Company had unused Media Space amounting to £863,581.08 (exclusive of VAT).
- E. Associated has agreed to subscribe for 463,400 'A' Ordinary Shares (the "Additional Shares") in the Company subject to the terms set out herein and of the New Shareholders Agreement providing Media Space as non-cash

consideration and the Company hereby acknowledges and accepts such subscription and allotment.

**NOW IT IS HEREBY AGREED AS FOLLOWS:-**

**1. DEFINITIONS**

in the recitals hereto and in this agreement:

1.1 Words and expressions defined in the Subscription Agreement shall (except where otherwise provided herein) have the same meaning wherever used herein and those provisions of the Subscription Agreement dealing with construction and interpretation shall (except where otherwise provided herein) apply equally herein. The Provisions of the Subscription Agreement are incorporated in this Agreement to the extent they are not inconsistent with the terms of this Agreement.

1.2 Unless there be something in the subject or context inconsistent therewith the following expressions have the following meanings:

**"Additional Advertising Period"** the period from 1 January 2004 until 31 December 2006;

**"Additional Consideration"** means the right to use the Additional Media Space.

**"Additional Media Space"** means the commercial advertising space amounting to £2,636,419 exclusive of VAT to be supplied to the Company by Associated for Advertisements in the Media as non-cash consideration for the Allotment on the same terms as the Media Space is provided to the Company in the Subscription Agreement but subject to the Rates set out in the Schedule.

<b>"Additional Shares"</b>	means 463,400 'A' Ordinary Shares allotted and issued to Associated as fully paid (as detailed in Clause 4).
<b>"Allotment"</b>	the allotment of the Additional Shares as detailed in Clause 4 to be granted by the Company to Associated in return for the Additional Media Space.
<b>"New Shareholders Agreement"</b>	means the Subscription and Shareholders Agreement dated 5 <sup>th</sup> June 2003 between the Company, Associated and others
<b>"New Rate Card"</b>	means in relation to the Media, and at any time, the rate card price for the supply of mono advertising space within the classified travel features and/or sections in such Media at such time.
<b>"Shareholders Agreement"</b>	as defined in Recital C above.
<b>"Subscription Agreement"</b>	as defined in Recital B above.

2. **COMMENCEMENT AND TERM**

This Agreement shall commence on the date hereof and shall continue until terminated in accordance with the provisions of Clause 15.2 and 15.3 of the Subscription Agreement.

3. **SUBSCRIPTION AND CONSIDERATION**

The Company shall effect the Allotment of the Additional Shares. In consideration for the Allotment Associated shall supply to the Company the Additional Consideration in the form of Additional Media Space to be used by the Company during the Additional Advertising Period.

4. **ALLOTMENT**

The Company shall at the date hereof:

- 4.1 Allot and issue to Associated credited as fully paid 463,400 'A' Ordinary Shares free from all claims, liens, charges, encumbrances and equities including any lien under the Articles and together with all rights attaching thereto and such shares shall save as stated in the Articles rank pari passu in all respects with all other shares then in issue.
- 4.2 Deliver to Associated the share certificate and shall enter Associated in its register of members and shall promptly thereafter complete and deliver to the registrar of companies all such documents as may be required under the Companies Act 1985 in respect of the Allotment.
- 4.3 Save as modified by this Agreement the Subscription Agreement shall continue in full force in all respects.

## 5. ADDITIONAL MEDIA SPACE

The Additional Media Space supplied by Associated shall be:

- 5.1 Used tactically in accordance with market demand as agreed by Associated and the Company in advance following consultation between the parties in good faith and in the event shall be staggered on a monthly basis so that thirty three and a third percent (33<sup>1/3</sup>%) of the £2,636,419 utilised by the Company in each consecutive 12 month period commencing from 1 January 2004.
- 5.2 Subject to Clause 5.3 on the terms set out in Clauses 5.7.2-5.7.5 inclusive of the Subscription Agreement.
- 5.3 On the terms set out in the Schedule hereto.

**6. SUPERSEDES**

Save for the Shareholders Agreement the New Shareholders Agreement and Subscription Agreement this Agreement supersedes any previous agreement between the parties in relation to its subject matter and represents the entire understanding between the parties in relation thereto.



## 7. NOTICES

Any notice required to be given under this Agreement shall be given "in writing" and must be signed by a Director or other duly authorised representative of the party giving notice and sent by courier, recorded delivery or first class mail with a copy by fax to:

- 7.1 In the case of Associated, Simon Dyson with a copy to the company secretary, Northcliffe House, 2 Derry Street, London W8 5TT. Fax No: 0207 937 3073.
- 7.2 In the case of the Company, The Company Secretary, Prestige House, 23-26 High Street, Egham, Surrey TW20 9DU. Fax No: 01784 431458 (or insert direct fax) or to such other persons or addresses as may be notified by one party to the other in advance in writing from time to time.
- 7.3 Notices shall be deemed to have been duly served (in the case of courier delivery) at the date and time of delivery) in the case of recorded delivery or first class mail service) on the third Business Day after posting or (in the case of fax service) at the time showing on the faxing party's fax transmission sheet. Notice may not be given by electronic mail.

## 8. GOVERNING LAW AND JURISDICTION

The construction, validity and performance of this Agreement shall be governed by English Law and the parties hereby submit to the exclusive jurisdiction of the English Courts.

**AS WITNESS** the hands of the duly authorised representatives of the parties hereto the day and year written at the top of this Agreement.





### SCHEDULE 1

1. Following the supply of Additional Media Space to the Company, there shall be deducted from Associated's commitment under clause 3 the value of the Additional Media Space so supplied calculated in accordance with clause 2 below.
2. In order to calculate the value of the Media Space supplied to the Company for the purpose of clause 1 of this Schedule and clause 3 of this Agreement any VAT chargeable in respect of such Additional Media Space shall be ignored and the Additional Media Space supplied on any particular occasion shall be valued:
  - 2.1 in the case of Additional Media Space in The Mail on Sunday at eighty seven pounds (£87) per single column centimetre (where Rate Card price is one hundred and twenty pounds (£120) per single column centimetre) for advertising in The Mail on Sunday;
  - 2.2 in the case of Additional Media Space in the Daily Mail (Saturday) at eighty four pounds (£84) per single column centimetre (where the Rate Card price is one hundred and twenty two pounds (£122) per single column centimetre) for advertising in the Daily Mail (Saturday);
  - 2.3 in the case of Additional Media Space in the Daily Mail (Wednesday) at sixty four pounds (£64) per single column centimetre (where the Rate Card price is one hundred pounds (£100) per single column centimetre) for advertising in the Daily Mail (Wednesday);
  - 2.4 in the case of Additional Media Space in the Evening Standard at twenty seven pounds (£27) per single column centimetre (where the Rate Card Price is thirty seven pounds and fifty pence (£37.50) per single column centimetre) for advertising in the Evening Standard; and
  - 2.5 in the case of Additional Media Space in the Metro at twenty seven pounds (£27) per single column centimetre (where the Rate Card price is fifty two pounds (£52) per single column centimetre) for advertising in the Metro.
3. No frequency or volume deductions will be available to the Company and the rates set out in clause 2 of this Schedule shall apply unless as varied or amended by Associated only to reflect adjustments to the Rate Card from time to time or as otherwise agreed in writing by the Company and Associated.
4. For the avoidance of doubt the rates set out in clause 2 of the Schedule are for mono advertising only and a surcharge (to be agreed by the Company and Associated from time to time) will be due for any colour Advertisements.

5. The space size and positioning of the Advertisements in the Additional Media Space will be determined by consultation between Associated and the Company in good faith.
6. The Additional Media Space supplied by Associated shall be:
  - 6.1 used tactically in accordance with market demand as agreed by Associated and the Company in advance following consultation between the parties in good faith and in any event shall be staggered on a monthly basis so that twenty five percent (35%) of the total Additional Media Space Spend is utilised by the Company in the each consecutive twelve month period commencing from the Commencement Date;
  - 6.2 free of commission charges;
  - 6.3 available for use and shall be used only subject to the Standard Terms of Associated;
  - 6.4 used by the Company at all times strictly in accordance with the media plan (if any) agreed between the parties from time to time; and
  - 6.5 used solely to advertise the business and services of the Company or any other Group Company.
7. Any Group Company shall be entitled to use any of the Additional Media Space.

#### 8. **UNUTILISED SPEND**

Save in the event of a termination of this Agreement for whatever reason, any amount of the Additional Media Space spend not used by the Company or any other Group Company during the Advertising Period can be carried over beyond the Advertising Period if agreed by Associated in writing and may be used by the Company at such time as Associated and the Company shall mutually and in good faith agree.

#### 9. **INVOICING AND VAT**

- 9.1 Associated shall:
  - 9.1.1 raise to the Company invoices monthly at the end of each month setting out the amount of Additional Media Space used by the Company in that month and properly drawn for VAT purposes and showing any VAT due thereon;
  - 9.1.2 deliver the invoices to the Company within 7 Business Days of the end of the relevant month; and
  - 9.1.3 keep records relating to all invoices raised hereunder.
- 9.2 The Company shall pay any VAT payable in respect of the Additional Media Space in cash at the rate and in the manner prescribed by law.

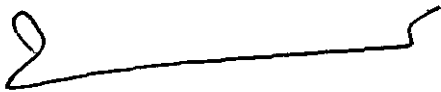
- 9.3 Any sum payable by the Company which is not paid when due shall bear compound interest at the rate of 2 per cent, above the base lending rate of Barclays Bank plc from time to time calculated with monthly interest and shall be paid monthly in arrears.
- 9.4 All records kept by Associated hereunder shall be final and binding between the parties to this Agreement in the absence of manifest error.

**EXECUTED BY THE PARTIES**

SIGNED BY SIMON DYSON       )  
FOR AND ON BEHALF OF       )  
**ASSOCIATED NEWSPAPERS**    )  
**LIMITED**                        )

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SIGNED BY ROBERT PAULIN     )  
CLINTON FOR AND ON BEHALF   )  
OF INDIGO HOLIDAYS LIMITED   )



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