

Company Number 09776843

COMPANY LIMITED BY SHARES

WRITTEN RESOLUTION OF THE SOLE MEMBER

of

RACECOURSE RETAIL BUSINESS LIMITED

(the "Company")

WRITTEN RESOLUTION

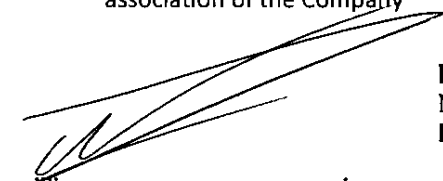
In accordance with Chapter 2 of Part 13 of Companies Act 2006 (the "Act") on 19th October 2015 the sole member of the Company passed resolutions 1 and 2 below as ordinary resolutions and resolution 2 below as a special resolution (together the "**Resolutions**")

ORDINARY RESOLUTION

- 1 **THAT**, the 100 ordinary shares of £1 00 each in the issued share capital of the Company be consolidated 1 ordinary share of £100
- 2 **THAT**, subject to passing resolution 1 above and resolution 3 below, the 1 ordinary share of £100 in the issued share capital of the Company be re-designated as an A ordinary share of £100 each in the capital of the Company

SPECIAL RESOLUTION

- 3 **THAT**, the articles of association attached to this resolution be adopted as the articles of association of the Company (the "**New Articles**") in substitution for and to the exclusion of the existing articles of association of the Company



For and on behalf of
Neptune Secretaries
Limited

Secretary
for and on behalf of the Company

WEDNESDAY



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27/07/2016
COMPANIES HOUSE

#80



REGISTERED NUMBER. 9776843

RACECOURSE RETAIL BUSINESS LIMITED

ARTICLES OF ASSOCIATION OF RACECOURSE RETAIL BUSINESS LIMITED

(ARTICLES ADOPTED ON 19TH OCTOBER 2015)

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ARTICLES OF ASSOCIATION
of
RACECOURSE RETAIL BUSINESS LIMITED (the "Company")

(Articles adopted on 19th October 2015)

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

" A Ordinary Shares"	the "A" Ordinary Shares of £100 each in the capital of the Company,
"Act"	the Companies Act 2006 (as amended),
"Affiliate"	in relation to a party, any entity or person that is Controlled by or under the Control of that party, or with whom that party is under common Control,
"Ascot"	Ascot Racecourse Limited (company number 04320977) and its successors,
"Ascot Director"	a non-executive director appointed by Ascot in accordance with Article 13 21,
"BHA"	the British Horseracing Authority or its successor licensing body or authority,
"Board" or "Directors"	the directors of the Company from time to time,
"Business Day"	a day (other than a Saturday or Sunday) on which banks are generally open for business in London,
"Calculation Date"	in respect of each Year, 31 March of the previous year or such other date as the Board may determine from time to time,
"Capital Event"	has the meaning attributed to it in Article 3 1,
"Chairman"	the chairman of the Board from time to time appointed in accordance with

Article 17 2 or, in the absence of such appointment, the Senior Independent Non-Executive Director nominated in accordance with Article 17 3,

"Clear Days"	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,
"Control"	the right of one person or entity, or two or more persons and/or entities acting in concert, to procure that the affairs of another person are conducted in accordance with their wishes, whether by virtue of holding equities, a partnership interest, membership of an unincorporated association, under contract or otherwise and "Controlled" shall be construed accordingly,
"Conversion Event"	a Sale or a Listing,
"Deed of Adherence"	a deed of adherence to the Shareholders' Agreement delivered as a Deed to the Company,
"Deferral Event"	has the meaning attributed to it in Article 3 4,
"Deferred Shares"	the Deferred Shares of £0 001 each in the capital of the Company,
"Disposal"	<p>shall include, without limitation</p> <ul style="list-style-type: none">(i) sale, assignment or transfer,(ii) creating or permitting to subsist any Encumbrance,(iii) any agreement, arrangement or understanding in respect of votes or the right to receive dividends,(iv) the renunciation or assignment of any right to receive a share or any legal or beneficial interest in a share,(v) any agreement to do any of the above, except an agreement to transfer shares which is conditional on compliance with these Articles <p>and "Dispose" and other cognate expressions shall be construed accordingly,</p>
"Encumbrance"	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,
"Executive Directors"	the executive directors appointed in accordance with Article 17 1,
"Group"	the Company and its subsidiary undertakings from time to time,
"Group Company"	the Company and any subsidiary undertaking of the Company from time to time,
"Independent Members"	has the meaning given to it in Article 13 16,

"Jockey Club"

means Jockey Club Racecourse Limited and its Group Companies,

"Large Independent Racecourses"

subject to Article 13 22, those of Ascot, Ayr, Chester and Bangor (counting together as one Racecourse for the purpose of any vote of the Large Independent Racecourses), Goodwood, Newbury and York, which are Relevant Racecourses and such other racecourses as may be approved as Large Independent Racecourses by the Board and a simple majority in number of the Large Independent Racecourses at that time,

"Licence Agreement"

a licence agreement between the Company and the owner of the relevant Racecourse granting certain access, audio-visual and data rights to the Company,

"Listing"

a listing of any shares or other securities of the Company on any recognised stock exchange,

"Opening Reference Percentages"

in respect of each A Ordinary Share, the percentage set opposite the Relevant Racecourse in the following table as amended from time to time by the Board upon the issue, cancellation or redesignation of "A" Ordinary Shares

RACECOURSE	OPENING REFERENCE PERCENTAGE
Aintree	2 56
Carlisle	2 84
Cheltenham	4 02
Epsom Downs	1 44
Exeter	1 95
Haydock Park	4 25
Huntingdon	1 93
Kempton Park	12 84
Market Rasen	2 32
New Market	6 03
Nottingham	2 73
Sandown Park	3 08
Warwick	1 99
Wincanton	2 02
Ascot	4 90
Beverley	2 30
Salisbury	1 86
Cartmel	0 81
Bangor-on-Dee	1 49
Chester	2 04
Catterick Bridge	3 07
Goodwood	2 93
Hamilton Park	2 03
Kelso	1 66
Ludlow	1 89
Musselburgh	3 17

Newbury	4 32
Perth	1 78
Pontefract	1 90
Redcar	2 48
Thirsk	2 00
Ayr	3 84
Wetherby	2 27
York	3 25

"Ordinary Shares"	the ordinary shares of £0 001 each in the capital of the Company,
"person"	includes any individual, body or entity including any firm, partnership, unincorporated association, local authority or body corporate,
"Racecourse"	a racecourse situated in England, Wales or Scotland in respect of which a valid licence issued by the BHA subsists,
"Racecourse Licence Fees"	the licence fees payable under the Licence Agreements,
"Racecourse Licence Holder"	a holder of a valid racecourse licence issued by the BHA in respect of a racecourse situated in England, Wales or Scotland,
"Racing Fixture List"	the annual racing fixture list as published by the BHA (or any successor body or authority carrying out that publishing function),
"Relevant Base Percentage"	the Relevant Base Percentage as calculated in accordance with Articles Error! Reference source not found. and 3 7,
"Relevant Capital Percentage"	in respect of each "A" Ordinary Share, the percentage entitlement to the surplus assets of the Company attributable to that "A" Ordinary Share, being equal to the Relevant Base Percentage in respect of that "A" Ordinary Share as adjusted in accordance with Articles 3 8 and 3 9,
"Relevant Income Percentage"	in respect of each "A" Ordinary Share, the percentage entitlement to the distributable profits of the Company attributable to that "A" Ordinary Share, being equal to the Relevant Base Percentage in respect of that "A" Ordinary Share as adjusted in accordance with Articles 3 8 and 3 9,
"Relevant Racecourse"	in respect of each "A" Ordinary Share, the Racecourse noted on the certificate and in the register of members against such "A" Ordinary Share and in respect of which there is a valid Licence Agreement,
"Relevant Voting Percentage"	in respect of each "A" Ordinary Share, the percentage of the total number of votes exercisable by holders of "A" Ordinary Shares attributable to that "A" Ordinary Share, being equal to the Relevant Base Percentage in respect of that "A" Ordinary Share as adjusted in accordance with Articles 3 8 and 3 9,
"Representative Directors"	non-executive directors elected or appointed in accordance with Article 13 3,

"Rules of Racing"	the rules of racing of the BHA (or any successor body or authority) in force from time to time,
"Sale"	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),
"Secretary"	any person appointed to perform the duties of the company secretary of the Company,
"Senior Independent Non-Executive Director"	the Director nominated as such in accordance with Article 17 3,
"Shareholders' Agreement"	any agreement between the members and the Company from time to time,
"Shares"	the "A" Ordinary Shares, the Ordinary Shares and the Deferred Shares,
"simple majority"	in respect of votes by members on a poll (whether or not in general meeting), members holding "A" Ordinary Shares entitling them to more than 50% of the aggregate Relevant Voting Percentages of those entitled to vote and voting on the matter the subject of the resolution,
"subsidiary undertaking"	shall have the meaning given to that term in the Act,
"United Kingdom"	Great Britain and Northern Ireland, and
"Year"	a period of 12 consecutive calendar months commencing on 1 April each year and ending on 31 March in the following year, or as may otherwise be approved by the Board for the purpose of these Articles

2 2 Words and expressions which bear particular meanings in the Model Articles shall, unless otherwise defined in these Articles, bear the same meanings in these Articles

2 3 Headings are for convenience only and shall not affect construction

2 4 A corporate member represented at a general meeting by a duly authorised representative shall be deemed to be present in person

2 5 If, and for so long as, the Company has only one member, these Articles shall (in the absence of any express provision to the contrary) apply with such modification as may be necessary in relation to the Company

3 **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 assets of the Company remaining after the payment of its liabilities shall be divided between the holders of Shares as follows

3 1 1 first, each holder of "A" Ordinary Shares and Ordinary Shares shall receive an amount equal to the amount subscribed for the Shares held by it and an amount equal to any declared but unpaid dividends on such Shares,

3 1 2 second, each holder of Deferred Shares shall receive an amount equal to the aggregate nominal value of the Deferred Shares held by it, and

3 1 3 third, before a Conversion Event each holder of "A" Ordinary Shares shall receive a share of the surplus assets equal to the aggregate Relevant Capital Percentages in respect of the "A" Ordinary Shares held by it and, after a Conversion Event the surplus assets shall be distributed amongst the holders of Ordinary Shares

3 2 ***Income***

Each "A" Ordinary Share shall entitle the holder thereof to a percentage of the distributable profits of the Company that the Company determines to distribute equal to the Relevant Income Percentage attributable to that "A" Ordinary Share Model Article 30 shall not apply to the extent it is inconsistent with this Article 3 2

3 3 ***Voting***

3 3 1 On a show of hands at a general meeting of the Company every member holding "A" Ordinary Shares or Ordinary Shares, present in person or by proxy shall have one vote

3 3 2 Prior to a Conversion Event, any holder of one or more "A" Ordinary Shares may call a poll For the purposes of a poll at a general meeting of the Company, every member present in person or by proxy shall have such voting rights in respect of each "A" Ordinary Share held by it as equals the Relevant Voting Percentage (so that, for example, where the Relevant Voting Percentage attributable to an "A" Ordinary Share is 16 58%, that "A" Ordinary Share shall entitle the holder of it to 16 58 votes) attributable to that "A" Ordinary Share, as notified to the members by the Executive Directors in accordance with Article 3 9 2 Fractions of votes may be cast on a poll After a Conversion Event any holder of Ordinary Shares may demand a poll On a poll, each Ordinary Shares shall entitle the holder to one vote On a poll, votes may be given either personally or by proxy

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 16 3 in which case a resolution supported by the relevant number of members and/or percentage as set out in Article 16 3 shall be required

3 3 4 Model Article 43 shall only apply after a Conversion Event

3 3 5 The Deferred Shares shall not entitle the holders to receive notice of, attend or vote in general meeting of the company or to any vote in relation to any written resolution of the members of the company

3 4 ***Conversion upon a Deferral Event***

3 4 1 Subject to Article 3 4 2, each "A" Ordinary Share held by a member shall automatically be converted into one hundred thousand Deferred Shares upon the Company giving notice (a "Deferral Notice") of the occurrence of any of the following events

- (a) the holder of that "A" Ordinary Share ceases to be a Racecourse Licence Holder, or
- (b) the Licence Agreement in place in respect of the Relevant Racecourse in respect of that "A" Ordinary Share is terminated or otherwise ceases to be in place, or
- (c) the holder of that "A" Ordinary Share ceases to own the Relevant Racecourse in respect of that "A" Ordinary Share, or

- (d) the Relevant Racecourse in respect of that "A" Ordinary Shares ceases 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 "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 7 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

- 3 4 5 Upon issue of a Deferral Notice, the existing share certificates in respect of any "A" Ordinary Share the subject of the Deferral Notice shall automatically be cancelled and shall be returned by the member to the Company and a certificate in respect of the Deferred Shares shall be issued

3 5 ***Conversion upon a Conversion Event***

- 3 5 1 Upon a Conversion Event, each "A" Ordinary Share shall be converted into such number of Ordinary Shares as represents a percentage of the total number of Ordinary Shares in issue immediately following such conversion equal to the Relevant Capital Percentage in respect of such "A" Ordinary Share

- 3 5 2 Notice of the Conversion Event shall be given to the holders of the "A" Ordinary Shares by the Company at least 10 but not more than 60 days prior to the expected completion of the Sale or Listing, and such notice shall (i) specify the expected date of completion of the Conversion Event as the date for conversion, (ii) specify and give full details of the calculation of the Relevant Capital Percentages, and (iii) specify and give full details of the method of conversion determined by the Board in accordance with Article 3 5 5

- 3 5 3 The Ordinary Shares to which a holder of "A" Ordinary Shares is entitled on conversion of his "A" Ordinary Shares shall be credited as fully paid and shall rank pari passu in all respects and form one class with the Ordinary Shares, if any, then in issue

- 3 5 4 The conversion to 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" Ordinary Shares are to be converted 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" Ordinary 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 Base Percentage

3 6 1 Subject to Article 3 7, for the purpose of these Articles, the Relevant Base Percentage in respect of each "A" Ordinary Share in any Year shall be calculated as follows

$$RP = \frac{A}{B} \times 100$$

where

RP = Relevant Base Percentage,

A= the amount of Racecourse Licence Fees paid in relation to the Relevant Racecourse in the Year immediately preceding the Calculation Date, and

B = the aggregate amount of Racecourse Licence Fees paid in the Year immediately preceding the Calculation Date

3 7 The Relevant Base Percentages shall, prior to notification of the Relevant Base Percentages by reference to the Calculation Date of 31 March 2019, be the Opening Reference Percentages

3.8 Adjustments

3 8 1 For so long as Jockey Club (i) holds "A" Ordinary Shares entitling it in aggregate to a Relevant Base Percentage of at least 33% but less than 50% and (ii) owns or operates at least 7 Racecourses, it shall be entitled to a Relevant Voting Percentage and a Relevant Capital Percentage of 50% and the entitlement of each "A" Ordinary Share held by it shall be adjusted proportionately

3 8 2 For so long as Jockey Club holds "A" Ordinary Shares entitling it in aggregate to a Relevant Base Percentage or more than 50%, it shall be entitled to a Relevant Income Percentage, Relevant Voting Percentage and Relevant Capital Percentage of 50% only and the entitlement of each "A" Ordinary Share held by it shall be adjusted proportionately

3 8 3 In the event that any holder of "A" Ordinary Shares other than Jockey Club would, taking into account any adjustment under Articles 3 8 1 or 3 8 2, hold "A" Ordinary Shares entitling it in aggregate to a Relevant Base Percentage of at least 40%, it shall be entitled to a Relevant Income Percentage, Relevant Voting Percentage and Relevant Capital Percentage of 39.99% and the entitlement of each "A" Ordinary Share held by it shall be adjusted proportionately

3 8 4 In the event that any of Articles 3 8 1 to 3 8 3 (inclusive) applies, the Relevant Voting Percentage, Relevant Income Percentage or Relevant Capital Percentage, as the case may be attributable to each other "A" Ordinary Share shall be adjusted so as to be entitled to the remaining Relevant Voting Percentage, Relevant Income Percentage or Relevant Capital Percentage, as the case may be, in proportion to their Relevant Base Percentages as calculated in accordance with Article 3 6 1 and before taking into account any adjustment under this Article 3 8

3 9 Matters Relevant to the Calculation of the Relevant Base Percentage

3 9 1 The Relevant Base Percentage shall be calculated to two decimal places and rounded as the Directors, acting reasonably, see fit

3 9 2 The Directors shall calculate the Relevant Base Percentage for all "A" Ordinary Shares as soon as practicable following each Calculation Date and circulate to each member notice of the same within 30 days of such calculation

3 9 3 In the event of any dispute as to the calculation of the Relevant Base 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 Base Percentage shall be conclusive and binding on all concerned. The costs shall be borne by the Company unless the Relevant Base Percentage attributable to the "A" Ordinary Shares held by the member as determined by the expert are equal to or less than that circulated by the Company, in which case the costs shall be borne by the member.

3 10 ***Sale of Share Capital of the Company***

In the event of a Sale in circumstances where conversion pursuant to Article 3 5 does not for any reason take place, and 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 10), the members immediately prior to such Sale shall procure that the consideration (whenever received) shall be paid into a designated trustee account and that a Relevant Capital Percentage of such consideration (net of any costs of sale) shall be paid to each selling member in respect of each "A" Ordinary Share sold by it.

3 11 ***Deferred Shares***

3 11 1 The Deferred Shares do not confer on the holder thereof any entitlement

- (a) save as provided in Article 3 1 1, 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 11 2 The Board shall be entitled from time to time (and the holders of the Deferred Shares from time to time hereby irrevocably authorise the Company)

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

3 11 3 Such Deferred Shares shall be deemed to have been redeemed upon such resolution of the Board and the Company may retain the redemption money until delivery up of the certificate for such Deferred Shares (or indemnity in respect thereof satisfactory to the Board) and shall within 7 days thereafter pay the redemption money to the holder of such Deferred Shares

3 11 4 Where any payments required to be made by the Company under Article 3 11 2 are required to be made to more than one person, the Company may divide such payments as it in its absolute discretion sees fit or may make such payment to any one such person to hold on behalf of all such persons and shall not be concerned with any onward distribution of such payment

4. Issue of Shares

4 1 Subject to Article 16 3 2, Article 4 2, and Article 4 5 the Board may allot and issue an "A" Ordinary Share to any person who

4 1 1 is a Racecourse Licence Holder, and

4 1 2 enters into a Licence Agreement and a Deed of Adherence in the form required by the Board

4.2 Notwithstanding Article 16 3 2, the allotment and issue of "A" Ordinary Shares to any person who is not already a member shall require the consent of any one member holding "A" Ordinary Shares entitling it to at least 33% of the Relevant Voting Percentage, of a simple majority on a poll of those members whose Relevant Racecourse(s) comprise the Large Independent Racecourses and of a simple majority on a poll of those members who are Independent Members as defined in Article 13 16

4 3 Any "A" Ordinary Share issued pursuant to Article 4 1 shall be numbered and issued in respect of one Racecourse and the name of the Racecourse shall be noted on the certificate in respect of each "A" Ordinary Share and in the register of members against such "A" Ordinary Share

4 4 A member may hold more than one "A" Ordinary Share but shall not, for the avoidance of doubt, hold more than one "A" Ordinary Share in respect of any one Racecourse

4 5 Subject to Articles 16 3 2 and 4 2, the decision of the Board as to whether or not to allot and issue any "A" Ordinary Share to any person (including any decision as to terms relating to such allotment and issue, including as to price) shall be at its sole discretion and the Board shall not be under any obligation to issue any "A" Ordinary Share to a person (including any member), regardless of whether they are able to fulfil the conditions in Article 4 1

5 Initial Authority to Issue Relevant Securities

Subject to the provisions of these Articles, the Directors are unconditionally authorised pursuant to section 551 of the Act to exercise all powers of the Company to allot relevant securities The authority conferred on the Directors by this Article shall remain in force for a period of five (5) years from the date of adoption of this Article but may be revoked, varied or renewed from time to time by the Company in general meeting in accordance with the Act

6. Exclusion of Rights to Offer on a Pre-emptive Basis

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

7 Restriction on Dealing with Shares

7 1 Subject to Article 7 2, no Disposal of any "A" Ordinary Share or any legal or beneficial interest in any "A" Ordinary Shares shall be permitted except pursuant to a Sale

7.2 A member may with the prior written consent of the Company sell the entire legal and beneficial interest in any "A" Ordinary Share held by such member to a Racecourse Licence Holder who has acquired the Relevant Racecourse 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 in a form satisfactory to the Company

7 3 No Disposal of any Deferred Share shall be permitted except a Disposal pursuant to Article 3 11 2

7 4 No Disposal of any Ordinary Share or any legal or beneficial interest in any Ordinary Share shall be permitted save pursuant to a Sale or following a Listing

8 **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 Articles 27 to 29 (inclusive) shall not apply.

9 **Calling General Meetings**

9 1 The Directors may call general meetings and either

9 1 1 on the requisition of members of the Company representing not less than one twentieth 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

9 1 2 in the event that the Board receives notice from a Representative Director pursuant to Article 16 3, shall proceed to convene a general meeting such meeting to be held within 28 days or such later date as the requisitionists or the relevant Representative Director shall agree with the Board. If the Board shall fail to convene a meeting in accordance with this Article then the requisitioning members or the notifying Representative Director may convene such meeting and their reasonable costs in doing so shall be reimbursed by the Company.

9 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.

9 3 Notwithstanding the provisions of Article 9 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.

9 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.

9 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.

10 **Proceedings at General Meetings**

10 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 9 5), one of whom shall have a right (with or without other members) to appoint a Director under Article 13 3 1, one of whom shall have a right (with other members) to appoint a Director under Article 13 3 2 and one of whom shall have a right (with other members) to appoint a Director under Article 13 3 3. In the event that no member of any one or more such categories exists, the quorum requirement shall be reduced accordingly.

10 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.

- 10.3 The Chairman of the Board or the Senior Independent Non-Executive Director shall preside as chairman of every general meeting, or if he shall not be present within 15 minutes of the time appointed for the holding of the meeting or is not willing to act, the Board shall elect one of their number to be chairman of the meeting. If no Director is willing to act as chairman or if no Director is present within 15 minutes after the time appointed for holding the meeting, the members present shall choose one of their number to be chairman of the meeting. Model Article 39 shall not apply.
- 10.4 The chairman of a general meeting may, with the consent of any general meeting of the Company at which a quorum is present (and shall if so directed by the meeting), adjourn the meeting from time to time and from place to place, but no business shall be transacted at any adjourned general meeting other than the business left unfinished at the general meeting from which the adjournment took place. When a general meeting is adjourned for 30 days or more, notice of the adjourned general meeting shall be given as in the case of an original meeting. Save as aforesaid it shall not be necessary to give any notice of an adjourned general meeting or of the business to be transacted thereat. Model Article 41 shall not apply.
- 10.5 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.
- 10.6 A poll demanded on the election of a chairman of any general meeting pursuant to Article 10.3 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.
- 10.7 A poll shall be taken at such time as the chairman of the general meeting directs and any business other than that upon which a poll has been demanded may be proceeded with pending the taking of the poll.
- 10.8 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 9.5) 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 9.5) 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.
- 10.9 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.
- 11 **Proxies**
- 11.1 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.
- 11.2 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

- 11 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 general meeting of the Company to be held on the day of 20 , and at any adjournment thereof

- 11 4 The instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll
- 11 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
- 11 6 Model Articles 45 and 46 shall not apply

12 **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

13 **Directors**

- 13 1 The Board shall not exceed 11 Directors in number

- 13 2 The Directors shall be -

- 13 2 1 Representative Directors appointed or elected in accordance with Article 13 3,
- 13 2 2 the Executive Directors appointed by the Representative Directors and the Ascot Director pursuant to Article 17 1,
- 13 2 3 non-executive independent Directors appointed by the Representative Directors and the Ascot Director pursuant to Article 17 3,

- 13 2 4 the Chairman, if any, appointed by the Representative Directors and the Ascot Director pursuant to clause 17 2, and
- 13 2 5 the Ascot Director appointed in accordance with Article 13 21
- 13 3 Subject to Articles 13 4 to 13 6 (inclusive) and to Article 13 22
- 13 3 1 any member owning in aggregate at least 6 Racecourses in respect of which Licence Agreements are in place shall be entitled to appoint and remove one non-executive Director to the Board,
- 13 3 2 those members whose Relevant Racecourse(s) comprise the Large Independent Racecourses shall be entitled as a group to appoint and remove one non-executive Director to the Board and such non-executive Director shall, in the absence of unanimous agreement, be elected or removed by those members whose Relevant Racecourse(s) comprise the Large Independent Racecourses in accordance with Articles 13 14 and 13 15,
- 13 3 3 members who are not entitled to appoint a non-executive Director pursuant to Articles 13 3 1 and 13 3 2 above shall as a group be entitled to appoint and remove two non-executive Directors to the Board in such manner as they see fit and each such non-executive Director shall, in the absence of unanimous agreement, be elected or removed by the constituent members of that group in accordance with Articles 13 16 to 13 20
- 13 4 The right to appoint a non-executive Director pursuant to Article 13 3 1 shall be lost automatically if and only for so long as the member who appoints the non-executive Director ceases to hold 6 or more Racecourses in respect of which Licence Agreements are in place, unless such member owns Relevant Racecourse(s) hosting more than 10% of the total racing fixtures as set out in the then current Racing Fixture List
- 13 5 The right to appoint a non-executive Director pursuant to Article 13 3 2 shall be lost automatically if and only for so long as three or more of the members whose Relevant Racecourse(s) comprise the Large Independent Racecourses cease to be "independent" (for the purposes of this Article 13 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 13 3
- 13 6 The right to appoint two non-executive Directors pursuant to Article 13 3 3 shall be modified automatically as follows if and for so long as the number of Racecourses in respect of which Licence Agreements are in place owned by members entitled to appoint non-executive Directors pursuant to Article 13 3 3 shall
- 13 6 1 be less than 10 but greater than or equal to 6, in which case those members as a group shall be entitled to appoint one non-executive Director, or
- 13 6 2 be less than 6, in which case those members as a group shall cease to be entitled to appoint any non-executive Directors (unless such members own Relevant Racecourse(s) hosting over 10% of the total racing fixtures as set out in the then current Racing Fixture List in which case they shall as a group be entitled to maintain in office one Director)
- 13.7 The first non-executive Directors appointed pursuant to Article 13 3 3 following the adoption of these Articles shall hold office for the following terms
- 13 7 1 the person elected with the highest number of votes from constituent members (or, if only one such Director is elected pursuant to Article 13 3 3, that Director) shall hold office for a term of 3 years, and
- 13 7 2 the person elected with the second highest number of votes from constituent members shall hold office for a term of 2 years,

and following the expiry of their respective terms each such non-executive Director shall retire upon the appointment of his successor or shall be deemed to have retired immediately before his reappointment in accordance with these Articles

13 8 A Representative Director shall (following appointment or election in accordance with the relevant provision of Article 13 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 13 3 appointor or electors

13 9 Any Representative Director or the Ascot Director (other than an alternate Director) may appoint

13 9 1 any other Director, or

13 9 2 any other person approved both by a resolution of the Board and by either the appointor of that Director or by a majority of that 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 Director shall be briefed by the Board on a regular basis as to the matters under consideration at meetings of the Board

13 10 An alternate Director shall be entitled to receive notice of all meetings of the Board and of all meetings of committees of Directors of which his appointor is a member, to attend and vote, to the extent his appointor was entitled to vote, at any such meeting at which his appointor is not personally present, and generally to perform all the functions of his appointor as a 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

13 11 An alternate Director shall cease to be an alternate Director if his appointor ceases to be a Director, but, if a 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

13 12 Save as otherwise provided in the Articles, an alternate Director shall be deemed for all purposes to be a Director and shall be entitled to be repaid expenses and to be indemnified to the same extent mutatis mutandis as if he were a 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 Director appointing him

13.13 Model Article 17(1)(b) shall not apply

Large Independent Racecourses

13 14 Subject to Article 13 22, the members whose Relevant Racecourse(s) comprise the Large Independent Racecourses shall be entitled to appoint and remove a Representative Director in accordance with Article 13 3 2 In the absence of unanimous agreement between the members whose Relevant Racecourse(s) comprise the Large Independent Racecourses, such appointment or removal shall (subject to Article 13 15) be by way of an election or resolution held in accordance with the following principles

13 14 1 the only persons capable of casting a vote shall be the members whose Relevant Racecourse(s) comprise the Large Independent Racecourses acting by their validly appointed representatives,

13 14 2 the quorum for a meeting of the members whose Relevant Racecourse(s) comprise the Large Independent Racecourses to hold such an election or pass such a resolution shall be 3 and no election or resolution shall take effect unless that election or resolution has taken place at a quorate meeting,

13 14 3 if the members whose Relevant Racecourse(s) comprise the Large Independent Racecourse shall appoint a chairman of the meeting of such members that person shall not have a second or casting vote by virtue of that position,

13 14 4 each of the members whose Relevant Racecourse(s) comprise the Large Independent Racecourse shall have one vote and decisions will be taken on a show of hands on a simple majority

13 15 A resolution in writing appointing or removing a Representative Director under Article 13 3 2 signed by all the members whose Relevant Racecourse(s) comprise the Large Independent Racecourses or their duly authorised representatives shall be as valid and effective as if the same had been passed at a meeting of the members whose Relevant Racecourse(s) comprise the Large Independent Racecourses duly convened and held in accordance with Article 13 14

Independent Members

13 16 Subject to Article 13 22, members of the Company who are not entitled to appoint a Representative Director pursuant to Articles 13 3 1 or 13 3 2 ("**Independent Members**") shall be entitled to appoint and remove Representative Directors in accordance with Article 13 3 3 and in the absence of unanimous agreement between the Independent Members and subject to the provisions of Article 13 17 below, such appointment or removal shall be by way of a postal ballot administered by the Company or by a third party approved by the Board

13 17 A postal ballot shall not be deemed to have been held for the purposes of Article 13 16 if a sufficient number of the Independent Members requisition a meeting of the Independent Members and for the purposes of this Article 13 17 "**sufficient number**" shall mean

13 17 1 10 Independent Members where the Independent Members are entitled to appoint 2 non-executive Directors, and

13 17 2 6 Independent Members where the Independent Members are entitled to appoint 1 non-executive Director

13 18 If a meeting is duly requisitioned under Article 13 17 such a meeting shall be held in accordance with the following principles

13 18 1 the only persons capable of casting a vote shall be the Independent Members acting by their validly appointed representatives,

13 18 2 the quorum for a meeting of the Independent Members to hold such an election or pass such a resolution shall be the same as the numbers of members required by Article 13 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

13 18 3 if the Independent Members shall appoint a chairman of the meeting of the Independent Members that person shall not have a second or casting vote by virtue of that position

13 19 The method of carrying out the election or the postal ballot (as the case may be) shall be by each Independent Member having one vote in respect of each election or ballot of a Representative Director in which such Independent Member is entitled to participate and elections, resolutions or ballots shall be deemed passed on a simple majority All Independent Members must be entitled to participate in the same number of Representative Director elections or ballots and decisions at a duly requisitioned meeting will be taken on a show of hands

13 20 A resolution in writing signed by all the Independent Members or their duly authorised representatives shall be as valid and effective as if the same had been passed at a meeting of the Independent Members duly convened and held or by virtue of a postal ballot held in accordance with Article 13 16

13 21 For so long as a Licence Agreement between Ascot and the Company remains in full force and effect, Ascot shall be entitled to appoint and remove one non-executive Director to the Board Any person so appointed by Ascot shall be appointed as a Director automatically upon receipt by the Company of a written notice executed by or on behalf of Ascot Ascot's right to appoint a non-executive Director pursuant to this Article 13 21 shall be lost

automatically if Ascot or any of its Relevant Racecourse(s) ceases to be "independent" (for the purposes of this Article 13 21 "independent" means not being owned by another member(s) of the Company)

13 22 For so long as Ascot has the right to appoint and remove one non-executive Director to the Board pursuant to Article 13 21 it shall not

13 22 1 comprise a Large Independent Racecourse for the purposes of Articles 13 3 2, 13 5 and 13 14, or

13 22 2 be entitled to participate in the appointment and removal of any non-executive Director to the Board pursuant to either Article 13 3 1 or Article 13 3 3

14 **Share Qualification**

No shareholding qualification for Directors shall be required

15 **Remuneration of Directors**

Model Article 19 shall not apply

16 **Powers and duties of the Directors**

16 1 Subject to the provisions of Articles 16 2 and 16 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 which 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 the structure of the Board and the identity of the Directors is replicated in the board of Directors of each Group Company that is a subsidiary of the Company (ignoring for this purpose any non-voting, non-executive Director of any Group Company) and that nothing is done by any Group Company that would cause the Company or the Board to be in breach of Article 16 3

16 2 Without prejudice to the general powers conferred by Article 16 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 19 4 to 19 11 and 20

16 3 The Company shall not and shall procure, to the extent it is able to do so, that each Group Company shall not

16 3 1 do any of the following without the approval of the Board and, at the request of a Representative Director, a simple majority of members on a poll

- (a) create or issue or allow to come into being any mortgage, charge, lien or other encumbrances (save for liens arising in the ordinary course of business) upon the whole or any part of its undertaking, property or other assets or uncalled capital or revenue or create or issue any debenture or debenture stock save for finance leases and vendor financing agreements entered into in the ordinary course of business,
- (b) borrow any monies or obtain any advance or credit (other than normal course of business),
- (c) sell, factor, discount or otherwise dispose of all or any of its debts or any interest therein,
- (d) acquire or agree to acquire any fixed or capital asset or make or agree to make any capital expenditure except as budgeted for in the annual budget,

- (e) commence or settle any legal proceedings (other than routine debt collection and employment related litigation),
- (f) give any guarantee or indemnity in respect of the liability of any third party (other than a Group Company) or make any loan to any third party,
- (g) subscribe for, purchase or otherwise acquire any shares, debentures, debenture stock, mortgages or securities or interest in any other person,
- (h) enter into any joint venture, partnership, consortium or other similar arrangement,
- (i) appointment and change of any auditor or its accounting reference date or its accounting policies and any appointment and change of the Company's solicitors,
- (j) in the case of the Company or any other Group Company which is not a wholly owned subsidiary of the Company, declare or pay any dividend or make any distribution or agree to capitalise any reserves or apply any amount for the time being standing to the credit of its share premium account or capital redemption reserve for any purpose,
- (k) do anything that would constitute a breach of any veto rights set out in any Shareholders' Agreement, or
- (l) agree or permit any increase in the amount of the fees, if any, payable by the Company to any connected third party in any year or otherwise, save only for an increase no greater than the level of inflation (calculated according to the Retail Prices Index) in any year

16 3 2

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

- (a) sell, transfer or otherwise dispose of any subsidiary or associated company or any shares, securities convertible into shares or any rights to acquire shares or securities so convertible or any other interest therein,
- (b) enter into any transaction or series of transactions which (i) would require approval under section 190 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),
- (c) enter into any agreement or other arrangement otherwise than in the ordinary course of business and on an arm's length basis,
- (d) sell, transfer, lease, assign, grant, any licence in respect of, or otherwise to dispose of, the whole or any part of its undertaking, property or other assets (whether by one transaction or a series of transactions whether related or not) or any interest therein other than the sale of current assets and licensing of intellectual property rights in the ordinary course of business,
- (e) take steps to be wound up unless a licensed insolvency practitioner shall have advised that the relevant Group Company is required to be wound up by reason of having become insolvent, make arrangements with its creditors, generally apply for an administration order, file documents with the court for an administrator's

appointment, give notice of intention to appoint an administrator or appoint a receiver, administrator, manager or administrative receiver of the Group Company,

- (f) take or omit to take any significant action in respect of any Licence Agreement or any rights licensed or purported to be licensed thereunder including without limitation (i) enter into any Licence Agreement, (ii) vary any Licence Agreement, waive any of its rights under or otherwise release any party from its obligations under any Licence Agreement or (iii) admit liability in relation to, and/or settle, any claim or threatened claim in connection with any Licence Agreement or any rights licensed or purported to be licensed thereunder,
- (g) apply for a Listing,
- (h) approve the business plan and annual budget or any amendment or departure from the same,
- (i) make any material change in the nature and scope of the business including the introduction or discontinuance of any field of activity, the relocation or expansion of the business of a Group Company,
- (j) approve any of the matters referred to in the following provisions of these Articles the definition of Calculation Date in Article 2 1, the definition of Large Independent Racecourses in Article 2 1, the definition of Year in Article 2 1, or
- (k) issue or allot any shares or grant any options or other like rights to acquire any shares or securities convertible into shares or make any payment to any person (whether or not a member) for giving up his right to any share capital or any such options or other like rights

16 3 3 do any of the following without the consent of any one member holding "A" Ordinary Shares entitling it to at least 33% of the Relevant Voting Percentage and of a simple majority on a poll of those members whose Relevant Racecourse(s) comprise the Large Independent Racecourses and of a simple majority on a poll of those members who are Independent Members

- (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

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

17 1 The Representative Directors and the Ascot Director 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 (but not, for the avoidance of doubt, the Ascot Director) 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 and the Ascot Director 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

- 17.2 Subject to Article 17 4, the Representative Directors and the Ascot Director 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 (but not, for the avoidance of doubt, the Ascot Director) appoint a person to the office of Chairman. Such appointment may be similarly revoked by the Representative Directors and the Ascot Director 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 the Ascot Director or an Executive Director appointed under Article 17 1. Model Article 12 shall not apply.
- 17 3 The Representative Directors and the Ascot Director 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 (but not, for the avoidance of doubt, the Ascot Director) 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 and the Ascot Director or the members. The independent non-executive Directors shall not be members or be connected with any member and shall be experienced in the matters relating to on-course services in general (including in particular (but not mandatorily)), on-course betting, pool-betting and sponsorship.
- 17 4 In the event that no Chairman is formally appointed in accordance with Article 17 2 (including, for example, where an Executive Director is given the title of 'Chairman' but is not formally appointed as such under Article 17 2 and accordingly is not the Chairman for the purposes of these Articles), the Senior Independent Non-Executive Director shall fulfil the role of Chairman for the purpose of these Articles.
- 19 5 Notwithstanding any other provisions of these Articles and without prejudice to section 168 of the 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.
- 18 **Disqualification of Directors**
- 18 1 The office of a Director shall be vacated immediately and automatically
- 18 1 1 if he becomes bankrupt,
- 18 1 2 if he is, or may be suffering from mental disorder and either
- (a) he is admitted to hospital in pursuance of an application for admission for treatment under the Mental Health Act 1983 or, in Scotland, an application for admission under the Mental Health (Scotland) Act 1960, or
- (b) an order is made by a court having jurisdiction (whether in the United Kingdom or elsewhere) in matters concerning mental disorder for his detention or for the appointment of a receiver, curator bonis or other person to exercise powers with respect to his property or affairs,
- 18 1 3 if by notice in writing to the Board he resigns his office,
- 18 1 4 if he attains the age of 70,
- 18 1 5 if he becomes prohibited from being a director by reason of any order made under the Company Directors Disqualification Act 1986 (as amended from time to time),
- 18 1 6 if he has been warned off Newmarket Heath, or has been declared a "disqualified person" by the Rules of Racing,
- 18 1 7 if in the case of a person appointed to any of the offices of Chairman or Executive Director of the Company, he ceases to hold such office,

- 18 1 8 if he is removed in accordance with Article 13,
- 18 1 9 if, in the case of a Representative Director, he ceases to be a member or a representative of a member of the Company,
- 18 1 10 if, in the case of the Ascot Director, he ceases to be a member or a representative of a member of the Company, or
- 18 1 11 if the members appointing him lose the right to appoint a Representative Director or the Ascot Director (as the case may be) pursuant to Article 13,

and the remaining Directors shall be authorised to do all things necessary to give effect to such vacation of office
Model Articles 18(b) to 18(f) (inclusive) shall not apply

19 **Proceedings of the Directors**

- 19 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, fax or verbally or by any other means. It shall not be necessary to give notice of any meeting of the Board to any Director for the time being absent from the United Kingdom. Model Article 9 shall not apply.
- 19 2 The quorum necessary for the transaction of the business of the Board shall be the Representative Director appointed pursuant to Article 13 3 1 and one Representative Director appointed pursuant to Article 13 3 2 or 13 3 3 (and if there is no Director of any one or more such categories in office, quorum shall be such Director of such category as is in office and one other Director). 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).
- 19 3 Any Director may participate in a meeting of the Directors by means of conference telephone or similar communications equipment whereby all persons participating in the meeting can hear each other and participation in a meeting in this manner shall be deemed to constitute presence in person at such meeting. Model Article 10 shall not apply.
- 19 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.
- 19 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.
- 19 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 19 7. In the event of an equality of votes, the Chairman shall have a casting vote. Model Articles 7 and 13 shall not apply.
- 19 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 19 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 19 8 and 19 9, the following categories of Directors shall have the following number of votes

DIRECTORS	VOTES
1 Representative Directors appointed under Article 13 3 1 ("Category 1 Director(s)")	36
2 Representative Directors appointed under Article 13 3 2 ("Category 2 Director(s)")	18
3 Representative Directors appointed under Article 13 3 3 ("Category 3 Director(s)")	18
4 Executive and non Executive Directors appointed under Article 17 ("Category 4 Director(s)")	36
5 the Ascot Director appointed under Article 13 21 ("Category 5 Director(s)")	0

- 19 8 In relation to the numbers of votes exercisable by each category of Directors (other than the Ascot Director)
- 19 8 1 if Category 2 Director is not present at a meeting, his votes shall be exercisable by Category 3 directors,
- 19 8 2 if two Category 3 Directors are present at a meeting, the Category 3 votes shall be split equally amongst them,
- 19 8 3 if no Category 3 Directors are present at a meeting, their votes shall be exercisable by Category 2 Directors, and
- 19 8 4 the Category 4 votes shall be split equally amongst the Category 4 Directors
- 19 9 A Director shall not be entitled to vote in respect of any contract or arrangement in which he is interested or any matter arising from or connected with such contract or arrangement provided that this Article 19 9 shall not apply to any interest which arises because such Director is a member of the Company (or any employee of a member) or a Representative Director Model Article 14 shall not apply
- 19 10 The Secretary shall cause minutes to be made in books provided
- 19 10 1 of all appointments of officers made by the Directors,
- 19 10 2 of the names of the Directors present at each meeting of the Directors, and
- 19 10 3 of all resolutions and proceedings at all general meetings of the Company, and of the Board
- 19 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
- 19 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
- 19 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 and such remuneration as may be agreed by the Board Model Article 20 shall not apply

19 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

20 **Sub-committees of the Board**

20 1 The Board may appoint sub-committees consisting of such persons as they think fit which shall exercise such powers and duties as the Board may from time to time determine and in the exercise thereof shall conform to any regulations that may be imposed on them by the Board. The Board may at any time remove any member of the sub-committee as such a member and appoint another in his place or add to their number or fill vacancies or determine the period for which the sub-committees or any member thereof may hold office, any sub-committee so appointed shall have power to co-opt as members such further persons as it shall decide. Model Articles 5 and 6 shall not apply

20 2 A sub-committee may elect a chairman of its meetings. If no such chairman is elected, or if at any meeting the chairman is not present within five minutes after the time appointed for holding the same, the members of that sub-committee present may choose one of their number to be chairman of the meeting

20 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

20 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

21 **Information**

21 1 The Board shall put in place appropriate safeguards to make sure that any commercially sensitive information relating to a particular Racecourse is not made available to any other Racecourse or representative of any other Racecourse, including without limitation the Representative Directors and the Ascot Director. The rights in Articles 21 2 to 21 5 to receive and communicate information are subject to such safeguards

21 2 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

21 3 The Ascot Director may communicate to Ascot 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 the Ascot Director to the Company

21 4 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

21 5 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

21 6 Any information of a confidential nature received by any member pursuant to this Article 21 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

22 **Secretary**

22 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

22 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

23 **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

24 **Accounts**

24 1 Model Article 50 shall not apply

24 2 The Board shall cause proper books of account to be kept with respect to

24 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,

24 2 2 all sales and purchases by the Company, and

24 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

24 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

24 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

24 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

25 **Notices**

25 1 Any notice to be given to or by any person pursuant to these Articles shall only be effective if it is in writing

25 2 Any notice may be validly served on or delivered to any person under these Articles

25 2 1 personally,

25 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,

25 2 3 by fax to a number provided by the member, Company or Director for this purpose, or

25 2 4 by any other means authorised in writing by the member, Company or Director

25 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

25 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

26 Time of Service

26 1 Any notice given under these Articles shall, unless earlier receipt is proved and subject to Article 26 2, be deemed to have been duly given as follows

26 1 1 if delivered personally or left at an address in accordance with Article 25 2 2, on delivery,

26 1 2 if sent by first class inland post, at 9 30 am on the second Business Day after the date of posting,

26 1 3 if sent by airmail at 9 30 am on the fifth Business Day after the date of posting, or

26 1 4 if sent by fax, at the time shown on the relevant, valid and complete fax transmission report

26 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

27 Protection from Liability

27 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 of the Act Subject to the provisions of the Act and without prejudice to any protection from liability which may otherwise apply

27 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

27 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

27 2 Model Articles 52 and 53 shall not apply