

**The Companies Act 1985 – 1989  
Company Limited by Shares**

**WRITTEN RESOLUTION**

**OF**

**AFFINITY EDUCATIONAL LIMITED**

Passed the 6<sup>th</sup> day of October 2003


We, the undersigned, being all the Members of the Company having the right to vote at general meetings consent to short notice and signify our consent to the passing of the resolution set out below in accordance with section 381 A of the Companies Act 1985 to the effect that the resolution shall be deemed to be effective as a Special Resolution as if it had been passed at a general meeting of the Company duly convened and held:-

**SPECIAL RESOLUTION**

**THAT** the Articles of Association set out on the printed document attached be approved and adopted as the Articles of Association of the Company in substitution for and to the exclusion of the existing Articles of Association of the Company.

  
Signed by **KEVIN JAMES MCNALLY**

  
Signed by **KENICHI MORI**

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Signed by **MIE MORI**



**The Companies Act 1985**  
**(As amended by the Companies Act 1989)**  
**Private Company Limited by Shares**

**NEW ARTICLES OF ASSOCIATION**

Of

**AFFINITY EDUCATIONAL LIMITED**

Adopted by Special Resolution passed 6th day of October 2003

PRELIMINARY

1. (a) Subject as hereinafter provided the Regulations incorporated in Table A as set out in the Schedule to the Companies (Tables A to F) Regulations 1985 as amended and hereinafter called "Table A" shall apply to the Company.
- (b) The Articles hereinafter contained, together with the Regulations incorporated in Table A subject to their exclusion or modification hereinafter expressed, shall constitute the Regulations of the Company.
- (c) Any reference in these Articles to "The Act" shall mean the Companies Act 1985 as amended or extended by any other enactment.

INTERPRETATION

2. In Regulation 1 of Table A there shall be inserted before the words "office" and "secretary" the word "the" and between the words "regulations" and "the Act" the words "and in any regulations adopting in whole or part the same".

ALLOTMENT OF SHARES

3. (a) Subject to the provisions hereinafter expressed, the Directors are authorised for the purposes of Section 80 of the Act to exercise the power of the Company to allot shares to the amount of the authorised but unissued share capital of the Company at the date hereof and the Directors may allot, grant options over or otherwise dispose of such shares to such persons, on such terms and in such manner as they think fit provided always that:-
  - (i) save as provided in sub-paragraph (ii) below, the authority hereby given to the Directors to exercise the power of the Company to allot shares shall expire five years after the date of incorporation of the Company;
  - (ii) the members in General meeting may by Ordinary Resolution:-

(a) renew the said authority (whether or not it has been previously renewed) for a period not exceeding five years (unless the Company elects by elective resolution to modify the duration of authority pursuant to Section 80A of the Companies Act 1985), but such Resolution shall comply with the Act:

(b) revoke or vary any such authority (or renewed authority);

(iii) notwithstanding the aforementioned provisions of subparagraphs (i) and (ii) the Company may make an offer or agreement which would or might require shares to be allotted after such authority has expired and in pursuance of such an offer or agreement the Directors may allot shares notwithstanding that such authority or renewed authority has expired.

Any reference hereto to the allotment of shares shall include a reference to the grant of any right to subscribe for, or to convert any security into shares, but shall not include any reference to the allotment of shares pursuant to such a right.

(b) In accordance with Section 91 of the Act, Sections 89(1), and 90(1) to (6) of the Act are excluded from applying to the Company. Any shares for the time being unissued shall be offered to the members in proportion as nearly as may be to the number of existing shares held by them respectively. Such offer shall be made by written notice specifying the number of shares offered and specifying a period (not being less than fourteen days) within which the offer, if not accepted, will lapse and determine. After the expiration of that period, or on the receipt of an intimation in writing from the offeree that he declines to accept the shares so offered, the Directors may in accordance with the provisions hereto allot, grant options over or otherwise dispose of the same to such persons, on such terms and in such manner as they think most beneficial to the Company. The Directors may in like manner and subject as aforesaid, allot any such new or original shares which by reason of the proportion borne by them to the number of persons entitled to any such offer as aforesaid or by reason of any other difficulty in apportioning the same cannot in the view of the Directors effectually be offered in the manner aforesaid.

## SHARES

4. (a) Subject to Chapter VII of Part V of the Act, and to the Regulations of the Company, the Company may purchase its own shares (including redeemable shares) whether out of distributable profits or the proceeds of a fresh issue of shares or otherwise.

(b) Regulation 35 of Table A shall not apply to the Company.

(c) Subject to Chapter VII of Part V of the Act, any shares may, with the sanction of an Ordinary Resolution, be issued on the terms that they are, at the option of the Company or the shareholder, liable to be redeemed on such terms

and in such manner as the Company before the issue of the shares may by Special Resolution determine, and whether out of distributable profits or the proceeds of a fresh issue of shares or otherwise. Regulation 3 of Table A shall be modified accordingly.

(d) Subject to Chapter VI of Part V of the Act, the Company may give financial assistance for the purpose of or in connection with any acquisition of shares made or to be made in the Company or its holding company.

5. The lien conferred by Regulation 8 of Table A shall attach to all shares whether fully paid or not and to all shares registered in the name of any person indebted or under liability to the Company whether he be the sole holder thereof or one of two or more joint holders. The Company shall have a first and paramount lien on every share (not being fully paid) for all moneys (whether presently payable or not) called or payable at a fixed time in respect of that share and the Company shall also have a first and paramount lien on all shares (including fully paid shares) registered in the name of any person indebted or under liability to the Company whether he be the sole holder thereof or one of two or more joint holders for all moneys presently payable by him or his estate to the Company; but the Directors may at any time declare any shares to be wholly or in part exempt from these provisions. The Company's lien, if any, on a share shall extend to all dividends payable thereon. Regulation 8 of Table A shall be modified accordingly.

#### TRANSFER OF SHARES

6. (a) No share or beneficial ownership of a share shall be transferred nor shall the Company purchase any of its own shares pursuant to Article 4 unless and until the rights of pre-emption hereinafter conferred shall have been exhausted. Any person (hereinafter called "the proposing transferor") proposing to transfer any shares shall give notice in writing (hereinafter called "the transfer notice") to the Company that he desires to transfer the same and specifying the price per share which in his opinion constitutes the fair value thereof. The transfer notice shall constitute the Company the agent of the proposing transferor for the sale of all (but not some of) the shares comprised in the transfer notice to any member or members willing to purchase the same (hereinafter called "the purchasing member") at the price specified therein or at the fair value certified in accordance with paragraph (c) below (whichever shall be the lower). A transfer notice shall not be revocable except with the sanction of the Directors.

(b) The shares comprised in any transfer notice shall be offered to the members (other than the proposing transferor) as nearly as may be in proportion to the number of shares held by them respectively. Such offer shall be made by notice in writing (hereinafter called "the offer notice") within seven days after the receipt by the Company of the transfer notice. The offer notice shall state the price per share specified in the transfer notice and shall limit the time in which the offer may be accepted, not being less than twenty-one days nor more than forty-two days after the date of the offer notice, provided that if a certificate of fair value is requested under paragraph (c) below the offer shall remain open for acceptance for a period of fourteen days

after the date on which notice of the fair value certified in accordance with that paragraph shall have been given by the Company to the members or until the expiry of the period specified in the offer notice whichever is the later. For the purpose of this Article an offer shall be deemed to be accepted on the day on which the acceptance is received by the Company. The offer notice shall further invite each member to state in his reply the number of additional shares (if any) in excess of his proportion which he desires to purchase and if all the members do not accept the offer in respect of their respective proportions in full the shares not so accepted shall be used to satisfy the claims for additional shares as nearly as may be in proportion to the number of shares already held by them respectively, provided that no member shall be obliged to take more shares than he shall have applied for. If any shares shall not be capable without fractions of being offered to the members in proportion to their existing holdings, the same shall be offered to the members, or some of them, in such proportions or in such manner as may be determined by lots drawn in regard thereto, and the lots shall be drawn in such manner as the Directors may think fit.

(c) Any member may, not later than eight days after the date of the offer notice, serve on the Company a notice in writing requesting that the Auditor for the time being of the Company (or at the discretion of the Auditor or the Directors), a person nominated by the President for the time being of the Institute of Chartered Accountants in the Country of the situation of its Registered Office) certify in writing the sum which in his opinion represents the fair value of the shares comprised in the transfer notice as at the date of the transfer notice and for the purpose of this Article reference to the Auditor shall include any person so nominated. Upon receipt of such notice the Company shall instruct the Auditor to certify as aforesaid and the costs of such valuation shall be apportioned among the proposing transferor and the purchasing members or borne by any one or more of them as the Auditor in his absolute discretion shall decide. In certifying the fair value as aforesaid the Auditor shall be considered to be acting as an expert and not as an arbitrator or arbiter and accordingly any provisions of law or statute relating to arbitration shall not apply. Upon receipt of the certificate of the Auditor, the Company shall by notice in writing inform all members of the fair value of each share and of the price per share (being the lower of the prices specified in the transfer notice and the fair value of each share) at which the shares comprised in the transfer notice are offered for sale. For the purpose of this Article the fair value of each share comprised in the transfer notice shall be its value as a rateable proportion of the total value of all the issued shares of the Company and shall not be discounted or enhanced by reference to the number of shares referred to in the transfer notice.

(d) If purchasing members shall be found for all the shares comprised in the transfer notice within the appropriate period specified in paragraph (b) above, the Company shall not later than seven days after the expiry of such appropriate period give notice in writing (hereinafter called "the sale notice") to the proposing transferor specifying the purchasing members and the date upon which payment of the price shall be made (being no later than [3] months

from the date of the sale notice) and the proposing transferor shall be bound upon payment of the price due in respect of all the shares comprised in the transfer notice to transfer the shares to the purchasing members.

(e) If in any case the proposing transferor after having become bound as aforesaid makes default in transferring any shares the Company may receive the purchase money on his behalf, and may authorise some person to execute a transfer of such shares in favour of the purchasing members. The receipt of the Company for the purchase money shall be a good discharge to the purchasing members. The Company shall pay the purchase money into a separate bank account.

(f) If the Company shall not give a sale notice to the proposing transferor within the time specified in paragraph (d) above, he shall, during the period of ninety days next following the expiry of the time so specified, be at liberty to transfer all or any of the shares comprised in the transfer notice to any person or persons but in that event the Directors may, in their absolute discretion, and without assigning any reason therefor, decline to register any such transfer and Clause 24 in Table A shall, for these purposes, be modified accordingly.

(g) In the application of Clauses 29 to 31 (inclusive) in Table A to the Company:-

(i) any person becoming entitled to a share in consequence of the death or bankruptcy of a member shall give a transfer notice before he elects in respect of any share to be registered himself or to execute a transfer;

(ii) if a person so becoming entitled shall not have given a transfer notice in respect of any share within six months of the death or bankruptcy, the Directors may at any time thereafter upon resolution passed by them give notice requiring such person within thirty days of such notice to give a transfer notice in respect of all the shares to which he has so become entitled and for which he has not previously given a transfer notice and if he does not do so he shall at the end of such thirty days be deemed to have given a transfer notice pursuant to paragraph (a) of this Article relating to those shares in respect of which he has still not done so.

(iii) where a transfer notice is given or deemed to be given under this paragraph (g) and no price per share is specified therein the transfer notice shall be deemed to specify the sum which shall, on the application of the Directors, be certified in writing by the Auditors in accordance with paragraph (c) of the Article as the fair value thereof.

(h) Whenever any member of the Company who is employed by the Company in any capacity (whether or not he is also a Director) ceases to be employed by the Company otherwise than by reason of his death the Directors may at any time not later than six months after his ceasing to be employed resolve that such member do retire as a shareholder and thereupon he shall

(unless he has already served a transfer notice) be deemed to have served a transfer notice pursuant to paragraph (a) of this Article and to have specified therein the fair value to be certified in accordance with paragraph (c) of this Article. Notice of the passing of any such resolution shall forthwith be given to the member affected thereby.

7. The instrument of transfer of a fully paid share shall be executed by or on behalf of the transferor and in the case of a share which is not fully paid, the instrument of transfer shall in addition be executed by or on behalf of the transferee. The transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the register of members in respect thereof.

#### DRAG ALONG OPTION

8. (a) If the holder or holders of 50% or more in nominal value of the shares in issue for the time being (the "Selling Shareholders") shall have complied with Article 6 and wish to transfer all their interest in shares to a person not already a member of the Company (and being a bona fide arm's length purchaser for value) (the "Third Party Purchaser") the Selling Shareholders shall have the option (the "Drag Along Option") to require all the other holders (or holder) of shares (the "Called Shareholders") to sell with full title guarantee and transfer all their shares to the Third Party Purchaser or as the Third Party Purchaser shall direct in accordance with this Article 8
- (b) The Selling Shareholders may exercise the Drag Along Option by giving notice to that effect (a "Drag Along Notice") at any time before the transfer of the shares of the Selling Shareholders. A Drag Along Notice shall specify that the Called Shareholders are required to transfer all their shares (the "Dragged Shares") pursuant to this Article 8, the person to whom they are to be transferred, the price at which the Dragged Shares are to be transferred (calculated in accordance with Article 8.4) and the proposed date of the transfer.
- (c) A Drag Along Notice is irrevocable but the Drag Along Notice and all obligations under it will lapse if for any reason there is not a sale of shares by the Selling Shareholder to the Third Party Purchaser within ninety days after the date of the Drag Along Notice.
- (d) The Called Shareholders shall be obliged to sell each of the Dragged Shares at the price per share attributed by the offer from the Third Party Purchaser to the Selling Shareholders
- (e) Completion of the sale of the Dragged Shares shall take place on the same date as the date proposed for completion of the sale of the Selling Shareholders' shares unless:
  - (i) all of the Called Shareholders and the Selling Shareholders agree otherwise; or

- (ii) that date is less than three days after the Drag Along Notice shall have been given where completion of the sale of all such shares shall be deferred until the third day after the date on which the Drag Along Notice shall have been given.

(f) If any holder of shares does not on completion of the sale of Dragged Shares execute transfer(s) in respect of the Dragged Shares held by him, the directors shall be irrevocably entitled to and shall authorise and instruct such person as they shall think fit to execute necessary transfer(s) on his behalf and against receipt by the Company (on trust for such member) of the purchase monies payable for the Dragged Shares deliver such transfer(s) to the Third Party Purchaser (or as he may direct) and register the Third Party Purchaser (or as he may direct) as the holder of those shares and, after the Third Party Purchaser (or his nominee) has been registered as the holder, the validity of such proceedings shall not be questioned by any such person.

#### TAG ALONG

9. If the Selling Shareholders (as defined in Article 8 (a)) receive an offer for all their interest in shares from a person(s) not already a member of the Company, then the Selling Shareholders (having complied with Article 6) shall procure that the said person(s) shall make an offer in like terms per share to each of the holders of all the other shares with the intent that such other holders shall be entitled to participate at the same time and on like terms per share for the sale of its or their shares to such person(s)

#### GENERAL MEETINGS AND RESOLUTIONS

- 10. (a) Any proxy appointed by a member of the Company in accordance with Section 372 of the Act shall be entitled to vote on a show of hands as well as on a poll, provided that no person present shall be entitled to more than one vote on a show of hands save as provided in Regulation 50 of Table A.
- (b) In every notice convening a General Meeting of the Company there shall appear with reasonable prominence a statement that a member entitled to attend and vote is entitled to appoint a proxy to attend and on a poll, or a show of hands to vote instead of him and that such proxy need not also be a member.
- (c) Regulations 38 and 59 of Table A shall be modified accordingly.
- (d) Proxies may be deposited at the Registered Office of the Company at any time before the time of the Meeting for which they are to be used unless otherwise specified in the notice convening such Meeting. The Directors may at their discretion treat a facsimile transmission or other machine made copy of an instrument appointing a proxy as a proxy for the purposes of this Article. Regulation 62 of Table A shall be modified accordingly.



11. A Resolution in writing signed or approved by letter, telex, facsimile transmission or cable by all members of the Company, who would have been entitled to vote upon it if it had been duly proposed at a General Meeting or at a meeting of any class of members of the Company, or by their duly appointed attorneys, shall be as valid and effectual as if it had been passed at a General Meeting or at such a class meeting of the Company (as the case may be) duly convened and held. Any such Resolution may consist of several documents in the like form each signed by one or more of the members or their attorneys (or, in the case of a member which is a body corporate, by a director thereof or by a duly appointed representative). Regulation 53 of Table A shall not apply to the Company.

#### APPOINTMENT OF DIRECTORS

12. (a) Unless and until otherwise determined by the Company in General Meeting the maximum number of Directors shall be three and the minimum number of Directors shall be one. Whenever there shall be only one Director of the Company such Director may act alone in exercising all the powers, discretions and authorities vested in the Directors, and Regulation 89 of Table A shall be modified accordingly.
- (b) Regulation 64 of Table A shall not apply to the Company.
13. (a) The Directors shall not be required to retire by rotation and Regulations 73 to 80 (inclusive) of Table A shall not apply to the Company.
- (b) No person shall be appointed a Director at any General Meeting unless either:-
- (i) he is recommended by the Directors; or
- (ii) not less than fourteen nor more than thirty-five clear days before the date appointed for the General Meeting, notice executed by a member qualified to vote at the General Meeting has been given to the Company of the intention to propose that person for appointment, together with notice executed by that person of his willingness to be appointed.
- (c) Subject to paragraph (b) above, the Company may by Ordinary Resolution in General Meeting appoint any person who is willing to act to be a Director, either to fill a vacancy or as an additional Director.
- (d) The Directors may appoint a person who is willing to act to be a Director, either to fill a vacancy or as an additional Director, provided that the appointment does not cause the number of Directors to exceed any number determined by the Company in General Meeting as the maximum number of Directors for the time being in force.
- (e) Regulation 84 of Table A shall be modified by the deletion of the last sentence therefrom.

## PROCEEDINGS OF DIRECTORS

14. Notice of a meeting of the Directors shall be deemed to be properly given to a Director if it is given to him personally or by word of mouth or sent in writing to him at his last known address or any other address given by him to the Company for this purpose, or by any other means authorised in writing by the Director concerned. A Director absent or intending to be absent from the United Kingdom may request the Directors that notices of meetings of the Directors shall during his absence be sent in writing to him at an address or to a facsimile or telex number given by him to the Company for this purpose, but if no request is made to the Directors it shall not be necessary to give notice of a meeting of the Directors to any Director who is for the time being absent from the United Kingdom. A Director may waive notice of any meeting either retrospectively or prospectively. Regulation 88 of Table A shall be modified accordingly.

15. All or any of the members of the board or any committee of the board may participate in a meeting of the board or that committee by means of a conference telephone or any communication equipment which allows all persons participating in the meeting to hear each other. A person so participating shall be deemed to be present in person at the meeting and shall be entitled to vote or be counted in a quorum accordingly. Such a meeting shall be deemed to take place where the largest of the group of those participating is assembled, or, if there is no such group where the Chairman of the meeting then is.

16. (a) A Director who is in any way either directly or indirectly interested (whether through persons connected with him as defined in section 346 of the Act or otherwise) in any contract, transaction or arrangement (whether or not constituting a contract and whether actual or proposed) with the Company or in which the Company is otherwise interested, shall declare the nature of his interest at a Meeting of the Directors in accordance with section 317 of the Act. Subject to such disclosure a Director shall be entitled to vote in respect of any such contract, transaction or arrangement (whether actual or proposed) in which he is interested and he shall be counted in reckoning whether a quorum is present.

(b) Regulations 94 to 97 (inclusive) of Table A shall not apply to the Company.

## BORROWING POWERS

17. The Directors may exercise all the powers of the Company to borrow money, whether in excess of the nominal amount of the share capital of the Company for the time being issued or not, and to mortgage or charge its undertaking, property and uncalled capital or any part thereof, and to issue debentures, debenture stock or any other securities whether outright or as security for any debt, liability or obligation of the Company or of any third party.

## DISQUALIFICATION OF DIRECTORS

18. The office of a Director shall be vacated if he becomes incapable by reason of illness or injury of managing and administering his property and affairs and Regulation 81 of Table A shall be modified accordingly.

## GRATUITIES AND PENSIONS

19. In Regulation 87 of Table A there shall be inserted between the words "the directors" and "may" the words "on behalf of the Company".

## DIVIDENDS

20. No dividend or interim dividend shall be paid otherwise than in accordance with the provisions of Part VIII of the Act which apply to the Company.

## NOTICES

21. (a) Any notice or other document may be served on or delivered to any member by the Company either personally, or by sending it by post addressed to the member at his registered address or by facsimile transmission or telex or other instantaneous means of transmission to a number provided by the member for this purpose, or by leaving it at his registered address addressed to the member, or by any other means authorised in writing by the member concerned. In the case of joint holders of a share, service or delivery of any notice or other document on or to one of the joint holders shall for all purposes be deemed a sufficient service on or delivery to all the joint holders. Regulation 112 of Table A shall be modified accordingly.

(b) Any notice or other document, which is sent by post, shall be deemed to have been served or delivered 24 hours after posting and, in proving such service or delivery, it shall be sufficient to prove that the notice or document was properly addressed, stamped and put in the post. Any notice or other document left at a registered address otherwise than by post or sent by facsimile transmission or telex or other instantaneous means of transmission, shall be deemed to have been served or delivered when it was so left or sent. Regulation 115 of Table A shall not apply.

## EXECUTION OF DOCUMENTS

22. The seal, if any, shall only be used by the authority of the Directors or of a committee of Directors authorised by the Directors. The Directors may determine who shall sign any instrument to which the seal is affixed and unless otherwise so determined it shall be signed by a Director and by the Secretary or by a second Director. Any document signed by a Director and the Secretary of the Company or by two Directors of the Company and expressed (in whatever form of words) to be

executed by the Company has the same effect as if executed under the seal of the Company. A document shall only be so signed with the authority of a resolution of the Directors or a committee of the Directors. Regulation 101 of Table A shall not apply to the Company.

#### INDEMNITY

23. (a) The Company shall in accordance with Section 31(3) of the Act, pay for any liability insurance and also indemnify any Director, Officer or Auditor of the Company against any liability incurred by him in defending any proceedings (whether civil or criminal) in which judgment is given in his favour or he is acquitted in any connection with an application under Section 144(3) or (4) or Section 727 in which relief is granted to him by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the Company.
- (b) Regulation 118 in Table A shall not apply to the Company.