

PRIVATE COMPANY LIMITED BY SHARES

HORSE & COUNTRY TV LIMITED
("the Company")

WRITTEN RESOLUTIONS

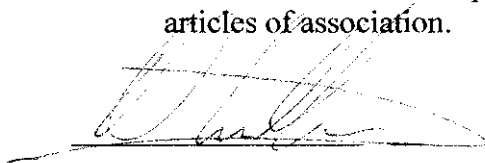
We, the undersigned, for the time being all of the members of the Company who at the date of the resolutions (being the date upon which the resolution is signed by the last member to sign) entitled to receive notice of and to attend and vote at General Meetings, hereby pass the following resolutions as a written resolution pursuant to Section 381A of the Companies Act 1985 (the "Act") and which shall have effect as if the same had been put to a general meeting of the Company and passed as either ordinary or special resolutions.

ORDINARY RESOLUTIONS

1. **THAT**, each of the existing (both issued and authorised but unissued) ordinary shares in the capital of the Company of £1 each be and is hereby sub-divided into 100 ordinary shares of £0.01 (one pence) each such that the issued and unissued share capital shall be £1,000 divided into 100,000 shares of £0.01 each.
2. **THAT**, subject to and conditional upon Resolution 1 taking effect, the authorised share capital of the Company be and is hereby increased from £1,000 to £200,000 by the creation of 19,900,000 new ordinary shares of £0.01 each, each ranking pari passu in all respects with the existing ordinary share capital of the Company.

SPECIAL RESOLUTION

3. **THAT**, pursuant to the Act, the new articles of association of the Company as annexed to this Resolution be and are hereby adopted as the new Articles of Association of the Company in substitution for and to the exclusion of the existing articles of association.



Nick Ludlow

TS 0000
April 2006



DATED 28 JUNE 2006

ARTICLES OF ASSOCIATION

relating to

HORSE & COUNTRY TV LIMITED

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THE COMPANIES ACT 1985
PRIVATE COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION
OF
HORSE & COUNTRY TV LIMITED

(Adopted by Special Resolution passed on 28 June 2006)

1. INTERPRETATION

- (A) In these Articles "Table A" means Table A in the Schedule to the Companies (Tables A to F) Regulations 1985 as amended prior to the adoption of these Articles. Save as otherwise specifically provided in these Articles, words and expressions which have particular meanings in Table A shall have the same meanings in these Articles.

- (B) In these Articles, the following words have the following meanings,

The Act: the Companies Act 1985 as amended prior to adoption of these Articles;

Auditors: means the Company's auditors for the time being;

Business Day: a day (other than a Saturday or Sunday) when banks in London are open for business;

Director: any director duly appointed to the Company in accordance with Article 14;

Family Trust: means, in relation to a Member being an individual or a deceased Member, a trust (whether arising under a settlement, declaration of trust, testamentary disposition or an intestacy) which does not permit any of the settled property or the income therefrom to be applied otherwise than for the benefit of that Member and/or a Privileged Relation to that Member, and no power of control over the voting powers conferred by any shares the subject of the trust is capable of being exercised by or subject to the consent of any person other than the trustees of such Member or his Privileged Relations.

Group Company: in relation to an undertaking (wherever incorporated), that undertaking, any undertaking of which it is a Subsidiary (its holding company) and any other Subsidiaries of any such holding undertaking;

Member: means any holder of shares in the Company from time to time;

Privileged Relation: means (in relation to a Member) the spouse (or widow or widower) of the Member and the Member's lineal descendants and for the purposes aforesaid a step-child or adopted child or illegitimate child of any Member shall be deemed to be a lineal descendant of such Member;

Valuers means the Auditors unless:-

- (a) a report on the "Market Value" is to be made pursuant to a "Deemed Transfer Notice" and, within 21 days after the date of the Deemed Transfer Notice, the "Seller" notifies the Board in writing that it objects to the Auditors making that report; or
- (b) the Auditors give notice to the Company that they decline an instruction to report on Market Value;

in either of which events the Valuers shall be a firm of chartered accountants agreed between the Seller and the Board or, in default of agreement within 20 business days after the event referred to in (a) or (b) above, appointed by the President for the time being of the Institute of Chartered Accountants in England and Wales on the application of the Seller or the Board (the terms in this definition which are not otherwise defined having the meanings given to them in Article 5.

- (C) References in these Articles and in Table A to writing shall be construed as including references to any method of representing or reproducing words in a legible and non-transitory form.
- (D) References in these Articles to paragraphs and sub-paragraphs are to the paragraphs and sub-paragraphs of the Article and paragraph in which they appear.
- (E) Headings in these Articles are for convenience only and shall not affect the interpretation hereof.

2. ADOPTION OF TABLE A

- (A) The Regulations contained in Table A shall, except where they are modified or excluded by these Articles or are inconsistent herewith, apply to the Company and, subject to any such modifications, exclusions or inconsistencies, shall together with these Articles constitute the articles of association of the Company to the exclusion of any other regulations set out in any statute or in any statutory instrument or other subordinate legislation.
- (B) Regulations 2, 8 to 22 (inclusive), 24, 26, 32 to 34 (inclusive), 35, 40, 41, 42, 43 50, 54, 57, 58, 60 to 62 (inclusive), 64 to 66 (inclusive), 73 to 80 (inclusive), 88 to 90 (inclusive), 94, 102, 109, 110, 112, 115 and 117, of Table A shall not apply to the Company.

3. SHARE CAPITAL

- (A) The share capital of the Company at the date of adoption of these Articles is £200,000 divided into 20,000,000 ordinary shares of £0.01 each.

4. UNISSUED SHARES

- (A) All unissued shares which are comprised in the authorised share capital with which the Company is incorporated shall be under the control of the Directors and for the purposes of Section 80 of the Act the Directors are unconditionally authorised to exercise the power of the Company to allot shares, grant options over or otherwise dispose of the same up to a nominal amount of £180,000 to such persons and on such terms as they think fit at any time or times during the period of five years from the date of incorporation and the Directors may after that period allot any shares or grant any such rights under this authority in pursuance of an offer or agreement made by the Company within that period.
- (B) The authority given above may be renewed revoked or varied by ordinary resolution of the Company in general meeting.
- (C) In accordance with Section 95 of the Act, subsection (1) of Section 89 of the Act shall be excluded from applying to the allotment of equity securities (as defined in Section 94 of the Act) pursuant to the authority contained in this Article 4.

5. TRANSFER OF SHARES

- (A) No Member shall dispose of any interest in, or right attaching to, or renounce or assign any right to receive or subscribe for any share or create or permit to exist any charge, lien, encumbrance or trust over any share or agree (whether subject to any condition precedent, condition subsequent or otherwise) to do any of such things except:
 - (i) in accordance with the procedures set out in paragraphs C to O of this Article; or
 - (ii) as permitted by Article 6 (Permitted Transfer); or
 - (iii) as permitted by Article 7 (Mandatory Transfer); or
 - (iv) as permitted by Article 21 (Drag-Along rights); or
 - (v) as permitted by Article 22 (Tag-Along rights).
- (B) All transfers of shares shall be effected by instrument in writing in any form for the time being authorised by the Stock Transfer Act 1963 (or any statutory modification or re-enactment thereof for the time being in force) or in any other form which the Directors may approve.
- (C) Except as expressly permitted under Article 5(A) above, any Member who wishes to transfer any Share or any interest in any Share (a "Seller") shall before transferring or agreeing to transfer such Share or any interest in it, serve notice in writing (a "Transfer Notice") on the Company of his wish to make that transfer.
- (D) In the Transfer Notice the Seller shall specify:-
 - (i) the number and class of Shares he wishes to transfer (or in respect of

which he wishes to transfer an interest) (the "**Sale Shares**");

- (ii) the identity of the person (if any) to whom the Seller wishes to transfer the Sale Shares (or the relevant interest);
- (iii) the price per Share at which the Seller wishes to transfer the Sale Shares (or the relevant interest) (the "**Proposed Price**");
- (iv) any other terms relating to the transfer of the Sale Shares (or the relevant interest); and
- (v) whether the Transfer Notice is conditional upon all (and not part only) of the Sale Shares being sold pursuant to the following provisions of this Article 5 (a "**Total Transfer Condition**").

(E) Each Transfer Notice shall:-

- (i) relate to one class of Share only;
- (ii) constitute the Company as the agent of the Seller for the sale of the Sale Shares on the terms of this Article 5;
- (iii) save as provided in Article 5(G), be irrevocable; and
- (iv) not contain or be deemed to contain a Total Transfer Condition unless the same is both expressly stated therein and permitted by these Articles.

(F) The Sale Shares shall be offered for purchase in accordance with this Article 5 at a price per Sale Share (the "**Sale Price**") agreed between the Seller and the board of Directors or, in default of such agreement by the end of the 20th business day after the date of service of the Transfer Notice, the lower of :-

- (i) the Proposed Price, in which case for the purpose of these Articles the Sale Price shall be deemed to have been agreed at the end of that 20th business day; and
- (ii) if the Board so elects within that 20 business day period after the date of service of the Transfer Notice, the price per Sale Share determined by the Valuers to be in their written opinion the open market value of each Sale Share in accordance with Article 5(P) (the "**Market Value**") as at the date of service of the Transfer Notice, in which case for the purposes of these Articles the Sale Price shall be deemed to have been determined on the date of the receipt by the Company of the Valuers' report.

(G) If the Market Value determined and reported by the Valuers under Article 5(F)(ii) is less than the Proposed Price, the Seller may revoke the Transfer Notice by written notice given to the Board within the period of 7 business days after the date the Board serves on the Seller the Valuers' report of the Market Value.

(H) The Board shall give an Offer Notice (an "**Offer Notice**") to all Members to whom the Sale Shares are to be offered in accordance with these Articles at least

10 business days after and no more than 20 business days after the Sale Price has been agreed or determined.

- (I) An Offer Notice shall expire 15 business days after its service and shall:-
 - (i) specify the Sale Price;
 - (ii) contain the other information set out in the Transfer Notice; and
 - (iii) invite the relevant offerees to apply in writing, before expiry of the Offer Notice, to purchase the numbers of Sale Shares specified by them in their applications.
- (J) By the Offer Notice the Sale Shares shall be offered in the first instance to Members holding Shares of the same class as the Sale Shares (but no Shares shall be treated as offered to the Seller or any other Member who is then bound to give, has given or is deemed to have given, a Transfer Notice).
- (K) After the expiry date of the Offer Notice (or, if earlier, after valid applications have been received for all the Sale Shares offered in accordance with Article 5(G), the Board shall allocate the Sale Shares in accordance with the applications received, subject to the other provisions of these Articles and Table A, save that:-
 - (i) if there are applications from any class of offerees for more than the number of Sale Shares available for that class of offerees, the Sale Shares shall be allocated to those applicants in proportion (as nearly as possible but without allocating to any Member more Sale Shares than the maximum number applied for by him) to the numbers of Shares of the class which entitle them to receive such offer then held by them respectively;
 - (ii) if it is not possible to allocate any of the Sale Shares without involving fractions, they shall be allocated amongst the applicants of each class in such manner as the Board shall think fit; and
 - (iii) if the Transfer Notice contained a Total Transfer Condition, no allocation of Sale Shares shall be made unless all the Sale Shares are allocated.
- (L) Within 5 business days of the expiry date of the last Offer Notice, the Board shall give notice in writing (a "Sale Notice") to the Seller and to each person to whom Sale Shares have been allocated (each a "Purchaser") specifying the name and address of each Purchaser, the number of Sale Shares agreed to be purchased by him and the total price payable for them.
- (M) Completion of a sale and purchase of Sale Shares pursuant to a Sale Notice shall take place at the registered office of the Company at the time specified in the Sale Notice when the Seller shall, upon payment to him by a Purchaser of the Sale Price in respect of the Sale Shares allocated to that Purchaser, transfer those Sale Shares and deliver the relative Share certificates to that Purchaser.

- (N) The Seller may, during the period of 60 business days commencing 20 business days after the expiry date of the last Offer Notice, sell all or any of those Sale Shares for which a Sale Notice has not been given by way of *bona fide* sale to the proposed transferee (if any) named in the Transfer Notice or, if none was so named, to any transferee at any price per Sale Share which is not less than the Sale Price, without any deduction, rebate or allowance to the proposed transferee, provided that:-
- (i) the Seller may not transfer any Sale Share and the Board shall not register any transfer to a transferee who is not at that date a Member unless such transferee is first approved in writing by the Board; and
 - (ii) if the Transfer Notice contained a Total Transfer Condition, the Seller shall not be entitled, save with the written consent of all the other Members, to sell only some of the Sale Shares under this Article 5(N).
- (O) If a Seller fails for any reason (including death) to transfer any Sale Shares when required pursuant to this Article 5:-
- (i) the Board may authorise any person (who shall be deemed to be irrevocably appointed as the attorney of that Seller for the purpose) to execute the necessary transfer of such Sale Shares and deliver it on the Seller's behalf;
 - (ii) the Company may receive the purchase money for such Sale Shares from the Purchaser and shall upon receipt (subject, if necessary, to the transfer being duly stamped) register the Purchaser as the holder of such Sale Shares;
 - (iii) the Company shall hold such purchase money in a separate bank account on trust for the Seller but shall not be bound to earn or pay interest on any money so held;
 - (iv) the Company's receipt for such purchase money shall be a good discharge to the Purchaser who shall not be bound to see to the application of it; and
 - (v) after the name of the Purchaser has been entered in the register of Members in purported exercise of the power conferred by this Article 5(O), the validity of the proceedings shall not be questioned by any person.
- (P) If instructed to report on Market Value under Article 5(F)(ii) the Valuers shall act as experts and not as arbitrators and their written determination shall be final and binding on the Members (except in the case of manifest error), and shall proceed on the basis that the open market value of each Sale Share shall be:
- (i) the value of the shares in question is that proportion of the fair market value of the entire issued share capital of the Company that the Seller's shares bear to the then total issued share capital of the Company (with no premium or discount for the size of the Seller's shareholding or for the

rights or restrictions applying to the shares under these articles of association of the Company);

- (ii) the sale is between a willing buyer and a willing seller on the open market;
 - (iii) the sale is taking place on the date that the Transfer Notice is delivered;
 - (iv) the Company's businesses will continue to be carried on as a going concern; and
 - (v) the shares are sold free of all liens, charges and other encumbrances.
- (Q) The Company will use its reasonable endeavours to procure that the Valuers deliver their report on the Market Value to the Board and to the Seller within 28 days of being requested to do so.
- (R) The Valuers' fees for reporting on Market Value shall be paid as to one half by the Seller and as to the other half by the Purchasers *pro rata* to the number of Sale Shares purchased by them unless:-
- (i) the Seller revokes the Transfer Notice pursuant to Article 5(G); or
 - (ii) none of the Sale Shares is purchased by the Members pursuant to this Article 5;
 - (iii) in either of which events the Seller shall pay all the Valuers' fees.

6. PERMITTED TRANSFER

- (A) Notwithstanding the provisions of Article 5 (Transfer of Shares), Article 7 (Mandatory Transfer) and Articles 22 (Tag Along) any Member may (with the prior written consent of the Company, and such consent not to be unreasonably withheld) at any time transfer all or any of its shares to a:
- (i) Privileged Relation; or
 - (ii) Family Trust; or
 - (iii) Group Company.
- (B) Any transfer of any share pursuant to this Article 6 shall be a permitted transfer for the purposes of these Articles only if it is a transfer of the entire legal and beneficial interest in such Share, free from any lien, charge or other encumbrance.

7. MANDATORY TRANSFER

- (A) In this paragraph a **Relevant Event** means in relation to any Member:
- (i) such Member (being an individual) being adjudicated bankrupt or making any voluntary arrangement or composition with his creditors;

- (ii) the death of a Member or incapability within the meaning of the Mental Health Act 1983;
 - (iii) a receiver, manager, administrative receiver or administrator is appointed in respect of a corporate Member (or a Member which is an unincorporated association or similar entity) or over all or any part of its undertaking or assets or such Member enters liquidation (other than a voluntary liquidation for the purpose of a bona fide scheme of solvent amalgamation or reconstruction) or a petition is issued in respect of its winding up or dissolution in accordance with its constitution or rules of association.
- (B) Upon the happening of any Relevant Event the Member in question shall be deemed to have immediately given a Transfer Notice and the provisions of Article 5 shall apply save that the Sale Price shall be as determined by the Valuers pursuant to Article 5(P).

8. QUORUM AT GENERAL MEETINGS

- (A) The quorum at any general meeting of the Company or adjourned general meeting shall be four (4) persons present in person or by proxy.
- (B) No business shall be transacted by any general meeting unless a quorum is present at the commencement of the meeting and also when that business is voted on.
- (C) If within five minutes (or such longer time as the persons present may all agree to wait) from the time appointed for any general meeting a quorum is not present, the meeting shall be dissolved.

9. VOTES

- (A) At a general meeting, on a show of hands every member present in person shall have one vote, and on a poll every member present in person or by proxy shall have one vote for each share of which he is the holder.

10. PROXIES

- (A) An instrument appointing a proxy shall be in writing, executed by or on behalf of the appointor and in any common form or in such other form as the Directors may approve, and the Directors may at their discretion treat a faxed or other machine-made copy of an instrument in any such form as an original copy of the instrument. The instrument of proxy shall, unless the contrary is stated in it, be valid for any adjournment of the meeting as well as for the meeting to which it relates, and shall be deemed to include authority to vote as the proxy thinks fit on any amendment of a resolution put to the meeting for which it is given.
- (B) The instrument appointing a proxy and (if required by the Directors) any authority under which it is executed or a copy of the authority (certified notarially or in any other manner approved by the Directors) may be delivered to the registered office, or to some other place or to some person specified or agreed by the Directors, before the time for holding the meeting or adjourned meeting at

which the person named in the instrument proposes to act or, in case of a poll taken after the date of the meeting or adjourned meeting, before the time appointed for the taking of the poll, and an instrument of proxy which is not so delivered shall be invalid.

11. WRITTEN RESOLUTIONS

- (A) Any written resolution of the members may, in the case of a corporation, be signed on its behalf by a director or the secretary thereof or by its duly appointed attorney or duly appointed authorised representative.

12. MINORITY PROTECTIONS

- (A) Save with Qualifying Consent (as defined in Article 12(B) below), none of the actions or events set out in this Article 12 shall be effected or permitted to occur whether in relation to the Company or in relation to any other Group Company, namely any action or event whereby the Company or any Group Company will or may:
- (i) other than as expressly permitted in these Articles, issue, allot, redeem, purchase or grant options or rights over any of its shares or other securities, *alter the rights attaching to any class of shares of the Company* or increase reduce, consolidate, sub-divide or convert any of the Company's share capital or effect any purchase or redemption of the share capital;
 - (ii) change the status of the Company from a private company limited by shares to a public limited company;
 - (iii) alter the provisions of its memorandum or articles of association;
 - (iv) do or permit to be done any act or thing whereby the Company may be wound up or pass any resolution for winding up or enter into any compromise or arrangement under the Insolvency Act 1986;
 - (v) create or allow to subsist any encumbrance over any of its assets, property or undertaking except for the purpose of securing indebtedness to its bankers for sums borrowed in the ordinary and proper course of business or factor, assign, discount or otherwise dispose of any book debts or other debts of the Company;
 - (vi) borrow any money or obtain any advance or credit in excess of £250,000 in any form other than normal trade credit or other than on normal banking terms for unsecured overdraft facilities or vary the terms and conditions of any borrowings;
 - (vii) lend any money to any person (otherwise than by way of deposit with a bank or other institution the normal business of which includes the acceptance of deposits) or grant any credit to any person (except to its customers in the normal course of business);

- (viii) incur any material expenditure or liability in excess of £250,000 (including, for this purpose, the acquisition of any asset under lease or hire purchase) save for in respect of office machinery or equipment reasonably required in the ordinary course of business;
- (ix) sell, transfer, lease, licence or in any way dispose of its business, material assets, undertaking or freehold or leasehold property or any material part thereof or material interest therein or contract to do so whether or not for valuable consideration;
- (x) change the nature or scope of its business as carried on from time to time or commence any new business not being ancillary or incidental to such business;
- (xi) enter into any partnership or joint venture with any other person other than in the normal course of business;
- (xii) enter into any material contract or arrangement outside the ordinary course of its business;
- (xiii) make any political gift or contribution;
- (xiv) make any charitable gift or donation over £5,000;
- (xv) institute, settle or compromise any material legal proceedings (other than debt recovery proceedings in the ordinary course of business) instituted or threatened against the Company or submit to arbitration or alternative dispute resolution any material dispute involving the Company;
- (xvi) change the name of the Company;
- (xvii) give any guarantee, make any payment or incur an obligation to act as surety otherwise in connection with the ordinary course of business of the Company; or
- (xviii) remove a Director from office (save as may be required under the terms of engagement of any such Director as an employee of the Company).

(B) For the purposes of this Article 12 "**Qualifying Consent**" means:

- (i) the consent in writing of the holder or holders of not less than 75% (in nominal value) of the issued equity share capital of the Company at the relevant time; or
- (ii) the consent by resolution, passed by members present (in person or by proxy) holding or representing not less than 75% of the total votes capable of being passed in respect of the resolution by all the holders of the issued equity share capital of the Company present (in person or proxy or corporate representative), at a duly convened adjourned General Meeting of the Company of which notice specifying in reasonable detail the matter or action requiring consent has been given; or
- (iii) consent given, by resolution passed by members present (in person or by

proxy) holding or representing not less than 75% of the total votes capable of being passed in respect of the resolution by all the holders of the issued equity share capital of the Company present (in person or proxy or corporate representative) at a duly convened adjourned General Meeting of the Company: (i) which has been adjourned for not less than 21 days from the Meeting originally duly convened (by notice specifying in reasonable detail the matter or action requiring consent) for the purposes of considering and, if thought fit, passing a resolution to give the relevant Qualifying Consent, where such original meeting was adjourned because there were not present thereat in person or by proxy holder(s) of 70% or more (in nominal value) of the issued equity share capital of the Company at the relevant time; (ii) where within five days of the adjournment notice was duly given by the Company to all the members specifying the date and time to which the meeting has been adjourned; the place at which it is to be held; and the resolution(s) (as set out in the notice convening the original meeting) proposed to be considered and, if thought fit, passed thereat; and (iii) at which there are present, whether in person or by proxy, two or more members holding between them not less than 30% (in terms of nominal value) of the shares of the Company carrying the right to attend and vote at such adjourned meeting

- (C) For the purposes of Articles 12(B)(ii) and (iii) above any member (or his proxy or corporate representative) present at such a meeting or adjourned meeting may demand a poll. A member may appoint a representative for the purposes of giving any consent on his behalf for the purposes of the above and may on not less than ten days prior written notice aforesaid remove and if thought fit replace any such representative. In the absence of express notice aforesaid removing his authority, any consent given by such a representative shall be deemed to be valid and effective for the purposes of this Article 12.

13. NUMBER AND AGE OF DIRECTORS

- (A) The maximum number and minimum number respectively of the Directors may be determined from time to time by ordinary resolution in general meeting of the company.
- (B) Subject to and in default of any determination as contemplated by Article 13(A) above the number of Directors shall be not less than three (3) and not more than eight.
- (C) No Director shall be required to retire or vacate his office, and no person shall be ineligible for appointment as a Director by reason of his having attained any particular age. No shareholding qualification for Directors shall be required.
- (D) The chairman shall not have a casting vote.

14. APPOINTMENT AND REMOVAL OF DIRECTORS

- (A) Any Director who is an employee of the Company and who ceases to be an employee shall be removed from office from the date his employment ceases.
- (B) If any Director shall die or be removed from or vacate office for any cause, the Directors may appoint in his place another person to act as Director (as the case may be).
- (C) Any appointment or removal takes effect on the date on which the notice is received by the Company or, if a later date is given in the notice, on that date.

15. NOTICE OF BOARD MEETINGS

- (A) Notice of a meeting of the Directors shall be deemed to be properly given to a Director if it is given to him personally or by word of mouth or sent in writing (including by email) to him at his last known address or any other address given by him to the Company for this purpose, or by any other means authorised in writing by the Director concerned.
- (B) A Director may waive notice of any meeting either prospectively or retrospectively.
- (C) Matters not on the agenda may not be raised at a meeting of Directors or business conducted in relation to those matters unless all the Directors agree in writing.

16. PROCEEDINGS OF DIRECTORS

- (A) Subject as provided in these Articles, the Directors may meet together for the despatch of business, adjourn and otherwise regulate their meetings as they think fit. The Directors will try to meet at least quarterly.
- (B) The quorum at any meeting of the Directors shall be three (3) Directors. No business shall be transacted at any meeting of the Directors unless a quorum is present at the commencement of the meeting and also when that business is voted on. If a quorum is not present within 30 minutes of the time for the relevant meeting as set out in the notice of meeting then the meeting shall be adjourned for 5 Business Days.
- (C) Each Director has one vote at a meeting of Directors.
- (D) All or any of the Directors or members of any committee of the Directors may participate in a meeting of the Directors or that committee by means of a conference telephone or any communication equipment which allows all persons participating in the meeting to hear each other. A person so participating shall be deemed to be present in person at the meeting and shall be entitled to vote or be counted in a quorum; and accordingly, subject to paragraph (B) of this Article, meeting of the Directors or committee of the Directors may be held where each of those present or deemed to be present is in communication with the others only by telephone or other communication equipment as aforesaid. A meeting where those present or deemed to be present are in different locations shall be deemed to take place where the largest group of those participating is assembled, or, if there is no such group, where the chairman of the meeting then is.

- (E) No meetings of Directors may be adjourned pursuant to this Article more than once.

17. BORROWING POWERS

- (A) Subject to Article 12 the Directors may exercise all the powers of the Company to borrow money, and to mortgage or charge its undertaking, property and *uncalled capital, or part thereof*, and subject as otherwise provided in these Articles to issue debentures, debenture stock and other securities whether outright or as security for any debt, liability or obligation of the Company or of any third party.

18. DIRECTORS' INTERESTS; DISCLOSURE OF INFORMATION

- (A) A Director who to his knowledge is in any way, whether directly or indirectly, interested in a contract or proposed contract with the Company shall declare the nature of his interest at a meeting of the Directors in accordance with the Act. Subject, where applicable, to such disclosure, a Director shall be entitled to vote in respect of any contract or proposed contract in which he is interested and if he shall do so his vote shall be counted and he shall be taken into account in ascertaining whether a quorum is present.

19. NOTICES; TIME OF SERVICE

- (A) Any notice or other document may be served on or delivered to any member by the Company either personally, or by sending it by pre-paid registered post (air mail in the case of an address for service outside the United Kingdom) addressed to the member at his registered address or by fax to a number provided by the member for this purpose, or by leaving it at his registered address addressed to the member, or by any other means authorised in writing by the member concerned.
- (B) In the case of joint holders of a share, service or delivery of any notice or other document on or to one of the joint holders shall for all purposes be deemed a sufficient service on or delivery to all the joint holders.
- (C) Any notice or other document if given personally shall be deemed served when delivered, if sent by pre-paid first class, special delivery or registered post, shall be deemed to have been served or delivered 48 hours after posting to an address in the United Kingdom or five days after posting to an address outside the United Kingdom, and if sent by fax shall be deemed served at the time of transmission.
- (D) A notice is deemed to have been received:
 - (i) if delivered personally, at the time of delivery;
 - (ii) in the case of fax, at the time of transmission;
 - (iii) in the case of pre-paid first class post, special delivery or registered post, 48 hours from the date of posting;

- (iv) in the case of registered airmail, five days from the date of posting;
 - (v) if deemed receipt under the previous paragraphs of this sub-paragraph is not within business hours (meaning 9.00 am to 5.30 pm Monday to Friday on a day that is not a public holiday in the place of receipt), when business next starts in the place of receipt.
- (E) To prove service it is sufficient to prove that the notice was transmitted by fax to the fax number of the party or, in the case of post, that the envelope containing the notice was properly addressed and posted.
- (F) Any requirement in these Articles or in Table A for any notice, resolution or other document to be signed by or on behalf of any person shall be deemed satisfied where a notice, resolution or other document is received with the signature of the relevant person reproduced thereon by means of facsimile copy if such signature is confirmed by receipt of the notice, resolution or document bearing the original signature in manuscript within 14 days of receipt of the reproduction.

20. INDEMNITY

- (A) Subject to and to the extent permitted by the Act, but without prejudice to any indemnity to which he may otherwise be entitled:
- (B) Every Director shall be entitled to be indemnified out of the assets of the Company against all costs and liabilities incurred by him in relation to any proceedings (whether criminal or civil) which relate to anything done or omitted or alleged to have been done or omitted by him as a Director save that no Director shall be entitled to be indemnified:
- (i) for any liability incurred by him to the Company or any associated company of the Company (as defined by the Act for these purposes);
 - (ii) for any fine imposed in criminal proceedings;
 - (iii) for any 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;
 - (iv) for any costs for which he has become liable in defending any criminal proceedings in which he is convicted and such conviction has become final;
 - (v) for any costs for which he has become liable in defending any civil proceedings brought by the Company or an associated company in which a final judgment has been given against him; and
 - (vi) for any costs for which he has become liable in connection with any application under sections 144(3) or (4) or 727 of the Act in which the court refuses to grant him relief and such refusal has become final.

- (C) Every Director shall be entitled to have funds provided to him by the Company to meet expenditure incurred or to be incurred in any proceedings (whether civil or criminal) brought by any party which relate to anything done or omitted or alleged to have been done or omitted by him as a Director, provided that he will be obliged to repay such amounts no later than:
- (i) in the event he is convicted in proceedings, the date when the conviction becomes final;
 - (ii) in the event of judgment being given against him in proceedings, the date when the judgment becomes final; or
 - (iii) in the event of the court refusing to grant him relief on any application under sections 144(3) or (4) or 727 of the Act, the date when refusal becomes final.

21. DRAG ALONG RIGHTS

- (A) Notwithstanding any other provisions of these Articles, if at any time one or more Members holding at least 75% in nominal value of the ordinary share capital of the Company (together "**Selling Members**") propose to sell all of their ordinary shares to any person, other than a Member, ("**the Offeror**") and such Members procure that an offer ("**Drag-along Offer**") is made by the Offeror (or any person or persons acting in concert with it) to all of the holders of the ordinary shares to acquire their entire holding of ordinary shares at the price and on the same terms as the Selling Members propose to sell their ordinary shares ("**Proposed Price**"), the Selling Members, subject to Article 21(B), shall have the right to require all of the other holders of the ordinary shares ("**the Called Members**") to accept in full the Drag-along Offer made to them at the Proposal Price by serving notice to that effect ("**the Call Notice**") on the Called Members.
- (B) A Call Notice once given shall be irrevocable but shall lapse (and the obligations thereunder shall lapse) in the event that for any reason the Selling Members do not transfer their entire holdings of ordinary shares to the Offeror (or the Offeror's nominee) no later than the date specified as the date for completion of the sale and purchase of the ordinary shares pursuant to acceptance of the appropriate Drag-along Offer (being not earlier than a date fourteen days after the Call Notice is served). Upon receipt of the Call Notice each of the Called Members shall be bound to accept the appropriate Drag-along Offer made in respect of his entire holding of ordinary shares.
- (C) In the event that any Called Member fails to accept the appropriate Drag-along Offer made to him or, having accepted such appropriate Drag-along Offer, fails to complete the sale of any of his shares pursuant to that Drag-along Offer or otherwise fails to take any action required of him under the terms of the appropriate Drag-along Offer, the Directors (or any of them) or the Selling Members (or any of them) may authorise some person to accept the Drag-along

Offer on behalf of the Called Members in question or undertake any action required under the terms of the appropriate Drag-along Offer on the part of a Called Member who has accepted the Drag-along Offer. The Directors or Selling Members may in particular authorise some person to execute a transfer of any ordinary shares in favour of the Offeror (or its nominee) and the Company may give a good receipt for the purchase price of such ordinary shares and may register the Offeror (or its nominee) as holder thereof and issue to it (or as it may direct) certificates for the same whereupon the Offeror (or its nominee) shall be indefeasibly entitled thereto. The Called Member shall in such case be bound to deliver up his certificate for his ordinary shares to the Company whereupon the Called Member shall be entitled to receive the purchase price for such ordinary shares, which purchase price shall in the meantime be held by the Company on trust for the Called Member but without interest. After the name of the Offeror (or its nominee) has been entered in the Register in purported exercise of these powers, the validity of the proceedings shall not be questioned by any person.

22. TAG ALONG RIGHTS

- (A) No sale, transfer or other disposition by the holders of 65% or more of the shares ("**Majority Members**") or of any interest in such shares to a third party purchaser shall be permitted unless and until the third party purchaser shall also have offered to purchase all the shares held by the other Members ("**Remaining Members**") on equal terms (including price and time of sale of the shares) as those offered to the Majority Members.
- (B) The offer to be made by the third party purchaser under Article 22(A) shall be in writing and shall be capable of acceptance by the Remaining Members for not less than 30 days from the date of the offer and shall include an undertaking by the third party purchaser that the offer to purchase the shares from the Majority Members and the Remaining Members is and will be on equal terms and neither it nor persons acting in concert, by agreement or understanding with it, have entered into or have agreed more favourable terms with any other Member for the purchase of the shares.
- (C) The offer shall be deemed to have been irrevocably rejected by a Member if that Member shall not accept the offer in accordance with its terms, conditions and provisions and the specified period for acceptance of the offer.
- (D) No Member (including the Majority Members) shall complete any sale of the shares to the third party purchaser unless the third party purchaser completes the purchase of all the shares agreed to be sold simultaneously, and on the basis of an equal price per share for all Members.