

AIM Rules – general requirements

1. The Company and the directors of the Company, whose names appear at www.thecharacter.com/management.htm, accept responsibility for the information contained in the pre-admission announcement issued by the Company on 3 November 2005 and for the other information (listed at www.thecharacter.com) all of which materials (together the “**AIM Materials**”) have been published by the Company in compliance with its obligations under the AIM Rules of the London Stock Exchange plc.

To the best of the knowledge of the Company and the said directors, having taken all reasonable care to ensure that such is the case, the information contained in the AIM Materials is in accordance with the facts and contains no omission likely to affect the import thereof.

2. None of the Company’s major shareholders have different voting rights to those attaching to the other ordinary shares in the Company.
3. Pursuant to sections 198 – 210 of the Companies Act 1985 (as amended), a person who acquires or dispose of interests in the issued share capital of the Company may become subject to a duty of disclosure. This duty applies where a person has a notifiable interest. A notifiable interest is:
 - a material interest in shares representing 3% or more of the nominal value of the relevant shares
 - a non-material interest in shares representing 10% or more of the nominal value of the relevant shares

A “material interest” in shares is any interest of a person in shares (including the interests of others acting in concert with the person) which are not non-material interests. “Non-material interests” in shares is any interest of a person in shares (including the interests of others acting in concert with the person) which are not:

- (i) an interest held by a person authorised under the Financial Services Act 1986 to manage investments belonging to another;
- (ii) an interest which a person has as the operator of an authorised unit trust scheme, a recognised scheme or a UCITS (as defined);
- (iii) an interest belonging to an investment company with variable capital;
- (iv) an interest in shares in a listed company which would be disregarded under 21.5 below if the company were not listed; and
- (v) an interest of another which a person is taken to have under CA 1985, s203 (see 21.3 below) or CA 1985, s205 (see 21.4 below) where the interest of that other person falls within (i), (ii) or (iv) above.

The duty of disclosure that applies under these statutory provisions is that the person must notify the company:

- of the acquisition of such interest; and thereafter

- of any whole percentage point increase or decrease in that interest; and
- of a cessation of the holding of such interest.

The notification must be made to the company within two (2) days of the obligation arising. The information to be given is the number of shares, the name and address of the person and of the registered holder of the shares and the total number of shares held in consequence of the event giving rise to the obligation to notify.

4. The Company endeavours to pursue a progressive dividend policy. When dividends are declared, the Company usually pays the interim dividend in July and the final dividend in January of each year.