

Company number: 4162019

PRIVATE COMPANY LIMITED BY SHARES

**WRITTEN RESOLUTION
OF
CHAPMAN ENTERTAINMENT LIMITED**

(the "Company")

Circulated on *16 June 2010* (the "Circulation Date")

Pursuant to Chapter 2 of Part 13 of the Companies Act 2006, the directors of the Company propose that the following resolution is passed as a special resolution (the "Resolution")

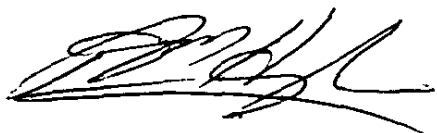
SPECIAL RESOLUTION

"**THAT** subject to and conditional upon the passing of a special resolution by the holder of the A Ordinary Shares of £0.01 each and the passing of a special resolution by the holder of the B Ordinary Shares of £0.01 each, the articles of association attached to this written resolution be and hereby are approved and adopted as the articles of association of the Company in substitution for, and to the exclusion of, the existing articles of association of the Company "

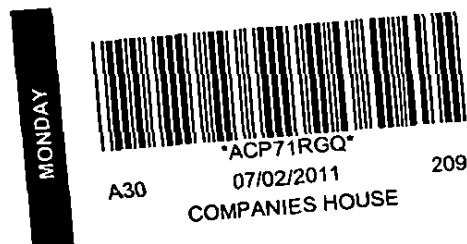
AGREEMENT

Please read the notes at the end of this document before signifying your agreement to the Resolution

The undersigned, being the sole member entitled to vote on the Resolution on the Circulation Date, hereby irrevocably agrees to the Resolution



for and on behalf of
Chapman Entertainment (Pavilion) Limited
Dated



NOTES

- 1 If you agree with the Resolution, please indicate your agreement by signing and dating this document where indicated above and returning it to the Company
- 2 If you do not agree to the Resolution, you do not need to do anything you will not be deemed to agree if you fail to reply
- 3 Once you have indicated your agreement to the Resolution, you may not revoke your agreement.
- 4 Unless sufficient agreement has been received for the Resolution to be passed before the end of the period of 28 days beginning on the Circulation Date, it will lapse. If you agree to the Resolution, please ensure that your agreement reaches us before the end of this period.

THE COMPANIES ACTS 1985 TO 2006
PRIVATE COMPANY LIMITED BY SHARE

ARTICLES OF ASSOCIATION

of

CHAPMAN ENTERTAINMENT LIMITED
(the "Company")

Adopted by special resolution
passed on 16 June 2010

1 Preliminary

1.1 In these articles the following definitions apply

<i>Act</i>	the Companies Act 1985 but so that any reference in these articles to any provision of the Act shall be deemed to include a reference to any statutory modification or re-enactment of that provision for the time being in force save where express provision is made to the 2006 Act,
<i>2006 Act</i>	the Companies Act 2006, but so that any reference in these articles to any provision of the 2006 Act shall be deemed to include a reference to any statutory modification or re-enactment of that provision for the time being in force,
<i>Board</i>	the board of Directors from time to time,
<i>Competitor</i>	any person or entity (including but not limited to HIT Entertainment, Chorion, Entertainment Rights, Endemol, Copyright Promotions, Target, Contender, Momentum, Universal, Warners, Sony, Disney, Miramax, Working Title, Granada, BBC, ITV, Five, Sky, MTV, Nickelodeon, Create TV / Lego and VCI) that competes with the business carried on by the Company or its subsidiaries at the relevant time,
<i>Connected Person</i>	as defined by section 839 of the Income and Corporation Taxes Act 1988,
<i>Controlling Interest</i>	shares in the capital of the Company conferring in aggregate over 50 per cent of the total voting rights conferred by all of the shares in the capital of the Company for the time being in issue and conferring the right to vote at all general meetings of the Company and shall include shares held by all persons

who in relation to each other are Connected Persons,

Director a director of the Company from time to time (including, where applicable, an alternate director),

Table A Table A in the Companies (Tables A to F) Regulations 1985 as amended by the Companies (Tables A to F) (Amendment) Regulations 1985 and the Companies Act 1985 (Electronic Communications) Order 2000, The Companies (Tables A to F) (Amendment) (No 2) Regulations 2007 References to regulations are to regulations in Table A,

Statutes the Act and the 2006 Act and any statutory modification or re-enactment thereof for the time being in force and every other Act concerning companies and affecting the company

1 2 Subject as hereinafter provided, the regulations contained in Table A shall apply to the company

1 3 In these articles, references to a "regulation" or regulations are unless the context otherwise requires, references to regulations of Table A

1 4 Regulations 3, 17, 24, 38, 40, 42, 50, 60, 61, 64, 69, 72, 73 to 80 inclusive, 84, 85, 87 to 89 inclusive, 91, 101 and 118 shall not apply to the company, but the articles hereinafter contained and the remaining regulations of Table A, as hereinafter modified, shall constitute the regulations of the company

2 **Shares**

2 1 The share capital of the company at the date of the adoption of these articles is £255 divided into 15,500 "A" ordinary shares of £0 01 each ("A" Shares") and 10,000 "B" ordinary shares of £0 01 each ("B" Shares")

2 2 The "A" Shares and the "B" Shares shall be separate classes of shares but save as hereinafter otherwise provided shall carry the same rights and privileges and shall rank pari passu in all respects

2 3 Subject to the provisions of the Statutes, the company may purchase any of its own shares (including any redeemable shares) Regulation 35 shall be modified accordingly

3 **Lien**

3 1 The lien conferred by regulation 8 shall apply to

3 1 1 all shares of the company, whether fully paid or not,

3 1 2 all shares registered in the name of any person indebted or under liability to the company, whether he be the sole registered holder thereof or one of several joint holders,

and shall be for all indebtedness or other liability to the company of the holders or holders thereof

Regulation 8 shall be modified accordingly

4 **Transfer of Shares**

4 1 Subject to articles 4 11 and 4 12 and unless in any particular case the holders of all of the "A" Shares and the "B" Shares otherwise agree in writing, none of the shares of the

company shall be transferred and the Directors shall not register any transfer of any shares of the company except pursuant to this article

- 4 2 Save where article 4 13 applies, every holder of "A" Shares or "B" Shares who wishes to transfer any of his shares or to dispose of any interest in such shares (such holder being hereinafter referred to as a "Vendor") shall serve on the Directors of the company a notice in writing of his wish to do so accompanied by the relevant share certificate. Such notification ("Transfer Notice") shall state the number and class of shares which the Vendor desires to transfer or dispose of an interest in and shall constitute the Directors his agents for the sale of such shares ("the Sale Shares") at the Sale Price (as defined in article 4 10). The Transfer Notice shall also give details of the person to whom the Vendor wishes to transfer the Sale Shares in the event that purchasers for the Sale Shares shall not be found pursuant to articles 4 3 to 4 6 (inclusive). The Vendor may by notice in writing given to the company within seven days after communication to him of the fair value per share of the Sale Shares withdraw the Transfer Notice.
- 4 3 Within seven days after a Transfer Notice is received by the Directors or is deemed to have been given or, if later, within seven days after the Sale Price shall be determined, the Director shall, subject to the right of the Vendor to withdraw the Transfer Notice pursuant to article 4 2 having not been exercised, offer the Sale Shares (giving details in writing of the number of the Sale Shares and the Sale Price (such notice of offer referred to as an "Offer Notice")) in the case of "A" Shares to the holders of the then existing "A" Shares (other than the Vendor) pro rata as nearly as may be in proportion to the numbers of "A" Shares then held by such holders and in the case of "B" Shares to the holders of the "B" Shares (other than the Vendor) pro rata as nearly as may be in proportion to the numbers of "B" Shares then held by such holders, and inviting each such shareholder to state in writing within 21 days from the date of the Offer Notice whether he is willing to purchase any of the Sale Shares at the Sale Price and, if so, the maximum number of Sale Shares he is willing to purchase. The Directors shall also give details to the holders of the "A" Shares and the "B" Shares of the person to whom the Vendor wishes to transfer the Sale Shares in the event that no purchaser shall have been found pursuant to articles 4 3 to 4 6 (inclusive). At the expiry of the said period the balance of any Sale Shares offered to the holders of shares of a class which have not been accepted for purchase shall be offered to the holders of the shares of the same class who have agreed to purchase all the shares to which they are respectively entitled who shall, if more than one, be entitled to purchase such balance of shares in the proportion as nearly as may be possible to the number of shares of the class in question (including any accepted pursuant to the previous provisions of this article) then held by each of them respectively. Such further offer shall be deemed to have been refused if not accepted within 14 days of the date of the relevant offer.
- 4 4 If the Directors do not before the expiry of the 14 day period referred to in article 4 3 find holders of "A" Shares willing to purchase all the "A" Shares offered or holders of "B" Shares willing to purchase all the "B" Shares offered, the Directors shall then offer the balance of such Shares to the holders of the other class of Shares and the provisions of article 4 3 shall apply mutatis mutandis to such offer.
- 4 5 The Directors shall on the expiry of the above period give notice to the Vendor of the numbers of Sale Shares which members are willing to purchase. Every such notice shall state the name and address of each proposed purchaser and the number of shares agreed to be purchased by him. If the Directors shall have found members willing to purchase some but not all of the Sale Shares, the Vendor may within 21 days of the receipt of such notice from the Directors give a counter-notice in writing to the Directors withdrawing the Transfer Notice. If the Directors shall have found members willing to purchase all the Sale Shares or if no such counter-notice shall have been given by the Vendor within the aforesaid period, the Vendor shall be bound, on receipt of the Sale Price per share, to transfer the Sale Shares (or such of the same for which the Directors shall have found purchasers) to the purchasers specified by the Directors in accordance with this article. The purchase shall be completed as soon as reasonably practicable at a place and time to be appointed by the Directors when against payment of the Sale Price and any relevant stamp duties, the purchaser(s) shall be registered as the holders of the relevant shares in the Register of

Members of the company and share certificate(s) in the name(s) of such purchaser(s) and in respect of the relevant shares shall be delivered. Shares sold by the Vendor in accordance with the foregoing provisions shall be sold with full title guarantee.

- 4 6 If the Vendor, after having become bound to transfer any Sale Shares to a purchaser, makes default in so doing, the Directors shall authorise some person to execute any necessary transfers of the Sale Shares in favour of the purchaser and shall enter the name of the purchaser in the Register of Members as the holder of such of the Sale Shares as shall have been transferred to the purchaser as aforesaid. The company shall receive the purchase monies on behalf of the Vendor but shall not be bound to earn or pay interest thereon. The receipt of the company for the purchase money shall be good discharge to any purchaser who shall not be bound to see to the application thereof, and after the name of the purchaser has been entered in the Register of Members in purported exercise of the aforesaid powers the validity of the proceedings shall not be questioned by any person.
- 4 7 If by the end of the applicable period specified in article 4 5
- 4 7 1 the Directors shall not have found purchasers for all the Sale Shares pursuant to this article, and
- 4 7 2 the Vendor has not withdrawn the Transfer Notice,
- and in respect of a transfer of "B" Shares the person to whom the Vendor wishes to transfer the Sale Shares named in the Transfer Notice is not in the reasonable opinion of the "A" Directors a Competitor, the Vendor shall be at liberty to sell and transfer those Sale Shares for which no purchasers shall have been found, at any time within the following three months to the person named in the Transfer Notice as the person to whom the Vendor wished to transfer the Sale Shares in the event that purchasers for the Sale Shares were not found pursuant to articles 4 3 to 4 6 at any price not being less than the Sale Price and on terms whereby the Sale Price shall be payable in full on completion of the sale.
- 4 8 If a Vendor shall sell any of the Sale Shares to a person under the provisions of article 4 7, the Directors may, before registering the transfer of such Shares to such person, require the Vendor and the purchaser to furnish the company with such information, supported if the Directors so require by statutory declaration, as they may consider necessary in order to be satisfied that the price paid for each such Share was not less than the Sale Price and if relevant that the proposed purchaser is not a Competitor and that the transfer is not part of a larger transaction of one of a series of related transactions under which a rebate or other compensatory benefit is given by or on behalf of the Vendor.
- 4 9 For the purpose of ensuring that a transfer of "A" Shares or "B" Shares is in accordance with the foregoing provisions of this article and duly authorised hereunder or for the purpose of ascertaining when a Transfer Notice is deemed to have been given under these articles, the Directors may require any member, the legal personal representatives of a deceased member, the trustee in bankruptcy of a bankrupt member or the liquidator of any corporate member or any similar official appointed under the laws of any relevant jurisdiction or any person named as transferee in any transfer lodged for registration to furnish to the company such information and evidence as the Directors may think fit regarding any matter they deem relevant to such purpose. Failing such information or evidence being furnished to the satisfaction of the Directors within a reasonable time after such request or if any such information or evidence discloses that a Transfer Notice ought to have been given or shall be deemed to have been given in respect of any shares, the Directors shall refuse to register the transfer in question and shall, except where a Transfer Notice shall be deemed to have been given, be entitled to serve a Transfer Notice in respect of the "A" Shares or the "B" Shares concerned and the provisions of these articles shall take effect accordingly.
- 4 10 For the purpose of this article the expression "the Sale Price" shall mean the price per share (if any) specified in the Transfer Notice or (if no such price is so specified) the fair value per share agreed between the Vendor and the Directors or failing agreement as the auditors of the company acting as experts and not as arbitrators shall determine to be in their opinion.

the fair selling value of the Sale Shares on the open market having regard to the fair value of the business of the company as a going concern and on the basis of an arm's length transaction as between a willing vendor and a willing purchaser but disregarding (i) the fact that the Sale Shares may comprise only a minority holding in the company and (ii) any difference in the rights attributable to the "A" Shares and the "B" Shares. The determination of the auditors shall be final and binding on all concerned. The cost of obtaining the determination of the auditors shall be borne by the Vendor. For this purpose the auditors shall be given by the Directors, and shall take account of, all information which a prudent prospective purchaser of the entire issued share capital of the company might reasonably require if such purchaser were proposing to purchase it from a willing Vendor by private treaty and at arm's length.

4 11 The provisions of articles 4 1 to 4 10 (inclusive) shall not apply to

- 4 11 1 any transfer of "A" Shares by one holder to another holder of "A" Shares,
- 4 11 2 any transfer of "B" Shares by one holder to another holder of "B" Shares,
- 4 11 3 any transfer by a member to a privileged relation of such member,
- 4 11 4 any request by a person becoming entitled to a share in consequent of the bankruptcy of a member to be registered as the holder of such share,
- 4 11 5 any transfer by the personal representatives of a deceased member to any widow, widower or child or remoter issue or parent or brother or sister of such deceased member,
- 4 11 6 any transfer to trustees to be held on the trusts of a family settlement, or
- 4 11 7 in the case of a member being a body corporate, any transfer to a member of the same group

4 12 For the purposes of this article 4

- 4 12 1 "privileged relation" means, in relation to any individual, the husband or wife or widower or widow and all lineal descendants and ascendants in direct line and brothers and sisters of such individual (including the husband or wife or widower or widow of any of the above persons),
- 4 12 2 where shares have been transferred under article 4 11 6 to trustees, the relevant shares may on a change of trustees be transferred to the trustees for the time being of the trusts concerned and article 4 11 3 shall be deemed to permit transfers of any of the relevant shares to privileged relations of the member or former member concerned rather than to privileged relations of any such trustee. If and whenever any of the relevant shares become held otherwise than on family trusts (except in connection with a transfer by the trustee authorised under this article) the trustees shall be bound to notify the Directors in writing forthwith that such event has occurred and, if and when required in writing by the Directors so to do, to give/deemed to have given a Transfer Notice (as defined in articles 4 1 to 4 10 (inclusive)) in respect of the shares concerned,
- 4 12 3 "family trusts" means a trust (whether arising under a settlement inter vivos or a testamentary disposition by whomsoever made or on an intestacy) under which no immediate beneficial interest in the shares in question is for the time being vested in any person other than an individual member or deceased or former member and his privileged relations and no power of control over the voting powers conferred by such shares is for the time being exercisable by or subject to the consent of any person other than the trustees in their capacity as trustees or the member concerned or a privileged relation of such member,

- 4 12 4 where shares have been transferred under article 4 11 7 (whether directly or by a series of transfers thereunder) from a body corporate ("the transferor company", which expression shall not include a second or subsequent transferor in such a series of transfers) to a member of the same group ("the transferee company") (otherwise than under a scheme of reconstruction or amalgamation whereunder the transferee company ceases to be a member of the same group as the transferor company, ceases to be a member of the same group as the transferor company, the transferor company is placed in liquidation and the transferee company acquires the whole or the major part of its undertaking and assets), and subsequently the transferee company ceased to be a member of the same group as the transferor company, the transferee company shall be bound to notify the Directors in writing forthwith that such event has occurred and (unless within 14 days after such event the relevant shares are transferred to the transferor company, any such transfer being deemed to be authorised under article 4 10 9) the transferee company shall be bound, if and when required in writing by the Directors so to do, to give a Transfer Notice (as defined in articles 4 1 to 4 9 (inclusive) in respect of the relevant shares,
- 4 12 5 "a member of the same group" means a company (within the meaning ascribed thereto by section 736 of the Act) which is for the time being a holding company or a company acquiring the whole or the major part of the undertaking and assets of the transferor company under a scheme of reconstruction or amalgamation pursuant to which the transferor company is placed in liquidation, and
- 4 12 6 "the relevant shares" means and includes, so far as the same remain for the time being held by the trustees or the transferee company (as the case may be), the shares originally transferred and any additional shares issued or transferred to the trustees or the transferee company (as the case may be) by virtue of the holding of the relevant shares or any of them or the membership thereby conferred

Drag Along Rights

- 4 12 7 The holders of 75% or more of the issued shares of the Company (herein referred to as "the Vendors") shall, at any time, have the right (the "Drag Along Right") to require all (but not some only) of the other holders of the Shares (the "Called Shareholders") to transfer all of the Shares held by the Called Shareholders to any person or persons (other than an existing member) (the "Third Party") who is a bona fide purchaser at arms length to whom the Vendors have agreed to transfer all their Shares (the "Transfer Shares") provided that
- 4 13 1 1 the Drag Along Right may be exercised by the Vendors serving written notice to that effect signed by each Vendor (the "Drag Along Notice") on the Called Shareholders (including option holders and warrant holders on the basis that options or warrants will be deemed to have been exercised on the delivery of the Drag Along Notice) specifying that each Called Shareholder is required to transfer its Shares (the "Called Shares") pursuant to this Article 4 13 The Vendors shall provide the Called Shareholders with such information as they may reasonably request in relation to the offer,
- 4 13 1 2 a Drag Along Notice once given shall be irrevocable but shall lapse (and the obligations thereunder shall lapse) in the event that for any reason the Vendors do not transfer all of the Transfer Shares to the Third Party within 75 days from the date of the Drag Along Notice or,
- 4 13 1 3 the proceeds of any sale pursuant to a Drag Along Notice shall be applied pro rata amongst all shareholders according the number of shares held,

4 13 1 4 upon the exercise of the Drag Along Right in accordance with the Article 4 13 each of the Called Shareholders shall be bound to sell its Called Shares for the same price per share as the price per share that the Vendors are proposing to transfer their shares (the "Drag Along Price") and otherwise in accordance with this Article 4 13,

4 13 1 5 completion of the sale of the Called Shares shall take place on the date specified for that purpose by the Vendors to the Called Shareholders in the Drag Along Notice save that -

- (i) the Vendors may not specify a date that is less than 65 days after the date of the Drag Along Notice, and
- (ii) the date so specified by the Vendors shall be the same date as the date proposed for completion of the sale of the Transfer Shares,

unless, in the case of the sale by any particular Called Shareholder, that Called Shareholder and the Vendors otherwise agree

4 12 8 If any Called Shareholder fails to carry out the sale of any of the Called Shares in accordance with this Article 4 13 the Directors may authorise one of their number to execute a stock transfer of the Called Shares to the Third Party (or as it may direct) and the Company may give a good receipt for the purchase price of such Called Shares and may register the Third Party as holder thereof and issue to it (or as it may direct) certificates for the same whereupon the Third Party shall be indefeasibly entitled thereto. The Called Shareholder shall in such case be bound to deliver up its certificates or an indemnity in respect thereof for the Called Shares to the Company whereupon the Called Shareholder shall be entitled to receive the Drag Along Price which shall in the meantime be held by the Company on trust for the Called Shareholder but without interest

4 12 9 Any one or more of the Called Shareholders (the "Minority Shareholder") shall have the right, within 45 days of the receipt of a Drag Along Notice, to offer to purchase, either on their own account or by a new company in which they hold shares, and the Vendors and the other Called Shareholders shall be obliged to sell, all (but not some only) of the shares of the Vendors and the other Called Shareholders on the following basis -

4 13 3 1 the obligation to buy and sell shall only arise upon receipt by the Vendors and the other Called Shareholders of notice to that effect from the Minority Shareholder together with reasonable evidence in the opinion of the Vendors that they will be able to pay the price for the same not more than 120 days after the date of service of the Drag-Along Notice,

4 13 3 2 no warranties shall be given other than warranties as to title of any shares held by it, and

4 13 3 3 the price per share shall be the same as the Drag Along Price,

provided always that the right of the Minority Shareholder under this Article 4 13 3 shall lapse automatically if (1) no notice has been served by them on the Vendors within the 60 day period referred to above or (2) they have failed to tender the price for the Vendors' and the other Called Shareholders' shares, within 120 days of receipt of a Drag Along Notice. In the event of more than one offer to purchase being made by a Minority Shareholder, the Vendors (acting by a majority) shall choose which offer they will accept and the other Called Shareholders shall be obliged to transfer all of their shares to that Minority Shareholder

Tag Along Rights

- 4 13 No sale or transfer of the legal or beneficial interest in any "A" Shares may be made or validly registered if, as a result of such sale or transfer and registration thereof, a Controlling Interest is obtained in the Company -
- 4 13 1 by persons who were not members of the Company on the date of these Articles were adopted, or
- 4 13 2 by a company (other than a company in which one or more of the members of the Company, or persons acting in concert (which expression shall have the meaning ascribed to it in the City Code on Takeovers and Mergers) with any member of the Company or, as a result of such sale or transfer, will have a Controlling Interest),

unless the proposed transferees have offered to purchase all the "B" Shares in issue at a price per share equal to that which the proposed transferees have offered to purchase all of the "A" Shares in issue, provided that this Article 4 14 shall not apply to any transfer of shares under Article 4 11 No warranty shall be required of or given by any "B" Shareholder other than as to title to any shares held by it in respect of a transfer pursuant to this Article 4 14

For the purpose of this Article the expressions "transfer" and "transferee" shall include respectively the renunciation of a renounceable letter of allotment and the renounce under any such letter of allotment

Registration of Transfers

- 4 14 Notwithstanding anything contained in these articles, the Directors may decline to register any transfer of any share on which the company has a lien or any transfer of any share (whether or not a fully-paid share) to a person of whom they shall not approve and shall, subject to article 4 10 to 4 11 (both paragraphs inclusive), refuse to register any proposed transfer of a share other than a transfer made pursuant to or permitted by the provisions of articles 4 1 to 4 9 (both paragraphs inclusive), and articles 4 13 and 4 14

5 Transmission of shares

Notwithstanding anything to the contrary contained in regulations 29 to 31, the Directors shall not be bound to register as a member any person becoming entitled to a share in consequence of the death, bankruptcy or liquidation of a member save as provided in articles 4 10 5 and 4 10 6 and may refuse to do so if the Directors are of the opinion that the registration of such person will not be conducive to the interests of the company and the Directors shall not be bound to give any reason for their opinion In the event of such refusal being notified by the Directors to such person in writing or if the person aforesaid shall elect to transfer any shares without having been registered as a holder thereof such person shall be deemed to be a Vendor and to have served a Transfer Notice (within the meaning of article 4 2) in respect of all shares to which he has so become entitled seeking transfer at the fair value as determined by the auditors of the company in accordance with article 4 9 and the provisions of articles 4 1 (inclusive) shall apply as if such person were a holder of such share

6 Variation of rights

- 6 1 The special rights attached to the "A" Shares and the "B" Shares may in each case, whether or not the company is or is about to be wound up, be varied or abrogated with prior consent in writing of the holders of three-fourths of the "A" Shares, and the holders of three-fourths of the "B" Shares, or with the sanction of an Extraordinary Resolution passed at separate general meetings of the holders of shares of each class each voting separately as a class
- 6 2 To every such separate meeting the provisions of these articles with respect to notice of and proceedings at general meetings shall mutatis mutandis apply, but so that the requisite

quorum shall be one person holding or representing one-quarter of the issued shares of the class and that any holder of shares of the appropriate class present or represented may demand a poll

7 Proceedings at general meetings

7 1 The words "seven weeks" shall be substituted for the words "eight weeks" in regulation 37

7 2 A general meeting called for the passing of a special resolution or a resolution appointing a director shall be called by at least fourteen clear days' notice but a general meeting may be called by shorter notice if it is so agreed

7 2 1 by a majority in number of the members having a right to attend and vote thereat, being a majority together holding not less than 90%, in nominal value of the shares giving that right

7 2 2 The notice shall specify the time and place of the meeting, the general nature of the business to be transacted and the terms of any resolution to be proposed at it

7 3 Subject to the provisions of these articles and to any restrictions imposed on any shares, the notice shall be given to all members, to all persons entitled to a share in consequence of the death or bankruptcy of a member and to the Directors and the auditors

7 4 Regulation 41 shall be modified by the insertion at the end of that regulation of the following sentence "If at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting the meeting shall be dissolved"

7 5 No business shall be transacted at any general meeting unless the requisite quorum is present at the commencement of the business of the meeting and also when such business is voted upon Two members personally present (of whom one at least shall be a holder of "A" Shares, and one at least a holder of "B" Shares) shall be a quorum for all purposes A corporation being a member shall be deemed to be personally present if represented in accordance with the provisions of section 323 of the 2006 Act

7 6 The chairman at every general meeting of the company shall be a Director and shall be appointed by the holders of the "B" Shares but failing such appointment by the holders of the "A" Shares The chairman shall not have a second or casting vote

7 7 A poll may be demanded at any general meeting by the chairman or by any member present in person or by proxy and entitled to vote Regulation 46 shall be modified accordingly

7 8 A resolution of members in writing shall be deemed to have been duly executed on behalf of a corporation if signed by one of its directors or its secretary In the case of a share held by joint holders the signature of any one of them on behalf of all such joint holders shall be sufficient The Directors shall cause a record of each resolution in writing, and of the signatories to it, to be entered in a book in the same way as minutes of a general meeting of the company and to be signed by a Director or the secretary of the company

7 9 At or before the time a proposed written resolution is supplied to a member for signature, the Directors and the secretary of the company shall, if the company has auditors, secure that a copy of the resolution is sent to them, or that they are otherwise notified of its contents

7 10 A proxy shall be entitled to vote on a show of hands and regulation 54 shall be modified accordingly

7 11 An instrument appointing a proxy may be in any usual or common form or in any other form which the Directors may approve

8 Directors

- 8 1 The maximum number of Directors shall be five in number, of whom three shall be appointed by the holders of a majority of the "A" Shares and two shall be appointed by the holders of a majority of the "B" Shares
- 8 2 The holders of a majority of the "A" Shares may at any time and from time to time by a memorandum signed by them (a corporation which is a holder acting by resolution of its directors evidenced by the signatures of any two of its directors or of one of its directors and its secretary) appoint any person to be a Director (but so that no more than three Directors for the time being shall be appointed by the holders of a majority of the "A" Shares) and may in like manner remove any Director appointed by a majority of the holders of the "A" Shares and appoint another in his place. Any such appointment or removal shall take effect at and from the time when the memorandum is lodged at the registered office of the company or produced to a meeting of the Directors
- 8 3 The rights conferred by article 8 2 on the holders of a majority of the "A" Shares shall mutatis mutandis apply to the holders of a majority of the "B" Shares, in relation to the Director or Directors appointed by them but so that not more than two Directors for the time being shall be appointed by the holders of a majority of the "B" Shares

9 Powers and duties of Directors

The Directors may exercise any powers of the company to provide pensions, annuities, gratuities or other benefits to or for past or present Directors, officers or employees (or their dependants) of the company or any subsidiary or associated undertaking (as defined by section 1162 of the 2006 Act) of the company and may contribute to any fund or pay any premiums for the purchase or provision of any such benefit

10 Directors' Interests

- 10 1 Subject to article 10 4 a director may vote, at any meeting of the directors or of any committee of the directors, on any resolution, notwithstanding that it in any way concerns or relates to a matter in which he has, directly or indirectly, any kind of interest whatsoever, and if he shall vote on any such resolution his vote shall be counted, and in relation to any such resolution as aforesaid he shall (whether or not he shall vote on the same) be taken into account in calculating the quorum present at the meeting
- 10 2 Each director shall comply with his obligations to disclose the nature and extent of his interests in proposed and existing transactions and arrangements with the Company under sections 177 and 182 of the 2006 Act. A director shall not be required to disclose the nature and extent of his interests in proposed transactions and arrangements with the Company under this article 10 2 where the interest or potential interest has arisen by reason of that director also acting as a director of any group undertaking (as defined in section 1161(5) of the 2006 Act)
- 10 3 Regulations 94 to 97 (inclusive) in Table A shall not apply to the Company
- 10 4 The directors may (subject to such terms and conditions, if any, as they may think fit to impose from time to time, and subject always to their right to vary or terminate such authorisation) authorise
- 10 4 1 any matter which would otherwise result in a director infringing his duty to avoid a situation in which he has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Company and which may reasonably be regarded as likely to give rise to a conflict of interest (including a conflict of interest and duty or conflict of duties),

10 4 2 a director to accept or continue in any office, employment or position in addition to his office as a director of the Company and without prejudice to the generality of article 10 4 1 of this article 10 may authorise the manner in which a conflict of interest arising out of such office, employment or position may be dealt with, either before or at the time that such a conflict of interest arises,

provided that for this purpose the director in question and any other interested director are not counted in the quorum at any board meeting at which such matter, or such office, employment or position, is approved and it is agreed to without their voting or would have been agreed to if their votes had not been counted

10 5 For the purposes of this article 10 an interest includes both direct and indirect interests

10 6 A director shall not be regarded as in breach of the duty set out in section 175 of the 2006 Act in relation to conflicts of interest or potential conflicts of interest which arise by reason of that director also acting as a director of any group undertaking (as defined in section 1161(5) of the 2006 Act)

10 7 Where a matter, or office, employment or position, has been authorised by the directors subject to terms and conditions under article 10 4, the director must act in accordance with those terms and conditions

10 8 If a matter, or office, employment or position, has been authorised by the directors in accordance with this article 10 then

10 8 1 the director shall not be required to disclose any confidential information relating to such matter, or such office, employment or position, to the Company or to use such information in relation to the Company's affairs if to make such a disclosure or use would result in a breach of duty or obligation or confidence owed by him to another person in relation to or in connection with that matter, or that office, employment or position,

10 8 2 the director may absent himself from meetings of the directors at which anything relating to that matter, or that office, employment or position, will or may be discussed, and

10 8 3 the director may make such arrangements as such director thinks fit for Board and committee papers of the Company to be received and read by a professional adviser on behalf of that director

10 9 The general duties which a director owes to the Company pursuant to sections 171 to 177 of the 2006 Act will not be infringed by anything done (or omitted to be done) by a director in accordance with the provisions of this article or any terms or conditions imposed pursuant to article 10 4

10 10 A director shall not, by reason of his office, be accountable to the Company for any benefit which he derives from any matter, or from any office, employment or position, which has been approved by the directors pursuant to this article 10 (subject to any limits or conditions to which such approval was subject), nor shall the receipt of such benefit constitute a breach of his duty under section 176 of the 2006 Act, and any contract, transaction or arrangement relating thereto shall not be liable to be avoided on the grounds of any such benefit

11 Disqualification of Directors

The office of a Director shall be vacated if he is removed from office under article 8 2 or 8 3 Regulation 81 shall be modified accordingly

12 Alternative Directors

- 12 1 Any appointment or removal of an alternate director made under Table A shall be delivered at the registered office of the company
- 12 2 If his appointor is for the time being absent from the United Kingdom or otherwise not available the signature of an alternate Director to any resolution in writing of the Directors shall be as effective as the signature of his appointor. An alternate Director shall be deemed to be a Director for the purpose of these articles
- 12 3 An alternate Director shall be entitled to contract and be interested in and benefit from contracts or arrangements with the company and to be repaid expenses and to be indemnified to the same extent mutatis mutandis as if he were a Director, but he shall not be entitled to receive from the company in respect of his appointment as alternate Director any remuneration, except only such part (if any) of the remuneration otherwise payable to his appointor as his appointor may by notice in writing to the company from time to time direct

13 Proceedings of Directors

- 13 1 The Directors may meet together for the dispatch of business, adjourn and otherwise regulate their meetings and manner of dispatching business as they think fit. Two Directors (of whom one at least shall be a Director appointed by the holders of a majority of the "A" Shares and one at least a Director appointed by the holders of a majority of the "B" Shares) shall be a quorum provided that in the event that at a meeting of the Directors which shall have been duly convened the Directors present do not constitute a quorum, the meeting shall be adjourned to such time (not being less than three days therefrom) and place as the Directors present shall determine and the quorum at such adjourned meeting shall be any three Directors
- 13 2 The chairman at all meetings of the Directors and committees of the Directors shall be a Director and shall be appointed by the holders of the "B" Shares, but failing such appointment by the holders of the "A" Shares. The chairman shall not have a second or casting vote
- 13 3 The Directors shall not be liable to retire by rotation. No Director shall be appointed otherwise than as herein provided
- 13 4 Any Director or member of a committee of the Directors may participate in a meeting of the directors or such committee by means of conference telephone or similar communications equipment whereby all persons participating in the meeting can hear each other and participation in the meeting in this matter shall be deemed to constitute presence in person at such meeting
- 13 5 The continuing directors (provided that there is a quorum present) may act notwithstanding any vacancies, and regulation 90 shall be modified accordingly
- 13 6 For a signed resolution under regulation 93 to be effective it shall not be necessary for it to be signed by a Director who is prohibited by the articles or by law from voting thereon. Regulation 93 shall be modified accordingly

14 Limits on Authority of Directors

- 14 1 The Directors, executive officers and any committees of the Company shall not have the power without approval of the Directors at a Board meeting to commit the Company or any subsidiary undertaking of the Company to any of the following transactions or agreements
- 14 1 1 the declaration or payment of any dividend or the making of any distribution,
- 14 1 2 the sale or purchase or mortgaging or charging of any freehold or leasehold property of the company or of any interest therein,

- 14 1 3 any distribution agreement between the company and a third party,
- 14 1 4 the giving of any guarantee or indemnity,
- 14 1 5 the approval of any transaction or dealing of an unusual or long term nature,
- 14 1 6 the commencement by the company of any new type of business not being ancillary or incidental to the business of creating and licensing children's home entertainment and consumer products,
- 14 1 7 the formation of or acquisition by any subsidiary of the company,
- 14 1 8 the acquisition by the company of any shares of any other company or the participation by the company in any partnership or joint venture,
- 14 1 9 the borrowing of any money in excess of £1,000,000,
- 14 1 10 the creation of a mortgage, lien or other encumbrance over any of the assets of the company or any of its subsidiaries, apart from a lien arising by operation of law,
- 14 1 11 the lending of any monies (otherwise then by way of deposit with a bank or other institution the normal business of which includes the acceptance of deposits),
- 14 1 12 the alteration of any mandate given to the company's bankers relating to any matter concerning the operation of the company's bank account,
- 14 1 13 the factoring or assignment of any of the book debts of the company,
- 14 1 14 the making of any capital commitment in excess of £100,000,
- 14 1 15 the disposal of any assets of the company otherwise than in the ordinary course of business,
- 14 1 16 the obtaining or granting of any patent or trade mark licence or similar rights in relation to any intellectual property,
- 14 1 17 the sale or disposal of the whole or a substantial part of the undertaking or assets of the company,
- 14 1 18 the amalgamation or merger of the company with any other company or concern,
- 14 1 19 the appointment of a managing director, chief executive or other executive officer (whether pursuant to article 16 or otherwise),
- 14 1 20 the fixing or payment of the remuneration of any Director or other executive officer,
- 14 1 21 the payment of any service or consultancy fees in respect of any services supplied to the company by or at the request of any of the members, or
- 14 1 22 the making of any provisions for the benefit of any persons which is permitted by section 719 of the Act,

save where any such transaction or agreement is provided for in any business plan or budget from time to time in force

15 **Executive Directors**

- 15 1 The Directors may from time to time appoint one or more of their number to an executive office (including that of managing director, chief executive or any other salaried office) for

such period and upon such terms as shall be thought fit, and subject to the provisions of any agreement entered into in any particular case, may revoke such appointment. A Director so appointed as a managing director or chief executive shall (without prejudice to any claim he may have for damages for breach of any contract of service between him and the company) ipso facto cease to be managing director or chief executive (as the case may be) if he ceases from any cause to be a Director.

- 15 2 The managing director, chief executive or other executive officer as aforesaid shall receive such remuneration whether by way of salary, commission or participation in profits or otherwise (either in addition to or in lieu of his remuneration as a Director), as the Directors may determine.
- 15 3 The Directors may entrust to and confer upon a managing director, chief executive or other executive officer as aforesaid any of the powers exercisable by them upon such terms and conditions with such restrictions as they think fit and may from time to time withdraw, alter or vary all or any of such powers.

16 The seal

- 16 1 If the company has a common seal, it shall only be used with the authority of the Directors or a committee of the Directors. The Directors may determine who shall sign any instrument to which the common seal is affixed and unless otherwise so determined it shall be signed by a Director and by (i) the secretary, (ii) a second Director, or (iii) a witness in whose presence a director signs and attests the signature. The obligation under regulation 6 relating to the sealing of share certificates shall apply only if the company has a common seal.
- 16 2 If the company has a common seal, the company may also have an official seal for use abroad under the provisions of the Act, where and as the Directors shall determine, and the company may by writing under the common seal appoint any agent abroad to be the duly authorised agent of the company for the purposes of affixing such official seal and may impose such restrictions on the use thereof as may be thought fit. Wherever in these articles reference is made to the common seal of the company, the reference shall, when and so far as may be applicable, be deemed to include any such official seal as aforesaid.

17 Capitalisation of profits and reserves

On any occasion when shares are allotted credited as fully paid up in accordance with regulation 110 the shares allotted to holders of "A" Shares shall forthwith on allotment automatically stand converted into "A" Shares and the shares allotted to holders of "B" Shares shall forthwith on allotment automatically stand converted into "B" Shares.

18 Notices

- 18 1 Any documents or information to be sent or supplied to the Company pursuant to the Act, the 2006 Act, these articles or otherwise, must be sent or supplied in accordance with the provisions of sections 1143 to 1148 and Schedule 4 of the 2006 Act.
- 18 2 Any documents or information to be sent or supplied by the Company pursuant to the Act, the 2006 Act, these articles or otherwise, must be sent or supplied in accordance with the provisions of sections 1143 to 1148 and Schedule 5 of the 2006 Act.
- 18 3 Regulation 115 in Table A shall not apply to the Company.

19 Indemnity of officers and funding directors' defence costs

- 19 1 For the purposes of this Article a "liability" is any loss or liability incurred by a person in connection with any negligence, default, breach of duty or breach of trust by him in relation to the Company or otherwise in connection with his duties, powers or office in relation to the Company.

- 19 2 To the extent permitted by the Act and the 2006 Act and without prejudice to any indemnity to which he may otherwise be entitled, every person who is or was a director or other officer of the Company (other than any person (whether or not an officer of the Company) engaged by the Company as auditor) shall be and shall be kept indemnified out of the assets of the Company against all costs, charges, losses and liabilities incurred by him (whether in connection with any negligence, default, breach of duty or breach of trust by him or otherwise) in relation to the Company or its affairs provided that such indemnity shall not apply in respect of any liability incurred by him
- 19 2 1 to the Company or to any Associated Company, or
- 19 2 2 to pay a fine imposed in criminal proceedings, or
- 19 2 3 to pay a sum payable to a regulatory authority by way of a penalty in respect of non-compliance with any requirement of a regulatory nature (howsoever arising), or
- 19 2 4 in defending any criminal proceedings in which he is convicted, or
- 19 2 5 in defending any civil proceedings brought by the Company, or an Associated Company, in which judgment is given against him, or
- 19 2 6 in connection with any application under any of the following provisions in which the court refuses to grant him relief, namely
- (a) section 144(3) or (4) of the Act (acquisition of shares by innocent nominee), or
- (b) section 1157 of the 2006 Act (general power to grant relief in case of honest and reasonable conduct)
- 19 3 To the extent permitted by the Act and the 2006 Act and without prejudice to any indemnity to which he may otherwise be entitled, every person who is or was a director or officer of the Company acting as a trustee of an occupational pension scheme shall be and shall be kept indemnified out of the assets of the Company against all costs, charges, losses and liabilities incurred by him in connection the Company's activities as trustee of the scheme provided that such indemnity shall not apply in respect of any liability incurred by him
- 19 3 1 to pay a fine imposed in criminal proceedings, or
- 19 3 2 to pay a sum payable to a regulatory authority by way of a penalty in respect of non-compliance with any requirement of a regulatory nature (howsoever arising), or
- 19 3 3 in defending criminal proceedings in which he is convicted
- 19 4 Without prejudice to article 19 2 or to any indemnity to which a director may otherwise be entitled, and to the extent permitted by the Act and the 2006 Act and otherwise upon such terms and subject to such conditions as the board may in its absolute discretion think fit, the board shall have the power to make arrangements to provide a director or other officer with funds to meet expenditure incurred or to be incurred by him in defending any criminal or civil proceedings or in connection with an application under section 144(3) or (4) of the Act (acquisition of shares by innocent nominee) or section 1157 of the 2006 Act (general power to grant relief in case of honest and reasonable conduct) or in defending himself in an investigation by a regulatory authority or against action proposed to be taken by a regulatory authority or to enable a director to avoid incurring any such expenditure, so long as if it is done under the terms as provided under section 205 of the 2006 Act
- 19 5 Subject to the provisions of the Act and the 2006 Act and without prejudice to any protection from liability which may otherwise apply the directors shall have power to purchase and

maintain for any director or other officer of the Company, or of an Associated Company, insurance against any liability as is mentioned in this article 19

19 6 This article 19 shall only have effect in so far as its provisions are not avoided by section 232 of the 2006 Act

19 7 Regulation 118 in Table A shall not apply to the Company