

DATE 3 OCTOBER 2012

JMWT ACQUISITION LLP

JMWT TOPCO LIMITED

JMWT MIDCO LIMITED

JMWT LIMITED

SUBSCRIPTION AGREEMENT

Macfarlanes LLP
20 Cursitor Street
London EC4A 1LT

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SUBSCRIPTION AGREEMENT

DATE

3 October 2012

PARTIES

- 1 **JMWT ACQUISITION LLP**, a limited liability company incorporated in England and Wales with registration number OC378972 whose registered office is at 10 Norwich Street, London, EC4A 1BD (the "**LLP**");
- 2 **JMWT TOPCO LIMITED**, a company incorporated in England and Wales with registration number 08233421 whose registered office is at 10 Norwich Street, London, EC4A 1BD ("**Topco**");
- 3 **JMWT MIDCO LIMITED**, a company incorporated in England and Wales with registration number 08233425 whose registered office is at 10 Norwich Street, London, EC4A 1BD ("**Midco**"); and
- 4 **JMWT LIMITED**, a company incorporated in England and Wales with registration number 08228033 whose registered office is at 10 Norwich Street, London, EC4A 1BD ("**Bidco**")

INTRODUCTION

- A The LLP has agreed to subscribe for shares in Topco on the terms and conditions set out here and to provide a loan to Midco on the terms set out in a loan agreement to be entered into between LLP and Midco on or about this date of this Agreement (the "**Loan Agreement**").
- C Topco has agreed to apply the proceeds from such subscription to subscribe for shares in Midco on the terms and conditions set out here in.
- D Midco has agreed to apply the proceeds from such subscription and the monies advanced to it pursuant to the Loan Agreement to subscribe for shares in Bidco and has agreed to enter into the Loan Agreement.

AGREEMENT

1 Definitions and interpretation

- 1.1 The introduction and schedules form part of this agreement and shall have the same force and effect as if set out in the body of this agreement. Any reference to this agreement shall include the introduction and schedules.

- 1.2 In this agreement, the following words and expressions have the following meanings:

Acquisition: the proposed acquisition of the entire issued share capital of Phaidon Press Limited by Bidco in accordance with the terms of the SPA;

Bidco Shares: ordinary shares of £1 each in the capital of Bidco;

Bidco Subscription Price: the amount set out in column 7 of schedule 1;

Business Day: any day other than a Saturday, Sunday or any other day which is a public holiday in England;

Encumbrance: any interest or equity of any person (including any right to acquire, option or right of pre-emption) or any mortgage, charge, pledge, lien, assignment, hypothecation,

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security interest, title retention or any other security agreement or arrangement or other third party right, or any agreement, arrangement or obligation to create any of the same;

Midco Shares: ordinary shares of £1 in the capital of Midco;

Midco Subscription Price: the amount set out in column 6 of schedule 1;

Party: a party to this agreement and "**Parties**" shall be construed accordingly;

SPA: a sale and purchase agreement to be entered into by (1) Annopol (Holdings) Ltd, Mr. David Davies, Mr. Andrew Price, Ms. Amanda Renshaw and Ms. Amanda Ridout, (2) Mr Richard Schlagman, and (3) Bidco on or about the date of this Agreement;

Subscriber: the LLP, Topco, Midco and Bidco, or any one of them; and

Topco Shares: ordinary shares of £1 each in the capital of Topco; and

Topco Subscription Price: the amount set out in column 5 of schedule 1.

1.3 In this agreement, unless otherwise specified:

- 1.3.1 any reference to any statute or statutory provision includes any subordinate legislation made under that statute or statutory provision, whether before or after the date of this agreement;
- 1.3.2 any reference to any legislation (whether of the United Kingdom or elsewhere) including to any statute, statutory provision or subordinate legislation ("**Legislation**") includes a reference to that Legislation as from time to time amended or re-enacted, whether before or after the date of this agreement except to the extent that any amendment or re-enactment coming into force, or Legislation made, on or after the date of this agreement would create or increase the liability of any Party; and
- 1.3.3 any reference to re-enactment includes consolidation and rewriting, in each case whether with or without modification.

1.4 In this agreement, unless the context requires otherwise:

- 1.4.1 words and expressions which are defined in the Companies Act 2006 and which are not otherwise defined in this agreement shall have the same meanings as are given to them in that Act;
- 1.4.2 any question as to whether a person is connected with any other person shall be determined in accordance with the provisions of ss.1122-1123 Corporation Tax Act 2010;
- 1.4.3 any gender includes a reference to the other genders;
- 1.4.4 any reference to "persons" includes natural persons, partnerships, companies, bodies corporate, associations, organisations, governments, states, foundations and trusts (in each case whether or not having separate legal personality), but references to individuals shall be deemed to be references to natural persons only;
- 1.4.5 any reference to the introduction, a clause or schedule is to the introduction, a clause or schedule (as the case may be) of or to this agreement;
- 1.4.6 any reference to any other document is a reference to that other document as amended, varied, supplemented, or novated (in each case, other than in breach of the provisions of this agreement) at any time;

- 1.4.7 any phrase introduced by the terms "including", "include", "in particular" or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms; and
- 1.4.8 any reference to any English legal term for any action, remedy, method of judicial proceeding, legal document, legal status, court, official or any legal concept or thing shall, in respect of any jurisdiction other than England, be deemed to include what most nearly approximates in that jurisdiction to the English legal term.
- 1.5 The index and clause headings contained in this agreement are included for convenience only and do not affect the interpretation of this agreement.
- 2 Subscription and intra-group transactions**
- 2.1 Immediately following the entering into of this agreement, the LLP and Midco shall enter into the Loan Agreement.
- 2.2 Immediately following the operation of clause 2.1, the LLP shall:
- 2.2.1 subscribe for the number of Topco Shares set out next to its name in column 2 of schedule 1 at the Topco Subscription Price; and
- 2.2.2 pay to Topco in immediately available funds the Topco Subscription Price.
- 2.3 Immediately following the operation of clause 2.2, Topco shall:
- 2.3.1 subscribe for the number of Midco Shares set out next to its name in column 3 of schedule 1 at the Midco Subscription Price; and
- 2.3.2 pay to Midco in immediately available funds the Midco Subscription Price.
- 2.4 Immediately following the operation of clause 2.3, Midco shall:
- 2.4.1 subscribe for the number of Bidco Shares set out next to its name in column 4 of schedule 1 at the Bidco Subscription Price
- 2.4.2 pay to Bidco in immediately available funds the Bidco Subscription Price.
- 2.5 The shares in the capital of Topco, Midco and Bidco to be issued pursuant to clauses 2.2 to 2.4 shall be issued by Topco, Midco and Bidco (as they case may be) credited as fully paid and free from all Encumbrances.

3 General provisions

This agreement shall be binding upon, and enure for the benefit of, the successors and permitted assigns of the Parties and, subject to any succession or assignment permitted by this agreement, any such successor or assign of the Parties shall in its own right be able to enforce any term of this agreement.

4 Further assurance

Each of the LLP, Topco, Midco and Bidco shall execute and do and perform (or procure to be executed and done and performed by any other necessary party) all such deeds, documents, assurances, acts and things as the other Parties may from time to time reasonably require in order to give each of the other Parties the full benefit of this agreement.

5 **Amendments**

Any variation of this agreement shall be valid and effective and binding upon all Parties hereto if it is in writing and it is approved by all the Parties to this agreement.

6 **Severance**

Each of the provisions of this agreement is severable and distinct from the others and if at any time any one or more of such provisions is or becomes invalid, illegal or unenforceable in any respect under any law, the validity, legality and enforceability of the remaining provisions of this agreement shall not be in any way affected or impaired thereby.

7 **No partnership or agency**

Nothing in this agreement (or any of the arrangements contemplated by it) is or shall be deemed to constitute a partnership between the Parties or any of them nor, except as may be expressly set out in it, constitute any Party the agent of any other for any purpose.

8 **Third party rights**

The Parties agree that:

8.1 no term of this agreement shall be enforceable by a third party under the Contracts (Rights of Third Parties) Act 1999 or otherwise; and

8.2 notwithstanding that any term of this agreement may be or become enforceable by a third party, the terms of this agreement or any of them may be varied in any way or waived or this agreement may be rescinded (in each case) without the consent of any such third party.

9 **Costs**

9.1 Save as provided otherwise in this agreement or as otherwise agreed in writing, each of the Parties shall pay its own costs, charges and expenses (including taxation) incurred in connection with negotiating, preparing and implementing this agreement and the transactions contemplated by it.

9.2 The LLP, Topco, Midco and Bidco shall bear the costs of all stamp duty and registration and transfer fees, taxes and duties or their equivalent in all jurisdictions where such fees, taxes or duties are payable as a result of the transactions provided by this agreement and shall be responsible for allocating responsibility for such amounts as between themselves and for arranging the payment of such stamp duty and all other such fees, taxes and duties.

10 **Notices**

10.1 Any notice or other communication given under this agreement shall be in writing and signed by or on behalf of the Party giving it and shall be served by delivering it by hand or sending it by special delivery (or international signed-for airmail, in the case of an address for service outside the United Kingdom) or fax to the address and for the attention of the relevant Party set out in this agreement (or as otherwise notified by that Party under this agreement). Any such notice shall be deemed to have been received:

10.1.1 if delivered by hand, at the time of delivery;

10.1.2 in the case of special delivery, 24 hours from the date of posting; and

10.1.3 in the case of airmail, five days from the date of posting,

provided that if deemed receipt (but for this proviso) would have occurred before 9.00 am on a Business Day the notice shall be deemed to have been received at 9.00 am on that day, and if deemed receipt (but for this proviso) would have occurred after 5.00 pm on a

Business Day, or on a day which is not a Business Day, the notice shall be deemed to have been received at 9.00 am on the next Business Day.

- 10.2 In proving such service it shall be sufficient to prove that the envelope containing such notice was addressed to the address of the relevant Party as required by clause 10.1 and delivered either to that address or into the custody of the postal authorities as a special delivery or airmail letter or that the notice was transmitted by fax to the fax number of the relevant Party as required by clause 10.1.
- 10.3 Notice given under this agreement shall not be validly served if sent by e-mail.

11 Counterparts

This agreement may be executed in any number of counterparts each of which, when executed and delivered, shall be an original, and all the counterparts together shall constitute one and the same instrument.

12 Governing law

- 12.1 This agreement is governed by and shall be construed in accordance with the laws of England. Non-contractual obligations (if any) arising out of or in connection with this agreement (including its formation) shall also be governed by the laws of England.
- 12.2 The Parties submit to the exclusive jurisdiction of the courts of England and Wales as regards any claim, dispute or matter (whether contractual or non-contractual) arising out of or in connection with this agreement or any of the documents to be entered into pursuant to this agreement (including their formation).
- 12.3 Each Party irrevocably consents to any process in any legal action or proceedings arising out of or in connection with this agreement (including its formation) being served on it in accordance with the provisions of this agreement relating to service of notices. Nothing contained in this agreement shall affect the right to serve process in any other manner permitted by law.

The parties have executed this agreement on the date set out at its head.

SCHEDULE 1

Subscribers

(1) Name	(2) Number of Topco Shares	(3) Number of Midco Shares	(4) Number of Bidco Shares	(5) Topco Subscription Price (£)	(6) Midco Subscription Price (£)	(7) Bidco Subscription Price (£)
The LLP	100	0	0	£274,700 per share (including a £274,699 premium)	n/a	n/a
Topco	0	100	0	n/a	£274,700 per share (including a £274,699 premium)	n/a
Midco	0	0	100	n/a	n/a	£412,050 per share (including a £412,049 premium)

SCHEDULE 1

SIGNED by JMWTL LLC)
(designated member) for and)
on behalf of JMWTL)
ACQUISITION LLP)
)

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Leon D Black
.....

SIGNED by Leon David Black)
(director) for and on behalf of)
JMWTL TOPCO LIMITED)
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Leon D Black
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SIGNED by Leon David Black)
(director) for and on behalf of)
JMWTL MIDCO LIMITED)
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(director) for and on behalf of)
JMWTL LIMITED)
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