

Company number
238525

THE COMPANIES ACT 2006
COMPANY LIMITED BY SHARES
SPECIAL RESOLUTION
of
CABLE AND WIRELESS PLC
(passed on 25 February 2010)

FRIDAY



At a general meeting of Cable and Wireless plc (the **Company**) duly convened and held at the offices of Allen & Overy LLP, One Bishops Square, London E1 6AD on 25 February 2010, the following resolution was duly passed as a special resolution

SPECIAL RESOLUTION

THAT:

- (a) the Scheme of Arrangement dated 2 February 2010 under Part 26 of the Companies Act 2006 in its original form or with or subject to any modification, addition or condition approved or imposed by the Court (the **Scheme**) proposed to be made between the Company and the holders of the Scheme Shares (as defined in the Scheme) be approved and the directors of the Company be and are hereby authorised to take all such action as they may consider necessary or appropriate for carrying the Scheme into effect,
- (b) for the purpose of giving effect to the Scheme
 - (i) the issued share capital of the Company be reduced by cancelling and extinguishing the Scheme Shares (as defined in the Scheme), and
 - (ii) forthwith and contingently upon such reduction of capital taking effect
 - (A) the Company shall apply the credit arising in its books of account on such reduction of capital in paying up, in full at par, the same number of ordinary shares of 25 pence each in the capital of the Company (**Cable and Wireless plc New Ordinary Shares**) as is equal to the number of Scheme Shares cancelled pursuant to paragraph (b)(i) of this resolution being equal in their aggregate nominal amount to the aggregate nominal amount of the Scheme Shares cancelled pursuant to paragraph (b)(i) of this resolution, which shall be allotted and issued, credited as fully paid, to Cable & Wireless Communications Plc (**Cable & Wireless Communications**) and/or its nominee or nominees, and
 - (B) the directors of the Company be and they are hereby generally and unconditionally authorised, for the purposes of section 551 of the Companies Act 2006, to allot the Cable and Wireless plc New Ordinary Shares provided that
 - I the maximum aggregate nominal amount of shares which may be allotted hereunder shall be the aggregate nominal amount of the Cable and Wireless plc New Ordinary Shares referred to in sub-paragraph (A) above,

II this authority shall expire at the conclusion of the next annual general meeting of the Company or on 1 March 2011 (if earlier), and

III this authority shall be in addition and without prejudice to any subsisting authority conferred on the directors of the Company pursuant to the said section 551 or section 80 of the Companies Act 1985,

- (c) the Articles of Association of the Company (the **Articles**) be amended by the insertion of a new article 150 as follows

“150 Scheme of Arrangement

- (1) For the purpose of this Article 150, references to the **Scheme** are to the scheme of arrangement between the Company and the Scheme Shareholders dated 2 February 2010 under Part 26 of the Companies Act 2006 in its original form or with or subject to any modification, addition or condition approved or imposed by the Court and (save as defined in this Article) expressions defined in the Scheme shall have the same meaning in this Article
- (2) Notwithstanding any other provisions of these Articles, if any ordinary shares in the share capital of the Company are allotted and issued to any person (a **New Member**) other than Cable & Wireless Communications and/or its nominee or nominees after the time at which this Article becomes effective and before the Scheme Record Time, such ordinary shares in the share capital of the Company shall be allotted and issued subject to the terms of the Scheme and shall be Scheme Shares for the purposes thereof and the New Member, and any subsequent holder other than Cable & Wireless Communications and/or its nominee or nominees, shall be bound by the terms of the Scheme
- (3) Subject to the Scheme becoming effective, if any ordinary shares in the share capital of the Company are issued and allotted to a New Member at or after the Scheme Record Time (the **Post-Scheme Shares**), they will immediately be transferred to Cable & Wireless Communications and/or its nominee in consideration of and conditional upon the issue or transfer to the New Member of one Cable & Wireless Communications Ordinary Share and one Cable & Wireless Communications ‘B’ Share for each Post-Scheme Share, so transferred Any Cable & Wireless Communications Ordinary Shares and Cable & Wireless Communications ‘B’ Shares issued pursuant to this Article 150 to the New Member will be credited as fully paid and will rank equally in all respects with all Cable & Wireless Communications Ordinary Shares, as applicable, and Cable & Wireless Communications ‘B’ Shares in issue at the time (other than as regards any dividend or other distribution payable, or return of capital made, by reference to a record time preceding the date of exchange) and will be subject to the Cable & Wireless Communications Articles, provided that if any Post-Scheme Shares are issued and allotted to a New Member after the Cable & Wireless Communications Reduction of Capital has become effective, Cable & Wireless Communications shall not be required to issue and allot to such New Member any Cable & Wireless Communications ‘B’ Shares
- (4) The number of Cable & Wireless Communications Ordinary Shares and Cable & Wireless Communications ‘B’ Shares to be issued or transferred to the New Member under this Article 150 may be adjusted by the directors of the Company in such manner as the Company’s auditors may determine on any reorganisation or material alteration of the share capital of either the Company or of Cable & Wireless Communications or any other return of value to holders of Cable &

Wireless Communications Shares, provided always that any fractions of Cable & Wireless Communications Ordinary Shares shall be disregarded and shall be aggregated and sold for the benefit of Cable & Wireless Communications

- (5) In order to give effect to any such transfer required by this Article 150, the Company may appoint any person to execute and deliver a form of transfer on behalf of the New Member in favour of Cable & Wireless Communications and/or its nominee or nominees and to agree for and on behalf of the New Member to become a member of Cable & Wireless Communications Pending the registration of Cable & Wireless Communications as a holder of any Post-Scheme Shares to be transferred pursuant to this Article 150, Cable & Wireless Communications shall be empowered to appoint a person nominated by the directors of the Company to act as attorney on behalf of the holder of the Post-Scheme Shares in accordance with such directions as Cable & Wireless Communications may give in relation to any dealings with or disposal of the Post-Scheme Shares (or any interest therein), exercising any rights attached thereto or receiving any distribution or other benefit accruing or payable in respect thereof and any holder of Post-Scheme Shares shall exercise all rights attached thereto in accordance with the directions of Cable & Wireless Communications but not otherwise The Company shall not be obliged to issue a certificate to the New Member for the Post Scheme Shares
- (6) In connection with the Scheme, if, in respect of any holder of Scheme Shares with a registered address outside the United Kingdom or whom the Company reasonably believes is a citizen, resident or national of a jurisdiction outside the United Kingdom, the Company is advised that the allotment and issue of the Cable & Wireless Communications Ordinary Shares and/or Cable & Wireless Communications 'B' Shares pursuant to Clause 2 of the Scheme would or might infringe the laws of any jurisdiction outside the United Kingdom or would or might require the Company or Cable & Wireless Communications to observe any governmental or other consent or any registration, filing or other formality with which the Company or Cable & Wireless Communications cannot comply or compliance with which the Company or Cable & Wireless Communications considers unduly onerous, the Company shall (unless such shareholder satisfies the Company that no such infringement or requirement would apply) be entitled to appoint any person to execute as transferor an instrument of transfer transferring, prior to the Scheme Record Time, the Scheme Shares held by such holder to a nominee to hold such Scheme Shares on trust for that holder, on terms that the nominee shall, subject to Article 150(8) below, sell
- (i) the Scheme Shares prior to the Scheme Effective Time, or
 - (ii) if it does not sell the Scheme Shares, sell
 - (a) the Cable & Wireless Communications Ordinary Shares (in a stapled unit with the relative Cable & Wireless Communications 'B' Shares), if any, that it receives pursuant to the Scheme in respect of such shares as soon as practicable following the Scheme Effective Time, and/or
 - (b) the Cable & Wireless Worldwide Ordinary Shares, if any, that it receives in respect of any Cable & Wireless Communications 'B' Shares that it receives pursuant to the Scheme as soon as practicable following the Demerger Effective Time,

in each case at the best price which can reasonably be obtained at the time of sale and that (subject to instructions from Cable & Wireless Communications in relation to Cable and Wireless plc's obligations pursuant to Clause 3 of the Scheme) the proceeds of such sale (net of the expenses of sale including commissions and value added tax) shall be paid to such shareholder by delivering a cheque to, or crediting the CREST account of, such shareholder in accordance with the provisions of Clause 4 of the Scheme

- (7) The instrument of transfer executed by an appointee of the Company pursuant to Article 150 (6)(ii) above shall be as effective as if it had been executed by the registered holder of or person entitled by transmission to the Scheme Shares to which such instrument relates and the title of the transferee shall not be affected by any irregularity or invalidity in the proceedings relating thereto
- (8) Any sale pursuant to Article 150(6)(ii) above will be delayed until after the admission of the Cable & Wireless Communications Ordinary Shares or the Cable & Wireless Worldwide Ordinary Shares (as the case may be) to the Official List of the Financial Services Authority acting in its capacity as United Kingdom Listing Authority and to trading on the London Stock Exchange plc's market for listed securities
- (9) In the absence of bad faith or wilful default, neither the Company, Cable & Wireless Communications, nor any nominee appointed by the Company pursuant to Article 150(6) above shall be responsible for any loss or damage to any person arising from any transaction pursuant to this Article 150 or for any alleged insufficiencies of the terms or the timing of such sale
- (10) In the case of Scheme Shares held in uncertificated form through CREST, the provisions of Article 150(6) above are subject to any restrictions applicable under the Uncertificated Securities Regulations 2001 "

(d) with effect from the passing of this resolution

- (i) the directors of the Company be and they are hereby generally and unconditionally authorised, for the purpose of section 551 of the Companies Act 2006, to allot one deferred share of 25 pence in the capital of the Company to have all the rights of an ordinary share as set out in the articles of association of the Company, save that

I the holder of the deferred share shall not be entitled, otherwise than pursuant to the Scheme, to receive a dividend nor to have any other right of participation in the profits of the Company,

II the holder of the deferred share shall have no right to attend or vote at any general meeting of the Company,

III on a return of capital on the winding-up of the Company or otherwise, the holder of the deferred share shall be entitled, subject to the payment to the holders of all other classes of shares of the amount paid up on such shares, to a repayment of the capital paid up on the deferred share, but shall have no further rights of participation in the assets of the Company

provided that (1) this authority shall expire on 1 March 2011 and (2) this authority shall be in addition and without prejudice to any subsisting authority conferred on the directors of the Company pursuant to the said section 551 of the

Companies Act 2006 or section 80 of the Companies Act 1985 previously granted and in force on the date on which this resolution is passed,

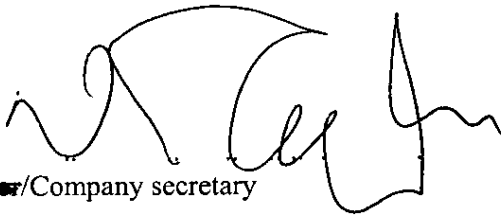
- (ii) pursuant to and during the period of the said authority the Board be empowered to allot the said deferred share wholly for cash as if section 561 of the Companies Act 2006 did not apply to any such allotment,
 - (iii) words and expressions defined in or for the purposes of Part 17 of the Companies Act 2006, and not otherwise defined herein, shall bear the same meanings in this resolution,
- (e) conditionally upon the Scheme becoming effective
- (i) the Cable & Wireless Communications Reduction of Capital as described in the circular sent to shareholders on or around 2 February 2010 (the **Scheme Circular**), be and is hereby approved and the directors of the Company and of Cable & Wireless Communications Plc be and are hereby authorised to take all such action as they may consider necessary or appropriate for carrying such reduction of capital into effect,
 - (ii) the Demerger (as defined in the Scheme Circular) be and is hereby approved and the directors of the Company and of Cable & Wireless Communications Plc (or a duly authorised committee of the directors of the relevant company) be authorised to carry the same into effect (with such non-material amendments as they shall deem necessary or appropriate) and in connection therewith the directors of the Company be and are hereby authorised and instructed to do or procure to be done all such acts and things on behalf of the Company and any of its subsidiaries as they consider necessary or expedient for the purpose of giving effect to the Demerger and the Cable & Wireless Worldwide Holdings Transfer and the Cable & Wireless Worldwide Recapitalisation (each as defined in the document of which this notice forms part)
 - (iii) the Cable & Wireless Worldwide Reduction of Capital as described in the Scheme Circular, be and is hereby approved and the directors of the Company and of Cable & Wireless Worldwide plc be and are hereby authorised to take all such action as they may consider necessary or appropriate for carrying such reduction of capital into effect,
- (f) conditionally upon the Scheme becoming effective, the Cable and Wireless plc Ordinary Shares be delisted from the Official List,
- (g) the amendments to the rules of the Cable & Wireless Incentive Plan 2001, which are summarised in paragraph 5 of Part XIII "*Additional Information*" of the Scheme Circular and shown as marked up in the copy of the rules which is produced to the meeting and initialled by the Chairman for the purpose of identification, be approved and the directors of Cable and Wireless plc, or a duly authorised committee of them, be authorised to do all such acts and things as they may consider necessary or expedient to carry the amendments into effect (including making any further amendments to the approved part of the Cable & Wireless Incentive Plan 2001 required in order to obtain the approval of Her Majesty's Revenue and Customs),
- (h) the amendments to the rules of the Cable & Wireless Long Term Incentive Plan, which are summarised in paragraph 5 of Part XIII "*Additional Information*" of the Scheme Circular and shown as marked up in the copy of the rules which is produced to the meeting and initialled by the Chairman for the purpose of identification, be approved and

the directors of Cable and Wireless plc, or a duly authorised committee of them, be authorised to do all such acts and things as they may consider necessary or expedient to carry the amendments into effect,

- (i) conditional on Admission of the Cable & Wireless Communications Ordinary Shares, the amendments to the trust deed and rules of the Cable & Wireless Share Purchase Plan, which are summarised in paragraph 5 of Part XIII "*Additional Information*" of the Scheme Circular and shown as marked up in the copy of the trust deed and rules which is produced to the meeting and initialled by the Chairman for the purpose of identification, be approved and the directors of Cable and Wireless plc, or a duly authorised committee of them, be authorised to do all such acts and things as they may consider necessary or expedient to carry the amendments into effect (including making any further amendments required in order to obtain the approval of Her Majesty's Revenue and Customs),
- (j) conditional on Admission of the Cable & Wireless Communications Ordinary Shares, the rules of the Cable & Wireless Communications Incentive Plan 2010, the main features of which are summarised in paragraph 6 of Part XIII "*Additional Information*" of the Scheme Circular and a copy of which is produced to the meeting and initialled by the Chairman for the purpose of identification, be approved and the directors of Cable & Wireless Communications, or a duly authorised committee of them, be authorised to do all such acts and things as they may consider necessary or expedient to carry the Cable & Wireless Communications Incentive Plan 2010 into effect (including making any amendments required to the approved part of the Cable & Wireless Communications Incentive Plan 2010 in order to obtain the approval of Her Majesty's Revenue and Customs), and the directors of Cable & Wireless Communications or a duly authorised committee of them, be authorised to establish any schedule to the Cable & Wireless Communications Incentive Plan 2010 they consider necessary in relation to employees in jurisdictions outside the United Kingdom, with any modifications necessary or desirable to take account of local securities laws, exchange control and tax legislation, provided that any ordinary shares in the capital of Cable & Wireless Communications made available under any schedule are treated as counting against the relevant limits on individual and overall participation in the Cable & Wireless Communications Incentive Plan 2010,
- (k) conditional on Admission of the Cable & Wireless Communications Ordinary Shares, the rules of the Cable & Wireless Communications Deferred Short Term Incentive Plan 2010, the main features of which are summarised in paragraph 6 of Part XIII "*Additional Information*" of the Scheme Circular and a copy of which is produced to the meeting and initialled by the Chairman for the purpose of identification, be approved and the directors of Cable & Wireless Communications, or a duly authorised committee of them, be authorised to do all such acts and things as they may consider necessary or expedient to carry the Cable & Wireless Communications Deferred Short Term Incentive Plan 2010 into effect, and the directors of Cable & Wireless Communications or a duly authorised committee of them, be authorised to establish any schedule to the Cable & Wireless Communications Deferred Short Term Incentive Plan 2010 they consider necessary in relation to employees in jurisdictions outside the United Kingdom, with any modifications necessary or desirable to take account of local securities laws, exchange control and tax legislation, provided that any ordinary shares in the capital of Cable & Wireless Communications made available under any schedule are treated as counting against the relevant limits on individual and overall participation in the Cable & Wireless Communications Deferred Short Term Incentive Plan 2010,

- (l) conditional on Admission of the Cable & Wireless Worldwide Ordinary Shares, the rules of the Cable & Wireless Worldwide Incentive Plan 2010, the main features of which are summarised in paragraph 6 of Part XIII "*Additional Information*" of the Scheme Circular and a copy of which is produced to the meeting and initialled by the Chairman for the purpose of identification, be approved and the directors of Cable & Wireless Worldwide, or a duly authorised committee of them, be authorised to do all such acts and things as they may consider necessary or expedient to carry the Cable & Wireless Worldwide Incentive Plan 2010 into effect (including making any amendments required to the approved part of the Cable & Wireless Worldwide Incentive Plan 2010 in order to obtain the approval of Her Majesty's Revenue and Customs), and the directors of Cable & Wireless Worldwide or a duly authorised committee of them, be authorised to establish any schedule to the Cable & Wireless Worldwide Incentive Plan 2010 they consider necessary in relation to employees in jurisdictions outside the United Kingdom, with any modifications necessary or desirable to take account of local securities laws, exchange control and tax legislation, provided that any ordinary shares in the capital of Cable & Wireless Worldwide made available under any schedule are treated as counting against the relevant limits on individual and overall participation in the Cable & Wireless Worldwide Incentive Plan 2010,
- (m) conditional on Admission of the Cable & Wireless Worldwide Ordinary Shares, the rules of the Cable & Wireless Worldwide Deferred Short Term Incentive Plan 2010, the main features of which are summarised in paragraph 6 of Part XIII "*Additional Information*" of the Scheme Circular and a copy of which is produced to the meeting and initialled by the Chairman for the purpose of identification, be approved and the directors of Cable & Wireless Worldwide, or a duly authorised committee of them, be authorised to do all such acts and things as they may consider necessary or expedient to carry the Cable & Wireless Worldwide Deferred Short Term Incentive Plan 2010 into effect, and the directors of Cable & Wireless Worldwide or a duly authorised committee of them, be authorised to establish any schedule to the Cable & Wireless Worldwide Deferred Short Term Incentive Plan 2010 they consider necessary in relation to employees in jurisdictions outside the United Kingdom, with any modifications necessary or desirable to take account of local securities laws, exchange control and tax legislation, provided that any ordinary shares in the capital of Cable & Wireless Worldwide made available under any schedule are treated as counting against the relevant limits on individual and overall participation in the Cable & Wireless Worldwide Deferred Short Term Incentive Plan 2010,
- (n) conditional on Admission of the Cable & Wireless Worldwide Ordinary Shares, the trust deed and rules of the Cable & Wireless Worldwide Share Purchase Plan 2010, the main features of which are summarised in paragraph 6 of Part XIII "*Additional Information*" of the Scheme Circular and a copy of which is produced to the meeting and initialled by the Chairman for the purpose of identification, be approved and the directors of Cable & Wireless Worldwide, or a duly authorised committee of them, be authorised to do all such acts and things as they may consider necessary or expedient to carry the Cable & Wireless Worldwide Share Purchase Plan 2010 into effect (including making any amendments required in order to obtain the approval of Her Majesty's Revenue and Customs), and the directors of Cable & Wireless Worldwide or a duly authorised committee of them, be authorised to establish any schedule to the Cable & Wireless Worldwide Share Purchase Plan 2010 they consider necessary in relation to employees in jurisdictions outside the United Kingdom, with any modifications necessary or desirable to take account of local securities laws, exchange control and tax legislation, provided that any ordinary shares in the capital of Cable & Wireless Worldwide made available under any schedule are treated as counting against the relevant limits on individual and overall participation in the Cable & Wireless Worldwide Share Purchase Plan 2010,

- (o) conditional on Admission of the Cable & Wireless Worldwide Ordinary Shares, the rules of the Cable & Wireless Worldwide Long Term Incentive Plan, the main features of which are summarised in paragraph 6 of Part XIII "*Additional Information*" of the Scheme Circular and a copy of which is produced to the meeting and initialled by the Chairman for the purpose of identification, be approved and the directors of Cable & Wireless Worldwide, or a duly authorised committee of them, be authorised to do all such acts and things as they may consider necessary or expedient to carry the Cable & Wireless Worldwide Long Term Incentive Plan into effect, and the directors of Cable & Wireless Worldwide or a duly authorised committee of them, be authorised to establish any schedule to the Cable & Wireless Worldwide Long Term Incentive Plan they consider necessary in relation to employees in jurisdictions outside the United Kingdom, with any modifications necessary or desirable to take account of local securities laws, exchange control and tax legislation, provided that any ordinary shares in the capital of Cable & Wireless Worldwide made available under any schedule are treated as counting against the relevant limits on overall participation in the Cable & Wireless Worldwide Long Term Incentive Plan, and
- (p) the Cable & Wireless Worldwide Employee Share Ownership Trust, the main features of which are summarised in paragraph 6 of Part XIII "*Additional Information*" of the Scheme Circular and to be constituted by a deed of trust, a draft of which is produced to the meeting and initialled by the Chairman for the purpose of identification, be approved and the directors of Cable & Wireless Worldwide, or a duly authorised committee of them, be authorised to do all such acts and things as they may consider necessary or expedient to carry the Cable & Wireless Worldwide Employee Share Ownership Trust into effect



~~Director~~/Company secretary