

Company Number: 4257337

THE COMPANIES ACT 1985-1989
PUBLIC COMPANY LIMITED BY SHARES
RESOLUTION OF AUDIO NETWORK PLC

SPECIAL RESOLUTION Pursuant to section 378 (2) of the Companies Act 1985 (and the Articles of Association of the Company)

Passed 31st January 2005

At an ANNUAL GENERAL MEETING of the above-named Company, duly convened and held at the office of Audio Network Plc at School Farm Studios, Little Maplestead, Halstead, Essex, C09 2SN, England the following SPECIAL RESOLUTION was duly passed: -

1A that the directors be and they are hereby empowered pursuant to section 164 of the Companies Act 1985 ("the Act") to repurchase its own equity securities being its one penny Ordinary shares in the company as set out in 1A 1.1 below by the company for cash pursuant to the authority conferred by Article 35 of Table A of The Companies Regulations 1985 under Article 1.1 of the Company's Articles of Association, and to cancel such equity securities being one penny Ordinary shares in the company as set out under 1A 1.1 of the resolution and such power to expire at the later of the conclusion of the next annual general meeting of the Company next following the passing of this resolution (unless the said power is extended or varied prior to the next annual general meeting) or such date (if any) on which the said authority is revoked or the date on which the last of the shares is repurchased and in any event this authority shall expire 18 months after the date of passing this resolution ("the Expiry"). The power is limited to: -

1A.1.1 the repurchase by the Company of 1,250,000 ordinary one penny shares held by the SoundStorm Members, representing 10.71% of the issued share capital of the company, at one penny a share for an aggregate consideration of £12,500 to facilitate a restructuring of the Company and the cancellation of said 1,250,000 Ordinary one penny shares in the capital of the company.

<u>SoundStorm Member</u>	<u>Shares</u>	<u>£</u>
John Fanaris & Noelle Ospina Fanaris	178,660	£ 1,786.00
Gary Blufer & Karen Blufer	178,550	£ 1,785.50
Rebecca Sullivan Coblentz	178,550	£ 1,785.50
Bruce Stambler & Nancy Stambler	178,600	£ 1,786.00
Richard Yawn & Melinda Yawn	178,550	£ 1,785.50
John Leveque	178,550	£ 1,785.50
John Switzer	<u>178,600</u>	<u>£ 1,786.00</u>
	<u>1,250,000</u>	<u>£12,500.00</u>



1A 1.2 the repurchase of the said 1,250,000 Ordinary one penny shares to be purchased out of the proceeds of a fresh issue of Ordinary one penny shares made for the purpose as set out in part 2 of the resolution.

2A That the disapplication of the pre-emption rights pursuant to section 95(1) of the Companies Act 1985 ("the Act") as set out in Article 7 of the Articles of Association be and is hereby revoked; and

2B that the directors be and they are hereby empowered pursuant to section 95 of the Act to allot equity securities (as defined in section 94(2) of the Act) of the company for cash pursuant to the authority of the directors under section 80 of the Act conferred by Article 5 of the Articles of Association, as if section 89(1) of the Act did not apply to any such allotment, such power under part 2B of the resolution to expire at the later of the conclusion of the next annual general meeting of the Company next following the passing of this resolution (unless the said power is extended or varied prior to the next annual general meeting) or such date (if any) on which the said authority is revoked or the date on which the last of the shares is allotted and in any event this authority shall expire on the fifth anniversary of the date of passing this resolution ("the Expiry"). The power is limited to: -

2B.1.1 the allotment of 41,667 Ordinary one penny shares ("the New Shares") at 30 pence per share for an aggregate consideration of £12,500.10 to finance the repurchase the said 1,250,000 Ordinary one penny shares by the Company at one penny a share as set out in part 1 of the resolution; and

2B.1.2 the New Shares shall be under the control of the directors who may allot the same to such persons (including the directors themselves) on such terms and in such manner as they think fit, provided that said shares shall be issued at twenty nine pence premium;

in addition to the aforementioned limitations, the power under part 2B of the resolution is limited to the allotment of equity securities up to the amount of the authorised but unissued share capital of the Company at the date of the granting of the facility under this resolution save that the Company may before the Expiry of this power, make an offer or agreement which would or might require equity securities to be allotted after the expiry of this power and the directors may allot equity securities in pursuance of such an offer or agreement as if the power had not expired.

SIGNED.....



To be signed by the Chairman, Director or Secretary of the Company