

COMPANY LIMITED BY SHARES

RESOLUTIONS  
of  
BLOOMSBURY PUBLISHING LIMITED

Passed on 30 July 1993

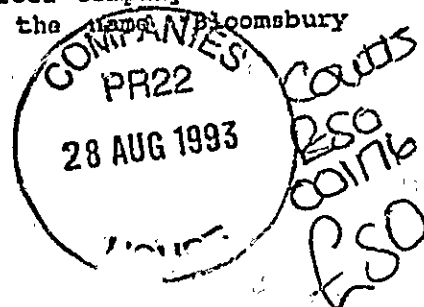
AT AN EXTRAORDINARY GENERAL MEETING of the above named Company, duly convened and held at 2 Soho Square, London W1V 5DE on 30 July 1993 Resolutions 1 and 2 set out below were passed as Ordinary Resolutions and Resolutions 3 and 4 as Special Resolutions.

Ordinary Resolutions

- 1 That the authorised share capital of the Company be increased to £1,250,000 by the creation of 500,000 'A' Preference Shares of £1 each and 500,000 'B' Preference Shares of £1 each having the rights set out in the new articles of association of the Company.
- 2 That the Directors be generally and unconditionally authorised to allot relevant securities in accordance with Section 80 of the Companies Act 1985 up to a maximum and nominal amount of £1,250,000 such authority to expire five years from the date of passing of this Resolution.

Special Resolutions

- 3 That the Directors be hereby authorised and empowered pursuant to Section 95 of the Companies Act 1985 to allot equity securities pursuant to the authority contained in Resolution 2 above as if Section 89(1) of the Companies Act 1985 did not apply to the allotment of any such securities.
- 4 That the regulations contained in the document produced to the meeting and signed for the purposes of identification by the Chairman be adopted as the Articles of Association of the Company in substitution for and to the exclusion of the existing Articles of Association.
- 5 That:
  - (a) the Company be re-registered as a public limited company under the provisions of the Companies Act 1985 with the name "Bloomsbury Publishing plc";



(b) subject to and conditionally upon the re-registration of the Company as a public limited company, the existing Memorandum of Association be varied in the following manner:

(A) by the deletion of the existing clause 1 thereof and the substitution therefor of the words "The name of the company is Bloomsbury Publishing plc"; and

(B) by the insertion after clause 1 of the following new clause 2:

"2. The Company is to be a public company"

and that the succeeding clauses of the memorandum of association be re-numbered accordingly.

.....  
Director

1984336

THE COMPANIES ACTS 1985 AND 1989

---

COMPANY LIMITED BY SHARES

---

MEMORANDUM AND ARTICLES OF ASSOCIATION

OF

BLOOMSBURY PUBLISHING PLC

(As adopted by Special Resolution passed on 30 July 1993)



192/256/B6931.1/2442g(s/c2083g)/psh

SJ Berwin & Co

222 Grays Inn Road  
London WC1X 8HB  
Telephone 071-537 2222  
Facsimile 071-533 2860  
DX 255 London

THE COMPANIES ACT 1985

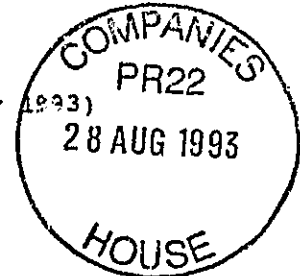
COMPANY LIMITED BY SHARES

MEMORANDUM OF ASSOCIATION

(As altered by Special Resolution passed on 30th July 1993)

OF

BLOOMSBURY PUBLISHING PLC\*



- 1\* The name of the Company is "BLOOMSBURY PUBLISHING PLC".
- 2\*\* The Company is to be a public Company.
- 3 The registered office of the Company will be situated in England.
- 4\*\*\* The objects for which the Company is established are:
  - (A) (i) To carry on business as publishers of all kinds, books sellers, bookbinders, publishers' remaindermen, picture, print, engraving and art dealers, wholesale and retail stationers, warehouseman and general storekeepers, art printers, cheque printers, colour printers, etching printers, lithographic printers, offset printers, photogravure printers, roll-form and automatic printers, sporting printers, trade printers, typesetters and as printers generally, and as engravers, photographers, lithographers, artists, designers and draughtsmen. newspaper, magazine, periodical, book and journal proprietors and as proprietors of other literary dramatic, musical and artistic publications; press agents, authors, authors' agents, newsagents, journalists, literary, dramatic and music critics; and advertisement and publicity agents and experts.

\* By Special Resolution passed on 29 April, 1986 the Company's name was changed from M.B.N 1 Limited to Bloomsbury Publishing Company Limited and by Special Resolution passed on 24th September, 1986 the Company's name was changed from Bloomsbury Publishing Company Limited to Bloomsbury Publishing Limited and by Special Resolution passed on 30 July 1993 the Company's name was changed to Bloomsbury Publishing Plc conditionally upon the re-registration of the Company as a public limited company.

\*\* By Special Resolution passed on 30th July 1993 a new Clause 2 of the Memorandum of Association was inserted and the remaining clauses renumbered accordingly

\*\*\* By Special Resolution passed on 24th September 1986, Clause 3 of the Memorandum of Association was altered.

- (ii) To carry on business as manufacturers of, and dealers in, paper, cardboard, postcards, playing cards, transfers, pens, pencils, ink and stationery generally and to acquire from time to time all such stock-in-trade, goods, chattels and effects as may be necessary or convenient for any business carried on by the Company.
  - (iii) To establish competitions in respect of contributions or information suitable for insertion in any publication of the Company or otherwise for any of the purposes of the Company, and to offer and grant prizes, rewards, and premiums of such character and on such terms as may seem expedient.
- (B) To carry on all or any of the businesses of electronic and electrical engineers and contractors, manufacturers, designers, fitters, installers, maintainers, repairers, importers, exporters and distributors of, agents for, and dealers in electronic and electrical goods, equipment, devices, appliances, accessories and supplies of every description, cable jointers, heating, lighting, radio, television, telephone, telecommunication, mechanical and general engineers; dealers in aerials, record players, stereo and hi-fi equipment, inventors, constructors, installers and maintainers of systems for heating and lighting and the supply of power, telecommunication, radio, sound recording, television and telephone reception and transmission, government surplus contractors and dealers, manufacturers, fitters, maintainers, repairers and merchants of, agents for, and dealers in household and domestic appliances, equipment, utensils, furniture, fittings, hardware and ironmongery of all kinds; general builders and contractors, property repairers and developers, builders' merchants, plant hire specialists, painters and decorators, carpenters, glaziers, shop and office fitters, estate agents, hire purchase financiers and agents, mortgage and insurance brokers, fuel merchants, haulage and transport contractors, commission and general agents, factors, brokers and warehousemen; and to manufacture, buy, sell, maintain, repair and deal in vehicles, plant, machinery, tools, articles, and things of all kinds capable of being used for the purpose of the above-mentioned businesses or any of them, or likely to be required by customers of, or persons having dealings with the Company.
- (C) To carry on any other trade or business whatever which can in the opinion of the Board of Directors be advantageously carried on in connection with or ancillary to any of the businesses of the Company.
- (D) To purchase or by any other means acquire and take options over any property whatever, and any rights or privileges of any kind over or in respect of any property.
- (E) To apply for, register, purchase, or by other means acquire and protect, prolong and renew, whether in the United Kingdom or elsewhere any patents, patent rights, brevets d'invention, licences, secret processes, trademarks, designs, protections and concessions and to disclaim, alter, modify, use and turn to account and to manufacturer under or grant licences or privileges in respect of the same, and to expend money in experimenting upon testing and

improving any patents, inventions or rights which the Company may acquire or propose to acquire.

- (F) To acquire or undertake the whole or any part of the business, goodwill, and assets of any person, firm, or company carrying on or proposing to carry on any of the businesses which the Company is authorised to carry on and as part of the consideration for such acquisition to undertake all or any of the liabilities of such persons, firm or company, or to acquire an interest in, amalgamate with, or enter into partnership or into any arrangement for sharing profits, or for co-operation, or for mutual assistance with any such person, firm or company, or for subsidising or otherwise assisting any such person, firm or company, and to give or accept, by way of consideration for any of the acts or things aforesaid or property acquired, any shares, debentures, debenture stock or securities that may be agreed upon, and to hold and retain, or sell, mortgage and deal with any shares, debentures, debenture stock or securities so received.
- (G) To improve, manage, construct, repair, develop, exchange, let on lease or otherwise, mortgage, charge, sell, dispose of, turn to account, grant licences, options, rights and privileges in respect of, or otherwise deal with all or any part of the property and rights of the Company.
- (H) To invest and deal with the moneys of the Company not immediately required in such manner as may from time to time be determined and to hold or otherwise deal with any investments made.
- (I) To lend and advance money or give credit on any terms and with or without security to any person, firm or company (including without prejudice to the generality of the foregoing any holding company, subsidiary or fellow subsidiary of, or any other company associated in any way with, the Company) to enter into guarantees, contracts of indemnity and suretyships of all kinds, to receive money on deposit or loan upon any terms, and to secure or guarantee in any manner and upon any terms the payment of any sum of money or the performance of any obligation by any person, firm or company (including without prejudice to the generality of the foregoing any such holding company, subsidiary, fellow subsidiary or associated company as aforesaid).
- (J) To borrow and raise money in any manner and to secure the repayment of any money borrowed, raised or owing by mortgage, charge, standard security, lien or other security upon the whole or any part of the Company's property or assets (whether present or future), including its uncalled capital, and also by a similar mortgage, charge, standard security, lien or security to secure and guarantee the performance by the Company of any obligation or liability it may undertake or which may become binding on it.
- (K) To draw, make, accept, endorse, discount, negotiate, execute and issue cheques, bills of exchange, promissory notes, bills of lading, warranties, debentures, and other negotiable or transferable instruments.

- (L) To apply for, promote, and obtain any Act of Parliament, order, or licence of the Department of Trade or other authority for enabling the Company to carry any of its objects into effect, or for effecting any modification of the Company's constitution, or for any other purpose which may seem calculated directly or indirectly to promote the Company's interest, and to oppose any proceedings or applications which may seem calculated directly or indirectly to prejudice the Company's interests.
- (M) To enter into any arrangements with any government or authority (supreme, municipal, local, or otherwise) that may seem conducive to the attainment of the Company's objects or any of them, and to obtain from any such government or authority and charters, decrees, rights, privileges or concessions which the Company may think desirable and to carry out, exercise, and comply with any such charters, decrees, rights, privileges, and concessions.
- (N) To subscribe for, take, purchase, or otherwise acquire, hold, sell, lend with and dispose of, place and underwrite shares, stocks, debentures, debenture stocks, bonds, obligations, or securities issued or guaranteed by any other company constituted or carrying on business in any part of the world, and debentures, debenture stocks, bonds, obligations or securities issued or guaranteed by any government or authority, municipal, local or otherwise, in any part of the world.
- (O) To control, manage, finance, subsidise, co-ordinate or otherwise assist any company or companies in which the Company has a direct or indirect financial interest, to provide secretarial, administrative, technical, commercial and other services and facilities of all kinds for any such company or companies and to make payments by way of subvention or otherwise and any other arrangements which may seem desirable with respect to any business or operations of or generally with respect to any such company or companies.
- (P) To promote any other company for the purpose of acquiring the whole or any part of the business or property or undertaking or any of the liabilities of the Company, or of undertaking any business or operations which may appear likely to assist or benefit the Company or to enhance the value of any property or business of the Company, and to place or guarantee the placing of, underwrite, subscribe for, or otherwise acquire all or any part of the shares or securities of any such company as aforesaid.
- (Q) To sell or otherwise dispose of the whole or any part of the business or property of the Company, either together or in portions, for such consideration as the Company may think fit, and in particular for shares, debentures, or securities of any company purchasing the same.
- (R) To act as agents or brokers and as trustees for any person, firm or company, and to undertake and perform sub-contracts.
- (S) To remunerate any person, firm or company rendering services to the Company either by cash payment or by the allotment to him or them of shares or other securities of the Company credited as paid in full or in part or otherwise as may be thought expedient.

- (T) To pay all or any expenses incurred in connection with the promotion, formation and incorporation of the Company, or to contract with any person, firm or company to pay the same, and to pay commissions to brokers and others for underwriting, placing, selling, or guaranteeing the subscription of any shares or other securities of the Company.
- (U) To support and subscribe to any charitable or public object and to support and subscribe to any institution, society, or club which may be for the benefit of the Company or its Directors or employees, or may be connected with any town or place where the Company carries on business; to give or award pensions, annuities, gratuities and superannuation or other allowances or benefits or charitable aid and generally to provide advantages, facilities and services for any persons who are or have been Directors of, or who are or have served the Company, or any company which is a subsidiary of the Company or the holding company of the Company or a fellow subsidiary of the Company or the predecessors in business of the Company or of any such subsidiary, holding or fellow subsidiary company and to the wives, widows, children and other relatives and dependants of such persons; to make payments towards insurance; and to set up, establish, support and maintain superannuation and other funds or schemes (whether contributory or non-contributory) for the benefit of any of such persons and of their wives, widows, children and other relatives and dependants, and to set up, establish, support and maintain profit sharing or share purchase schemes for the benefit of any of the employees of the Company or of any such holding or fellow subsidiary company and to lend money to any such employees or to trustees on their behalf to enable any such purchase schemes to be established or maintained.
- (V) Subject to and in accordance with due compliance with the provisions of Sections 155 and 158 (inclusive) of the Act (if and so far as such provisions shall be applicable), to give, whether directly or indirectly, any kind of financial assistance (as defined in Section 152(1)(a) of the Act) for any such purpose as is specified in Section 151(1) and/or Section 151(2) of the Act.
- (W) To distribute among the Members of the Company in kind any property of the Company of whatever nature.
- (X) To procure the Company to be registered or recognised in any part of the world.
- (Y) To do all or any of the things or matters aforesaid in any part of the world and either as principals, agents, contractors or otherwise, and by or through agents, brokers, sub-contractors or otherwise and either along or in conjunction with others.
- (Z) To do all such other things as may be deemed incidental or conducive to the attainment of the Company's objects or any of them.

AND so that:

- (1) None of the objects set forth in any sub-clause of this Clause shall be restrictively construed but the widest interpretation shall be



given to each such object, and none of such objects shall, except where the context expressly so requires, be in any way limited or restricted by reference to or inference from any other object or objects set forth in such sub-clause, or by reference to or inference from the terms of any other sub-clause of this Clause or by reference to or inference from the name of the Company.

- (2) None of the sub-clauses of this Clause and none of the objects therein specified shall be deemed subsidiary or ancillary to any of the objects specified in any other such sub-clause, and the Company shall have as full a power to exercise each and every one of the objects specified in each sub-clause of this Clause as though each such sub-clause contained the objects of a separate company.
- (3) The word "Company" in this Clause, except where used in reference to the Company, shall be deemed to include any partnership or other body of persons, whether incorporated or unincorporated and whether domiciled in the United Kingdom or elsewhere.
- (4) In this Clause the expression "the Act" means the Companies Act 1985, but so that any reference in this Clause to any provision of the Act shall be deemed to include a reference to any statutory modification or re-enactment of that provision for the time being in force.
- (5) The liability of the Members is limited.
- (6) The Company's share capital is £100 divided into 100 shares of £1 each.

---

\* By Special Resolution passed on 24 September, 1986, each Ordinary Shares of £1 (whether issued or unissued) was sub-divided into 4 Ordinary Shares of 25p each and the authorised share capital of the Company was increased from £100 to £187,500 by the creation of an additional 749,600 Ordinary Shares of 25p each. By Special Resolution passed on 26 September, 1986, the then existing issued Ordinary Shares together with 60,000 unissued Ordinary Shares were re-designated as "B" Ordinary Shares and the remaining unissued Ordinary Shares were re-designated as "A" Ordinary Shares. By Special Resolution passed on 30 July 1993, the authorised share capital of the Company was increased to £1,250,000 by the creation of 500,000 'A' Preference Shares of £1 each and 500,000 'B' Preference Shares of £1 each.

We, the subscribers to this Memorandum of Association, wish to be formed into a company pursuant to this Memorandum; and we agree to take the number of shares shown opposite our respective names.

NAMES AND ADDRESS OF SUBSCRIBERS	Number of shares taken by each Subscriber
1 MICHAEL JOSEPH PRIOR 1 Museum Place Cardiff	One
2 JEFFREY GORDON JENKINS 1 Museum Place Cardiff	One
Total Shares taken	Two

DATED the 3rd day of December, 1985

WITNESS to the above Signatures:

ALISON C BIRD  
Articled Clerk  
Morgan Bruce & Nicholas  
1 Museum Place  
Cardiff

THE COMPANIES ACTS 1985 AND 1989

---

COMPANY LIMITED BY SHARES

---

NEW  
ARTICLES OF ASSOCIATION  
of  
BLOOMSBURY PUBLISHING PLC



(As adopted by Special Resolution passed on 30 July 1993)

---

1 PRELIMINARY

- 1 In these Articles and (where appropriate) in Table A the following words and expressions shall have the meanings set out below:

'A' Loan Stock	the loan stock constituted by the Instrument dated 30 September 1988 by which the Company constituted £125,000 10% Convertible Subordinated Unsecured Series 'A' Loan Stock 2003
'A' Ordinary Shares	'A' ordinary shares of 25p each in the capital of the Company having the rights set out in these Articles
'A' Preference Shares	convertible 'A' preference shares of £1 each having the rights set out in these Articles
Auditors	the auditors of the Company from time to time
Authors' Trust	the trust established pursuant to a deed made on 26 September 1986
'B' Loan Stock	the loan stock constituted by the Instrument dated 30 September 1988 by which the Company constituted £125,000 10% Convertible Subordinated Unsecured Series 'B' Loan Stock 2003

Bloomsbury Group	the Company and any subsidiary thereof from time to time
'B' Ordinary Shares	'B' ordinary shares of 25p each in the capital of the Company having the rights set out in these Articles
'B' Preference Shares	convertible 'B' preference shares of £1 each having the rights set out in these Articles
'C' Loan Stock	the loan stock constituted by the Instrument dated 30 September 1988 by which the Company constituted £1,000,000 10% Convertible Subordinated Unsecured Series 'C' Loan Stock 2003
Convertible Loan Stock	each of the 'A' Loan Stock, the 'B' Loan Stock, the 'C' Loan Stock and the 'D' Loan Stock
'C' Ordinary Shares	'C' ordinary shares of 25p each in the capital of the Company having the rights set out in these Articles
'D' Loan Stock	the loan stock constituted by the Instrument dated the same date as the adoption of these Articles by which the Company constituted £1,150,000 8.5% Convertible Subordinated Unsecured Loan Stock 1997
First 'A' Director	means any director of the Company appointed by the First 'A' Holder pursuant to Article 30.1
First 'A' Holder	the Member for the time being and from time to time who holds together with any other member of the same group or any company trust or fund managed by such Member or other member of the same group or any nominee of the foregoing the largest nominal amount of 'A' Ordinary Shares (together "the First 'A' Holder's group") and, in relation to the First 'A' Holder's group, the Member who holds amongst the First 'A' Holder's group the largest nominal amount of 'A' Ordinary Shares
group	in relation to any company, any holding company of such company and any subsidiary of such company or such holding company for the time being and from time to time
holding company	a holding company as defined in Section 736 of the Statutes

Ordinary Shares	the 'A' Ordinary Shares, the 'B' Ordinary Shares, the 'C' Ordinary Shares and the Non-Classified Shares
Preference Shareholders	the holders for the time being of the Preference Shares
Preference Shares	together, the 'A' Preference Shares and the 'B' Preference Shares
Pre-Tax Profits	<p>the net profits or losses (prepared in accordance with generally accepted United Kingdom accounting principles, bases and conventions, of the Company (as shown in the audited accounts as laid before the Company in general meeting) for the accounting reference period in question after charging interest payable on the Convertible Loan Stock crediting or charging any exceptional items but before deducting from or crediting to such net profits the aggregate of:</p> <ul style="list-style-type: none"> <li>(a) any tax calculated or determined upon or by reference to such profits (including any deferred tax);</li> <li>(b) any dividend payable to the holder of any class of shares in the capital of the Company in respect of such accounting reference period;</li> <li>(c) any extraordinary items;</li> </ul> <p>provided that if from time to time the Company has a subsidiary or subsidiaries and is required to prepare group accounts under Section 229 of the Statutes all references to profits of the Company shall be references to consolidated profits of the Bloomsbury Group, all references to audited accounts of the Company shall be references to audited consolidated accounts of the Bloomsbury Group, and there shall be deducted from the consolidated net profits any amounts attributable to minority interests in subsidiaries</p>
profits available for distribution	profits so available for the purpose of the Statutes
Quotation	whichever shall be applicable of:
(a)	the admission of the ordinary share capital of the Company to the Official List in the United Kingdom or a comparable listing elsewhere; or

(b) the grant of permission for the same to be dealt in on the Unlisted Securities Market in the United Kingdom or a comparable listing elsewhere; or

(c) the acquisition by one person (or persons connected with him) of all the issued Ordinary Shares

Second 'A' Director

any director of the Company appointed by the Second 'A' Holder pursuant to Article 30.2 hereof

Second 'A' Holder

the Member for the time being and from time to time who holds together with any other member of the same group or any company trust or fund managed by such Member or other member of the same group or any nominee of the foregoing the second largest nominal amount of 'A' Ordinary Shares (together "the Second 'A' Holder's group") and, in relation to the Second 'A' Holder's group, means the Member who holds amongst the Second 'A' Holder's group the largest nominal amount of 'A' Ordinary Shares

Share Option Scheme

the executive share option scheme adopted by the Company on 26 September 1986 and now constituted by the revised rules adopted as at the date of adoption of these Articles and intended to be approved by the Inland Revenue under the provisions of the Finance Act 1984

Statutes

the Companies Act 1985 and any statutory modification or re-enactment thereof

subsidiary

a subsidiary as defined in Section 736 of the Statutes

Table A

Table A in the Scheme to the Companies (Table A to F) Regulations 1985

Unclassified Shares

unclassified ordinary shares of 25p each having the rights set out in these Articles.

- 2 The regulations contained in Table A shall apply to the Company save insofar as they are varied or excluded by or are inconsistent with the Articles hereinafter contained. Regulations 2, 40, 57, 64, 65 to 69 (inclusive), 72, 73 to 77 (inclusive), 80, 81, 84, 88 to 90 (inclusive), 93, 110 and 118 in Table A shall not apply to the Company.

### SHARE CAPITAL

The share capital of the Company on the date of adoption of these Articles is £1,250,000 divided into 500,000 'A' Preference Shares, 500,000 'B' Preference Shares, 375,000 'A' Ordinary Shares, 375,000 'B' Ordinary Shares, 165,600 'C' Ordinary Shares and 83,400 Unclassified Shares. Save as otherwise provided, the 'A' Ordinary Shares, the 'B' Ordinary Shares, the 'C' Ordinary Shares, the Unclassified Shares, the 'A' Preference Shares and the 'B' Preference Shares rank pari passu in all respects.

- 4.1 If a Quotation has not been obtained by the Relevant Date then the following provisions of this paragraph shall apply:
- 4.1.1 The holders of the 'A' Ordinary Shares and of the 'C' Ordinary Shares shall be entitled to be paid out of the profits available for distribution by the Company in respect of each financial year of the Company ending on and after the first anniversary of the Relevant Date a fixed cumulative preferential dividend ("the fixed dividend") at 10 % on the amount paid up or credited as paid up in respect of the nominal value of each such share together with any premium paid or treated as having been paid thereon, together in the case of the holders of the 'A' Ordinary Shares only with a further aggregate dividend equal to 15% of the Pre-Tax Profits for such year over £750,000. The fixed dividend shall accrue from day to day with effect from 1 January immediately following the Relevant Date and shall be payable half yearly in equal amounts on 30 June and 31 December in each year in respect of the half year ending on those dates. Any further dividend shall be paid on the day following the day on which audited accounts of the Company for the period in question are laid before the Company in general meeting.
- 4.1.2 The 'A' Ordinary Shares and the 'C' Ordinary Shares shall rank for dividend pari passu with each other but in priority to all other shares of the Company for the time being in issue.
- 4.1.3 The 'A' Ordinary Shares and the 'C' Ordinary Shares shall not entitle the holders to receive any dividend in excess of the amounts payable under 5.1.1 in respect of any financial year of the Company until the holders of the 'B' Ordinary Shares have been paid a dividend per share equal to that paid on each 'A' Ordinary Share in respect of such period.
- 4.1.4 In this Article 'the Relevant Date' means in the case of the 'A' Ordinary Shares 31 December 1990 and in the case of the 'C' Ordinary Shares 31 December 2003.
- 4.2 Subject only to sub-paragraph 4.1.1 in respect of financial years ending on or after 31 December 1991 the aggregate amount of dividends paid by the Company in respect of any financial year shall not exceed one half of the profits available for distribution in respect of such year.

## CLASS RIGHTS

Without prejudice to any other provision of these Articles none of the following shall occur without the prior consent in writing of the holders of a majority by nominal value of the issued 'A' Ordinary Shares or without the sanction of an ordinary resolution passed at a separate general meeting of the holders of 'A' Ordinary Shares duly convened and held in accordance with Article 11.2. Such right shall attach to the 'A' Ordinary Shares as a separate class and shall only be varied in accordance with the provisions of the said Article 11:

- (a) any change in the Auditors;
- (b) any alteration of the accounting reference date of any member of the Bloomsbury Group other than an alteration to 31 December in each year;
- (c) any alteration of the Memorandum or Articles of Association of any member of the Bloomsbury Group or any act, matter or omission in breach of or contrary to the provisions of the Memorandum or Articles of Association of the Company;
- (d) the passing of any resolution to wind up any member of the Bloomsbury Group (save for a resolution to wind up a subsidiary in respect of which a statutory declaration of solvency has been made);
- (e) any increase in the authorised share capital of the Company or any consolidation or re-denomination of the share capital of the Company into larger nominal amounts or any sub-division of the share capital of the Company into smaller nominal amounts;
- (f) the issue of any shares in the Company (by way of bonus rights or otherwise) and the grant of any option or right to acquire or call for the issue of the same by conversion, subscription or otherwise other than in respect of the issue of 'B' Ordinary Shares pursuant to the Share Option Scheme or the Authors' Trust or the issue of Ordinary Shares upon conversion of the Convertible Loan Stock or the Preference Shares;
- (g) the redemption or purchase by the Company of any shares or the reduction of the share capital, or any uncalled or unpaid liability in respect thereof, capital redemption reserve fund or share premium account of the Company;
- (h) a distribution by the Company out of capital profits or capital reserves or out of profits or reserves arising from a distribution of capital profits or capital reserves by a subsidiary of the Company;
- (i) the declaration or payment of any dividend (other than in accordance with Article 4.1.1 or 4.1.3) or the making of any distribution otherwise than a dividend paid in cash in respect of Ordinary Shares in issue from time to time; and



- (j) any transfer of shares (as defined in Article 9.1 of these Articles) by Jemma Trust Company Limited otherwise than pursuant to Article 9.3.2 of these Articles.

## 6 ISSUE OF SHARES AND OF CONVERTIBLE SECURITIES

- 6.1 Other than in respect of the issue of 'B' Ordinary Shares pursuant to the Share Option Scheme or the Authors' Trust or the issue of Ordinary Shares upon conversion of the Convertible Loan Stock or the Preference Shares, any shares in the capital of the Company which are for the time being unissued and any securities which will or may entitle the holders thereof to the issue of any shares in the capital of the Company ("securities") shall, before issue, be offered to the holders for the time being of the issued Ordinary Shares and of the Convertible Loan Stock in proportion, as nearly as may be, to the number of such shares held by them respectively or as would be held by them had the Convertible Loan Stock then converted into Ordinary Shares in accordance with the conversion terms of the instruments constituting the Convertible Loan Stock on the assumption in the case of the holders of the 'A' Loan Stock and the 'B' Loan Stock that each such stock had converted into an equal number of Ordinary Shares not to exceed in aggregate the maximum number of Ordinary Shares which would require to be issued by the Company simultaneously in accordance with the terms of both the instruments constituting the 'A' Loan Stock and the 'B' Loan Stock. The offer, which shall be by notice in writing and sent by registered post ("the First Notice") shall be on identical terms for each of such holders, shall specify the number of shares and/or securities so offered. At the expiration of the time limited by the First Notice the Directors shall allot the shares and/or securities so offered to or amongst the persons who have notified their willingness to take any shares and/or securities comprised in the First Notice so far as may be in proportion to the number of Ordinary Shares held or as would be held as aforesaid by such persons respectively at the date of the First Notice, but so that no person shall be obliged to take more than the maximum number of shares and/or securities comprised in the First Notice so notified by him as aforesaid.
- 6.2 Any of the shares and/or securities so offered which are not taken up under paragraph 6.1 of this Article shall be offered at the Offer Price to those holders for the time being of the issued Ordinary Shares and of the Convertible Loan Stock who notified their willingness to take any shares and/or securities comprised in the First Notice. The offer, which shall be by notice in writing and sent by registered post ("the Second Notice"), shall be on identical terms for each of such holders, shall specify the number of shares and/or securities offered and the Offer Price and shall invite each of such holders to state in writing by registered post within a period of 30 days whether he is willing to take any, and if so what maximum, number of the shares and/or securities so offered. At the expiration of the time limited by the Second Notice the Directors shall allot the shares and/or securities so offered to or amongst the persons who have notified their willingness to take any shares and/or securities comprised in the Second Notice so far as may be in proportion

to the number of Ordinary Shares held or as would be held as aforesaid by such persons respectively (including the shares comprised in the First Notice accepted by them and any shares which may or will be issued pursuant to any securities comprised in the First Notice accepted by them) at the date of the Second Notice, but so that no person shall be obliged to take more than the maximum number of shares and/or securities comprised in the Second Notice so notified by him as aforesaid.

- 6.3 Any of the shares and/or securities comprised in the Second Notice which are not taken up pursuant to paragraph 6.2 of this Article may be disposed of by the Directors in such manner as they think most beneficial to the Company on terms no more favourable to the offeree than those on which such shares and/or securities were offered under the provisions of that paragraph. The Directors may in like manner dispose of any such new shares and/or securities as aforesaid which by reason of the proportion borne by them to the number of persons entitled to such offer as aforesaid or by reason of any other difficulty in apportioning the same cannot in the opinion of the Directors be conveniently offered in manner hereinbefore provided.
- 6.4 No shares or securities in the Company shall be allotted on terms that the right to the same may be renounced by the allottees.
- 6.5 The provisions of Sections 89(1) and 90(1) to 90(6) of the Statutes shall not apply to the Company.
- 6.6 Subject to the provisions hereof and of the Statutes, any share may be issued on the terms that it is, or at the option of the Company or of the holder of such share is liable, to be redeemed.

## 7 LIEN

- 7.1 In Regulation 8 of Table A the words "(not being a fully paid share)" shall be omitted.
- 7.2 All shares to be sold in the enforcement of the Company's lien or rights of forfeiture shall be offered in accordance with Article 6 of these Articles as if they were unissued shares of the Company. Regulations 9 and 20 of Table A shall be modified accordingly.

## 8 CALLS

In Regulation 12 of Table A the words "fourteen clear days' notice" shall be deleted and replaced by "thirty clear days' notice".

## 9 TRANSFER OF SHARES

- 9.1 Save as hereinafter permitted, no transfer or disposal of any Ordinary Shares shall occur other than the transfer of the whole legal and equitable title to such shares free from all liens, charges and encumbrances and with all rights, title and interest in existence at the date of transfer together with all rights which may arise in respect thereof thereafter (and "transfer of shares" shall be construed accordingly). No Ordinary Share shall be transferred

to or otherwise become legally or beneficially vested in any person or body otherwise than in accordance with the following provisions of this Article.

9.2 A Member being a holder of 'A' Ordinary Shares (or other person entitled to transfer the shares registered in the name of such Member) may at any time transfer all or any 'A' Ordinary Shares in the Company held by him to:

- (a) any person who is in the same group as such Member; or
- (b) in the case of a Member holding shares on behalf of a unit trust, to a holder of units in that unit trust or any person in its capacity as Trustee or Manager of or Investment Advisor or Manager of the fund, trust, partnership or company which is the transferor; or
- (c) to any fund, trust, partnership or company which has the same Trustee, Investment Advisor or Manager as the fund, trust, partnership or company which is the transferor; or
- (d) in the case of a Member holding as nominee for another person, to that person or any other nominee of that person.

9.3.1 If a holder of Ordinary Shares being an employee or Director of the Company shall cease to be an employee or Director (as the case may be) such Member shall, unless the holders of all the Ordinary Shares otherwise agree, be deemed to have given immediately prior to the effective date of such cessation a Transfer Notice (as hereinafter defined) in respect of all the Ordinary Shares registered in his name in respect of which Transfer Notice the prescribed price (as hereinafter defined) per share shall be determined in accordance with Article 9.4.6(c).

9.3.2 If Nigel Newton shall cease to be an employee of the Company Gemma Trust Company Limited shall unless the holders of all the Ordinary Shares otherwise agree to be deemed to have given immediately prior to the effective date of such cessation a Transfer Notice (as hereinafter defined) in respect of all the Ordinary Shares registered in its name in respect of which Transfer Notice the prescribed price (as hereinafter defined) per share shall be determined in accordance with Article 9.4.6(c).

9.3.3 If Ordinary Shares are acquired by a person who is not (or has ceased to be) an employee or Director of the Company in pursuance of rights or interests obtained by such an employee or Director (as the case may be) such Member shall, unless the holders of all the Ordinary Shares otherwise agree, be deemed to have given immediately following such acquisition a Transfer Notice (as hereinafter defined) in respect of all the Ordinary Shares so acquired in respect of which Transfer Notice the prescribed price (as hereinafter defined) per share shall be determined in accordance with Article 9.4.6(c).

to purchase as aforesaid and in the event of competition in proportion (as nearly as may be and without increasing the number sold to any Member beyond the number applied for by him) to the number of 'A' Ordinary Shares 'B' Ordinary Shares, 'C' Ordinary Shares or Unclassified Shares (as the case may be) held by such persons at the date of the First Offer.

- 9.4.3 If the Directors shall not find relevant shareholders together prepared to purchase all the shares comprised in any Transfer Notice pursuant to the First Offer, the Directors, within 6 weeks after the date on which the First Offer is made, shall give notice in writing to the proposing transferor of the numbers of shares concerned for which no purchaser has been found ("the Balance Shares"). The proposing transferor (unless such proposing transferor shall be deemed to have given a Transfer Notice pursuant to these Articles) may within 14 days of the receipt of such notice from the Directors give a counter-notice in writing to the Directors revoking the Transfer Notice. If no such counter-notice is given the Directors shall within 7 days after the expiry of the said 14 day period offer in writing ("the Second Offer") the Balance Shares (i) (in the case of 'A' Ordinary Shares) to the holders of 'A' Loan Stock, 'B' Ordinary Shares, 'B' Loan Stock, 'C' Ordinary Shares, 'C' Loan Stock and Unclassified Shares; (ii) (in the case of 'B' Ordinary Shares) to the holders of 'B' Loan Stock, 'A' Ordinary Shares, 'A' Loan Stock, 'C' Ordinary Shares, 'C' Loan Stock and Unclassified Shares; and (iii) (in the case of 'C' Ordinary Shares) to the holders of 'A' Ordinary Shares, 'B' Ordinary Shares and Unclassified Shares (iv) in the case of Unclassified Shares to the holders of 'A' Ordinary Shares, 'B' Ordinary Shares and 'C' Ordinary Shares (other than, if applicable, in each case the proposing transferor) for purchase at the prescribed price inviting each of them to state in writing within 28 days from the date of the Second Offer whether he is willing to purchase and if so what number of shares. Each such offer as is to be made to the holders of the Convertible Loan Stock shall be made on the basis that they are the holders of such number of Ordinary Shares of the relevant class as would be held by them had the Convertible Loan Stock then converted into Ordinary Shares in accordance with the conversion terms of the Instruments constituting the Convertible Loan Stock on the assumption, in the case of the holders of the 'A' Loan Stock and the 'B' Loan Stock, that each such stock had converted into an equal number of Ordinary Shares not to exceed in aggregate the maximum number of Ordinary Shares which would require to be issued by the Company simultaneously in accordance with the terms of both the Instruments constituting the 'A' Loan Stock and the 'B' Loan Stock. At the expiration of the said period the Directors shall allocate the Balance Shares to the holder or holders who shall have notified their willingness to purchase as aforesaid and in the event of competition in proportion (as nearly as may be and without increasing the number sold to any Member beyond the number applied for by him) to the number of 'A' Ordinary Shares, 'B' Ordinary Shares, 'C' Ordinary Shares or Unclassified Shares (as the case may be) held or as would be held as aforesaid by such persons at the date of the Second Offer.

9.4.4 The Directors, within 14 days after the expiry of the said 28 day period pursuant to Article 9.4.2 (if all the shares are to be sold pursuant to the First Offer) or (if a Second Offer is made) the expiry of the said 28 day period pursuant to Article 9.4.3 shall give notice in writing to the proposing transferor of the number of shares concerned which a holder or holders of Ordinary Shares and/or of the Convertible Loan Stock (as the case may be) (hereinafter called "a purchaser" or "purchasers", is or are willing to purchase pursuant to the First and/or Second Offers. Every such notice shall state the name and address of such purchaser and the number of shares agreed to be purchased by him. If the Directors shall have found purchasers for some but not all of the shares concerned the proposing transferor (unless such proposing transferor shall be deemed to have given a Transfer Notice pursuant to these Articles) may within 14 days of the receipt of such notice from the Directors give a counter-notice in writing to the Directors revoking the Transfer Notice. If the Directors shall pursuant to the foregoing provisions of this paragraph 9.4 have found purchasers willing to purchase all the shares concerned or if no such counter-notice shall have been given by the proposing transferor within the aforesaid period, the proposing transferor shall be bound on receipt of the prescribed price to transfer such of the shares for which the Directors shall have found purchasers to the respective purchasers thereof. The purchase shall be completed as soon as reasonably practicable at a place and time to be appointed by the Directors when, against payment of the price and any relevant stamp duties, the purchaser(s) shall be registered as the holder of the relevant shares in the Register of Members of the Company and share certificate(s) in the name(s) of such purchaser(s) and in respect of the relevant shares shall be delivered.

9.4.5 If in any case a proposing transferor, after having become bound to transfer any shares to a purchaser, shall make default in so doing the Directors shall authorise some person to execute any necessary transfers in favour of the purchaser or purchasers and shall receive the purchase money and shall thereupon cause the name of the purchaser to be entered into the Register of Members as the holder of the relevant shares and hold the purchase money in trust for the proposing transferor but shall not be bound to earn or pay interest thereon. The receipt of the Company for the purchase money shall be a good discharge to the purchaser who shall not be bound to see to the application thereof and after the name of the purchaser has been entered in the Register of Members in purported exercise of the aforesaid powers the validity of the proceedings shall not be questioned by any person.

9.4.6 The expression "the prescribed price" shall mean in respect of each share the subject of the Transfer Notice:

- (a) subject to sub-paragraph 9.4.6(c), the price per share (if any) specified in the Transfer Notice in accordance with the foregoing provision; and
- (b) subject to sub-paragraph 9.4.6(c), if the relevant Transfer Notice shall not name a proposed transferee and set out a price

per share at which the relevant shares are to be sold to him or such named proposed transferee is connected with the proposing transferor (such question to be determined in accordance with the provisions of Section 839 of the Income and Corporation Taxes Act 1988) or the terms on which such shares are to be sold to the named proposed transferee are otherwise than a fixed cash sum payable in full on completion of the sale (for example because the consideration is to be satisfied otherwise than in cash or because some deduction, consideration, rebate, allowance or arrangement is being made or is passing between the proposed transferee in addition to the price per share set out in the Transfer Notice), such sum per share as shall be agreed between (in the case of 'A' Ordinary Shares) all the holders of 'A' Ordinary Shares and (in the case of 'B' Ordinary Shares) all the holders of 'B' Ordinary Shares and (in the case of 'C' Ordinary Shares) all the holders of 'C' Ordinary Shares and (in the case of Unclassified Shares) all the holders of Unclassified Shares, and failing agreement as shall be determined in accordance with sub-paragraph 9.4.6(c); and

- (c) if the relevant Transfer Notice is a deemed Transfer Notice or failing agreement under sub-paragraph 9.4.6(b), such sum per share as shall be determined by an independent chartered accountant to be appointed (in the case of a deemed Transfer Notice) by the Company and the proposing transferor or (in the case of a failure by the parties to agree under sub-paragraph 9.4.6(b) by such parties, or failing agreement by the President for the time being of the Institute of Chartered Accountants in England and Wales, who shall state in writing what is in his opinion the fair selling value of each 'A' Ordinary Share or 'B' Ordinary Share or 'C' Ordinary Share or Unclassified Share (as the case may be) on the basis of a sale of the whole of the issued share capital of the Company on the open market as between a willing vendor and a willing purchaser and for this purpose the independent chartered accountant shall be given by the Directors and shall take account of all information which a prudent prospective purchaser of the whole of the issued share capital of the Company might reasonably require if he were proposing to purchase it from a willing vendor by private treaty and at arm's length, together with such information as he may reasonably require. In so stating his opinion such independent chartered accountant shall be deemed to act as an expert and not as an arbitrator and his determination shall be final and binding on all concerned. The costs of such determination shall be borne equally by the parties concerned.

9.4.7 The proposing transferor shall be at liberty to transfer all or any of the shares for which no purchaser shall have been found pursuant to the First and Second Offer and which are comprised in the relevant Transfer Notice (such notice not having been revoked pursuant to sub-paragraphs 9.4.3 or 9.4.4 above) to any person on a bona fide sale at a price not being less than the prescribed price, such transfer to be completed at any time within four weeks after the receipt of the written notice from the Directors referred to in sub-paragraph 9.4.4 above: Provided that the Directors shall require

to be satisfied that such shares are being transferred in pursuance of a bona fide sale for a consideration not being less than the prescribed price without any deduction, rebate or allowance whatsoever to the purchaser and if not so satisfied they shall refuse to register the instrument or transfer concerned.

9.4.8 Where the Directors shall have found a purchaser or purchasers and through no default of the proposing transferor any purchase is not duly completed, the Directors shall forthwith notify the purchaser or all of the purchasers (as the case may be) and if within seven days of such notice being given the purchaser or purchasers between them shall not have duly completed the purchase of the shares in respect of which there has been default in completion, the proposing transferor shall be deemed to have served a Transfer Notice in respect of such shares and the procedure contained in this Article shall be repeated in respect of them.

9.4.9 Upon the bankruptcy of any Member being an individual or upon the liquidation (voluntary or otherwise) of any Member being a corporation such Member shall be deemed to have given immediately prior to such bankruptcy or liquidation (as the case may be) a Transfer Notice in respect of all the shares registered in the name of such Member.

9.4.10 The Directors shall not be entitled to decline to register the transfer of any shares made pursuant to the foregoing provisions of this Article unless they have substantial reasons for believing that a transfer purportedly made in accordance with the foregoing provisions of this Article is not in fact in any material respect in accordance therewith in which event they shall decline to register such transfer. For the purpose of ensuring that a transfer of shares is in accordance with these provisions and duly authorised hereunder or that no circumstances have arisen whereby a Transfer Notice is deemed to have been given hereunder or for the purpose of ascertaining when a Transfer Notice is deemed to have been given hereunder, the Directors shall require any Member, the legal personal representative of any deceased Member, the Trustee in bankruptcy of any Member, the liquidator of any corporate Member or any person names as transferee in any transfer lodged for registration to furnish to the Company such information and evidence as the Directors shall think fit regarding any matter which they may deem relevant to such purpose. Failing such information or evidence being furnished to the satisfaction of the Directors within a reasonable time after request the Directors shall refuse to register the transfer in question or (in case no transfer is in question) shall require by notice in writing that a Transfer Notice be given in respect of the share(s) concerned and the provisions of these Articles shall take effect accordingly.

9.4.11 Notwithstanding any of the provisions of this Article, no share or any interest therein may be transferred to a person or body who would after the transfer have control (within the meaning of Section 840 of the Income and Corporation Tax Act 1988) of the Company unless that person makes a written offer (open for acceptance in England for a period of at least 28 days and with adequate security as to the performance of its obligations) to:

- (a) all the Members to purchase all the Ordinary Shares then held by them; and
- (b) to all the holders of Convertible Loan Stock to purchase all Convertible Loan Stock then held by them;

in each case at the relevant price (as hereinafter defined) and completes the purchase of all shares and Convertible Loan Stock in respect of which such offer is accepted at the same time as he completes the purchase of the shares the proposed transfer of which require a written offer to be made pursuant to this Article. Any transfer pursuant to such written offer shall not require the transferor to give a Transfer Notice in accordance with the above provisions.

9.4.12 In Article 9.4.11 the expression "the relevant price" shall mean in respect of:

- (a) each Ordinary Share, the higher of:
  - (i) such sum as shall be determined by an independent chartered accountant to be appointed by the Company who shall state in writing what is in his opinion the fair selling value of each Ordinary Share on the same basis and taking account of the same information as set out in Article 9.4.6(c) but on the assumption (if not a fact) that all Ordinary Shares in issue are Unclassified Shares and that all the Convertible Loan Stock has been converted as at the date of his appointment into Unclassified Shares but has otherwise converted in accordance with the terms of each Instrument constituting the Convertible Loan Stock; and
  - (ii) the highest price at which such person shall have acquired any share or shares in the Company during the previous period of twelve months; and
- (b) each £1 nominal amount of Convertible Loan Stock, such sum as shall be determined by an independent chartered accountant to be appointed by the Company who shall state in writing what is in his opinion the fair selling value of each £1 nominal amount of Convertible Loan Stock on the assumption (if not a fact) that all Ordinary Shares in respect are Unclassified Shares, that all the Convertible Loan Stock has been converted as at the date of his appointment into Unclassified Shares but has otherwise converted in accordance with the terms of each Instrument constituting the Convertible Loan Stock and that the fair selling value of each Unclassified Share is the relevant price determined in accordance with sub-paragraph 9.4.12(a).

9.4.13 In stating his opinion under sub-paragraph 9.4.12 such independent chartered accountant shall be deemed to act as an expert and not as an arbitrator and his determination shall be final and binding on all concerned. The costs of any such determination shall be borne by the Company.



10 The first sentence of Regulation 24 of Table A shall not apply to the Company.

11 VARIATIONS OF RIGHTS

11.1 All or any of the special rights or privileges for the time being attached to any share or class of shares in the capital of the Company (notwithstanding that the Company may be or be about to be in liquidation) may, either with the prior consent in writing of the holders of not less than three-fourths of the issued shares of the class or with the sanction of an extraordinary resolution passed at a separate meeting of the holders of shares of the class duly convened and held as hereinafter provided (but not otherwise), be varied or abrogated.

11.2 To every such separate meeting as is referred to in Article 5 and Article 11.1 the provisions of those Articles in respect to notice of and proceedings at general meetings shall mutatis mutandis apply, but so that the requisite quorum shall be two persons, present in person or by proxy, holding or representing not less than one-third of the issued shares of the class and that any holder of shares of the appropriate class, present in person or by proxy, may demand a poll.

11.3 On 1 April 1997 or, if earlier, immediately prior to and conditionally upon a Quotation (such date or the date of such Quotation being the "Conversion Date"), subject to Article 11.6, the 'A' Preference Shares shall automatically be converted into and redesignated as such number of 'A' Ordinary Shares as will result in the 'A' Preference Shareholders holding (pro rata to the number of 'A' Preference Shares held by each 'A' Preference Shareholder immediately prior to such conversion and redesignation) excluding any 'A' Ordinary Shares already held by them on the Conversion Date, the Relevant Number of 'A' Ordinary Shares.

For the purpose of this Article 11.3 "the Relevant Number" is such number of 'A' Ordinary Shares as together have a Value (as defined in this Article 11.3 below) equal to the aggregate of:

- (a) the aggregate nominal value of the 'A' Preference Shares unredeemed and outstanding immediately prior to such conversion; and
- (b) an amount equal to 15% per annum of £500,000 accruing on a daily basis and compounded annually on 1 July in each year from the date of issue of such 'A' Preference Shares to the Conversion Date.

The "Value" of the 'A' Ordinary Shares shall be their aggregate value determined as follows:

- (a) if the Conversion Date occurs immediately prior to (but conditional on) a Quotation, the lowest price per 'A' Ordinary Share at which the shares in the Company are offered for sale or

subscription to the public or investors under a flotation or the price per share offered for each 'A' Ordinary Share by a proposed purchaser (as appropriate) on an acquisition; and

- (b) if the Conversion Date is 1 April 1997, the fair value of the issued share capital of the Company (assuming, for the purpose of this calculation that the Convertible Loan Stock had converted (whether or not then convertible) into Ordinary Shares or Preference Shares (as appropriate) in accordance with the conversion terms of the instruments constituting the Convertible Loan Stock and that all Preference Shares had converted into 'A' Ordinary Shares and that all options to subscribe shares in the Company granted pursuant to the Authors' Trust and the Share Option Scheme had been exercised in full (whether or not then exercisable));

in either case as agreed between the Company and the Preference Shareholders and failing such agreement within 28 days after the Conversion Date the matter shall be referred to an independent person nominated by the Company and the Preference Shareholders to be determined in his opinion acting as an expert and not as an arbitrator and at the expense of the Company. In the event that the Company and the holders of Preference Shares fail to agree who is to be so nominated within 42 days after the Conversion Date, the matter shall be referred to an independent accountant appointed by the President of the Institute of Chartered Accountants acting as an expert and not as an arbitrator and at the expense of the Company and whose decision shall be final and binding (save in the case of manifest error).

- 11.4 On the Conversion Date, subject to Article 11.6, the 'B' Preference Shares shall automatically be converted into and redesignated as such number of 'A' Ordinary Shares as will result in the 'B' Preference Shareholders holding (pro rata to the number of 'B' Preference Shares held by each 'B' Preference Shareholder immediately prior to such conversion and redesignation) excluding any 'A' Ordinary Shares already held by them on the Conversion Date, the Relevant Number of 'A' Ordinary Shares.

For the purpose of this Article 11.4 "the Relevant Number" is such number of 'A' Ordinary Shares as together have a Value (as defined in Article 11.3) equal to the aggregate of:

- (a) the aggregate nominal value of the 'B' Preference Shares unredeemed and outstanding immediately prior to such conversion; and
- (b) an amount equal to 20% per annum of £1,150,000 accruing on a daily basis and compounded annually on 1 July in each year from the date of issue of such 'B' Preference Shares to the Conversion Date.

- 11.5 Any Preference Shares remaining after the conversion and redesignation referred to in Articles 11.3 and 11.4 shall automatically be converted into and redesignated as deferred shares of £1 each which shall not entitle the holders thereof to any right

to dividends, votes, notice of or attendance at meetings or money on a return of capital other than 0.0001p per share on a winding up of the Company after the holders of all other classes of shares shall have received the amount paid up on their shares including any premium thereon. The deferred shares may be redeemed by the Company paying £1 in aggregate to the holders of such shares (pro rata to their holdings of such shares).

11.6 At the election of the Directors, conversion of the Preference Shares pursuant to Articles 11.3 and/or 11.4 into the requisite numbers and amounts may alternatively or additionally be effected by the redemption of the Preference Shares for the amount paid up on such shares (including the full amount of any premium) and the subscription of the appropriate number of 'A' Ordinary Shares either, at the election of the Directors:

(a) out of profits of the Company which would otherwise be available for payment of dividends in which case each Preference Shareholder shall be deemed to have authorised and instructed the Directors to retain the redemption moneys otherwise payable to such holder and to apply all of the same in subscribing on such Preference Shareholder's behalf for the appropriate number of 'A' Ordinary Shares as is required pursuant to Article 11.3 or 11.4 (as appropriate); or

(b) by the redemption for the amount paid up on such shares (including the full amount of any premium) of any Preference Shares out of the proceeds of a new issue in which case each Preference Shareholder shall be deemed:

(i) to appoint any person selected by the Directors as such Preference Shareholder's agent with authority to apply an amount equal to the redemption moneys in subscribing on such Preference Shareholder's behalf of the appropriate number of 'A' Ordinary Shares as is required by virtue of Articles 11.3 or 11.4 (as appropriate); and

(ii) to authorise and instruct the Directors following allotment of the said 'A' Ordinary Shares to pay the said redemption moneys to such agent who shall be entitled to retain the same for his own benefit without being accountable therefor to such holder.

11.7 The 'A' Ordinary Shares arising on conversion of Preference Shares in accordance with Article 11.3 and 11.4 shall rank pari passu in all respects with the 'A' Ordinary Shares then in issue and fully paid up and shall entitle the holders to all dividends and other distributions declared made or paid by reference to any record date occurring after the Conversion Date on the 'A' Ordinary Shares.

11.8 On the Conversion Date each Preference Shareholder shall deliver to the Company at its registered office the certificates for his Preference Shares and upon such delivery there shall be issued to him a certificate for the number of 'A' Ordinary Shares resulting from the conversions referred to in Articles 11.3 and 11.4 and/or Article 11.6.

11.9 So long as Preference Shares remain capable of being converted into 'A' Ordinary Shares then, if any bonus issue, rights issue or other offer or invitation is made by the Company or on its behalf to the holders of Ordinary Shares the Company shall make or, so far as it is able procure that there is made a like issue, offer or invitation at the same time to each Preference Shareholder as if his conversion rights had been exercisable (whether or not they actually are) and exercised in full on the record date for such offer or invitation.

11.10 On a Quotation (after the conversion of the Preference Shares) all Ordinary Shares shall be automatically converted into Unclassified Shares and any and all special rights or privileges for the time being attached to any share or class of shares in the capital of the Company shall cease and determine.

## 12 PROCEEDINGS AT GENERAL MEETING

No business shall be transacted at any general meeting unless a quorum of Members is present at the time when the meeting proceeds to business. Two Members (including not less than one holder of 'A' Ordinary Shares) present in person or by proxy shall be a quorum; save that if at any adjourned meeting no holder of 'A' Ordinary Shares is present within 15 minutes from the appointed time any two Members shall be a quorum. A corporation being a Member shall be deemed to be personally present if represented in accordance with the provisions of Section 375 of the Statutes.

13 A poll may be demanded at any general meeting by the chairman or any Member present in person or by proxy and entitled to vote. Regulation 46 of Table A shall be modified accordingly.

## 14 VOTES OF MEMBERS

14.1.1 Subject to any special rights or restrictions as to voting attached to any shares by or in accordance with these Articles, on a show of hands every Member who (being an individual) is present by a representative or proxy shall have one vote and on a poll every Member who is present in person or by proxy shall have one vote for every Ordinary Share of which he is a holder provided that the votes exercisable in respect of the issued 'B' Ordinary Shares shall be increased pro rata by the number of votes which would be attributable to any unissued 'B' Ordinary Shares if the same were issued. In the case of an equality of votes on a poll the chairman (or, in his absence, the chairman of the meeting) shall have a second or casting vote.

14.1.2 The Preference Shareholders shall be entitled to receive notice of and to attend at general meetings of the Company but shall not be entitled to vote upon any resolution unless:

- (a) the resolution is one which directly or indirectly varies, modifies, alters or abrogates any of the rights, privileges, limitations or restrictions attaching to the 'A' Preference Shares, the 'B' Preference Shares or 'A' Ordinary Shares; or

(b) the resolution is for the winding up of the Company or for the reduction of share capital; or

(c) there shall have occurred a material breach by the Company or any of the members or Directors of any of the provisions of these Articles or the Agreements dated respectively 26 September 1986, 30 September 1988 and the same date as the date of adoption of these Articles (each relating to the subscription for shares in the Company) provided that the Preference Shareholders shall cease to be entitled to vote upon any resolution upon such breach being remedied to the satisfaction of a majority of the Preference Shareholders;

when entitled to vote pursuant to sub-paragraph 14.1.2 above, every Preference Shareholder who (being an individual) is present in person or by proxy or (being a corporation) is presented by a duly authorised representative or by proxy, shall have one vote on a show of hands and on a poll every Preference Shareholder so present shall have one vote for each Preference Share held by him.

15 DIRECTORS

Unless otherwise determined by ordinary resolution, the number of Directors shall be not less than two and not more than 10.

16 The Directors shall not be liable to retire by rotation, and accordingly in Regulation 78 of Table A the words "Subject as aforesaid" and the words "and may also determine the rotation in which any additional directors are to retire" shall be deleted and in Regulation 79 of Table A the second and third sentence thereof shall be deleted.

17 Any Director may from time to time appoint any other Director or any person approved by the Board of Directors (such approval not to be unreasonably withheld or delayed) to be an alternate Director of the Company, and may at any time remove any alternate Director so appointed by him from office, and appoint another person approved as aforesaid in his place. Any appointment of an alternate Director may provide for two or more persons in the alternative to act as an alternate Director. An alternate Director shall (subject to his giving to the Company an address within the United Kingdom at which notices may be served on him) be entitled to attend and vote as a Director at any meeting of the Directors at which the Director appointing him is not personally present, and generally to perform all functions of his appointor as a Director in the absence of such appointor, including without prejudice to the generality of the foregoing, power to sign any resolution pursuant to Article 25 of these Articles. An alternate Director shall be deemed to be an officer of the Company and shall alone be responsible for his own acts and defaults and the Director so appointing him shall not be responsible for the acts and defaults of an alternate Director so appointed. An alternate Director shall ipso facto cease to be an alternate Director if his appointor ceases for any reason to be a Director. Any such appointment or removal shall be in writing served on the Company and signed by the Director making the same and

shall take effect upon lodgement at the registered office of the Company. The remuneration of any such alternate Director shall be payable out of the remuneration payable to the Director appointing him, and shall consist of such part (if any) of the last mentioned remuneration as may be agreed between the alternate Director and the Director appointing him.

- 18 A Director and alternate Director shall not require a share qualification but nevertheless shall be entitled to attend and speak at any general meeting of the Company and at any separate meeting of the holders of any class of shares of the Company. A Director who is also acting as alternate shall have an additional vote at meetings of Directors for each Director for whom he acts as alternate but he shall only count as one person for the purpose of determining whether a quorum is present.
- 19 The Directors may exercise all the power of the Company to borrow money and to mortgage or charge its undertaking, property and uncalled capital or any part thereof and to issue debentures and other securities.
- 20 A Director (including an alternate Director) who has duly declared his interest therein may vote as a Director in regard to any contract or arrangement in which he is interested or upon any matter arising therefrom, and if he so votes his vote shall be counted, and he shall be counted in the quorum when any such contract or arrangement is under consideration, and Regulations 94 and 95 of Table A shall take effect accordingly.

21 DISQUALIFICATION

21.1 The office of a Director shall be vacated:

- (a) if by notice in writing to the Company he resigns the office of Director;
- (b) if he shall for more than six months have been absent without permission of the Directors from meetings of the Directors held during that period, unless he shall have appointed an alternate Director who has not been similarly absent during such period;
- (c) if he becomes bankrupt or enters into any arrangement with his creditors generally;
- (d) if he ceases to be a Director by virtue of any provision of the Statutes or he becomes prohibited by law from being a Director;
- (e) if he is or may be suffering from mental disorder and either of the circumstances of Regulation 81(C) of Table A apply;
- (f) if, being a First 'A' Director, the First 'A' Holder is no longer entitled to appoint a director in accordance with Article 30.1 and the directors resolve that the First 'A' Director should vacate office; and

(g) if, being a Second 'A' Director, the Second 'A' Holder is no longer entitled to appoint a director in accordance with Article 30.2 and the directors resolve that such Second 'A' Director should vacate office.

21.2 Unless and until otherwise determined by the Company by ordinary resolution, either generally or in any particular case, no Director shall vacate or be required to vacate his office as a Director on or by reason of his attaining or having attained the age of seventy, and any person proposed to appointed a Director shall be capable of being appointed as a Director notwithstanding that he has attained the age of seventy, and no special notice need be given of any resolution for the appointment as a Director of a person who shall have attained the age of seventy, and it shall not be necessary to give to the Members notice of the age of any Director or person proposed to be so appointed.

## 22 PROCEEDINGS OF DIRECTORS

The quorum necessary for the transaction of the business of the Directors shall be three, of whom one shall be the First 'A' Director or the Second 'A' Director or their respective alternates.

23 Meetings of the Board of Directors shall not be convened for or held outside the United Kingdom.

24 Unless other determined by a resolution of the Directors including the consent of the First 'A' Directors (if any) and the Second 'A' Director (if any) in respect of specified meetings, meetings of the Board of Directors shall be held at least at quarterly intervals. A minimum of five days notice of meetings of the Directors accompanied by an agenda of the business to be transacted shall be given to all the Directors or their alternates (and, if there is then no First 'A' Director but the right to appoint one continues, to the First 'A' Holder and/or, if there is then no Second 'A' Holder but the right to appoint one continues, to the Second 'A' Holder). The Directors may adjourn and otherwise regulate their meetings as they think fit. Questions arising at any meeting shall be decided by a majority of votes and in the case of an equality of votes the Chairman (or, in his absence, the chairman of the meeting) shall have a second or casting vote. A Director may, and the secretary on the requisition of a Director shall, at any time summon a meeting of the Directors.

25 A resolution in writing signed or approved by telegram, telefax or telex by all the Directors or their respective alternates shall be as effective for all purposes as a resolution passed at a meeting of the Directors duly convened and held and may consist of several documents in the like form each signed by one or more of the Directors.

26 Unless the establishment, membership and scope of responsibility thereof are and remain authorised by the First 'A' Director (if any) or the First 'A' Holder and the Second 'A' director (if any) or the Second 'A' Holder, the Directors shall not delegate any of their powers to a committee or sub-committee.

27 CHAIRMAN, MANAGING OR EXECUTIVE DIRECTORS

27.1 Subject to the provisions of Article 28 below:

The Directors may from time to time appoint one or more of their number to an executive office (including that of Managing Director, Chief Executive or any other salaried office) or as Chairman for such period and on such terms as shall be thought fit and, subject to the provisions of any agreement entered into in any particular case, may revoke such appointment. A Director so appointed as a Managing Director or Chief Executive or as Chairman shall (without prejudice to any claim he may have for damages for breach of any contract of service between him and the Company) ipso facto cease to be Managing Director, Chief Executive or Chairman (as the case may be) if he ceases for any cause to be a Director.

27.2 The Managing Director, Chief Executive or other executive officer as aforesaid shall receive such remuneration whether by way of salary, commission or participation in profits or otherwise (either in addition to or in lieu of his remuneration as a Director), as the Directors may determine.

3 The Directors may entrust to and confer on a Managing Director, Chief Executive or other executive officer as aforesaid any of the powers exercisable by them on such terms and conditions and with such restrictions as they think fit and may from time to time withdraw, alter or vary all or any of such powers.

28 No Director appointed to an executive office shall if he is a party to written terms of employment with the Bloomsbury Group be entitled to any salary, remuneration or benefit in kind in respect of any appointment to an executive office in addition to that provided for in those terms.

29 OFFICIAL SEAL FOR USE ABROAD

The Company may have an official seal for use abroad under the provision of the Statutes, where and as the Directors shall determine, and the Company may by writing under the Common Seal appoint any agents or agent, committees or committee abroad to be the duly authorised agents of the Company, for the purpose of affixing and using such official seal, and may impose such restrictions on the use thereof as may be thought fit. Wherever in these Articles reference is made to the Common Seal of the Company, the reference shall, when and so far as may be applicable, be deemed to include any such official seal as aforesaid.

30 SPECIAL ARTICLE

30.1 At all times when the holders of the 'A' Ordinary Shares hold in aggregate 15% or more of the issued Ordinary Shares, the First 'A' Holder shall be entitled to appoint one person to be a Director of the Company (each a "First 'A' Director"). The right to appoint a First 'A' Director shall attach to the Ordinary Shares held by the First 'A' Holder from time to time as a class and shall only be



varied in accordance with the provisions of Article 11. A Director appointed pursuant to this paragraph may at any time be removed from office by the First 'A' Holder, which may appoint another such person in his place. Any such appointment or removal as aforesaid shall be notice in writing served on the Company at its registered office for the time being and signed by or on behalf of the First 'A' Holder by any one of its directors and shall take effect forthwith upon service of such notice on the Company.

30.2 At all times when the holders of the 'A' Ordinary Shares hold in aggregate 15% or more of the issued Ordinary Shares, the Second 'A' Holder shall be entitled to appoint one person to be a Director of the Company (each a "Second 'A' Director"). The provisions of Article 30.1 shall apply mutatis mutandis to the Second 'A' Director.

30.3 For the purpose of determining whether the trustee for the time being holding the trust property of ECI Investments ("ECI") is the First 'A' Holder or the Second 'A' Holder or whether for such purpose any 'A' Ordinary Shares fall to be aggregated with 'A' Ordinary Shares held by any other person or persons or any trust or fund the expression "group" shall be deemed additionally to include any trustee fund or partnership managed by ECI Investments or advised by the Investment Advisers for the time being to the managers of ECI Investments.

### 31 CAPITALISATION OF PROFITS AND RESERVES

Without prejudice to any other provision of these Articles, the Company in general meeting may on the recommendation of the Directors and subject to the proviso hereinafter contained resolve to capitalise any part of the amount for the time being standing to the credit of any of the Company's reserve accounts or profit and loss or share premium account or any other amount which is available for distribution and is not required for payment of dividends on any shares carrying a preferential right to dividends and accordingly to set free such sum for distribution among such members and in such proportions as the Company in general meeting may direct, on condition that the same be not paid in cash but be applied either in or towards paying up any amount for the time being unpaid on any shares held by such Members respectively or paying up in full unissued shares or debentures of the Company to be allotted and distributed credited as fully paid up to and among such Members in the proportion aforesaid, or partly in the one way and partly in the other, and the Directors shall give effect to such resolution provided that a share premium account or a capital redemption reserve and any reserve or profit and loss account which is not available for distribution may, for the purposes of this Article, only be applied in paying up in full unissued shares to be allotted to Members of the Company as fully paid bonus shares.

### 32 NOTICES

Every Director and every alternate Director shall be entitled to receive notices of general meetings.

Every Director or other officer of the Company shall be entitled to be indemnified out of the assets of the Company against all costs, charges, losses, expenses and liabilities which he may sustain or incur in or about the execution of the duties of his office or otherwise in relation thereto, including any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in connection with any application under Section 727 of the Statutes in which relief is granted to him by the courts, and no Director or other officer shall be liable for any loss, damage or misfortune which may happen to or be incurred by the Company in the execution of the duties of his office or in relation thereto. But this Article shall only have effect insofar as its provisions are not avoided by Section 310 of the Statutes.

Every Member shall be bound by the Instruments constituting the Convertible Loan Stock as if he were a party thereto and shall exercise all his rights, powers and privileges in the Company to procure compliance by the Company with the provisions thereof.