



THE COMPANIES ACT 1985
COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION
(As altered by Written Resolution passed on 15th JUNE 2001)

of

Knowledge Pool Training Limited

Preliminary

- 1** The regulations contained in Table A in The Companies (Tables A to F) Regulations 1985 (as amended so as to affect companies first registered on the date incorporation of the Company) shall, except as hereinafter provided and so far as not inconsistent with the provisions of these Articles, apply to the Company to the exclusion of all other regulations or Articles of Association. References herein to regulations are to regulations in the said Table A unless otherwise stated.

Share Capital

- 2** ¹The share capital of the Company is £30,001,000 divided into 1,000 Ordinary Shares of £1 each and 30,000,000 Cumulative Redeemable Preference Shares of £1 each.
- 3** The following are the rights of the Cumulative Redeemable Preference Shares 2000 ("**Preference Shares**") and the limitations and restrictions to which they are subject:

3.1 Definitions

- 3.1.1 "Accounting Profits"** means, in relation to the calculation of any Preferential Dividend, the audited consolidated operating profit of the Company and its subsidiary undertakings for a particular financial year prepared in accordance with the requirements of UK Generally Accepted Accounting Principles and constituting interim accounts for the purposes of the Companies Act 1985;
- 3.1.2 "Business Day"** means a day, other than a Saturday, Sunday or bank holiday, on which banks in the City of London are open for banking business;
- 3.1.3 "Dividend Date"** means , 1 March, 1 June, 1 September and 1 December in any year (or if any such date in any year shall not be a Business Day, then the relevant date shall be the next following Business Day);
- 3.1.4 "Dividend Period"** means:
- (i) in relation to the first Preferential Dividend, the period from (and including) the Issue Date to (but excluding) 1 September 2000 ;
 - (ii) in relation to all subsequent Preferential Dividends other than the final Preferential Dividend, the period from (and including) the Dividend Date

¹ By resolution in writing passed on June 2001 the share capital of the Company was increased to £59,501,000 by the creation of 29,500,000 Ordinary Shares of £1 each.

falling on the expiry of the immediately preceding Dividend Period to (but excluding) the next Dividend Date; and

- (iii) in relation to the final Preferential Dividend, the period from (and including) the last Dividend Date falling prior to the redemption of the Preference Shares or the liquidation of the Company to (but excluding) the date of redemption of the Preference Shares or the liquidation of the Company;

3.1.5 **"Issue Date"** means the date of issuance of the Preference Shares;

3.1.6 **"LIBOR"** means one half of the rate which is quoted at or about 11 am on the first day of the relevant Dividend Period, and for the first Dividend Period the rate quoted at or about 11 am on 1 June 2000, on page "3750" on the Telerate Monitor (or such other page or service as may replace it for the purpose of displaying London Inter-bank Sterling offered rates of leading reference banks) as being the interest rate offered in the London Inter-bank Market for Sterling deposits for the period of three months but:

- (i) if the offered rate so appearing is replaced by the corresponding rates of more than one bank, the rate shall be the arithmetic mean (rounded, if necessary, to four decimal places) of the respective rates so appearing; and
- (ii) if for any other reason such offered rate does not so appear, or if the relevant page is unavailable, the rate shall be the arithmetic mean (rounded as mentioned above) of the respective rates (as quoted to Company at its request) at which each Reference Bank is offering Sterling deposits for the period of three months to leading banks in the Inter-bank Market at or about 11 am on the relevant Dividend Date; and

3.1.7 **"Reference Bank"** means each of Barclays Bank PLC and Dresdner Bank AG, London Branch

3.2 Income

3.2.1 Out of the profits available for distribution, each holder of the Preference Shares shall be entitled on each Dividend Date in priority to any payment of dividend to the holders of any other class of shares (including in priority to any Further Preference Shares referred to in Article 3.6 below) to be paid in respect of each Dividend Period a cumulative preferential dividend ("**Preferential Dividend**") per Preference Share of an amount equal to:

$$(A \times B) \times C$$

where "A" = LIBOR expressed as a percentage rate and "B" is the price per share in pence at which the Preference Shares were issued and "C" is "x/365" where "x" is the number of days in the relevant Dividend Period

3.2.2 At the end of each financial year of the Company when the Accounting Profits of the Company are calculated a calculation on the basis of the following formula will be made

$$A + B + C$$

where "A" is an amount in pence equal to one per cent. of the Accounting Profits of the Company and its subsidiary undertakings for each financial year prepared in

accordance with the requirements of UK Generally Accepted Accounting Principles, to the extent that they are equal to or less than £50 million; "B" is an amount in pence equal to one half of one per cent. of the Accounting Profits of the Company and its subsidiary undertakings for the financial year referred to in the calculation of "A", to the extent that they are more than £50 million and equal to or less than £150 million; "C" is an amount in pence equal to one tenth of one per cent. of the Accounting Profits of the Company and its subsidiary undertakings for the financial year referred to in the calculation of "A", to the extent that they are more than £150 million.

- 3.2.3 If the amount determined pursuant to article 3.2.2 is greater than the aggregate amount of dividends which became payable in the same financial year and, if applicable, the amount of any accrued dividends payable pursuant to articles 3.3, 3.5.1 or 3.5.2 in such financial year then the holder of the Preference Shares on the last day of that financial year shall be due and be paid an additional amount by way of Preferential Dividend equal to the difference between the aggregate amount payable under articles 3.2.1, 3.3, 3.5.1 and 3.5.2 in the relevant financial year and the amount calculated in accordance with article 3.2.2 above, such payment to be made within five days of finalisation of the Accounting Profits of the Company.
- 3.2.4 Payments of Preferential Dividends shall be made to holders on the register on the day falling two Business Days prior to the relevant Dividend Date and made by electronic transfer to such account as may from time to time be notified to the Company by the relevant holder or, if such notification is not given, by cheque posted to such holder's address as shown on the Company's register of members.
- 3.2.5 Save as provided in the Articles of Association the holders of the Preference Shares shall not be entitled to any further right of participation in the profits of the Company.
- 3.2.6 If any dividend is not paid on the date it becomes due and payable to the Preference Shareholder it shall be paid thereafter as soon as profits are available for that purpose.

3.3 Capital

On a return of capital on winding-up or (other than on conversion redemption or purchase of shares) otherwise, the holders of the Preference Shares shall be entitled in priority to any payment to the holders of any other class of shares (including in priority to any Further Preference Shares referred to in paragraph 3.6 below) to the repayment of a sum equal to the amount paid up or credited as paid up on the Preference Shares held by them respectively together with a sum equal to all arrears and accruals (if any) of the said Preferential Dividend irrespective of whether or not such dividend has been declared or earned or become due and payable, to be calculated up to and including the date such payment is made (in the case of a winding-up) or the return of capital (in any other case). The holders of the Preference Shares shall not be entitled to any further right of participation in the assets of the Company.

3.4 Voting and General Meetings

- 3.4.1 The holders of the Preference Shares shall, by virtue of and in respect of their holdings of Preference Shares, have the right to receive notice of, attend, speak and vote at a General Meeting of the Company only:

- (i) if and when, at the date of the notice convening such meeting, the Preferential Dividend on such shares is three months or more in arrears (and so that for this purpose the Preferential Dividend shall be deemed to be payable on the dates and in respect of the periods specified in paragraph 1 above); or
- (ii) if a resolution is to be proposed abrogating, varying or modifying any of the rights or privileges of the holders of the Preference Shares, or for the winding-up of the Company, or for sanctioning the sale of the undertaking of the Company in which case they shall only be entitled to vote on such resolution.

Save as aforesaid, the Preference Shares shall not confer on the holders thereof the right to receive notice of, attend, speak or vote at any General Meeting of the Company but they shall entitle the holders to receive copies of notices of General Meetings for information only.

- 3.4.2 Whenever the holders of the Preference Shares are entitled to vote at a General Meeting of the Company, upon any resolution proposed at such a General Meeting, on a show of hands every holder thereof who is present in person or (being a corporation) by a representative shall have one vote and on a poll every holder thereof who is present in person or by proxy or (being a corporation) by a representative shall have one vote in respect of each fully paid Preference Share registered in the name of such holder.

3.5 Redemption

- 3.5.1 The Company shall, subject to the Companies Act 1985, unless all the Preference Shares shall have been redeemed pursuant to paragraph 3.5.2 below, redeem at midnight (UK time) on the fifth anniversary of their date of issue (or so soon thereafter as the Company shall be able to comply with the provisions of the Companies Act 1985 affecting the redemption of redeemable shares) all of the Preference Shares (if any) in issue on that date and the amount payable on redemption thereof shall be a sum equal to the amount paid up or credited as paid up on the Preference Shares together with a sum equal to all arrears and accruals (if any) of the Preferential Dividend irrespective of whether or not such dividend has been declared or earned or become due and payable, to be calculated down to and including the date of redemption.

- 3.5.2 In the event that either:

- (i) all or any part of the Company's ordinary share capital is admitted to listing on the Official List of the United Kingdom Listing Authority (the "**London Stock Exchange**") or any other recognised exchange; or
- (ii) ICL PLC shall cease to own at least 75% of the issued ordinary share capital of the Company;

(each a "**Relevant Event**") then forthwith thereafter any holder or holders of Preference Shares may elect, by written notice to the Company delivered within seven days of the occurrence of the Relevant Event, (each a "**Redeeming Shareholder**") to require the Company, subject to the Companies Act 1985, to redeem within seven days of receipt of such notice (the "**Redemption Period**") (or so soon thereafter as the Company shall be able to comply with the provisions of

the Companies Act 1985 affecting the redemption of redeemable shares) all of the Preference Shares held on that date by the Redeeming Shareholder and the amount payable on redemption thereof shall be a sum equal to the amount paid up or credited as paid up on the Preference Shares together with a sum equal to all arrears and accruals (if any) of the Preferential Dividend irrespective of whether or not such dividend has been declared or earned or become due and payable, to be calculated down to and including the date of redemption.

- 3.5.3 Where the Company shall be unable in compliance with the Companies Act 1985 to redeem all or any of the Preference Shares in accordance with sub-paragraphs 3.5.1 or 3.5.2 above on the relevant date, then the Company shall redeem such number of Preference Shares as may lawfully be redeemed at that time pro rata to the number of Preference Shares held by each shareholder. The Company shall redeem the remaining Preference Shares which otherwise would have fallen to be redeemed in accordance with sub-paragraph 3.5.1 or 3.5.2, as applicable, as soon after such date or dates as the Company shall be able to in compliance with the Companies Act 1985. Not less than 28 days' prior notice in writing of any such redemption shall be given to the holders of the Preference Shares.
- 3.5.4 If any holder of any Preference Shares to be redeemed shall fail or refuse to deliver up the certificate or certificates held by him at the time and place fixed for the redemption of such shares or shall fail or refuse to accept payment of the redemption monies payable in respect thereof, the redemption monies payable to such holder shall be set aside and paid into a separate interest-bearing account with the Company's bankers (designated for the benefit of such holder and payable to them on delivery of the certificates to the Company) and such setting aside shall be deemed for all purposes hereof to be a payment to such holder and all the said holder's rights as a holder of the relevant Preference Shares shall cease and determine as from the date fixed for the redemption of such shares and the Company shall thereby be discharged from all obligations in respect thereof. The Company shall not be responsible for the safe custody of the monies so placed on deposit or for interest thereon except such interest as the said monies may earn while on deposit less any expenses incurred by the Company in connection therewith.
- 3.5.5 The receipt of the registered holder for the time being of any Preference Shares or in the case of joint registered holders the receipt of any of them for the monies payable on redemption thereof shall constitute an absolute discharge to the Company in respect thereof and such monies shall be paid by electronic transfer to such account as may be notified to the Company by the relevant holder from time to time or, if no such account is notified by cheque posted to such holder's address as shown on the Company's register of members.
- 3.5.6 Any notice given under sub-paragraph 3.5.3 above shall specify the particular Preference Shares to be redeemed, the applicable Redemption Date and the place in the UK at which the certificates for such Preference Shares are to be presented for redemption and upon such Redemption Date the Company shall redeem the particular Preference Shares to be redeemed on that date and each of the holders of the Preference Shares concerned shall be bound to deliver to the Company at such place the certificates for such of the Preference Shares concerned as are held by him (or, in default, an indemnity satisfactory to the Company). Upon such

delivery the Company shall pay to such holder the amount due to him in respect of such redemption. If any certificate so delivered to the Company includes any Preference Shares not to be redeemed on the relevant Redemption Date, a fresh certificate for such Preference Shares shall be issued free of charge to the holder delivering such certificate to the Company.

3.5.7 As from the relevant redemption date of Preference Shares to be redeemed under sub-paragraph 3.5.1 or 3.5.2 above, the Preferential Dividend shall cease to accrue thereon and such Preference Shares shall be treated as having been redeemed, whether or not the certificate therefor shall have been delivered and the redemption monies paid, and such redemption monies, if remaining unpaid, shall constitute a debt of the Company bearing interest at 1% above LIBOR (calculated for each period of three months and compounded quarterly).

3.5.8 Upon the redemption of any Preference Shares hereunder, the Directors may pursuant to the authority given by the passing in General Meeting of the resolution to create the Preference Shares convert and sub-divide the authorised unissued preference share capital existing as a consequence of any such redemption into shares of any other class of share capital into which the authorised share capital of the Company is or may at that time be divided of a like nominal amount as the shares of such class then in issue or into unclassified shares of the same nominal amount as the Preference Shares.

3.5.9 Notwithstanding the above the holders of the Preference Shares and the Company may at any time enter into an Agreement whereby the Preference Shares may be redeemed at such time and on such terms as they may deem fit.

3.6 Further issues

The Company may from time to time create and issue further preference shares ("**Further Preference Shares**") and the creation and issue of such Further Preference Shares shall not require the consent of the Preference Shareholder provided that such Further Preference Shares rank for all purposes (including as regards participation in the profits and assets of the Company) after the Preference Shares.

3.7 Other Rights

Notwithstanding any other provision of these Articles, on redemption or repurchase of the Preference Shares the redemption or repurchase monies shall not be paid out of capital, and it shall be a class right of the Preference Shares that any payment of redemption or repurchase monies shall be made otherwise than out of the capital of the Company.

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4.1 Subject to Section 80 of the Act, all unissued shares shall be at the disposal of the Directors and they may allot, grant options over or otherwise dispose of them to such persons, at such times, and on such terms as they think proper.

4.2

(a) Pursuant to and in accordance with Section 80 of the Act, the Directors shall be generally and unconditionally authorised to exercise during the period of five years from the date of incorporation of the Company all the powers of the Company to

allot relevant securities up to an aggregate nominal amount of the authorised Share Capital with of the Company; and

- (b) by such authority the Directors may make offers or agreements which would or might require the allotment of relevant securities after the expiry of such period.

- 4.3 Section 89(1) of the Act shall not apply to the allotment by the Company of equity securities.
- 4.4 Words and expressions defined in or for the purposes of the said Section 80 or the said Section 89 shall bear the same meanings in this Article.

Proceedings at General Meetings

- 5 In the case of a corporation a resolution in writing may be signed on its behalf by a Director or the Secretary thereof or by its duly appointed attorney or duly authorised representative. Regulation 53 shall be extended accordingly. Regulation 53 (as so extended) shall apply *mutatis mutandis* to resolutions in writing of any class of members of the Company.
- 6 An instrument appointing a proxy (and, where it is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof) must **either** be delivered at such place or one of such places (if any) as may be specified for that purpose in or by way of note to the notice convening the meeting (or, if no place is so specified, at the registered office) at least one hour before the time appointed for holding the meeting or adjourned meeting or (in the case of a poll taken otherwise than at or on the same day as the meeting or adjourned meeting) for the taking of the poll at which it is to be used **or** be delivered to the Secretary (or the chairman of the meeting) on the day and at the place of, but in any event before the time appointed for holding, the meeting or adjourned meeting or poll. The instrument may be in the form of a facsimile or other machine-made copy and shall, unless the contrary is stated thereon, be valid as well for any adjournment of the meeting as for the meeting to which it relates. An instrument of proxy relating to more than one meeting (including any adjournment thereof) having once been so delivered for the purposes of any meeting shall not require again to be delivered for the purposes of any subsequent meeting to which it relates. Regulation 62 shall not apply.

Votes of Members

- 7 At a general meeting, but subject to any rights or restrictions attached to any shares, on a show of hands every member present in person or by proxy (or being a corporation present by a duly authorised representative) shall have one vote, and on a poll every member who is present in person or by proxy shall have one vote for every share of which he is the holder. Regulation 54 shall not apply.

Number of Directors

- 8 The Directors shall not be less than one in number. Regulation 64 shall be modified accordingly. Whenever the minimum number of Directors shall be one, a sole Director shall form a quorum, and Regulation 89 shall be modified accordingly.

Alternate Directors

- 9.1 An alternate Director shall (except when absent from the United Kingdom) be entitled to receive notices of meetings of the Directors and of any committee of the Directors of which his appointor is a member and shall be entitled to attend and vote as a Director and be counted in the quorum at any such meeting at which his appointor is not personally present and generally at such meeting to perform all functions of his appointor as a Director and for the purposes of the proceedings at such meeting the provisions of these Articles shall apply as if he were a Director. If he shall be himself a Director or shall attend any such meeting as an alternate for more than one Director, his voting rights shall be cumulative but he shall not be counted more than once for the purposes of the quorum. If his appointor is for the time being absent from the United Kingdom or temporarily unable to act through ill health or disability his signature to any resolution in writing of the Directors shall be as effective as the signature of his appointor. An alternate Director shall not (save as aforesaid) have power to act as a Director, nor shall he be deemed to be a Director for the purposes of these Articles, nor shall he be deemed to be the agent of his appointor. Regulations 66 and 69 shall not apply.
- 9.2 An alternate Director shall be entitled to contract and be interested in and benefit from contracts or arrangements or transactions and to be repaid expenses and to be indemnified to the same extent *mutatis mutandis* as if he were a Director but he shall not be entitled to receive from the Company in respect of his appointment as alternate Director any remuneration except only such part (if any) of the remuneration otherwise payable to his appointor as such appointor may by notice in writing to the Company from time to time direct.

Delegation Of Directors' Powers

- 10 In addition to the powers to delegate contained in Regulation 72, 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 the payment of remuneration to or the conferring of any other benefit on all or any of the Directors) to committees consisting of one or more Directors and (if thought fit) one or more other named person or persons to be co-opted as hereinafter provided. Insofar as any such power or discretion is delegated to a committee, any reference in these Articles to the exercise by the Directors of the power or discretion so delegated shall be read and construed as if it were a reference to the exercise thereof by such committee. Any committee so formed shall in the exercise of the powers so delegated conform to any regulations which may from time to time be imposed by the Directors. Any such regulations may provide for or authorise the co-option to the committee of persons other than Directors and may provide for members who are not Directors to have voting rights as members of the committee. Regulation 72 shall be modified accordingly.

Appointment and Retirement of Directors

- 11 The Directors shall not be subject to retirement by rotation. Regulations 73 to 75 and the second and third sentences of Regulation 79 shall not apply, and other references in the said Table A to retirement by rotation shall be disregarded.

Disqualification and Removal of Directors

- 12 The office of a Director shall be vacated in any of the events specified in Regulation 81 and also if he shall in writing offer to resign and the Directors shall resolve to accept such offer or if he shall be removed from office by notice in writing signed by all his co-Directors, but so that if he holds an appointment to an executive office which thereby automatically determines such removal shall be deemed an act of the Company and shall have effect without prejudice to any claim for damages for breach of any contract of service between him and the Company.

Remuneration of Directors

- 13 Any Director who serves on any committee, or who otherwise performs services which in the opinion of the Directors are outside the scope of the ordinary duties of a Director, may be paid such extra remuneration by way of salary, commission or otherwise or may receive such other benefits as the Directors may determine. Regulation 82 shall be extended accordingly.

Proceedings of Directors

- 14 On any matter in which a Director is in any way interested he may nevertheless vote and be taken into account for the purposes of a quorum and (save as otherwise agreed) may retain for his own absolute use and benefit all profits and advantages directly or indirectly accruing to him thereunder or in consequence thereof. Regulations 94 to 98 shall not apply.

Notices

- 15 A member whose registered address is not within the United Kingdom shall be entitled to have notices sent to him as if he were a member with a registered address within the United Kingdom and the last sentence of Regulation 112 shall not apply.

Indemnity

- 16.1 Subject to the provisions of and so far as may be consistent with the Act, every Director, Secretary or other officer of the Company shall be indemnified by the Company out of its own funds against and/or exempted by the Company from all costs, charges, losses, expenses and liabilities incurred by him in the actual or purported execution and/or discharge of his duties and/or the exercise or purported exercise of his powers and/or otherwise in relation to or in connection with his duties, powers or office including (without prejudice to the generality of the foregoing) any liability incurred by him in defending any proceedings, civil or criminal, which relate to anything done or omitted or alleged to have been done or omitted by him as an officer or employee of the Company and in which judgment is given in his favour (or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on his part) or in which he is acquitted or in connection with any application under any statute for relief from liability in respect of any such act or omission in which relief is granted to him by the Court.
- 16.2 Without prejudice to paragraph 16.1 of this Article the Directors shall have power to purchase and maintain insurance for or for the benefit of any persons who are or were at any time Directors, officers or employees of any Relevant Company (as defined in

paragraph 16.3 of this Article) or who are or were at any time trustees of any pension fund or employees' share scheme in which employees of any Relevant Company are interested, including (without prejudice to the generality of the foregoing) insurance against any liability incurred by such persons in respect of any act or omission in the actual or purported execution and/or discharge of their duties and/or in the exercise or purported exercise of their powers and/or otherwise in relation to their duties, powers or offices in relation to any Relevant Company, or any such pension fund or employees' share scheme.

- 16.3 For the purpose of paragraph 16.2 of this Article "**Relevant Company**" shall mean the Company, any holding company of the Company or any other body, whether or not incorporated, in which the Company or such holding company or any of the predecessors of the Company or of such holding company has or had any interest whether direct or indirect or which is in any way allied to or associated with the Company, or any subsidiary undertaking of the Company or of such other body.

Overriding Provisions

- 17 Any member holding, or any members together holding, shares carrying not less than 90 per cent of the votes which may for the time being be cast at a general meeting of the Company may at any time and from time to time:

- (a) appoint any person to be a Director (whether to fill a vacancy or as an additional Director);
- (c) remove from office any Director howsoever appointed but so that if he holds an appointment to an executive office which thereby automatically determines such removal shall be deemed an act of the Company and shall have effect without prejudice to any claim for damages for breach of any contract of service between him and the Company;
- (d) by notice to the Company require that no unissued shares shall be issued or agreed to be issued or put under option without the consent of such member or members;
- (e) restrict any or all powers of the Directors in such respects and to such extent as such member or members may by notice to the Company from time to time prescribe.

Any such appointment, removal, consent or notice shall be in writing served on the Company and signed by the member or members. No person dealing with the Company shall be concerned to see or enquire as to whether the powers of the Directors have been in any way restricted hereunder or as to whether any requisite consent of such member or members has been obtained and no obligation incurred or security given or transaction effected by the Company to or with any third party shall be invalid or ineffectual unless the third party had at the time express notice that the incurring of such obligation or the giving of such security or the effecting of such transaction was in excess of the powers of the Directors.

To the extent of any inconsistency this Article shall have overriding effect as against all other provisions of these Articles.