

COMPANY NO: 06544004

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PRIVATE COMPANY LIMITED BY SHARES

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WRITTEN RESOLUTION OF THE MEMBERS

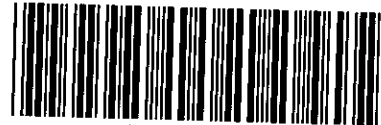
of

RACECOURSE MEDIA GROUP LIMITED

(the "Company")

(Circulation Date: 12 March 2019)

THURSDAY



A05 \*A836UW3L\* 11/04/2019 #9  
COMPANIES HOUSE

WRITTEN RESOLUTIONS

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

SPECIAL RESOLUTION

**THAT**, the regulations contained in the document attached hereto and headed Articles of Association of Racecourse Media Group Limited (the "New Articles") be adopted as the articles of association of the Company in substitution for and to the exclusion of all existing articles of association of the Company.

AGREEMENT

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

We, the undersigned, being the members of the Company who would be entitled to vote on the Resolution on the Circulation Dates stated above hereby irrevocably agree to the Resolution.

.....  
For and on behalf of  
Ascot Racecourse Limited

Date:

.....  
For and on behalf of  
The Beverley Race Company Limited

Date:

*Angel P. Pylinski*

For and on behalf of  
**The Perth Hunt**

Date:

*26/03/2019*

For and on behalf of  
**Redcar Racecourse Limited**

Date:

For and on behalf of  
**The Taunton Racecourse Company Limited**

Date:

For and on behalf of  
**The Western Meeting Club Limited**

Date:

For and on behalf of  
**York Racecourse Knavesmire LLP**

Date:

For and on behalf of  
**The Pontefract Park Race Company Limited**

Date:

For and on behalf of  
**Stratford-on-Avon Racecourse Limited**

Date:

For and on behalf of  
**Thirsk Racecourse Limited**

Date:

For and on behalf of  
**The Wetherby Steeplechase Committee Limited**

Date:

For and on behalf of  
**The Bibury Club Limited**

Date:

For and on behalf of  
**Cartmel Steeplechases (Holker) Limited**

Date:

For and on behalf of  
**The Catterick Racecourse Company Limited**

Date:

For and on behalf of  
**Chester Race Company Limited**

Date:

For and on behalf of  
**Goodwood Racecourse Limited**

Date:

For and on behalf of  
**The Hamilton Park Racecourse Company Limited**

Date:

For and on behalf of  
**Jockey Club Racecourses Limited**

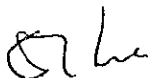
Date:

For and on behalf of  
**Kelso Races Limited**

Date:

For and on behalf of  
**Leicester Racecourse Company Limited**

Date: 3 April 2019



For and on behalf of  
**The Ludlow Race Club Limited**

Date:

For and on behalf of  
**Musselburgh Joint Racing Committee**

Date:

For and on behalf of  
**Newbury Racecourse PLC**

Date:

For and on behalf of  
**The Bibury Club Limited**

Date:

For and on behalf of  
**Cartmel Steeplechases (Holker) Limited**

Date:

For and on behalf of  
**The Catterick Racecourse Company Limited**

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For and on behalf of  
**Chester Race Company Limited**

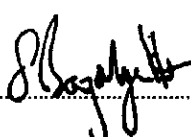
Date:

For and on behalf of  
**Goodwood Racecourse Limited**

Date:

For and on behalf of  
**The Hamilton Park Racecourse Company Limited**

Date:

  
For and on behalf of  
**Jockey Club Racecourses Limited**

Date: 25/3/19

For and on behalf of  
**Kelso Races Limited**

Date:

For and on behalf of  
**Leicester Racecourse Company Limited**

Date:

For and on behalf of  
**The Ludlow Race Club Limited**

Date:

For and on behalf of  
**Musselburgh Joint Racing Committee**

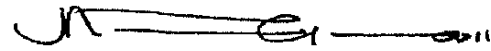
Date:

For and on behalf of  
**Newbury Racecourse PLC**

Date:

For and on behalf of  
The Perth Hunt

Date:



JAMES NORMAN GRUNDIN  
For and on behalf of  
The Pontefract Park Race Company Limited

Date: 25th March 2019

For and on behalf of  
Redcar Racecourse Limited

Date:

For and on behalf of  
Stratford-on-Avon Racecourse Limited

Date:

For and on behalf of  
The Taunton Racecourse Company Limited

Date:

For and on behalf of  
Thirsk Racecourse Limited

Date:

For and on behalf of  
The Western Meeting Club Limited

Date:

For and on behalf of  
The Wetherby Steeplechase Committee Limited

Date:

For and on behalf of  
York Racecourse Knavesmire LLP

Date:

For and on behalf of  
**The Bibury Club Limited**

Date:



For and on behalf of  
**The Catterick Racecourse Company Limited**

Date: 21st March 2019

For and on behalf of  
**Cartmel Steeplechases (Holker) Limited**

Date:

For and on behalf of  
**Chester Race Company Limited**

Date:

For and on behalf of  
**Goodwood Racecourse Limited**

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For and on behalf of  
**The Hamilton Park Racecourse Company Limited**

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For and on behalf of  
**Jockey Club Racecourses Limited**

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**Kelso Races Limited**

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For and on behalf of  
**Leicester Racecourse Company Limited**

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For and on behalf of  
**The Ludlow Race Club Limited**

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For and on behalf of  
**Musselburgh Joint Racing Committee**


Date:

For and on behalf of  
**Newbury Racecourse PLC**

Date:

For and on behalf of  
**The Perth Hunt**

Date:



For and on behalf of  
**Redcar Racecourse Limited**

Date: 21st March 2019

For and on behalf of  
**The Taunton Racecourse Company Limited**

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For and on behalf of  
**The Western Meeting Club Limited**

Date:

For and on behalf of  
**York Racecourse Knavesmire LLP**

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For and on behalf of  
**The Pontefract Park Race Company Limited**

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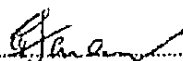
For and on behalf of  
**Stratford-on-Avon Racecourse Limited**

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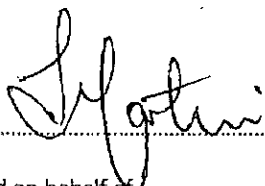
For and on behalf of  
**Thirsk Racecourse Limited**

Date: 21st March 2019



For and on behalf of  
**The Wetherby Steeplechase Committee Limited**

Date: 21st March 2019



For and on behalf of  
**The Bibury Club Limited**

Date: 25/3/19.

For and on behalf of  
**Cartmel Steeplechases (Holker) Limited**

Date:

For and on behalf of  
**The Catterick Racecourse Company Limited**

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For and on behalf of  
**Chester Race Company Limited**

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For and on behalf of  
**Goodwood Racecourse Limited**

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For and on behalf of  
**The Hamilton Park Racecourse Company Limited**

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For and on behalf of  
**Jockey Club Racecourses Limited**

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For and on behalf of  
**Kelso Races Limited**

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For and on behalf of  
**Leicester Racecourse Company Limited**

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For and on behalf of  
**The Ludlow Race Club Limited**

Date:

For and on behalf of  
**Musselburgh Joint Racing Committee**

Date:

For and on behalf of  
**Newbury Racecourse PLC**

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For and on behalf of  
**The Perth Hunt**

Date:

For and on behalf of  
**The Pontefract Park Race Company Limited**

Date:

For and on behalf of  
**Redcar Racecourse Limited**

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For and on behalf of  
**Stratford-on-Avon Racecourse Limited**

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For and on behalf of  
**The Taunton Racecourse Company Limited**

Date: 21/3/19

For and on behalf of  
**Thirsk Racecourse Limited**

Date:

For and on behalf of  
**The Western Meeting Club Limited**

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For and on behalf of  
**The Wetherby Steeplechase Committee Limited**

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For and on behalf of  
**York Racecourse Knavesmire LLP**

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For and on behalf of  
**The Bibury Club Limited**

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For and on behalf of  
**Cartmel Steeplechases (Holker) Limited**

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**The Catterick Racecourse Company Limited**

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**Goodwood Racecourse Limited**

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**The Hamilton Park Racecourse Company Limited**

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**Jockey Club Racecourses Limited**

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For and on behalf of  
**Katso Races Limited**

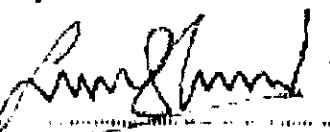
Date:

For and on behalf of  
**Leicester Racecourse Company Limited**

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For and on behalf of  
**The Ludlow Race Club Limited**

Date:

19-3-2019.  


For and on behalf of  
**Musselburgh Joint Racing Committee**

Date:

For and on behalf of  
**Newbury Racecourse PLC**

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For and on behalf of  
**The Newbury Club Limited**

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For and on behalf of  
**Carlisle Steeplechases (Holket) Limited**

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For and on behalf of  
**The Catterick Racecourse Company Limited**

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For and on behalf of  
**Chester Race Company Limited**

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For and on behalf of  
**Goodwood Racecourse Limited**

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For and on behalf of  
**The Hamilton Park Racecourse Company Limited**

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For and on behalf of  
**Jockey Club Racecourses Limited**

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For and on behalf of  
**Kelso Races Limited**

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For and on behalf of  
**Leicester Racecourse Company Limited**

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For and on behalf of  
**The Ludlow Race Club Limited**

Date: 19-3-2019.



For and on behalf of  
**Mussetburgh Joint Racing Committee**

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For and on behalf of  
**Newbury Racecourse PLC**

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For and on behalf of  
The Perth Hunt

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For and on behalf of  
The Pontefract Park Race Company Limited

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For and on behalf of  
Redcar Racecourse Limited

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For and on behalf of  
Stratford-on-Avon Racecourse Limited

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For and on behalf of  
The Taunton Racecourse Company Limited

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For and on behalf of  
Thirsk Racecourse Limited

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For and on behalf of  
The Western Meeting Club Limited

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For and on behalf of  
The Wetherby Steeplechase Committee Limited

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For and on behalf of  
York Racecourse Knavesmire LLP

Date: 14 MARCH 2019

For and on behalf of  
**The Perth Hunt**

Date:

For and on behalf of  
**The Pontefract Park Race Company Limited**

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For and on behalf of  
**Redcar Racecourse Limited**

Date:

For and on behalf of  
**Stratford-on-Avon Racecourse Limited**

Date: 18TH MARCH 2019

For and on behalf of  
**The Taunton Racecourse Company Limited**

Date:

For and on behalf of  
**Thirsk Racecourse Limited**

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For and on behalf of  
**The Western Meeting Club Limited**

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For and on behalf of  
**The Wetherby Steeplechase Committee Limited**

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For and on behalf of  
**York Racecourse Knavesmire LLP**

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For and on behalf of  
**The Bibury Club Limited**

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For and on behalf of  
**Cartmel Steeplechases (Holker) Limited**

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For and on behalf of  
**The Catterick Racecourse Company Limited**

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For and on behalf of  
**Chester Race Company Limited**

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For and on behalf of  
**Goodwood Racecourse Limited**

Date:

*Victoria Alcorn*  
For and on behalf of  
**The Hamilton Park Racecourse Company Limited**

Date: 15/3/19

For and on behalf of  
**Jockey Club Racecourses Limited**

Date:

For and on behalf of  
**Kelso Races Limited**

Date:

For and on behalf of  
**Leicester Racecourse Company Limited**

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For and on behalf of  
**The Ludlow Race Club Limited**

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For and on behalf of  
**Musselburgh Joint Racing Committee**

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**Newbury Racecourse PLC**

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**The Catterick Racecourse Company Limited**

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For and on behalf of  
**Chester Race Company Limited**

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For and on behalf of  
**Goodwood Racecourse Limited**

Date: 15/03/19

For and on behalf of  
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For and on behalf of  
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For and on behalf of  
**Kelso Races Limited**

Date: 18/03/19

For and on behalf of  
**Leicester Racecourse Company Limited**

Date:

For and on behalf of  
**The Ludlow Race Club Limited**

Date:

For and on behalf of  
**Musselburgh Joint Racing Committee**

Date:

For and on behalf of  
**Newbury Racecourse PLC**

Date:



## NOTES

1. If you agree to the Resolution please indicate your agreement by signing and dating this document where indicated above and returning it to the Company.
2. If you do not agree to the Resolution, you do not need to do anything; you will not be deemed to agree if you fail to reply.
3. Once you have indicated your agreement to the Resolution, you may not revoke your agreement.
4. Unless by the date falling 28 days after the Circulation Date indicated on page 1 of this document, sufficient agreement has been received for the Resolution to pass, it will lapse. If you agree to the Resolution, please ensure your agreement reaches us on or before that date.
5. If you are signing this document on behalf of a person under a power of attorney or other authority please send a copy of the relevant power of attorney or authority when returning this document.



COMPANY NUMBER: 06544004

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ARTICLES OF ASSOCIATION OF RACECOURSE MEDIA GROUP LIMITED

ADOPTED ON 26<sup>TH</sup> MARCH 2019

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**ARTICLES OF ASSOCIATION**  
**of**  
**RACECOURSE MEDIA GROUP LIMITED**  
**(the "Company")**  
(Adopted on 26<sup>TH</sup> March 2019)

1. **Adoption of Model Articles**

In these Articles "Model Articles" means the model articles for private companies limited by shares in Schedule 1 of the Companies (Model Articles) Regulations 2008 as amended prior to the date of adoption of these Articles. The Model Articles 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:

<b>"A Shares"</b>	the A ordinary shares of £100 each in the capital of the Company;
<b>"Act"</b>	the Companies Act 2006 (as amended);
<b>"BHA"</b>	British Horseracing Authority (or any successor carrying out the same or a similar function);
<b>"B Share Capital Pool"</b>	an amount, if any, equal to 10% of the amount by which the Surplus Assets exceed £100,000,000;
<b>"B Share Capital Pool" "Entitlement"</b>	in respect of each B Share, an amount equal to the B Share Capital Pool divided by the total number of B Shares in issue;
<b>"B Shares"</b>	the B ordinary shares of £100 each in the capital of the Company;
<b>"Business"</b>	(i) the creation, acquisition and exploitation of audio, visual and audio-visual content and data in relation to horseracing and greyhound racing, (ii) anything in furtherance of, or ancillary to, the activities in (i) above and (iii) business planning and development with regard

	to commercial opportunities that fall outside the scope of (i) and (ii) above (" <b>New Business</b> ") to the benefit of the members;
" <b>Business Day</b> "	a day (other than a Saturday or Sunday) on which banks are generally open for business in London;
" <b>Business Plan</b> "	the business plan of the Group in the form approved by the Board and if requested by a Representative Director, by a simple majority of members on a poll in accordance with Article 12.3.2(l) from time to time;
" <b>Budget</b> "	the annual budget of the Company and each member of the Group in the form approved by the board and if requested by a Representative Director, by a simple majority of members on a poll in accordance with Article 12.3.2(l) from time to time;
" <b>Calculation Date</b> "	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 3.1;
" <b>Chairman</b> "	the chairman of the Board from time to time appointed in accordance with Article 15.2 or, in the absence of such appointment, the Senior Independent 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> "	<i>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;</i>
" <b>Connected Person</b> "	in relation to any person, any group undertaking of that person, any person under Common Ownership with that person, and any employee or officer of that person;
" <b>Conversion Event</b> "	a Sale or a Listing;
" <b>Deferral Event</b> "	has the meaning attributed to it in Article 3.4;

<b>"Deferred Shares"</b>	the deferred shares of £0.001 each in the capital of the Company and of £100.00 each in the capital of the Company;
<b>"Directors" or "Board"</b>	the directors of the Company from time to time;
<b>"Disposal"</b>	<p>shall include, without limitation:</p> <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 conditional on compliance with these Articles</li> </ul> <p>and <b>"Dispose"</b> and other cognate expressions shall be construed accordingly;</p>
<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 15;
<b>"FTA Decision"</b>	any matter requiring approval by the members under these Articles which relates to the exploitation of the FTA Rights;
<b>"FTA Rights"</b>	the right to transmit coverage of horseracing in the United Kingdom over an FTA Service;
<b>"FTA Service"</b>	any television programme service or other similar video content service provided in the United Kingdom 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 service provider receives no fee from any platform operator in respect of the inclusion of the service on that platform (other than for inclusion in an electronic programme

	guide or other technical services);
"Group"	the Company and its subsidiary undertakings from time to time;
"Group Company"	each of the Company and any subsidiary undertaking of the Company from time to time;
"HRA"	Horserace Regulatory Authority (or any successor body carrying out the same or a similar function);
"Independent Non-Executive Determination"	approval or determination by a majority of the Independent Non-Executive Directors in office and eligible to vote on the matter and the Chairman shall have a casting vote in circumstances where there is an equality of votes for and against the matter in question;
"Independent Non-Executive Director"	a director appointed under article 15.3;
"Jockey Club"	Jockey Club Racecourses Limited (Company Number 02909409) and its Group Companies;
"Jockey Club Racecourses"	those Relevant Racecourses owned by Jockey Club;
"Jockey Club Primary Racecourse"	each of Aintree, Cheltenham, Epsom, Haydock, Kempton, Newmarket and Sandown;
"Large Independent Racecourses"	those of Ayr, 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 Large Independent Shareholders holding a simple majority in number of the Large Independent Racecourses at that time;
"Large Independent Shareholder"	a member in relation to which the Relevant Racecourse(s) are the Large Independent Racecourse(s);
"Licence Agreement"	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);
"Licence Fee"	any licence fee payable under a Licence Agreement;
"Licence Fee Policy"	the policy, in the form approved by the Board and, if requested by a Representative Director, by a simple majority of members on a poll in accordance with Article 12.3.2(i) from time to time, setting out the principles on which the revenue streams and costs of any Group

	Company shall be allocated in order to calculate the Licence Fees;
<b>"Listing"</b>	a listing of any shares or other securities of the Company on any stock exchange;
<b>"Majority Shareholder"</b>	a member holding A Shares entitling it to at least 33% of the Relevant Voting Percentage;
<b>"Material Unbudgeted Expenditure"</b>	expenditure that is not included in the Budget for a particular year and which is determined by the Board or by Independent Non-Executive Determination to be material in light of the Budget and the performance of the Company for that year;
<b>"Minority Shareholder"</b>	a member other than a Majority Shareholder;
<b>"New Business"</b>	has the meaning given to it in the definition of Business;
<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>"Qualified LI Majority"</b>	Large Independent Shareholders owning at least 66% in number of the Large Independent Racecourses;
<b>"Qualified SI Majority"</b>	Small Independent Shareholders owning at least 66% in number of the Small Independent Racecourses;
<b>"Racecourse"</b>	a racecourse situated in England, Wales or Scotland in respect of which a valid licence issued by the HRA subsists;
<b>"Racecourse Licence Holder"</b>	a holder of a valid racecourse licence issued by the HRA 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 BHA;
<b>"Relevant Base Percentage"</b>	the Relevant Base Percentage as calculated in accordance with Articles 3.6, 3.7 and/or 3.8, as the context requires before adjustment in accordance with Article 3.9;
<b>"Relevant Capital Percentage"</b>	in respect of each A Share, the percentage entitlement to the surplus assets of the Company attributable to that A Share, as calculated in accordance with Article 3.6 and adjusted in accordance with Article 3.9;



<b>"Relevant Income Percentage"</b>	in respect of each A Share, the percentage entitlement to the distributable profits of the Company attributable to that A Share, <i>as calculated in accordance with Article 3.7;</i>
<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>	<i>in respect of each A Share, the Racecourse or Racecourses noted on the certificate and/or in the register of members against such A Share and in respect of which there is a valid Licence Agreement;</i>
<b>"Relevant Voting Percentage"</b>	<i>in respect of each A Share, the percentage of the total number of votes exercisable by holders of A Shares attributable to that A Share, as calculated in accordance with Article 3.8 and adjusted in accordance with Article 3.9;</i>
<b>"Representative Directors"</b>	non-executive directors elected or appointed in accordance with Article 14.3;
<b>"Rules of Racing"</b>	the rules of racing of the HRA 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 15.3;
<b>"Share of FTA Revenue"</b>	in respect of an A Share, the aggregate entitlement of the holder of that A Share to a Licence Fee in respect of FTA Rights in a Relevant Period, expressed as percentage of the aggregate of all such Licence Fees payable to all holders of A Shares in that Relevant Period, as calculated in accordance with the Licence Fee Policy from time to time;
<b>"Share of Non-FTA Revenue"</b>	in respect of an A Share, the aggregate entitlement of the holder of that A Share to a Licence Fee in respect of rights other than FTA Rights in a Relevant Period, expressed as percentage of the aggregate of all such Licence Fees payable to all holders of A Shares in that Relevant Period, as calculated in accordance with the Licence Fee Policy from time to time;

"Shares"	the A Shares, the B Shares, the Ordinary Shares and the Deferred Shares;
"Small Independent Racecourses"	those Relevant Racecourses that are neither Large Independent Racecourses nor Jockey Club Racecourses;
"Small Independent Shareholder"	a member other than Jockey Club and the Large Independent Shareholders;
"Special Veto"	the rights of veto exercisable pursuant to article 13;
"Special Veto Matter"	a matter referred to in article 12.3.4;
"subsidiary undertaking"	shall have the meaning given to that term in the Act;
"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 Headings are for convenience only and shall not affect construction.
- 2.3 A corporate member represented at a general meeting by a duly authorised representative shall be deemed to be present in person.
- 2.4 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.
- 2.5 Where these Articles require the approval or consent of a "**simple majority**" of members or any constituency of members, a simple majority shall, unless the provision specifies otherwise, be calculated by reference to the Relevant Voting Percentages of (i) those entitled to vote and voting on the matter, in the case of vote in a general meeting, or (ii) those entitled to vote where a simple majority is otherwise required, and shall mean more than 50%.

### 3. **Rights Attaching to Shares**

#### 3.1 ***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:

- 3.1.1 first, each holder of B Shares shall receive (i) an amount equal to the amount subscribed for the B Shares held by it and (ii) an amount equal to any declared but unpaid dividends on the B Shares held by it;
- 3.1.2 second, each holder of A 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;
- 3.1.3 third, each holder of Deferred Shares shall receive £1 in respect of his entire holding of Deferred Shares; and
- 3.1.4 fourth, (i) before conversion upon a Conversion Event, each holder of B Shares shall receive an amount, if any, equal to the aggregate B Share Capital Pool Entitlement of the B Shares held by it, and each holder of A Shares shall receive a percentage of the remaining Surplus Assets equal to the aggregate Relevant Capital Percentages in respect of the A Shares held by it and, (ii) after a conversion upon Conversion Event, each holder of B Shares shall receive an amount, if any, equal to the aggregate B Share Capital Pool Entitlement of the B Shares held by it, and the remaining Surplus Assets shall be distributed amongst the holders of Ordinary Shares.

### 3.2 **Income**

- 3.2.1 Before conversion upon a Conversion Event, each A 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 Shares) equal to the Relevant Income Percentage attributable to that A 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 Shares) should be paid to the holders of the Ordinary Shares pro rata to the number of any Ordinary Shares held by them.
- 3.2.2 In any Year that the distributable profits of the Company exceed £100,000,000, each B Share shall entitle the holder thereof to an amount equal to 10% of such excess divided by the total number of B Shares in issue. The B Shares shall not otherwise entitle the holders to any share in the distributable profits of the Company.

### 3.3 **Voting**

- 3.3.1 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.
- 3.3.2 Any holder of A 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 Share held by it as equals the Relevant Voting Percentage (so that, for example, where the Relevant Voting Percentage attributable to an A Share is 16.58%, that A Shares shall entitle the holder of it to 16.58 votes) attributable to that A Share, as notified to the members by the Executive Directors in accordance with Article 3.10.2. On a poll, votes may be given either personally or by proxy. Fractions of votes may be cast on a poll.
- 3.3.3 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 12.3 in which case a resolution supported by the relevant number of members and/or percentage as set out in Article 12.3 shall be required.

3.3.4 Model Article 44 shall only apply after a Conversion Event.

3.3.5 The B Shares shall not entitle the holders thereof to receive notice of, attend or vote in general meetings of the Company.

#### 3.4 ***Conversion upon a Deferral Event***

3.4.1 Subject to Article 3.4.2, each A Share and B Share held by a member shall automatically be converted into a Deferred Share of equivalent nominal value 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**").

3.4.2 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.

3.4.3 The Board shall not issue a Deferral Notice in circumstances in which the prior written consent of the Company pursuant to Article 6.2 has been obtained.

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

3.4.5 Upon issue of a Deferral Notice, the existing share certificates in respect of any A Share(s) and B Share(s) 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.

**3.5      *Conversion upon a Conversion Event***

- 3.5.1      Upon a Conversion Event, each A 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 Share.
- 3.5.2      Notice of the Conversion Event shall be given to the holders of the A 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 3.5.5.
- 3.5.3      The Ordinary Shares to which a holder of A Shares is entitled on conversion of his A Shares shall be credited as fully paid and shall rank pari passu in all respects and form one class with the Ordinary Shares, if any, then in issue.
- 3.5.4      *The conversion into 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.*
- 3.5.5      The Board may in its absolute discretion from time to time determine the method by which relevant A 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.
- 3.5.6      Any balance of the capital of the A Shares not converted into Ordinary Shares in accordance with Article 3.5.1 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.

3.6 **Relevant Capital Percentage**

3.6.1 The Relevant Capital Percentage in respect of each A Share in any Year shall be the Relevant Base Percentage unless Article 3.9 applies, in which case the Relevant Capital Percentage shall be calculated in accordance with Article 3.9.

3.6.2 For the purposes of calculating the Relevant Capital Percentage in respect of each A Share in any Year, the Relevant Base Percentage shall be the average Share of Non-FTA Revenue over the three Years preceding the Calculation Date.

3.7 **Relevant Income Percentage**

The Relevant Income Percentage in respect of each A Share in any Year shall be equal to the Share of Non-FTA Revenue in the Year preceding the Calculation Date.

3.8 **Relevant Voting Percentage**

3.8.1 The Relevant Voting Percentage in respect of each A Share in any Year shall be the Relevant Base Percentage unless Article 3.9 applies, in which case the Relevant Voting Percentage shall be calculated in accordance with Article 3.9.

3.8.2 For the purpose of calculating the Relevant Voting Percentage in respect of each A Share in any Year, the Relevant Base Percentage shall be calculated as follows:

(a) in relation to any FTA Decision it shall be calculated as follows:

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

(b) where the decision is not an FTA Decision it shall be calculated as follows:

$$RVP = \frac{RNTA}{PYNTPA} \times 100$$

where:

**ATF** = the total amount of Licence Fees payable to all of the holders of A Shares in respect of FTA Rights in that Year;

**PYNTPA** = the total amount of Licence Fees payable other than in respect of FTA Rights to all of the holders of A Shares in the Year immediately preceding the Calculation Date;

**RNTA** = PYNTPA multiplied by the average percentage of Licence Fees payable other than in respect of FTA Rights to the holder of that A Share over the 3 Years immediately preceding the Calculation Date;

**RTF** = the total amount of Licence Fees payable to the holder of that A Share in respect of FTA Rights in that Year; and

**RVP** = the Relevant Voting Percentage; and

- 3.8.3 the Board shall determine whether or not a decision is an FTA Decision, provided that, in the event that any Representative Director disagrees with *the decision of the Board*, that Representative Director may refer the decision for Independent Non-Executive Determination.

3.9 ***Adjustments for the Purpose of Calculating the Relevant Capital Percentage and the Relevant Voting Percentage***

- 3.9.1 For so long as Jockey Club (i) holds A Shares entitling it in aggregate to a Relevant Base Percentage under Article 3.6 of at least 33% but less than 50% and (ii) owns or operates all of the Jockey Club Primary Racecourses, it shall be entitled to a Relevant Capital Percentage of 50% and the entitlement of each A Share held by it shall be adjusted proportionately.
- 3.9.2 For so long as Jockey Club (i) holds A Shares entitling it in aggregate to a Relevant Base Percentage under Article 3.8 of at least 33% but less than 50% and (ii) owns or operates all of the Jockey Club Primary Racecourses, it shall be entitled to a Relevant Voting Percentage of 50% and the entitlement of each A Share held by it shall be adjusted proportionately.
- 3.9.3 For so long as Jockey Club holds A Shares entitling it in aggregate to a Relevant Base Percentage under Article 3.6 of more than 50%, it shall be entitled to a Relevant Capital Percentage of 50% only and the entitlement of each A Share held by it shall be adjusted proportionately.
- 3.9.4 For so long as Jockey Club holds A Shares entitling it in aggregate to a Relevant Base Percentage under Article 3.8 of more than 50%, it shall be entitled to a Relevant Voting Percentage of 50% only and the entitlement of each A Share held by it shall be adjusted proportionately.
- 3.9.5 In the event that any holder of A Shares other than Jockey Club would, taking into account any adjustment under Articles 3.9.1 to 3.9.4 (inclusive), hold A Shares entitling it in aggregate to a Relevant Voting Percentage or Relevant Capital Percentage of at least 40% (before adjustment), it shall be entitled to a Relevant Voting Percentage or Relevant Capital Percentage (as applicable) of 39.99% and the entitlement of each A Share held by it shall be adjusted proportionately.
- 3.9.6 In the event that any of Articles 3.9.1 to 3.9.5 (inclusive) applies, the Relevant Voting Percentage or Relevant Capital Percentage, as the case may be attributable to each other A Share shall be adjusted so as to be entitled to the remaining Relevant Voting Percentage or Relevant Capital Percentage, as the case may be, in proportion to their applicable Relevant Base Percentages.

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

- 3.10.1 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.
- 3.10.2 The Directors shall calculate the Relevant Capital Percentage, the Relevant Income Percentage and Relevant Voting Percentage for all A Shares as soon as practicable following each Calculation Date and circulate to each member notice of the same within 30 days of such calculation.

3.10.3 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 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.

3.11 ***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 3.11), 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 3.1, as if the Sale were a liquidation of the Company and the net proceeds of the Sale were the Surplus Assets.

3.12 ***Deferred Shares***

3.12.1 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.

3.12.2 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.

3.12.3 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.

3.12.4 Where any payments required to be made by the Company under Article 3.12.2 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.

### 3.13 ***Partial Deferral Event***

3.13.1 In respect of each A Share issued in respect of more than one Relevant Racecourse, where:

- (a) the holder of an A 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 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 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 3.13.2.

3.13.2 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 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 Share noting only the continuing Relevant Racecourse(s) shall be issued. The register of members shall be amended accordingly.

#### 4. **Allotment and Issue of Shares**

4.1 Subject to Article 12.3.2, Article 4.2, and Article 4.5 the Board may allot and issue an A Share to any person who:

4.1.1 is a Racecourse Licence Holder; and

4.1.2 enters into a Licence Agreement and subscription agreement in the form required by the Board.

4.2 Notwithstanding Article 12.3.2, the allotment and issue of A Shares to any person who is not already a member shall require the consent of any Majority Shareholder and of a simple majority on a poll of the Large Independent Shareholders and of a simple majority on a poll of the Small Independent Shareholders.

4.3 Any A Share issued pursuant to Article 4.1 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 Share and in the register of members against such A Share.

4.4 A member may hold more than one A Share but shall not, for the avoidance of doubt, hold more than one A Share in respect of any one Racecourse.

4.5 Subject to Articles 12.3.2 and 4.2, the decision of the Board as to whether or not to allot and issue any A 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 Share to a person (including any member), regardless of whether they are able to fulfil the conditions in Article 4.1.

4.6 In the event that a member holds an A Share in respect of which there is more than one Relevant Racecourse, such member may request that the Board allots and issues further A Shares in respect of any one or more of such Relevant Racecourses, in which case, subject to the foregoing provisions of this Article 4 and subject always to the approval requirements of Article 12.3.2, the Board shall, against payment of the par value of any additional A Shares to be issued:

4.6.1 issue A Shares in respect of such Relevant Racecourses and issue new share certificates in respect of the new A Shares and a new certificate in respect of the existing A Shares, without the names of those Relevant Racecourses in respect of which new A Shares shall have been issued; and

4.6.2 amend the register of members so as to remove reference against the existing A Share to those Relevant Racecourses in respect of which new A Shares shall have been issued and to register the new A Shares. The old

share certificate shall automatically be cancelled and shall be returned by the member to the Company.

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

Section 561 and 562 of the Act shall not apply to the allotment by the Company of any equity security.

6. **Restriction on Dealing with Shares**

6.1 Subject to Article 6.2, no Disposal of any A Share or any legal or beneficial interest in any A Shares shall be permitted except pursuant to a Sale.

6.2 A member may with the prior written consent of the Company sell the entire legal and beneficial interest in any A 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.

6.3 No Disposal of any Deferred Share shall be permitted except a Disposal pursuant to Article 3.12.2.

6.4 No disposal of any legal or beneficial interest in any B 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 Shares is made under Article 6.2.

7. **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. Model Article 26 (5) shall not apply.

8. **Calling General Meetings**

8.1 The Directors may call general meetings and either:

8.1.1 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

8.1.2 in the event that the Board receives notice from a Representative Director pursuant to Article 12.3,

shall proceed to convene an extraordinary general meeting such meeting to be held within 28 days or such later date as the requisitioning members 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.

8.2 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.

- 8.3 Notwithstanding the provisions of Article 8.2 above, general meetings may be called by shorter notice if so agreed 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.
- 8.4 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.
- 8.5 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.
9. **Proceedings at General Meetings**
- 9.1 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 8.5), one of whom shall have a right (with or without other members) to appoint a Director under Article 14.3.1, one of whom shall have a right (with other members) to appoint a Director under Article 14.3.2 and one of whom shall have a right (with other members) to appoint a Director under Article 14.3.3. In the event that no member of any one or more such categories exists, the quorum requirement shall be reduced accordingly.
- 9.2 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.
- 9.3 The Chairman 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. Model Article 39 shall not apply.
- 9.4 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 provided above, it shall not be necessary to give any notice of an adjourned general meeting or of the business to be transacted at the adjourned meeting. Model Article 41 shall not apply.
- 9.5 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. Model Articles 42 and 44 shall not apply.

- 9.6 A poll demanded on the election of a chairman of any general meeting pursuant to Article 9.5 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.
- 9.7 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 proceed pending the taking of the poll.
- 9.8 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.
- 9.9 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 8.5) 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 8.5) 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.
- 9.10 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.

10. **Proxies**

- 10.1 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.
- 10.2 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.

- 10.3 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.

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

- 10.5 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.

- 10.6 Model Articles 45 and 46 shall not apply.

11. **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.

12. **Powers and duties of the Directors**

12.1 Subject to the provisions of Articles 12.3, 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 12.3.

12.2 Without prejudice to the general powers conferred by Article 12.1 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.

12.3 The Company shall not and shall procure, to the extent it is able to do so, that each Group Company shall not:

12.3.1 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 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) appoint or change its auditors or its accounting reference date or its accounting policies or its solicitors; or
- (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

12.3.2 do any of the following without the approval of the Board and, at the request of a Representative Director, the consent of any Majority Shareholder and a simple majority on a poll of the Minority Shareholders:

- (a) 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;
- (b) 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;
- (c) enter into any transaction or series of transactions which (i) would require approval under sections 190 to 195 (inclusive) of the 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);
- (d) apply for a Listing;
- (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) 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;
- (g) 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 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;

- (h) enter into any new Licence Agreement with an existing or proposed member of the Company which is in a form that is materially different to the agreed form of Licence Agreement entered into by the other members of the Company (including, without limitation, as to the extent of the rights being licensed to the Company);
- (i) alter or vary the Licence Fee Policy;
- (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;
- (k) enter into any agreement or other arrangement other than on an arm's length basis; or
- (l) approve the Business Plan and Budget or any amendment to any Business Plan or Budget in force from time to time or approve or undertake any material matter that is outside the scope of any Business Plan or Budget; or

12.3.3 do any of the following without the consent of any Majority Shareholder and a simple majority on a poll of the Minority Shareholders:

- (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 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; or

12.3.4 do any of the following without the approval of the Board and, at the request of a Representative Director, unless the procedures in article 13 have been followed and no Special Veto has been exercised:

- (a) enter into any agreement or arrangement or do anything which is outside the scope of the Business;
- (b) commence trading in respect of any New Business; or
- (c) incur any Material Unbudgeted Expenditure in relation to the planning or development of a New Business.

13. **Special Veto Procedure**

13.1 In the event that the Board wishes to approve a matter which any Representative Director considers to be a Special Veto Matter, that Representative Director may request that the procedure in this article 13 be followed.

13.2 Upon request by any Representative Director, the Board shall (unless there is unanimous agreement amongst the directors that the matter is a Special Veto Matter) refer the matter for Independent Non-executive Determination. The Independent Non-executive Directors may determine any procedure and request any information or advice that they consider necessary to make the Independent Non-executive Determination and shall make the Independent Non-executive Determination as soon as practicable following referral.

13.3 If the matter is determined by Independent Non-Executive Determination (or by a unanimous Board decision) to be a Special Veto Matter, the Company shall give notice in writing to the members if it wishes to proceed with the matter. The notice shall describe the Special Veto Matter in reasonable detail to allow the members to consider the matter and shall enclose a form of notice of veto (which may be completed to indicate whether or not the member intends to exercise the veto) and permit the members no less than 14 days (or such other longer or shorter period as the Independent Non-Executive Directors shall specify having regard to the urgency of the matter in question) to complete and return the notice of veto to the Company.

13.4 The Special Veto may be exercised by:

13.4.1 the Majority Shareholder;

13.4.2 a Qualified LI Majority; or

13.4.3 a Qualified SI Majority.

14. **Directors**

14.1 The maximum number of directors, excluding any alternate directors, shall be twelve (12).

14.2 The Directors shall be:-

14.2.1 Representative Directors appointed or elected in accordance with Article 14.3;

14.2.2 the Executive Directors appointed by the Representative Directors pursuant to Article 15.1; and

14.2.3 non-executive independent Directors appointed by the Representative Directors and the members pursuant to Article 15.3.

14.3 Subject to Articles 14.4 to 14.6 (inclusive):

14.3.1 any member or group of members under Common Ownership owning in aggregate at least six (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;

14.3.2 the Large Independent Shareholders 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 the Large Independent Shareholders in accordance with Articles 14.13 and 14.14; and

- 14.3.3 the Small Independent Shareholders shall by simple majority 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 Small Independent Shareholders in accordance with Articles 14.15 to 14.20.
- 14.4 The right to appoint a non-executive Director pursuant to Article 14.3.1 shall be lost automatically *if and only for so long as the member or members who appoint the non-executive Director either:*
  - 14.4.1 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
  - 14.4.2 cease to hold six (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.
- 14.5 The right to appoint a non-executive Director pursuant to Article 14.3.2 shall be lost automatically *if and only for so long as three or more of the Large Independent Shareholders cease to be "independent" (for the purposes of this Article 14.5 "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 14.3.*
- 14.6 The right to appoint two non-executive Directors pursuant to Article 14.3.3 shall be modified automatically as follows *if and for so long as the number of Relevant Racecourses of the Small Independent Shareholders:*
  - 14.6.1 is less than ten (10) but greater than or equal to six (6), in which case those members as a group shall be entitled to appoint one non-executive Director; or
  - 14.6.2 is less than six (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).
- 14.7 A Representative Director shall (following appointment or election in accordance with the relevant provision of Article 14.3) be appointed as a Director automatically upon receipt by the Company of a written notice executed by or on behalf of the relevant Article 14.3 appointor or electors.
- 14.8 Any Representative Director (other than an alternate Director) may appoint:
  - 14.8.1 any other Director; or

- 14.8.2 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.

- 14.9 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.
- 14.10 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.
- 14.11 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.
- 14.12 Model Article 17(1)(b) shall not apply.

**Large Independent Racecourses**

- 14.13 The Large Independent Shareholders shall be entitled to appoint and remove a Representative Director in accordance with Article 14.3.2. In the absence of unanimous agreement between the Large Independent Shareholders, such appointment or removal shall (subject to Article 14.14) be by way of an election or resolution held in accordance with the following principles:
- 14.13.1 the only persons capable of casting a vote shall be the Large Independent Shareholders acting by their validly appointed representatives;
- 14.13.2 the quorum for a meeting of the Large Independent Shareholders 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;
- 14.13.3 if the Large Independent Shareholders 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;
- 14.13.4 each of the Large Independent Shareholders shall have one vote and decisions will be taken on a show of hands on a simple majority.

- 14.14 A resolution in writing appointing or removing a Representative Director under Article 14.3.2 signed by all the Large Independent Shareholders or their duly authorised representatives shall be as valid and effective as if the same had been passed at a meeting of the Large Independent Shareholders duly convened and held in accordance with Article 14.13.

**Small Independent Shareholders**

- 14.15 The Small Independent Shareholders shall be entitled to appoint and remove Representative Directors in accordance with Article 14.3.3 and in the absence of unanimous agreement between the Small Independent Shareholders and subject to the provisions of Article 14.16 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.

- 14.16 A postal ballot shall not be deemed to have been held for the purposes of Article 14.15 if a sufficient number of the Small Independent Shareholders requisition a meeting of the Small Independent Shareholders and for the purposes of this Article 14.18 "**sufficient number**" shall mean:

14.16.1 10 Small Independent Shareholders where the Small Independent Shareholders are entitled to appoint 2 non-executive Directors; and

14.16.2 6 Small Independent Shareholders where the Small Independent Shareholders are entitled to appoint 1 non-executive Director.

- 14.17 If a meeting is duly requisitioned under Article 14.16 such a meeting shall be held in accordance with the following principles:

14.17.1 the only persons capable of casting a vote shall be the Small Independent Shareholders acting by their validly appointed representatives;

14.17.2 the quorum for a meeting of the Small Independent Shareholders to hold such an election or pass such a resolution shall be the same as the numbers of members required by Article 14.17 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

14.17.3 if the Small Independent Shareholders shall appoint a chairman of the meeting of the Small Independent Shareholders that person shall not have a second or casting vote by virtue of that position.

- 14.18 The method of carrying out the election or the postal ballot (as the case may be) shall be by each Small Independent Shareholder 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 Small Independent Shareholders 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.

- 14.19 In the event of a equality of votes cast for and against a resolution to appoint or remove a Representative Director at meeting of the Small Independent Shareholders duly convened and held or by virtue of a postal ballot held in accordance with Article 14.17, then the result of the vote shall be determined by reference to the Relevant Voting Percentages of the Small Independent Shareholders.

- 14.20 A resolution in writing signed by all the Small Independent Shareholders or their duly authorised representatives shall be as valid and effective as if the same had been passed

at a meeting of the Small Independent Shareholders duly convened and held or by virtue of a postal ballot held in accordance with Article 14.17.

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

15.1 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.

15.2 Subject to Article 15.4, 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 15.1.

15.3 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.

15.4 In the event that no Chairman is formally appointed in accordance with Article 15.2, the Senior Independent Non-Executive Director shall fulfil the role of Chairman for the purpose of these Articles. In the event that there is neither a Senior Independent Non-Executive Director nor a Chairman appointed in accordance with these Articles, any person may act as chairman of any board meeting but shall not have the powers of the Chairman under these Articles.

15.5 Notwithstanding any other provisions of these Articles and without prejudice to section 168 of the 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.

16. **Retirement of Directors**

16.1 Each Director appointed pursuant to Article 14.3.2, Article 14.3.3, Article 15.2 or Article 15.3 shall retire from office on the third anniversary of his appointment (or re-appointment). If, at the date of adoption of these Articles, the third anniversary of any such Director's appointment has passed then he shall retire from office on the next anniversary of his appointment.

16.2 A retiring Representative Director shall be eligible for re-appointment.

17. **Directors' Conflicts of Interest**

- 17.1 The Directors may, in accordance with the requirements set out in this article, authorise any matter or situation proposed to them by any Director which would, if not authorised, involve a Director breaching his duty under section 175 of the Act to avoid conflict of interest (a "Conflict") and, in giving any such authorisation, the Directors and/or the members may impose terms, conditions and limitations on the authorisation. Notwithstanding the foregoing, any Representative Director shall be entitled to act as a Director and/or officer and/or employee of:
- 17.1.1 the member who appointed him as a Director; or
  - 17.1.2 any member of that member's Group
- and at the request of the relevant Representative Director and/or the member who is to appoint (or who has appointed) an individual as a Representative Director, the Directors and/or the members shall authorise any such conflicts of a Representative Director.
- 17.2 Any authorisation of a Conflict under this article may (whether at the time of the authorisation or subsequently):
- 17.2.1 extend to any actual or potential conflict of interest which may reasonably be expected to arise of the matter so authorised;
  - 17.2.2 be subject to such terms and for such duration, or impose such limits or conditions as the Directors may determine; and
  - 17.2.3 be terminated or varied by the Directors at any time, provided that this will not affect anything done by the Director in accordance with the terms of the authorisation prior to such termination or variation.
- 17.3 Where the Directors authorise a Conflict the Director will be obliged to conduct himself in accordance with any terms imposed by the Directors in relation to the Conflict pursuant to article 17.2.
- 17.4 If a Director has obtained any information through his involvement in the Conflict otherwise than as a Director of the Company and in respect of which he owes a duty of confidentiality to another person, the Director is under no obligation to:
- 17.4.1 disclose such information to the Company; or
  - 17.4.2 use or apply any such information in performing his duties as a Director,
- and the Director will not infringe any duty he owes to the Company by virtue of section 171 to 177 (inclusive) of the Act by withholding such information.
- 17.5 A Director is not required to account to the Company for any remuneration, profit or other benefit which he derives from or in connection with a relationship involving a Conflict which has been authorised by the Directors or by the members (subject in each case to any terms, limits or conditions attaching to that authorisation) and no contract shall be liable to be avoided on such grounds.
- 17.6 Without limiting the generality of this article 17, if:
- 17.6.1 any Group Company has or may have any claim or right against a member or any Connected Person of that member; or
  - 17.6.2 any Group Company wishes to defend, compromise, settle or negotiate with regard to any claim or right brought, threatened or asserted against

any Group Company by a member or by any Connected Person of that member,

no Representative Director who is employed or engaged by that member or is an office of that member shall:

- 17.6.3 be entitled to vote on any resolution of the Board relating to any such matter; or
- 17.6.4 be counted in the quorum at any meeting of the Board to the extent considering or discussing any such matter; or
- 17.6.5 be entitled to attend any meeting of the Board to the extent it is considering or discussing the relevant matter; or
- 17.6.6 be entitled to receive or see copies, or to decline to receive or see copies, of any board papers (including board minutes and draft minutes) or other papers or legal advice provided to any Group Company in connection with any such matter

and the relevant Representative Director's compliance with the foregoing will not be a breach of the general duties he owes to the Company by virtue of sections 171 to 177 of the Act.

17.7 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 17.7 shall not apply to any interest which arises because such Director is an employee or officer of a member or a Representative Director.

17.8 Model Article 14 shall not apply.

18. **Share Qualification**

No shareholding qualification for Directors shall be required.

19. **Remuneration of Directors**

Model Article 19 shall not apply.

20. **Disqualification of Directors**

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

- 20.1.1 if by notice in writing to the Board he resigns his office;
- 20.1.2 if he has been warned off Newmarket Heath, or has been declared a "disqualified person" by the Rules of Racing;
- 20.1.3 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;
- 20.1.4 if he is removed in accordance with Article 14;
- 20.1.5 if, in the case of a Representative Director, he ceases to be a member or a representative of a member of the Company; or



20.1.6 if the members appointing him lose the right to appoint a Representative Director (as the case may be) pursuant to Article 14,

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 or verbally or by any other means approved by the Board. 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. Model Article 9 shall not apply.

21.2 The quorum necessary for the transaction of the business of the Board shall be one Representative Director appointed pursuant to Article 14.3.1, one Representative Director appointed pursuant to Article 14.3.2 or 14.3.3 and one Independent Non-Executive Director (and if there is no Director of any one or more such categories in office, quorum shall be one such Director of such category as is in office and one other Director). Model Article 11 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 any form of telecommunication 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. Model Article 10 shall not apply.

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. Model Article 8 shall not apply.

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. Model Articles 7 and 13 shall not apply.

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, the following categories of Directors shall have the following number of votes:

DIRECTORS	VOTES
1. Representative Director appointed under Article 14.3.1 ("Category 1 Director")	36
2. Representative Director appointed under Article 14.3.2 ("Category 2 Director")	18
3. Representative Director(s) appointed under Article 14.3.3 (each a "Category 3 Director")	18
4. Executive Directors and Independent Non-Executive Directors (each a "Category 4 Director")	36

- 21.8 If the Category 2 Director is not present at a meeting, his votes shall be exercisable by Category 3 directors present at the meeting and if no Category 3 Directors are present at a meeting, their votes shall be exercisable by Category 2 Directors.
- 21.9 The number votes exercisable on a poll by a director shall be the number of votes exercisable by the applicable category of director (including any votes exercisable by that category of director as a result of any redistribution of votes on a poll pursuant to Article 21.8) divided by the total number of directors of that category present and eligible to vote at the meeting.
- 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 and such remuneration as may be approved by the Board. Model Article 20 shall not apply.
- 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 Subject to article 22.2, 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 delegate and in the exercise thereof shall conform to any terms of reference 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. Model Articles 5 and 6 shall not apply.
- 22.2 At least one person who is an Independent Non-Executive Director or the Chairman, one Representative Director appointed pursuant to Article 14.3.1 and one Representative Director appointed pursuant to Article 14.3.2 or 14.3.3, shall be appointed to each sub-committee. The sub-committee shall elect a chairman from amongst the Independent Non-Executive Director(s) and/or Chairman appointed to the sub-committee. The Board shall set terms of reference for any sub-committee that it constitutes. Any Representative Director who is required to establish a quorum at any sub-committee may give notice to the Company to the effect that he or she does not wish to participate in the sub-committee generally or in any specific meeting or meetings of the sub-committee and that the sub-committee may proceed without his or her attendance and the quorum shall be adjusted accordingly.
- 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 Model Article 50 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.

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. Model Article 48 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.
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.
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 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 Model Articles 52 and 53 shall not apply.