

**WIGGIN**

**ARTICLES OF ASSOCIATION**  
**of**  
**RACECOURSE MEDIA GROUP LIMITED**

(as adopted by Special Resolution dated 29 September 2011 and as amended on 1 May 2012 by operation of the conditional Special Resolution passed on 2 May 2010 and further amended pursuant to a Special Resolution passed on 27 September 2013)

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RM 20/12/2013 #16  
COMPANIES HOUSE

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**ARTICLES OF ASSOCIATION**  
**of**  
**RACECOURSE MEDIA GROUP LIMITED**

(as adopted by Special Resolution dated 29 September 2011)

**1      Adoption of Table A**

In these Articles "Table A" means Table A scheduled to the Companies (Tables A to F) Regulations 1985 as amended prior to the date of adoption of these Articles. The regulations contained in Table A shall, except where they are excluded or modified by these Articles, apply to the company and, together with these Articles, shall constitute the Articles of the company. No other regulations set out in any statute concerning companies, or in any statutory instrument or other subordinate legislation made under any statute, shall apply as the regulations or articles of the company.

**2      Interpretation**

2.1      In these Articles, where the context so admits, the following words and expressions shall have the following meanings:

"A' Ordinary Shares"	the 'A' Ordinary Shares of £100 each in the capital of the Company;
"Act"	means the Companies Act 1985 ("1985 Act") and every statutory modification or re-enactment thereof in force as at the date of the adoption of these articles, and any provisions of the Companies Act 2006 ("2006 Act") for the time being in force as at the date of the adoption of these articles, and the 1985 Act and the 2006 Act shall be construed accordingly;
"B Share Capital Pool"	an amount, if any, equal to 10% of the amount by which the Surplus Assets exceed £100,000,000;
"B Share Capital Pool Entitlement"	in respect of each 'B' Ordinary Share, an amount equal to the B Share Capital Pool divided by the total number of 'B' Ordinary Shares in issue;
"B' Ordinary Shares"	the "B" Ordinary Shares of £100 each in the capital of the Company,
"Business Day"	a day (other than a Saturday or Sunday) on which banks are generally open for business in London;
"Calculation Date"	in respect of each Year, 31 December of the previous year or such other date as the Board may determine from time to time;

<b>"Capital Event"</b>	has the meaning attributed to it in Article 4.1;
<b>"Chairman"</b>	the chairman of the Board from time to time appointed in accordance with Article 19.2 or, in the absence of such appointment, the Senior Non-Executive Director;
<b>"Channel"</b>	an English language television programme service predominantly concerned with the coverage of horseracing operated by the Group;
<b>"Clear Days"</b>	in relation to the period of a notice that period excluding the day when the notice is given or deemed to be given and the day for which it is given or on which it is to take effect;
<b>"Common Ownership"</b>	in respect of any two or more members, those members each being a group undertaking (as defined in the Act) in relation to the other;
<b>"Conversion Event"</b>	a Sale or a Listing;
<b>"Cost Allocation Formula"</b>	the cost allocation formula used to determine the allocation of costs against revenue streams for the purpose of calculating Net Revenue from rights other than Free Terrestrial TV rights approved from time to time by the Board and, if requested by a Representative Director, by a simple majority of members on a poll in accordance with Article 18.3 1(k)(ii),
<b>"Deferral Event"</b>	has the meaning attributed to it in Article 4.4,
<b>"Deferred Shares"</b>	the Deferred Shares of £0.001 each in the capital of the Company;
<b>"Directors" or "Board"</b>	the directors of the company from time to time;
<b>"Disposal"</b>	shall include, without limitation. <ul style="list-style-type: none"> <li>(i) sale, assignment or transfer;</li> <li>(ii) creating or permitting to subsist any Encumbrance;</li> <li>(iii) any agreement, arrangement or understanding in respect of votes or the right to receive dividends;</li> <li>(iv) the renunciation or assignment of any right to receive a share or any legal or beneficial interest in a share;</li> <li>(v) any agreement to do any of the above, except an agreement to transfer shares which is</li> </ul>

	conditional on compliance with these Articles
	and "Dispose" and other cognate expressions shall be construed accordingly;
<b>"Encumbrance"</b>	includes any mortgage, charge, pledge, hypothecation, lien, assignment by way of security, title retention, option, right to acquire, right of pre-emption, trust arrangement or other security, preferential right, equity or restriction;
<b>"Executive Directors"</b>	the executive directors appointed in accordance with Article 19,
<b>"Free Terrestrial TV"</b>	any television programme services provided in the United Kingdom by the British Broadcasting Corporation, the Channel Four Corporation, S4C, the Channel 5 Corporation or ITV plc for which the viewer does not have to pay any amount (except for any statutory television licence fee due pursuant to the Communications Act 2003) and for which the television programme service provider receives no fee from a platform operator in respect of the inclusion of the service on that platform and INBTv;
<b>"Group"</b>	the company and its subsidiary undertakings from time to time,
<b>"Group Company"</b>	the company and any subsidiary undertaking of the company from time to time;
<b>"INBTv"</b>	all forms of television distribution principally intended for reception in any territory outside the United Kingdom, the Channel Islands, the Isle of Man and the Republic of Ireland by which coverage of any race is distributed but excluding: <ul style="list-style-type: none"> <li>(a) any television services or programmes related to betting services or primarily intended for betting purposes,</li> <li>(b) any forms of distribution via the internet (including, without limitation, video over IP) or mobile wireless technology; and</li> <li>(c) distribution of any race as part of the redistribution of the whole or a substantial part of the Channel or any other branded service operated by or under licence from any member of the Group (except where such branding or other reference is given by way of an incidental acknowledgement of the source of the relevant feed),</li> </ul>
<b>"Large Independent Racecourses"</b>	those of Ayr, Bangor-on-Dee, Chester, Goodwood, Newbury and York, which are Relevant Racecourse(s) and such other racecourses as may be approved as Large Independent Racecourses by the Board and a

	simple majority in number of the Large Independent Racecourses at that time;
<b>"Levy Board"</b>	Horserace Betting Levy Board;
<b>"Licence Agreement"</b>	an agreement between (1) an owner of a Racecourse and (2) a Group Company in respect, amongst other things, of a grant of rights to broadcast pictures of horse racing at a Relevant Racecourse(s) (including any variation, renewal or extension);
<b>"Listing"</b>	a listing of any shares or other securities of the company on any stock exchange;
<b>"Net Revenue"</b>	<p>(i) in respect of exploitation of Free Terrestrial TV rights, the gross revenue receivable by the Group from exploiting those rights less any irrecoverable VAT or other sales taxes and any direct costs incurred by the Group in exploiting such rights before payment of licence fees under the Licence Agreements; and</p> <p>(ii) in respect of exploitation of rights other than Free Terrestrial TV rights, the gross revenue receivable by the Group from exploiting those rights less any irrecoverable VAT or other sales taxes and such costs as may be allocated to such activities in accordance with the Cost Allocation Formula before payment of licence fees under the Licence Agreements;</p>
<b>"Offcourse Betting Turnover Percentage"</b>	the percentage calculated in accordance with Article 4.9.1(c);
<b>"Ordinary Shares"</b>	the ordinary shares of £1 each in the capital of the Company,
<b>"person"</b>	includes any individual, body or entity including any firm, partnership, unincorporated association, local authority or body corporate;
<b>"Racecourse"</b>	a racecourse situated in England, Wales or Scotland in respect of which a valid licence issued by the Horserace Regulatory Authority subsists;
<b>"Racecourse Licence Holder"</b>	a holder of a valid racecourse licence issued by the Horserace Regulatory Authority (or its successor licensing authority or body) in respect of a racecourse situated in England, Wales or Scotland;
<b>"Racing Fixture List"</b>	the annual racing fixture list as published by the British Horseracing Board (or any successor body or authority carrying out that publishing function);
<b>"Relevant Capital"</b>	in respect of each 'A' Ordinary Share, the percentage entitlement to the surplus assets of the company

<b>Percentage"</b>	attributable to that 'A' Ordinary Share calculated in accordance with Article 4.6;
<b>"Relevant Income Percentage"</b>	in respect of each 'A' Ordinary Share, the percentage entitlement to the distributable profits of the company attributable to that 'A' Ordinary Share calculated in accordance with Article 4.7;
<b>"Relevant Period"</b>	the period used for the purpose of calculation of the Relevant Capital Percentage, the Relevant Income Percentage or the Relevant Voting Percentage as the case may be;
<b>"Relevant Racecourse(s)"</b>	in respect of each 'A' Ordinary Share, the Racecourse or Racecourses noted on the certificate and in the register of members against such 'A' Ordinary Share and in respect of which there is a valid Licence Agreement,
<b>"Relevant Voting Percentage"</b>	in respect of each 'A' Ordinary Share, the percentage of the total number of votes exercisable by holders of 'A' Ordinary Shares attributable to that 'A' Ordinary Share, calculated in accordance with Article 4.8;
<b>"Representative Directors"</b>	non-executive directors elected or appointed in accordance with Article 15.3;
<b>"Revenue Attribution Formula"</b>	the revenue attribution formula used to determine the attribution of revenues for the purpose of the Licence Agreement approved from time to time by the Board and, if requested by a Representative Director, by a simple majority of members on a poll in accordance with Article 18.3.1(k)(iii);
<b>"Rules of Racing"</b>	the rules of racing of the Horserace Regulatory Authority (or any successor body or authority) in force from time to time,
<b>"Sale"</b>	a sale of the entire issued ordinary share capital of the company to a single purchaser (or to one or more purchasers as part of a single transaction);
<b>"Secretary"</b>	any person appointed to perform the duties of the company secretary of the company;
<b>"Senior Independent Non-Executive Director"</b>	the Director nominated as such in accordance with Article 19.3;
<b>"Shares"</b>	the 'A' Ordinary Shares, the 'B' Ordinary Shares and the Deferred Shares;
<b>"simple majority"</b>	in respect of votes by members on a poll (whether or not in general meeting), members holding 'A' Ordinary Shares entitling them to more than 50% of the aggregate Relevant Voting Percentages of those

entitled to vote and voting on the matter the subject of the resolution,

"subsidiary undertaking"	shall have the meaning given to that term in the Act;
"Super 14 Racecourses"	Cheltenham, Newmarket, Aintree, Epsom, Sandown, Haydock, Kempton, Doncaster, Goodwood, Newbury, York, Ascot, Chester and Ayr;
"Surplus Assets"	the assets of the company remaining after payment of its liabilities;
"Terrestrial Licences "	any and all licences of Free Terrestrial TV rights granted by the company to third parties;
"United Kingdom"	Great Britain and Northern Ireland; and
" Year "	a calendar year or such other period as may be approved by the Board for the purpose of these Articles.

2.2 Words and expressions which bear particular meanings in Table A shall, unless otherwise defined in these Articles, bear the same meanings in these Articles.

2.3 Headings are for convenience only and shall not affect construction.

2.4 A corporate member represented at a general meeting by a duly authorised representative shall be deemed to be present in person

2.5 If, and for so long as, the company has only one member, these Articles shall (in the absence of any express provision to the contrary) apply with such modification as may be necessary in relation to the company.

### **3 Authorised Share Capital and Liability of the Members**

3.1 The authorised share capital of the company is £1,051,001 divided into '60' A Ordinary Shares, 1,000 Deferred Shares and 10,450 'B' Ordinary Shares.

3.2 The liability of the members shall be limited to the amount, if any, unpaid on their Shares.

### **4 Rights Attaching to Shares**

#### **4.1 *Capital***

On a return of assets on a liquidation, reduction of capital or otherwise of the company (each a "Capital Event"), the Surplus Assets shall be divided between the holders of Shares as follows:

4.1.1 first, each holder of 'B' Ordinary Shares shall receive (i) an amount equal to the amount subscribed for the 'B' Ordinary Shares held by it and (ii) an amount equal to any declared but unpaid dividends on the 'B' Ordinary Shares held by it,

4.1.2 second, each holder of 'A' Ordinary Shares and Ordinary Shares shall receive an amount equal to the amount subscribed for any such Shares



held by it and an amount equal to any declared but unpaid dividends on such Shares,

4.1.3 third, each holder of Deferred Shares shall receive £1 in respect of his entire holding of Deferred Shares, and

4.1.4 fourth, (i) before conversion upon a Conversion Event, each holder of 'B' Ordinary Shares shall receive an amount, if any, equal to the aggregate B Share Capital Pool Entitlement of the 'B' Ordinary Shares held by it, and each holder of 'A' Ordinary Shares shall receive a percentage of the remaining Surplus Assets equal to the aggregate Relevant Capital Percentages in respect of the 'A' Ordinary Shares held by it and, (ii) after a conversion upon Conversion Event, each holder of 'B' Ordinary Shares shall receive an amount, if any, equal to the aggregate B Share Capital Pool Entitlement of the 'B' Ordinary Shares held by it, and the remaining Surplus Assets shall be distributed amongst the holders of Ordinary Shares.

## 4.2 *Income*

4.2.1 Before conversion upon a Conversion Event, each 'A' Ordinary Share shall entitle the holder thereof to a percentage of the distributable profits of the company that the company determines to distribute (other than any dividend declared in respect of the 'B' Ordinary Shares) equal to the Relevant Income Percentage attributable to that 'A' Ordinary Share and after Conversion upon a Conversion Event, any profits of the Company that the Company determines to distribute (other than any dividend declared in respect of the 'B' Ordinary Shares) should be paid to the holders of the Ordinary Shares pro rata to the number of any Ordinary Shares held by them. Regulation 104 of Table A shall not apply to the extent it is inconsistent with this Article 4.

4.2.2 In any Year that the distributable profits of the Company exceed £100,000,000, each 'B' Ordinary Share shall entitle the holder thereof to an amount equal to 10% of such excess divided by the total number of 'B' Ordinary Shares in issue. The 'B' Ordinary Shares shall not otherwise entitle the holders to any share in the distributable profits of the Company.

## 4.3 *Voting*

4.3.1 On a show of hands at a general meeting of the company every member, present in person or by proxy and entitled to vote shall have one vote.

4.3.2 Any holder of 'A' Ordinary Shares shall be able to call a poll. For the purposes of a poll at a general meeting of the company, every member present in person or by proxy shall have such voting rights in respect of each 'A' Ordinary Share held by it as equals the Relevant Voting Percentage (so that, for example, where the Relevant Voting Percentage attributable to an 'A' Ordinary Share is 16.58%, that 'A' Ordinary Shares shall entitle the holder of it to 16.58 votes) attributable to that 'A' Ordinary Share, as notified to the members by the Executive Directors in accordance with Article 4.9.3. On a poll, votes may be given either personally or by proxy. Fractions of votes may be cast on a poll.

4.3.3 Matters or questions to be decided upon by the members in a general meeting shall be decided upon by a simple majority of votes (whether on a show of hands or on a poll) except where such matters or questions are required by the Act or otherwise by statute to be passed by a higher majority (in which case the higher majority shall be

required) or where such matters or questions are set out in Article 18.3 in which case a resolution supported by the relevant number of members and/or percentage as set out in Article 18.3 shall be required

4.3.4 Regulations 54, 56 and 57 of Table A shall not apply and regulation 58 shall only apply after a Conversion Event.

4 3 5 The 'B' Ordinary Shares shall not entitle the holders thereof to receive notice of, attend or vote in general meetings of the Company

#### 4.4 ***Conversion upon a Deferral Event***

4 4 1 Subject to Article 4 4.2, each 'A' Ordinary Share and 'B' Ordinary Share held by a member shall automatically be converted into one hundred thousand Deferred Shares upon the company giving notice (a "Deferral Notice") of the occurrence of any of the following events:

- (a) the holder of that Share ceases to be a Racecourse Licence Holder; or
- (b) the Licence Agreement(s) in place in respect of all of the Relevant Racecourse(s) in respect of that Share is or are terminated or otherwise cease(s) to be in place, or
- (c) the holder of that Share ceases to own all of the Relevant Racecourse(s) in respect of that Share; or
- (d) all of the Relevant Racecourse(s) in respect of that Share cease(s) to be operated as Racecourse(s) save where such cessation (i) is on a temporary basis only, (ii) is for the purpose of carrying out any renovation or repair and (iii) has been agreed by the Board acting reasonably

(each a "Deferral Event").

4.4 2 The Board shall issue a Deferral Notice promptly upon becoming aware of a Deferral Event, save that it may delay issue of the Deferral Notice for such period as it sees fit (but not exceeding 90 days), if, acting reasonably, it considers:

- (a) that the Deferral Event is caused inadvertently or is of a "technical" nature, and
- (b) that the Deferral Event may be remedied within the period of suspension and that the relevant parties will use all reasonable endeavours to bring about such remedy.

4.4.3 The Board shall not issue a Deferral Notice in circumstances in which the prior written consent of the company pursuant to Article 9.2 has been obtained.

4.4.4 Each member shall promptly notify the company of the occurrence of a Deferral Event in respect of itself or its Relevant Racecourse(s)

4 4 5 Upon issue of a Deferral Notice, the existing share certificates in respect of any 'A' Ordinary Share the subject of the Deferral Notice shall automatically be cancelled and shall be returned by the member to the company and a certificate in respect of the Deferred Shares shall be issued.

#### 4.5 **Conversion upon a Conversion Event**

- 4.5.1 Upon a Conversion Event, each 'A' Ordinary Share shall be converted into such number of Ordinary Shares as represents a percentage of the total number of Ordinary Shares in issue immediately following such conversion equal to the Relevant Capital Percentage in respect of such 'A' Ordinary Share
- 4.5.2 Notice of the Conversion Event shall be given to the holders of the 'A' Ordinary Shares by the company at least 10 but not more than 60 days prior to the expected completion of the Sale or Listing, and such notice shall: (i) specify the expected date of completion of the Conversion Event as the date for conversion, (ii) specify and give full details of the calculation of the Relevant Capital Percentages; and (iii) specify and give full details of the method of conversion determined by the Board in accordance with Article 4.5.5.
- 4.5.3 The Ordinary Shares to which a holder of 'A' Ordinary Shares is entitled on conversion of his 'A' Ordinary Shares shall be credited as fully paid and shall rank par passu in all respects and form one class with the Ordinary Shares, if any, then in issue
- 4.5.4 The allotment of Ordinary Shares shall be made immediately prior to and conditional upon the relevant Conversion Event. A certificate for new Ordinary Shares shall be sent within two days of such allotment to each holder without charge.
- 4.5.5 The Board may in its absolute discretion from time to time determine the method by which relevant 'A' Ordinary Shares are to be converted (which may involve, by way of example subdivision and/or bonus issue) provided that the Board, in its reasonable discretion, considers that such method of conversion is appropriate to effect a conversion without causing an unlawful reduction of capital or issue of Shares at below nominal value and subject always to the provisions of the Articles and the Act
- 4.5.6 Any balance of the capital of the 'A' Ordinary Shares not converted into Ordinary Shares in accordance with Article 4.5.1 shall be converted into Deferred Shares on such basis as the Board considers, in its reasonable discretion, is appropriate to effect a conversion without causing an unlawful reduction of capital or issue of Shares at below nominal value.

#### 4.6 **Relevant Capital Percentage**

- 4.6.1 Subject to Articles 4.6.2 and 4.6.3, for the purpose of these Articles, Relevant Capital Percentage in respect of each 'A' Ordinary Share in any Year shall be calculated as follows.

$$RCP = \frac{RNTRA + RTRA}{ANTRA + ATRA} \times 100$$

where:

RCP = Relevant Capital Percentage;

ANTRA = the amount, if any, of Net Revenue retained by the Group under the Licence Agreements in respect of rights other than Free Terrestrial TV rights in the 3 years immediately preceding the Calculation Date (or if shorter the period from 10 March 2004 to the Calculation Date) (after payment of any royalties under the Licence Agreements) except that in respect of the calculation of ANTRA as at

the Calculation Date of 31 December 2005, ANTRA shall be such amount as is budgeted to be retained by the Group in Year 2006;

**ATRA** = the amount, if any, of Net Revenue retained by the Group under the Licence Agreements in respect of Free Terrestrial TV rights in the 3 Years immediately preceding the Calculation Date (or if shorter the period from 10 March 2004 to the Calculation Date) (after payment of any royalties under the Licence Agreements);

**RTRA** = the amount of ATRA attributable to the Relevant Racecourse(s);

**RNTRA** = the amount of ANTRA attributable to the Relevant Racecourse(s).

4.6.2 The 'A' Ordinary Shares held by any member or members under Common Ownership who immediately following the initial allotment and issue of 'A' Ordinary Shares pursuant to these Articles hold "A" Ordinary Shares entitling them in aggregate to a Relevant Capital Percentage of at least 33% shall for so long as they continue to hold such 'A' Ordinary Shares entitle such member or members to an aggregate Relevant Capital Percentage of 51% (the "Minimum Capital Entitlement") in circumstances where the Relevant Capital Percentages attaching to such 'A' Ordinary Shares in accordance with Article 4.6.1 would otherwise be less than 51%, unless such member or members:

- (a) own less than seven of the Super 14 Racecourses;
- (b) cease to hold 2 or more of the Racecourses (other than Super 14 Racecourses) held by it or them at 30 June 2006, or
- (c) cease to licence to the Group its Free Terrestrial TV rights

in which case the Relevant Capital Percentages shall be calculated in accordance with Article 4.6.1 without taking into account this Article 4.6.2 and 4.6.3.

4.6.3 In the event that Article 4.6.2 applies so as to establish the Minimum Capital Entitlement, the Relevant Capital Percentages of the other members shall be such proportion of 49% as is in proportion to the Relevant Capital Percentages calculated in accordance with Article 4.6.1 as though Articles 4.6.2 and 4.6.3 did not apply.

#### 4.7 **Relevant Income Percentage**

For the purpose of these Articles, the Relevant Income Percentage in respect of each 'A' Ordinary Share in any Year shall be calculated as follows:

$$RIP = \frac{RRA}{ARA} \times 100$$

where:

**ARA** = the aggregate amount, if any, of Net Revenue retained by the Group under the Licence Agreements in respect of Free Terrestrial TV rights and other rights in the Year immediately preceding the Calculation Date (after payment of any royalties under the Licence Agreements); and

**RRA** = the amount of ARA attributable to the Relevant Racecourse(s) in the Year immediately preceding the Calculation Date.

**Relevant Voting Percentage**

- 4.8.1 Subject to Articles 4.8.2 and 4.8.3, for the purpose of these Articles, the Relevant Voting Percentage in respect of each 'A' Ordinary Share in any Year shall be calculated as follows:

$$RVP = \frac{RNTA + RTF}{PYNTPA + ATF} \times 100$$

where,

**RVP** = Relevant Voting Percentage

**ATF or Aggregate Terrestrial Fee** = the gross amount of revenues to be received by the company in that Year pursuant to any Terrestrial Licences, ignoring any amounts that are contingent or unascertainable at the Calculation Date save that: (i) for the purpose of the calculation as at the Calculation Date of 31 December 2005, any Licence Agreement entered into during Year 2006 in respect of Free Terrestrial TV rights shall be deemed to have been in place on the Calculation Date for that Year and the gross amount of revenues pursuant to the Terrestrial Licences to be taken into account shall be the revenues for Year 2007 not 2006 and (ii) provided that the Terrestrial Licence with Channel 4 remains in place, the minimum gross amount of revenues attributable to Cheltenham (for so long as it remains a Relevant Racecourse) to be received by the company in Years 2007, 2008 and 2009 pursuant to that Terrestrial Licence shall be deemed to be no less than £1,000,000 for the purpose of the calculation of the Relevant Voting Percentage;

**NTP or Non-Terrestrial Profit** = the Net Revenues in respect of rights other than Free Terrestrial TV rights;

**NTP Percentage** = in respect of each 'A' Ordinary Share the percentage of Non-Terrestrial Profit attributable to the Relevant Racecourse(s) in any relevant Year,

**PYNTPA or Prior Year NTP Amount** = the amount of Non-Terrestrial Profit for the Year immediately preceding the Calculation Date save that in respect of Year 2006, the Prior Year NTP Amount shall be the amount of Non-Terrestrial Profit budgeted for Year 2006 in the budget of the Group's activities approved by the Board;

**RTF or Relevant Terrestrial Fee** = means in respect of each "A" Ordinary Share the amount of the Aggregate Terrestrial Fee attributable to the Relevant Racecourse(s),

**2005 NTP Percentage** = the following:

RACECOURSE	NTP PROFIT SHARE %
Aintree	2.8
Ayr	3.8
Bangor on Dee	1.3
Beverley	2.5
Carlisle	2.4
Cartmel	0.3

Catterick Bridge	3.3
Cheltenham	6.1
Chester	2.3
Epsom Downs	3.2
Goodwood	5.9
Hamilton	2.3
Haydock	5.2
Huntingdon	1.5
Kempton	4.1
Ludlow	1.9
Market Rasen	1.7
Musselburgh	3.3
Newbury	6.7
Newmarket	10.7
Nottingham	2.9
Pontefract	2.5
Redcar	2.1
Salisbury	2.1
Sandown	5.8
Thirsk	1.7
Warwick	2.8
Wetherby	1.9
Wincanton	1.8
York	5.2
TOTAL	100.0

RNTA = an amount calculated in accordance with the following formula:

$$RNTA = PYNTPA \times X$$

where:

- X =
- (i) in respect of Year 2006, the 2005 NTP Percentage attributable to the Relevant Racecourse(s);
  - (ii) in respect of Year 2007, the average of the 2005 NTP Percentage and the NTP Percentage for Year 2006 in each case attributable to the Relevant Racecourse(s), and
  - (iii) for each subsequent Year the average of NTP Percentages for each of the three Years immediately preceding the Calculation Date, in each case attributable to the Relevant Racecourse(s).

#### 4.8.2

The 'A' Ordinary Shares held by any member or members under Common Ownership who immediately following the initial allotment and issue of 'A' Ordinary Shares pursuant to these Articles hold "A" Ordinary Shares entitling them in aggregate to a Relevant Voting Percentage of at least 33% shall for so long as they continue to hold such 'A' Ordinary Shares entitle such member or members to an aggregate Relevant Voting Percentage of 51% (the "Minimum Voting Entitlement") in circumstances where the Relevant Voting Percentages attaching to such 'A' Ordinary Shares in accordance with Article 4.8.1 would otherwise be less than 51%, unless such member or members:

- (a) own less than seven of the Super 14 Racecourses,

- (b) cease to hold 2 or more of the Racecourses (other than Super 14 Racecourses) held by it at 30 June 2006; or
- (c) cease to licence to the Group its Free Terrestrial TV rights

in which case the Relevant Voting Percentages shall be calculated in accordance with Article 4.8.1 without taking into account this Article 4.8.2 and 4.8.3

- 4.8.3 In the event that Article 4.8.2 applies so as to establish a Minimum Voting Entitlement, the other members shall on a poll be entitled to vote the 49% of the votes attaching to the remaining 'A' Ordinary Shares in proportion to their Relevant Voting Percentages as calculated in accordance with Article 4.8.1.

4.9 ***Matters Relevant to the Calculation of the Relevant Capital Percentage, the Relevant Income Percentage and the Relevant Voting Percentage***

- 4.9.1 In determining any part of the revenues of the Group including without limitation commissions, fees, royalties, interest or other amounts (each a "Revenue Stream") attributable to a Relevant Racecourse(s) for the purpose of any calculation under Articles 4.6 to 4.8 (inclusive) the Directors shall apply generally accepted accounting principles, practices and standards in the United Kingdom and shall:

- (a) base their determination on the best available data (if any) for each Revenue Stream received by the Group where such Revenue Stream is attributable to a Relevant Racecourse;
- (b) where there is no specific data available for any given Revenue Stream received by the Group or such Revenue Stream is not attributable to a Relevant Racecourse, attribute a percentage of that Revenue Stream to the Relevant Racecourse(s) on the basis of the Offcourse Betting Turnover Percentages;
- (c) for the purpose of Article 4.9.1(b), Offcourse Betting Turnover Percentage shall be calculated as follows:

$$\frac{OBT}{AOBT} \times 100$$

where:

OBT = the offcourse betting turnover identified and published by the Levy Board (or any successor body to the Levy Board) attributable to the Relevant Racecourse(s) over the Relevant Period; and

AOBT = the aggregate offcourse betting turnover identified and published by the Levy Board (or any successor body to the Levy Board) from time to time attributable to all Relevant Racecourse(s) over the Relevant Period

and in the event that the Levy Board shall not at the time of calculation have published offcourse betting turnover data for any period or periods within a Relevant Period the most recently available data shall be used ("Interim Data"). Upon publication by the Levy Board of the offcourse betting turnover data for any missing period or periods within the

Relevant Period ("Current Data"), the Directors shall recalculate the Relevant Capital Percentages, the Relevant Income Percentages and the Relevant Voting Percentages. Relevant Capital Percentages and Relevant Voting Percentages as recalculated shall apply only with effect from the date of recalculation. However, where any distribution shall have been made to members in any Year in accordance with the Relevant Income Percentages calculated directly or indirectly on the basis of Interim Data and the amounts received would have been different had the Relevant Income Percentages been calculated on the basis of the Current Data, the company shall, subject to the Act, make a further distribution to its members in such proportions as is necessary to bring the aggregate amount received by members in respect of such Year to that which it would have been had the Relevant Income Percentages been calculated on the basis of the Current Data.

- (d) any Revenue Stream attributable to a Relevant Racecourse(s) for any period during which there is no Licence Agreement in place for that Relevant Racecourse(s) shall not be taken in to account save that: (i) revenue of Racing UK Limited attributable to a Racecourse for any period prior to Racing UK Limited becoming a Group Company and within a Relevant Period shall be taken in to account, and (ii) in the event that any person (other than York Racecourse Knivesmire LLP) who is not a member of the Company at the date of adoption of these Articles (as stated at the beginning of these Articles) is subsequently allotted and issued an "A" Ordinary Share, the revenue attributable to the Relevant Racecourse(s) owned by that person for any period prior to it being allotted and issued an "A" Ordinary Share and within a Relevant Period shall be taken into account; and

- 4.9.2 The Relevant Capital Percentage, the Relevant Income Percentage and Relevant Voting Percentage shall be calculated to two decimal places and rounded as the Directors, acting reasonably, see fit.
- 4.9.3 The Directors shall calculate the Relevant Capital Percentage, the Relevant Income Percentage and Relevant Voting Percentage for all 'A' Ordinary Shares as soon as practicable following each Calculation Date and circulate to each member notice of the same within 30 days of such calculation
- 4.9.4 In the event of any dispute as to the calculation of the Relevant Capital Percentage, the Relevant Income Percentage or the Relevant Voting Percentage, if any member so requires, the matter may be referred to the auditors of the company to determine or, if for any reason the auditors are unwilling or unable to accept referral of the matter, to such independent firm of chartered accountants as shall be agreed by the Board and the relevant member or failing agreement within 14 days of the notice from the member requesting referral of the matter, by the President of the Institute of Chartered Accountants upon application by the company or the member. In making their determination, the auditors or appointed accountants shall act as experts not arbitrators and their certificate as to the amount of the Relevant Capital Percentage, Relevant Income Percentage and/or Relevant Voting Percentage shall be conclusive and binding on all concerned. The costs shall be borne by the company unless the Relevant Capital Percentage, Relevant Income Percentage or Relevant Voting Percentage attributable to the 'A' Ordinary Shares held by the member as determined by the expert are equal to or less than that



circulated by the company, in which case the costs shall be borne by the member

- 4.9.5 Subject always to the approval requirements of Article 18 3.1(k), the Board may approve changes from the principles set out in Article 4.9.1 in respect of the calculations made in any Year provided that such changes are reasonable in the circumstances and are clearly stated in the notice to members.

**4.10 *Sale of Share Capital of the Company***

In the event of a Sale notwithstanding anything to the contrary in the terms and conditions governing such Sale (unless all the members immediately prior to such Sale have agreed to the contrary for the purposes of this Article 4.10), the proceeds of such Sale net of any costs of such Sale shall be distributed amongst the Shareholders in the manner set out in Article 4.1, as if the Sale were a liquidation of the Company and the net proceeds of the Sale were the Surplus Assets.

**4.11 *Deferred Shares***

- 4.11.1 The Deferred Shares do not confer on the holder thereof any entitlement:

- (a) save as provided in Article 4 1 2, to participate in the profits or assets of the company; or
- (b) to receive notice of and attend and vote at general meetings of the company.

- 4.11 2 The Board shall be entitled from time to time (and the holders of the Deferred Shares from time to time hereby irrevocably authorise the company):

- (a) to redeem for cash at a price of £1 in aggregate all the Deferred Shares then in issue (such redemption to be either by means of redemption out of the proceeds of a fresh issue of shares or out of profits which would otherwise be available for distribution or in such manner as the Board may determine (subject to the provisions of the Act);
- (b) to appoint any person to execute on behalf of the holders of such Deferred Shares a transfer thereof and/or an agreement to transfer the same for no consideration to such person as the company may determine as custodian thereof; and/or
- (c) to purchase the Deferred Shares (in accordance with the provisions of the Act) for £1 without obtaining the sanction of the holder or holders thereof for the purposes of such purchase to appoint a person to execute on behalf of any holder of the Deferred Shares a contract for the sale to the company of any such shares held by such holder; and
- (d) pending such transfer and/or purchase to retain the certificates for such Deferred Shares.

- 4.11.3 Such Deferred Shares shall be deemed to have been redeemed upon such resolution of the Board and the company may retain the redemption money until delivery up of the certificate for such Deferred Shares (or indemnity in respect thereof satisfactory to the Board) and shall within 7 days thereafter pay the redemption money to the holder of such Deferred Shares.

- 4.11.4 Where any payments required to be made by the company under Article 4.11.2 are required to be made to more than one person, the company may divide such payments as it in its absolute discretion sees fit or may make such payment to any one such person to hold on behalf of all such persons and shall not be concerned with any onward distribution of such payment.

#### 4.12 ***Partial Deferral Event***

- 4.12.1 In respect of each 'A' Ordinary Share issued in respect of more than one Relevant Racecourse, where:

- (a) the holder of an 'A' Ordinary Share ceases to be a Racecourse Licence Holder in respect of one or more Relevant Racecourse(s); or
- (b) the Licence Agreements in place in respect of one or more of the Relevant Racecourse(s) are terminated or otherwise cease to be in place; or
- (c) the holder of 'A' Ordinary Shares ceases to own one or more of the Relevant Racecourse(s); or
- (d) one or more of the Relevant Racecourse(s) cease to be operated as a Racecourse save where such cessation (i) is on a temporary basis only, (ii) is for the purpose of carrying out any renovation or repair and (iii) has been agreed by the Board acting reasonably

(each a "Partial Deferral Event")

occurs in respect of any Relevant Racecourse(s) (but not all Relevant Racecourses) the rights attaching to that 'A' Ordinary Share attributable to the Relevant Racecourse(s) in respect of which a Partial Deferral Event shall have occurred shall cease with effect from the occurrence of the Partial Deferral Event upon the issue of a Partial Deferral Notice in accordance with Article 4.12.2.

- 4.12.2 The Board shall issue a notice stating that a Partial Deferral Event has occurred (a "Partial Deferral Notice") promptly upon becoming aware of a Partial Deferral Event, save that it may delay issue of the Partial Deferral Notice for such period as it sees fit (but not exceeding 90 days), if, acting reasonably, it considers:

- (a) that the Partial Deferral Event is caused inadvertently or is of a "technical" nature; and
- (b) that the Partial Deferral Event may be remedied within the period of suspension and that the relevant parties will use all reasonable endeavours to bring about such remedy.

- 4.12.3 Upon issue of a Partial Deferral Notice, the existing share certificate(s) in respect of the 'A' Ordinary Share shall automatically be cancelled and shall be returned by the member to the company and a new share certificate in respect of that 'A' Ordinary Share noting only the continuing Relevant Racecourse(s) shall be issued. The register of members shall be amended accordingly.

#### 5 **Issue of Shares**

- 5.1 Subject to Article 18.3.2, Article 5.2, and Article 5.5 the Board may allot and issue an 'A' Ordinary Share to any person who.

- 5.1.1 is a Racecourse Licence Holder; and
- 5.1.2 enters into a Licence Agreement and subscription agreement in the form required by the Board.
- 5.2 Notwithstanding Article 18 3.2, the allotment and issue of 'A' Ordinary Shares to any person who is not already a member shall require the consent of any one member holding 'A' Ordinary Shares entitling it to at least 33% of the Relevant Voting Percentage and of a simple majority on a poll of those members whose Relevant Racecourse(s) comprise the Large Independent Racecourses and of a simple majority on a poll of those members who are Independent members as defined in Article 15.16.
- 5.3 Any 'A' Ordinary Share issued pursuant to Article 5.1 shall be numbered and issued in respect of one or more Racecourses and the name of the Racecourse(s) shall be noted on the certificate in respect of each 'A' Ordinary Share and in the register of members against such 'A' Ordinary Share.
- 5.4 A member may hold more than one 'A' Ordinary Share but shall not, for the avoidance of doubt, hold more than one 'A' Ordinary Share in respect of any one Racecourse
- 5.5 Subject to Articles 18 3.2 and 5.2, the decision of the Board as to whether or not to allot and issue any 'A' Ordinary Share to any person (including any decision as to terms relating to such allotment and issue, including as to price) shall be at its sole discretion and the Board shall not be under any obligation to issue any 'A' Ordinary Share to a person (including any member), regardless of whether they are able to fulfil the conditions in Article 5.1.
- 5.6 In the event that a member holds an 'A' Ordinary Share in respect of which there is more than one Relevant Racecourse, such member may request that the Board allots and issues further 'A' Ordinary Shares in respect of any one or more of such Relevant Racecourses, in which case, subject to the foregoing provisions of this Article 5 and subject always to the approval requirements of Article 18 3.2, the Board shall, against payment of the par value of any additional 'A' Ordinary Shares to be issued:
  - 5.6.1 issue 'A' Ordinary Shares in respect of such Relevant Racecourses and issue new share certificates in respect of the new 'A' Ordinary Shares and a new certificate in respect of the existing 'A' Ordinary Shares, without the names of those Relevant Racecourses in respect of which new 'A' Ordinary Shares shall have been issued; and
  - 5.6.2 amend the register of members so as to remove reference against the existing 'A' Ordinary Share to those Relevant Racecourses in respect of which new 'A' Ordinary Shares shall have been issued and to register the new 'A' Ordinary Shares. The old share certificate shall automatically be cancelled and shall be returned by the member to the company.

## 6 **Initial Authority to Allot Relevant Securities**

Subject to the provisions of these Articles, the Directors are unconditionally authorised to exercise all powers of the company to allot relevant securities. The maximum nominal amount of relevant securities that may be allotted under this authority shall be the nominal amount of the unissued share capital at the date of adoption of this Article or such other amount as may from time to time be authorised by the company in general meeting. The authority conferred on the Directors by this Article shall remain in force for a period of five (5) years from the date of adoption of this Article but may be revoked, varied or renewed from time to time by the company in general meeting in accordance with the Act.

7. **Exclusion of Rights to Offers on a Pre-emptive Basis**

Section 89(1) of the 1985 Act shall not apply to the allotment by the company of any equity security.

8 **Fully Paid Shares**

No share shall be issued partly paid. Regulations 8 to 22 (inclusive) of Table A shall not apply.

9 **Restriction on Dealing with Shares**

9.1 Subject to Article 9.2, no Disposal of any 'A' Ordinary Share or any legal or beneficial interest in any 'A' Ordinary Shares shall be permitted except pursuant to a Sale.

9.2 A member may with the prior written consent of the company sell the entire legal and beneficial interest in any 'A' Ordinary Share held by such member to a Racecourse Licence Holder who has acquired the Relevant Racecourse(s) and who has entered into a Licence Agreement (or a novation agreement in respect of an existing Licence Agreement) in respect of the Relevant Racecourse(s) in a form satisfactory to the company.

9.3 No Disposal of any Deferred Share shall be permitted except a Disposal pursuant to Article 4.11.2.

9.4 No disposal of any legal or beneficial interest in any 'B' Ordinary Share or Ordinary Share shall be permitted save pursuant to a Sale or following a Listing or with the prior written consent of the Company, such consent not to be unreasonably withheld where the transfer is to a transferee to whom a transfer of 'A' Ordinary Shares is made under Article 9.2.

10 **Transfer of Shares**

Any transfer of Shares made in accordance with these Articles shall be registered promptly. The Directors shall decline to register any transfer of shares, which is not made in accordance with these Articles. Regulations 26 and 29 to 31 (inclusive) of Table A shall not apply.

11 **Calling General Meetings**

11.1 The Directors may call general meetings and either:

11.1.1 on the requisition of members of the company representing not less than one tenth of the total voting rights on a poll of all the members having at the date of the deposited requisition a right to vote at general meetings of the company; or

11.1.2 in the event that the Board receives notice from a Representative Director pursuant to Article 18.3,

shall proceed to convene an extraordinary general meeting such meeting to be held within 28 days or such later date as the requisitionists or the relevant Representative Director shall agree with the Board. If the Board shall fail to convene a meeting in accordance with this Article then the requisitioning members or the notifying Representative Director may convene such meeting and their reasonable costs in doing so shall be reimbursed by the company. Regulation 37 of Table A shall be modified accordingly.

11.2 All general meetings of the company shall be called by at least 21 Clear Days' notice. The notice shall specify the time and place of the meeting and the general nature of

the business to be transacted and, in the case of an annual general meeting shall specify the meeting as such

11.3 Notwithstanding the provisions of Article 11.2 above, general meetings may be called by shorter notice if so agreed:

11.3.1 in the case of an annual general meeting, by all the members entitled to attend and vote thereat, and

11.3.2 in the case of any other general meeting, by a majority of members having a right to attend and vote at the general meeting together representing not less than 95% of the total voting rights on a poll of all members entitled to vote at the general meeting

11.4 The accidental omission to give notice of the general meeting to, or the non-receipt of a notice of a general meeting by, any person entitled to receive notice shall not invalidate the proceedings at that meeting.

11.5 Where a member is a firm, unincorporated association or body corporate, a member shall appoint a representative to act on its behalf at all members' meetings and to exercise all the member's rights as a member of the company. Such appointment, or its revocation, shall take effect immediately following delivery by the member of a notice in writing to the Chairman or the secretary at the company's registered office from time to time

## 12. Proceedings at General Meetings

12.1 No business shall be transacted at any general meeting unless a quorum is present. Quorum shall be 3 members (or a proxy for a member or duly authorised representative of a member appointed in accordance with Article 11.5), one of whom shall have a right (with or without other members) to appoint a Director under Article 15.3.1, one of whom shall have a right (with other members) to appoint a Director under Article 15.3.2 and one of whom shall have a right (with other members) to appoint a Director under Article 15.3.3. In the event that no member of any one or more such categories exists, the quorum requirement shall be reduced accordingly.

12.2 If within 30 minutes from the time appointed for the general meeting a quorum is not present, the meeting 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 Board may determine. If at the adjourned meeting a quorum is not present within 30 minutes from the time appointed the meeting shall stand adjourned again on the same basis. If at the second adjourned general meeting a quorum is not present within 30 minutes from the time appointed for the meeting, the members present shall be a quorum.

12.3 The Chairman of the Board or the Senior Independent Non-Executive Director shall preside as chairman of every general meeting, or if he shall not be present within 15 minutes of the time appointed for the holding of the meeting or is not willing to act, the Board shall elect one of their number to be chairman of the meeting. If no Director is willing to act as chairman or if no Director is present within 15 minutes after the time appointed for holding the meeting, the members present shall choose one of their number to be chairman of the meeting.

12.4 The chairman of a general meeting may, with the consent of any general meeting of the company 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 general meeting other than the business left unfinished at the general meeting from which the adjournment took place. When a general meeting is adjourned for 30 days or more, notice of the adjourned general meeting shall be given as in the case of an original meeting. Save as aforesaid it

shall not be necessary to give any notice of an adjourned general meeting or of the business to be transacted thereat.

- 12 5 At any general meeting of the company a resolution put to the vote of the meeting shall (except as set out below) 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 any one member present in person or by proxy. Unless a poll is so demanded a declaration by the chairman of the meeting that a resolution has on a show of hands been carried unanimously, or by a particular majority, or lost and an entry to that effect in the book containing the minutes of 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. Regulation 46 of Table A shall not apply.
- 12 6 A poll demanded on the election of a chairman of any general meeting pursuant to Article 12 5 or on a question of adjournment of a general meeting shall be taken forthwith and, on any other question or matter, if a poll is duly demanded it shall be taken in such manner as the chairman of the general meeting directs and the result of the poll shall be deemed to be the resolution of the general meeting at which the poll was demanded. Regulation 49 of Table A shall not apply.
- 12 7 A poll shall be taken at such time as the chairman of the general meeting directs and any business other than that upon which a poll has been demanded may be proceeded with pending the taking of the poll.
- 12.8 A resolution 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 firms, unincorporated associations or 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.
- 12 9 Any one Director or failing him the secretary (or in the case of a local authority a duly authorised member or officer) of a body corporate which is a member (not being its representative as appointed pursuant to Article 11 5) or any one partner in a firm or any one member of an unincorporated association which shall have a nominated representative (who is not himself such a representative appointed pursuant to Article 11.5) may attend any general meeting of the company without any right of voting thereat except in the absence of the representative or a proxy holder appointed by the member in question. In such absence, such other person attending the general meeting as set out above shall, at the discretion of the Chairman, be entitled to vote as if he were that representative but no member shall thereby be permitted to exercise more than one vote.
- 12 10 In the case of an equality of votes at a general meeting, whether on a show of hands or on a poll, the chairman of the meeting shall not be entitled to a second or casting vote. Regulation 50 of Table A shall not apply.

### 13 Proxies

- 13.1 The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a certified copy of that power or authority shall be deposited either at the company's then registered office or at such other place within the United Kingdom as is specified for that purpose in the notice convening the general meeting, or if brought to the meeting by the proxy holder deposited with the Secretary or his representative at the place where the general meeting is to be held before the time shown in the notice for holding the general meeting or adjourned meeting at which the person named in the instrument proposes to vote and in any event not later than immediately before the meeting proceeds to business, and in default the instrument of proxy shall not be treated as valid.
- 13.2 The instrument appointing a proxy shall be signed by or on behalf of the appointer. A proxy need not be a member of the company. However, if a member is appointed as

a proxy such member shall have an additional vote (or such additional weighted voting on a poll) in addition to its own vote and be counted as an additional member present for the purposes of the quorum of the meeting for each member in respect of which such member is appointed proxy.

- 13.3 An instrument appointing a proxy shall be in the following form or a form as near thereto as circumstances allow or in any other form which is usual or the Board may approve:

Signed this    day of        20

I/We, of

being a member of the above company, hereby appoint

of

or failing him

of

as my/our proxy to vote for me/us on my/our behalf at the (annual or extraordinary as the case may be) general meeting of the company to be held on the    day of    20, and at any adjournment thereof.

- 13.4 The instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll.

- 13.5 A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the revocation or determination of the proxy or of the authority under which the proxy was executed, unless notice of the revocation or determination was received by the company before the meeting or adjourned meeting at which the proxy is to be used, proceeds to business.

- 13.6 Regulations 60, 61 and 62 of Table A shall not apply.

14 **Participation at General Meetings**

Any one (1) or more members may participate in and vote at general meetings by means of a conference telephone or any communication equipment, which allows all persons participating in the meeting to hear each other. Any member so participating in a meeting shall be deemed to be present in person and shall count towards the quorum. Such a meeting 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.

15. **Directors**

- 15.1 The Board shall not exceed 20 Directors in number. Regulation 64 of Table A shall not apply.

- 15.2 The Directors shall be:-

- 15.2.1 Representative Directors appointed or elected in accordance with Article 15.3;

- 15.2.2 the Executive Directors appointed by the Representative Directors pursuant to Article 19.1; and
- 15.2.3 non-executive independent Directors appointed by the Representative Directors or the members pursuant to Article 19.3
- 15.3 Subject to Articles 15.4 to 15.6 (inclusive):
  - 15.3.1 any member or group of members under Common Ownership owning in aggregate at least 6 Racecourses in respect of which Licence Agreements are in place shall be entitled to appoint and remove one non-executive Director to the Board;
  - 15.3.2 those members whose Relevant Racecourse(s) comprise the Large Independent Racecourses shall be entitled as a group to appoint and remove one non-executive Director to the Board and such non-executive Director shall, in the absence of unanimous agreement, be elected or removed by those members whose Relevant Racecourse(s) comprise the Large Independent Racecourses in accordance with Articles 15.14 and 15.5;
  - 15.3.3 members who are not entitled to appoint a non-executive Director pursuant to Articles 15.3.1 and 15.3.2 above shall as a group be entitled to appoint and remove two non-executive Directors to the Board in such manner as they see fit and each such non-executive Director shall, in the absence of unanimous agreement, be elected or removed by the constituent members of that group in accordance with Articles 15.16 to 15.20
- 15.4 The right to appoint a non-executive Director pursuant to Article 15.3.1 shall be lost automatically if and only for so long as the member or members who appoint the non-executive Director either:
  - 15.4.1 cease to be under Common Ownership with the result that no member or members under Common Ownership hold 6 or more Racecourses in respect of which Licence Agreements are in place; or
  - 15.4.2 cease to hold 6 or more Racecourses in respect of which Licence Agreements are in place

unless such member or members under Common Ownership own Relevant Racecourse(s) hosting more than 10% of the total racing fixtures as set out in the then current Racing Fixture List.
- 15.5 The right to appoint a non-executive Director pursuant to Article 15.3.2 shall be lost automatically if and only for so long as three or more of the members whose Relevant Racecourse(s) comprise the Large Independent Racecourses cease to be "independent" (for the purposes of this Article 15.5 "independent" means not being owned by another member(s) of the company) or have notified the Board in writing that they wish to join a different grouping for the purposes of electing a non-executive Director pursuant to Article 15.3
- 15.6 The right to appoint two non-executive Directors pursuant to Article 15.3.3 shall be modified automatically as follows if and for so long as the number of Racecourses in respect of which Licence Agreements are in place owned by members entitled to appoint non-executive Directors pursuant to Article 15.3.3 shall:
  - 15.6.1 be less than 10 but greater than or equal to 6, in which case those members as a group shall be entitled to appoint one non-executive Director; or



- 15.6 2 be less than 6, in which case those members as a group shall cease to be entitled to appoint any non-executive Directors (unless such members own Relevant Racecourse(s) hosting over 10% of the total racing fixtures as set out in the then current Racing Fixture List in which case they shall as a group be entitled to maintain in office one Director).
- 15 7 The first non-executive Directors appointed pursuant to Article 15 3 3 following the adoption of these Articles shall hold office for the following terms:
- 15 7.1 the person elected with the highest number of votes from constituent members (or, if only one such Director is elected pursuant to Article 15.3.3, that Director) shall hold office for a term of 3 years; and
- 15 7 2 the person elected with the second highest number of votes from constituent members shall hold office for a term of 2 years;
- and following the expiry of their respective terms each such non-executive Director shall retire upon the appointment of his successor or shall be deemed to have retired immediately before his reappointment in accordance with these Articles.
- 15 8 A Representative Director shall (following appointment or election in accordance with the relevant provision of Article 15 3) be appointed as a Director automatically upon receipt by the company of a written notice executed by or on behalf of the relevant Article 15.3 appointor or electors.
- 15 9 Any Representative Director (other than an alternate Director) may appoint
- 15.9.1 any other Director, or
- 15.9.2 any other person approved both by a resolution of the Board and by either the appointor of that Representative Director or by a majority of that Representative Director's electors as the case may be,
- and in each case willing to act, to be an alternate Director and may remove from office an alternate Director so appointed by him. Any such appointment or removal of an alternate Director shall be made by delivering a notice to that effect at the registered office of the company or by any other manner approved by the Board. Any person who has been approved as capable of nomination as an alternate of a Representative Director shall be briefed by the Board on a regular basis as to the matters under consideration at meetings of the Board.
- 15.10 An alternate Director shall be entitled to receive notice of all meetings of the Board and of all meetings of committees of Directors of which his appointor is a member, to attend and vote, to the extent his appointor was entitled to vote, at any such meeting at which his appointor is not personally present, and generally to perform all the functions of his appointor as a Representative Director in his absence. However, it shall not be necessary to give notice of such a meeting to an alternate Director who is absent from the United Kingdom.
- 15.11 An alternate Director shall cease to be an alternate Director if his appointor ceases to be a Representative Director; but, if a Representative Director retires but is reappointed at the meeting at which he retires, any appointment of an alternate Director made by him which was in force immediately prior to his retirement shall continue after his reappointment.
- 15.12 Save as otherwise provided in the Articles, an alternate Director shall be deemed for all purposes to be a Representative Director and shall be entitled to be repaid expenses and to be indemnified to the same extent mutatis mutandis as if he were a Representative Director. Further, he shall alone be responsible for his own acts and defaults and he shall not be deemed to be the agent of the Representative Director appointing him.

- 15.13 Regulations 65, 68 the last sentence of Regulation 66, Regulations 73 to 77 (inclusive), 79 and 81(c) of Table A and references in Table A to retirement by rotation shall not apply.

#### **Large Independent Racecourses**

- 15.14 The members whose Relevant Racecourse(s) comprise the Large Independent Racecourses shall be entitled to appoint and remove a Representative Director in accordance with Article 15.3.2. In the absence of unanimous agreement between the members whose Relevant Racecourse(s) comprise the Large Independent Racecourses, such appointment or removal shall (subject to Article 15.15) be by way of an election or resolution held in accordance with the following principles:
- 15.14.1 the only persons capable of casting a vote shall be the members whose Relevant Racecourse(s) comprise the Large Independent Racecourses acting by their validly appointed representatives;
  - 15.14.2 the quorum for a meeting of the members whose Relevant Racecourse(s) comprise the Large Independent Racecourses to hold such an election or pass such a resolution shall be 3 and no election or resolution shall take effect unless that election or resolution has taken place at a quorate meeting;
  - 15.14.3 if the members whose Relevant Racecourse(s) comprise the Large Independent Racecourse shall appoint a chairman of the meeting of such members that person shall not have a second or casting vote by virtue of that position,
  - 15.14.4 each of the members whose Relevant Racecourse(s) comprise the Large Independent Racecourse shall have one vote and decisions will be taken on a show of hands on a simple majority.
- 15.15 A resolution in writing appointing or removing a Representative Director under Article 15.3.2 signed by all the members whose Relevant Racecourse(s) comprise the Large Independent Racecourses or their duly authorised representatives shall be as valid and effective as if the same had been passed at a meeting of the members whose Relevant Racecourse(s) comprise the Large Independent Racecourses duly convened and held in accordance with Article 15.14

#### **Independent members**

- 15.16 Members of the company who are not entitled to appoint a Representative Director pursuant to Articles 15.3.1 or 15.3.2 (referred to in these Articles 15.16 to 15.20 as "Independent members") shall be entitled to appoint and remove Representative Directors in accordance with Article 15.3.3 and in the absence of unanimous agreement between the Independent members and subject to the provisions of Article 15.17 below, such appointment or removal shall be by way of a postal ballot administered by the company or by a third party approved by the Board.
- 15.17 A postal ballot shall not be deemed to have been held for the purposes of Article 15.16 if a sufficient number of the Independent members requisition a meeting of the Independent members and for the purposes of this Article 15.19 "sufficient number" shall mean:
- 15.17.1 10 Independent members where the Independent members are entitled to appoint 2 non-executive Directors; and
  - 15.17.2 6 Independent members where the Independent members are entitled to appoint 1 non-executive Director.
- 15.18 If a meeting is duly requisitioned under Article 15.17 such a meeting shall be held in accordance with the following principles.

- 15 18.1 the only persons capable of casting a vote shall be the Independent members acting by their validly appointed representatives,
- 15 18 2 the quorum for a meeting of the Independent members to hold such an election or pass such a resolution shall be the same as the numbers of members required by Article 15.17 to requisition such a meeting and no election or resolution shall take effect unless that election or resolution has taken place at a quorate meeting; and
- 15.18 3 if the Independent members shall appoint a chairman of the meeting of the Independent members that person shall not have a second or casting vote by virtue of that position.
- 15 19 The method of carrying out the election or the postal ballot (as the case may be) shall be by each Independent member having one vote in respect of each election or ballot of a Representative Director in which such member is entitled to participate and elections, resolutions or ballots shall be deemed passed on a simple majority. All Independent members must be entitled to participate in the same number of Representative Director elections or ballots and decisions at a duly requisitioned meeting will be taken on a show of hands
- 15 20 A resolution in writing signed by all the Independent members or their duly authorised representatives shall be as valid and effective as if the same had been passed at a meeting of the Independent members duly convened and held or by virtue of a postal ballot held in accordance with Article 15.18.
16. **No Age Limit or Share Qualification**
- 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
- 17 **Remuneration of Directors**
- Regulations 82 and 87 of Table A shall not apply
- 18 **Powers and duties of the Directors**
- 18 1 Subject to the provisions of Articles 18 3, the Board shall have sole control in regard to the business, affairs, management and organisation of the company. In addition to the powers and authorities conferred by these Articles or otherwise expressly conferred upon them they may exercise all such powers and do all such acts and things as may be exercised or done by the company and are not hereby or by statute expressly directed or required to be exercised or done by the company in general meeting. The Board shall exercise its powers and do everything within its control to ensure that nothing is done by any Group Company that would cause the company or the Board to be in breach of Article 18.3.
- 18.2 Without prejudice to the general powers conferred by Article 18.1 and the other powers conferred by these Articles, it is hereby expressly declared that the Board shall have the power, exercisable at its discretion (subject always to the overriding power of the company in general meeting), to vary the procedures set out in Articles 21.4 to 21.11 and 22.
- 18.3 The company shall not and shall procure, to the extent it is able to do so, that each Group Company shall not:
- 18 3 1 do any of the following without the approval of the Board and at the request of a Representative Director a simple majority of members on a poll:

- (a) create or issue or allow to come into being any mortgage, charge, lien or other encumbrances (save for liens arising in the ordinary course of business) upon the whole or any part of its undertaking, property or other assets or uncalled capital or revenue or create or issue any debenture or debenture stock save for finance leases and vendor financing agreements entered into in the ordinary course of business;
- (b) borrow any monies or obtain any advance or credit (other than normal course of business);
- (c) sell, factor, discount or otherwise dispose of all or any of its debts or any interest therein;
- (d) acquire or agree to acquire any fixed or capital asset or make or agree to make any capital expenditure except as budgeted for in the annual budget;
- (e) commence or settle any legal proceedings (other than routine debt collection and employment related litigation),
- (f) give any guarantee or indemnity in respect of the liability of any third party (other than a Group Company) or make any loan to any third party;
- (g) subscribe for, purchase or otherwise acquire any shares, debentures, debenture stock, mortgages or securities or interest in any other person;
- (h) enter into any joint venture, partnership, consortium or other similar arrangement;
- (i) appointment and change of any auditor or its accounting reference date or its accounting policies and any appointment and change of the company's solicitors;
- (j) in the case of the company or any other Group Company which is not a wholly owned subsidiary of the company, declare or pay any dividend or make any distribution or agree to capitalise any reserves or apply any amount for the time being standing to the credit of its share premium account or capital redemption reserve for any purpose; or
- (k) alter or vary:
  - (i) the calculation principles set out in Article 4.9 1 (in accordance with Article 4 9 5);
  - (ii) the then current Cost Allocation Formula; or
  - (iii) the then current Revenue Attribution Formula.

**18.3.2** do any of the following without the approval of the Board and, at the request of a Representative Director, the consent of any one member holding 'A' Ordinary Shares entitling it to at least 33% of the Relevant Voting Percentage and, of those members who each individually hold 'A' Ordinary Shares entitling them to less than 33% of the Relevant Voting Percentage, a simple majority on a poll:

- (a) sell, transfer or otherwise dispose of any subsidiary or associated company or any shares, securities convertible into shares or any rights to acquire shares or securities so convertible or any other interest therein;
- (b) enter into any transaction or series of transactions which (i) would require approval under sections 190 to 195 (inclusive) of the 2006 Act or (ii) if the share capital of the relevant Group Company were then listed on the Official List of the UK Listing Authority, would constitute a Class 1 transaction or a transaction with a related party (as defined in the publication entitled "The Listing Rules" issued by the UK Listing Authority);
- (c) enter into any agreement or other arrangement otherwise than in the ordinary course of business and on an arm's length basis,
- (d) sell, transfer, lease, assign, grant, any licence in respect of, or otherwise to dispose of, the whole or any part of its undertaking, property or other assets (whether by one transaction or a series of transactions whether related or not) or any interest therein other than the sale of current assets and licensing of intellectual property rights in the ordinary course of business,
- (e) take steps to be wound up unless a licensed insolvency practitioner shall have advised that the relevant Group Company is required to be wound up by reason of having become insolvent, make arrangements with its creditors, generally apply for an administration order, file documents with the court for an administrator's appointment, give notice of intention to appoint an administrator or appoint a receiver, administrator, manager or administrative receiver of the Group Company;
- (f) take or omit to take any significant action in respect of the Licence Agreements or any rights licensed or purported to be licensed thereunder including without limitation (i) vary any Licence Agreement, (ii) increase to the percentage entitlement of the Racecourses under the Licence Agreements (iii) waive any of its rights under or otherwise release any party from its obligations under any Licence Agreements or (iv) admit liability in relation to, and/or settle, any claim or threatened claim in connection with any Licence Agreement or any rights licensed or purported to be licensed thereunder;
- (g) apply for a Listing;
- (h) approve the business plan and annual budget or any amendment or departure from the same,
- (i) make any material change in the nature and scope of the business including the introduction or discontinuance of any field of activity, the relocation or expansion of the business of a Group Company;
- (j) approve any of the matters referred to in the following provisions of these Articles: the definition of Calculation Date in Article 2 1; the definition of Large Independent

Racecourses in Article 2 1, the definition of Year in Article 2.1; or

- (k) issue or allot any shares or grant any options or other like rights to acquire any shares or securities convertible into shares or make any payment to any person (whether or not a member) for giving up his right to any share capital or any such options or other like rights; or

18 3 3 do any of the following without the consent of any one member holding 'A' Ordinary Shares entitling it to at least 33% of the Relevant Voting Percentage and, of those members who individually hold 'A' Ordinary Shares entitling them to less than 33% of the Relevant Voting Percentage, a simple majority on a poll.

- (a) vary or permit any variation in its authorised or issued share capital or its capital structure or classification or status or modify or vary the rights attaching to any class of its shares;
- (b) alter its memorandum or articles of association or, in the case of any overseas subsidiary, its equivalent documents;
- (c) amalgamate or merge with any other body corporate or legal entity; or
- (d) pass any resolution whereby the classification or status of any Group Company may change.

19. **Appointment of Chairman, Senior Independent Non-Executive Director and Executive Directors**

19 1 The Representative Directors may by simple majority on a show of hands or at the request of any Representative Director by simple majority of votes on a poll of the Representative Directors appoint up to three persons to be Executive Directors of the company or to hold such other office in the management, administration or conduct of the business of the company for such period and on such terms as they may think fit and, subject to the terms of any agreement entered into in any particular case, may similarly revoke such appointment. The Representative Directors may entrust to and confer upon such Executive Directors any of the powers exercisable by them upon such terms and conditions and with such restrictions and with an entitlement to such remuneration as they may think fit and may from time to time revoke withdraw alter or vary all or any of such powers.

19 2 Subject to Article 19.4, the Representative Directors shall by simple majority on a show of hands or at the request of any Representative Director by simple majority of votes on a poll of the Representative Directors appoint a person to the office of Chairman. Such appointment may be similarly revoked by the Representative Directors or the members. The Chairman shall not be a member, a representative of a member or a representative of a subsidiary undertaking or associated undertaking of a member or a Representative Director or an Executive Director appointed under Article 19 1.

19.3 The Representative Directors shall by simple majority on a show of hands or at the request of any Representative Director by simple majority of votes on a poll of the Representative Directors appoint up to 3 persons to the office of independent non-executive Director and shall nominate one of such independent non-executive directors as the Senior Independent Non-Executive Director. Such appointment and nomination may be similarly revoked by the Representative Directors or the members. The independent non-executive Directors shall not be members or be connected with any member and shall be experienced in the exploitation of media rights

19 4 In the event that no Chairman is formally appointed in accordance with Article 19.2 (including, for example, where an Executive Director is given the title of 'Chairman' but is not formally appointed as such under Article 19.2 and accordingly is not the Chairman for the purposes of these Articles), the Senior Independent Non-Executive Director shall fulfil the role of Chairman for the purpose of these Articles

19 5 Notwithstanding any other provisions of these Articles and without prejudice to section 168 of the 2006 Act the Chairman, the independent non-executive directors and the Executive Directors may be removed from office at any time by a simple majority of members on a poll.

## 20 Disqualification of Directors

20 1 The office of a Director shall be vacated immediately and automatically:

20 1.1 if he becomes bankrupt,

20.1.2 if he is, or may be suffering from mental disorder and either:

(a) he is admitted to hospital in pursuance of an application for admission for treatment under the Mental Health Act 1983 or, in Scotland, an application for admission under the Mental Health (Scotland) Act 1960, or

(b) an order is made by a court having jurisdiction (whether in the United Kingdom or elsewhere) in matters concerning mental disorder for his detention or for the appointment of a receiver, curator bonis or other person to exercise powers with respect to his property or affairs;

20.1 3 if by notice in writing to the Board he resigns his office;

20.1.4 if he attains the age of 70;

20 1.5 if he becomes prohibited from being a director by reason of any order made under the Company Directors Disqualification Act 1986 (as amended from time to time),

20.1.6 if he has been warned off Newmarket Heath, or has been declared a "disqualified person" by the Rules of Racing,

20.1.7 if in the case of a person appointed to any of the offices of Chairman or Executive Director of the company, he ceases to hold such office;

20.1.8 if he is removed in accordance with Article 15,

20.1.9 if, in the case of a Representative Director, he ceases to be a member or a representative of a member of the company; or

20.1.10 if the members appointing him lose the right to appoint a Representative Director pursuant to Article 15,

and the remaining Directors shall be authorised to do all things necessary to give effect to such vacation of office.

## 21. Proceedings of the Directors

21 1 The Board may meet together for the despatch of business, adjourn, and otherwise regulate their meetings, as they think fit. The Chairman may, and on the request of any Director or the Secretary shall, at any time, summon a meeting of the Board. Notice of any meeting may be given in writing or by email, telex, cable or fax or

verbally or by any other means. It shall not be necessary to give notice of any meeting of the Board to any Director for the time being absent from the United Kingdom. Regulation 88 of Table A shall be modified accordingly.

- 21.2 The quorum necessary for the transaction of the business of the Board shall be one Representative Director appointed pursuant to Article 15.3.1 and one Representative Director appointed pursuant to Article 15.3.2 or 15.3.3 (and if there is no Director of any one or more such categories in office, quorum shall be such Director of such category as is in office and one other Director. Regulation 89 of Table A shall not apply. If a quorum is not present within 30 minutes after the time appointed for the meeting, the meeting shall be adjourned until the same time and place the following week or such other time and place as the Directors (including any who are not present at the meeting) may agree. If at the adjourned meeting a quorum is not present within 30 minutes from the time appointed the meeting shall stand adjourned again on the same basis. At the second adjourned meeting any two Directors shall be a quorum (including any Director from a category required to constitute a quorum where a Director of such category was present at the first meeting).
- 21.3 Any Director may participate in a meeting of the Directors by means of conference telephone or similar communications equipment whereby all persons participating in the meeting can hear each other and participation in a meeting in this manner shall be deemed to constitute presence in person at such meeting.
- 21.4 A resolution in writing signed by all the Directors for the time being entitled to receive notice of a meeting of the Board shall be as valid and effectual as if it had been passed at a meeting of the Board duly convened and held.
- 21.5 The Chairman or, in the absence of the Chairman at the time fixed for the commencement of any such meeting, any Independent Non-Executive Director shall take the chair of all meetings of the Directors.
- 21.6 Matters or questions arising at any Board meeting shall be decided by a simple majority of votes on a show of hands and each Director, shall have one vote, unless in relation to any particular matter or question any Director demands a poll, in which case the matter shall be decided by a simple majority of votes on a poll of the Directors in accordance with Article 21.7. In the event of an equality of votes, the Chairman shall have a casting vote.
- 21.7 A poll demanded by any Director shall be taken at such time as the Chairman shall direct. A demand for a poll can be withdrawn. The Chairman shall indicate the total number of votes that may be cast on any poll and the proportion of such number of votes that may be cast by each Director shall be calculated in accordance with this Article 21.7. Fractions of votes may be cast on any poll. For the purposes of a poll at a meeting of the Directors, subject to Article 21.8 and 21.9, the following categories of Directors shall have the following number of votes:

DIRECTORS	VOTES
1. Representative Directors appointed under Article 15.3.1 ("Category 1 Director(s)")	36
2. Representative Directors appointed under Article 15.3.2 ("Category 2 Director(s)")	18
3. Representative Directors appointed under Article 15.3.3 ("Category 3 Director(s)")	18
4. Executive and non Executive Directors appointed under	36



Article 19 ("Category 4 Director(s)")	
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- 21.8 In relation to the numbers of votes exercisable by each category of Directors:
- 21.8.1 if Category 2 Director is not present at a meeting, his votes shall be exercisable by Category 3 directors,
  - 21.8.2 if two Category 3 Directors are present at a meeting, the Category 3 votes shall be split equally amongst them;
  - 21.8.3 if no Category 3 Directors are present at a meeting, their votes shall be exercisable by Category 2 Directors; and
  - 21.8.4 the Category 4 votes shall be split equally amongst the Category 4 Directors.
- 21.9 A Director shall not be entitled to vote in respect of any contract or arrangement in which he is interested or any matter arising from or connected with such contract or arrangement provided that this Article 21.9 shall not apply to any interest which arises because such Director is a member of the company (or any employee of a member) or a Representative Director.
- 21.10 The Secretary shall cause minutes to be made in books provided:
- 21.10.1 of all appointments of officers made by the Directors;
  - 21.10.2 of the names of the Directors present at each meeting of the Directors; and
  - 21.10.3 of all resolutions and proceedings at all general meetings of the company, and of the Board
- 21.11 The Chairman shall, following each Board meeting, circulate to the members a copy of a report prepared by him summarising the proceedings of the Board and the decisions taken by the Board.
- 21.12 Any such minutes of any meeting of the Board, or of the company, if purporting to be signed by the Chairman of such meeting, or by the Chairman of the next succeeding meeting, shall be regarded as prima facie evidence of the matters stated in such minutes.
- 21.13 The Directors shall be entitled to be paid all reasonable travelling, hotel and other expenses properly incurred by them in connection with the business of the company but (save in respect of any remuneration agreed by the Board in respect of the Executive Directors and Chairman) shall not be entitled to any remuneration for their services as Directors.
- 21.14 The Chairman shall, whether on a vote of the Board or the Representative Directors, on a show of hands or a poll, have a second or casting vote
- 22 Sub-committees of the Board**
- 22.1 The Board may appoint sub-committees consisting of such persons as they think fit which shall exercise such powers and duties as the Board may from time to time determine and in the exercise thereof shall conform to any regulations that may be imposed on them by the Board. The Board may at any time remove any member of the sub-committee as such a member and appoint another in his place or add to their number or fill vacancies or determine the period for which the sub-committees or any member thereof may hold office, any sub-committee so appointed shall have power to co-opt as members such further persons as it shall decide.

- 22.2 A sub-committee may elect a chairman of its meetings. If no such chairman is elected, or if at any meeting the chairman is not present within five minutes after the time appointed for holding the same, the members of that sub-committee present may choose one of their number to be chairman of the meeting.
- 22.3 A sub-committee may meet and adjourn as it thinks proper. Questions arising at any meeting shall be determined by a majority of votes of the members of that sub-committee present, and in the case of an equality of votes the chairman of that sub-committee shall not have a second or casting vote.
- 22.4 All acts done by any meeting of the Board or of a sub-committee of the Board, or by any person acting as a Director shall, notwithstanding that it be afterwards discovered that there was some defect in the appointment of any such Director or person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such person had been duly appointed and was qualified to be a Director
- 23 **Information**
- 23.1 A Representative Director may communicate to any members appointing him such information relating to the business, projects and finances of the Group as he sees fit and such communication of information shall not be considered a breach of any duty of confidentiality owed by that Representative Director to the company.
- 23.2 The company shall provide to the members within 14 days of the end of each month a management report in such form as may be determined by the Board outlining the activities and performance of the Group in that month
- 23.3 The company shall provide a half yearly report to the members within one month of the end of the first six months of each financial period of the company. The report shall be in such form as may be determined by the Board and shall include such information as may be reasonably requested to be included by any Representative Director
- 23.4 Any information of a confidential nature received by any member pursuant to this Article 23 shall be kept confidential by such members and shall not be used other than for the purpose of monitoring its investment in the company, or where necessary for the purpose of its own accounting requirements
- 24 **Secretary**
- 24.1 The Secretary shall be appointed by the Board for such term at such remuneration and upon such conditions as they may think fit and any Secretary so appointed may be removed by them, subject to the provisions of any agreement between the Secretary and the company.
- 24.2 The provisions of the Act or these Articles requiring or authorising a thing to be done by a Director and the Secretary shall not be satisfied by its being done by the same person acting both as a Director and as the Secretary but will be satisfied if done by two persons acting in their capacity as Directors or as Director and Secretary.
- 25 **Official Seal**
- The company may exercise all the powers conferred by the Act with regard to having any official seal for use abroad and such powers shall be vested in the Directors. Subject to the provisions of the Act, any instrument to which an official seal is affixed shall be signed by such persons, if any, as the Directors may from time to time determine.
26. **Accounts**
- 26.1 Regulation 109 of Table A shall not apply

- 26.2 The Board shall cause proper books of account to be kept with respect to:
- 26.2.1 all sums of money received and expended by the company and the matters in respect of which the receipt and expenditure takes place,
  - 26.2.2 all sales and purchases by the company; and
  - 26.2.3 the assets and liabilities of the company
- Proper books shall not be deemed to be kept if there are not kept such books of account as are necessary to give a true and fair view of the state of the company's affairs and to explain its transactions.
- 26.3 The books of account shall be kept at the company's registered office, or, subject to the provisions of the Act, at such other place or places as the Board thinks fit, and shall always be open to the inspection of the Directors
- 26.4 The accounts and books of the company shall be open to the inspection of members not being Directors, on reasonable notice given by a member to the company
- 26.5 A copy of every balance sheet (including every document required by law to be annexed thereto) which is to be laid before the company in general meeting, together with a copy of the auditor's report, shall not less than twenty-one days before the date of the general meeting be sent to every member of, and every holder of debentures of, the company, provided that this Article shall not require a copy of these documents to be sent to any person of whose address the company is not aware or to more than one of the joint holders of any debenture
- 27 **Notices**
- 27.1 Any notice to be given to or by any person pursuant to these Articles shall only be effective if it is in writing Regulation 111 of Table A shall not apply.
- 27.2 Any notice may be validly served on or delivered to any person under these Articles.
- 27.2.1 personally;
  - 27.2.2 by leaving it for, or sending it by post (first class if inland and airmail if overseas) addressed to, a member at his registered address or, if an individual member, to an address provided by the member for this purpose, the company at its registered office or a Director at an address provided by the Director for this purpose,
  - 27.2.3 by fax to a number provided by the member, company or Director for this purpose; or
  - 27.2.4 by any other means authorised in writing by the member, company or Director.
- 27.3 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. Regulations 112 and 116 of Table A shall not apply.
- 27.4 A member or Director present in person or by proxy or alternate at any meeting of the company or at any meeting of Directors shall be deemed to have received notice of the meeting and, where requisite, of the purposes for which it was called. Regulation 113 of Table A shall not apply.

28. **Time of Service**

28.1 Any notice given under these Articles shall, unless earlier receipt is proved and subject to Article 28.2, be deemed to have been duly given as follows.

28.1.1 if delivered personally or left at an address in accordance with Article 27.2.2, on delivery;

28.1.2 if sent by first class inland post, at 9.30 am on the second Business Day after the date of posting;

28.1.3 if sent by airmail at 9.30 am on the fifth Business Day after the date of posting; or

28.1.4 if sent by fax, at the time shown on the relevant, valid and complete fax transmission report.

28.2 Any notice given under these Articles on a day which is not a Business Day or at a time after 5.30 pm on a Business Day shall be deemed to be given at 9.30 am on the next Business Day.

28.3 Regulation 115 of Table A shall not apply.

29. **Protection from Liability**

29.1 For the purposes of this Article a "Liability" is any liability incurred by a person in connection with any negligence, default, breach of duty or breach of trust by him in relation to the company or otherwise in connection with his duties, powers or office and "Associated Company" shall bear the meaning referred to in section 256(b) of the 2006 Act. Subject to the provisions of the Act and without prejudice to any protection from liability which may otherwise apply:

29.1.1 the Directors shall have power to purchase and maintain for any Director of the company, any director of an Associated company, any auditor of the company and any officer of the company (not being a director or auditor of the company), insurance against any Liability, and

29.1.2 every Director or auditor of the company and every officer of the company (not being a Director or auditor of the company) shall be indemnified out of the assets of the company against any loss or liability incurred by him in defending any proceedings in which judgment is given in his favour or in which he is acquitted or in connection with any application in which relief is granted to him by the court from any Liability.

29.2 Regulation 118 shall not apply to the company.