

THIRSK RACECOURSE LIMITED**ARTICLES OF ASSOCIATION**

**DICKINSON
DEES** LAW FIRM

THE COMPANIES ACTS 1948 to 1976

COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

OF

THIRSK RACECOURSE LIMITED*

(adopted by Special Resolution passed on 25 November 1977
and amended by special resolution dated 28 July 2000)

PRELIMINARY

1. The regulations contained in Part I of Table "A" in the first Schedule to the Companies Act, 1948 as amended by the Companies Acts 1967 and 1976 (which Table is hereinafter called Table "A") shall apply to the Company save in so far as they are excluded hereby. The regulations in Part I of Table "A" numbered 11, 15, 24, 52 to 54 inclusive, 57, 58, 75, 77, 79, 84(2), 86 to 97 inclusive, 106, 107, 126, 130 and 134 shall not apply, but, subject as aforesaid, and in addition to the remaining regulations in Part I of Table "A", the following shall be the Articles of Association of the Company.

PRIVATE COMPANY

2. The Company is a private company, and accordingly the regulations contained in Part II of Table "A", as amended by the Companies Acts 1967 and 1976, except regulations 1 and 5 therein shall apply to the Company.

SHARES

3. The share capital of the Company is £30,000 divided into 300 ordinary shares of £100 each.
4. All shares for the time being created and unissued shall be under the control of the Directors, who may allot or otherwise dispose of the same to such persons (including any Directors), on such terms and conditions and at such time or times as the Directors may in good faith consider to be in the best interests of the Company, and with full power for the Directors to give to any person (including any Director) the call of any shares, either at par or at a premium, and for such time and for such consideration as the Directors in good faith consider to be in the best interests of the Company.
5.
 - (a) The Company shall have a first and paramount lien on:-
 - (i) every share (not being a fully paid share) for all moneys (whether presently payable or not) called or payable at a fixed time in respect of that share;
 - (ii) all shares (whether fully paid shares or not) standing registered in the name of any person indebted or under a liability to the Company whether he be the sole registered holder thereof or one of two or more joint holders.

* Note: The name of the Company was changed from The Thirsk Race Course Company Limited on 28 December 1977 pursuant to a Special Resolution passed on 25 November 1977.

- (b) The Directors may at any time declare any share to be wholly or in part exempt from the provisions of this Article.
 - (c) The Company's lien, if any, on a share shall extend to all dividends payable thereon.
6. The Directors may from time to time make calls upon the members in respect of any moneys unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times, provided that except in so far as may be otherwise agreed between the Company and any member in the case of the shares held by him no call shall exceed one-fourth of the nominal value of the share or be payable at less than one month from the date fixed for the payment of the last preceding call, and each member shall (subject to receiving at least fourteen days' notice specifying the time or times and place of payment) pay to the Company at the time or times and place so specified the amount called on his shares. A call may be revoked or postponed as the Directors may determine.

TRANSFER OF SHARES

7. The instrument of transfer of any share shall be executed by or on behalf of the transferor and (except in the case of the transfer of a fully paid share) by or on behalf of the transferee. The transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the register of members in respect thereof.
8. (a) Subject to the provisions of regulations 2 and 3 in Part II of Table "A", the Directors shall register any transfer of shares in the capital of the Company which:-
- (i) is made by a member or the legal personal representatives of any deceased member to that member's spouse, widow, widower, child, grandchild, brother or sister or their issue, including, in each case, step or adopted siblings, children, grandchildren and their issue; or
 - (ii) is made pursuant to any of the provisions of any of Article 9; or
 - (iii) is consented to in writing by all the members of the Company other than the transferor.
- (b) Any share may be transferred at any time by a member to the Company upon a purchase by the Company of such share pursuant to the provisions of Part V Chapter VII of the 1985 Act.
- (c) No transfer or purported transfer of any share in the capital of the Company or any beneficial interest therein which is not authorised under sub-Article (a) of this Article shall be registered.

PRE EMPTION RIGHTS ON SHARE TRANSFERS

9.

(a) Transfer Notices

Except in the case of a transfer of shares expressly permitted by these Articles, any member proposing to transfer any shares or any beneficial interest therein (the "**Proposing Transferor**") shall give notice in writing to the Company (a "**Transfer Notice**"). For the purposes of these Articles a member holding shares subject to a deemed Transfer Notice shall also be a Proposing Transferor.

(b) Contents and Effect of a Transfer Notice

A Transfer Notice:-

- (i) must specify the number of shares the Proposing Transferor wishes to transfer (the “**Sale Shares**”);
- (ii) may contain a condition (a “**total transfer condition**”) that unless all of the Sale Shares are sold by the Company none shall be sold and any such condition shall be binding on the Company;
- (iii) may be withdrawn in accordance with sub-Article 9(f) but otherwise shall not be revocable except with the consent of the Directors (and for the avoidance of doubt a deemed Transfer Notice may only be disregarded in accordance with sub-Article 9(d));
- (iv) shall constitute the Company as the Proposing Transferor’s agent for the sale of the Sale Shares at the price as agreed or determined in accordance with sub-Article 9(e) (the “**Sale Price**”).

(c) Effect of a Deemed Transfer Notice

A deemed Transfer Notice shall constitute the Company as the agent of the Proposing Transferor for the sale of those shares subject to the deemed Transfer Notice (which shall be Sale Shares for the purposes of these Articles) at the Sale Price. A deemed Transfer Notice shall be deemed given at and take effect from the first meeting of the Directors after the event giving rise to the deemed Transfer Notice.

(d) Disregarding a Deemed Transfer Notice

The Company may disregard a deemed Transfer Notice if the Directors are unanimously of the opinion that it would be in the best interests of the Company to do so.

(e) Determination of the Sale Price

The Sale Price shall be the price per share agreed between the Proposing Transferor and the Directors. If the Proposing Transferor and the Directors are unable to agree a price within 28 days of the Transfer Notice being given or deemed given the Sale Price will instead be the price which a firm of Chartered Accountants (the “**Independent Accountants**”) appointed for the purpose by agreement between the Proposing Transferor and the Directors or, failing such agreement, appointed by the President from time to time of the Institute of Chartered Accountants in England and Wales on the application of either the Directors or the Proposing Transferor shall certify to be in their opinion the fair value of the Sale Shares. In arriving at their opinion the Independent Accountants shall value the Sale Shares as at the date the Transfer Notice is given or is deemed given. The decision of the Independent Accountants as to the Sale Price shall be final and binding save in the case of manifest errors.

(f) Independent Accountant’s Certificate of the Sale Price

If the Independent Accountants are asked to certify the fair value of the Sale Shares, their certificate shall be delivered to the Company. The Company shall deliver a copy of the

certificate to the Proposing Transferor as soon as reasonably practicable. The Proposing Transferor shall be entitled by notice in writing given to the Company within 14 days of service upon him of the copy certificate to withdraw the Transfer Notice (but for the avoidance of doubt this provision shall not apply to a deemed Transfer Notice). The cost of obtaining the Independent Accountant's certificate shall be paid by the Company unless the Proposing Transferor withdraws the Transfer Notice in which case the Proposing Transferor shall bear the cost.

(g) Offer to Members

As soon as possible after the Sale Price has been agreed or determined the Sale Shares shall forthwith be offered for sale in writing by the Company to all holders of shares of the same class (other than the Proposing Transferor) (an "**Offer Notice**").

(h) Contents of an Offer Notice

An Offer Notice shall be a notice in writing despatched to a member of the Company which shall:-

- (i) specify the total number of Sale Shares available to be acquired;
- (ii) specify the Sale Price of each Sale Share;
- (iii) state either:-
 - (A) the number (rounded down to the nearest total whole number) of Sale Shares which that member is entitled to acquire, being that proportion (the "**Due Proportion**") of the Sale Share which the number of shares held by that member bears to the total number of issued shares in the Company (excluding the Sale Shares) together with an invitation to the member to state what further number (if any) of the Sale Shares he offers to purchase in addition to his Due Proportion (a "**Pro Rata Notice**"); or
 - (B) in the event that the number of Sale Shares is such that, in the opinion of the Directors, the Due Proportion for the majority in number of members will be a number less than one, the total number of Sale Shares available together with an invitation to each member to state how many of the Sale Shares the member offers to purchase (an "**Invitation Notice**");
- (iv) specify a date (the "**Return Date**") (not less than 14 days after despatch of the Offer Notice) by which the offeree member must have delivered to the Company in writing the information requested (a "**Return Notice**") together with a remittance of the aggregate price to be paid by him for the Sale Shares which he wishes to purchase;
- (v) be deemed to be declined by any person to whom it was despatched if and to the extent that a Return Notice shall not have been received by the Company on or before the Return Date.

(i) Acceptance of an Offer Notice

A member wishing to purchase any of the Sale Shares must deliver a Return Notice to the Company before the Return Date.

(j) Contents and Effect of a Return Notice

A Return Notice shall be a notice in writing to be served on the Company by a member to whom an Offer Notice shall have been despatched which shall:-

- (i) in the case of a Pro Rata Notice, state the willingness of the member to purchase at the Sale Price some or all of his Due Proportion of the Sale Shares and what number (if any) of the Sale Shares he is willing to purchase at the Sale Price in addition to his Due Proportion;
- (ii) in the case of an Invitation Notice, state what number of the Sale Shares the member wishes to purchase at the Sale Price; and
- (iii) be irrevocable for 56 days after it is made and on the basis that the Company shall during that period be the agent of the member for the purchase of such Sale Shares (or any lesser number of Sale Shares) as the member has indicated he is willing to purchase.

(k) Determination of Purchasers

- (i) In the case of a Pro Rata Notice the Directors shall allocate those shares not taken up by members as part of their Due Proportion to those members who have offered to purchase additional shares as closely as possible to their pro rata holding of shares in the Company or, if the directors shall so determine, by lot amongst those members who have indicated that they wish to purchase additional Sale Shares.
- (ii) In the case of an Invitation Notice, in the event that more members have delivered a Return Notice than there are Sale Shares the Directors shall chose a purchaser for each Sale Share by lot from those members delivering a Return Notice.
- (iii) Any determination of the Directors under this sub-article shall be final and binding.
- (iv) The Directors shall notify each member delivering a return notice of the number (if any) of Sale Shares to be purchased by that member, and shall return any unused purchase monies, within 63 days of the Return Date.

(l) Purchase by the Company

If after the Return Date some of all of the Sale Shares remain unaccepted, the Company shall be entitled (but not bound) to purchase all or some of such unaccepted Sale Shares.

(m) Sale by the Company

If the Company finds a purchaser or purchasers for all (in the case of a Transfer Notice subject to a total transfer condition) or any of the Sale Shares under the terms of these Articles the Proposing Transferor shall be bound upon receipt of the Sale Price to transfer the Sale Shares (or such of them for which the Company shall have found a purchaser or

purchasers) to such person. If the Proposing Transferor defaults in transferring the Sale Shares the Company shall if so required by the person or persons willing to purchase such Sale Shares receive and give a good discharge for the purchase money on behalf of the Proposing Transferor and any Director of the Company shall be authorised to execute the transfers of the Sale Shares in favour of the purchaser or purchasers and shall enter the names of the Purchasers in the register of members of the Company as a holder of the Sale Shares.

(n) Sale by the Proposing Transferor

If the Company does not find purchasers for all of the Sale Shares under the terms of the Articles the Proposing Transferor shall at any time within six months after the final offer by the Company to its members be free to sell and to transfer such of the Sale Shares that have not been sold to any person at a price which is not less than the Sale Price. However, if the Sale Shares were the subject of a total transfer condition such a sale may only be made of all of the Sale Shares and not part only.

(o) Effect of Purported Transfer

Any purported transfer of shares or any beneficial interest therein other than in accordance with the provisions of these Articles shall be void and have no effect.

(p) Circumstances in which a Transfer Notice shall be deemed to have been given

A Transfer Notice shall be deemed to have been given immediately upon the happening of any of the circumstances specified below in respect of each of the shares in the capital of the Company held by the member concerned:-

- (i) if a member being a company shall enter liquidation or administration or shall have a receiver appointed of all or any of its assets or suffer anything comparable in any jurisdiction to whose laws it is subject; or
- (ii) if a member being an individual shall:-
 - (A) become bankrupt or enter a voluntary arrangement with his creditors or suffer anything comparable in any jurisdiction to whose laws that individual is subject; or
 - (B) die; or
 - (C) transfer, or attempt or purport to transfer any interest in any shares in the Company, or control over how the member votes any share in the Company, other than in accordance with these Articles.

The effect of a Transfer Notice shall be as set out in Article 9(c).

PURCHASE OF OWN SHARES

10. Subject to the provisions of statute for the time being in force, the Company may purchase its own shares (including any redeemable shares) and if it is a private company, may make a payment in respect of the redemption or purchase of its own shares otherwise than out of distributable profits of the Company or the proceeds of a fresh issue of shares."

RESOLUTIONS

11. Subject to the provisions of the Act, an ordinary, special or extraordinary resolution (as the case may be) in writing, signed by all the members for the time being entitled to receive notice of and to attend and vote at general meetings (or being corporations by their duly authorised representatives), shall be as valid and effective as if the same had been passed at a general meeting of the Company duly convened and held. Any such resolution in writing may consist of several documents in the like form each signed by one or more of the members (or their duly authorised representatives).

PROCEEDINGS AT GENERAL MEETING

12. All business shall be deemed special that is transacted at an extraordinary general meeting, and also all that is transacted at an annual general meeting with the exception of declaring a dividend, the consideration of the accounts, balance sheets, and the reports of the Directors and auditors, the election of Directors in the place of those (if any) retiring, the fixing of the remuneration of the Directors and the appointment of, and the fixing of the remuneration of, the auditors.
13. If within half an hour from the time appointed for the meeting a quorum is not present, the meeting, if convened upon the requisition of members, shall be dissolved; in any other case it shall stand adjourned to the same day in the next week, at the same time and place or to such other day and at such other time and place as the Directors may determine and 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.
14. The chairman may, with the consent of any meeting at which a quorum is present (and shall if so directed by the meeting), adjourn the meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. It shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.
15. At any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands) demanded by the Chairman or any member present in person or by proxy or (being a corporation) by its duly authorised representative.

Unless a poll be so demanded a declaration by the chairman that a resolution has on a show of hands been carried or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the book containing the minutes of the proceedings of the Company shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution.

The demand for a poll may be withdrawn.

DIRECTORS

16.
 - (a) The first Directors shall be the persons named in the prescribed form of particulars delivered to the Registrar of Companies with the Memorandum of Association of this Company.
 - (b) Unless and until otherwise determined by the Company in General Meeting the number of Directors shall be not more than ten but need not exceed one. If and so long as there is a sole

Director he may exercise all the powers and authorities vested in the Directors by these Articles and Table "A".

17. A Director need not hold any shares of the Company to qualify him as a Director but he shall be entitled to receive notice of and attend and speak at all General Meetings of the Company and at all separate General Meetings of the holders of any class of shares in the capital of the Company.
18. If any Director shall be called upon to perform extra services or to make special exertions in going or residing abroad or otherwise for any of the purposes of the Company, the Company may remunerate the Director so doing either by a fixed sum or by a percentage of profits or otherwise as may be determined by a resolution passed at a Board Meeting of the Directors of the Company, and such remuneration may be either in addition to or in substitution for any other remuneration to which he may be entitled as a Director.
19. The Directors may exercise all the powers of the Company to borrow or raise money and to mortgage or charge its undertaking, property and uncalled capital and to issue debentures, debenture stock and other securities as security for any debt, liability or obligation of the Company or of any third party.
20. A Director may vote as a Director in regard to any contract or arrangement in which he is interested or upon any matter arising thereat and if he shall so vote his vote shall be counted and he shall be reckoned in estimating a quorum when any such contract or arrangement is under consideration.
21.
 - (a) The Directors shall cause minutes to be made in books provided for the purpose:-
 - (i) of all appointments of officers made by the Directors;
 - (ii) of the names of the Directors present at each meeting of the Directors, and of any committee of the Directors;
 - (iii) of all resolutions and proceedings at all meetings of the Company, and of the Directors, and of committees of Directors.
 - (b) A Director present at any meeting of Directors or committee of Directors need not sign his name in a book kept for that purpose.
22. The Directors on behalf of the Company may pay a gratuity or pension or allowance on retirement to any Director who has held any other salaried office or place of profit with the Company or on his death to his Widow or dependants and may make contributions to any fund and pay premiums for the purchase or provision of any such gratuity, pension or allowance.
23. A Director shall not retire by rotation.
24. No person shall unless recommended by the Directors be eligible for election to the office of Director at any general meeting unless not less than three nor more than twenty-one days before the date appointed for the meeting there shall have been left at the registered office of the Company notice in writing, signed by a member duly qualified to attend and vote at the meeting for which such notice is given, of his intention to propose such person for election, and also notice in writing signed by that person of his willingness to be elected.
25. The Company may from time to time by ordinary resolution increase or reduce the number of Directors.

26. The Directors shall have power at any time, and from time to time, to appoint any person to be a Director, either to fill a casual vacancy or as an addition to the existing Directors, but so that the total number of Directors shall not at any time exceed the number fixed in accordance with these regulations. Any Director so appointed shall hold office only until the next following annual general meeting, and shall then be eligible for re-election.
27. Without prejudice to the provisions of Section 184 of the Act, the Company may by Extraordinary resolution of which special notice has been given in accordance with Section 142 of the Act, remove from office any Director notwithstanding anything in these regulations or in any agreement between the Company and such Director. Such removal shall be without prejudice to any claim such Director may have for damage for breach of any contract of service between him and the Company.
28. The Company may by ordinary resolution appoint another person in place of a Director removed from office under the immediately preceding regulation, and without prejudice to any other power of the Directors under these Articles the Company in general meeting may appoint any person to be a Director either to fill a casual vacancy or as an additional Director.
- 29.
- (a) Any Director may by writing under his hand appoint (1) any other Director, or (2) any other person who is approved by the Board of Directors as hereinafter provided to be his alternate; and every such alternate shall (subject to his giving to the Company an address within the United Kingdom at which notices may be served on him) be entitled to receive notices of all meetings of the Directors and, in the absence from the Board of the Director appointing him, to attend and vote at meetings of the Directors, and to exercise all the powers, rights, duties and authorities of the Director appointing him; Provided Always that no such appointment of a person other than a Director shall be operative unless and until the approval of a majority of the Directors shall have been given and entered in the Directors' Minute Book. A Director may at any time revoke the appointment of an alternate appointed by him, and subject to such approval as aforesaid appoint another person in his place, and if a Director shall die or cease to hold the office of Director the appointment of his alternate shall thereupon cease and determine. An alternate Director shall not be counted in reckoning the maximum number of Directors allowed by the Articles of Association for the time being. A Director acting as alternate shall have an additional vote at meetings of Directors for each Director for whom he acts as alternate but he shall count as only one for the purpose of determining whether a quorum be present.
- (b) Every person acting as an alternate director shall be an officer of the Company, and shall alone be responsible to the Company for his own acts and defaults, and he shall not be deemed to be the agent of or for the Director appointing him. The remuneration of any such alternate Director shall be payable out of the remuneration payable to the Director appointing him, and shall consist of such portion of the last-mentioned remuneration as shall be agreed between the alternate and the Director appointing him.
30. A resolution in writing signed by all the Directors for the time being entitled to receive notice of a meeting of the Directors, shall be as valid and effectual as if it had been passed at a meeting of the Directors duly convened and held. Any such resolution in writing may consist of several documents in the like form each signed by one or more of such Directors.

31.

- (a) No person shall be or become incapable of being appointed a Director by reason of his having attained the age of seventy or any other age nor shall any special notice be required in connection with the appointment or the approval of the appointment of such person, and no Director shall vacate his office at any time by reason of the fact that he has attained the age of seventy or any other age.
- (b) The office of Director shall be vacated if the Director:-
 - (i) becomes bankrupt or makes any arrangement or composition with his creditors generally; or
 - (ii) becomes prohibited from being a Director by reason of any order made under Section 188 of the Act; or
 - (iii) becomes of unsound mind; or
 - (iv) not being a Managing Director or Executive Director holding office as such for a fixed period, resigns his office by notice in writing to the Company.

32.

- (a) The Directors may from time to time appoint one or more of their body to be Managing Director or Joint Managing Directors of the Company or to hold such other Executive Office in the management of the business of the Company as the Directors may decide for such fixed term or without limitation as to period and on such terms as they think fit and (subject to the provisions of any service contract between him and the Company and without prejudice to any claim for damages he may have for breach of any such service contract) may remove or dismiss him or them from office and appoint another or others in his or their place or places. A Managing Director or such Executive Director shall (subject to the provisions of this Article and without prejudice to any claim for damages any such Managing Director or Executive Director may have for breach of any service contract between him and the Company) be subject to the same provisions as to removal and as to vacation of office as the other Directors of the Company and if he ceases to hold the office of Director from any cause he shall (without prejudice as aforesaid) ipso facto and immediately cease to be a Managing Director or such Executive Director.
- (b) A Managing Director or Executive Director holding office as such for a fixed period shall not be entitled to resign as a Director of the Company.

ACCOUNTS

- 33. The Directors shall from time to time in accordance with statute for the time being in force cause to be prepared and to be laid before the Company in General Meeting such profit and loss accounts, balance sheets, group accounts (if any) and reports as are required by any such statute.
- 34. Auditors shall be appointed and their duties regulated in accordance with statute for the time being in force.

NOTICES

- 35. Notice of every general meeting shall be given in any manner hereinbefore authorised to:-

- (a) every member except those members who (having no registered address within the United Kingdom) have not supplied to the Company an address within the United Kingdom for the giving of notices to them;
- (b) every person upon whom the ownership of a share devolves by reason of his being a legal personal representative or a trustee in bankruptcy of a member where the member but for his death or bankruptcy would be entitled to receive notice of the meeting;
- (c) the auditor for the time being of the Company; and
- (d) every Director of the Company.

No other person shall be entitled to receive notices of general meetings.