

Articles of Association of 365 hf.

1. COMPANY NAME, DOMICILE AND OBJECT

1.01. The name of the Company is 365 hf.

1.02. The Company is a limited liability company.

1.03. The Company is domiciled at Skaftahlíð 24, 105 Reykjavík.

1.04. The object of the Company is to earn shareholder returns through the Company's activities and investments in subsidiaries and associated companies primarily in the sector of media, entertainment and other related activities.

2. SHARE CAPITAL OF THE COMPANY

2.01.1. The Company's total share capital amounts to ISK 3,429,607,348 (three milliard four hundred twenty-nine million six hundred and seven thousand three hundred and forty-eight). There are no restrictions on shareholders' disposal of shares in the Company.

2.01.2. The Company's Board of Directors is authorised to increase its share capital by up to ISK 80,000,000 for the payment of liabilities due to concluded purchase right agreements with employees and directors of the Board. This authorisation remains valid for five (5) years as of its approval at a shareholders' meeting.¹

The shareholders waive their pre-emptive rights to new issued shares according to this article. The Board of Directors shall decide upon a further implementation of this provision.

2.01.3. The Board of Directors of the Company has been authorised by a shareholders' meeting² to purchase the Company's own shares, cf. Article 55 of the Act on Public Limited Companies. The maximum number of treasury shares shall correspond to 10% of the Company's share capital. The purchase price shall be not less than the shares' nominal value and not more than 10% higher than their market value. This authorisation remains valid until the Company's next Annual General Meeting.

¹ Agreed during the Company's Annual General Meeting on 11 March 2008.

² Agreed during the Company's Annual General Meeting on 11 March 2008.

2.01.4. The Board of Directors of the Company has been authorised by a shareholders' meeting³ to increase its share capital by up to ISK 1,500,000,000 (one milliard and five hundred million kronas) nominal value by issuing new shares. The Company's Board of Directors shall determine the details of the share increase. This authorisation remains valid until the Company's next Annual General Meeting.

2.02. Each share has a nominal value of one króna (ISK 1) or multiples thereof. One share certificate may be issued for the total shareholding of each shareholder, or alternatively the shareholding may be divided between more certificates.

2.03. Shareholders have pre-emptive rights to increased share capital in proportion to their holdings in the Company, in other respects, the issuance of such shares is governed by the rules set by the Board of Directors in accordance with the decision of a shareholders' meeting each time a new issuance is approved.

2.04. Once a shareholder has paid in his share in full to the Company, he shall be handed over a share certificate, issued by the Board of Directors, which confers on him the full rights provided for in the Company's Articles of Association and in accordance with law and regulations.

2.05. The Company's shares shall be numbered consecutively, from 1 onwards and assigned to the shareholder's name.

2.06.1. The Board of Directors shall maintain a register of shares including the following details:

- a) Nominal value, group and number of share.
- b) Issue date of share.
- c) Shareholder's name, identification no. and address.
- d) Changes in shareholding and registration date.
- e) Any possible changes to transactions between the Company and the shareholder, i.e. invalidation of shares.

2.06.2. For the Company, the Share Register shall be regarded as full proof of ownership rights to any shares in the Company and dividends at any time, as well as all notices, shall be sent to the party registered as the owner of the shares in question in the Share Register of the Company.

2.07. Shares shall be issued electronically in a securities depository, pursuant to Act no. 131/1997, on Electronic Registration of Securities. Once a shareholder has paid in his share in full to the Company, he shall be issued an electronic certificate in a securities depository and a

³ Agreed during the Company's Annual General Meeting on 11 March 2008.

registered title which confers on him the full rights provided for in the Company's Articles of Association. A printout of titles to shares in the Company from a securities depository shall be regarded as adequate base for a share register.

2.08. In the event of share certificates being lost, the owner shall immediately receive a new certificate following the invalidation of the lost share certificate. In the event of share certificates being damaged, but number and contents are still readable, the shareholder is entitled to a new share certificate at his own expense upon returning of the damaged share certificate.

2.09. Each shareholder shall notify the Board of Directors of his address to which all notifications on the Company's matter can be sent. If a shareholder neglects to notify of such address he shall not be entitled to receive notifications that the Board of Directors may send to shareholders, unless the Board of Directors is aware of his address, nor is he entitled to have dividend payments sent to him. However, the Shareholder can collect dividend payments at the Company's offices within four years from maturity. At the end of this period the dividends are transferred to the Company.

2.10. All shareholders are obliged, without a specific undertaking, to comply with the Company's Articles of Association as they now stand or as they may be subsequently amended in lawful fashion. Shareholders may not, however, be obliged to increase their shareholding in the Company, nor be subject to involuntary redemption of their shares, either by the Articles of Association or amendments to them.

2.11. Shareholders are not liable for the Company's commitments beyond their share in the Company unless they assume such liability through a specific legal instrument. This provision can neither be amended nor cancelled by any resolution of a shareholders' meeting.

2.12. No privileges are conferred by shares in the Company.

3. ORGANISATIONAL STRUCTURE

3.01. The Company is managed by;

- a) Shareholders' meetings;
- b) The Board of Directors of the Company;
- c) The Chief Executive Officer.

4. SHAREHOLDERS' MEETINGS

4.01. The supreme authority in all Company matters, within the limits set by its Articles of

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Association and statutory law, rests with duly constituted shareholders' meetings.

4.02. The Annual General Meeting shall be held before the end of June each year.

4.03.1. The Agenda of Annual General Meetings shall include the following:

- 1) The report of the Board of Directors of the Company on its activities in the preceding year of operation;
- 2) The annual accounts for the preceding year of operation together with the Auditor' Report shall be submitted for approval;
- 3) A decision on the disposal of profits or losses of the Company over the financial year;
- 4) Motions on amendments to the Company's by-laws or Articles of Association, lawfully submitted;
- 5) Proposal of the Board of Directors on a remuneration policy.
- 6) Election of the Board of Directors of the Company;
- 7) Election of the Company's Auditors;
- 8) Decision on remuneration to the Members of the Board of Directors;
- 9) Any other business lawfully submitted.

4.03.2. In the event that shareholders controlling at least 1/3 of the shares so request in writing at an Annual General Meeting, decisions on items 1 and 2 of Article 4.03.1 shall be postponed to an extended Annual General Meeting, which shall be held at the earliest one month and at the latest two months later. Further postponement cannot be requested.

4.03.3. The Board of Directors shall ensure that a shareholders' meeting is held within six months from the time that the Company's equity, as stated in its accounts, becomes less than half of its registered share capital. At the shareholders' meeting, the Board of Directors shall report on the Company's financial position and, if needed, submit proposals on necessary measures, including the dissolution of the Company.

4.04. Shareholders' meetings shall be convened at the discretion of the Board of Directors by a resolution of a shareholders' meeting, or when the elected auditors or shareholders holding a minimum of 1/10 (one-tenth) of the shares in the Company request a meeting by a written notice stating the business of the meeting. When a valid request for a meeting has been submitted, the Board of Directors must convene a meeting within 14 days of receiving the request. If the Board of Directors of the Company has not convened a meeting within that time, a request may be submitted to the Minister to convene the meeting pursuant to the provisions of Article 87 of the Act on Public Limited Companies.

4.05.1. Shareholders' meetings shall be convened by a notice to each shareholder or in a newspaper. Annual General Meetings shall be convened in the same manner as other shareholders'

meetings. Meetings shall be called with at least one week's notice.

4.05.2. Company's Board-members, Managers and Auditors shall at all times be called to a shareholders' meeting, and also representatives of the media to an Annual General Meeting.

4.06. A week before a shareholders' meeting, the Agenda, final motions and annual accounts (including the consolidated financial statements for a parent company), the report of the Board of Directors and the Auditor's or examiners' report, in the case of an Annual General Meeting, shall be laid open for inspection by the shareholders at the Company's office and concurrently sent to every registered shareholder who so wishes. Items that have not been listed on the Agenda of a shareholders' meeting may not be brought to a conclusion at the meeting except with the approval of all shareholders in the Company, but resolutions on such items may be passed as guidelines for the Board of Directors. Lawfully submitted proposals for supplements or amendments may be submitted at the meeting itself.

4.07. A chairman elected at the meeting shall preside over shareholders' meetings. The chairman shall resolve all matters relating to the legality of the meeting under these Articles of Association, including the form of discussions, the procedure for matters discussed at the meeting and voting.

4.08. The chairman shall have a secretary of the meeting elected, who shall keep the minutes of the meeting. Minutes shall be kept of decisions made at shareholders' meetings, including voting results. A list of the shareholders present and their proxies shall be entered in or accompany the minutes. The minutes shall be read aloud before the end of the meeting and corrections recorded, if any. The chairman and secretary of the meeting shall sign the minutes. The minutes of the meeting or a certified copy thereof shall be available to shareholders at the Company's office no later than 14 days after the shareholders' meeting.

4.09. At shareholders' meetings, each share of one króna shall carry one vote. Decisions at shareholders' meetings shall be taken by majority vote unless otherwise specified in these Articles or statutory law. If there is an equality of votes, the motion shall be lost. If two or more persons receive an equal number of votes, the election shall be decided by casting lots.

4.10. Shareholders and their proxies, the Auditor and the Chief Executive Officer of the Company are entitled to attend shareholders' meetings. They are entitled to speak and submit motions. The Board of Directors may invite experts to attend individual meetings if their opinion or assistance is required. If a proxy attends a shareholders' meeting on behalf of a shareholder, he shall submit a written and dated letter of proxy. A letter of proxy cannot be revoked with effect for the Company after it has been submitted upon delivery of the documents of the meeting, or after the shareholders' meeting has been called to order, whichever occurs first.

5. THE BOARD OF DIRECTORS OF THE COMPANY

5.01. Each year, the Annual General Meeting shall elect five Members to the Board of Directors of the Company and two alternate Directors. The eligibility of Board members shall be as provided for by law.

5.02. The first meeting of a newly elected Board of Directors shall elect a Chairman of the Board and allocate tasks among its members in other respects.

5.03. The Chairman of the Board shall convene and preside over Board meetings. Meetings of the Board shall be held at the discretion of the Chairman. The Chairman shall also call a Board meeting if one of the Directors or the Chief Executive Officer so requests.

5.04. The presence of the majority of the members of the Board of Directors constitutes a quorum. Important decisions, however, may not be taken unless all members of the Board of Directors have had the opportunity, if possible, to discuss the matter. A simple majority shall decide issues, unless otherwise provided in these Articles of Association or other lawful instructions. The Board of Directors shall have minutes taken of Board meetings and attest them with their signatures.

5.05. The Board of Directors has supreme authority in the Company's affairs between shareholders' meetings. Its main duties are:

- 1) To engage a Chief Executive Officer, decide his (/her) salary and employment terms, provide a formal statement of his duties and supervise his work;
- 2) To supervise all Company operations constantly and thoroughly and ensure that its organisation and activities are in good order at all times. In particular, it shall ensure sufficient supervision of accounting and management of the Company's financial assets;
- 3) To represent the Company to courts of law and government authorities;
- 4) To co-operate with the Chief Executive Officer on the recruitment of other key employees to the Company;
- 5) To settle disputes that may arise between the Chief Executive Officer and other employees;
- 6) To decide who may oblige the Company.

5.06. Board members shall have access to all Company accounts and documents.

5.07. The signatures of the majority of the Board of Directors are required to oblige the Company. Important decisions, such as on the purchase or sale of real estate and comparable investment, may only be made if all Board members have had the opportunity to discuss the matter.

6. CHIEF EXECUTIVE OFFICER

6.01. The Chief Executive Officer is responsible for the day-to-day operation of the Company, and shall in that capacity comply with the policy and instructions established by the Board of Directors. Day-to-day operations do not include unusual or major measures. The Chief Executive Officer may only take such measures under special authorisation by the Board of Directors of the Company, unless awaiting the Board's decision is impossible without seriously inconveniencing the Company. In such cases, the Board of Directors shall be notified of the measure immediately.

6.02. The Chief Executive Officer shall ensure that the Company's accounts are maintained in accordance with statutory law and accepted practices, and that the disposal of the Company's assets is secure.

6.03. The Chief Executive Officer engages the Company's employees, but shall consult the Board of Directors on the employment of managers. The Chief Executive Officer also dismisses employees that he has recruited and has charge of matters relating to their salaries.

6.04. The Chief Executive Officer must comply with all instructions by the Board of Directors. He is required to provide the Company's auditors with any information that they may require. A member of the Board of Directors may be appointed as Chief Executive Officer.

7. ACCOUNTS AND AUDITING

7.01. The financial year of the Company shall be the calendar year. In each financial year, the Company's annual accounts shall be prepared in accordance with the provisions of the Annual Accounts Act and the Accounting Act.

7.02. At the Annual General Meeting of the Company, a chartered auditor or auditing firm shall be elected for a term of one year at a time. The Auditor may not be elected from among the members of the Board of Directors or employees of the Company.

7.03. The Auditor shall audit all of the Company's accounts in accordance with generally accepted auditing standards, and for this purpose examine accounting documents and other aspects relating to the Company's financial position and operations, and shall have access to all accounts and documents of the Company at all times.

7.04. The Auditor shall have completed the auditing of the annual accounts no later than one month before the Annual General Meeting. Thereupon, the Auditor shall send the audited annual

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accounts to the Board of Directors of the Company, together with the Auditor's Report. No later than one week before the Annual General Meeting, the Board of Directors of the Company shall have prepared its answers to the Auditor's Report, and the Auditor's Report together with the annual accounts shall be laid open for inspection by shareholders at least one week before the Annual General Meeting.

8. TREASURY SHARES

8.01. Company may own up to 10% (ten per cent) of its own shares. The shares owned by the Company itself do not carry voting rights. The Company may only acquire its own shares in accordance with an authorisation to the Board by a shareholders' meeting. An authorisation to the Board to purchase its own shares may not be valid for longer than 18 months at a time.

9. AMENDMENTS TO THE COMPANY'S ARTICLES OF ASSOCIATION

9.01. The Company's Articles of Association may be amended at legitimate shareholders' meetings provided that the notice of the meeting clearly states that such amendment is proposed and outlines the main substance of the amendment. An amendment is only valid if it has the support of at least 2/3 of the cast votes and the support of shareholders controlling at least 2/3 of the share capital represented at the meeting.

9.02. The provisions of these Articles of Association regarding shareholder's voting rights and their equality cannot be amended except with the approval of all shareholders subject to the intended voting restriction, cf. paragraph 3 of Article 94 of the Act on Public Limited Companies.

10. DISSOLUTION OF THE COMPANY AND MERGER

10.01. In the event that it is considered prudent or necessary to dissolve the Company, any motions to such effect shall require the approval of shareholders controlling at least 2/3 of the Company's share capital. A meeting at which a legitimate decision is made to dissolve the Company shall also provide for the disposal of its assets and the payment of claims on the Company, cf. Section XIII of the Act on Public Limited Companies.

10.02. Any merger of the Company with other companies shall be governed by Section XIV of the Act on Public Limited Companies.

11. MISCELLANEOUS

11.01. Matters on which these Articles of Association provide no directions shall be governed by the provisions of the Act on Public Limited Companies No. 2/1995.