

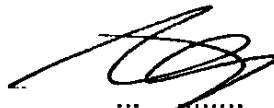
**THE COMPANIES ACT 2006**  
**PUBLIC LISTED COMPANY**  
**ARTHUR ENTERTAINMENTS PLC**

8700412

At a general meeting of Arthur Entertainments plc duly convened and held on 30 September 2013 (the "**Meeting**"), the following resolutions were passed as special resolutions.

**SPECIAL RESOLUTIONS**

1. THAT the name of the Company be changed to "Merlin Entertainments plc".
2. THAT new articles of association in the form contained in the draft articles of association produced to the meeting and initialled by the chairman for the purposes of identification be adopted as the articles of association of the Company in substitution for, and to the exclusion of, all previous articles of association.
3. THAT the transfer by Merlin Entertainments S.à r.l. in respect of one A1 ordinary share with a nominal value of £0.01 in the capital of the Company to Blackstone Merlin Holdings Limited be approved and that such approval constitutes the required consent required under article 8.3 of the articles of association of the Company to be adopted pursuant to resolution 3.



... ..  
Secretary

**Presented by:** Ashurst LLP  
Broadwalk House  
5 Appold Street  
London EC2A 2HA  
Tel: 020 7638 1111  
Ref: MJS/ME29.00083





The Companies Act 2006

# Articles of Association of Merlin Entertainments plc (previously Arthur Entertainments plc)

Public Company Limited by Shares  
(Incorporated on 20 September 2013)

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<sup>1</sup> Name changed by special resolution passed on 30 September 2013

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(No 08700412)

The Companies Acts 1985 to 2006

# Articles of Association of Merlin Entertainments plc (previously Arthur Entertainments plc<sup>2</sup>)

Public Company Limited by Shares  
(Adopted by special resolution on 30 September 2013)

## 1 EXCLUSION OF MODEL ARTICLES AND TABLE A

The regulations contained in Model Articles of Association applicable to the Company under or pursuant to the 2006 Act, or in Table A in the schedule to The Companies (Tables A to F) Regulations 1985 and in any Table A applicable to the Company, under any former enactment relating to companies shall not apply to the Company except in so far as they are repeated or contained in these Articles

## 2 DEFINITIONS

- 2.1 In these Articles unless there is something in the subject or context inconsistent therewith

**"A Ordinary Shares"** means the A1 Ordinary Shares, the A2 Ordinary Shares, the A3 Ordinary Shares, the A4 Ordinary Shares and the A5 Ordinary Shares (together with any other series of A ordinary shares issued by the Company) taken together and **"A Ordinary Share"** means one of any of them,

**"A Ordinary Shareholder"** means a holder for the time being of an A Ordinary Share;

**"A1 Ordinary Shares"** means the A1 preferred ordinary shares of £0.01 each in the capital of the Company having the rights set out in these Articles;

**"A2 Ordinary Shares"** means the A2 preferred ordinary shares of £0.01 each in the capital of the Company having the rights set out in these Articles,

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<sup>2</sup> Name changed by special resolution passed on 30 September 2013

**"A3 Ordinary Shares"** means the A3 preferred ordinary shares of £0.01 each in the capital of the Company having the rights set out in these Articles,

**"A4 Ordinary Shares"** means the A4 preferred ordinary shares of £0.01 each in the capital of the Company having the rights set out in these Articles,

**"A5 Ordinary Shares"** means the A5 preferred ordinary shares of £0.01 each in the capital of the Company having the rights set out in these Articles,

**"acting in concert"** has the meaning set out in the City Code on Takeovers and Mergers, save that any member of the Group (excluding the Company), BLACKSTONE Shareholders, CVC Shareholders, Manco, Nicholas Varney, Andrew Carr, Mark Fisher, any other employee of a Group Company, KIRKBI Shareholders, or the Company shall not be deemed to be acting in concert solely by reason of their having executed and having acted in accordance with any agreement between any of them in relation to their investment in the Company,

**"Actual Equity Percentage"** means, in respect of each Shareholder, the percentage of all the Shares in issue held by (or on behalf of) that Shareholder,

**"Affiliates"** means, in relation to any person, a person Controlled by or Controlling or under common Control with such person, including in the case of a KIRKBI Shareholder, any company, trust, foundation or other entity owned or Controlled by Kjeld Kirk Kristiansen and/or any of his family members,

**"Articles"** means the articles of incorporation of the Company for the time being in force,

**"Associate"** means

- (a) in relation to BLACKSTONE, a Related Entity of BLACKSTONE or a person Controlled by BLACKSTONE or any of their Affiliates and any Portfolio Company of BLACKSTONE,
- (b) in relation to a KIRKBI Shareholder, a Related Entity or an associated company of KIRKBI (as defined in section 416 of the Income and Corporation Taxes Act 1988) or any company, trust, foundation or other entity owned or Controlled by Kjeld Kirk Kristiansen and/or any of his family members and any Portfolio Company of KIRKBI,
- (c) in relation to CVC, a Related Entity of CVC or a person Controlled by CVC or any of their Affiliates and any Portfolio Company of CVC; and
- (d) in relation to any other person, a Related Entity or a person Controlled by that person or any company, trust foundation or other entity owned or Controlled by that person or a person on whose behalf such person holds Shares or Debt Securities as nominee or trustee (a **"Beneficiary"**) or any other nominee or trustee of such Beneficiary and including any Portfolio Company of such person,

but in any case no member of the Group shall be treated as an Associate;

**"Auditors"** mean the auditors for the time being of the Company,

**"B Ordinary Shares"** means the B1 Ordinary Shares, the B2 Ordinary Shares, the B3 Ordinary Shares, the B4 Ordinary Shares and the B5 Ordinary Shares (together with any other series of B ordinary shares issued by the Company) taken together and **"B Ordinary Share"** means one of any of them,

**"B1 Ordinary Shares"** means the B1 ordinary shares of £0.01 each in the capital of the Company having the rights set out in these Articles,

**"B2 Ordinary Shares"** means the B2 ordinary shares of £0.01 each in the capital of the Company having the rights set out in these Articles,

**"B3 Ordinary Shares"** means the B3 ordinary shares of £0.01 each in the capital of the Company having the rights set out in these Articles;

**"B4 Ordinary Shares"** means the B4 ordinary shares of £0.01 each in the capital of the Company having the rights set out in these Articles,

**"B5 Ordinary Shares"** means the B5 ordinary shares of £0.01 each in the capital of the Company having the rights set out in these Articles,

**"BLACKSTONE"** means, collectively, BLACKSTONE CAPITAL PARTNERS (CAYMAN) IV-A L P., BLACKSTONE FAMILY INVESTMENT PARTNERSHIP (CAYMAN) IV-A L P., BLACKSTONE PARTICIPATION PARTNERSHIP (CAYMAN) IV L P., BLACKSTONE MERLIN HOLDINGS LIMITED and any person to whom BLACKSTONE's Shares are transferred and/or their respective general partners and/or any of them as the context may require or permit,

**"BLACKSTONE Director"** means a director of the Company appointed by BLACKSTONE pursuant to article 16,

**"BLACKSTONE Representative"** means Blackstone Merlin Holdings Limited or such other person notified by BLACKSTONE to the Company;

**"BLACKSTONE Shareholder"** means BLACKSTONE or any Associate of BLACKSTONE and any person to whom it transfers Shares in accordance with article 12 and in all cases holding Shares from time to time,

**"Board"** means the board of Directors from time to time,

**"Business Day"** means any day other than a Saturday or Sunday or a public holiday in England,

**"CEO"** means Nicholas Varney as long as he is chief executive officer of the Group and, thereafter, the person holding office as the chief executive officer of the Group,

**"Cessation Date"** means the date on which a person becomes a Departing Employee,

**"CFO"** means Andrew Carr as long as he holds office as chief financial officer of the Group and, thereafter, the person holding office as chief financial officer of the Group;

**"Closing Equity Valuation"** means £1,231,018,380,

**"Come Along Notice"** has the meaning set out in article 9.1,

**"Commencement Date"** means. (i) in respect of a Departing Employee who held (or whose nominee held on their behalf) or a member of the Departing Employee's Group (or a nominee on their behalf) who held ME Lux B Ordinary Shares as at 21 June 2011, 23 July 2010, and (ii) in respect of any other person who acquired (including as nominee for a new person) their first interest in B Ordinary Shares or ME Lux B Ordinary Shares (and subsequently, B Ordinary Shares) after 21 June 2011, other than as a result of a transfer to a member of the Departing Employees' Group, the date on which the relevant holder (or a nominee on their behalf) first acquired a B Ordinary Share or ME Lux B Ordinary Share which subsequently was exchanged for a B Ordinary Share,

**"Company"** means Merlin Entertainments PLC,

**"Completion"** means completion of the Mustang Acquisition Agreement;

**"Compulsory Transfer Notice"** has the meaning set out in article 13 1(b),

**"Control"** means the power of a person (or persons acting in concert) to secure that the affairs of another are conducted in accordance with the wishes of that person (or persons acting in concert) whether by reason of

- (a) in the case of a company, being the beneficial owner of more than 50 per cent of the issued share capital of, or of the voting rights in, that company, or having the right to appoint or remove a majority of the directors or otherwise control the votes at board meetings of that company by virtue of any powers conferred by the articles of association (or equivalent), or any other document regulating the affairs of that company,
- (b) in the case of a partnership, being the beneficial owner of more than 50 per cent of the capital of that partnership, or having the right to control the composition of the majority of the management or the votes of that partnership by virtue of any powers conferred by the partnership agreement or any other document regulating the affairs of that partnership, or
- (c) in the case of an individual, being a connected person (as defined under section 1122 of the Corporation Taxes Act 2010) to that individual,

and "Controlled" shall be construed accordingly. For the purposes of this definition only, "persons acting in concert", in relation to a person, are persons who actively co-operate, pursuant to an agreement or understanding (whether formal or informal) with a view to obtaining, consolidating or exercising Control of that person;

**"corporation"** means any body corporate or association of persons whether or not a company,

**"CVC"** means Lancelot Holdings S à r l , a company incorporated in Luxembourg with registered office at 20, Avenue Monterey, L-2163 Luxembourg,

**"CVC Director"** means a Director of the Company appointed by CVC pursuant to article 16,

**"CVC Representative"** means Rob Lucas and/or Pev Hooper or such other person notified by CVC to the Company from time to time,

**"CVC Shareholder"** means CVC or any Associate of CVC holding Shares and any person to whom it transfers Shares in accordance with article 12 and in all cases holding Shares from time to time,

**"Debt Securities"** means any loan notes, bonds or other debt securities issued by any member of the Group to a Shareholder or an Associate of a Shareholder, including without limitation the loans by Shareholders or their Associates of further amounts to the Group, but excluding any rights in respect of any loan (including any syndicated loan) loan notes, bonds or other debt securities or debt instrument (or any interest therein) created under or in connection with the Finance Documents or any other financing arrangement entered into by the Group with any third party in connection with which all of the Shareholders or their respective Associates are offered the opportunity to subscribe other than in their capacity as Shareholders,

**"Deed of Adherence"** means the deed of adherence to the Shareholders' Agreement to be entered into by any person who has an interest in Shares and/or Manco Shares,

**"Deferred Shares"** means the deferred shares of £0.01 each in the capital of the Company;

**"Departing Employee"** means.

- (a) any individual who is an employee or director of one or more Group Companies (other than any BLACKSTONE Director, any KIRKBI Director or any CVC Director) who ceases to be so and who does not begin or continue otherwise to provide services to any Group Company, or
- (b) any individual whose services are otherwise provided to any one or more Group Companies and cease to be so and who does not become or continue to be an employee or director of one or more Group Companies,

**"Departing Employee's Group"** means

- (a) a Departing Employee,
- (b) the trustees for the time being of a Family Trust of the Departing Employee or his Family Member,
- (c) any Family Member of that Departing Employee,
- (d) any person designated by the Board for the purpose of article 13 1 in relation to the Departing Employee as a condition of any transfer consent given pursuant to article 8.4 or of any issue of shares by the Company, and
- (e) the nominees of any of the persons in the preceding four categories,

**"Director"** means a BLACKSTONE Director, a CVC Director, a KIRKBI Director and any other director of the Company from time to time, as the case may require, and **"Directors"** shall be construed accordingly,

**"dividend"** includes any distribution whether in cash or in kind,

**"Drag Hurdle Valuation"** means the amount equal to (a) the Closing Equity Valuation multiplied by 1.5, plus (b) the total value of any further investment in ME Lux A Ordinary Shares, ME Lux B Ordinary Shares and/or Equity Interests made by the Shareholders following Completion; less (c) any distributions (prior to any withholding or deduction for tax or required by law) made by the Company and/or ME Lux to the Shareholders at any time after Completion;

**"EBITDA"** means the consolidated EBITDA of the Company in respect of the twelve-month period ending on the last day of the month immediately preceding the date of calculation, as derived from the Group's consolidated audited annual accounts and management accounts for the relevant period. If the Group has acquired an entity or business during the relevant twelve month period or is in the process of making such an acquisition, EBITDA shall include the EBITDA of the relevant period or is in the process of making such an acquisition, EBITDA shall include the EBITDA of the relevant entity or business during such twelve month period and shall take account of any identifiable synergies and cost reductions which might reasonably be expected to have arisen during such period if such acquisition had been made before the start of the twelve month period;

**"Employee"** means any employee or officer or former employee or officer of the Group,

**"Employee Trust"** means any trust established from time to time by any Group Company for the benefit of employees of the Group, former employees of the Group or parents, spouses, adult children, adult stepchildren, adult adopted children, non-adult children, stepchildren of such employees or former employees,



**"Encumbrance"** means any mortgage, charge (whether fixed or floating), pledge, lien, trust, encumbrance, security interest, assignment by way of security or other third party right or interest (legal or equitable) including any right of pre-emption over or in respect of the relevant asset, security or right or any other agreement or arrangement having similar effect,

**"Equity Interests"** means any Equity Shares, Quasi Equity and Debt Securities and **"Equity Interest"** refers to any single Equity Share, Quasi Equity instrument or Debt Security as the case may be,

**"Equity Share Capital"** means, collectively, the Equity Shares,

**"Equity Shares"** means together the Ordinary Shares, the A Ordinary Shares and the B Ordinary Shares,

**"Equity Share"** means an Ordinary Share, an A Ordinary Share or a B Ordinary Share as appropriate and any other share in issue from time to time which gives the holder thereof a right to vote at a meeting of the shareholders,

**"Executives"** means Nicholas Varney, Andrew Carr, Glenn Earlam, Mark Fisher, John Jakobsen, Nick Mackenzie, Teresa Colaiaanni, Grant Stenhouse, David Bridgford, Andy Davies, Colin Armstrong and any other person who is designated as an Executive in the Shareholders' Agreement and any other person who is designated as an Executive in a Deed of Adherence,

**"Executive Shares"** means the Equity Shares held by or on behalf of the Executives or any former Executive (or any Employee Trust, Manco, a Manco Shareholder, a Family Member or a Family Trust (or the nominee or trustee of an Executive, an Employee Trust, Manco, a Family Member, a Family Trust or a Manco Shareholder) or any person connected with any Executive or any former Executive or any member of any Executive's Departing Employee's Group) from time to time,

**"Exit"** means a Liquidation, Majority Sale, Listing or such other event as all the A Ordinary Shareholders may agree;

**"Exit Date"** means

- (a) in relation to a Liquidation, the date of the Liquidation,
- (b) in relation to a Listing, the date of the Listing, and
- (c) in relation to a Majority Sale, the date upon which an agreement for that Majority Sale is completed,

**"Fair Drag Value"** in relation to a Share means the fair value of that Share determined by the Independent Expert in accordance with article 11 4,

**"Family Member"** means in relation to any Employee, his or her spouse, parent, adult child, adult stepchild and adult adopted child,

**"Family Trust"** means in relation to any Employee, any trust or trusts where beneficiaries are limited to such Employee, the Family Members of such Employee and/or the non-adult children, stepchildren or adopted children of such Employee,

**"FCA"** means the Financial Conduct Authority, acting in its capacity as the competent authority for the purposes of Part VI of FSMA,

**"Financing Documents"** means a facilities agreement dated 4 March 2007 between, amongst others, Merlin Entertainments Group Luxembourg 2 S à r l as Parent, Unicredit

Bank AG, London Branch as facility agent and security agent (as amended on or about 23 June 2013 and as the same may be further amended from time to time), in each case together with the documents described therein as the **"Finance Documents"**,

**"FSMA"** means the Financial Services and Markets Act 2000,

**"Group"** means the Company (or any Ultimate Holding Company) and its subsidiary undertakings from time to time,

**"Group Company"** means a member of the Group,

**"holder"** in relation to Shares, means the person(s) entered in the register of shareholders of the Company as the holder of the Shares;

**"Hurdle Valuation"** means the market capitalisation of the Listed Entity (determined by reference to the price at which shares in the Listed Entity are sold to investors upon Listing) at which the Equity Interests held by CVC immediately prior to such Listing will, immediately after Listing, have an aggregate value equal to (a) the Pro Forma Equity Valuation multiplied by 1.5; plus (b) the total value of any further investment in ME Lux A Ordinary Shares, ME Lux B Ordinary Shares and/or Equity Interests made by CVC following Completion; less (c) any distributions (prior to any withholding or deduction for tax or required by law) made by ME Lux and/or the Company to CVC at any time after Completion,

**"Inappropriate Party"** means any person or entity engaged in Inappropriate Practices or in respect of whom more than one third of its revenue is derived from the manufacture or sale of tobacco, armaments or pornography,

**"Inappropriate Practices"** means:

- (a) the exploitation of child labour,
- (b) the use of forced labour, or
- (c) violations of human rights,

**"Independent Expert"** means an independent chartered accountant who has been a partner in a leading UK accountancy firm for at least 10 years (acting as an expert and not as an arbitrator) nominated by the parties concerned or, in the case of disagreement as to nomination, appointed, subject to article 13.9, at the request of the holders of a majority in nominal value of the A Ordinary Shares or the holders of a majority in nominal value of the B Ordinary Shares by the President for the time being of the Institute of Chartered Accountants in England and Wales,

**"Institutional Shareholder"** means a Shareholder which is a financial institution or investment fund and for the avoidance of doubt includes, BLACKSTONE, KIRKBI and CVC;

**"KIRKBI"** means KIRKBI A/S, a Company incorporated in Denmark (registered no 18591235), whose registered office is at Koldingvej 2, DK-7190, Billund, Denmark (formerly named "LEGO Holding A/S") and any person to whom KIRKBI transfers Shares in accordance with article 12;

**"KIRKBI Director"** means a director of the Company appointed by KIRKBI pursuant to article 16.1 (Appointment and Removal of Directors),

**"KIRKBI Representative"** means KIRKBI or such other person notified by KIRKBI to the Company,

**"KIRKBI Shareholders"** means KIRKBI , any Associate of KIRKBI and any person to whom KIRKBI transfers Shares in accordance with article 12 and in all cases holding Shares from time to time;

**"KIRKBI Subscription and Funding Agreement"** means the subscription, funding and warrant agreement relating to, inter alia, the subscription for A Ordinary Shares in connection with LEGOLAND Florida entered into between, inter alios, the Company, BLACKSTONE, CVC and KIRKBI A/S on 23 July 2010 and as amended on 21 June 2011,

**"LEGO Competitor"** means (a) any person engaged in the design or manufacture (including through the use of sub-contract, designers or manufacturers) of construction sets, any part or element of which reproduces, resembles or interfits with the LEGO construction system, (b) any person engaged in the design or manufacture (including through the use of sub-contract designers or manufacturers) of other types of construction sets with an annual revenue greater than USD 100 million and (c) any person, 50 per cent or more of whose revenue is derived from the design or manufacture of traditional toys;

**"LEGOLAND Florida"** means the New Park (as that term is defined in the Licence and Co-operation Agreement) to be established and developed by the Group at the Florida Site in accordance with and subject to the terms and conditions set out in the Licence and Co-operation Agreement (in particular but not limited to Part A of Schedule 1 of the Licence and Co-operation Agreement),

**"Legoland Venue"** means a LEGO themed park, hotel, or other attraction or venue,

**"Licence and Co-operation Agreement"** means the licence and co-operation agreement dated 24 August 2005 (and as subsequently amended and restated) between KIRKBI A/S (formerly named LEGO Holding A/S), Merlin Entertainments Group Luxembourg 3 S à r.l. (formerly named Play Lux AcquisitionCo, S.à r.l.), LEGOLAND Windsor Park Limited, LEGOLAND ApS (formerly LEGOLAND A/S), LEGOLAND Deutschland GmbH and LEGOLAND California LLC,

**"Licensee"** means LEGOLAND Windsor Park Limited, LEGOLAND ApS, LEGOLAND Deutschland GmbH and LEGOLAND California LLC together with Merlin Entertainments Group Luxembourg 3 S à r.l. and any other Group Company licensed to operate Legoland Venues from time to time,

**"Liquidation"** means the making of a winding-up order by a court or the passing of a resolution by the Shareholders (subject to the necessary consent of the Significant Subscribers) that the Company be wound up,

**"Listed Entity"** has the meaning given to it in the definition of Listing,

**"Listing"** means:

- (a) both the admission of any part of the share capital of the Company or of an Ultimate Holding Company (either the Company or such Ultimate Holding Company being the **"Listed Entity"** as the case may be) to the Official List maintained by the FCA becoming effective (in accordance with paragraph 3.2.7G of the Listing Rules) and the admission of any of such shares to trading on the LSE's market for listed securities (in accordance with paragraph 2.1 of the Admission and Disclosure Standards of the LSE, as amended from time to time), or
- (b) the admission to trading of any of the shares on the Alternative Investment Market of the LSE becoming effective, or

- (c) the equivalent admission to trading to or permission to deal on any other Recognised Investment Exchange becoming effective in relation to any of such shares,

**"Listing Rules"** means the listing rules made by the FCA pursuant to section 73A of the FSMA as those rules are amended from time to time,

**"LSE"** means London Stock Exchange plc,

**"Majority Sale"** means

- (a) the direct or indirect transfer (whether through a single transaction or a series of transactions) of Equity Shares or Quasi Equity as a result of which any person (or persons connected with each other, or persons acting in concert with each other) would have the legal or beneficial ownership over that number of Equity Shares or Quasi Equity which in aggregate would confer 50 per cent or more of the voting rights normally exercisable at general meetings of the Company provided that there shall be no Majority Sale as a result of any transfer (i) to an Original Shareholder or an Associate of or person Controlled by an Original Shareholder (excluding for this purpose any person who is a Portfolio Company or any persons acting in concert with a Portfolio Company) or (ii) pursuant to article 12 (excluding for this purpose any persons acting in concert with a Portfolio Company),
- (b) any form of capital reorganisation or scheme or arrangement or the like where any person (or persons connected with each other, or persons acting in concert with each other), other than an Original Shareholder or an Associate of or person Controlled by an Original Shareholder (excluding for this purpose any person who is a Portfolio Company or any person acting in concert with a Portfolio Company), would acquire directly or indirectly beneficial ownership of or over that number of Equity Shares or Quasi Equity which in aggregate would confer 50 per cent or more of the voting rights normally exercisable at general meetings of the Company, or
- (c) such other event which all the A Ordinary Shareholders agree should constitute a Majority Sale

**"Manco"** means Merlin Entertainments Management Company S à r l, a company incorporated in Luxembourg with registered number B159756 whose registered office is at 19, rue de Bitbourg, L-1273 Luxembourg;

**"Manco Board"** means the board of directors of Manco from time to time,

**"Manco Managers"** means the persons who are members of the Manco Board from time to time,

**"Manco Representatives"** means

- (a) if Nicholas Varney or any of his Permitted Transferees is a Manco Shareholder or a Shareholder, Nicholas Varney or if neither Nicholas Varney nor any of his Permitted Transferees is a Manco Shareholder or a Shareholder, such other person who is (or whose Permitted Transferee is) a Manco Shareholder and is appointed by the Manco Managers who have been designated as A managers of Manco as a replacement Manco Representative for Nicholas Varney, and
- (b) if Andrew Carr or any of his Permitted Transferees is a Manco Shareholder or a Shareholder, Andrew Carr or if neither Andrew Carr nor any of his Permitted Transferees is a Manco Shareholder or a Shareholder, such other person who is (or whose Permitted Transferee is) a Manco Shareholder and is appointed by the Manco Managers who have been designated as A managers of Manco as a replacement Manco Representative for Andrew Carr,

provided that there are no more than two persons nominated as a Manco Representative at any one time,

**"Manco Shareholders"** means the persons holding a legal and/or beneficial interest in Manco Shares from time to time and any other person who is designated as a Manco Shareholder in a Deed of Adherence,

**"Manco Shares"** means any shares in the capital of Manco in issue from time to time,

**"Market Value"** in relation to securities means the value thereof determined in accordance with articles 13 6 to 13 8,

**"ME Lux"** means Merlin Entertainments S à r l a company incorporated in Luxembourg with registered number B154309 whose registered office is at 2-4 rue Eugène Ruppert, L-2453, Luxembourg,

**"ME Lux A Ordinary Shares"** means the A1, A2, A3, A4 and A5 ordinary shares of EUR 0.01 each in the capital of ME Lux;

**"ME Lux B Ordinary Shares"** means the B1, B2, B3, B4 and B5 ordinary shares of EUR 0.01 each in the capital of ME Lux,

**"Mustang Acquisition Agreement"** means the subscription, purchase and sale agreement entered into on 23 June 2010 between, amongst others, Blackstone, DIC (Cayman) Limited, Caddis Assets Limited, the Managers (as defined therein), the Manager Trusts (as defined therein), Merlin Entertainments Share Plan Nominee Limited and CVC, in relation to the sale to CVC and subscription by CVC for shares and preferred equity certificates issued by ME Lux,

**"New Ordinary Shares"** means the new Ordinary Shares to be issued on Listing,

**"Operating Group"** means the subsidiary undertakings of Merlin Entertainments Group Luxembourg 3 S à r l.,

**"Ordinary Shares"** means the ordinary shares of £0 01 each in the capital of the Company,

**"Original Member"** has the meaning set out in article 12.7;

**"Original Shareholder"** means BLACKSTONE, KIRKBI A/S, CVC, Manco, the Executives and any nominee or trustee acting on behalf of an Executive,

**"Permitted Acquisitions"** means the acquisition of Busch Gardens Parks, Sesame Place, PortAventura, Europa Park, Oceanis, Parques Reunidos, Eurodisney, Universal Studios Theme Parks division, Disney theme parks, Aspro Ocio, Six Flags, Cedar Fair, the establishment and development of LEGOLAND Flonda within the parameters set by the LEGOLAND Florida CAPEX and the acquisition of any other business or asset where not less than 75 per cent of revenue is generated from accommodation or family entertainment;

**"Permitted Borrowings"** means

- (a) any agreement or arrangement for the provision of a loan or loans to the Company or any other member of the Group by one or more Shareholders where the A Ordinary Shareholders have each been given an opportunity to provide their respective Relevant Share Percentage of such loan or loans in accordance with any agreement between the Shareholders,

- (b) any agreement or arrangement for the provision of a loan or loans to the Company or any other member of the Group by persons other than Shareholders up to a maximum aggregate amount of the greater of (i) £1,500,000,000 and (ii) 6 x EBITDA; and
- (c) any agreement or arrangement for the provision of a loan or loans to the Company or any other member of the Group by any person other than any Shareholders for the purpose of making or financing a Permitted Acquisition,

**"Permitted Issues"** means.

- (a) any issue of Shares or Quasi Equity or Debt Securities in accordance with any agreement between the Shareholders or otherwise where each A Ordinary Shareholder has been given an opportunity to subscribe for such Shares or Quasi Equity or Debt Securities pro rata to their respective shareholding of A Ordinary Shares (subject always to any agreement made between the Shareholders),
- (b) any issue of Shares or Quasi Equity or Debt Securities for non cash consideration made for the purpose of making a Permitted Acquisition and in accordance with any agreement between the Shareholders,
- (c) any issue of B Ordinary Shares in accordance with any agreement between the Shareholders, and
- (d) any issue of Shares or Quasi Equity or Debt Securities pursuant to the KIRKBI Subscription and Funding Agreement;

**"Permitted Transferees"** means any person to whom a Shareholder may transfer Shares pursuant to articles 12 7 to 12 15 or to whom a Manco Shareholder may transfer Manco Shares pursuant to articles 12 1 to 12 8 of the articles of association of Manco,

**"Portfolio Company"** means any company, partnership, trust or other entity, whether or not having separate corporate personality, in which an Institutional Shareholder or any of such Institutional Shareholder's Associates or any person acting in the capacity as trustee or nominee for such relevant Institutional Shareholder or its Associate

- (a) holds (directly or indirectly) any interest for the purposes of investment, or
- (b) through which any investment interest is held,

together with each company, partnership, trust or other entity Controlled by or under common Control with the first company, partnership, trust or other entity, but shall not include

- (c) in the case of BLACKSTONE
  - (i) The Blackstone Group L.P. or any company, partnership, trust or other entity that is Controlled by The Blackstone Group L.P. or any of its Affiliates in each case in their businesses that are distinct from the private equity business of The Blackstone Group L.P. and its Affiliates,
  - (ii) any investment fund or funds that are advised and managed by one or more Affiliates of The Blackstone Group L.P. (a **"BLACKSTONE Fund"**); and
  - (iii) any company, partnership, trust or other entity which acts solely as a holding vehicle (other than those holding one specific investee company or group) that is directly or indirectly 100 per cent owned and Controlled by BLACKSTONE or by any other BLACKSTONE Fund,

- (d) in the case of KIRKBI, KIRKBI A/S, KIRKBI A/G, LEGO Fonden, Koldingvej 2, Billund A/S and each of their respective Affiliates,
- (e) in the case of CVC
  - (i) any investment fund or funds that are advised and managed by one or more Affiliates of CVC Capital Partners SICAV-FIS SA (a "**CVC Fund**"), and
  - (ii) any company, partnership, trust or other entity which acts solely as a holding vehicle (other than those holding one specific investee company or group) that is directly or indirectly 100 per cent owned and Controlled by CVC or by any other CVC Fund,

**"Pro Forma Equity Valuation"** means £346,454,194,

**"Quasi Equity"** means

- (a) any security convertible into Equity Shares in the Company or into shares in any Group company, and
- (b) any other security of the Company or any Group Company, other than an Equity Share,

**"Recognised Investment Exchange"** has the meaning given to it in section 285 of FSMA,

**"Redeemable Share"** means the redeemable share of £50,000 in the capital of the Company;

**"Related Entity"** means

- (a) in relation to BLACKSTONE, any company, trust, foundation or other entity in which BLACKSTONE or any Affiliate of BLACKSTONE directly or indirectly owns or controls at least 25 per cent of the equity capital or voting rights,
- (b) in relation to any KIRKBI Shareholder means any company, trust, foundation or other entity in which KIRKBI and/or Kjeld Kirk Kristiansen and/or any of his family members directly or indirectly individually or together own or control at least 25 per cent of the equity capital or voting rights,
- (c) in relation to CVC, means any company, trust, foundation or other entity in which CVC or any Affiliate of CVC directly or indirectly owns or controls at least 25 per cent of the equity capital or voting rights, and
- (d) in relation to any other person, any company, trust, foundation or other entity in which that person, directly or indirectly, owns or controls at least 25 per cent of the equity capital or voting rights,

**"Relevant Securities"** has the meaning set out in article 8 7,

**"Relevant Share Percentage"** means, in respect of each Shareholder, the A Ordinary Shares held by or on behalf of that Shareholder expressed as a percentage of all the A Ordinary Shares in issue at the relevant time,

**"Remuneration Committee"** means the remuneration committee constituted by agreement of the Shareholders,

**"Senior Executives"** means each of Nicholas Varney, Andrew Carr and Mark Fisher or all of them as the context may so require,

**"Shareholder"** means any person registered in the books of the Company as the holder of a Share for the time being,

**"Shareholder Group"** means

- (a) in respect of BLACKSTONE, all the BLACKSTONE Shareholders from time to time,
- (b) in respect of KIRKBI, all the KIRKBI Shareholders from time to time;
- (c) in respect of CVC, all the CVC Shareholders from time to time,
- (d) in respect of each Executive, that Executive (or his/her nominee or trustee) together with any person to whom he/she (or his/her nominee or trustee) transfers Shares in accordance with article 12 and the nominee/trustee of any such person provided that only the Equity Interests held by the nominee or trustee (as the case may be) for that Executive or person shall be taken into account, and
- (e) in respect of any other person, that person together with any person to whom he/she transfers Shares in accordance with article 12,

**"Shareholders' Agreement"** means any shareholders' agreement (including where entered into in the form of a deed) which may have been entered into between, amongst others, BLACKSTONE, KIRKBI A/S, CVC, the Executives and the Company relating to the governance and ownership of the Company as the same is amended or restated from time to time,

**"Shares"** means (i) the Equity Shares, the Ordinary Shares, the Deferred Shares, the Redeemable Share and any other shares in the Company in issue from time to time; (ii) any shares issued in exchange for those shares or by way of conversion or reclassification and any shares representing or deriving from those shares as a result of any increase in or reorganisation or variation of the capital of the Company but for the avoidance of doubt does not include the Manco Shares;

**"Significant Subscriber"** means any of the Subscribers whose Shareholder Group holds Shares representing a Relevant Share Percentage of 23 per cent or more,

**"Subscribers"** means BLACKSTONE, KIRKBI, CVC and any person who is named a Subscriber in a Deed of Adherence;

**"Subscriber Majority"** means the consent of the holders of more than 50 per cent of the A Ordinary Shares for the time being in issue held by the Subscribers,

**"UK Listing Authority"** means the Financial Services Authority of England acting in its capacity as competent authority for the purposes of part VI of the FSMA, and

**"Ultimate Holding Company"** means a company established in connection with the restructuring of the Group for the purposes of facilitating a Listing

## 2.2 In these Articles

- (a) headings are included for convenience only and shall not affect the construction of these Articles,
- (b) words denoting the singular include the plural and vice versa,
- (c) words denoting one gender include each gender and all genders;
- (d) references to persons are deemed to include references to natural persons, to firms, to partnerships, to companies, to corporations, to associations, to



organisations and to trusts (in each case whether having separate legal personality),

- (e) a "subsidiary" or "holding company" shall be construed in accordance with section 1159 and Schedule 6 of the Companies Act 2006 and "subsidiary undertaking" or "parent undertaking" shall be construed in accordance with section 1162 and Schedule 7 of the Companies Act 2006,
- (f) an "associated company" shall be construed in accordance with section 25(4) of the Corporation Taxes Act 2010,
- (g) "connected" shall, in the context of determining whether one person is connected with another, be construed in accordance with sections 1122 and 1123 of the Corporation Taxes Act 2010,
- (h) "security" shall be construed in accordance with s 400(6) of the Companies Act 2006;
- (i) a statutory provision includes a reference to
  - (i) the statutory provision as modified or re-enacted or both from time to time (whether before or after the date of adoption of these Articles), and
  - (ii) any subordinate legislation made under the statutory provision (whether before or after the date of adoption of these Articles),
- (j) persons includes a reference to any body corporate, unincorporated association or partnership,
- (k) a person includes a reference to that the person's legal personal representatives or successors,
- (l) an article, unless the context otherwise requires, is a reference to an article of these Articles,
- (m) the giving of a consent or direction by BLACKSTONE under these Articles shall be given in writing by the BLACKSTONE Representative or all the BLACKSTONE Shareholders;
- (n) the giving of a consent or direction by KIRKBI under these Articles shall be given in writing by the KIRKBI Representative or all the KIRKBI Shareholders,
- (o) the giving of a consent or direction by CVC under these Articles shall be given in writing by the CVC Representative or all the CVC Shareholders,
- (p) in any calculation of the Actual Equity Percentage, Relevant Share Percentage or any other number, measure, percentage, proportion, fraction, subscription entitlement, liability, right or holding of
  - (i) BLACKSTONE in the relevant Shares, Quasi Equity, Debt Securities or other securities held by each BLACKSTONE Shareholder, the holdings of each BLACKSTONE Shareholder in the Shares, Quasi Equity, Debt Securities or other securities shall for all purposes be aggregated and treated as a single holding of Shares, Quasi Equity, Debt Securities or other securities as if held by a single person;
  - (ii) KIRKBI in the relevant Shares, Quasi Equity, Debt Securities or other securities held by any KIRKBI Shareholder, the holdings of each KIRKBI Shareholder in the Shares, Quasi Equity, Debt Securities or other securities

shall for all purposes be aggregated and treated as a single holding of Shares, Quasi Equity, Debt Securities or other securities as if held by a single person, and

- (iii) CVC in the relevant Shares, Quasi Equity, Debt Securities or other securities held by any CVC Shareholders, the holdings of each CVC Shareholder in the Shares, Quasi Equity, Debt Securities or other securities shall for all purposes be aggregated and treated as a single holding of Shares, Quasi Equity, Debt Securities or other securities as if held by a single person,

and in each case any relevant right shall be exercised by BLACKSTONE, KIRKBI and CVC (as the case may be) on behalf of their respective Shareholder Groups; and

(q) **"includes"** and **"including"** shall mean including without limitation

### **3. SHARE CAPITAL - VOTING**

Each Equity Share is entitled to one vote at general meetings. The Redeemable Share and the Deferred Shares shall not confer any right to vote

### **4 REDEMPTION OF SHARES**

- 4 1 The Company shall redeem the Redeemable Share immediately on and simultaneously with the issue of any B Ordinary Share(s)
- 4 2 There shall be paid on the redemption of the Redeemable Share an amount equal to the amount of capital paid up or credited as paid up on such Redeemable Share
- 4 3 Redemption of the Redeemable Share is subject to any restrictions on redemption imposed by law Where, because of such restrictions, the Company is unable to redeem the Redeemable Share otherwise required to be redeemed by these Articles, the Company shall redeem the Redeemable Share immediately when those restrictions cease to apply

### **5 CONVERSION**

#### **5 1 Immediately prior to Listing**

- (a) each A Ordinary Share shall convert into and be redesignated as one Ordinary Share,
- (b) such number of B Ordinary Shares shall each convert into and be redesignated as one Ordinary Share such that, immediately following the conversions referred to in this article 5, such Ordinary Shares arising from the conversion of B Ordinary Shares represent the same proportion reflected in whole shares (rounded up in favour of the holders of the B Ordinary Shares where necessary) of the Ordinary Shares (excluding for these purposes the New Ordinary Shares) as the proportion of the capital or income of the Company available for distribution to holders of the B Ordinary Shares pursuant to article 20.1(c) (Distribution of Profits) represents of the aggregate amount of capital or income of the Company available for distribution to the holders of Equity Shares pursuant to article 20 (Distribution of Profits); and
- (c) any B Ordinary Shares not required to be converted in accordance with article 5 1(b) above shall be converted into and be redesignated as the same number of Deferred Shares

- 5.2 For the purposes of article 5.1(b) and the application of article 20 1(c), the "Distribution" (as defined in article 20 1) shall be the value of the Company immediately prior to such

conversion, as determined by the Directors by reference to the latest valuation produced in preparation for Listing

5.3 Any conversion pursuant to the rights granted by this article 5 shall be made on the following terms

- (a) conversion shall take effect immediately prior to a Listing at no cost to the relevant holders and the Shares to be converted shall be apportioned rateably (or as near thereto as may be practicable to avoid the apportionment of a fraction of a share) among the holders of Shares of that class; and
- (b) forthwith after the Listing the Company shall issue to the persons entitled thereto certificates for the Deferred Shares resulting from the conversion, and the certificates for the shares failing to be converted shall be deemed invalid for all purposes and the relevant holders shall be bound to deliver the same to the Company for cancellation

5.4 Conversion of Shares in accordance with this article 5 shall be deemed to confer an irrevocable authority on the Company, at any time thereafter

- (c) to appoint any person to execute (as agent on behalf of the holders of the Deferred Shares) a transfer thereof and/or an agreement to transfer the same for no consideration to such person or persons as the Company may determine as custodian thereof, and/or
- (d) to purchase the same (in accordance with the provisions of the Companies Act 2006) for not more than an aggregate sum (for all the Deferred Shares) of 1p, without any requirement to obtain the consent or sanction of the holders and, for the purposes of such purchase, to appoint a person to execute (on behalf of the holders of the Deferred Shares) a contract for the sale to the Company of any Deferred Shares held by any such holders, and/or
- (e) pending such transfer and/or purchase, to retain the certificates for such Deferred Shares

## 6. ALTERATION OF SHARE CAPITAL

6.1 The Company may subject to the passing of a resolution authorising it to do so in accordance with the Companies Act 2006

- (a) consolidate and divide all or any of its Shares into Shares of a larger nominal amount than its existing Shares,
- (b) sub-divide its Shares or any of them into Shares of smaller nominal amount,

provided that

- (i) in the sub-division, consolidation or division referred to in paragraph (a) or (b) above, the proportion between the amount paid and the amount, if any, unpaid on each resulting Share shall be the same as it was in the case of the Share from which that Share is derived, and
- (ii) the resolution pursuant to which any Share is sub-divided may determine that as between the resulting Shares one or more of such Shares may be given any preference or advantage or be subject to any restriction as regards dividend, capital, voting or otherwise over the others or any other of such Shares

6 2 Subject to any direction by the Company in general meeting, whenever as the result of any consolidation or division of Shares Shareholders are entitled to any issued Shares of the Company in fractions, the Directors may deal with such fractions as they shall determine and in particular may sell the Shares to which Shareholders are so entitled in fractions to any person (including the Company) and pay and distribute to and amongst the Shareholders entitled to such Shares in due proportions the net proceeds of the sales thereof save for individual entitlements (net of expenses) not exceeding £5 which may be retained for the benefit of the Company For the purpose of giving effect to any such sale the Directors may nominate some person to execute a transfer of the shares sold on behalf of the Shareholders so entitled to and may cause the name of the transferee(s) to be entered in the register of Shareholders as the holder(s) of the shares comprised in any such transfer, and such transferee(s) shall not be bound to see to the application of the purchase money nor shall such transferee's(s') title to the Shares be affected by any irregularity or invalidity in the proceedings in reference to the sale

6 3 Subject to the provisions of the Companies Act 2006, the Company may by special resolution reduce its share capital, any capital redemption reserve, any share premium account and any redenomination reserve in any way

## **7 CAPITALISATION OF PROFITS**

7.1 Subject to the provisions of article 7 4, the Directors may capitalise any part of the amount for the time being standing to the credit of any of the Company's reserve accounts (including any share premium account, capital redemption reserve, redenomination reserve and merger reserve) or to the credit of the profit and loss or retained earnings account (in each case, whether or not such amounts are available for distribution), and appropriate the sum resolved to be capitalised to the holders of Equity Shares (on the register of members at such time and on such date as may be specified in, or determined as provided in, the resolution of the general meeting granting authority for such capitalisation) who would have been entitled thereto if distributed by way of dividend and in the same proportions (including, for this purpose, any Shares in the Company held as treasury shares, as if the restriction on payment of dividends in the Companies Act 2006 did not apply), and the Directors shall apply such sum on their behalf either in or towards paying up any amounts, if any, for the time being unpaid on any Equity Shares held by such holders of Equity Shares respectively or in allotting such number of ordinary shares in the proportion aforesaid to be paid up in full at par or at a premium (such number, par value or premium amount to be determined by the Directors in their sole discretion), or partly in the one way and partly in the other

7 2 The authority of the Company in general meeting shall be required for any capitalisation pursuant to article 7 1 above.

7.3 A share premium account, merger reserve, redenomination reserve and a capital redemption reserve and any other amounts which are not available for distribution may only be applied in the paying up of new Shares to be allotted to holders of Equity Shares of the Company credited as fully paid up

7 4 Whenever a capitalisation is effected, the Directors may do all acts and things which they may consider necessary or expedient to give effect thereto, with full power to the Directors to make such provision as they think fit for the case of Shares or debentures becoming distributable in fractions (including provisions whereby fractional entitlements are disregarded or the benefit thereof accrues to the Company rather than to the shareholders concerned) and also to authorise any person to enter on behalf of all shareholders concerned into an agreement with the Company providing for any such capitalisation and matters incidental thereto and any agreement made under such authority shall be effective and binding on all concerned

**8. TRANSFER OF SHARES**

- 8.1 The Shares (excluding the Deferred Shares) are freely transferable among Shareholders subject to articles 8.3 and 8.4. The Deferred Shares are freely transferable at any time without restriction among the Shareholders and/or to the Company.
- 8.2 Subject to article 13, in the event of death, the Shares of the deceased Shareholder may only be transferred to new Shareholders subject to the approval of such transfer given by the other Shareholders in a general meeting, at a majority of three quarters of the rights owned by the surviving Shareholders. Subject to article 13, such approval is, however, not required in case the Shares are transferred either to parents, descendants or the surviving spouse of the deceased Shareholder.
- 8.3 No Shareholder (other than an Executive, an Employee Trust, Manco, a Family Member, a Family Trust or a Manco Shareholder (or the nominee or trustee of an Executive, an Employee Trust, Manco, a Family Member, a Family Trust or a Manco Shareholder)) shall transfer or dispose of any Equity Share or any interest in any Equity Share other than in accordance with the Articles or with the prior written consent of the holders of ninety per cent of the A Ordinary Shares and in the case of transfers to non-shareholders, the consent given in a general meeting of Shareholders by the holders of 90 per cent of the Equity Shares of the Company.
- 8.4 Except as provided in article 9, article 10, article 11 or article 12 or as required by article 13 and subject to the further provisions of this article 8.4, no Executive Shares shall be transferred and no holder of Executive Shares shall create any Encumbrance over or dispose of any interest in the Executive Shares registered in his name or to which he is beneficially entitled without the prior written consent of a Subscriber Majority. Such consent may, in the Subscriber Majority's discretion, acting reasonably, be given subject to the condition that any B Ordinary Shares to be transferred (and any Equity Shares derived therefrom) are to be treated for the purposes of article 13 as being held by the Departing Employee's Group (the relevant Departing Employee being named in the consent).
- 8.5 For the purposes of these Articles
- (a) a change in the constituent membership (including without limitation any change (howsoever implemented) in the legal or beneficial interest of any member) of a partnership which holds Shares shall not constitute a transfer of those Shares; and
  - (b) the following shall be deemed (but without limitation) to be a transfer by a holder of Shares:
    - (i) any direction (by way of renunciation or otherwise) by a holder entitled to an allotment or transfer of Shares that a Share be allotted or issued or transferred to some person other than himself, and
    - (ii) subject to article 8.5(a), any sale or any other disposition (including by way of mortgage, charge or other security interest or the creation of any other Encumbrance) of any legal or beneficial interest in a Share directly or indirectly (including any voting right attached to it) (a) whether or not by the relevant holder, (b) whether or not for consideration, and (c) whether or not effected by an instrument in writing
- 8.6 To enable the Board to determine whether or not there has been any transfer of Shares in breach of these Articles, the Board may, and shall if so requested in writing by a Subscriber Majority from time to time, require any holder or the legal personal representatives of any deceased holder or any person named as transferee in any transfer lodged for registration or such other person as the Board may reasonably believe to have

information relevant to such purpose to furnish to the Company such information and evidence as the Board acting reasonably may think fit regarding any matter which they deem relevant to such purpose including (but not limited to) the names, addresses and interests of all persons respectively having interests in the Shares from time to time registered in the holder's name. Failing such information or evidence being furnished to enable the Board to determine to its reasonable satisfaction that no such breach has occurred, or that as a result of such information and evidence the Board is reasonably satisfied that such breach has occurred, the Board shall forthwith notify the holder of such Shares in writing of that fact and, if the holder fails to remedy such breach or provide such information and evidence within 20 days of receipt of such written notice, then:

- (a) the Company shall retain any dividends or other distributions (other than the amount paid up in respect of the nominal value (and any share premium) of the relevant Shares upon a return of capital) attaching to such Shares or to any further Shares issued in right of such Shares or in pursuance of an offer made to the relevant holder until the earlier of (i) the remedy of the breach, or (ii) the provision of the information and evidence reasonably required by the Board, or (iii) the relevant Shares are transferred in accordance with article 8.6(b), and
- (b) the holder may be required within 20 days following such notice (by notice in writing to such holder from the Board) to transfer some or all of his Shares to the person determined by the Board (acting reasonably) to be the original holder thereof, and the rights referred to in article 8.6(a) may be reinstated earlier by the Board with the written consent of a Subscriber Majority

8.7 If a holder defaults in transferring Shares to be transferred pursuant to article 8.6 or any Shares to be transferred pursuant to any other provisions of the Articles (other than articles 9 and 11 (the "**Relevant Securities**"))

- (a) any Director for the time being of the Company, or some other person duly nominated by a resolution of the Board for that purpose, shall be deemed to be the duly appointed agent of the holder with full power to execute, complete and deliver in the name and on behalf of the holder all documents necessary to give effect to the transfer of the Relevant Securities to the transferee;
- (b) the Board may receive and give a good discharge for the purchase money on behalf of the holder and enter the name of the transferee in the register of Shareholders or other appropriate register as the holder by transfer of the Relevant Securities, and
- (c) the Board shall forthwith pay the purchase money to the holder, without interest and less any sums owed to the Company by the holder pursuant to these Articles or otherwise

8.8 The appointment referred to in article 8.7(a) shall be irrevocable and is given by way of security for the performance of the obligations of the holder under these Articles (other than articles 9 and 11)

8.9 The Board shall decline to register any transfer not made in accordance with the provisions of these Articles and may decline to register any transfer of Shares which are not fully paid or on which the Company has a lien. Any transfer in breach of these Articles shall be void

## 9 **COME ALONG APPLICABLE TO OTHER SHAREHOLDERS**

9.1 If.

- (a) any one or more Shareholder(s) wishes to transfer any Shares which would if transferred result in there being a Majority Sale, or

- (b) any one or more Subscriber(s) commits to transfer (whether through one transaction or a series of transactions) any Shares which would if transferred result in a Subscriber and/or its Shareholders Group having a legal and/or beneficial interest over more than 50 per cent of the A Ordinary Shares (a "Subscriber Majority Sale"), (in each case, the transferring Shareholder(s) herein referred to as the "Transferring Holders"), such transfer(s) shall not be made unless
- (i) the Transferring Holders have given written notice (a **"Come Along Notice"**) to
- (A) in the case of a Majority Sale, each of the other Shareholders (other than the Subscribers), or
- (B) in the case of a Subscriber Majority Sale, each of the A Ordinary Shareholders (other than the Subscribers),
- of such intended transfer(s) at least ten Business Days prior to the intended completion thereof,
- (ii) to the extent known and reasonably practicable, the Come Along Notice sets out (to the extent not described in any documents accompanying the Come Along Notice) the identity of the proposed transferee(s), the consideration anticipated to be paid and the other terms and conditions of such transfer(s) which the Transferring Holders reasonably consider to be material, the proposed date of the proposed transfer(s) and the number of Shares proposed to be purchased by the proposed transferee(s), and
- (iii) the proposed transferee(s) has/have unconditionally offered in writing to
- (A) in the case of a Majority Sale, purchase the Relevant Percentage (as that term is defined in article 9 3) of the Shares held by each of the other Shareholders (other than the Subscribers) for an amount equivalent to the higher of.
- (aa) the highest consideration (whether in cash or not) payable to the Transferring Holders for Shares of any class under such transfer(s), and
- (bb) the highest consideration (whether in cash or not) paid by any of the proposed transferee(s) (or any person connected with them) for Shares in the 12 months prior to such transfer(s),
- and otherwise on the same terms and conditions (including as to form of consideration) as those on which the Transferring Holders transfer their Shares (subject always to the application of article 22 or
- (B) in the case of a Subscriber Majority Sale, purchase the Relevant Percentage (as defined in article 9 3) of the A Ordinary Shares held by each of the A Ordinary Shareholders (other than the Subscribers) on the same terms and conditions (including as to form of consideration) as those on which the Transferring Holders transfer their Shares.

9 2 Any offer made pursuant to in article 9 1(b)(iii) shall remain open for acceptance for not less than 30 days

9 3 For the purposes of article 9.1 only, **"Relevant Percentage"** means

- (a) in the case of a Majority Sale, the percentage which the number of Equity Shares (rounded to two decimal places) to be sold by the Transferring Holders represents of the total number of Equity Shares held by the Transferring Holders; and
    - (b) in the case of a Subscriber Majority Sale, 0.5 times the percentage which the number of Shares (rounded to two decimal places) to be sold by the Transferring Holders represents of the total number of Equity Shares by the Transferring Holders save that in the case of a Subscriber Majority Sale resulting from the exercise of the right to purchase under article 11.1(g), the "Relevant Percentage" in such circumstance shall be 50 per cent.
- 9.4 If any one or more holder of Debt Securities wishes to transfer any Debt Securities (other than to a person to whom an Equity Share may be transferred in accordance with any agreement between the Shareholders) or if any one or more holder(s) of Debt Securities wishes to transfer Debt Securities (whether through a single transaction or a series of transactions) and such transfer would result in any person (or persons connected with each other or persons acting in concert with each other) having the legal or beneficial ownership over that number of Debt Securities which in aggregate total 50 per cent or more of the aggregate number of all of the Debt Securities counted together as if a single class and such person is not an Original Member, Original Shareholder or an Associate of or person Controlled by an Original Member or an Original Shareholder then the provisions of this article 9 shall apply to such transfer, mutatis mutandis, as if references to
- (a) "Equity Shares" were to Debt Securities,
  - (b) "Shareholders" were to "holders of Debt Securities"; and
  - (c) "Relevant Percentage" were calculated by reference to aggregated holdings of all Debt Securities counted together as if a single class
- 9.5 The Directors and the Shareholders shall refuse to register a transfer under article 9.1 if the Transferring Holders and the proposed transferee(s) does/do not comply with the provisions of article 9.1 and notwithstanding any other provision in these Articles if a proposed transferee acquires Shares in breach of article 9.1, any dividend payments and other distributions on such Shares shall be retained by the Company until such time as an offer complying with article 9.1 is made by the proposed transferee
- 9.6 For the purposes of an acceptance of the offer made pursuant to article 9.1(b)(iii) made by Manco
- (a) the Directors and the Shareholders shall deem an acceptance given by the Manco Representatives (or if at such time there is only one Manco Representative, that Manco Representative) on behalf of Manco to be a valid acceptance by Manco and an acceptance made by any other person asserting to be a representative of Manco shall not be recognised, and
  - (b) the Manco Representatives (or if at such time there is only one Manco Representative, that Manco Representative) on behalf of Manco shall be entitled to accept an offer made pursuant to article 9.1(b)(iii) for some or all of the Relevant Percentage of Shares held by Manco
- 10 TAG ALONG RIGHTS FOR SUBSCRIBERS**
- 10.1 In the event that a Subscriber (the "**Transferor**") wishes to transfer Equity Shares (the "**Sale Shares**") to a third party in accordance with the terms of these Articles such transfer shall not take place unless the proposed transferee (the "**Transferee**") has unconditionally made an offer (the "**Tag Offer**") to purchase from the other Subscribers (the "**Remaining Shareholders**") the Relevant Percentage (as defined in article 10.2) of the Remaining Shareholders' Equity Shares, together with the Relevant Percentage of any



Equity Shares which may be issued pursuant to the exercise or conversion of options over or rights to subscribe for securities convertible into Equity Shares held by the Remaining Shareholders at the date of the Tag Offer, on the same terms and conditions as those offered for the Sale Shares. The Tag Offer shall remain open for acceptance for not less than 30 days. This article 10.1 shall not apply to any transfer by a Subscriber pursuant to article 12.

10.2 For the purpose of this article 10 only, "**Relevant Percentage**" means

- (a) the percentage (rounded to two decimal places) which the number of Equity Shares to be sold by the Transferor represents of the total number of Equity Shares held by the Transferor provided that
- (b) if such transfer would result in a Majority Sale then the Relevant Percentage in respect of that Remaining Shareholder will, at the sole discretion of that Remaining Shareholder exercisable by written notice to the Transferor within the 30 day period referred to article 10.1, be either:
  - (i) 100 per cent, or
  - (ii) the Relevant Percentage which would apply in respect of that Shareholder for the application of this article 10.2(b)

10.3 No Tag Offer shall be required to be made pursuant to article 10.1 if a Drag Notice has been served pursuant to article 11.

10.4 The Directors and the Shareholders shall refuse to register a transfer under article 10.1 if the Transferor and the Transferee does/do not comply with the provision of article 10.1 and notwithstanding any other provision in these Articles if a proposed transferee acquires Shares in breach of this article 10, any dividend payments and other distributions on such Shares shall be retained by the Company until such time as an offer complying with article 10.1 is made by the proposed transferee.

10.5 If any one or more holder of Quasi Equity or Debt Securities wishes to transfer (whether through a single transaction or a series of transactions) Quasi Equity or Debt Securities and the transferee is not an Original Shareholder, Original Member or an Associate of or person Controlled by an Original Shareholder, Original Member or a person to whom a Share may be transferred pursuant to article 12 then the provisions of article 10 shall apply to such transfer mutatis mutandis, as if references to

- (a) "Equity Shares" were to Quasi Equity and/or Debt Securities,
- (b) "Shareholders" were to "holders of Quasi Equity and/or Debt Securities"; and
- (c) "Relevant Percentage" were calculated by reference to aggregated holdings of all of the Quasi Equity and/or Debt Securities counted together as if a single class.

## 11. **DRAG ALONG RIGHTS FOR SUBSCRIBERS**

11.1 A Drag Notice (as defined in article 11.2) may only be given where the following conditions (the "**Drag Conditions**") are satisfied

- (a) the Drag Notice is given by a Qualifying Shareholder (the "**Drag Exerciser**") on behalf of itself, each of its Associates and each Transferor (as defined in article 11.1(b)) and is accompanied by copies of all documents required to be executed by the Remaining Shareholder(s) (as defined in article 11.2) to give effect to the required transfers,

- (b) the Drag Notice must contain a statement that a Subscriber Majority, including the Drag Exerciser (each Subscriber comprising the Subscriber Majority and each of their Associates being the "**Transferors**") proposes to transfer to a third party on bona fide arm's length terms or to an Associate for Fair Drag Value as determined in accordance with article 11 4 (such person being the "**Drag Transferee**") such number of Equity Shares (the "**Sale Shares**") as would, if transferred, constitute a Majority Sale. The Drag Notice must also contain details of any other Equity Interests proposed to be transferred (together with the Sale Shares the "**Sale Interests**"),
- (c) in addition to the Sale Shares or Sale Interests as appropriate, the Drag Transferee must also acquire from each Remaining Shareholder (as defined in article 11 2) that number or amount of each class and type of Equity Interest held by each Remaining Shareholder (including the Relevant Percentage in respect of each class and type of Equity Interest which may be issued pursuant to the exercise or conversion of options over, or rights to subscribe for, securities convertible into Equity Interests held by the Remaining Shareholders at the date of the Drag Notice) which is equal to each Remaining Shareholder's aggregate holding of Equity Interests of that class and type multiplied by the Relevant Percentage, or the Drag Transferee and the Transferor shall procure that the Company acquire from, repay or redeem the same for the same consideration as specified in the Drag Notice,
- (d) in the event that the Drag Notice is given at any time before the fifth anniversary of Completion, the price set out in the Drag Notice in respect of all the Equity Interests proposed to be transferred by the Transferors implies an equity valuation of all of the issued Equity Interests which is equal to or greater than the Drag Hurdle Valuation as at the date of the Drag Notice, with such minimum price not applying after the fifth anniversary of Completion. For the purposes of assessing whether the price set out in the Drag Notice in respect of the Equity Interests the subject of the Drag Notice implies an equity valuation equal to or greater than the Drag Hurdle Valuation, each Equity Interest of the same class in issue shall rank pari passu in all respects and the price (or repayment or redemption amount as the case may be) specified in the Drag Notice shall be implied in respect of each Equity Interest of the same class and type,
- (e) if the Drag Transferee is an Associate of a Transferor, the price set out in the Drag Notice in respect of all the Equity Interests proposed to be transferred by the Transferors
  - (i) is payable entirely in cash; and
  - (ii) implies an equity valuation of all of the issued Equity Interests which is equal to or greater than the Fair Drag Value (as determined in accordance with article 11 4) as at the date of the Drag Notice,
- (f) the Drag Transferee is not (and none of its Associates is) an Inappropriate Party or a LEGO Competitor; and
- (g) the Drag Notice constitutes an irrevocable offer by each of the Transferors to sell to the Remaining Shareholders, at the election of the Remaining Shareholder(s), either
  - (i) all of the Equity Interests held by the Transferors, or
  - (ii) all of the Sale Interests set out in the Drag Notice,

as if the Drag Notice were a Transfer Notice given to the Remaining Shareholder(s) (as defined below in article 11 2) pursuant to article 14 1 and on the basis that under the terms of article 14 1.

- (i) each Transferor is a "Vendor",
- (ii) the Equity Interests as elected by the Remaining Shareholder(s) under this article are the "Offered Shares",
- (iii) the price for the Equity Interests set out in the Drag Notice is the "Offer Price" in relation to each such security; and
- (iv) the Drag Transferee were the "Proposed Transferee"

11 2 The Drag Exerciser may, if the Drag Conditions are satisfied, serve notice (the "**Drag Notice**") on the other Shareholder(s) (the "**Remaining Shareholders**") of the Transferors' intention to transfer the Sale Shares to the Drag Transferee and requiring the Remaining Shareholder(s) to transfer, within 32 days of the Drag Notice being served (provided that the Remaining Shareholder(s) have not by that date exercised their rights pursuant to the offer made under article 11 1(g) to acquire the Equity Interests of the Transferors), the Relevant Percentage of each class and type of Equity Interest held by them (including the Relevant Percentage in respect of each class and type of Equity Interest which may be issued pursuant to the exercise or conversion of options over, or rights to subscribe for, securities convertible into Equity Interests held by the Remaining Shareholders at the date of the Drag Notice) (together, the "**Dragged Equity Interests**"), on the same terms and conditions as shall have been agreed between the Transferors and the Drag Transferee and set out in the Drag Notice

11 3 The Drag Notice shall set out in relation to each type and class of Equity Interest the value per security or per unit of such Equity Interest which the Drag Transferee will pay (or that the Drag Transferee and the Transferors shall procure that the Company acquire from, repay or redeem the same) in respect of each type and class of Equity Interest

11 4 If the Drag Transferee is an Associate of any of the Transferors then, unless the holders of the majority of Shares held by the Remaining Shareholders otherwise agree:

- (a) the Directors shall forthwith instruct the Independent Expert to determine the fair value of the Dragged Equity Interests (the "**Fair Drag Value**") in accordance with article 11.5, and
- (b) the costs of the Independent Expert in determining the Fair Drag Value shall be borne by the Company

11 5 In determining the Fair Drag Value for the purposes of article 11 4, the Independent Expert shall

- (a) be considered to be acting as an expert and not as an arbitrator, and
- (b) value the Dragged Equity Interests using the following principles
  - (i) assuming an arm's length sale between a willing seller and a willing buyer,
  - (ii) if the Company is then carrying on business as a going concern, on the assumption that it will continue to do so,
  - (iii) the Dragged Equity Interests are capable of being transferred without restriction;

- (iv) no reduced or additional value is attached to any holding of Equity Interests by virtue of the holding comprising or after the purchase thereof conferring a majority or minority of the total issued equity capital of the Company or conferring any particular rights on the relevant holders under the provisions of the Shareholders' Agreement or these Articles, and
  - (v) taking account of the application of article 22
- 11 6 Each Shareholder irrevocably appoints the Directors as appointed by the Drag Exerciser as its agent authorised to take any action on its behalf including the execution of any document and the receipt of any payment in accordance with each party's obligations under this article 11
- 11 7 Each Shareholder agrees that.
  - (a) if it is a Remaining Shareholder whose Equity Shares are acquired pursuant to this article 11, it shall deliver duly executed share transfer agreement(s) (and such other documents of transfer as may be required) in respect of the Dragged Equity Interests registered in its name, together with the relevant share or other certificate(s) (or an indemnity in respect thereof in a form satisfactory to the Board) to the Company on or before the 31st day after the Drag Notice is given (the "**Drag Date**"), provided that the Remaining Shareholder(s) have not by that date exercised their rights pursuant to the offer made under article 10 1(g) to acquire the Equity Interests of the Transferors. If such certificate(s) relate to any Equity Interests which a Remaining Shareholder is not bound to transfer under this article 11, the Company shall issue fresh certificates for the balance,
  - (b) subject always to receipt of the duly executed share transfer agreements referred to in article 11 7(a), on the Drag Date the Company shall, on behalf of the Drag Transferee, pay to each Remaining Shareholder, to the extent that the Drag Transferee has put the Company in the requisite cleared funds, the aggregate monies due for the Dragged Equity Interests of that Remaining Shareholder (or if the consideration is to be paid by way of an issue of securities, the aggregate value of the securities due). The Company's receipt for the aggregate monies due shall be a good discharge to the Drag Transferee who shall not be responsible as to its application;
  - (c) if any Remaining Shareholder fails to perform its obligations under article 11 7(a) (such Remaining Shareholder being a "**Defaulting Remaining Shareholder**") the Company shall hold the relevant monies (or if the consideration is to be paid by way of an issue of securities, the aggregate value of the securities due) on trust for that Defaulting Remaining Shareholder without any obligation to pay interest;
  - (d) if the consideration for the acquisition of Dragged Equity Interests is to be made by way of cash, payment to the Remaining Shareholder(s) shall be made in such manner as is agreed between the Company and the Remaining Shareholder(s) and in the absence of such agreement, by cheque to the postal address notified to the Company by each Remaining Shareholder for such purpose and, in default of such notification, to the Remaining Shareholder's last known address,
  - (e) any Director appointed pursuant to article 11 6 shall be authorised to execute, complete and deliver as agent for and on behalf of any Defaulting Remaining Shareholder a transfer of the relevant Dragged Equity Interests to the Drag Transferee, to the extent that the relevant Drag Transferee has, by the Drag Date, put the Company in cleared funds in respect of the aggregate price payable for the Dragged Equity Interests to be transferred to him (or if the consideration is to be paid by way of an issue of securities, the aggregate value of the securities due);

- (f) subject to any formalities required by law, the Board and the Shareholders shall authorise registration of the transfer(s) pursuant to this article 11, after which the validity of such transfer(s) pursuant to this article 11 shall not be questioned by any person, and
  - (g) each Defaulting Remaining Shareholder shall surrender his share certificate(s) relating to the Dragged Equity Interests registered in its name, together with the relevant share or other certificate(s) (or an indemnity in respect thereof in a form satisfactory to the Board) to the Company. On, but not before, such surrender or provision, the Defaulting Remaining Shareholders shall be entitled to the price payable for the Dragged Equity Interests transferred on its/their behalf, without interest. If such certificate(s) relate to any Equity Interests which a Defaulting Remaining Shareholder is not bound to transfer under this article 11, the Company shall issue fresh certificates for the balance
- 11.8 Each Shareholder acknowledges and agrees that the authority conferred under this article 11 is necessary as security for the performance by the Remaining Shareholders of their obligations under this article 11
- 11.9 For the purposes of this article 11 only, **"Relevant Percentage"** means for all Remaining Shareholders.
- (a) the percentage (rounded to the nearest whole number) which the number of Sale Shares to be sold by the Transferors represents of the total number of Equity Shares held by the Transferor, provided that
  - (b) if such transfer would result in a Majority Sale then the Relevant Percentage in respect of that Remaining Shareholder will, at the sole discretion of that Remaining Shareholder exercisable by written notice to the Transferor within the 32 day period referred to in article 11 2, be either
    - (i) 100 per cent, or
    - (ii) the Relevant Percentage which would apply in respect of that Shareholder but for the application of this article 11 9(b)(ii).

## 12 PERMITTED TRANSFERS

- 12.1 Any Subscriber may at any time transfer all or some of its Shares (the **"Relevant Shares"**) to an Associate provided that (unless a Subscriber Majority agree otherwise) there are no more than ten BLACKSTONE Shareholders, ten KIRKBI Shareholders and ten CVC Shareholders at any time and the parties hereby agree that prior to achieving such maximum number of Shareholders, there shall be no restriction on any of them transferring to any number of Associates. The Associate may at any time transfer all or some of the Relevant Shares back to the original Subscriber or to another Associate of the original Subscriber (subject to there being no more than ten BLACKSTONE Shareholders, ten KIRKBI Shareholders and ten CVC Shareholders at any time, unless a Subscriber Majority agrees otherwise). Article 14 shall not apply to the transfer of any Shares pursuant to this article 12. For the purposes of this article 12 1 and article 12 2 Associates of Subscribers shall not include either
- (a) Portfolio Companies of a Subscriber, or
  - (b) Related Entities of that Subscriber, unless it is also an Affiliate of that Subscriber
- 12 2 If Relevant Shares have been transferred under article 12 1 (whether directly or by a series of transfers) by a Subscriber (the **"Transferor"** which expression shall not include a second or subsequent transferor in a series of transfers) to an Associate (the **"Transferee"**) and subsequently the Transferee ceases to be an Associate of the

Transferor or is declared bankrupt or is the subject of an insolvency event under the jurisdiction in which it is incorporated then the Transferee shall forthwith transfer the Relevant Shares to the Transferor or at the Transferor's option to an Associate of the Transferor. If the Transferor fails to transfer the Relevant Shares within 28 days of the Transferee ceasing to be an Associate of the Transferor then the Transferee shall be deemed to have served a Transfer Notice (as defined in article 14.1) in respect of the Relevant Shares and the provisions of article 14 shall apply mutatis mutandis. The Transfer Notice shall be irrevocable and may not be withdrawn in any circumstances.

- 12.3 An Institutional Shareholder may transfer Shares to a nominee or trustee for that holder and any such nominee or trustee may transfer Shares to any other nominee or trustee or to the beneficiary provided that no beneficial interest in the Shares passes by reason of any such transfer.
- 12.4 Any person in its capacity as general partner of an investment fund partnership may transfer any Shares held by it to any of the partners in those partnerships provided that the aggregate Actual Equity Percentage held by all of the partners in all of those partnerships to whom transfers have been made pursuant to this article 12.4 does not exceed 10 per cent and subject always to there being no more than ten BLACKSTONE Shareholders, ten KIRKBI Shareholders and ten CVC Shareholders at any time (unless a Subscriber Majority agree otherwise). In addition any Shareholder which is an investment fund or nominee or trustee for an investment fund (the "**First Fund**") may transfer any Shares (the "**Fund Shares**") held by it to any other investment fund managed or advised by the same manager or principal adviser as manages or advises the First Fund (the "**Second Fund**") subject always to there being no more than ten BLACKSTONE Shareholders, ten KIRKBI Shareholders and ten CVC Shareholders at any time (unless a Subscriber Majority agrees otherwise) but if the Second Fund fails to transfer such Shares to the First Fund within 28 days of ceasing to be managed or advised by the same manager or principal adviser as manages or advises the First Fund then the Second Fund shall be deemed to have been served a Transfer Notice (as defined in article 14.1) in respect of the Fund Shares and the provisions of article 14 shall apply mutatis mutandis. The Transfer Notice shall be irrevocable and may not be withdrawn in any circumstances.
- 12.5 Any Institutional Shareholder may transfer Shares to a "Co-Investment Scheme", being a scheme under which certain officers, employees or partners of an Institutional Shareholder or of its principal adviser or manager are entitled (as individuals or through a body corporate or any other vehicle) to acquire Shares which the Institutional Shareholder would otherwise acquire, provided that the aggregate Actual Equity Percentage held by all Co-Investment Schemes does not exceed 10 per cent (subject to there being no more than ten BLACKSTONE Shareholders, ten KIRKBI Shareholders and ten CVC Shareholders at any time unless a Subscriber Majority agrees otherwise).
- 12.6 A Co-Investment Scheme which holds Shares through a body corporate or another vehicle may transfer such Shares to
- (a) another body corporate or another vehicle which holds or is to hold Shares for the Co-Investment Scheme, or
  - (b) any officer, employee or partner entitled to the Shares under the Co-Investment Scheme.
- 12.7 An Employee or a nominee or trustee for an Employee (the "**Original Member**") may transfer Shares to a Family Member of such Original Member or the person for whom the Original Member is acting as nominee or trustee or to the trustees of a Family Trust of such Original Member or the person for whom the Original Member is acting as nominee or trustee provided always that if such person ceases to be a Family Member or a Family Trust, the Original Member shall procure that any Shares held by such person are transferred to the Original Member, another Family Member or a Family Trust or to the

trustees of a Family Trust in each case of such Original Member or the person for whom the Original Member is acting as nominee or trustee

- 12.8 A trustee of a Family Trust may at any time transfer any Share to
- (a) the new or remaining trustees of the Family Trust upon change of trustees, and
  - (b) any person on their becoming entitled to the same under the terms of the Family Trust
- 12.9 Any person (other than a Subscriber) holding an interest in Shares as a result of a transfer in accordance with articles 12.7 or 12.8 may at any time transfer such Shares to another Family Member or Family Trust of the Original Member or the person for whom the Original Member is or was acting as nominee or trustee.
- 12.10 Any person entitled to Shares in consequence of the death or bankruptcy of an individual (other than a Subscriber) or Executive or Employee on whose behalf a Shareholder was holding Shares as trustee or nominee may transfer Shares to any person or trustee to whom such individual Shareholder or former Shareholder or Executive or Employee on whose behalf a Shareholder or former Shareholder was holding Shares as a trustee or nominee, if not dead or bankrupt, would be permitted to transfer the same
- 12.11 Any person holding Shares as a result of a transfer made after the date of the adoption of these Articles by a person who was permitted to make such transfer under the terms of these Articles to such Shareholder (a) may at any time transfer any Share to the person who originally transferred such Shares to such person (or to any other person to whom such original transferor was permitted to transfer Shares) and (b) shall be obliged to transfer all the Shares to the person who originally transferred such Shares to such person upon that Shareholder ceasing to be a person to whom Shares may be transferred pursuant to articles 12.7 to 12.10 (inclusive).
- 12.12 An Employee Trust may transfer Shares in accordance with the rules of that Employee Trust
- 12.13 An individual may transfer Shares to a nominee or trustee for that holder and any nominee or trustee for an individual may transfer Shares to any other nominee or trustee acting for such individual or to the individual who is the beneficiary provided that no beneficial interest in the Shares passes by reason of such transfer
- 12.14 All Shares issued or to be issued to the Executives, their Family Trusts or an Employee are to be held by no more than one nominee or trustee on behalf of all of the Executives and/or Employees, unless otherwise agreed in writing by a Subscriber Majority.
- 12.15 Subject to article 12.14, Manco may transfer Shares to any Manco Shareholder, Employee, Executive, Employee Trust and/or any person who is acting as a nominee or trustee for Manco, any Manco Shareholder, an Employee, an Executive and/or an Employee Trust and any such nominee or trustee may transfer Shares to another nominee or trustee or to the beneficiary.
- 12.16 Any Shareholder may transfer all or some of its Shares or the shares held by it in the Listed Entity in connection with or as a result of a Listing and the provisions of articles 7.1, 9, 10, 11, and 14 shall not apply in such circumstances

### 13 **COMPULSORY TRANSFERS OF EXECUTIVES' SHARES**

- 13.1 The Board shall be entitled either:
- (a) within the period commencing on the Cessation Date and expiring at midnight on the first anniversary of such date (the "**Cessation Period**"); or

- (b) where the purchase of the relevant B Ordinary Shares during the Cessation Period is prevented by restrictions under any applicable law or by the terms of the Financing Documents, within six months after the end of the Cessation Period,

to serve notice (the "**Compulsory Transfer Notice**") on all or any members of the Departing Employee's Group who hold B Ordinary Shares.

- 13.2 The Compulsory Transfer Notice may require the relevant member(s), within ten days of the Compulsory Transfer Notice, to transfer such number and class of B Ordinary Shares held by them at such prices (subject to the price being not less than that provided for in article 13.3) in each case as are specified in the Compulsory Transfer Notice to such person(s) as may (subject to article 13.2) be specified in the Compulsory Transfer Notice or subsequently by the Board. If the relevant member(s) of the Departing Employee's Group make(s) default in transferring the Shares required to be transferred, the provisions of article 8.6 to 8.9 (inclusive) shall apply (references therein to the holder, Relevant Securities, transferee and documents being construed in accordance with the provisions of this article 13).

- 13.3 The price at which such B Ordinary Shares may be required to be transferred pursuant to article 13.1 shall be determined by the Board and shall be no lower than

- (a) if the reason for the Departing Employee becoming a Departing Employee (the "**Departure Reason**") is a Bad Reason the lower of Cost and Market Value, and

- (b) if the Departure Reason is a Good Reason

- (A) in respect of such percentage of all of the B Ordinary Shares held by the Departing Employee and/or any member of the Departing Employee's Group as is equal to "A" calculated as set out below, Market Value,

$$A = 100 \times (D/E)$$

where

D = the lower of 60 and the number of calendar months to have elapsed from the Commencement Date to the Cessation Date

$$E = 60$$

- 13.4 unless a Subscriber Majority determines otherwise, the lower of Cost and Market Value in respect of the remainder of the B Ordinary Shares held by the Departing Employee and/or any member of the Departing Employee's Group.

- 13.5 In article 13.3

- (a) "**Good Reason**" shall mean.

- (i) the death of the Departing Employee,
  - (ii) the ill health (save where such ill health arises as a result of an abuse of alcohol or drugs) or permanent disability of the Departing Employee rendering him incapable of continued full-time employment in his current position (or a comparable position at the location he is employed or otherwise provides his services at the Cessation Date) with the Group or permanent disability of a member of the Departing Employee's immediate family,
  - (iii) the retirement of the Departing Employee on reaching retirement age in accordance with his terms of employment, or



- (iv) in other circumstances where the Board with Subscriber Majority consent agrees in writing that a Departing Employee should be a Good Leaver;
  - (b) in the case of the Senior Executives, Good Reason shall also include
    - (i) the service contract of the Departing Employee (or other arrangement pursuant to which his services are provided to a Group Company) being terminated by that Group Company other than in circumstances in which the Group Company is entitled summarily to terminate such contract without payment of damages or payment in lieu of notice,
    - (ii) the redundancy of the Departing Employee,
  - (c) **"Bad Reason"** shall mean
    - (i) voluntary resignation by the Departing Employee for a reason other than a Good Reason, or
    - (ii) any other reason which is not a Good Reason,
  - (d) **"Cost"** shall mean the amount paid or paid up (by way of purchase or subscription price) for the B Ordinary Shares in question or the amount paid or paid up (by way of purchase or subscription price) for the ME Lux B Ordinary Shares by the first member (in point of time) of the Departing Employee's Group who held such B Ordinary Shares or ME Lux B Ordinary Shares which have subsequently been exchanged for the B Ordinary Shares in question (as applicable)
- 13.6 In determining the Market Value of any B Ordinary Shares the subject of the Compulsory Transfer Notice
- (a) in the case of any Senior Executive who is a Departing Employee, the Company may propose to the relevant Senior Executive a price (calculated on the basis set out in paragraphs (a) to (e) inclusive of article 13.8) which if accepted by him shall be deemed to be the Market Value for his B Ordinary Shares. In the absence of agreement, Market Value shall be determined by the Auditors in accordance with article 13.7; and
  - (b) in the case of any other Departing Employee, Market Value shall be determined by the Remuneration Committee (acting reasonably) provided that the Remuneration Committee shall, in determining the Market Value, adopt the valuation principles set out in article 13.8 below
- 13.7 Subject to article 13.6, the Market Value of any B Ordinary Shares (the **"Transferred Shares"**) the subject of the Compulsory Transfer Notice shall be their market value as at the date of the Compulsory Transfer Notice as between a willing buyer and a willing seller as certified by the Auditors (subject to article 13.9) acting as experts and not arbitrators and whose determination shall be final and binding on the parties concerned in the absence of manifest error
- 13.8 In arriving at the Market Value of any Transferred Shares, the Auditors shall be instructed to:
- (a) disregard any restrictions attached to the Shares and no discount shall be made by reason of such Shares constituting a minority,
  - (b) determine the "Enterprise Value" which shall mean the price obtainable on a sale of
    - (i) all of the issued shares of the Company of whatever class; and

- (ii) all Debt Securities in issue (including all accruals and arrears of interest thereon),

together the "Stapled Equity" between a willing buyer and a willing seller (on the assumption that the Stapled Equity is being sold for cash), assuming for the purpose of this article 13 that the Company is free of any indebtedness outstanding under the Financing Documents as at the date of the Compulsory Transfer Notice;

- (c) deduct from the Enterprise Value an amount equal to such amount which would be required as at the date of the Compulsory Transfer Notice to refinance all amounts (including all arrears and accruals of interest, fees and other costs, and expenses payable (other than any repayment penalties or fees)) outstanding under the Financing Documents,
  - (d) deduct from the resultant figure an amount equal to that which would be required as at the date of the Compulsory Transfer Notice to refinance all amounts (including all arrears and accruals of interest, fees and other costs and expenses payable (other than any repayment penalties or fees)) outstanding under the Debt Securities then in issue, and
  - (e) use the resultant figure as the valuation of all of the issued ordinary share capital of the Company from which to determine the market value of the Transferred Shares as between a willing buyer and a willing seller.
- 13.9 If the Auditors are unwilling or unable to act under article 13.7, then an Independent Expert shall determine the Market Value in accordance with article 13.8 and the provisions of articles 13.7 and 13.8 shall apply as if references therein to "Auditors" were to "Independent Expert" provided that in such circumstances the identity of the Independent Expert shall be nominated by the Board and the relevant Senior Executive who is a Departing Employee or in the case of disagreement as to such nomination, appointed at the request of the Board or the relevant Senior Executive who is a Departing Employee by the President for the time being of the Institute of Chartered Accountants in England and Wales
- 13.10 The costs and expenses of the Auditors shall be borne by the Company which shall be reimbursed by the Departing Employee as to 50 per cent of such costs and expenses unless the value determined by the Auditors is 10 per cent or more higher than that proposed by the Company, in which case such costs and expenses shall be borne by the Company
- 13.11 The B Ordinary Shares to be transferred pursuant to a Compulsory Transfer Notice shall be offered to such Executives, employees of the Group, future employees of the Group, Manco and/or any Employee Trust and in such amounts as the CEO and CFO determine, provided that the number of B Ordinary Shares which may be acquired by the Executives pursuant to any such Compulsory Transfer Notice shall not exceed one per cent of the total Equity Share Capital of the Company at such time
- 13.12 Any Shares not taken up by the persons to whom they are offered pursuant to article 13.11 shall be offered to employees, prospective employees of the Group or an Employee Trust as determined by the CEO and CFO or otherwise warehoused for future allocation by the CEO and CFO to employees or prospective employees of the Group or an Employee Trust
- 13.13 The rights attaching to or restrictions on the B Ordinary Shares set out in this article 13 shall not be varied or abrogated by the Shareholders or the Company without the prior consent or sanction of the holders of more than 3/4 (three quarters) in nominal value of the issued B Ordinary Shares provided that, in the case of this article 13 only, such consent shall not be required if the variation or abrogation of rights is (i) a variation or

abrogation of the rights only of persons who are not holders of B Ordinary Shares at that time, or (ii) does not adversely affect the holders of B Ordinary Shares at that time

#### 14. RIGHT OF FIRST OFFER ON TRANSFER OF SHARES

- 14.1 If at any time a Shareholder proposes to transfer or dispose of any of its Shares otherwise than in accordance with articles 8 3, article 12, pursuant to a Tag Offer under article 10, in accordance with a Come Along Notice served under article 9 or in accordance with a Drag Notice served under article 11 1, it shall first give notice in writing (the "**Transfer Notice**") of its desire to do so to each of the other Shareholders who hold shares of the same class as the Offered Shares (as defined below) The Transfer Notice shall
- (a) specify the number of Shares desired to be transferred or disposed of (the "**Offered Shares**") by the relevant Subscriber and/or their respective Associates (the "**Vendor**"),
  - (b) specify the price per Share which the Vendor is willing to accept for the Offered Shares (the "**Offer Price**"), the number of Shares offered to the relevant recipient being the number of Shares which represents the percentage of all issued Shares (excluding the Offered Shares) of the same class as the Offered Shares held by the recipients multiplied by the total number of Offered Shares (the "**Proportionate Entitlement**") and the identity of the proposed transferee, if any (the "**Proposed Transferee**"),
  - (c) be accompanied by forms of application for use by the Shareholder in applying for his Proportionate Entitlement (or part thereof) and for any Shares in excess of such entitlement which he is prepared to purchase ("**Excess Shares**"), and
  - (d) not be withdrawn except with the Vendor's consent or as provided in article 13 8
- 14 2 If a Proposed Transferee is specified in the Transfer Notice, the Vendor may, at its sole discretion, serve together with the Transfer Notice a Tag Offer pursuant to article 10 (and a Come Along Notice pursuant to article 9, if applicable) in respect of the proposed transfer and in such case the relevant time periods for acceptance of the offers made under this article 14 and under article 10 and/or article 9 shall run concurrently
- 14 3 Subject to article 14 8, every such offer shall be open for acceptance in whole or in part within 30 days from the date of its despatch (which shall be specified in the notice) (the "**Final Acceptance Date**") Such offer shall, to the extent that the same is not accepted by any Shareholder in whole or in part within 30 days of the said date, be deemed to have been declined by such Shareholder
- 14.4 Within two Business Days of the Final Acceptance Date (the "**Confirmation Date**"), the Vendor shall confirm in writing to each Shareholder who has indicated that he wishes to purchase his entitlement of Offered Shares (each a "**Purchasing Member**") the total number of Offered Shares to be transferred to it (which shall be made up of the Purchasing Member's Proportionate Entitlement or such lesser number of Offered Shares for which it may have applied and, if applicable, the number of Excess Shares as calculated pursuant to article 14 5) (the "**Total Offered Shares**")
- 14.5 If the number of any Offered Shares which remain unallocated is less than the total number of Excess Shares applied for, the unallocated shares shall be allocated (as nearly as may be) pro rata to the holdings of the Equity Shares of the Equity Shareholders who applied for Excess Shares (calculated among those Shareholders only) and if the number of any Offered Shares which remain unallocated equals or is greater than the number of Excess Shares applied for, each Shareholder who has applied for Excess Shares shall (upon receipt of the full consideration) be allocated the number of Excess Shares for which it applied.

- 14 6 Within 30 days of the Confirmation Date, each Purchasing Member must transfer to the Vendor the full consideration for the Total Offered Shares, upon receipt of which, the Vendor shall transfer the Total Offered Shares to the Purchasing Member(s).
- 14 7 The Vendor shall be bound, upon payment of the Offer Price (which payment shall be made within 30 calendar days of the Confirmation Date, to transfer Shares which have been allocated to the Purchasing Member(s) pursuant to articles 14 4 and 14 5 to such Purchasing Member(s). If, after becoming so bound, the Vendor makes default in transferring the Equity Shares and a Purchasing Member so proves to the Company's satisfaction that it had paid the Offer Price, the Vendor shall be deemed to have appointed any one Director of the Company as its duly appointed agent with full power to execute complete and deliver on behalf of the Vendor a transfer of the relevant Shares to the Purchasing Member(s) and, after each Purchasing Member('s) name has been entered in the register of members of the Company, the validity of the proceedings shall not be questioned by any person
- 14 8 To the extent that the Vendor shall not find buyers for all the Offered Shares or Excess Shares or the Total Offered Equity Shares pursuant to the procedure set out in articles 14 1 to 14 5 (inclusive), or if all the Shares comprised in a Transfer Notice are not accepted by a Purchasing Member or Purchasing Members, the Transfer Notice shall be deemed to be withdrawn and the Vendor may within six months after the Final Acceptance Date, subject always to the provisions of article 10 and article 9 (if applicable), transfer all (but not some) of the Offered Shares to any person on a bona fide sale at a price per Share not less than the Offer Price save that
- (a) in the case of a transfer to a proposed transferee who is a person considered by the Board to be a competitor or connected with a competitor of the business of the Group a transfer may not be registered unless it shall first have been approved by the Board; and
  - (b) the Board may require to be satisfied in such manner as it may reasonably require that the Offered Shares are being sold pursuant to a bona fide sale at a price per Share not less than the Offer Price without any deduction, rebate or allowance whatsoever to the buyer and if not so satisfied may refuse to register the instrument of transfer

## 15. **OTHER TRANSFER RESTRICTIONS**

- 15 1 Notwithstanding any other provisions of these Articles, as long as the Licence and Co-operation Agreement continues in effect and KIRKBI or any of its respective nominees, or Associates is a Shareholder:
- (a) a Shareholder may not transfer Shares or any interest in Shares; and
  - (b) the Company or any Group Company may not issue or grant any rights over Shares, Quasi Equity, Debt Securities or loans, loan stock or shares of any Group Company,
- to a LEGO Competitor or an Inappropriate Party without the prior written consent of each of KIRKBI, BLACKSTONE and CVC
- 15 2 For the purposes of these Articles, any dispute as to whether a proposed transferee is a LEGO Competitor or an Inappropriate Party shall be referred for final resolution to a Queen's Counsel acting in England and Wales appointed by agreement between BLACKSTONE, KIRKBI and CVC to act as an expert and not as an arbitrator or in default of agreement within 30 days by the Chairman of the Bar Council of England and Wales upon the application of either BLACKSTONE, KIRKBI or CVC. The costs of the Queen's Counsel shall be borne as determined by that Queen's Counsel

**16 APPOINTMENT AND REMOVAL OF DIRECTORS**

- 16 1 BLACKSTONE, KIRKBI and CVC shall each be entitled from time to time to appoint two individuals as Directors.
- 16.2 In addition to its Subscriber's rights under article 16 1, for as long as that Subscriber's Relevant Share Percentage
- (a) exceeds 40%, it shall be entitled from time to time to appoint one additional Director, or
  - (b) exceeds 50%, it shall be entitled from time to time to appoint as Directors such number as will, when taken together with the other Directors appointed by the relevant Subscriber, constitute a simple majority of the Board
- 16 3 Only a Subscriber who appointed a Director may
- (a) propose that the Directors that they appointed be dismissed or suspended from office by all the Shareholders in general meeting, or
  - (b) appoint replacements for such Directors who have been dismissed or suspended from office
- 16 4 Only the Subscribers acting in a Subscriber Majority shall:
- (a) be entitled from time to time to appoint an employee of the Group as a speaking, non-voting observer (the "**Executive Observer**"), and
  - (b) propose that any appointed Executive Observer be replaced by another employee or prospective employee of the Group
- 16.5 The Directors present at any Board meeting may appoint any one of their number to act as chairman for the purposes of that meeting The chairman shall not have a second or casting vote
- 16 6 Unless otherwise provided in these Articles or by separate agreement between the shareholders, the Directors shall not be entitled to any remuneration in their capacity as Directors Each Director and the Executive Observer shall be entitled to reimbursement of his reasonable out of pocket expenses in relation to attendance of each Board meeting
- 16.7 Each Director may appoint any other Director as his proxy for the purposes of any Board meeting contemplated under this article 16 and such proxy may vote on his behalf at that Board meeting
- 16 8 At the time of the completion of any sale, assignment, transfer or other disposition of all of the Equity Shares held by a Subscriber or, when its rights under articles 16 1 and 16 2 cease, that Shareholder shall procure the resignation as soon as reasonably practicable of each, or as applicable, such number of Directors appointed by it to ensure that the total number of Directors which it has appointed and have been appointed as Directors is the total that it is entitled to appoint and have appointed in accordance with these Articles
- 16 9 Any Subscriber proposing the removal or suspension of a Director shall be responsible for, and agrees with the Company and the other Shareholders to indemnify and keep indemnified the Company and the other Shareholders on demand against all losses, liabilities and costs which the Company and the other Shareholders may incur arising out of, or in connection with, any claim by the Director for wrongful or unfair dismissal or redundancy or other compensation arising out of the Director's removal or loss of office

- 16 10 Notwithstanding any other provision of these Articles, the rights of each Subscriber under articles 16 1 and 16 2 to appoint Directors shall cease absolutely if for whatever reason the relevant Subscriber's Relevant Share Percentage is less than 10 per cent

**17 MEETINGS OF THE BOARD**

- 17.1 The Board shall meet upon call by the chairman, or two Directors. The chairman shall preside at all meetings of the Board, but in his absence, the Board may appoint another Director as chairman pro tempore by vote of the majority present at any such meeting.
- 17.2 Written notice of any meeting of the Board must be given to the Directors seven days in advance of the date foreseen for the meeting, except a meeting of the Board may be convened on less than seven days notice if one of each of the BLACKSTONE Directors, KIRKBI Directors and CVC Directors agree. A special convocation will not be required for a Board meeting to be held at a time determined in a prior resolution adopted by the Board
- 17 3 For so long as
- (a) BLACKSTONE has the right to appoint at least one BLACKSTONE Director pursuant to article 16 1, whether or not such Director has been appointed, the BLACKSTONE Representative will be entitled to receive notice of and papers relating to all Board meetings at the same time as each Director,
  - (b) KIRKBI has the right to appoint at least one KIRKBI Director pursuant to article 16 1, whether or not such Director has been appointed, the KIRKBI Representative will be entitled to receive notice of and papers relating to all Board meetings at the same time as each Director, and
  - (c) CVC has the right to appoint at least one CVC Director pursuant to article 16 1, whether or not such Director has been appointed, the CVC Representative will be entitled to receive notice of and papers relating to all Board meetings at the same time as each Director
- 17 4 Any Director may act at any Board meeting by appointing, in writing, by facsimile, electronic mail or any other means of written communication another Director as his proxy. A Director may represent more than one of his colleagues
- 17 5 Any Director may participate in any meeting of the Board by conference call, videoconference or by other similar means of communication allowing all the persons taking part in the meeting to hear one another. The participation in a meeting by these means is equivalent to a participation in person at such meeting
- 17 6 Subject to article 17 7, notwithstanding the fact that a proposed decision of the Directors concerns or relates to any matter in which a Director has, or may have, directly or indirectly, any kind of interest whatsoever, that Director may participate in the decision-making process for both quorum and voting purposes
- 17.7 The Directors have the power to authorise a Director's conflict of interest under section 175(4)(b) of the Companies Act 2006. If the Directors propose to exercise this power, the Director facing the conflict is not to be counted as participating in the decision to authorise the conflict for quorum or voting purposes
- 17.8 Subject to the provisions of the Companies Act 2006, and provided that (if required to do so by the said Act) he has declared to the Directors the nature and extent of any direct or indirect interest of his, a Director, notwithstanding his office
- (a) may be a party to or otherwise interested in, any transaction or arrangement with the Company or in which the Company is otherwise interested,

- (b) may be a director or other officer or an employee of, or a party to any transaction or arrangement with, or otherwise interested in, any subsidiary of the Company or body corporate in which the Company is interested, and
  - (c) is not accountable to the Company for any remuneration or other benefits which he derives from any such office or employment or from any such transaction or arrangement or from any interest in any such body corporate and no transaction or arrangement is liable to be avoided on the ground of any such remuneration, benefit or interest
- 17.9 The Directors may delegate any of their powers or discretions (including without prejudice to the generality of the foregoing all powers and discretions whose exercise involves or may involve any payment to or the conferring of any other benefit on all or any of the Directors) to committees consisting of one or more members of their body and (if thought fit) one or more other persons co-opted to the committee. Insofar as any such power or discretion is delegated to a committee any reference in these Articles to the exercise by the Directors of such power or discretion shall be read and construed as if it were a reference to the exercise of such power or discretion by such committee. Any committee so formed shall in the exercise of the powers and discretions so delegated conform to any regulations that may from time to time be imposed by the Directors in default of which the meetings and proceedings of a committee consisting of more than one member shall be governed mutatis mutandis by the provisions of these Articles regulating the proceedings and meetings of the Directors
- 17.10 Any such delegation shall, in the absence of express provision to the contrary in the terms of delegation, be deemed to include authority to sub-delegate to one or more Directors (whether or not acting as a committee) or to any employee or agent of the Company all or any of the powers and discretions delegated and may be made subject to such conditions as the Directors may specify, and may be revoked or altered
- 18. QUORUM AND MAJORITY**
- 18.1 The Board can deliberate or act validly only if at least a majority of the Directors are present or represented at a Board meeting. Decisions shall be taken by a majority of votes of the Directors present or represented at such meeting
- 18.2 The Board may, unanimously, pass resolutions in writing
- 18.3 The quorum for the transaction of business of the Board or any committee or sub-committee thereof shall be a majority of its members and in any case must include one BLACKSTONE Director and one KIRKBI Director and one CVC Director, for so long as the relevant appointing Subscriber has the right to appoint at least one Director pursuant to article 16.1. If within an hour of the time appointed for a Board meeting a quorum is not present such meeting shall stand adjourned to the third Business Day later at the same time and place unless agreed otherwise by one of each of the BLACKSTONE Directors, KIRKBI Directors and CVC Directors (if one is in office). If at the adjourned meeting a quorum is not present within one hour of the time appointed for such meeting, the Directors present shall constitute a quorum provided that they are a majority of the Directors entitled to attend such adjourned meeting. Notice of a meeting adjourned for absence of a quorum shall be given to all Directors entitled to attend such adjourned meeting
- 18.4 In the event that a Subscriber has the right to nominate a Director for appointment to the Board pursuant to article 16.1 on all occasions in relation to which such a Director is unable to attend a Board meeting, that Subscriber shall be entitled to send to all such Board meetings a speaking observer

- 18.5 In the event that a Subscriber's Relevant Share Percentage is greater than 5 per cent but he no longer is entitled to appoint a Director to the Board as at that date, he will be entitled to receive notice of and papers relating to all Board meetings at the same time as each Director
- 18.6 If, at any time, no BLACKSTONE Director has been appointed under article 16 when BLACKSTONE has a right under article 16 to appoint a BLACKSTONE Director then references in these Articles to the consent or approval of one or more of the BLACKSTONE Directors shall be construed as references to the written consent of BLACKSTONE
- 18.7 If, at any time, no KIRKBI Director has been appointed under article 16 when KIRKBI has a right under article 16 to appoint a KIRKBI Director then references in these Articles to the consent or approval of one or more of the KIRKBI Directors shall be construed as references to the written consent of KIRKBI
- 18.8 If, at any time, no CVC Director has been appointed under article 16 when CVC has a right under article 16 to nominate a CVC Director then references in these Articles to the consent or approval of one or more of the CVC Directors shall be construed as references to the written consent of CVC.

**19. SHAREHOLDERS AND BOARD CONSENT RIGHTS**

- 19.1 Any decision relating to any of the following matters shall require either. (a) the prior written consent of each of the Significant Subscribers, or (b) the prior approval of a majority of the Board including at least one of the Directors appointed by each Significant Subscriber
- (a) any change in the memorandum of association of the Company or the articles, other than as required where there is any conflict or inconsistency between the provisions of any agreement entered into by the Shareholders and the provisions of these Articles,
  - (b) any issue of Shares or Quasi Equity or Debt Securities,
  - (c) the undertaking or entering into of any transaction by the Company or any Group Company (other than pursuant to these Articles) which, if the Company were admitted to the Official List of the UK Listing Authority and to trading on the London Stock Exchange's market for listed securities, would constitute a transaction falling within Class 1 (as defined from time to time in the Listing Rules) save that the calculation resulting from the consideration to market capitalisation ratio shall not apply;
  - (d) the passing of any resolution to (i) wind up the Company or any material Group Company, or the filing of any petition for the appointment of a liquidator, or the making of an invitation to any person to appoint an administrative receiver or administrator or the taking of any step (including but without limitation the service of any notice or filing of any document by the Company or any of its Directors) to place the Company (or any Group Company as the case may be) in administration, or the presentation of any petition by the Company (or any Group Company as the case may be) or any of its Directors to the court for an administration order;
  - (e) the creation, renewal or extension of any borrowing commitment by any Group Company which is (a) not permitted or would otherwise require bank consent under the Financing Documents; or (b) in excess of €25 million;
  - (f) any individual or related series (in any 12 month period) of capital expenditure commitments by any Group Company exceeding €100 million, excluding capital expenditure relating to the acquisition of new parks,



- (g) the assignment, sale or other disposal in any 12 month period of any asset or related group of assets by any Group Company (other than a member of the Operating Group) having a net book value in aggregate of €200 million or more, excluding the assignment, sale or other disposal of one individual park or attraction and assets and liabilities relating thereto each year,
  - (h) any change in the Company's auditors to a firm other than KPMG LLP, Ernst & Young, Deloitte or PricewaterhouseCoopers;
  - (i) any decision relating to the establishment of any share option or other share-based incentive scheme for any Director or employee of any Group Company involving the issue of Shares beyond those described in the definition of Permitted Issue,
  - (j) any material change to the business of the Company or the business of any Group Company which is inconsistent with the Business,
  - (k) any issue of shares, shareholder loans or loan stock by a Group Company to any person other than a Group Company, or
  - (l) the making of any loan by any member of the Operating Group to a Subscriber
- 19 2 The provisions of article 19.1 above shall not apply to a Permitted Issue, a Permitted Borrowing, a Permitted Acquisition or a sale of the Company pursuant to the mechanism set out in article 11 or to any action necessary to implement any of the foregoing or to give effect to any matter specifically contemplated in any agreement between the Shareholders, each of which shall require the approval of the Board acting by a simple majority.

## 20. **DISTRIBUTION OF PROFITS**

- 20 1 Any distributions made by the Company of amounts of capital or income available for distribution, at any time and including upon the liquidation of the Company, (a "**Distribution**") shall be made in the following order of priority
- (a) first, to the holders of the A Ordinary Shares (in their capacity as such) until they have received in respect of the A Ordinary Shares (together with all previous Distributions made in respect of any A Ordinary Share) the aggregate Preferred Return in respect of all of the A Ordinary Shares, such payments being made pro rata to the Issue Price of the A Ordinary Shares,
  - (b) second, to the holders of the A Ordinary Shares (in their capacity as such) until they have received in respect of the A Ordinary Shares (together with all previous Distributions made in respect of any A Ordinary Share) the aggregate Issue Price of all of the A Ordinary Shares, such payments being made pro rata to the Issue Price of the A Ordinary Shares,
  - (c) thirdly, but subject to article 20 1(d) below, 87 2 per cent of the remainder of the Distribution shall be distributed to the holders of the A Ordinary Shares (pro rata to the number of A Ordinary Shares they hold) and 12 8 per cent of the remainder of the Distribution shall be distributed to the holders of the B Ordinary Shares (pro rata to the number of B Ordinary Shares they hold), pari passu as if the A Ordinary Shares and B Ordinary Shares constituted one class of shares, and
  - (d) fourth, if, and to the extent that, the amount distributed under article 20 1 is more than £10,000,000,000, in distributing the excess amongst the holders of the Deferred Shares and the Ordinary Shares (pro-rata to the number of such Shares held as if they were one class of Shares) until an amount equal in aggregate to the nominal value of such Shares has been so distributed

20 2 For the purposes of this article 20

**"Currency Split"** means the split specified in the terms of the A Ordinary Shares in question and in the case of the A Ordinary Shares issued on the date of Completion means 35 per cent in sterling, 40 per cent in Euros and 25 per cent in US dollars,

**"Euro Issue Price"** means the Euro denominated currency component of the Issue Price,

**"Issue Price"** means (i) in respect of the A Ordinary Shares issued after 30 September 2013 the issue price of the A Ordinary Share in question (to be agreed at the time of issue) or the issue price of the ME Lux A Ordinary Share which has been subsequently exchanged for the A ordinary Share in question (as agreed at the time of issue) which for each A Ordinary Share shall be partly denominated in sterling, partly denominated in Euro and partly denominated in US dollars, (ii) in respect of the A Ordinary Shares which have been exchanged for the ME Lux A Ordinary Shares issued on Completion, the aggregate of £3 16, €4 04 and US\$3 37 per A Ordinary Share; and (iii) in respect of the A Ordinary Shares issued to KIRKBI on 19 October 2012, the aggregate of £0 0031, €0.0040, US\$0 0033 per A Ordinary Share,

**"Preferred Return"** means an amount equal to a yield on each currency component of the Issue Price of each A Ordinary Share calculated at the rate of 8 per cent per annum (accrued on a day-to-day basis and compounded on each anniversary of issue of the A Ordinary Share or, where the A Ordinary Share in question was issued in exchange for a ME Lux A Ordinary Share, the date of issue of the relevant ME Lux A Ordinary Share) and on the basis that for the purposes of calculating the Preferred Return, any Distributions in respect of an A Ordinary Share shall be treated as reducing

- (a) first, any amount of outstanding unpaid Preferred Return with effect from the date of that Distribution, and
- (b) thereafter (once all amounts of outstanding unpaid Preferred Return have been satisfied) shall be treated as reducing the Issue Price of that A Ordinary Share with effect from the date of that Distribution,

**"Sterling Issue Price"** means the sterling denominated currency component of the Issue Price, and

**"US\$ Issue Price"** means the US\$ denominated currency component of the Issue Price.

20 3 For the purpose of determining the satisfaction of the Preferred Return on any A Ordinary Shares and the return on any A Ordinary Shares each Distribution shall (regardless of the currency in which it is actually paid) be deemed to be made in sterling, Euro and US dollars on the basis of the Currency Split and applying the closing foreign exchange rates in London as published by Bloomberg prevailing at the close of business on the Business Day immediately preceding the Distribution (the **"Prevailing Exchange Rate"**) where necessary to achieve the Currency Split.

20 4 Once the Distribution has been notionally denominated in accordance with article 19 4 above, the deemed amounts of the Distribution in each currency (such amounts being the **"Deemed Sterling Distribution"**, the **"Deemed Euro Distribution"** and the **"Deemed US\$ Distribution"**, respectively) shall be notionally applied against the aggregate value of

- (a) in the case of the Deemed Sterling Distribution, the sterling component of the A Ordinary Shares (calculated by multiplying the number of A Ordinary Shares in issue with the same Sterling Issue Price by such Sterling Issue Price and, in circumstances where there are in issue A Ordinary Shares with differing Sterling Issue Prices, aggregating the totals, in all cases together with the Preferred Return

accrued and outstanding thereon) (such aggregate amount the "**Accrued Sterling Value**"),

- (b) in the case of the Deemed Euro Distribution, the Euro component of the A Ordinary Shares (calculated by multiplying the number of A Ordinary Shares in issue with the same Euro Issue Price by such Euro Issue Price and, in circumstances where there are in issue A Ordinary Shares with differing Euro Issue Prices, aggregating the totals, in all cases together with the Preferred Return accrued and outstanding thereon) (such aggregate amount the "Accrued Euro Value"), and
- (c) in the case of the Deemed US\$ Distribution, the US dollar component of the A Ordinary Shares (calculated by multiplying the number of A Ordinary Shares in issue with the same US\$ Issue Price by such US\$ Issue Price and, in circumstances where there are in issue A Ordinary Shares with differing US\$ Issue Prices, aggregating the totals, in all cases together with the Preferred Return accrued and outstanding thereon) (such aggregate amount the "**Accrued US\$ Value**"),

for the purposes of determining whether, from time to time, the priority payments in paragraphs (a) and (b) of this article 20 have been satisfied

- 20.5 In the event that resulting from a Distribution the Deemed Sterling Distribution exceeds the Accrued Sterling Value or the Deemed Euro Distribution exceeds the Accrued Euro Value or the Deemed US\$ Distribution exceeds the Accrued US\$ Value, then the excess Deemed Sterling Distribution, Deemed Euro Distribution and/or Deemed US\$ Distribution (as the case may be) shall be notionally converted into sterling (if there remains any outstanding Accrued Sterling Value), Euros (if there remains any outstanding Accrued Euro Value) and/or US dollars (if there remains an outstanding Accrued US\$ Value) pro rata to the Currency Split (but for these purposes excluding any currency in respect of which the distribution exceeds the outstanding accrued value) applying the Prevailing Exchange Rate and notionally applied to the outstanding Accrued Sterling Value, Accrued Euro Value or Accrued US\$ Value as the case may be

By way of illustration, the following is a worked example of the determination of the return on A Ordinary Shares

Setup FX Rates (SPA)	
£-€	1 117
£-\$	1 491

Setup FX Split	
£	35 0%
€	40.0%
\$	25 0%
<b>SUM</b>	<b>100.0%</b>

Total Setup Value in Local currency	
£	430,856,170
€	550,018,676
\$	458,861,821

Per Share Setup Value in Local Currency	
£	3.16
€	4 04
\$	3 37

Setup			
All-£ Equivalent	Set-up Value (all in (£))	#	%
BLACKSTONE CAPITAL PARTNERS (CAYMAN) IV LP	395,505,332	43,774,745	32 13%
BLACKSTONE CAPITAL PARTNERS (CAYMAN) IV-A LP	6,231,564	689,715	0 51%
BLACKSTONE FAMILY INVESTMENT PARTNERSHIP (CAYMAN) IV A LP	17,497,468	1,936,630	1.42%
BLACKSTONE PARTICIPATION PARTNERSHIP (CAYMAN) IV LP	1,406,865	155,715	0 11%
KIRKBI A/S	446,592,970	49,429,155	36 28%
LANCELOT HOLDINGS S a r.L	346,454,194	38,345,740	28 14%
MERLIN ENTERTAINMENTS SHARE PLAN NOMINEE	17,329,236	1,918,010	1.41%
<b>TOTAL</b>	<b>1,231,017,628</b>	<b>136,249,710</b>	<b>100.0%</b>

	23/07/10 Set-up	Roll-up	23/07/11 1 <sup>st</sup> Anniversary	Roll-up	23/07/12 2 <sup>nd</sup> Anniversary	23/07/12 Distribution	23/07/12 Post Distribution
<b>Preferred Return</b>		8%		8%			
<b>£m Total Value</b>	430.9	34.5	465.3	37.2	502.6		
<b>€m Total Value</b>	550.0	44.0	594.0	47.5	641.5		
<b>\$m Total Value</b>	458.9	36.7	495.6	39.6	535.2		
<b>Distribution Example I</b>							
<b>£100m distribution –assuming FX unchanged</b>							
<b>Local Currency</b>	<b>FX Split</b>	<b>Spot Rate</b>	<b>FX Dividend Local Currency</b>		<b>Accrued Value</b>		
£	35.0%	1.000	35,000,000		502.6	(35.0)	467.6
€	40%	1.500	60,000,000		641.5	(60.0)	581.5
\$	25.0%	1.491	37,275,000		525.2	(37.3)	497.9
<b>Exit Example</b>							
£2,000m pre-dilution exit equity value – assuming € weakened vs (no distribution pre-exit assumed) and assuming an exit on 23 July 2012							
<b>Local Currency</b>	<b>Spot FX Rate</b>		<b>Accrued Value (£m)</b>		<b>Accrued Value (£m)</b>		
£	1.000		502.6				502.6
€	2.000		641.5				320.8
\$	1.491		535.2				359.0
			<b>Sum (£M)</b>				<b>1,182.3</b>
			<b>Disposal Proceeds (£M)</b>				<b>2,000.0</b>
			<b>Value in excess of accrued A-Share value (£M)</b>				<b>817.7</b>
			thereof to B-share holders (12.8%) (£m)				104.7
			thereof to A-share holders (87.2%) (£m)				713.0

21     **DIVIDENDS**

Dividends in respect of Shares shall be allocated to Shareholders in accordance with article 20

22     **SALE OF THE SHARE CAPITAL OF THE COMPANY**

In the event of a Majority Sale, then, notwithstanding anything to the contrary in the terms and conditions governing such Majority Sale (unless all the selling holders of shares in the Company immediately prior to such Majority Sale have agreed to the contrary for the purposes of this article 22) the selling holders of shares in the Company (immediately prior to such Majority Sale) shall procure that the consideration (whenever received and in whatever form) shall be held by a trustee nominated by the Board and shall be distributed amongst such selling holders in the same order of priority as set out in article 20 as if the date of such Majority Sale were the date of the return of capital for the purposes of article 20 and as if the consideration for such Majority Sale represented all of the assets of the Company available for distribution to the holders of the shares being sold

23     **EXIT**

23 1    At any time

- (a)   prior to the third anniversary of Completion, a Subscriber Majority may require the Board to pursue a Listing and may elect to effect a Listing provided that immediately upon Listing the market capitalisation of all the issued shares of the Listed Entity (calculated by reference to the price at which such shares are sold to investors upon Listing) is equal to or higher than the Hurdle Valuation;
- (b)   during the period from the third anniversary until the fourth anniversary of Completion, a Subscriber Majority may require the Board to pursue a Listing and may elect to effect a Listing provided that immediately upon Listing the market capitalisation of all the issued shares of the Listed Entity (calculated by reference to the price at which such shares are sold to investors upon Listing) is equal to or higher than the Closing Equity Valuation, and
- (c)   after the fourth anniversary of Completion, each Subscriber has the right to elect to require the Board to pursue a Listing at any price,

provided that in the case of (b) above, the ratio of third party loans in the Group to EBITDA on completion of the Listing or as set out in the pro forma account of the Listing Entity disclosed in connection with the Listing will be no less than 2.5 to 1

- 23 2   If some, but not all, of the Subscribers consent to the Listing, the non-consenting Subscribers will not under any circumstances be required to transfer their Shares (other than in exchange for shares in an Ultimate Holding Company) or the shares held by them in the Listed Entity in connection with or as a result of the Listing.
- 23 3   The Shareholders and the Company shall notify each of the Company and the other Shareholders (as the case may be) of any approach received by any of them which it is reasonable to believe might lead to an offer being made to purchase all of the share capital or all (or a material part) of the business of the Company or any other members of the Group. Each of the Subscribers shall notify the CEO and CFO of any such approach which they reasonably consider is likely to lead to such an offer
- 23 4   In relation to any Listing or proposal to List, the Company must with the prior consent of the Subscriber Majority instruct the corporate finance group of an investment bank of international standing which provides equity underwriting services in the United Kingdom (the "**Investment Bank**") to undertake all necessary steps to effect the Listing

## 24 LIMITED LIABILITY

- 24.1 Notwithstanding anything that may be expressed or implied in these Articles, with regard to BLACKSTONE, no person or entity, other than the specific BLACKSTONE entities that are Shareholders from time to time (collectively, the "**BLACKSTONE Shareholders**"), shall have any obligations under these Articles and, notwithstanding that the BLACKSTONE Shareholders may be limited partnerships, no recourse shall be had against, and no personal liability whatsoever shall attach to, be imposed on or otherwise be incurred by, any current or future director, officer, employee or agent of any BLACKSTONE Shareholder or against any current or future limited partner, member or shareholder of any BLACKSTONE Shareholder (or any current or future general partner of any BLACKSTONE Shareholder which is a partnership which has a separate legal identity from its partners) or any current or future director, officer, employee, agent, limited partner, member, affiliate (other than the BLACKSTONE Shareholders) or assignee of any such general or limited partner, member or shareholder, whether by the enforcement of any assessment or by any legal or equitable proceeding, or by virtue of any statute, regulation or other applicable law, for any obligations of BLACKSTONE under these Articles or for any claim based on, in respect of or by reason of such obligations or their creation.
- 24 2 Notwithstanding anything that may be expressed or implied in these Articles, with regard to any KIRKBI Shareholder, for as long as it holds Shares, no person or entity, other than the KIRKBI Shareholders shall have any obligations under these Articles in respect of such Shares, no recourse shall be had against, and no personal liability whatsoever shall attach to, be imposed on or otherwise be incurred by, any current or future director, officer, employee or agent of any KIRKBI Shareholder or against any current or future limited partner, member or shareholder of any KIRKBI Shareholder (or any current or future general partner of any KIRKBI Shareholder which is a partnership which has a separate legal identity from its partners) or any current or future director, officer, employee, agent, limited partner, member, affiliate (other than the KIRKBI Shareholders) or assignee of any such general or limited partner, member or shareholder, whether by the enforcement of any assessment or by any legal or equitable proceeding, or by virtue of any statute, regulation or other applicable law, for any obligations of KIRKBI under these Articles or for any claim based on, in respect of or by reason of such obligations or their creation
- 24 3 Notwithstanding anything that may be expressed or implied in these Articles, with regard to CVC, no person or entity, other than the specific CVC entities that are Shareholders from time to time (collectively, the "**CVC Shareholders**"), shall have any obligations under these Articles and, notwithstanding that the CVC Shareholders may be limited partnerships, no recourse shall be had against, and no personal liability whatsoever shall attach to, be imposed on or otherwise be incurred by, any current or future director, officer, employee or agent of any CVC Shareholder or against any current or future limited partner, member or shareholder of any CVC Shareholder (or any current or future general partner of any CVC Shareholder which is a partnership which has a separate legal identity from its partners) or any current or future director, officer, employee, agent, limited partner, member, affiliate (other than the CVC Shareholders) or assignee of any such general or limited partner, member or shareholder, whether by the enforcement of any assessment or by any legal or equitable proceeding, or by virtue of any statute, regulation or other applicable law, for any obligations of CVC under these Articles or for any claim based on, in respect of or by reason of such obligations or their creation.

**Alex Verzariu**

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**From:** noreply@ashurst.com  
**Sent:** 30 September 2013 17:00  
**To:** Alex Verzariu  
**Subject:** Request Submitted (R05836)

Dear Alex,

Thank you for submitting a 24/7 Secretarial Request. This has been logged on the system and is awaiting review.

Type	Create/Amend Document
Requested By	Alex Verzariu
Required By	30 Sep 2013 20:00
Client	Snow+Rock Group Holdings Limited [SRG01]
Matter	Project Mogul [2]
Info Barrier	No
Document Format	Other - Other (eg Visio, InDesign)
Proof Reading?	No
Special Instructions	various amends to various laserforms - I have a mark-up and will drop it round.

You can review this request and its status at any time by clicking [here](#).

If you have any questions or queries, please contact the Workflow Co-ordinator on ext (51) 3801.

Thank you,  
The 24/7 Secretarial Team

30/09/2013