

# Articles of Incorporation

of

**BKN International AG**

July 2008

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## § 1

### Company Name and Corporate Seat

1. The name of the Company shall be:

BKN International AG.

2. The Company has its corporate seat in Cologne.

## § 2

### Object of the Company

1. The object of the Company is purchase of program rights, television production, distribution, licensing, merchandising.
2. The Company shall be entitled to set up branch offices, acquire enterprises of a similar nature or take participations in such enterprises and to manage them.
3. The corporate purpose of the Company shall also include acting as an organ within the framework of an organ relationship for tax purposes. The Shareholders' Meeting may authorize the management to conclude a domination and profit transfer agreement.

## § 3

### Fiscal Year, Notices

1. The fiscal year is from October 1 to 30 September of each year
2. The notices of the Company shall appear in the Electronic Federal Gazette (*Bundesanzeiger*).

**§ 4**

**Amount and Division of the Nominal Capital**

1. The nominal capital shall be € 20,130,290.00
2. It is divided in 20,130,290 shares (no-par shares).
3. The Management Board is authorised, subject to the Supervisory Board's approval, to increase the company's share capital, on one or more occasions during the period ending five years after registration of this authorised capital up to € 8,969,965.00, by issuing up to 8,969,965 new shares in return for cash or non-cash contributions. The shareholders' pre-emption rights can be excluded for the purpose
  - a) to round off fractional shares
  - b) to issue new shares to employees of the company
  - c) to acquire an enterprise or equity interest in an enterprise
  - d) up to a maximum of 1,209,897 shares, if the shares are quoted on a stock exchange and the issue price of the new shares is not fixed significantly below the market price of shares.

The Supervisory Board is authorized to correct the text of Section 4 of the Articles of Association in each case to reflect the issuance of new shares.

4. The company's share capital is increased conditionally by up to € 295,455.00 by the issuance of up to 295,455 new, ordinary bearer shares (no-par value shares) (Contingent Capital II). This conditional capital increase is solely for the purpose of allotting new shares to holders or creditors of stock warrants or convertible bonds that were issued as resolved by the extraordinary shareholders' meeting of September 29, 2004. The shares will be issued at the exercise price to be determined as specified in the abovementioned resolution. The contingent capital increase will be effected only to the extent that holders or creditors of stock warrants or convertible bonds make use of their subscription rights or right to convert into bearer shares of the company, or to which conversion obligations arising from such bonds are fulfilled shares that originate by exercise by the begin of the company's Annual General Meeting of Shareholders will participate in profit from the beginning of the preceding fiscal year. Others will participate from the beginning of the fiscal year when they originate by exercise of subscription rights.

The Supervisory Board is authorized to correct the text of Section 4 of the Articles of Association in each case to reflect the issuance of new shares.

5. The registered share capital has been conditionally increased by € 895,649.00 by issuing up to 895,649 bearer no par value shares (Contingent Capital III). This conditional capital increase shall be consummated only to the extent that holders

exercise the rights granted pursuant to the stock option plan of the Company in accordance with the resolution of the shareholders' meeting of March 17, 2005. The new shares to be issued shall be entitled to dividends from the beginning of the financial year during which they come into existence through the exercise of option rights.

The Supervisory Board is authorized to correct the text of Section 4 of the Articles of Association in each case to reflect the issuance of new shares.

6. The registered share capital has been conditionally increased by € 1,044,368.00 by issuing up to 1,044,368 bearer no par value shares (Contingent Capital IV). This conditional capital increase shall be consummated only to the extent that holders exercise the rights granted pursuant to the stock option plan of the Company in accordance with the resolution of the shareholders' meeting of February 14, 2008. The new shares to be issued shall be entitled to dividends from the beginning of the financial year during which they come into existence through the exercise of option rights.

The Supervisory Board is authorized to correct the text of Section 4 of the Articles of Association in each case to reflect the issuance of new shares.

7. The company's share capital is increased conditionally by up to € 7,464,613.00 by the issuance of up to 7,464,613 new, ordinary bearer shares (no-par value shares) (Contingent Capital V). This contingent capital is solely for the purpose of allotting new shares to holders or creditors of stock warrants or convertible bonds that were issued as resolved by the shareholders' meeting of February 14, 2008. The shares will be issued at the exercise price to be determined as specified in the abovementioned resolution. The contingent capital increase will be effected only to the extent that holders or creditors of stock warrants or convertible bonds make use of their subscription rights or right to convert into bearer shares of the company, or to which conversion obligations arising from such bonds are fulfilled shares that originate by exercise by the begin of the company's Annual General Meeting of Shareholders will participate in profit from the beginning of the preceding fiscal year. Others will participate from the beginning of the fiscal year when they originate by exercise of subscription rights.

The Supervisory Board is authorized to correct the text of Section 4 of the Articles of Association in each case to reflect the issuance of new shares upon the exercise of option rights.

## **§ 5 Bearer Shares**

1. Shares of the Company shall be made out to the bearer.

2. The form of share certificates and dividend and renewal coupons shall be determined by the Management Board with the consent of the Supervisory Board. The Company may summarize individual shares in share certificates which represent a number of shares (collective certificates). The claim of the shareholders to have a share certificate issued is excluded.
3. In a capital increase, the profit participation rights of new shares may be determined in deviation of § 60 para. 2 of the German Stock Corporation Act (*Aktiengesetz - AktG*).
4. In case preferred shares without voting rights are issued, additional preferred shares may be issued which are ranked equally with the existing preferred shares with respect to distribution of profits or the Company's assets.

## **§ 6**

### **Composition of the Management Board ("Vorstand")**

1. The Management Board ("Vorstand") consists of one or several members.
2. The Supervisory Board shall appoint the members of the Management Board and determine their number. The Supervisory Board may nominate a Chairman of the Management Board.

## **§ 7**

### **Management and Resolutions**

1. The Management Board shall carry out the business in accordance with the laws, the articles of incorporation and its business regulations.
2. The resolutions of the Management Board shall be passed with simple majority of the members who take part in the decision to the extent legally permissible. In case of a tie of votes, the vote of the President shall be determining if the Management Board consists of more than 2 persons.
3. The Supervisory Board shall issue the business regulations ("Geschäftsordnung") for the Management Board.

## **§ 8**

### **Representation of the Company**

The Company shall be represented by 2 members of the Management Board or by one member of the Management Board in conjunction with one procurist. The Supervisory Board may grant individual members of the Management Board the right to represent

the company alone and to release them from the restrictions of §181 of the German Civil Code (*Bürgerliches Gesetzbuch - BGB*) to the extent they simultaneously act as representatives for third parties. In case there is only one member of the Management Board, he / she shall represent the company alone.

## **§ 9**

### **Composition of the Supervisory Board ("Aufsichtsrat")**

1. The Supervisory Board consists of 3 members.
2. Unless the Shareholders' Meeting resolves differently and notwithstanding § 30 para. (1) Clause 1 AktG, the election of the members of the Supervisory Board shall be made for the time until the end of the Shareholders' Meeting which resolves on the exoneration of the Supervisory Board for the 4<sup>th</sup> fiscal year after the beginning of the office term. The fiscal year running at the beginning of the term of office shall not be taken into account. Supplementary elections for members who have left the Company prematurely shall be made for their remaining term of office.
3. The Shareholders' Meeting may appoint deputy members for the members of the Supervisory Board to be elected by it which shall replace members of the Supervisory Board who prematurely left the company in accordance with the sequence to be determined upon their election.
4. Each member of the Supervisory Board may resign from office at any time - except at undue time - even without an important cause by written declaration to the Chairman of the Supervisory Board or to the Management Board.

## **§ 10**

### **Chairman of the Supervisory Board**

1. The Supervisory Board shall elect from amongst its members a Chairman and a Deputy Chairman for its term of office.
2. Legally effective declarations of the Supervisory Board are made by the Chairman of the Supervisory Board, in case of his unavailability by his deputy.

## **§ 11**

### **Internal Order of the Supervisory Board**

1. The meeting of the Supervisory Board shall be called by the Chairman of the Supervisory Board, in case of his unavailability by his Deputy, with a notice period of 2 weeks and indicating the individual items of the agenda. For the calculation the day of dispatch and the day of the meeting shall not be taken into

tion the day of dispatch and the day of the meeting shall not be taken into account. The call can be made in writing, by telephone, by telecopier or by e-mail. In urgent cases, the term for calling the meeting may be shortened.

2. The resolutions of the Supervisory Board shall be taken in meetings. Notwithstanding the foregoing resolutions may also be taken in writing, by telephone, via telecopier or by electronic data exchange if no member objects against such resolution without undue delay.
3. The Supervisory Board shall have the requisite quorum if all its members participate in the resolution. Absent members of the Supervisory Board may participate in the resolution by having present members of the Supervisory Board submit the votes in written form.
4. The Supervisory Board shall take its resolutions with simple majority of all votes cast unless the law mandatorily requires a different majority. In the event of a tie of the votes the chairman's vote will govern, this applies also to elections.

## **§ 12**

### **Tasks and Powers of the Supervisory Board**

1. The Supervisory Board shall have all tasks and rights assigned to it by law, the articles of incorporation or in any other way. The Supervisory Board shall also have the right to call the Shareholders' Meeting.
2. The Supervisory Board shall be authorized to make amendments to the articles of incorporation which affect only its version.
3. The Supervisory Board shall determine which transactions made by the Management Board shall require its consent.

## **§ 13**

### **Remuneration of the Members of the Supervisory Board**

1. Notwithstanding § 113 para. (2) AktG, the members of the Supervisory Board shall receive (in addition to compensation of their expenses, including any value added tax payable in connection with their activity as Supervisory Board member) a fixed annual remuneration in an amount of € 15,000.00. The Chairman shall receive twice that amount.
2. The remuneration shall be payable on the day after the Shareholders' Meeting in which the members of the Supervisory Board are exonerated by shareholders' resolution.

3. A member of the Supervisory Board who leaves the Company during a fiscal year shall receive the remuneration on a pro rata basis.

#### **§ 14 Shareholders' Meeting**

1. The Shareholders' Meeting shall take place at the seat of the Company or any other town in the Federal Republic of Germany with at least 100,000 inhabitants or at site of a German Stock Exchange.
2. The Shareholders' Meeting shall be called by the Management Board or in the cases prescribed by law by the Supervisory Board.
3. The calling of the shareholders' meeting shall be made at least 30 days prior to the date the shareholders have to apply for attending the shareholders' meeting.
4. A shareholder can only participate in a shareholders' meeting if they have applied for participation in text form in German or English and send to the Company at the address stated for such purpose in the calling notice no later than on the seventh day prior to the date of the shareholders' meeting and provide evidence of its shareholdings. If this day is a Saturday, a Sunday or a bank holiday at the seat of the company then the prior business day is decisive. The shareholding shall be evidenced by a declaration in writing of the depositary bank in the German or the English language. This declaration shall refer to the shareholdings on the 21<sup>st</sup> day prior to the shareholders' meeting.
5. The above para. 4 shall only apply to the extent shares of the Company have been listed for trading on a stock exchange or not all shareholders are known to the Management Board.
6. If any member of the Supervisory Board is unable to attend the General Meeting of Shareholders in person because he or she is prevented by urgent good time related reasons or caused by illness, it is possible for him or her, in coordination with the president of the shareholders' meeting, to take part via video transmission.
7. The president of the shareholders' meeting is authorised to restrict the time the shareholders have to speak or to ask questions in a reasonable manner. In particular he is authorised to restrict in a reasonable manner the time for speaking or asking questions at the beginning of the shareholders' meeting or during the meeting, or for certain items of the agenda or for single questions and statements.

#### **§ 15 Voting Rights**

1. Each share shall grant one vote.
2. The voting right shall begin with complete payment of the contribution.
3. The Shareholders' Meeting shall pass its resolutions with a simple majority of all votes cast unless the articles of incorporation or mandatory legal provisions require a larger portion. If the law also prescribes a majority of the capital represented in the resolution it shall be sufficient to the extent legally permitted to have a simple majority of the capital so represented.

### **§ 16**

#### **President of the Shareholders' Meeting**

The Shareholders' Meeting shall be presided by the Chairman of the Supervisory Board or by another member of the Supervisory Board to be determined by the Supervisory Board.

### **§ 17**

#### **Annual Accounts**

1. The Management Board shall prepare the annual accounts and the status report for the past fiscal year within the legally prescribed deadlines and to submit the same to the Supervisory Board together with a proposal for the use of the balance sheet profits.
2. The Supervisory Board shall examine the submitted documents within one month after receipt and to issue a report on the result of its review in writing to the Shareholders' Meeting. If the Supervisory Board approves of the annual accounts subsequent to review, the annual accounts shall be considered approved.
3. The Management Board and the Supervisory Board are authorized to book not only half of the annual profits but also further amounts up to one quarter of the annual profits in Other Profit Reserve Accounts ("Andere Gewinnrücklagen") unless and until the Other Profit Reserve Accounts do not exceed one half of the nominal capital or to the extent that they would not exceed one half of the nominal capital after such booking.

### **§ 18**

#### **Use of the Profits**

1. The Shareholders' Meeting shall resolve on the use of the balance sheet profits resulting from the approved annual accounts.

2. The Supervisory Board is authorized to make advance payments on the balance sheet profit in accordance with § 59 AktG.

**§ 19**  
**Incorporation Costs**

The Company shall bear its incorporation costs up to a total amount of € 1,000.