

Company Number: 3774448

**THE COMPANIES ACT 1985**

**AND**

**THE COMPANIES ACT 1989**

**RESOLUTION**

**OF**

**PRIMAGRAPHICS (HOLDINGS) LIMITED**



On 21 March 2003 the following RESOLUTIONS IN WRITING (resolution 1 to have effect as an ordinary resolution and resolutions 2 and 3 to have effect as special resolutions) were duly passed by all the members of the Company who were at the date thereof entitled to attend and vote at a general meeting of the Company pursuant to section 381A of the Companies Act 1985 (as amended):

**Ordinary Resolution**

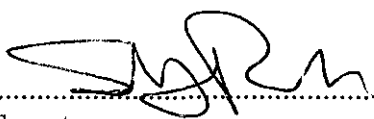
- 1 THAT all the issued and unissued "B" ordinary shares of £1 each be redesignated (such redesignation to take effect from the date of this Written Resolution) into 150,000 Ordinary Shares of £1 each having attached thereto the rights specified in the Articles of Association of the Company.

**Special Resolutions**

- 2 THAT the provisions of the Memorandum of Association of the Company with respect to its objects be altered by the deletion of clause 5 thereof and the substitution therefor of the following new clause:

"The share capital of the Company is £236,394 divided into 86,394 Deferred Shares and 150,000 Ordinary Shares."

- 3 THAT the regulations contained in the printed document attached hereto marked "Articles of Association" and for the purpose of identification signed by a Director be and the same are hereby approved and adopted as the Articles of Association of the Company in substitution for and to the exclusion of all the existing Articles of Association thereof.

  
.....  
Secretary

21 March 2003

No: 3774448

THE COMPANIES ACTS 1985 AND 1989  
PRIVATE COMPANY LIMITED BY SHARES


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ARTICLES OF ASSOCIATION  
of  
PRIMAGRAPHICS (HOLDINGS) LIMITED

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ADOPTED BY SPECIAL RESOLUTION

Passed on 21 March 2003

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## 1. DEFINITIONS AND INTERPRETATION

In these Articles, unless the context otherwise requires or unless expressly provided to the contrary:

### 1.1 Definitions

"Act" means the Companies Act 1985;

"Board" means the board of directors of the Company from time to time;

"Connected Person" means, in relation to any person, a person who is either:

- (a) acting in concert (as defined in the City Code on Takeovers and Mergers) with such aforesaid person; or
- (b) a "connected person" as defined in section 839 of the Income and Corporation Taxes Act 1988 of such aforesaid person;

"Deferred Shares" means the Deferred Shares of £1 each in the capital of the Company;

"Deferred Shareholder" means a registered holder for the time being of Deferred Shares;

"Director" means a director of the Company from time to time;

"Dividend" means a dividend payable pursuant to Article 4;

"Employee" means a bona fide employee of any member of Primagraphics Group;

"Employee Benefit Trust" means an employee benefit trust established in respect of the employees and ex-employees (and their dependants) of any or all of the members of the Primagraphics Group;

"Group" means in relation to any undertaking, the group of undertakings comprising such undertaking and its group undertakings;

**"Issue Price"** means the aggregate of the amount paid up or credited as paid up and any amounts credited to the share premium account on any Share;

**"Listing"** means the admission of all or any part of the Share Capital to the Official List of the Stock Exchange or the Alternative Investment Market of the Stock Exchange or on any recognised investment exchange (as that term is used in the Financial Services Act 1986) or in or on any exchange or market replacing the same and **"Listed"** shall be construed accordingly;

**"Member"** means any registered holder for the time being of Shares;

**"Ordinary Shares"** means the ordinary shares of £1 each in the capital of the Company;

**"Primagraphics Group"** means the Company and its subsidiaries (as defined in section 736 of the Act) from time to time;

**"Share"** means any share in the capital of the Company from time to time and **"Share Capital"** shall be construed accordingly;

**"Share Price Committee"** means a committee of the Board of Directors comprising at least three directors, the chairman of which shall be a non-executive director or, in the absence of a non-executive director, the Chairman of the Company;

**"Stock Exchange"** means the London Stock Exchange Limited; and

**"Table A"** means Table A in the Schedule to the Companies (Tables A to F) Regulations 1985 (as amended by the Companies (Tables A to F) (Amendment) Regulations 1985).

## 1.2 Interpretation

- 1.2.1 any reference to any statute and other legislation shall include statutory instruments and regulations issued under the relevant statute or legislation and, where the context requires:

- (a) all amendments, re-enactments or consolidations thereof; and
  - (b) the provisions of any earlier statute or other legislation of which the said reference is itself an amendment, re-enactment or consolidation;
- 1.2.2 words denoting one gender include all genders, words denoting individuals or persons include corporations and trusts and vice versa, words denoting the singular include the plural and vice versa, and words denoting the whole include a reference to any part thereof;
- 1.2.3 headings are inserted for ease of reference only and shall not affect construction;
- 1.2.4 reference to Articles are to the Articles of these Articles of Association;
- 1.2.5 words and expressions defined in the Act or in the Companies Act 1989 shall bear the same meanings in these Articles;
- 1.2.6 the words "**include**", "**including**" and "**in particular**" shall be construed as being by way of illustration only and shall not be construed as limiting the generality of any foregoing words;
- 1.2.7 references to these Articles or any agreement, deed or instrument is to the same as amended, novated, modified or replaced from time to time;
- 1.2.8 references to any regulatory authority shall include any successor authority on which substantially the same function has then devolved and references to any publication of any regulatory authority is to the same as amended, modified or replaced from time to time; and
- 1.2.9 the Regulations contained in Table A shall apply to the Company save insofar as they are excluded or modified hereby. The Regulations contained in Table A numbered 24, 40, 41, 64, 65-69, 73-75, 81, 82, 84, 88, 89 and 102 shall not apply but, subject as aforesaid, the following shall be the Articles of Association of the Company.

2. **PRIVATE COMPANY**

The Company is a private company and accordingly any invitation to the public to subscribe for any shares or debentures of the Company is prohibited.

3. **SHARE CAPITAL**

The authorised Share Capital of the Company at the date of the adoption of these Articles is £236,394 divided into 150,000 Ordinary Shares, and 86,394 Deferred Shares.

4. **DIVIDENDS**

4.1 The profits of the Company available for distribution shall, upon being so declared by the Board, be distributed first amongst the holders of the Ordinary Shares but so that the gross amount so paid in respect of each financial year shall not exceed £100,000,000 and the balance (if any) of such profits shall be distributed by way of dividend as to nineteen-twentieths to the holders of the Ordinary Shares and as to one-twentieth to the holders of the Deferred Shares.

4.2 Dividends shall accrue from day to day on the basis of a 365 day year and shall be distributed to the appropriate Members pro rata to the amount paid up or credited as paid up (excluding premium) on the Shares respectively held by them.

4.3 The Dividend payable pursuant to this Article 4 shall be paid in cash together with (and not inclusive of) the associated tax credit at the rate from time to time prevailing.

5. **CAPITAL**

5.1 Each holder of Ordinary Shares shall be entitled to receive out of the assets of the Company available for distribution amongst the Members in a winding-up of the Company or other return of capital by the Company, an amount in respect of each Ordinary Share held equal to the Issue Price thereof together with a sum equal to all arrears and accruals of any Dividend thereon.

5.2 Each holder of Deferred Shares shall be entitled to receive out of the assets of the Company available for distribution amongst the Members in a winding-up of the Company or other return of capital by the Company, and after payment of the amounts specified in



Article 5.1, an amount in respect of each Deferred Share held equal to the Issue Price thereof together with a sum equal to all arrears and accruals of any Dividend thereon.

5.3 Each holder of Ordinary Shares or Deferred Shares shall be entitled to receive in respect of such Shares out of the remaining assets of the Company available for distribution amongst the Members in a winding-up of the Company or other return of capital by the Company, and after payment to the Ordinary Shareholders, and the Deferred Shareholders of the amounts specified in Articles 5.1 and 5.2, amounts representing the balance of such assets divided amongst the holders of Shares *pari passu* in proportion to the amounts paid up or credited or paid up (excluding premium) on such Shares.

5.4 In this Article 5, references to arrears and accruals of the Dividend are to such dividends calculated up to and including the date of the winding-up of the Company or (in the case of any other return of capital by the Company) the date on which the relevant distribution is made.

## 6. **VOTING**

6.1 On a poll, the holders of Ordinary Shares shall be entitled to one vote for each Share held. The holders of Deferred Shares shall have no right to vote at any general meeting of the Company.

6.2 Subject to the provisions of these Articles, Regulation 54 of Table A shall apply to the Company.

## 7. **CLASS CONSENTS**

7.1 Without prejudice to the restrictions contained in these Articles as to the modification of the rights attaching to any class of Shares, the consent or sanction of 60 per cent. of Ordinary Shareholders in nominal value (given in accordance with the provisions of Article 8) shall be required:

7.1.1 to the creation, allotment or issue of any shares or securities by the Company or to the grant of any right to require the allotment or issue of any such shares or securities; or

7.1.2 to any amendment or proposal for amendment of any provision of the Memorandum or Articles of Association of the Company; or

- 7.1.3 to any modification or variation of the rights attaching to the Ordinary Shares;  
or
- 7.1.4 to the proposal or passing of any resolution to reduce the Share Capital of the Company (other than as herein provided) or the amount (if any) for the time being standing to the credit of its share premium account or capital redemption reserve in any manner for which the consent of the court would be required pursuant to the Act or to reduce any uncalled liability in respect of partly paid Shares; or
- 7.1.5 save as to Dividends payable pursuant to the terms of Article 4, to the making of any distribution to Members of any nature including any distribution out of profits or reserves arising from a distribution of profits or reserves by a subsidiary undertaking of the Company; or
- 7.1.6 to the issue by any subsidiary undertaking of the Company (other than to the Company or a wholly-owned subsidiary of the Company) of any shares ranking as regards participation in the assets or profits of that subsidiary undertaking in priority to its ordinary Share Capital or to any disposal by the Company or by any subsidiary undertaking of the Company of any such shares (otherwise than as aforesaid); or
- 7.1.7 to the capitalisation of any undistributed profits (whether or not the same are available for distribution and including profits standing to any reserve) or any sum standing to the credit of its share premium account or capital redemption reserve; or
- 7.1.8 to the proposal or passing of any resolution to approve a contract for the purchase by the Company or any of its subsidiary undertakings of their own shares; or
- 7.1.9 to the proposal or passing of any resolution to wind up or dissolve the Company or any of its subsidiary undertakings.

8. **MODIFICATION OF RIGHTS**

8.1 Subject to the Act, all or any of the special rights for the time being attached to any class of Shares for the time being in issue may (whether or not the Company is being wound up) only be altered or abrogated with the consent in writing of the Members holding not less than three-quarters of the issued Shares of the class concerned or with the approval of an extraordinary resolution passed at a separate general meeting of the Members holding such Shares. To any such separate general meeting all the provisions of these Articles as to general meetings of the Company shall apply, mutatis mutandis, but so that the necessary quorum shall be those persons holding or representing by proxy not less than one-third of the issued Shares of the relevant class (save that at any adjourned meeting of such Members one Member present in person or by proxy (whatever the number of Shares held by him) shall be a quorum and may constitute a meeting) and every Member holding Shares of that class shall be entitled on a poll to one vote for every such Share held by him and any Member holding Shares of that class present in person or by proxy may demand a poll.

8.2 The special rights conferred upon the holders of any Shares or class of Shares shall not, unless otherwise expressly provided in the rights attaching to or the terms of issue of such shares or in these Articles, be deemed to be altered by the creation or issue of further Shares ranking *pari passu* therewith.

9. **SHARES**

9.1 The Company may in connection with the issue of any Shares exercise all powers of paying commission and brokerage conferred or permitted by the Act.

9.2 Except as ordered by a court of competent jurisdiction or as required by law or expressly contemplated in these Articles, no person shall be recognised by the Company as holding any Share upon any trust and the Company shall not be bound by or required in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any Share or any interest in any fractional part of a Share or any other right in respect of any Share except an absolute right to the entirety thereof in the registered holder.

10. **LIEN**

10.1 The lien conferred by Regulation 8 in Table A shall attach to all Shares (including fully paid Shares) registered in the name of any person indebted or under any liability to the Company, whether he shall be the sole registered holder thereof or shall be one of two or more joint holders.

10.2 If any Pay As You Earn or national insurance contribution (or similar or substituted tax or social security liability) liability (together "**employee related tax liability**") becomes payable by any member of the Primagraphics Group by reference to any Shares or interest in Shares acquired, held or disposed of by any Member (even if the Employee or Director or former Employee or Director of the member of the Primagraphics Group by reference to which the relevant employee related tax liability arises or arose is a person other than that Member) the Member concerned shall (save as prohibited by law) be liable on demand by the Company (for itself or as trustee for the relevant member of the Primagraphics Group) to make payment to the Company of such amount as on an after tax basis will meet the employee related tax liability concerned and the lien referred to in Article 10.1 shall extend, as security for any such amount payable, to the Shares concerned and to any proceeds of sale or other disposal thereof.

11 **TRANSFERS – GENERAL**

11.1 Notwithstanding anything contained in these Articles, the Directors may refuse to register any transfer of Shares in the Company if such transfer would result in the transferee and his Connected Persons holding more than 49 per cent. of the Shares in the Company.

11.2 The Directors shall not register any transfer of Shares in the Company except in the circumstances permitted in and as contemplated by Articles 11 to 15 (inclusive). In addition the Directors may, in their absolute discretion and without assigning any reason thereto, decline to register the transfer of any Share whether or not it is a fully paid Share to a person who is not already a Member. They may also refuse to register a transfer unless:

11.2.1 it is lodged at the registered office of the Company or such other place as the Directors may appoint and is accompanied by the certificate for the Shares to which it relates and such other evidence as the Directors may reasonably require to show the right of the transfer or to make the transfer;

11.2.2 it is in respect of only one class of Shares; or

11.2.3 it is in favour of less than four transferees.

11.3 For the purposes of Articles 12 and 15, a person shall be treated as ceasing to be a Director or an Employee only where he no longer is a Director or an Employee of any member of the Primagraphics Group.

## **12 TRANSFER OF SHARES – PERMITTED**

12.1 Any Share (or any interest therein) may be transferred at any time by a Member to any other person with the written consent of all the other Members (except the holders of Deferred Shares), such consent not be unreasonably withheld or delayed.

12.2 Any Share held by a Member as nominee or trustee may be transferred to any other person or persons PROVIDED THAT prior to such transfer the transferor certifies to the Company, and the Company is satisfied, that no beneficial interest in such Share passes by reason of the transfer and PROVIDED FURTHER THAT if the beneficial interest in such Share does pass subsequently otherwise than in accordance with this Article 12 the transferee shall be deemed to have given an irrevocable Transfer Notice to which the provisions of Article 13 shall apply.

12.3 For the purpose of ensuring that a transfer of Shares is permitted pursuant to this Article or that no circumstances have arisen whereby a Transfer Notice is or may be required to be given hereunder, the Directors may from time to time require any Member or the legal personal representatives of any deceased Member or any person named as a transferee in any transfer lodged for registration, to furnish to the Company such information and evidence as the Directors may think fit regarding any matter which they deem relevant to such purpose. Failing such information or evidence being furnished to the satisfaction of the Directors (acting reasonably) within a reasonable time after such requirement has been made, the Directors shall be entitled to refuse to register the transfer in question or (if no transfer is in question) to require by notice in writing that an irrevocable Transfer Notice be given in respect of the Shares concerned to which the provisions of Article 13 shall apply.

12.4 Any Member who is an individual may transfer any Share to the trustees of a pension fund set up wholly or partly for the benefit of such Member PROVIDED THAT prior to such transfer the said trustees shall have given an undertaking to the Company that if the

pension fund ceases to exist or to be for the benefit of such Member, such Share shall be transferred back to such Member.

- 12.5 Any Member who is an individual may transfer any Share to the spouse and/or children or grandchildren of such Member (including adopted children and grandchildren) who have attained the age of 18.
- 12.6 Any Member who is an individual may transfer any Share to the trustees of a family settlement set up wholly or partly for the benefit of such Member and/or the spouse and/or children or grandchildren of such Member (including adopted children or grandchildren) and of which the said Member is settlor.
- 12.7 Any trustees of a family settlement set up wholly or partly for the benefit of any Member and/or relatives of such Member (as referred to in Article 12.6) and of which the Member is a settlor may transfer any Share to any beneficiary of such settlement.
- 12.8 Notwithstanding the provisions of Article 13 any Share (or interest therein) may be transferred to an Employee at any time by way of sale at any price or otherwise by any Member who is a trustee of an Employee Benefit Trust.
- 12.9 Subject to Articles 11.1 and 11.2, the Deferred Shares shall be freely transferable and Article 13 shall not apply to them.

### 13 **TRANSFER OF SHARES - PRE-EMPTION RIGHTS**

- 13.1 Save as provided in Article 12, no Ordinary Shares (or any interest therein) may be transferred whether by way of sale or otherwise except in accordance with the provisions of this Article 13 (and for the purposes of this Article, "**Member**" shall include both the registered and beneficial owners of any Ordinary Shares). ,
- 13.2 Each year, the Share Price Committee shall immediately following annual audited accounts of the Company being signed on behalf of the Directors (the "**Accounts Date**"), calculate the fair open market value per Ordinary Share. In making such calculation the Share Price Committee shall take into account the performance of members of the Primagraphics Group as shown in those companies' accounts and of the prospects for the Primagraphics Group over the next twelve months. The value so calculated shall be the "**Fair Market Value**". If the Share Price Committee fails to agree the fair open market value per Ordinary Share, the auditors of the Company shall do so, acting as experts and

not as arbitrators and shall state in writing their opinion of the Fair Market Value (the **"Auditor's Fair Market Value"**) having regard to the fair value of the business of the Company as a going concern and on the basis of an "arm's length" transaction between a willing vendor and a willing purchaser, but disregarding the fact that the Ordinary Shares may comprise only a minority holding in the Company. The determination of the auditors shall be final and binding on all concerned. The Directors shall procure that a copy of the auditor's certificate as to the Auditor's Fair Market Value shall be sent as soon as practicable to the Members.

- 13.3 Within 14 days of the Accounts Date, the Directors shall notify in writing the Fair Market Value to each Member.
- 13.4 Within 30 days of the expiry of the period in Article 13.3, every Member who wishes to transfer all or any of his Ordinary Shares at the Fair Market Value or (as the case may be) the Auditor's Fair Market Value (such Member being hereinafter referred to as a **"Vendor"**) shall serve on the Directors of the Company a notice in writing of his wish so to do accompanied by the relevant share certificate(s). For the purpose of this Article 13.4, any person who is bound to give a Transfer Notice or is deemed to have given a Transfer Notice pursuant to the provisions of this Article 13 or Article 15 shall also be referred to as a **"Vendor"**. Such notification (hereinafter called a **"Transfer Notice"**) shall state the number of Ordinary Shares which the Vendor desires to transfer or dispose of (and any Transfer Notice which a person is bound or deemed to have given shall be deemed to state all the Ordinary Shares in respect of which such Transfer Notice is bound or deemed to be given) and shall constitute the Directors his agents for the sale of such Ordinary Shares (hereinafter collectively called **"the Sale Shares"**). The Transfer Notice shall also give details of the person, if any, to whom the Vendor wishes to transfer the Sale Shares in the event that no Offeree shall have been found pursuant to Article 13.5.
- 13.5 Within 14 days of the expiry of the period in Article 13.4 in which any Member may serve a Transfer Notice, the Directors shall offer at the Fair Market Value or (as the case may be) the Auditor's Fair Market Value all Sale Shares in respect of which Transfer Notices have been given (or are deemed to have been given) to the persons set out in this Article 13.5 (**"Offerees"**) which offer, to the extent the same is not accepted within 30 days of the date upon which it is effective by written notice served on the Company and specifying the maximum number of Sale Shares which the relevant Offeree wishes to buy, shall be deemed to have been declined and so that the Offerees shall be entitled to buy such Sale Shares in the following priority:

13.5.1 first, the trustees of the Employee Benefit Trust shall be entitled to buy the Sale Shares;

13.5.2 second, to the extent that the trustees of the Employee Benefit Trust declines the offer made thereunder, Members (excluding the trustees of the Employee Benefit Trust) who hold Ordinary Shares shall be entitled to buy the Sale Shares (including any Sale Shares representing the proportionate entitlement of another such Offeree which is not taken up) in proportion as nearly as may be to the respective number of Ordinary Shares held by them; and

13.5.3 third, to the extent such Sale Shares are not taken up pursuant to Articles 13.5.1 and 13.5.2, all Members who hold Ordinary Shares (including the trustees of the Employee Benefit Trust) shall be entitled to buy the Sale Shares (including any Sale Shares representing the proportionate entitlement of any such Offeree under Articles 13.5.1 and 13.5.2 which is not taken up) in proportion as nearly as may be to the respective numbers of Ordinary Shares held by them,

but so that no such Offeree shall be required to buy more than the maximum number of Sale Shares specified by such Offeree in his written acceptance notice referred to above.

13.6 The Directors shall as soon as practicable after the expiration of the applicable periods for offer and acceptance specified in Article 13.5 give notice to the Vendor(s) and the Offeree(s) stating the name(s) and address(es) of the Offeree(s) and the number of Sale Shares agreed to be purchased by each of them. For the avoidance of doubt, in the case of more than one Vendor and/or Offeree the notice to each Vendor and Offeree need only contain the details relevant to the Sale Shares to be sold or purchased by him as the case may be. Each Vendor shall be bound, on receipt of the Fair Market Value or (as the case may be) the Auditor's Fair Market Value per Share, to transfer the Sale Shares (or such of the same for which the Directors shall have found purchasers) to the Offeree(s) specified by the Directors in accordance with this Article 13. The purchase(s) shall be completed as soon as reasonably practicable at a place and time to be appointed by the Directors when, against payment of the Fair Market Value or (as the case may be) the Auditor's Fair Market Value for each Share and any relevant stamp duties, the Offeree(s) shall be registered as the holder(s) of the relevant Shares in the Register of Members of the Company and share certificates in the name(s) of such Offeree(s) and in respect of the relevant Shares shall be delivered.



13.7 If any Vendor, after having become bound to transfer any Sale Shares to an Offeree, makes default in so doing, the Directors shall authorise some person to execute any necessary transfer of the Sale Shares in favour of the Offeree and shall enter the name of the Offeree in the Register of Members as the holder of such of the Sale Shares as shall have been transferred to him as aforesaid. The Company shall receive the purchase money on behalf of the relevant Vendor 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 any Offeree who shall not be bound to see to the application thereof, and after the name of the Offeree 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.

13.8 If the Company shall not, by the expiry of the applicable time limits, find purchaser(s) for all of the Sale Shares the Company shall be entitled, subject to the provisions of the Act, these Articles and, where appropriate, with the sanction of the Members of the Company, to exercise its power to purchase such Sale Shares. If the Company declines or is unable to exercise such power it shall so notify the relevant Vendor who shall be at liberty at any time within three months from receipt of such notification to transfer such Sale Shares by way of a bona fide sale to any person he may wish PROVIDED THAT no Sale Shares shall be sold at a price lower than the Fair Market Value or (as the case may be) the Auditor's Fair Market Value.

13.9 If during the course of a year the Board agrees that the Fair Market Value calculated by the Share Price Committee in accordance with Article 13.2 for that year no longer fairly reflects the performance and prospects of the Primagraphics Group, the Board may ask the Share Price Committee to reconvene for the purpose of recalculating the Fair Market Value. Such recalculated Fair Market Value shall be notified in writing to the Members within 14 days and shall apply to all transfers made under this Article and Article 15 until the next Fair Market Value is calculated after the following Accounts Date.

#### 14 **TRANSMISSION OF SHARES**

14.1 Notwithstanding anything to the contrary contained in Regulations 29 to 31, the Directors shall not be bound to register as a Member any person becoming entitled to a Share in consequence of the death, bankruptcy or liquidation of a Member and may refuse to do so if the Directors are of the opinion that the registration of such person will not be conducive to the interests of the Company and the Directors shall not be bound to give any reason for their opinion. In the event of such refusal being notified by the Directors to such person in writing or if the person aforesaid shall elect to transfer any Shares without having been

registered as a holder thereof, such person shall be deemed to be a Vendor and to have served a Transfer Notice (within the meaning of Article 13.4) in respect of all Shares to which he has so become entitled seeking transfer at the most recently calculated Fair Market Value or (as the case may be) the Auditor's Fair Market Value as determined in accordance with Article 13.2 and the provisions of Articles 13.1 to 13.8 (both paragraphs inclusive) shall apply as if such person were a holder of such Share.

## 15 TRANSFERS – COMPULSORY

15.1 For the purposes of this Article 15:

15.1.1 “**Bad Leaver**” means an Employee who ceases to be an Employee or Director of any member of the Primagraphics Group by reason of gross misconduct;

15.1.2 “**Good Leaver**” means an Employee who ceases to be an Employee or a Director of any member of the Primagraphics Group for any reason whatsoever who is not a Bad Leaver and to whom the provisions of Article 15.4 do not apply; and

15.1.3 “**Purchase Price**” means the price paid by the relevant Employee for the Sale Shares upon his first acquisition of the Sale Shares; and

15.1.4 references in this Article to “**Fair Market Value**” shall be to the most recently calculated Fair Market Value or (as the case may be) Auditor's Fair Market Value both as defined in Article 13.

15.2 In any case where an Employee ceases to be a Director or an Employee of any member of the Primagraphics Group, provided that he no longer remains a Director or an Employee of any other member of the Primagraphics Group and provided the provisions of Article 15.4 do not apply, such Employee (and any person holding Shares to which such Employee is beneficially entitled or to whom such Employee or such aforesaid person has transferred any Shares directly or indirectly pursuant to the provisions of Article 12 ) shall forthwith serve (and on failure to do so shall be deemed to have served) an irrevocable Transfer Notice (as defined in Article 13.3) of all the Shares held by the Employee and any persons as aforesaid (the “**Sale Shares**”).

15.3 The provisions of Article 13 shall apply, mutatis mutandis, in relation to the transfer of Shares pursuant to Article 15.2 save that the price payable for each of the Sale Shares (the “**Sale Price**”) shall be determined as follows:

15.3.1 in the case of a Good Leaver, the Sale Price shall be the Fair Market Value; and

15.3.2 in the case of a Bad Leaver, the Sale Price shall be the lower of the Fair Market Value and the Purchase Price.

15.4 An Employee who ceases to be a Director or an Employee of any member of the Primagraphics Group by reason of death, serious ill-health (as determined by the Board), exceptional personal circumstances (as determined by the Board) or retirement at normal retirement age of 60 years or such other age as may be agreed between the Employee and his employer shall be entitled to maintain his shareholding.

## 16 ACQUISITION OF CONTROL

16.1 If a bona fide offer (whether or not such offer is subsequently given effect to by way of a sale and purchase agreement) (the "**Primary Offer**") shall be made which, if accepted, would result in any person (other than an existing Member together with his Connected Persons) ("**Offeror**") together with his Connected Persons and their respective nominees obtaining or holding an interest (within the meaning of section 208 of the Act) in Shares conferring in aggregate 50 per cent. or more of the voting rights conferred by all the Shares then in issue (the "**Controlling Interest**") then the Company and the persons to whom the Primary Offer is made and who wish to accept the same shall take all reasonable steps within their respective powers to procure that a like offer (the "**Compulsory Offer**") is made at the same time in respect of all the Ordinary Shares then in issue as set out below.

16.2 The Compulsory Offer shall be at the Specified Price (as hereinafter defined) per Ordinary Share and shall be capable of acceptance for a period of not less than 30 days after the Specified Price shall have been determined. The "**Specified Price**" shall be the aggregate of (i) the price per Ordinary Share offered by the Offeror under the terms of the Primary Offer or, if applicable and if greater, the highest amount paid for any Ordinary Share by the Offeror or any of his Connected Persons in the 12 months preceding the date of the Compulsory Offer and (ii) the relevant proportion of any other consideration (in cash or otherwise) paid or payable under the Primary Offer which, having regard to the substance of the transaction as a whole, can fairly and reasonably be regarded as an addition to the price payable for each such Ordinary Share and the Specified Price shall be as agreed between the Offeror and the Directors save that if the Offeror and the Directors shall fail to agree thereon within 10 days of the date on which it first comes to the attention of the

Directors that the Compulsory Offer is required to be made, then the Specified Price shall be determined (at the request of any Member or Director) by the auditors of the Company for the time being acting as experts and not as arbitrators and whose decision shall be final and binding on all concerned and the costs of the auditors in such event shall be borne by the Offeror, failing which, by the Members to whom the Primary Offer has been made.

- 16.3 If an Offeror makes a Primary Offer to any one or more of the Members to acquire Shares which, when combined with those already held by the Offeror (if any), would give the Offeror a Controlling Interest and such Members decide to accept the Offer (the "**Selling Majority**"), the Selling Majority shall have the option (the "**Drag Along Option**") to require all the other holders of Shares to transfer all their Shares to the Offeror or as the Offeror shall direct in accordance with Articles 16.3 to 16.8 (both paragraphs inclusive).
- 16.4 The Selling Majority may exercise the Drag Along Option by giving written notice to that effect (the "**Drag Along Notice**") to all other Members (the "**Called Members**") at any time before the transfer of Shares to the Offeror. A Drag Along Notice shall specify (a) that the Called Members are required to transfer all their Shares (the "**Called Shares**") pursuant to Article 16.3, (b) the Specified Price per Ordinary Share and (c) the proposed date of transfer.
- 16.5 A Drag Along Notice is irrevocable, but the Drag Along Notice and all obligations thereunder will lapse if for any reason the Offeror does not obtain a Controlling Interest caused by a transfer of Shares by the Selling Majority to the Offeror within 60 days after the date of the Drag Along Notice.
- 16.6 The Called Members shall be obliged to sell the Called Shares upon the same terms and at the price offered by the Offeror pursuant to Article 16.3.
- 16.7 Completion of the sale of the Called Shares shall take place on the same date as the date proposed for completion of the sale of the Selling Majority Shares unless:
- (a) all of the Called Members and the Selling Majority agree otherwise; or
  - (b) that date is less than seven days after the Drag Along Notice, where it shall be deferred until the seventh day after the Drag Along Notice.
- 16.8 If an Offeror makes a Primary Offer to any one or more of the Members to acquire a Controlling Interest and the Selling Majority decide to accept the Offer, the Selling

Majority shall procure the making by the Offeror of the Primary Offer to all of the other Members in respect of all their Ordinary Shares on the same terms and at the same price as the Primary Offer (the "**Tag Along Offer**"). On receipt of the Primary Offer or Tag Along Offer in writing every Member shall be bound within 28 days of the date of the Primary Offer or Tag Along Offer either to accept or reject the Primary Offer or Tag Along Offer (as the case may be) in writing (and in default of so doing shall be deemed to have rejected the Primary Offer or Tag Along Offer). Until such Tag Along Offer has been made in accordance with this Article 16.8, the Directors shall not sanction the transfer and registration of any Shares pursuant to a Primary Offer.

- 16.9 No transfer in favour of an Offeror or any nominee of an Offeror shall be registered unless a Compulsory Offer, a Drag Along Option or a Tag Along Offer has been made as set out in this Article 16 and, insofar as such offer is accepted, completion has taken place and the consideration thereunder paid.
- 16.10 For the avoidance of doubt the provisions of Article 13 (save as provided in Article 12) shall apply to any proposed transfer pursuant either to a Primary Offer, a Compulsory Offer, a Drag Along Option or a Tag Along Offer but this Article 16 shall not apply to an offer for the acquisition of any Share or any interest therein which is permitted pursuant to Article 12.

## 17 **SUBSIDIARY UNDERTAKINGS**

- 17.1 The Board shall exercise all voting and other rights or powers of control exercisable by the Company in relation to itself and its subsidiary undertakings so as to secure (but as regards its subsidiary undertakings only insofar as by the exercise of such rights or powers of control the Board can secure) that:
- 17.1.1 no shares or other securities are issued or allotted by any such subsidiary undertaking and no rights are granted which might require the issue of any such shares or securities otherwise than to the Company or one of its wholly-owned subsidiaries; and
- 17.1.2 neither the Company nor any of its subsidiary undertakings transfers or disposes of any shares or securities of any subsidiary undertaking of the Company or any interest therein or any right attached thereto otherwise than to a member of the Primagraphics Group.

18        **NUMBER AND APPOINTMENT OF DIRECTORS**

- 18.1        Unless and until otherwise determined by an ordinary resolution of the Company, the Directors shall be not less than two in number and there shall be no maximum number of Directors.

19        **REMOVAL OF DIRECTORS**

- 19.1        The office of Director shall be vacated if the Director:

19.1.1       becomes bankrupt or makes any arrangement or composition with his creditors generally; or

19.1.2       becomes prohibited from being a Director by reason of any order made under any legislation; or

19.1.3       in the reasonable opinion of all his co-Directors becomes incapable by reason of mental disorder, serious illness or injury of discharging his duties as Director; or

19.1.4       resigns his office by notice in writing to the Company; or

19.1.5       is removed from office by a resolution duly passed under section 303 of the Act.

- 19.2        The Directors shall not be subject to retirement by rotation and Regulations 76 to 80 of Table A shall be modified accordingly.

20        **ALTERNATE DIRECTORS**

- 20.1        Any Director may by writing under his hand served on the Company appoint any person as his alternate PROVIDED THAT if the person so appointed is not another Director such person must first be approved as an alternate by the Board. Every such alternate 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 receive notices of all meetings of the Directors and in the absence from the Board of the Director appointing him, to attend and vote at meetings of the Directors, and to exercise all the powers, rights, duties and authorities of the Director appointing him. A Director may at any time revoke (in writing

served on the Company) the appointment of an alternate appointed by him and subject, if applicable, to such approval as aforesaid appoint another person in his place and if a Director shall die or cease to hold the office of Director the appointment of his alternate shall thereupon automatically cease and determine. A Director acting as alternate shall have an additional vote at meetings of Directors for each Director for whom he acts as alternate but he shall count as only one for the purpose of determining whether a quorum is present.

- 20.2 An alternate Director shall be an officer of the Company and shall not be deemed to be the agent of the Director appointing him.

## 21 **DIRECTORS' PROCEEDINGS**

- 21.1 Subject as provided in these Articles, the Directors may regulate their proceedings as they think fit. A Director may, and the Secretary at the request of a Director shall, call a meeting of the Directors. Not less than 7 working days' notice of meetings of the Directors shall be given unless a majority of the Directors agree to a lesser period of notice. Questions arising at a meeting of the Directors shall, subject as otherwise provided in these Articles, be decided by a majority of the votes save that in the event of an equal number of votes being cast for and against a particular resolution the Chairman shall have a second vote.

- 21.2 The quorum for the transaction of the business of the Directors shall be two PROVIDED THAT if a quorum is not present within 30 minutes after the time appointed for the meeting, the meeting shall be adjourned until two days later at the same time and place or at such other time or place as the Directors may determine and at such adjourned meeting a quorum shall consist of any two Directors.

- 21.3 A person who holds office only as an alternate Director shall, if his appointor is not present, be counted in the quorum.

## 22 **DIRECTORS' INTERESTS**

Without prejudice to the obligation of any Director to disclose his interest in accordance with section 317 of the Act, a Director may vote as a Director in regard to any contract, transaction or arrangement in which he is interested, or upon any matter arising thereat, and if he does so vote his vote shall be counted and he shall be taken into account in

calculating a quorum for the relevant Board meeting and Regulation 94 of Table A shall be modified accordingly.

23      **EXECUTIVE OFFICE**

Subject as provided in these Articles, the Directors may from time to time appoint one or more of their body to hold any executive office in the management of the business of the Company as the Directors may decide, such appointment being (subject to section 319 of the Act, if applicable) for such fixed term or without limitation as to period and on such terms as they think fit and a Director appointed to any executive office shall (without prejudice to any claim for damages for breach of any service contract between him and the Company), if he ceases to hold the office of Director from any cause, ipso facto and immediately cease to hold such executive office.

24      **COMMITTEES**

The Directors may establish and maintain in being a committee or committees consisting of not less than two persons to act for such purposes as the Board sees fit. The quorum for meetings of such committees shall be all the members thereof and no resolution of the Committee shall be effective unless at least two members thereof shall have voted in favour of such resolution.

25      **AGE OF DIRECTORS**

No person shall be disqualified from being appointed a Director and no Director shall be required to vacate that office by reason only of the fact that he has attained the age of 70 years or any other age.

26      **DIRECTORS' SHAREHOLDING QUALIFICATION**

No shareholding qualification for Directors shall be required.

27      **SHARE RIGHTS**

27.1      Subject to any special rights conferred on the holders of any Shares or class of Shares, any Share in the Company may be issued with or have attached thereto such preferred, deferred, qualified or other special rights or such restrictions, whether in regard to



dividend, voting, return of capital or otherwise, as the Company may by special resolution determine.

27.2 Subject to the Act and to any special rights conferred on the holders of any Shares or class of Shares, the Company may:

27.2.1 issue shares which are to be redeemed or are liable to be redeemed at the option of the Company or the shareholders concerned;

27.2.2 purchase any of its own shares (including any redeemable shares); and

27.2.3 make payment in respect of the redemption or purchase, pursuant to sections 159 and 160 or (as the case may be) section 162 of the Act and the relevant power under Articles 28.2.1 and 28.2.2, of any of its own shares, otherwise than out of distributable profits of the Company or the proceeds of a fresh issue of shares to the extent permitted by sections 171 and 172 of the Act.

## 28 **NOTICES**

Every notice calling a General Meeting shall comply with the provisions of section 372(3) of the Act and all notices and other communications relating to a General Meeting which any Member is entitled to receive shall also be sent to the auditor for the time being of the Company. The holders of the Deferred Shares shall have no right to receive notices and other communications relating to a General Meeting.

## 29 **PROCEEDINGS AT GENERAL MEETINGS**

29.1 All business shall be deemed special that is transacted at an extraordinary general meeting, and also all that is transacted at an annual general meeting with the exception of the declaration of a dividend, the consideration of the accounts and the reports of the Directors and auditors, and the appointment of and the fixing of the remuneration of the auditors.

29.2 No business shall be transacted at any general meeting unless a quorum is present. A quorum shall consist of two persons entitled to vote upon the business to be transacted, each being a Member present in person or a proxy for a Member or a duly authorised representative of a Member corporation PROVIDED THAT if a quorum is not present within 30 minutes after the time appointed for the meeting, the meeting shall be adjourned until two days later at the same time and place or at such other time or place as the

Directors may determine and at such adjourned meeting a quorum shall consist of any two Members.

29.3 It shall not be necessary to give any notice of any adjourned meeting and Regulation 45 of Table A shall be construed accordingly.

29.4 A poll may be demanded by the Chairman or by any Member present in person or by proxy and entitled to vote and Regulation 46 of Table A shall be modified accordingly.

29.5 The holders of the Deferred Shares shall have no right to attend any General Meeting.

### 30 **WRITTEN RESOLUTIONS**

Subject to the provisions of the Act, a resolution in writing executed or approved by telegram, telefax or electronic communication by or on behalf of:

30.1 all the relevant Members in the case of a resolution of the Members or any class thereof; or

30.2 all the Directors, in the case of a resolution of the Board; or

30.3 all the members thereof, in the case of a committee of the Directors,

shall be as valid and effective as if the same had been duly passed at a general meeting or Board meeting or committee meeting (as the case may be) and such written resolution may consist of several documents in like form each executed or approved by one or more persons. Regulations 53 and 93 of Table A shall be modified accordingly.

### 31 **INDEMNITY**

In addition to the indemnity contained in Regulation 118 of Table A and subject to the provisions of section 310 of the Act, every Director, agent, auditor, secretary and other officer of the Company shall be entitled to be indemnified out of the assets of the Company against all losses or liabilities properly incurred by him in or about the execution and discharge of the duties of his office.