

Company Number: 04257337

THE COMPANIES ACT 2006
PRIVATE COMPANY LIMITED BY SHARES
SPECIAL RESOLUTION

- of -

AUDIO NETWORK LIMITED (the "Company")

Minutes of shareholder meeting of the Company held at 54 St John's Square, London, EC1V 4JL at 9 30am on Wednesday 4th September 2013

Present Robert Hurst, Christopher Blakeston

The Company Secretary noted that written resolutions had been received by the Company Secretary prior to the meeting from members holding 80 16% of the issued share capital of the Company all voting in support of the special resolution set out below

SPECIAL RESOLUTION

"That

- (a) *the terms of the contract (a copy of which has been sent or submitted to each eligible member of the Company at or before the time at which this resolution was sent or submitted to that member for signature (the "Contract")) for the purchase by the Company at a price of £3 44 per ordinary share of £0 01 each in the capital of the Company ("Ordinary Shares") from the shareholders named in the said Contract of, in aggregate, 243,946 Ordinary Shares and the purchase of such shares pursuant to that Contract be and are hereby authorised and approved, provided that*
- (i) *any variation in the terms of the Contract must be authorised by an ordinary resolution of the Company,*
- (ii) *this authority may be varied, revoked or renewed from time to time by ordinary resolution of the Company,*
- (iii) *the directors be and are hereby authorised to execute the Contract on behalf of the Company "*

The Company Secretary further noted that written consents for the resolution had been obtained prior to the meeting from the two "Founders" and from the "Investor" as defined in the Company Articles

Pursuant to chapter 2 of part 13 of the Companies Act 2006 and Article 8 11 of the articles of Association of the Company, the special resolution above is passed as a special resolution of the Company

Signed



Robert Hurst, Company Secretary

For and on behalf of Audio Network Limited

Date 4th September 2013

THURSDAY



A45 *A2GAD5SP* 05/09/2013 #212
COMPANIES HOUSE

DATED

2013

THE PERSONS WHOSE NAMES AND ADDRESSES ARE SET OUT IN SCHEDULE 1

and

AUDIO NETWORK LIMITED

SALE AND PURCHASE AGREEMENT
relating to
buy back of shares in Audio Network Limited

5 New Street Square | London EC4A 3TW
Tel +44 (0)20 7300 7000
Fax +44 (0)20 7300 7100
DX 41 London
www.taylorwessing.com

TaylorWessing

THIS AGREEMENT is made the

day of

2013

BETWEEN

- (1) **THE PERSONS** whose names and addresses are set out in column 1 of the table set out in the schedule (the "**Sellers**"), and
- (2) **AUDIO NETWORK LIMITED**(company number 04257337) whose registered office is at School Farm Studios, Little Maplestead, Halstead, Essex CO9 2SN (the "**Company**")

INTRODUCTION

- (A) The Company has an issued share capital of 16,245,699 Ordinary Shares (as defined below), of which all are fully paid
- (B) The Sellers are the holders of, in aggregate, 526,758 Ordinary Shares
- (C) The Sellers have agreed to sell and the Company has agreed to buy the Shares (as defined below) for cancellation on the terms of this agreement
- (D) The Articles (as defined below) do not contain any restriction or prohibition on the Company's purchase of its own shares
- (E) The sale and purchase of the Shares is conditional on a special resolution of the Company being passed approving the terms of this agreement in accordance with the terms of article 8 11 of the Articles

AGREED TERMS

1. Definitions and Interpretation

1 1 *In this agreement*

"**Act**" means the Companies Act 2006,

"**Affiliate**" means in respect of any person, a person that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, the person specified, where "control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management policies of a person, whether through the ownership of voting securities, by contract, as trustee or executor, or otherwise, and in respect of any individual, his or her spouse, or civil partner, and his or her grandparents (and those of his spouse or civil partner) and all descendants of those grandparents,

"**Agreed Documents**" has the meaning given to it in clause 8 1,

"**Articles**" means the Articles of Association of the Company,

"**Business**" means the operation of a production music library,

"Business Day" means a day other than a day which is a Saturday, Sunday or public holiday in England,

"Completion Date" or **"Completion"** means the date on which the condition set out in clause 2 3 is satisfied,

"Company's Solicitors" means Taylor Wessing LLP of 5 New Street Square, London EC4A 3TW,

"Consideration" has the meaning given to it in clause 3,

"Encumbrance" includes a mortgage, charge, lien, pledge, right of pre-emption, option, covenant, restriction, lease, trust, order, decree, title defect or any other security interest or conflicting claim of ownership or right to use or any other third party right,

"Ordinary Shares" means the ordinary shares of £0.01 each in the capital of the Company,

"Restriction Period" has the meaning given to it in clause 7 1(a), and

"Shares" means 243,946 Ordinary Shares in aggregate, split between the Sellers as set out in column 2 of the table set out in the schedule

2. Sale and Purchase

- 2 1 The Sellers agree to sell the Shares with full title guarantee and free from Encumbrances and the Company, relying on the warranties on the part of the Sellers contained in clause 5, agree to buy the Shares subject to the provisions of this agreement
- 2 2 The Company shall not be obliged to complete the purchase of any of the Shares unless the purchase of all the Shares is completed simultaneously
- 2 3 The sale and purchase of the Shares in accordance with this clause 2 is conditional on a special resolution of the Company being passed approving the terms of this agreement in accordance with the terms of article 8 11 of the Articles

3. Consideration

- 3 1 The consideration for the sale of the Shares (the price per Share being, for the avoidance of doubt, £3.44 per Share) is £839,174.24 in aggregate (the **"Consideration"**), split between the Sellers as set out in column 3 of the table contained in the schedule, payable on Completion in the manner specified in clause 4 3
- 3 2 If any payment is made by a Seller to the Company in respect of any claim for a breach by such Seller of this agreement or any other Agreed Document or pursuant to an indemnity under this agreement or any other Agreed Document, the payment shall be made by way of adjustment of the Consideration payable to such Seller and the Consideration payable to such Seller shall be deemed to have been reduced by the amount of such payment

4. Completion

- 4 1 The sale and purchase of the Shares shall be completed at the offices of the Company's Solicitors on the Completion Date (or at such other place or on such other date as the parties shall agree)
- 4 2 On Completion each of the Sellers shall deliver to the Company
- (a) the certificates for the Shares or a suitable indemnity for lost share certificate in respect thereof, and
 - (b) a certified copy of the board minutes or signing authority (and, if required, the articles of association) of the Seller (to the extent that a Seller is not a natural person) approving the entry into the agreement and any other documents referred to in this agreement and authorising its officers or other appointees or attorneys to sign this agreement on the Seller's behalf
- 4 3 On Completion the Company shall pay to each Seller its proportion of the Consideration by electronic funds transfer to such bank account of the Seller in question as nominated to the Company in writing

5. Warranties

- 5 1 Each of the Sellers severally warrants to the Company that
- (a) he is the legal and beneficial owner of, and is entitled to transfer the legal and beneficial title to, those Shares set out opposite his name in the schedule free from any Encumbrances and such Shares are fully paid and have been properly and validly allotted,
 - (b) the information set out against his name in the table in the schedule is true and accurate in all respects and not misleading in any respect,
 - (c) there are no
 - (i) outstanding judgments, orders, injunctions or decrees of any governmental or regulatory body or arbitration tribunal against or affecting such Seller,
 - (ii) lawsuits, actions or proceedings pending or, to the knowledge of such Seller, threatened against or affecting him, nor
 - (iii) investigations by any governmental or regulatory body which are pending or, to his knowledge, threatened against such Seller,which, in each case, has or could affect the ability of such Seller to perform its obligations under this agreement and/or any agreement entered into pursuant to the terms of this agreement,
 - (d) no order has been made, petition presented or meeting convened for the bankruptcy of such Seller nor any other action taken in relation to the appointment of any liquidator, (or other equivalent process), and no events have occurred which would justify any such proceedings,
 - (e) he is not entitled to any claim of any nature against the Company or any member of its group or any officers or employees of the its group,

- (f) he has full power and authority and has obtained all necessary consents to enter into and perform the obligations expressed to be assumed by him under this agreement (and any other Agreed Document), that the obligations expressed to be assumed by him hereunder are legal, valid and binding and enforceable against him in accordance with their terms and that the execution, delivery and performance by him of this agreement and each other Agreed Document will not
 - (i) result in a breach of, or constitute a default under, any agreement or arrangement to which he is a party or by which he is bound or under his constitutive documents, or
 - (ii) result in a breach of any law or order, judgement or decree of any court, governmental agency or regulatory body to which he is a party or by which he is bound
- 5 2 Each of the warranties, covenants, indemnities and undertakings set out in this agreement is separate and independent
- 5 3 The aggregate amount of the liability of each Seller in respect of the aggregate of all claims in respect of the warranties contained in this clause 5 shall not exceed the proportion of the Consideration received by such Seller
- 6. Undertakings of the Sellers**
- 6 1 The Sellers undertake to the Company that as soon as possible following Completion they will procure the execution of any document which the Company may reasonably require them to have executed so as to transfer effectively the beneficial and legal ownership of the Shares to the Company or as it may direct free from all Encumbrances and otherwise to give effect to the terms of this agreement
- 6 2 Each of the Sellers undertakes with the Company that, if and for so long as it remains the registered holder of any of the Shares after Completion, it will hold such Shares and all rights arising out of or in connection with them in trust for the Company or as it may direct and will at all times after Completion deal with and dispose of such Shares as the Company shall direct
- 6 3 Except as required by law or any regulatory body, no announcement or circular in connection with the existence or the subject matter of this agreement or the other Agreed Documents shall be made or issued by any Seller without the prior written approval of the Company
- 6 4 Each Seller undertakes to the Company that, subject to clause 6 5, unless the prior written consent of the Company shall first have been obtained, it shall, and shall (where relevant) procure that its officers, employees, advisers and agents shall keep confidential and shall not by failure to exercise due care, or otherwise by any act or omission, disclose to any person whatsoever, or use or exploit commercially for its or their own purposes, any of the confidential information of the Company For the purposes of this clause 6 4, "**confidential information**" is the contents of this agreement and the contents of the other Agreed Documents and
 - (a) information of whatever nature concerning the business, finances, assets, liabilities, dealings, transactions, know-how, customers, suppliers, processes or affairs of the Company, or any of members of its group from time to time, and
 - (b) any information which is expressly indicated by the Company to be confidential (whether relating to the Company or to any member of its group)

6 5 The consent referred to in clause 6 4 shall not be required for disclosure by a Seller of any confidential information

- (a) to its officers and employees (to the extent applicable) and professional advisers, in each case, to the extent required to enable such Seller to carry out its obligations under this agreement and the other Agreed Document and who shall in each case be made aware by such Seller of its obligations under this agreement and the other Agreed Documents and shall be required by such Seller to observe the same restrictions on the use of the relevant information as are contained in clause 6 4,
- (b) subject to clause 6 6, to the extent required by any laws or regulatory authority to which such Seller is or may become subject or pursuant to any order of court or other competent authority or tribunal,
- (c) to the extent that the relevant confidential information is in the public domain otherwise than by breach of this agreement or the other Agreed Documents by any Seller,
- (d) which is disclosed to such Seller by a third party who is not in breach or of any undertaking or duty as to confidentiality whether express or implied,
- (e) which that Seller lawfully possessed prior to obtaining it from another,
- (f) to any professional advisers to the disclosing Seller who are bound to the disclosing Seller by a duty of confidence which applies to any information disclosed, or
- (g) to any other Seller to this agreement and/or the other Agreed Documents or pursuant to the terms of this agreement and/or the other Agreed Documents

6 6 If a Seller becomes required, in circumstances contemplated by clause 6 5(b), to disclose any information such Seller shall (save to the extent prohibited by law) give to the Company such notice as is practical in the circumstances of such disclosure and shall co-operate with the Company, having due regard to the Company's views, and take such steps as the Company may reasonably require in order to enable it to mitigate the effects of, or avoid the requirements for, any such disclosure

7. Restrictions of the Sellers

7 1 In consideration of the Company complying with its obligations hereunder and under any Agreed Documents, the Sellers hereby undertake to the Company that they will not and will procure that their Affiliates will not without the prior written consent of the Company directly or indirectly

- (a) at any time during the period of three years following Completion (the "**Restriction Period**") be engaged or concerned or interested or participate in or carry on any business which is the same as the Business,
- (b) at any time during the Restriction Period in relation to a business which may in any way be the same as or similar to or in competition with the Business, canvass, solicit or entice the custom of or deal with or supply any services to any person who at the date of this agreement or at any time during the period of two years prior to Completion has been in the habit of dealing with the Business (including composers), or

- (c) at any time during the Restriction Period in relation to a business which may in any way be the same as or similar to or in competition with the Business offer employment to or employ or offer or conclude any contract for services with any person who at any time during the two years before Completion shall have been an officer, director, employee, consultant or agent of any Group Company entitled to emoluments (including commission if any) exceeding the annual rate of £30,000, or
- (d) at any time during the Restriction Period knowingly assist any competitor of the Company or a member of its group in carrying on or developing any business which may in any way be the same as or similar to or in competition with the Business, or
- (e) at any time during the Restriction Period seek to contract with or engage (in such a way as to affect the Business adversely) any person who has been contracted with or engaged to supply or deliver products, goods, materials or services or license rights to the Company or a member of its group at any time during the period of two years prior to the date of this agreement, or
- (f) except as required by law at any time disclose to any person or use for his own benefit (or that of any other person) any information or know how of a confidential nature concerning and relating to the goodwill of the Company or a member of its group including (without limitation) information and know how as to products, processes, techniques, suppliers, composers, customers, finances, business policy and expansion or forward planning programmes which he shall have acquired before Completion, or
- (g) except as required by law at any time do or say anything likely or calculated to lead any person, firm or company to withdraw from or cease to continue offering to the Company or a member of its group any rights (whether of purchase, sale, import, distribution, agency or otherwise) then enjoyed by it or in any other way to cease to do business or reduce the amount of business it transacts with the Company or a member of its group

7.2 The Sellers agree and acknowledge with the Company that

- (a) each of the sub clauses contained in clause 7.1 constitutes an entirely separate severable and independent covenant by and restriction on him,
- (b) the duration, extent and application of each of the restrictions contained in clause 7.1 are no greater than is necessary for the protection of the goodwill and trade connections of the Business and the value of the Company and its group, and
- (c) if any restriction contained in clause 7.1 shall be found void but would be valid if some part thereof were deleted such restriction shall apply with any such deletion as may be necessary to make it valid and effective

8 Entire agreement

8.1 This agreement and all documents (to which any of the parties are party) entered into on the date of this agreement in connection with it or referred to in it (the "**Agreed Documents**")

- (a) constitute the entire agreement between the parties about the subject matter of this agreement, and

(b) (in relation to such subject matter) supersede and extinguish all earlier understandings and agreements between any of the parties and all earlier representations by any party

8 2 The parties have not entered into any of the Agreed Documents in reliance upon any representation, warranty or promise

8 3 No representation or warranty or any other term is to be implied in any of the Agreed Documents whether by virtue of any usage or course of dealing or otherwise except as expressly set out in them

8 4 If a party has made or given any representation, warranty or promise or otherwise made any innocent or negligent misrepresentation then, (except to the extent that it has been expressly set out in the Agreed Documents) the party to whom it is given waives any rights or remedies which it may have in respect of it and agrees that the other party shall have no liability in respect of it

8 5 This clause shall not exclude the liability of a party for fraud or fraudulent misrepresentation

9 Miscellaneous

9 1 Each party shall bear its own costs incurred in connection with this agreement

9 2 This agreement may only be varied in writing signed by or on behalf of each of the parties

9 3 The headings to the clauses in this agreement are for ease of reference only and do not form any part of this agreement for the purposes of construction

10. Governing law

The governing law of this agreement, and of any claim, dispute or issue arising out of or in connection with this agreement or its subject matter (including non-contractual claims), shall be that of England and the parties hereby agree to submit to the exclusive jurisdiction of the English courts

This agreement has been entered into as a deed on the date shown on the first page

EXECUTED AND DELIVERED)
AS A DEED by)
JOHN SWITZER)
in the presence of)

Witness signature

Witness name

Witness address

EXECUTED AND DELIVERED)
AS A DEED by)
RICHARD E YAWN)
in the presence of)

Witness signature

Witness name

Witness address

EXECUTED AND DELIVERED)
AS A DEED by)
MELINDA A YAWN)
in the presence of)

Witness signature

Witness name

Witness address

EXECUTED AND DELIVERED)
AS A DEED by)
JOHN FRANCIS LEVEQUE)
in the presence of)

Witness signature

Witness name

Witness address

EXECUTED AND DELIVERED)
AS A DEED by)
HEMSLEY INVESTMENT LLC)
acting by)
director)
in the presence of)

Witness signature

Witness name

Witness address

SCHEDULE 1**Sellers**

NAME AND ADDRESS	SHARES	CONSIDERATION
(1)	(2)	(3)
John Switzer of 1550 South Carmona Avenue, Los Angeles, USA, California, 90019	56,860	£195,598 40
Richard E Yawn and Melinda A Yawn of 11407 Amberridge Ct, Moorpark, USA, CA 93021	32,050	£110,252 00
Hemsley Investment LLC of 265 Washington Street, Duxbury, Massachusetts, USA, 02332-4541	21,486	£73,911 84
John Francis Leveque of 5472 Paseo Del Lago East, Unit B, Laguna Woods, USA, CA92637	133,550	£459,412 00
TOTAL	243,946	£839,174.24