

# Statutory Declaration of compliance with requirements on application for registration of a company

12

Pursuant to section 12(3) of the Companies Act 1985

Please do not  
write in  
this marginPlease complete  
legibly, preferably  
in black type, or  
bold black lettering\* insert full  
name of Company† delete as  
appropriate

To the Registrar of Companies

For official use

For official use

Name of company

\* 159th Shelf Investment Company Limited

I, Caroline Louise Marshall  
of 65 Holborn Viaduct, London EC1A 2DY

do solemnly and sincerely declare that I am a [Solicitor engaged in the formation of the company]†  
[person named as director or secretary of the company in the statement delivered to the registrar  
under section 10(2)]† and that all the requirements of the above Act in respect of the registration of the  
above company and of matters precedent and incidental to it have been complied with,  
And I make this solemn declaration conscientiously believing the same to be true and by virtue of the  
provisions of the Statutory Declarations Act 1835

Declared at 10 Snow Hill,  
London EC1A 2AL

Declarant to sign below

the twenty-second day of February  
One thousand nine hundred and ninety-two  
before me Mark Thomas

*Caroline Marshall*

A Commissioner for Oaths or Notary Public or Justice of  
the Peace or Solicitor having the powers conferred on a  
Commissioner for Oaths.

Presenter's name address and  
reference (if any):

Lovell White Durrant  
65 Holborn Viaduct  
London EC1A 2DY

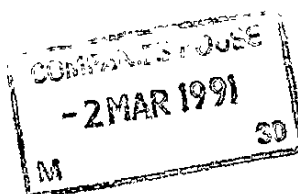
Ref: F2/SJW

For official Use  
New Companies Section

COMPANIES HOUSE  
-2 MAR 1991  
Post room



COMPANIES HOUSE



10

**Statement of first directors and  
secretary and intended situation  
of registered office**

This form should be completed in black.

Company name (in full)

CN

2591237

For official use ☐

159th Shelf Investment Company Limited

Registered office of the company on  
incorporation.

RO

21 Holborn Viaduct

Post town London

County/Region

Postcode EC1A 2DY

If the memorandum is delivered by an  
agent for the subscribers of the  
memorandum mark 'X' in the box  
opposite and give the agent's name  
and address.



Name Lovell White Durrant

RA

65 Holborn Viaduct

Post town London

County/Region

Postcode EC1A 2DY

Number of continuation sheets attached ☐

To whom should Companies House  
direct any enquiries about the  
information shown in this form?

Lovell White Durrant (Ref: SJW)

65 Holborn Viaduct

London

Postcode EC1A 2DY

Telephone 071-236 0066

Extension 2235

**Company Secretary** (See notes 1 - 5)

Name

\*Style/Title

Forenames

Surname

\*Honours etc

Previous forenames

Previous surname

Address

Usual residential address must be given.  
In the case of a corporation, give the  
registered or principal office address.

**CS**

SISEC Limited

None

None

**AD**

21 Holborn Viaduct

Post town London

County/Region

Postcode EC1A 2DY

Country

I consent to act as secretary of the company named on page 1

Consent signature

Signed

*[Signature]*  
for SISEC LIMITED

Date

5/2/91

**Directors** (See notes 1 - 5)

Please list directors in alphabetical order.

Name

\*Style/Title

Forenames

Surname

\*Honours etc

Previous forenames

Previous surname

Address

Usual residential address must be given.  
In the case of a corporation, give the  
registered or principal office address.

**CD**

Serjeants' Inn Nominees Limited

None

None

**AD**

21 Holborn Viaduct

Post town London

County/Region

Postcode EC1A 2DY

Country

**DO**

Nationality

**NA**Registered in  
England**OC**

Company limited by shares

**OD**

None

Business occupation

Other directorships

\* Voluntary details

Consent signature

Signed

*[Signature]*  
for and on behalf of  
Serjeants' Inn Nominees Limited

Date

5/2/91

**Directors (continued)**

(See notes 1 - 5)

**Name** \*Style/Title

Forenames

Surname

\*Honours etc

Previous forenames

Previous surname

**Address**

Usual residential address must be given.  
In the case of a corporation, give the  
registered or principal office address.

Date of birth

Business occupation

Other directorships

\* Voluntary details

**Consent signature****CD**

Loviting Limited

-

-

None

None

**AD**

21 Holborn Viaduct

Post town London

County/Region

Postcode EC1A 2DY

Country

**DO**

Nationality

**NA**Registered in  
England**OC**

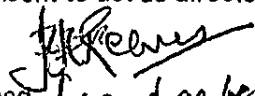
Company limited by shares

**OD**

None

I consent to act as director of the company named on page 1

Signed

  
for and on behalf of  
Loviting Limited

Date

5/2/91

Delete if the form  
is signed by the  
subscribers.

Delete if the form  
is signed by an  
agent on behalf of  
all the subscribers.

All the subscribers  
must sign either  
personally or by a  
person or persons  
authorised to sign  
for them.

 J.H. REEVES

Signature of agent on behalf of all subscribers

Date

5/2/91

Signed

Date

Signed

Date

Signed

Date

Signed

Date

Signed

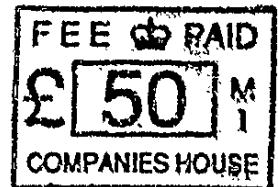
Date

Signed

Date



THE COMPANIES ACT 1985



A PRIVATE COMPANY LIMITED BY SHARES

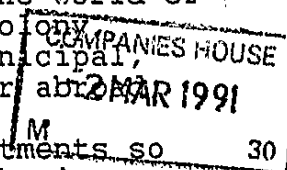
MEMORANDUM OF ASSOCIATION

OF



159TH SHELF INVESTMENT COMPANY LIMITED

1. The name of the company is "159th SHELF INVESTMENT COMPANY LIMITED."
2. The registered office of the company is to be situate in England and Wales.
3. The objects of the company are:
  - (a) To carry on the business of a property and investment holding company in all its branches, and for that purpose in particular to acquire by purchase, lease, exchange or otherwise and hold by way of investment, land, buildings or other structures thereon, land covered by water, and any estate, interest, easement, servitude or right in or over such land, buildings or structures and any real or immovable property of any tenure or description in the United Kingdom or elsewhere in any part of the world, including (without limiting the generality of the foregoing) freehold or leasehold ground rents, reversions, mortgages and charges; and to acquire by purchase, subscription, exchange or otherwise and hold by way of investment, shares, stocks, securities or obligations issued or guaranteed by any person, firm, company or trust constituted or carrying on business in any part of the world or by any government, state, dominion, colony, public body or authority, supreme, municipal, local or otherwise, whether at home or abroad;
  - (b) To manage any such property and investments so acquired and to collect and receive the income and rents therefrom;



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605299

- (c) To improve any property so acquired by constructing, reconstructing, pulling down, altering, adding to, enlarging, decorating, furnishing, fitting up and maintaining the same whether as offices, flats, houses, shops, factories, garages, warehouses, wharves or other buildings, works and conveniences and by advancing money to and entering into contracts and arrangements of all kinds with builders, tenants and others; and to provide services and amenities of all kinds;
- (d) To create freehold and leasehold ground rents and to grant leases, underleases, tenancies and licences;
- (e) To sell, assign, realise, vary, surrender, exchange or dispose of any property or investments for the time being of the company if from time to time it shall be found necessary or advisable so to do, but so that nothing in this Clause shall authorise the company to deal in property or investments by way of trade and so that all appreciations or surpluses realised from the sale, assignment, realisation, payment off or other disposal of property or investments or from any variation or exchange of property or investments or other realisations of capital assets shall be regarded and treated as capital surpluses and shall not be regarded or treated as profits of the company available for dividend, but may nevertheless be capitalised in accordance with the company's Articles of Association;
- (f) To carry on all kinds of financial, trust, agency and broking business and any other business which is capable of being carried on by an individual;
- (g) To promote companies and ventures for any purpose whatsoever and to undertake and assist in financial operations of every description;
- (h) To advance, issue, deposit or lend money, securities and property of any kind, and to draw, make, issue, accept, discount, buy, sell, hold and exchange, bills, notes, warrants, coupons and other negotiable or transferable instruments, documents and obligations;
- (i) To receive money on deposit or loan and to borrow or raise money and to secure or discharge any debt or obligation of or binding on the company by the issue of debentures or debenture stock or in any other manner;

- (j) To mortgage and charge the undertaking and all or any of the real and personal property and assets, present or future, and all or any of the uncalled capital for the time being of the company, and to issue at par or at a premium or discount, and for such consideration, and with such rights, powers and privileges as may be thought fit, debentures, mortgage debentures or debenture stock, payable to bearer or otherwise, and either permanent or redeemable or repayable, and collaterally to secure any securities of the company by a trust deed or other assurance;
- (k) To issue and deposit any securities which the company has power to issue by way of mortgage to secure any sum less than the nominal amount of such securities;
- (l) To guarantee, support or secure, whether by direct obligation or covenant or by mortgaging or charging all or any part of the undertaking, property and assets (present and future) and uncalled capital of the company or by any one or more or all of such methods or by any other method, and whether or not the company receives any advantage therefor, the performance of any obligations or commitments, and the repayment or payment of the principal amounts of or the premiums, interest and dividends on any securities, of any person, firm or company, including (without prejudice to the generality of the foregoing) any company which is for the time being a subsidiary company or holding company of the company or a subsidiary company of such holding company or which is otherwise associated directly or indirectly with the company in business or through shareholdings;
- (m) To establish and maintain or procure the establishment and maintenance of any share option or share incentive or profit sharing schemes or trusts or non-contributory or contributory pension or superannuation schemes or funds for the benefit of, and to make or give or procure the making or giving of loans, donations, gratuities, pensions, allowances or emoluments (whether in money or moneys worth) to, or to trustees on behalf of, any persons who are or were at any time in the employment of the company, or of any company which is a subsidiary of the company or is allied to or associated with the company or with any such subsidiary company, or who are or were at any time directors or officers of the company or of any such other

company as aforesaid, or any persons in whose welfare the company or any such other company as aforesaid is or has been at any time interested, and the wives, husbands, widows, widowers, families and dependants of any such persons, and to establish and subsidise or subscribe to any institutions, associations, clubs or funds calculated to be for the benefit of or to advance the interests and well-being of the company or of any such other company as aforesaid, or of any such persons as aforesaid, and to make payments for or towards policies of assurance on the lives of any such persons and policies of insurance for the benefit of or in respect of any such persons as aforesaid (including insurance against their negligence or breach of duty to the company), and to pay, subscribe or guarantee money for charitable or benevolent objects or for any exhibition or for any political, public, general or useful object, and to do any of the above things, either alone or in conjunction with any such other company as aforesaid;

- (n) Subject as provided in sub-clause (e) of this Clause to distribute among the members in specie any property of the company, or any proceeds of sale or disposal of any property of the company, but so that no distribution amounting to a reduction of capital be made except with the sanction (if any) for the time being required by law;
- (o) To carry on any other business or activity, whether investing manufacturing trading or otherwise, which may seem to the company capable of being conveniently carried on in connection with the business of the company, or calculated, directly or indirectly, to be for the benefit of and to promote the prosperity of the company, or to enhance the value of or render more profitable any of the company's property or to advance the interests of the company or of its members;
- (p) To sell, improve, manage, develop, turn to account, exchange, let on rent, royalty, share of profits or otherwise, grant licences, easements and other rights in or over, and in any other manner deal with or dispose of the undertaking and all or any of the property and assets for the time being of the company for such consideration as may seem expedient;
- (q) To adopt such means of making known the businesses or any of them or the products of the company or the businesses or products of any other person as may seem expedient, and in particular by advertising in the press, by

circulars, by purchase and exhibition of works of art or interest, by publication in books and periodicals, and by granting prizes, rewards and donations, and to carry on and conduct prize and competition schemes or any scheme or arrangement of any kind, either alone or in conjunction with any other person, firm or company, whereby the said businesses or any of them may be promoted or developed, or whereby the said products may be more extensively advertised and made known;

- (r) To enter into any arrangement with any government or authority, supreme, municipal, local or otherwise, of any country, and to obtain from any such government or authority all legislation, orders, rights, concessions, and privileges that may seem requisite;
- (s) To enter into any partnership or joint-purse arrangement or arrangement for sharing profits, union of interests or co-operation with any company, firm or person;
- (t) To purchase or otherwise acquire and undertake all or any part of the business, property, liabilities and transactions of any person, firm or company which is calculated to benefit this company or to advance its interests, or which comprises any property suitable for any purpose of the company;
- (u) To pay for any property or rights acquired by the company either in cash or fully or partly paid-up shares, with or without preferred or deferred or guaranteed rights in respect of dividend or repayment of capital or otherwise, or by any securities which the company has power to issue, or partly in one mode and partly in another, and generally on such terms as may seem expedient;
- (v) To accept payment for any property or rights sold or otherwise disposed of or dealt with by the company either in cash, by instalments or otherwise, or in fully or partly paid-up shares of any company or corporation, with or without deferred or preferred or guaranteed rights in respect of dividend or repayment of capital or otherwise, or in debentures or mortgage debentures or debenture stock, mortgages or other securities of any company or corporation, or partly in one mode and partly in another, and generally on such terms as may seem expedient and to hold, dispose of or otherwise deal with any shares, stock or securities so acquired;



- (w) To amalgamate with any other company, whether by sale or purchase (for fully or partly paid-up shares or otherwise) of the undertaking, subject to the liabilities of this or any other such company as aforesaid, with or without winding-up or by sale or purchase (for fully or partly paid-up shares or otherwise) of all or a controlling interest in the shares or stock of this or any other such company as aforesaid, or by partnership, or any arrangement of the nature of partnership, or in any other manner;
- (x) To pay out of the funds of the company all expenses which the company may lawfully pay of or incidental to the formation, registration and advertising of or raising money for the company and the issue of its capital, including brokerage and commissions for obtaining applications for or taking, placing or under-writing shares, debentures or debenture stock, and to apply at the cost of the company to Parliament for any extension of the company's powers;
- (y) To do all or any of the above things in any part of the world, and either as principals, agents, trustees, contractors or otherwise, and either alone or in conjunction with others, and either by or through agents, sub-contractors, trustees or otherwise; and
- (z) To do all such other things as are in the opinion of the company incidental or conducive to the above objects or any of them.

The objects specified in each of the paragraphs of this Clause shall not, except where the context expressly so requires, be in any way limited or restricted by the terms of any other paragraph and shall be construed as separate, distinct and independent objects capable of being performed and carried out separately, distinctly and independently of each other.

4. The liability of the Members is limited.

5. The share capital of the company is £100 divided into 100 shares of £1 each ranking pari passu in all respects.

WE, the subscribers to this memorandum of association, wish to be formed into a company pursuant to this memorandum; and we agree to take the number of shares shown opposite our respective names.

Names and Addresses of Subscribers	Number of shares taken by each Subscriber
1.  J.A. REEVES Director for and on behalf of LOVITING LIMITED Registered Office 21 Holborn Viaduct London EC1A 2DY  A Company limited by shares	One
2.  J.A. REEVES Director for and on behalf of SERJEANTS' INN NOMINEES LIMITED Registered Office 21 Holborn Viaduct London EC1A 2DY  A Company limited by shares	One
Total shares taken	<u>Two</u>

Dated 15th February 1991

WITNESS to the above signatures,



65 Holborn Viaduct  
London EC1A 2DY

THE COMPANIES ACT 1985

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A PRIVATE COMPANY LIMITED BY SHARES

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ARTICLES OF ASSOCIATION

OF

159TH SHELF INVESTMENT COMPANY LIMITED

REGULATIONS OF THE COMPANY

1. The articles comprise these Articles and, save insofar as it is modified by these Articles, Table A (which expression means that Table as prescribed by regulations made pursuant to the Companies Act 1985 (the "Act") and in force on the date of incorporation of the company).

2. Regulations 8, 24, 53, 54, 60-62 (inclusive), 65-69 (inclusive), 73-80 (inclusive), 87, 90, 93, 100 and 118 in Table A do not apply to the company.

SHARE CAPITAL

3. The share capital of the company is £100 divided into 100 shares of £1 each ranking pari passu in all respects.

4. (1) Subject to paragraph (4) of this Article the directors shall not without the authority of the company in general meeting allot any of the shares in the capital of the company.

(2) Where authority has been given to the directors as referred to in paragraph (1) of this Article to allot shares the directors may subject to the terms of such authority and subject to any terms on which any shares are created or issued allot such shares to such persons (including any directors) at such times and generally on such conditions as they think proper provided that no shares shall be issued at a discount contrary to the Act.



(3) In the foregoing paragraphs of this Article references to allotment of shares shall include references to the grant of any right to subscribe for, or to convert any security into, shares.

(4) Where authority has been given to the directors as referred to in this Article to grant a right to subscribe for, or to convert any security into, shares the directors may without further authority allot such shares as may require to be allotted pursuant to the exercise of such right.

(5) Section 89(1) of the Act is hereby excluded.

#### VARIATION OF RIGHTS

5. The rights attached to any existing shares shall not (unless otherwise expressly provided by the terms of issue of such shares) be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith or subsequent thereto.

#### SHARE CERTIFICATES

6. In Regulation 6 in Table A there shall be inserted after the word "seal" the following words, namely: "or the official seal of the company if the Company has a seal, or otherwise executed in such manner as may be permitted by the Act".

#### LIEN

7. The company shall have a first and paramount lien on all the shares registered in the name of any member (whether solely or jointly with others) for all moneys due to the company from him or his estate, whether solely or jointly with any other person (whether a member or not) and whether such moneys are presently payable or not. The company's lien on a share shall extend to all dividends or other moneys payable thereon or in respect thereof. The directors may at any time resolve that any share shall be exempt, wholly or partly, from the provisions of this Article.

#### CALLS ON SHARES

8. The directors may accept from any member the whole or any part of the amount remaining unpaid on any share held by him notwithstanding that no part of that amount has been called up.

#### TRANSFER OF SHARES

9. No transfer of any share may be registered without the approval of a member or members holding a majority in nominal value of the issued shares for the

time being conferring the right to vote at general meetings of the company, and the directors shall be bound to approve a transfer which has such approval.

#### TRANSMISSION OF SHARES

10. There shall be inserted at the end of Regulation 31 in Table A the following proviso, namely: "provided always that the directors may at any time give notice requiring any such person to elect either to become or to have another person registered as the holder of the share and if the requirements of the notice are not complied with within ninety days the directors may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the share until the requirements of the notice have been complied with".

#### PROCEEDINGS AT GENERAL MEETINGS

11. In paragraph (b) of Regulation 38 in Table A there shall be inserted after the words: "giving that right", the following words, namely: "(or such lesser percentage as may be permitted by the Act and agreed by the members)".

12. In Regulation 41 in Table A there shall be inserted after the words "the directors may determine" the following words, namely: "and if at the adjourned meeting such a quorum is not present within half an hour from the time appointed for the meeting, one member present in person or by proxy or (being a corporation) by its duly authorised representative shall be a quorum".

13. A poll may be demanded by any member present in person or by proxy or (being a corporation) by its duly authorised representative. Regulation 46 in Table A shall be construed accordingly.

14. A resolution in writing of all the members who would have been entitled to vote upon it if it had been proposed at a general meeting at which they were present shall be as effectual as if it had been passed at a general meeting duly convened and held either:

- (a) if it consists of an instrument executed by or on behalf of each such member; or
- (b) if it consists of several instruments in the like form each either
  - (i) executed by or on behalf of one or more of such members; or

- (ii) sent by or on behalf of one or more of such members by telex or facsimile transmission and deposited or received at the office or received by the secretary.

#### VOTES OF MEMBERS

15. Subject to any rights or restrictions as to voting attached to any shares by the terms on which they were issued or by or in accordance with the articles or otherwise, on a show of hands every member who (being an individual) is present in person or (being a corporation) is present by its duly authorised representative not being himself a member entitled to vote, shall have one vote, and on a poll every member who is present in person or by proxy or (being a corporation) is present by its duly authorised representative shall have one vote for every share of which he is the holder.

16. The instrument appointing a proxy shall be in writing in any usual or common form and shall (except in the case of an appointment by telex or a facsimile transmission of an appointment otherwise complying with the requirements of this Article) be executed by the appointor or his attorney duly authorised in writing or in such other form as the directors may approve. A proxy need not be a member of the company.

17. The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is executed, or a notarially certified copy of such power or authority, shall be deposited or received at the office (or at such other place in the United Kingdom as is specified for that purpose in any instrument of proxy sent by the company in relation to the meeting) not less than forty-eight hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or handed to the chairman of the meeting or adjourned meeting, and, in default, the instrument of proxy shall be invalid.

#### ALTERNATE DIRECTORS

18. (1) A director may by written notice signed by him (except in the case of an appointment by telex or a facsimile transmission of an appointment otherwise complying with the requirements of this Article) and deposited or received at the office or received by the secretary or in such other manner as the directors may approve appoint another director or any other person to be and act as his alternate director.

(2) Every alternate director shall (subject to his giving to the company an address within the United Kingdom at which notices may be given to him) be entitled to notice of meetings of the directors or of committees of directors, and to attend and vote as a director at any such meeting at which the director appointing him is entitled to attend and vote but is not personally present and generally at such meeting to exercise all the powers, rights, duties and authorities of the director appointing him. Every alternate director shall also be entitled to sign or, in the case of a telex or facsimile transmission, send on behalf of the director appointing him a resolution in writing of the directors pursuant to Article 27.

(3) An alternate director shall neither be an officer of the company nor entitled to any remuneration from the company for acting as an alternate director.

(4) A director may by written notice signed by him or sent by him by telex or facsimile transmission and deposited or received at the office or received by the secretary or in such other manner as the directors may approve at any time revoke the appointment of an alternate director appointed by him.

(5) If a director shall cease to hold the office of director for any reason, the appointment of his alternate director shall thereupon automatically cease.

#### DELEGATION OF DIRECTORS' POWERS

19. The following words shall be added at the end of the first sentence of Regulation 72 in Table A, namely: "and may also appoint to any such committee persons who are not directors provided that the chairman and a majority of such committee shall be directors".

#### RETIREMENT, APPOINTMENT AND REMOVAL OF DIRECTORS

20. (1) A member or members holding a majority in nominal value of the issued shares for the time being conferring the right to vote at general meetings of the company shall have power from time to time and at any time to appoint any person or persons as a director or directors and to remove from office any director howsoever appointed. Any such appointment or removal shall be effected by an instrument which shall be in writing and shall (except in the case of an appointment or removal by telex or a facsimile copy of an appointment or removal otherwise complying with the requirements of this Article) be executed by the member or members making the same or by their duly authorised

attorneys or in such other manner as the directors may approve, and shall take effect upon such appointment or removal being deposited or received at the office or otherwise communicated to the company at the office or being handed or otherwise communicated to the chairman of a meeting of the directors at which a quorum is present.

(2) Without prejudice to paragraph (1) of this Article the company may by ordinary resolution appoint any person to be a director either to fill a vacancy or as an additional director.

#### DISQUALIFICATION AND REMOVAL OF DIRECTORS

21. In Regulation 81 in Table A:

- (a) there shall be inserted after the word "company" in paragraph (d) the following words, namely: ", provided that such action shall be without prejudice to the terms of and to any rights of the company under any contract between the director and the company"; and
- (b) paragraph (e) shall be deleted.

#### REMUNERATION OF DIRECTORS

22. The following sentence shall be added at the end of Regulation 82 in Table A, namely: "Any director who serves on any committee, or who devotes special attention to the business of the company, or who otherwise performs services which in the opinion of the directors are in addition to or outside the scope of the ordinary duties of a director (which services shall include, without limitation, visiting or residing abroad in connection with the company's affairs), may be paid such extra remuneration by way of salary, percentage of profits or otherwise as the directors may determine".

#### DIRECTORS' APPOINTMENTS AND INTERESTS

23. In Regulation 84 in Table A there shall be substituted for the words "shall not be subject to retirement by rotation" the following words, namely: "shall be subject to the same provisions as to resignation and removal as other directors of the company".

#### DIRECTORS' AND EMPLOYEES' GRATUITIES AND PENSIONS

24. The directors may:

- (a) establish and maintain, or procure the establishment and maintenance of, any share option or share incentive or profit sharing

schemes or trusts or any non-contributory or contributory pension or superannuation schemes or funds for the benefit of, and may make or give or procure the making or giving of loans, donations, gratuities, pensions, allowances or emoluments (whether in money or money's-worth) to, or to trustees on behalf of, any persons who are or were at any time in the employment or service of the company, or of any company which is a subsidiary of the company, or is allied to or associated with the company or with any such subsidiary, or who are or were at any time directors or officers of the company or of any such other company as aforesaid, and to the wives, husbands, widows, widowers, families and dependants of any such persons;

- (b) establish and subsidise or subscribe to any institutions, associations, clubs or funds calculated to be for the benefit of, or to advance the interests and well-being of the company, or of any such other company as aforesaid, or of any such persons as aforesaid;
- (c) make payments for or towards policies of assurance on the lives of any such persons and policies of insurance for the benefit of or in respect of any such persons (including insurance against their negligence or breach of duty to the company) as aforesaid;
- (d) pay, subscribe or guarantee money to or for any charitable or benevolent objects, or for any exhibition, or for any political, public, general or useful object; and
- (e) do any of the above things either alone or in conjunction with any such other company as aforesaid.

Subject always, if the Act shall so require, to particulars with respect to the proposed payment being disclosed to the members of the company and to the payment being approved by the company, any director shall be entitled to participate in and retain for his own benefit any such loan, donation, gratuity, pension, allowance or emolument.

#### PROCEEDINGS OF DIRECTORS

25. In Regulation 88 in Table A there shall be substituted for the third sentence the following sentences, namely: "Every director shall be given not less than 48 hours notice of every meeting of the directors, such notice to be sent to such address as is notified by him to the company for this purpose or otherwise communicated to him personally. Any director

may by notice to the company either before or after the meeting waive his right to receive notice of the meeting and any director who either:

- (a) is present at the commencement of a meeting whether personally or by his alternate director; or
- (b) does not, within 7 days following its coming to his attention that a meeting has taken place without prior notice of such meeting having been given to him pursuant to this Regulation, notify the company that he desires the proceedings at such meeting to be regarded as a nullity,

shall be deemed hereafter to have waived his right to receive notice of such meeting pursuant to this Regulation".

26. The following sentence shall be substituted for the final sentence of Regulation 89 in Table A, namely: "For the purpose of determining whether a quorum exists for the transaction of the business of the board of directors:

- (a) in the case of a resolution of directors, who would (if attending a meeting) comprise a quorum, who are in telephonic communication with one another, any such resolution shall be as valid and effectual as if passed at a meeting of the board of directors duly convened and held;
- (b) in the case of a meeting of the board of directors, in addition to the directors present at the meeting, any director in telephonic communication with such meeting shall be counted in the quorum and entitled to vote; and
- (c) any person attending a meeting of the board, or in telephonic communication with such a meeting, who is both a director and is acting as an alternate director for one or more of the directors shall, for the purposes of the quorum, be counted as one for each such person for whom he is acting as an alternate director and, if applicable, also be counted as a director, but not less than two individuals shall constitute a quorum".

27. A resolution in writing of all the directors or all the members of a committee of directors shall be as effectual as if it had been

passed at a meeting of directors or (as the case may be) a committee of directors duly convened and held either:

- (a) if it consists of an instrument executed by or on behalf of each such director or committee member; or
- (b) if it consists of several instruments in the like form each either:
  - (i) executed by or on behalf of one or more of such directors or committee members; or
  - (ii) sent by or on behalf of one or more of such directors or committee members by telex or facsimile transmission and deposited or received at the office or received by the secretary.

28. Subject to any requisite declaration of interest in accordance with the provisions of the Act and (if applicable) Regulation 85 in Table A having been made by him a director may vote as a director in regard to any transaction or arrangement in which he is interested, or upon any matter arising therefrom and Regulation 94 in Table A shall be construed subject to this provision.

29. In Regulation 97 in Table A:

- (a) there shall be inserted after the words "the appointment" the following words, namely: "or the terms of appointment"; and
- (b) the following words shall be deleted, namely: "and be counted in the quorum" and there shall be inserted after the words "his own appointment" the following words, namely: "and shall be counted in the quorum in respect of each resolution including that concerning his own appointment, and Regulation 95 shall be construed subject to this provision."

#### MINUTES

30. The directors shall cause minutes to be made in books kept for the purpose-

- (a) of all appointments of officers and alternate directors made by the directors; and



- (b) of all proceedings at meetings of the company, of the holders of any class of shares in the company, of the directors, and of committees of directors, including the names of the persons present at each such meeting.

#### THE SEAL

31. In Regulation 101 of Table A, there shall be substituted for the first sentence the following sentence, namely: "The company need not have a seal but if the company does have a seal, the seal shall only be used by the authority of the directors or of a committee of directors authorised by the directors".

32. The company is authorised pursuant to Section 39 of the Act for so long as its objects require or comprise the transaction of business in foreign countries to have an official seal for use in any territory, district, or place elsewhere than in the United Kingdom.

#### NOTICES

33. In Regulation 112 of Table A, the final sentence shall be deleted and the following words shall be inserted at the end of the first sentence, namely: "or by sending it by telex or facsimile transmission to such telex or facsimile number as the member shall have given to the company for the purpose".

34. In Regulation 115 of Table A, there shall be inserted:


- (a) after the words: "prepaid and posted", the following words, namely: "or that a notice was properly sent by telex or facsimile transmission"; and
- (b) after the words: "prepaid and posted" the following words, namely: "or after the time at which it was sent by telex or facsimile transmission".

#### INDEMNITY

35. Subject to the provisions of the Act, every director, other officer or auditor of the company or person acting as an alternate director shall be entitled to be indemnified out of the assets of the company against all costs, charges, expenses, losses or liabilities which he may sustain or incur in or about the execution of his duties to the company or otherwise in relation thereto.


NAMES ADDRESSES AND DESCRIPTIONS OF SUBSCRIBERS

---

 J.H. REEVES

Director  
for and on behalf of  
LOVITING LIMITED  
Registered Office  
21 Holborn Viaduct  
London EC1A 2DY

A Company limited by shares

 J.H. REEVES

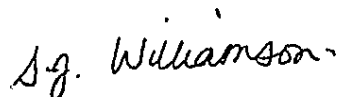
Director  
for and on behalf of  
SERJEANTS' INN NOMINEES LIMITED  
Registered Office  
21 Holborn Viaduct  
London EC1A 2DY

A Company limited by shares

---

Dated 15th February 1991

WITNESS to the above signatures,



65 Holborn Viaduct  
London EC1A 2DY

**FILE COPY**



**CERTIFICATE OF INCORPORATION  
OF A PRIVATE LIMITED COMPANY**

No. 2591237

I hereby certify that

**159TH SHELF INVESTMENT COMPANY LIMITED**

is this day incorporated under the Companies Act 1985 as  
a private company and that the Company is limited.

Given under my hand at the Companies Registration Office,  
Cardiff the 13 MARCH 1991

*V J Kendrick*  
MRS V J KENDRICK

an authorised officer

Company No. 2591237

THE COMPANIES ACT 1985  
COMPANY LIMITED BY SHARES  
SPECIAL RESOLUTION

of  
159TH SHELF INVESTMENT COMPANY LIMITED

(Passed 9th October 1991)

At an Extraordinary General Meeting of the Company duly convened and held on the 9th day of October 1991 at 65 Holborn Viaduct, London, EC1A 2DY the following Resolution was duly passed as a Special Resolution:-

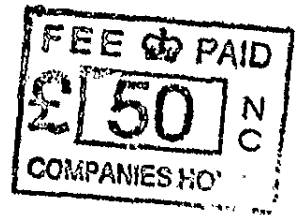
SPECIAL RESOLUTION

THAT the name of the Company be changed to NTL GROUP LIMITED.

.....JEMT.....  
Chairman

C. HOARE. 941505  
£200  
SATURDAY

CFD  
091091



FILE COPY



**CERTIFICATE OF INCORPORATION  
ON CHANGE OF NAME**

Company No. 2591237

The Registrar of Companies for England and Wales hereby certifies that  
159TH SHELF INVESTMENT COMPANY LIMITED

having by special resolution changed its name, is now incorporated  
under the name of

NTL GROUP LIMITED

Given at Companies House, London, the 9th October 1991

A handwritten signature in black ink, appearing to read 'C. O. Friend', with a large, sweeping flourish extending to the right.

C. O. FRIEND

For The Registrar Of Companies



C O M P A N I E S H O U S E

**Notice of accounting reference date**  
(to be delivered within 6 months of incorporation)Please do not  
write in  
this margin

Pursuant to section 224 of the Companies Act 1985

Please complete  
legibly, preferably  
in black type, or  
bold block lettering

To the Registrar of Companies

For official use

Company number


2591237

Name of company

\*Insert full name  
of company

\* NTL GROUP LIMITED

gives notice that the date on which the company's accounting reference period is to be treated as coming to an end in each successive year is as shown below:

Important  
The accounting  
reference date to  
be entered along-  
side should be  
completed as in the  
following examples:

Day Month

3	1	1	2
---	---	---	---

5 April  
Day Month

0	5	0	4
---	---	---	---

30 June  
Day Month

3	0	0	6
---	---	---	---

31 December  
Day Month

3	1	1	2
---	---	---	---

†Delete as  
appropriateSigned *NTL Group*

[Director] [Secretary]† Date 29/10/91

Presentor's name address and  
reference (if any):

C1/JSS

Lovell White Durrant  
65 Holborn Viaduct  
London  
EC1A 2DYFor official use  
General Section

Post room

**G**

COMPANIES FORM No. 123

**Notice of increase  
in nominal capital****123**Please do not  
write in  
this margin

Pursuant to section 123 of the Companies Act 1985

Please complete  
legibly, preferably  
in black type, or  
bold black lettering

To the Registrar of Companies

For official use

Company number

Name of company

--	--	--	--

2591237

\* Insert full name  
of company\* **NIL GROUP LIMITED**§ the copy must be  
printed or in some  
other form approved  
by the registrar

MHB

gives notice in accordance with section 123 of the above Act that by resolution of the company  
dated 24th ~~23rd~~ October 1991 the nominal capital of the company has been  
increased by £ 25,100.12 beyond the registered capital of £ 100.

A copy of the resolution authorising the increase is attached. §

The conditions (eg. voting rights, dividend rights, winding-up rights etc.) subject to which the new  
shares have been or are to be issued are as follow:

MHB

As set out in the Articles of Association adopted by Special  
Resolution passed on 24th ~~23rd~~ October 1991.

Please tick here if  
continued overleaf☐† Insert  
Director,  
Secretary,  
Administrator,  
Administrative  
Receiver or  
Receiver  
(Scotland) as  
appropriateSigned ALH SparkesDesignation: SecretaryDate 29/10/91Presenter's name address and  
reference (if any):  
C1/J SparkesLovell White Durrant  
65 Holborn Viaduct  
London EC1A 2DYFor official Use  
General Section

Post room

**G**

COMPANIES FORM No. 122

**122****Notice of consolidation, division,  
sub-division, redemption or  
cancellation of shares, or conversion,  
re-conversion of stock into shares**Please do not  
write in  
this margin

Pursuant to section 122 of the Companies Act 1985

Please complete  
legibly, preferably  
in black type, or  
bold block lettering

To the Registrar of Companies

For official use Company number

[ ] [ ] [ ] [ ]

2591237

Name of company

\* NTL GROUP LIMITED

\*Insert full name  
of company

gives notice that:

*M/S*  
By a Special Resolution passed on <sup>24th</sup>~~23rd~~ October 1991 the existing Ordinary Shares of £1 each in the authorised share capital of the Company were converted into and redesignated as 10,000 'A' Ordinary Shares of one penny each having the rights and restrictions set out in the Articles of Association adopted pursuant to such Special Resolution.

†Insert Director,  
Secretary,  
Administrator,  
Administrative  
Receiver or Receiver  
(Scotland) as  
appropriate

Signed

*M H Sparkes**Secretary*

Designation† Date

29/10/91

Presentor's name, address and  
reference (if any):

C1/J Sparkes

Lovell White Durrant  
65 Holborn Viaduct  
London EC1A 2DYFor official use  
General Section

Post room



The Solicitors' Law Stationery Society plc, 24 Gray's Inn Road, London WC1X 8HR

1987 Edition  
4 87 F7001

5017042

\*\*\*\*\*



Company No: 2591237

THE COMPANIES ACT 1985  
COMPANY LIMITED BY SHARES  
SPECIAL RESOLUTIONS

of

NTL GROUP LIMITED  
(passed on 24th October 1991)

At an Extraordinary General Meeting of the above-named Company duly convened and held on 24th October, 1991 at 65 Holborn Viaduct, London, EC1A 2DY the following Resolutions were passed as Special Resolutions.

SPECIAL RESOLUTIONS

1. That

- (a) the existing ordinary shares of £1 each in the authorised share capital of the Company be and are hereby converted into and redesignated as 10,000 'A' Ordinary Shares of one penny each having the rights and restrictions set out in the new Articles of Association to be adopted pursuant to paragraph (c) below;
- (b) the share capital of the Company be increased from £100 to £25,200.12 by the creation of
  - (i) 2,132,000 'A' Ordinary Shares of one penny each;
  - (ii) 378,000 'B' Ordinary Shares of one penny each; and
  - (iii) 12 Redeemable Special Shares of one penny eachin each case having the rights and restrictions set out in the new Articles of Association to be adopted pursuant to paragraph (c) below;
- (c) the regulations contained in the printed document laid before this meeting marked "A" and for the purpose of identification signed by the Chairman

[M 873]

be and the same are hereby approved and adopted as the Articles of Association of the Company in substitution for and to the exclusion of all the existing Articles of Association of the Company;

(d) in accordance with Section 80 of the Companies Act 1985 the directors be and are hereby generally and unconditionally authorised for the period commencing on and with effect from the date of adoption of this Resolution and expiring on the fifth anniversary of such date to exercise all the powers of the Company to allot all the authorised but unissued share capital of the Company in existence immediately following the passing of this Resolution;

(e) the pre-emption provisions contained in Section 89 of the Companies Act 1985 are excluded and shall not apply to the allotment of the shares pursuant to the authority granted to the directors by paragraph (d) above.

2. That the provisions of the Memorandum of Association of the Company with respect to the objects of the Company be amended by the deletion of the existing Clause 3 of the Memorandum and the adoption of the new Clause 3 set out in the printed document laid before this meeting marked "B" and signed by the Chairman for the purpose of identification.

  
..... N. T. TURNER .....  
CHAIRMAN

284237

"A"

THE COMPANIES ACT 1985

N1

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COMPANY LIMITED BY SHARES

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~~Final Draft (22.10.91)~~

ARTICLES OF ASSOCIATION

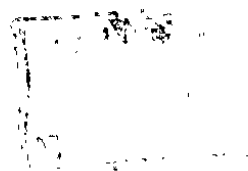
- of -

NTL GROUP LIMITED

---

LOVELL WHITE DURRANT  
65 Holborn Viaduct  
London EC1A 2DY

C1/JRHK/5402B  
Tel: 071-236 0066  
Fax: 071-248 4212



THE COMPANIES ACT 1985

---

COMPANY LIMITED BY SHARES

---

NEW  
ARTICLES OF ASSOCIATION  
(adopted by Special Resolution  
passed on 24th October 1991)

OF

NTL GROUP LIMITED

REGULATIONS OF THE COMPANY

1. The articles comprise these Articles and, save insofar as it is modified by these Articles, Table A (which expression means that Table as prescribed by regulations made pursuant to the Companies Act 1985 and in force on the date of adoption of these Articles).
2. (1) Regulations 8, 24, 25, 50, 53, 54, 60-62 (inclusive), 65-69 (inclusive), 73-78 (inclusive), 80, 82, 87, 89, 100, 109 and 118 in Table A do not apply to the Company.
  - (2) Unless the context otherwise requires:-
    - (a) words denoting the singular number shall include the plural number and vice-versa;
    - (b) words denoting the masculine gender shall include the feminine and neuter genders and vice-versa; and

- (c) references to persons shall include bodies corporate, unincorporated associations and partnerships.

#### DEFINITIONS

3. In these Articles unless the context otherwise requires the words standing in the first column of the following table bear the meanings set opposite them respectively in the second column:-

<u>Expression</u>	<u>Meaning</u>
"Act"	the Companies Act 1985 (as amended from time to time);
"'A' Ordinary Shareholders"	the holders for the time being of 'A' Ordinary Shares;
"'A' Ordinary Shares"	the 'A' Ordinary Shares of one penny each in the capital of the Company;
"Annual Business Plan"	the annual business plan of the Company and of each of its subsidiaries from time to time as approved by the Board (including a majority of the Special Directors);
"Auditors"	the auditors for the time being of the Company;

"Board"	the board of directors for the time being of the Company;
"'B' Ordinary Shareholders"	the holders for the time being of 'B' Ordinary Shares;
"'B' Ordinary Shares"	the 'B' Ordinary Shares of one penny each in the capital of the Company;
"Consolidated Post-Tax Profit"	<p>the consolidated profit of the Company and its Subsidiaries (if any) as shown by the audited profit and loss account of the Company (or, as the case may be, the audited consolidated profit and loss account of the Company and its Subsidiaries) which shall be drawn up in accordance with generally accepted accounting principles in the United Kingdom and on a basis and in accordance with accounting policies approved from time to time by the Board (and approved by a majority of the Non-Executive Directors in accordance with Article 26) and:-</p> <p>(a) before any provision is made for the payment of any dividend on any share in the capital of the Company or for any share distribution by the Company</p>

or for the transfer of any sum to any reserves of the Company forming part of shareholders' funds;

(b) before deducting the amount of any dividend declared and paid in respect of any share by the Company in the year or period to which the audited profit and loss account (or audited consolidated profit and loss account) related;

(c) after there has been deducted any corporation tax (or any other tax levied upon or measured by reference to profits of or gains realised by the Company and its Subsidiaries (if any)) calculated at the rates then prevailing for which the Company or any of its Subsidiaries is liable and after making provision for deferred tax as contained in the relevant accounts but excluding any taxation relating to extraordinary items;

(d) after exceptional but before extraordinary items (as defined in

Statement of Standard Accounting  
Practice No. 6 or any revision or  
replacement thereof);

- (e) before allowing for minority interests;
- (f) after there have been deducted any  
interest charges paid or payable by  
the Company and its Subsidiaries;
- (g) before any amortisation of any  
goodwill arising on the acquisition by  
the Company or a Subsidiary of any  
Company or business; and
- (h) before any amortisation or  
depreciation of any other intangible  
assets;

all as certified by the Auditors;

"GAAP"

generally accepted accounting principles in  
England and Wales;

"Group"

the Company and its subsidiaries from time to  
time;



**"Licences"**

the licences granted to National Transcommunications Limited ("NTL") from time to time under the Wireless Telegraphy Act 1949 and/or the Telecommunications Act 1984 and any other licences granted to NTL for the purposes of its business;

**"Listing"**

- (i) the listing of the Company's Ordinary Shares on The International Stock Exchange of the United Kingdom and the Republic of Ireland Limited ("The Stock Exchange") becoming effective; or
- (ii) the granting of an application by the Company for the dealing in any of the Company's Ordinary Shares on any other public securities market (including the Unlisted Securities Market of The Stock Exchange) whereby such Shares can be freely traded and the approval for such dealing becoming effective;

whether such listing is effected by way of an offer for sale, a new issue of shares, an introduction, a placing or otherwise;

**"Loan Agreements"**

the Facilities Agreement dated [            ] between the Company, S.G. Warburg and Co.

Limited and The Governor and Company of the Bank of Scotland (and others) relating to the provision of various facilities to the Company together with the Security Documents referred to therein;

"Loan Stock"	the unsecured 8% (net) Loan Stock 1997/2000 issued by the Company;
"MAM"	Mercury Asset Management plc;
"NTL"	National Transcommunications Limited;
"Sale"	the sale of any part of the equity share capital of the Company to any person or group resulting in that person or group (whether alone or in conjunction with persons acting in concert with such person or group, as defined by the City Code on Take-Overs and Mergers) holding at least 50 per cent of the equity share capital and for the purposes of these Articles none of the Special Shareholders, the 'A' Ordinary Shareholders (while they are Qualifying Institutions) and/or the 'B' Ordinary Shareholders shall be deemed to be acting in concert with one another;

"Special Directors"	the Special Directors appointed pursuant to Article 26(1) and/or (2);
"Special Shares"	the Redeemable Special Shares of one penny each in the capital of the Company;
"Special Shareholders"	the holders for the time being of the Special Shares;
"Specified Majority"	75% of the Special Shares in issue;
"Qualifying Institution"	MAM and any other person who manages a collective investment scheme (as defined in Section 75 Financial Services Act 1986) or any person who manages funds on its own behalf or for clients on a discretionary basis.

#### SHARE CAPITAL

4. The share capital of the Company at the date of the adoption of these Articles is divided into:-

- (a) 2,142,000 'A' Ordinary Shares of one penny each;
- (b) 378,000 'B' Ordinary Shares of one penny each; and

(c) 12 Redeemable Special Shares of one penny each.

The Special Shares shall constitute a separate class of shares. The 'A' Ordinary Shares and 'B' Ordinary Shares shall constitute one class of shares and shall rank pari passu in all respects save as set out in Article 5.

5. The rights of the 'A' and 'B' Ordinary Shares shall be as follows:-

(1) Income

The profits which are available for distribution (including retained distributable profits) shall be applied as follows:-

(a) Subject to sub-clause (b)(i) the profits shall be distributed amongst the 'A' Ordinary Shareholders and the 'B' Ordinary Shareholders pari passu according to the amounts paid up or credited as paid up on the 'A' Ordinary Shares and the 'B' Ordinary Shares held by them respectively. PROVIDED THAT, save as set out in paragraph (b)(i) of this Article no such dividends shall be payable without the consent of the Specified Majority.

(b) In respect of the financial year of the Company commencing 1st January 1994 and thereafter:-

(i) the 'A' Ordinary Shareholders as a class shall be entitled (in priority to any application of profit

for the benefit of any other class of shares and before any setting aside or appropriation of profit for any other purpose) in accordance with their entitlement hereinafter appearing to a cumulative participating ordinary dividend (the 'Participating 'A' Ordinary Dividend') which, net of any associated tax credit, shall be equal to one third of the Consolidated Post Tax Profit for the relevant financial year (or financial period, as the case may be). The Participating 'A' Ordinary Dividend shall be distributed among the 'A' Ordinary Shareholders in proportion to the amounts paid up or credited as paid up on the 'A' Ordinary Shares held by them. The Participating 'A' Ordinary Dividend shall accrue from day to day and shall be payable in full within 14 days of the production of the Auditors' certificate referred to in paragraph (e) and in any event not later than two months after the end of the financial year or period in question ("the Due Date") unless a later date is agreed by the Specified Majority. If by the Due Date the Participating 'A' Ordinary Dividend has not been paid, it shall be paid as soon as practicable thereafter together with interest at the rate of 2% over the base rate of Bank of Scotland calculated from the Due Date to the date of actual payment. The Participating 'A' Ordinary Dividend shall be

payable to 'A' Ordinary Shareholders on the register of members at the end of the relevant financial year or period.

(ii) Subject to the proviso in paragraph (a), the balance of any profits which the Company may determine to distribute in respect of any financial year after payment of the Participating 'A' Ordinary Dividend shall be distributed amongst the 'A' Ordinary shares and the 'B' Ordinary Shares pari passu according to the amounts paid up or credited as paid up on the 'A' Ordinary Shares and the 'B' Ordinary Shares held by them respectively.

(c) The Participating 'A' Ordinary Dividend shall be due and payable on the dates or at the times herein stipulated and notwithstanding the fact that the same are expressed to be, and shall in the event of their not being paid be, 'cumulative', the amounts due and payable on such dates or at such times shall, unless the Specified Majority decides to the contrary, ipso facto and without any resolution of the directors or the Company in general meeting (and notwithstanding anything contained in Regulations 102 to 105 (inclusive) of Table A) become a debt due from and immediately payable by the Company to the 'A' Ordinary Shareholders entitled to such dividends (subject to there being profits out of which the same may lawfully be paid).

(d) If in any financial year of the Company there shall not be sufficient profits of the Company available for distribution and resolved to be distributed in respect of such financial year for which the Company's accounts are made up or to the extent that payment of a dividend would constitute a breach of the Loan Agreement, then any amount unpaid in respect of the Participating 'A' Ordinary Dividend shall be paid (together with interest at the rate set out in sub-paragraph (b)(i) above from the Due Date to the date of actual payment) as soon as the profits available for distribution are sufficient to cover such payment and such payment is not prohibited by the Loan Agreement and no dividend shall be proposed, declared, or paid on any other class of share in the capital of the Company, nor any other return of capital made other than in respect of redemption of a Special Share, unless and until all arrears of the Participating 'A' Ordinary Dividend have been paid. The Company and the Board shall take all steps in its power to procure that, subject to the Act, its subsidiaries pay to the Company sufficient distributions or otherwise provide funds to the Company to enable it to pay the Participating 'A' Ordinary Dividend.

(e) For so long as there are 'A' Ordinary Shares in issue the Company shall require the Auditors to prepare a certificate as to the Consolidated Post Tax Profit for each financial year or period of the Company either before or at the same

time as the consolidated accounts of the Company and its subsidiary undertakings for that year or period are being audited and the Company shall cause a copy of the certificate prepared for such financial year or period to be delivered to every member as soon as possible and in any case not later than the date of signing of the audited consolidated accounts of the Company and its subsidiary undertakings for such financial year or period, together with a statement of the adjustments (if any) and the reasons therefor made to the consolidated profits of the Company and its subsidiary undertakings (as shown in the audited consolidated accounts) in order to arrive at the figures contained in such certificate.

(2) As regards capital

In the event of a winding up of the Company or upon a reduction or return of capital other than as a result of redemption of a Special Share, the assets of the Company remaining after payment of its debts and liabilities and of the costs, charges and expenses of such winding up or reduction or return of capital shall be applied in the following manner and order of priority:-

- (i) firstly, in paying to the 'A' Ordinary Shareholders a sum equal to all unpaid arrears or accruals of any Participating 'A' Ordinary dividend (whether declared or not) plus interest thereon at the rate set out in sub-paragraph (b)(ii) above calculated down to and including the date of repayment;



- (ii) secondly, in distributing the balance amongst the 'A' Ordinary Shareholders and 'B' Ordinary Shareholders in proportion to the nominal values of the shares held by them and as if they were all holders of shares of the same class.

(3) As regards Voting

Subject to any special rights or restrictions as to voting attached by or in accordance with these Articles to any class of shares, on a show of hands every member who is present in person 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.

SPECIAL SHARES

6. (1) The Special Shares shall not be entitled to any votes at any general meeting of the Company or to participate in the capital or profits of the Company at any time but a Special Shareholder shall be entitled to receive notice of and to attend general meetings of the Company.

(2) In the event of:-

- (a) either a Listing or a Sale, in each case if such Listing or Sale is approved by the Specified Majority, all the rights

attaching to each of the Special Shares shall forthwith determine upon such Sale or Listing becoming effective; or

- (b) any holder of a Special Share ceasing to hold any 'A' Ordinary Shares, in which case all the rights attaching to any Special Share held by that holder shall forthwith determine,

and in each of the cases above,

- (i) any Special Share the rights attaching to which have so determined shall unless redemption can be effected under the Act be automatically converted into one Deferred Share (having no rights to income or capital) and the Company shall give notice thereof forthwith to the holder of any such Share;
- (ii) if redemption within seven days of such determination would be permitted under the Act the Company shall give notice to the holder of any Special Share, the rights attaching to which have so determined, redeeming such Share for cash at par.

The provisions of paragraphs (3) and (4) respectively shall apply to any such redemption or conversion.

- (3) (a) Forthwith on receipt of the notice referred to in paragraph (2)(ii) each holder of a Special Share in

respect of which the rights have determined pursuant to Article 6(2) shall deliver to the Office a certificate in respect of such Share;

- (b) upon the redemption date (being the date upon which the Company gives notice pursuant to paragraph (2)(ii)) the nominal value of such Share shall become a debt due and payable by the Company and upon receipt of the relevant share certificate (or an indemnity in respect thereof in a form reasonably satisfactory to the Company) the Company shall forthwith pay such amount to the Shareholder; and
- (c) if the holder of any Special Share which is liable to be redeemed shall fail or refuse to deliver up the certificate for his Share the Special Share shall be automatically converted into a Deferred Share having no rights to income or capital.

(4) Each holder of a Special Share in respect of which the rights have determined pursuant to paragraph (2) above shall, unless redemption is effected in accordance with paragraph (3) above, be bound to send to the Company upon receipt of the notice referred to in paragraph (2) above the certificate in respect of such Special Share and the Company shall in exchange issue to such holder a certificate for the Deferred Share resulting from the conversion.

(5) For so long as it or its nominee(s) hold 'A' Ordinary Shares MAM shall be entitled to hold not less than 7 Special Shares.

(6) Notwithstanding any other provisions of these Articles to the contrary, so long as any Special Shares shall remain outstanding:

(i) the modification or variation of the rights attaching to the 'A' Ordinary, 'B' Ordinary or Special Shares;

(ii) the proposing of any resolution for reducing any share capital or the amount (if any) for the time being standing to the credit of the Company's share premium account or capital redemption reserve in any manner for which the consent of the Court would be required pursuant to the Act, or for reducing any uncalled liability in respect of partly paid shares;

(iii) the payment of any dividend (other than the dividend on the 'A' Ordinary Shares pursuant to Article 5(1)(b));

(iv) the making of any distribution to Shareholders of a capital nature including any distribution out of capital profits or capital reserves or out of profits or reserves arising from a distribution of capital profits or capital reserves by a subsidiary of the Company;

(v) the issue by any subsidiary (other than to the Company or another wholly owned subsidiary) of any shares in the

capital of such subsidiary or the disposal by the Company or by any subsidiary of any such shares (otherwise than as aforesaid);

- (vi) the capitalisation of any of the distributable profits of the Company (whether or not the same are available for distribution and including profits standing to any reserve) or of any sum standing to the credit of the Company's share premium account or capital redemption reserve;
- (vii) the creation or the granting of any options or other rights to subscribe for shares or to convert into shares in the capital of the Company or any subsidiary or any variation in the authorized or issued share or convertible loan capital other than pursuant to the exercise of any option or other right to subscribe previously consented to under these Articles;
- (viii) any increase in the authorised or issued share capital of the Company or any subsidiary;
- (ix) any alteration to the Memorandum or Articles of the Company or any of its subsidiaries;
- (x) the redemption or repurchase or variation of rights of any Shares of the Company or any subsidiary other than as specifically required by their terms (other than

redemptions or repurchases of shares in a subsidiary involving payment to the Company or another wholly owned subsidiary);

(xi) any sale, lease, transfer or other disposal of the whole or any significant part of the undertaking of the Company or of any of its subsidiaries or of assets (including shares in subsidiaries) having a value (a "Value") (taking into account liabilities (other than future or contingent liabilities not requiring provision under GAAP) to be assumed by the purchaser, lessee or transferee) of £1,000,000 or more PROVIDED THAT for the purposes of arriving at the Value a series of connected transactions shall be treated as one transaction. Once a transaction has been approved by the Specified Majority under this sub-paragraph the Value of such relevant transaction shall be disregarded for the purposes of determining whether any subsequent transaction requires approval under this Sub-paragraph;

(xii) any material change in the nature of the business of the Company and its subsidiaries taken as a whole;

(xiii) (a) the incurring after the date of adoption of these Articles of any indebtedness of the Company or any subsidiary (for borrowed money or otherwise except for normal trade credit in the ordinary course of

business), other than borrowings under the Loan Agreements or the Loan Stock;

(b) the modification, refinancing or amendment of the terms of any outstanding indebtedness (including under the Loan Agreements or the Loan Stock) of the Company or any subsidiary;

(c) the repayment or redemption of any indebtedness in respect of borrowed monies (as defined in Article 27(3)) other than as and when required by the Annual Business Plan for the time being or in accordance with the terms of the Loan Agreements (excluding for this purpose prepayment of the Term Loan) or the Loan Stock;

(xiv) amalgamation or merger of the Company with or into any other entity, or amalgamation or merger of any subsidiary of the Company with or into any other entity (except the Company or another wholly owned subsidiary of the Company);

(xv) any liquidation, winding up receivership or administration (or any analogous proceedings under the laws of any jurisdiction) of the Company or of any subsidiary of the Company;

(xvi) any Listing or Sale; or

(xvii) any item of capital expenditure by the Company or any of its subsidiaries of an amount in excess of £2,000,000 in any one transaction or any series of connected transactions;

(xviii) the entering into any contract or arrangement or a series of connected contracts or arrangements by the Company or any of its subsidiaries involving payments of £2,000,000 or more over the term of such contract or arrangement (or such connected contracts or arrangements as the case may be);

(xix) the acquisition of assets, (including shares and securities) in one or a series of transactions, for consideration in excess of £2,000,000 (including assumed liabilities);

(xx) the Company or any subsidiary entering into any legally binding agreement undertaking or commitment to do any of the foregoing;

shall require the consent of the Specified Majority given in accordance with this Article, in addition to any other approvals required by law or these Articles.

(7) The Company shall seek the consent referred to in paragraph (6) in respect of any matter therein referred to after such matter has been considered at a duly convened meeting of the Board by giving to



each Special Shareholder notice that a decision in respect of such matter is required. Such notice shall be accompanied by:

- (i) the papers submitted to the Board as a body in connection with such matter; and
- (ii) the recommendation of the Board with regard to the decision to be made.

(8) The Company shall send copies of the following documents to each of the Special Shareholders:-

- (a) the monthly management accounts of the Company and its subsidiaries, to be sent within 5 working days after the date of the first meeting of the Board held after they have been prepared;
- (b) a quarterly report by the chief executive of the Company, indicating significant developments and trends in relation to the business of the Company and its subsidiaries during the last quarter, comments on trading relative to the equivalent period in the prior year and the current year's budget, and future trading prospects. Such report shall be sent to Special Shareholders within 7 days after the Board Meeting at which the Management accounts and the chief executive's report for the quarter were considered. Such report may be amended by the Board, prior to its

dissemination, with the consent of the Board (including a majority of the Special Directors) and to exclude from the report, as disseminated, any confidential information.

- (c) copies of all documents sent to the agent pursuant to the Loan Agreements at the same time as they are despatched to the agent.

#### CLASS RIGHTS

7. (1) Whenever the capital of the Company is divided into different classes of shares the special rights attached to any class of shares may be varied or abrogated, either whilst the Company is a going concern or during or in contemplation of a winding-up, with the consent in writing of the holders of 75% of the issued shares of that class, or with the sanction of an extraordinary resolution passed at a separate meeting of the holders of the shares of that class. To every such separate meeting all the provisions of these Articles relating to general meetings of the Company or to the proceedings thereat shall, mutatis mutandis, apply, save that the necessary quorum shall be two persons at least holding or representing by proxy one third in nominal amount of the issued shares of the class (but so that if at any adjourned meeting of such holders a quorum as above defined is not present those members who are present shall be a quorum and where there is only one person holding shares of that class that sole shareholder shall be a quorum), and that the holders of shares of the class shall,

on a poll, have one vote in respect of every share of the class held by them respectively.

(2) The rights conferred upon the holders of shares of any class shall not, unless otherwise expressly provided by the terms of the shares of that class, be deemed varied by the creation or issue of further shares ranking in priority to or *pari passu* therewith.

#### ALLOTMENT OF SHARES

8. (1) Subject to paragraph (4) of this Article the directors shall not without the authority of the Company in general meeting and of any consents required pursuant to Article 6(6) allot any of the shares in the capital of the Company.

(2) Where authority has been given to the directors as referred to in paragraph (1) of this Article to allot shares the directors may subject to the terms of such authority and subject to any terms on which any shares are created or issued and in accordance with this Article allot shares provided that no shares shall be issued at a discount contrary to the Act.

(3) In the foregoing paragraphs of this Article references to allotment of shares shall include references to the grant of any right to subscribe for, or to convert any security into, shares.

(4) Where authority has been given to the directors as referred to in this Article to grant a right to subscribe for, or to convert any security into, shares the directors shall allot such shares as may require to be allotted pursuant to the exercise of such right.

(5) Unless the Company in General Meeting by special resolution shall otherwise determine, no shares in the Company shall be allotted on terms that the right to the same may be renounced by the allottees.

(6) Sections 89(1) and 90 of the Act shall not apply to the Company.

9. In Regulation 3 in Table A there shall be inserted after the words "provided by the articles" the following words, namely: "or by special resolution".

10. Subject to the provisions of Part V of the Act and subject to any other rights attaching to any class of share of the Company the Company may:-

(a) issue shares which are to be redeemed or are liable to be redeemed at the option of the Company or the shareholders concerned;

(b) purchase its own shares (including any redeemable shares);

- (c) make payment in respect of the redemption or purchase under Sections 159 and 160 or (as the case may be) Section 162 of the Act, together with the relevant consent, of any of its own shares, otherwise than out of distributable profits of the Company or the proceeds of a fresh issue of shares to the extent permitted by Sections 171 and 172 of the Act.

#### SHARE CERTIFICATES

11. In Regulation 6 in Table A there shall be inserted after the word "seal" the following words, namely: "or the official seal of the company".

#### LIEN

12. The Company shall have a first and paramount lien on all the shares registered in the name of any member (whether solely or jointly with others) for all moneys due to the Company from him or his estate, whether solely or jointly with any other person (whether a member or not) and whether such moneys are presently payable or not. The Company's lien on a share shall extend to all dividends or other moneys payable thereon or in respect thereof. The directors may at any time resolve that any share shall be exempt, wholly or partly, from the provisions of this Article.

#### CALLS ON SHARES

13. The directors may accept from any member the whole or any part of the amount remaining unpaid on any share held by him notwithstanding that no Part of that amount has been called up.

#### TRANSFER OF SHARES

14. (1) The directors may refuse to register a transfer if either the share is not fully paid up or the Company has a lien thereon or the transfer is prohibited by these Articles or by the terms of the allotment of the Shares in question.

(2) No sale or transfer of any Shares to any person whomsoever shall be made or registered if it would give the Secretary of State power to revoke any of the Licences or if, in the reasonable opinion of the Board, it might otherwise jeopardise any of the Licences or give the Secretary of State the ability to vary any of the Licences.

(3) The provisions of paragraphs (1) and (2) shall apply mutatis mutandis to the sale or other disposal of any shares allotted to a member by means of a renounceable letter of allotment or other renounceable document of title.

(4) The Board shall within 30 days of any request from a shareholder wishing to transfer shares inform such shareholder whether any person named by such shareholder as a proposed transferee might, in

the Board's opinion, jeopardise any of the Licences or give the Secretary of State the ability to vary any of the Licences.

(5) No share shall be issued or transferred to any bankrupt or person of unsound mind.

15. (1) Transfers of 'A' Ordinary Shares shall only be effected in accordance with this Article 15.

(2) Subject to paragraph (3) a transfer of 'A' Ordinary Shares shall only be made to a Qualifying Institution whose identity has been approved by the Specified Majority and only if the transferee complies with paragraph (3) of this Article.

(3) Before disposing, directly or indirectly, of the beneficial interest in any 'A' Ordinary Shares the member who is proposing to make the disposal shall procure that the transferee, having decided how many 'A' Ordinary Shares in aggregate it wishes to acquire interests in ("the Aggregate Amount") offers to buy the requisite number of Shares at the same price and on the same terms from each of the 'A' Ordinary Shareholders pro rata to his total holdings of 'A' Ordinary Shares. Each 'A' Ordinary Shareholder shall have 10 business days in which to decide to accept or reject such opportunity and, if it does not reply within such period, shall be deemed to have rejected it, in which case the other parties shall be free (on a pro rata basis) to dispose of 'A' Ordinary Shares in excess of their pro rata entitlement up to the

Aggregate Amount. The provisions of this paragraph (3) may be waived by the Specified Majority.

(4) The following transfers by Qualifying Institutions shall not be subject to paragraphs (2) and (3) of this Article. Transfers to:-

- (a) its nominee or from one nominee to another nominee of the Qualifying Institution;
- (b) the beneficial owner for the time being of the shares or any other person who becomes a manager or trustee of such shares for the same beneficial owner;
- (c) any other company (in this Article called "Associated Company") which is a holding company of that member or which is another subsidiary of such a holding company (the expression "holding company" and "subsidiary" having the meanings respectively given to them in section 736 of the Act);
- (d) a fund or a nominee of a fund managed by a Qualifying Institution or any other person who becomes a manager or trustee of such a fund;
- (e) a limited partnership in which each of the limited partners is at the time of the transfer a beneficial owner of some or some part of the shares the subject of the transfer ("a



qualifying partnership") or the general partner or a nominee of the qualifying partnership or any transfer thereafter by a qualifying partnership or the general partner or a nominee of such qualifying partnership to the beneficial owner of the shares;

- (f) a nominee formed for the purposes of administering a co-investment scheme of a Qualifying Investor.

(5) Where a Qualifying Institution has transferred any shares to an Associated Company (the "transferee company") pursuant to the exception contained in paragraph (4)(c) and thereafter at any time the transferee company ceases to be an Associated Company with the transferor company, the transferee company shall promptly give notice thereof to the Company and shall transfer the relevant shares to the transferor company or an Associated Company of the transferor company within 14 days of the transferor company and the transferee company ceasing to be Associated Companies.

16. (1) Transfer of 'B' Ordinary Shares shall only be effected in accordance with this Article 16.

(2) If a 'B' Ordinary Shareholder wishes to transfer shares to any person other than those listed in paragraph (10) of this Article he shall be bound to offer all of such shares ("the Shares for Sale") to the Board at a price to be determined by the Board (including the

Special Directors) ("the Price"). Such offer shall be in writing and is hereinafter referred to as the Transfer Notice.

(3) On receipt by the Company of a Transfer Notice the Board shall be entitled to determine, subject to the prior written approval of the Non-Executives, to allocate the Shares:-

- (a) to a person or persons replacing (directly or indirectly) the Vendor as an employee or director of the Company;
- (b) to a trust for the benefit of employees or directors;
- (c) a suitable nominee company (pending nomination of a person pursuant to sub-paragraph (a)); or
- (d) to such other persons as the Board shall consider appropriate.

Such determination shall be made within 28 days of the date of the Transfer Notice and shall be communicated in writing to the Vendor.

(4) Within 7 days of receipt of the determination under paragraph (3) the Vendor shall be bound, upon receipt of payment therefor, to transfer the Shares for Sale which have been allocated pursuant to this Article to the persons nominated by the Board pursuant to paragraph (3). If, after becoming so bound, the Vendor makes default in transferring any of the Shares for Sale, the Company may receive the

purchase money and the Vendor shall be deemed to have appointed any one director or the secretary of the Company as his agent to execute a transfer of Shares for Sale to the purchaser and upon execution of such transfer, the Company shall hold the purchase money in trust for the Vendor. The receipt of the Company for the purchase money shall be a good discharge to each purchaser and, after his name has been entered in the register of members of the Company, the validity of the proceedings shall not be questioned by any person.

(5) The provisions of this Article shall apply mutatis mutandis to the sale or other disposal of any shares allotted to a member by means of a renounceable letter of allotment or other renounceable document of title. No member shall transfer or agree to transfer the legal or beneficial ownership of any share registered in his name or allotted to him except by means of a transfer and subject to the provisions of this Article.

(6) Any member of the Company who (being an individual) shall have made in respect of him a petition for a bankruptcy order or an application for a Voluntary Arrangement (as that expression is defined in Section 1(1) of the Insolvency Act 1986) or (being a body corporate) shall have any action, application or proceeding taken in respect of it for a Voluntary Arrangement or composition or reconstruction of its debts, the presentation of an administration petition, its winding up or dissolution or the appointment of a receiver, liquidator, trustee or administrative receiver or similar officer, shall be deemed to have given a Transfer Notice at the Price in respect of all of his or its

shares in the capital of the Company immediately before the happening of such event unless any person entitled to a share in consequence of any of such events is, or within thirty days of becoming so entitled transfer such shares to, a person to whom shares may be transferred pursuant to paragraph (10). Regulations 29-31 of Table A shall be construed accordingly.

(7) If any director or employee of the Company or any of its subsidiaries ceases (other than by reason of death, disability or ill-health, retirement or dismissal which is wrongful or unfair within the meaning of the provisions of the Employment Protection (Consolidation) Act 1978 to be such a director or employee, he (and any person to whom he may have transferred any shares pursuant to the provisions of paragraph (10) hereof whether directly or through a series of transfers) shall be deemed to have given a Transfer Notice at the Price at the date of such cessation in respect of all the shares then registered in his or their names. In any such case as aforesaid the provisions of this Article shall take effect.

(8) If, in any case where under the provisions of these Articles a person has become bound to give a Transfer Notice in respect of any shares and such a Transfer Notice is not duly given within a period of two weeks of demand being made or within the period allowed thereafter respectively a Transfer Notice shall be deemed to have been given at the expiration of the said period. In any such case as aforesaid the provisions of this Article shall take effect.

(9) The provisions of this Article shall cease and determine (except in relation to shares which are the subject of a Transfer Notice) on a Sale or Listing.

(10) The following transfers by 'B' Ordinary Shareholders shall not be subject to paragraph (2) of this Article:-

(a) in the case of shares beneficially owned by a member, any transfer to the parents, brothers, sisters, spouse, child or remoter issue of such member or to the trustees of any trust the sole beneficiaries of which are one or more of that member, such parent, brother, sister, spouse, child or remoter issue PROVIDED THAT if and whenever any such persons cease to be the sole beneficiaries of such trust the trustee or trustees shall forthwith give a Transfer Notice pursuant to this Article in respect of the shares in question and, if they fail to give a Transfer Notice within 14 days of such cessation, they shall be deemed to have given a Transfer Notice at the end of such period of 14 days;

(b) in the case of a personal representative of a deceased member, any transfer to the widow, widower, parents, brother, sister, child or remoter issue of such deceased member or to another personal representative of the same estate;

- (c) in the case of a trustee of a trust any transfer to the beneficiaries or to another trustee of that trust or to the trustee of another trust for the benefit of anyone or more of the same beneficiaries only subject to the same proviso as is stated in sub-paragraph (b).

17. Special Shares shall only be transferable to a Qualifying Institution holding not less than 8.33% of the issued 'A' Ordinary Shares (or such lesser percentage as is approved by the Specified Majority) which has been approved as the holder of Special Shares by the Specified Majority.

18. (1) The directors may also refuse to register a transfer unless:-

(a) it is lodged duly stamped at the office or at such other place as the directors may appoint and is accompanied by the certificate for the shares to which it relates and such other evidence as the directors may reasonably require to show the right of the transferor to make the transfer;

(b) it is in respect of only one class of share; and

(c) it is in favour of not more than four transferees.

(2) If the directors refuse to register a transfer of a share, they shall within fourteen days after the date on which the transfer was lodged with the Company send to the transferor notice of the refusal.

(3) All instruments of transfer which are registered shall be retained by the Company, but any instrument of transfer which the directors refuse to register shall be returned to the person lodging it when notice of the refusal is given.

#### ALTERATION OF SHARE CAPITAL

19. The provisions of regulations 32, 33, 34 and 36 of Table A shall take effect subject to the provisions of Article 7.

#### GENERAL MEETINGS

20. Every notice convening a general meeting shall comply with the provisions of Section 372(3) of the Act as to giving information to members in regard to their right to appoint proxies; and notices of and other communications relating to any general meeting which any member is entitled to receive shall be sent to the Auditors.

21. A poll may be demanded by any member present in person or by proxy or (being a corporation) by its duly authorised representative. Regulation 46 in Table A shall be construed accordingly.

#### VOTES OF MEMBERS

22. The instrument appointing a proxy shall be in writing in any usual or common form and shall (except in the case of an appointment by telex or a facsimile copy of an appointment otherwise complying with the

requirements of this Article) be executed by the appointor or his attorney duly authorised in writing or in such other form as the directors may approve. A proxy need not be a member of the Company.

23. The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is executed, or a notari<sup>ally</sup> certified copy of such power or authority, shall be deposited or received at the registered office (or at such other place in the United Kingdom as is specified for that purpose in any instrument of proxy sent by the Company in relation to the meeting) not less than forty-eight hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or handed to the chairman of the meeting or adjourned meeting, and, in default, the instrument of proxy shall be invalid.

24. Subject to the provisions of the Act, a resolution in writing signed by all the members of the Company who would be entitled to receive notice of and to attend and vote at a general meeting, or by their duly appointed proxies or attorneys, shall be as valid and effectual as if it had been passed at a general meeting of the Company duly convened and held. Any such resolution may be contained in one document or in several documents in the same terms each signed by one or more of the members or their proxies or attorneys, and signature in the case of a body corporate which is a member shall be sufficient if made by a director or the secretary thereof or by its duly authorised representative.



#### DIRECTORS

25. (1) Unless and until otherwise determined by the Specified Majority the number of directors shall not be subject to any maximum but shall be not less than two. Regulation 64 in Table A shall not apply to the Company.

(2) A director shall not require a share qualification but shall be entitled to attend and speak at any general meeting of the Company and at any separate meeting of the holders of any class of shares in the capital of the Company.

#### SPECIAL DIRECTORS

26. (1) MAM, for so long as it or its nominees holds not less than 7 Special Shares, shall be entitled by notice in writing addressed to the Company from time to time to appoint as directors any two persons and may remove from office any person so appointed and appoint another person in his place. If at any time it has only appointed one director he shall have two votes.

(2) The holders for the time being of the remaining Special Shares (other than those held by MAM) shall, acting by majority, be entitled by notice in writing addressed to the Company from time to time to appoint as a director any one person and may remove from office any person so appointed and appoint another person in his place.

(3) Each of the Directors appointed pursuant to paragraphs (1) and/or (2) of this Article ("the Special Directors") shall at the request of his appointor be appointed to any committee of the Directors.

(4) Each of the Special Directors may by notice in writing to the Company appoint any other person (whether a Director or member of the Company or not) to act as his alternate at any meeting of the Directors, to remove at any time such appointee and to appoint any other person in his place. The alternate shall be entitled to sit on any committee of which his appointor is a member when his appointor is absent.

(5) For so long as MAM or the other Special Shareholders have not exercised their respective right to appoint Special Directors they shall each be entitled, by notice in writing addressed to the Company and served at the registered office, from time to time to appoint any one person ("the Observer"), to remove any person so appointed and to appoint another person in his place. The Observer shall have the right to attend all meetings of the Board and of such of the Company's subsidiaries and any committees of the Board and of the relevant subsidiaries as are specified by the appointor. The Observer shall be given all notices, agendas, minutes and other papers relating to such meetings and to meetings of any committee of any such board of directors and such other information as a director would be entitled to receive and at the same time as such information is provided to directors and shall as regards confidentiality have the same obligations to the Company and any subsidiary to which he is appointed as if he were a

director and shall undertake to the Company and any relevant subsidiary accordingly. The Observer shall be entitled to attend and speak at any such meetings of the board but shall not in any circumstances be entitled to vote.

(6) The Company and the Board shall take all such steps as lie within their respective powers to procure that, at the request of the person(s) which appointed him, any Special Director shall be appointed as a director of any of the Company's subsidiaries and to any committee of the board of any such subsidiary, and such Special Director so appointed shall be entitled to appoint one alternate in respect of the subsidiaries (who shall be the same person as the alternate director of the Company appointed pursuant to Article 26(4)). The Company shall further take all steps as lie within its power to procure that its subsidiaries conduct their affairs so as to comply with all relevant provisions of these Articles.

(7) Each of the Special Directors or the Observers appointed pursuant to this Article 27 shall be entitled to report back to his appointor on the affairs of the Company and its subsidiaries and to disclose to his appointor such information as he shall reasonably consider appropriate, provided that such appointor shall have entered into an undertaking of confidentiality on terms reasonably satisfactory to the appointor and the Company.

(8) Any Special Director shall be entitled to all notices and voting rights and in all other respects be treated as the other

directors of the Company, save that the remuneration of the non-executive shall be at such fee (being not less than £15,000 per annum, subject to annual adjustment in accordance with the Index of Retail Prices) as is agreed between the Board and his appointor.

(9) In addition to the powers under paragraphs (1) and (2) of this Article, the holders of the Specified Majority shall be entitled by notice in writing addressed to the Company to appoint any number of additional directors (whether executive or non-executive) of the Company and/or any of its subsidiaries.

(10) On any resolution pursuant to section 303 of the Act or Article 31 hereof for the removal of a Special Director his appointor present at such meeting shall together have twice as many votes as all other Shareholders voting on such resolution.

#### MATTERS REQUIRING APPROVAL OF THE SPECIAL DIRECTORS

27. (1) In addition to any other authority required by law or by these Articles:-

- (a) the appointment of any additional executive directors or non-executive directors (other than in accordance with Article 26);
- (b) the approval of the Annual Business Plan or any material modification thereto;

- (c) the alteration of the accounting reference date of the Company or an subsidiary, the adoption of the accounting policies for the Company and any material change in the accounting policies of the Company or any subsidiary unless the Board or the directors of that subsidiary are advised in writing by the auditors of the Company that not to make such a change will lead them to qualify the accounts to the effect that they do not give a true and fair view;
- (d) any item of capital expenditure by the Company or any of its subsidiaries of an amount in excess of £500,000 in any one transaction or any series of connected transactions;
- (e) the making by the Company or any of its subsidiaries of any material contract outside the ordinary course of their respective businesses or otherwise than at arm's length commercial terms;
- (f) the entering into any contract or arrangement or a series of connected contracts or arrangements by the Company or any of its subsidiaries involving payments of £500,000 or more over the term of such contract or arrangement (or such connected contracts or arrangements as the case may be);
- (g) the acquisition of assets, (including shares and securities) in one or a series of transactions, for

consideration in excess of £500,000 (including assumed liabilities);

- (h) the dismissal, or any recommendation for the appointment, of any auditors and legal advisers to the Company or its subsidiaries;
- (i) any change in the Service Agreements for directors of the Company or NTL or of any employee of the Company or NTL earning £40,000 or more per annum;
- (j) the Company or any subsidiary entering into any legally binding agreement undertaking or commitment to do any of the foregoing;

shall, whether or not any such matter requires the consent of the Specified Majority in accordance with Article 6(6), require, in addition to the approval of the Board, the consent of a majority of the Special Directors given in accordance with this Article. If there are two or less Special Directors the required consent shall be unanimous. [If there are no Special Directors but there is an Observer, his consent will be required.]

(2) The Company shall seek the consents referred to in this Article in respect of any matter therein referred to after such matter has been considered at a duly convened meeting of the Directors. The notice convening such a board meeting shall contain provision that a

decision in respect of such matter is required. Such notice shall be accompanied by documentation (comprising papers submitted to the other Directors) of reasonable length which is in the possession of the Company and is relevant to the matter requiring a decision.

(3) Within 5 working days of the later of (i) a Special Director having actually received the papers referred to in paragraph (2) and having actually received such responses as he may reasonably request to any points, queries or reservations he may have, and (ii) the Board Meeting referred to in paragraph (2) having actually happened, such Special Director shall notify the Company as to whether he consents to the proposal or otherwise. Any failure to notify the Company within such period shall be deemed to be consent. If at the Board Meeting referred to in paragraph (2), the Special Director gives a formal affirmative vote (minuted as such) in favour of the proposal, that shall be regarded as consent.

(4) The consents referred to in this Article may be given either specifically or generally in respect of the matters comprised therein.

#### BORROWING POWERS

28. (1) Subject as hereinafter provided the directors may exercise all the powers of the Company to borrow money, and to mortgage or charge its undertaking, property and uncalled capital, and to issue debentures and other securities, whether outright or as collateral security, for any debt, liability or obligation of the Company or of any third party.

(2) The directors shall restrict the borrowings of the Company and exercise all voting and other rights or powers of control exercisable by the Company in relation to its Subsidiaries and subsidiary undertakings (if any) so as to secure (as regards subsidiaries and subsidiary undertakings so far as by such exercise they can secure) that the aggregate amount for the time being remaining undischarged of all moneys borrowed by the Company and its subsidiaries and subsidiary undertakings for the time being shall not at any time without the consent of the Company in general meeting exceed the greater of £70 million or twice the aggregate of:-

(a) the amount paid up on the issued share capital of the Company;

(b) the amount standing to the credit of the consolidated capital and revenue reserves of the Company and its Subsidiaries and subsidiary undertakings (including retained earnings); and

(c) the principal amount of outstanding Loan Stock

all as shown in the latest audited and consolidated balance sheet of the Company and its Subsidiaries and subsidiary undertakings but adjusted as may be necessary:

(a) to take account of:



(i) any variation in the amount paid up on the issued share capital of the Company and in the share premium account since the date of such balance sheet;

(ii) any distribution from such reserves (otherwise than to the Company or to a Subsidiary) not provided for therein;

(b) by deducting any debit balance on profit and loss account as shown in such balance sheet; and

(c) by the addition of any previous amortisation of goodwill

but until such time as the first audited and consolidated balance sheet of the Company and its Subsidiaries and subsidiary undertakings shall be presented to an Annual General Meeting of the Company such borrowings shall not exceed £70 million.

(3) For the purpose of these Articles (but without prejudice to the generality of the expression "moneys borrowed"):

(a) the amount outstanding in respect of acceptances by the Company or any of its subsidiaries or by any bank or accepting house under any acceptance credit opened on behalf of the Company or any subsidiaries or subsidiary undertakings (not being acceptances in relation to the purchase of goods in the normal course of trading) shall be taken into accounts as money borrowed;

(b) moneys borrowed for the purpose of repaying the whole or any part of the moneys previously borrowed and then outstanding (including any premium payable on final repayment) and applied for that purpose within three months of such borrowing shall not, pending such application, be taken into account as moneys borrowed;

(c) the following shall be deemed to be money borrowed:

(i) the principal amount for the time being owing in respect of any debenture within the meaning of part XXVI of the Act whether issued for cash or otherwise;

(ii) the nominal amount of any share capital and the principal amount of any borrowings or other indebtedness the redemption or repayment of which is guaranteed or secured or is the subject of an indemnity given by the Company or any of its subsidiaries or subsidiary undertakings and the beneficial interest in which is not owned by the Company or any of its subsidiaries or subsidiary undertakings;

(iii) any amount raised by bills of exchange;

- (iv) the principal amount for the time being owing in respect of any arrangements for hire, hire-purchase or purchase on credit sale or conditional sale terms and including sums due under finance leases;
- (v) the aggregate amount of any book debts sold by the Company or any of its subsidiaries or subsidiary undertakings in respect of which the purchase price is outstanding;
- (vi) the aggregate amount for the time being of any unpaid taxation in respect of which the Company or any of its subsidiaries or subsidiary undertakings is or may be required to pay interest;
- (vii) the amount of any borrowings subordinated in the event of the liquidation of the Company to the unsecured creditors of the Company;
- (viii) factoring or like agreements or trade finance or other arrangements entered into primarily as a method of raising finance but not shown as borrowings on the balance sheet of the company receiving credit and liabilities incurred primarily in connection with the raising of finance but which are off-balance-sheet by reason of being contingent,

conditional, limited recourse or netted-out against an asset or otherwise;

(d) moneys borrowed shall not include:-

(i) any borrowings between the Company and any wholly owned subsidiary or between any wholly owned subsidiary and another; and

(ii) accrued dividends and interest thereon; and

(iii) the principal amount of Loan Stock and accrued interest thereon;

(e) moneys borrowed and outstanding in a currency other than sterling shall be converted into sterling at the market rate of exchange prevailing for the relevant currency in London on the date on which the borrowing limit falls to be applied;

(f) where moneys borrowed by a member of the Group are guaranteed by another member of the Group only the principal indebtedness shall be included.

(4) A certificate by the Auditors as to the aggregate amount of moneys borrowed which may at any one time in accordance with this Article be owing by the Company and its subsidiaries and subsidiary

undertakings shall be conclusive and shall be binding upon the Company, its members and all persons dealing with the Company.

(5) No liability or security given in respect of moneys borrowed in excess of the limit imposed by paragraph (2) of this Article shall be invalid or ineffectual except in the case of express notice at the time when the liability was incurred or security given that the limit thereby imposed had been or was thereby exceeded.

#### QUALIFICATION OF DIRECTORS

29. In addition to the provisions of Regulation 81, the office of a director shall also be vacated if:-

- (a) he becomes of unsound mind;
- (b) he is removed under Article 26, being a Non-Executive Director; or
- (c) he is removed pursuant to Section 303 of the Act or Article 31.

30. Any person may be appointed or elected as a director, whatever his age, and no director shall be required to vacate his office by reason of his attaining or having attained the age of seventy years or any other age.

#### REMOVAL OF DIRECTORS

31. In addition and without prejudice to the provisions of Section 303 of the Act and without prejudice to the rights of any directors under his service contract in respect of such removal but subject to Article 26:-

- (a) the Company may by extraordinary resolution remove any director other than a Special Director before the expiration of his period of office;
- (b) the holders of the Specified Majority may, by notice in writing given to the Company at its registered office remove any director other than a Special Director from his office as director and from any executive position he may have with the Company or any of its subsidiaries.

#### ALTERNATE DIRECTORS

32. A director may at any time appoint any other person (whether a director or member of the Company or not) to act as alternate director at any meeting of the directors at which the director is not present, and may at any time revoke such appointment. An alternate director so appointed shall not be entitled as such to receive any remuneration from the Company but shall otherwise be subject to the provisions of Table A and of these Articles with regard to directors. An alternate director shall be entitled to receive notice of all meetings of the directors and

to attend and vote as a director at any such meeting at which the director appointing him is not personally present, and generally to perform all the functions, rights, powers and duties of the director by whom he was appointed. An alternate director shall as regards confidentiality have the same obligations to the Company and any subsidiary to which he is appointed as if he were a director and shall undertake to the Company and any relevant subsidiary accordingly. An alternate director shall ipso facto cease to be an alternate director if his appointor ceases for any reason to be a director. Where a director who has been appointed to be an alternate director is present at a meeting of the directors in the absence of his appointor such alternate director shall have one vote in addition to his vote as director. Every appointment and revocation of an alternate director shall be made by instrument in writing under the hand of the director making or revoking such appointment and such instrument shall only take effect on the service thereof at the registered office of the Company.

#### DIVIDENDS

33. Regulations 102 to 105 (inclusive) of Table A shall be subject to Article 5.

#### REMUNERATION OF DIRECTORS

34. The directors shall be entitled to the remuneration which the Board shall approve. Any director who serves on any committee, or who devotes special attention to the business of the Company, or who

otherwise performs services which in the opinion of the Board are in addition to or outside the scope of the ordinary duties of a director (which services shall include, without limitation, visiting or residing abroad in connection with the Company's affairs), may be paid such extra remuneration by way of salary, percentage of profits or otherwise as the directors shall approve.

DIRECTORS' AND EMPLOYEES' GRATUITIES AND PENSIONS

35. Subject to the prior consent of the Specified Majority, the directors may:-

- (a) establish and maintain, or procure the establishment and maintenance of any share option or share incentive or profit sharing schemes or trusts or any non-contributory or contributory pension or superannuation schemes or funds for the benefit of, and may make or give or procure the making or giving of loans, donations, gratuities, pensions, allowances or emoluments (whether in money or money's-worth) to, or to trustees on behalf of, any persons who are or were at any time in the employment of the Company, or of any company which is a subsidiary of the Company, or is allied to or associated with the Company or with any such subsidiary, or who are or were at any time directors or officers of the Company or of any such other company as aforesaid, and to the wives, husbands, widows, widowers, families and dependants of any such persons;



- (b) establish and subsidise or subscribe to any institutions, associations, clubs or funds calculated to be for the benefit of, or to advance the interests and well-being of the Company, or of any such other company as aforesaid or of any such persons as aforesaid;
- (c) make payments for or towards policies of assurance on the lives of any such persons and policies of insurance of or in respect of any such persons (including insurance against their negligence) as aforesaid;
- (d) pay, subscribe or guarantee money to or for any charitable or benevolent objects, or for any exhibition, or for any political, public, general, or useful object; and
- (e) do any of the above things either alone or in conjunction with any such other company as aforesaid.

Subject always if the Act shall so require to particulars with respect to the proposed payment being disclosed to the members of the Company and to the payment being approved by the Company in general meeting, any director shall be entitled to participate in and retain for his own benefit any such loan, donation, gratuity, pension, allowance or emolument.

PROCEEDINGS OF DIRECTORS

36. In Regulation 88 in Table A there shall be substituted for the third sentence the following sentences namely: "All directors shall be given notice of every meeting of the directors. Any director or alternate director may by notice to the Company waive his right to receive notice of the meeting and the presence of any director or alternate director at the commencement of a meeting shall constitute such waiver by him".

37. (1) The quorum for meetings of the directors shall be three including at least two Special Directors (or, if there is only one, that Special Director).

(2) Save for emergencies, not less than seven days' notice shall be given of meetings of the directors and meetings of the directors shall be held monthly.

(3) For the purpose of determining whether a quorum exists for the transaction of the business of the Board:-

(a) in the case of a resolution agreed by directors in telephonic communication with one another, all such directors shall be counted in the quorum and any resolution so agreed shall be as valid and effective as if passed at a meeting of the board of directors duly convened and held;

(b) in the case of a meeting of the board of directors, in addition to the directors present at the meeting, any director in telephonic communication with such meeting shall be counted in the quorum and entitled to vote; and

(c) any person attending a meeting of the board, or in telephonic communication with such a meeting, who is both a director and is acting as an alternate director for two or more of the Directors shall, for the purposes of the quorum, be counted as one for each such person for whom he is acting as an alternate director and, if applicable, also be counted as a director, but not less than two individuals shall constitute a quorum.

38. A resolution in writing of all the directors or all the members of a committee of directors shall be as effectual as if it had been passed at a meeting of directors or (as the case may be) a committee of directors duly convened and held either:

(a) if it consists of an instrument executed by or on behalf of each such director or committee member; or

(b) if it consists of several instruments in the like form each either:

(i) executed by or on behalf of one or more of such directors or committee members; or

(ii) sent by or on behalf of one or more of such directors or committee members by telex or facsimile transmission and deposited or received at the office or received by the secretary,

and any such instrument executed or sent by or on behalf of an alternate director shall be deemed to have been duly executed or sent (as the case may be) by or on behalf of his appointor.

39. Subject to any requisite declaration of interest in accordance with the provisions of the Act and (if applicable) Regulation 85 in Table A having been made by him, a director may vote as a director in regard to any transaction or arrangement in which he is interested, or upon any matter arising therefrom and Regulations 94 and 95 in Table A shall be construed subject to this provision.

40. In Regulation 97 In Table A:-

(a) there shall be inserted after the words "the appointment" the following words, namely: "or the terms of appointment"; and

(b) the following words shall be deleted, namely: "and be counted in the quorum" and there shall be inserted after the words "his own appointment" the following words, namely: "and shall be counted in the quorum in respect of

each resolution including that concerning his own appointment".

#### MINUTES

41. The directors shall cause minutes to be made in books kept for the purpose:-

- (a) of all appointments of officers and alternate directors made by the directors; and
- (b) of all proceedings at meetings of the Company, of the holders of any class of shares in the Company of the directors, and of committees of directors, including the names of the persons present at each such meeting.

#### THE SEAL

42. The Company is authorised pursuant to Section 39 of the Act for so long as its objects require or comprise the transaction of business in foreign countries to have an official seal for use in any territory, district, or place elsewhere than in the United Kingdom.

#### INDEMNITY

43. (1) Every director or other officer of the Company shall be entitled to be indemnified out of the assets of the Company against all

losses or liabilities which he may sustain or incur in or about the execution of the duties of his office or otherwise in relation thereto including any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in connection with any application under Section 727 of the Act in which relief is granted to him by the Court and no director or other officer shall be liable for any loss, damage or misfortune which may happen to or be incurred by the Company in the execution of the duties of his office or in relation thereto. But this Article shall only have effect insofar as its provisions are not avoided by Section 310 of the Act.

(2) Without prejudice to the provisions of paragraph (1) 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 or auditors of the Company, or of any other company which is its holding company or in which the Company or such holding company or any of the predecessors of the Company has any interest whether direct or indirect or which is in any way allied to or associated with the Company, or of any subsidiary undertaking of the Company or of any such other company, or who are or were at any time trustees of any pension fund in which employees of the Company or of any such other company or subsidiary undertaking 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 the Company or any such other company, subsidiary undertaking or pension fund.

3. The objects of the company are:

- (a) (1) To carry on the business of a property and investment holding company in all its branches, and for that purpose in particular to acquire by purchase, lease, exchange or otherwise and hold by way of investment, land, buildings or other structures thereon, land covered by water, and any estate, interest, easement, servitude or right in or over such land, buildings or structures and any real or immovable property of any tenure or description in the United Kingdom or elsewhere in any part of the world, including (without limiting the generality of the foregoing) freehold or leasehold ground rents, reversions, mortgages and charges; and to acquire by purchase, subscription, exchange or otherwise and hold by way of investment, shares, stocks, securities or obligations issued or guaranteed by any person, firm, company or trust constituted or carrying on business in any part of the world or by any government, state, dominion, colony, public body or authority, supreme, municipal, local or otherwise, whether at home or abroad;
- (2) (i) to carry on the business of transmitting, relaying or otherwise distributing signals at any frequency and of any wavelength for general reception or otherwise (including, without limitation, in connection with the broadcasting of television and radio programmes and data services);
- (ii) to carry on the business of suppliers of telecommunications services and other services in or connected with the field of telecommunications and for other forms of dissemination including cable programme services, satellite services and generally all radiocommunications services;
- (iii) to design, manufacture and distribute all forms of electronic equipment including, without limitation, equipment in connection with radio and television broadcasting and all telecommunications or data services;
- (iv) to carry out research and development of all kinds including, but not limited to, research and development relating to radio, television or data services or the broadcast or transmission thereof or relating to any other means of communication;
- (v) to provide (whether as principal or agent) engineering, consultancy, management, advisory and other services of all kinds; and



- (vi) to acquire, hold, sell, lease or otherwise dispose of, establish, maintain, design, operate, equip, provide and construct facilities, either for itself or for other persons, in connection with such businesses;
- (b) To manage any such property and investments so acquired and to collect and receive the income and rents therefrom;
  - (c) To improve any property so acquired by constructing, reconstructing, pulling down, altering, adding to, enlarging, decorating, furnishing, fitting up and maintaining the same whether as offices, flats, houses, shops, factories, garages, warehouses, wharves or other buildings, works and conveniences and by advancing money to and entering into contracts and arrangements of all kinds with builders, tenants and others; and to provide services and amenities of all kinds;
  - (d) To create freehold and leasehold ground rents and to grant leases, underleases, tenancies and licences;
  - (e) To sell, assign, realise, vary, surrender, exchange or dispose of any property or investments for the time being of the company if from time to time it shall be found necessary or advisable so to do;
  - (f) To carry on all kinds of financial, trust, agency and broking business and any other business which is capable of being carried on by an individual;
  - (g) To promote companies and ventures for any purpose whatsoever and to undertake and assist in financial operations of every description;
  - (h) To advance, issue, deposit or lend money, securities and property of any kind, and to draw, make, issue, accept, discount, buy, sell, hold and exchange, bills, notes, warrants, coupons and other negotiable or transferable instruments, documents and obligations;
  - (i) To receive money on deposit or loan and to borrow or raise money and to secure or discharge any debt or obligation of or binding on the company by the issue of debentures or debenture stock or in any other manner;
  - (j) To mortgage and charge the undertaking and all or any of the real and personal property and assets, present or future, and all or any of the uncalled capital for the time being of the company, and to issue at par or at a premium or discount, and for such consideration, and with such rights, powers and privileges as may be thought fit, debentures, mortgage debentures or debenture stock, payable to bearer or otherwise, and either permanent or redeemable or repayable, and collaterally to secure any securities of the company by a trust deed or other assurance;

- (k) To issue and deposit any securities which the company has power to issue by way of mortgage to secure any sum less than the nominal amount of such securities;
- (l) To guarantee, support or secure, whether by direct obligation or covenant or by mortgaging or charging all or any part of the undertaking, property and assets (present and future) and uncalled capital of the company or by any one or more or all of such methods or by any other method, and whether or not the company receives any advantage therefor, the performance of any obligations or commitments of, and the repayment or payment of any monies whatsoever (including but not limited to the principal amounts of or the premiums, interest and dividends on any securities) by any person, firm or company, including (without prejudice to the generality of the foregoing) any company which is for the time being a subsidiary company or holding company of the company or a subsidiary company of such holding company or which is otherwise associated directly or indirectly with the company in business or through shareholdings;
- (m) To establish and maintain or procure the establishment and maintenance of any share option or share incentive or profit sharing schemes or trusts or non-contributory or contributory pension or superannuation schemes or funds for the benefit of, and to make or give or procure the making or giving of loans, donations, gratuities, pensions, allowances or emoluments (whether in money or moneys worth) to, or to trustees on behalf of, any persons who are or were at any time in the employment of the company, or of any company which is a subsidiary of the company or is allied to or associated with the company or with any such subsidiary company, or who are or were at any time directors or officers of the company or of any such other company as aforesaid, or any persons in whose welfare the company or any such other company as aforesaid is or has been at any time interested, and the wives, husbands, widows, widowers, families and dependants of any such persons, and to establish and subsidise or subscribe to any institutions, associations, clubs or funds calculated to be for the benefit of or to advance the interests and well-being of the company or of any such other company as aforesaid, or of any such persons as aforesaid, and to make payments for or towards policies of assurance on the lives of any such persons and policies of insurance for the benefit of or in respect of any such persons as aforesaid (including insurance against their negligence or breach of duty to the company), and to pay, subscribe or guarantee money for charitable or benevolent objects or for any exhibition or for any political, public, general or useful object, and to do any of the above things, either alone or in conjunction with any such other company as aforesaid;

- (n) To distribute among the members in specie any property of the company, or any proceeds of sale or disposal of any property of the company, but so that no distribution amounting to a reduction of capital be made except with the sanction (if any) for the time being required by law;
- (o) To carry on any other business or activity, whether investing manufacturing trading or otherwise, which may seem to the company capable of being conveniently carried on in connection with the business of the company, or calculated, directly or indirectly, to be for the benefit of and to promote the prosperity of the company, or to enhance the value of or render more profitable any of the company's property or to advance the interests of the company or of its members;
- (p) To sell, improve, manage, develop, turn to account, exchange, let on rent, royalty, share of profits or otherwise, grant licences, easements and other rights in or over, and in any other manner deal with or dispose of the undertaking and all or any of the property and assets for the time being of the company for such consideration as may seem expedient;
- (q) To adopt such means of making known the businesses or any of them or the products of the company or the businesses or products of any other person as may seem expedient, and in particular by advertising in the press, by circulars, by purchase and exhibition of works of art or interest, by publication in books and periodicals, and by granting prizes, rewards and donations, and to carry on and conduct prize and competition schemes or any scheme or arrangement of any kind, either alone or in conjunction with any other person, firm or company, whereby the said businesses or any of them may be promoted or developed, or whereby the said products may be more extensively advertised and made known;
- (r) To enter into any arrangement with any government or authority, supreme, municipal, local or otherwise, of any country, and to obtain from any such government or authority all legislation, orders, rights, concessions, and privileges that may seem requisite;
- (s) To enter into any partnership or joint-purse arrangement or arrangement for sharing profits, union of interests or co-operation with any company, firm or person;
- (t) To purchase or otherwise acquire and undertake all or any part of the business, property, liabilities and transactions of any person, firm or company which is calculated to benefit this company or to advance its interests, or which comprises any property suitable for any purpose of the company;

- (u) To pay for any property or rights acquired by the company either in cash or fully or partly paid-up shares, with or without preferred or deferred or guaranteed rights in respect of dividend or repayment of capital or otherwise, or by any securities which the company has power to issue, or partly in one mode and partly in another, and generally on such terms as may seem expedient;
- (v) To accept payment for any property or rights sold or otherwise disposed of or dealt with by the company either in cash, by instalments or otherwise, or in fully or partly paid-up shares of any company or corporation, with or without deferred or preferred or guaranteed rights in respect of dividend or repayment of capital or otherwise, or in debentures or mortgage debentures or debenture stock, mortgages or other securities of any company or corporation, or partly in one mode and partly in another, and generally on such terms as may seem expedient and to hold, dispose of or otherwise deal with any shares, stock or securities so acquired;
- (w) To amalgamate with any other company, whether by sale or purchase (for fully or partly paid-up shares or otherwise) of the undertaking, subject to the liabilities of this or any other such company as aforesaid, with or without winding-up or by sale or purchase (for fully or partly paid-up shares or otherwise) of all or a controlling interest in the shares or stock of this or any other such company as aforesaid, or by partnership, or any arrangement of the nature of partnership, or in any other manner;
- (x) To pay out of the funds of the company all expenses which the company may lawfully pay of or incidental to the formation, registration and advertising of or raising money for the company and the issue of its capital, including brokerage and commissions for obtaining applications for or taking, placing or under-writing shares, debentures or debenture stock, and to apply at the cost of the company to Parliament for any extension of the company's powers;
- (y) To do all or any of the above things in any part of the world, and either as principals, agents, trustees, contractors or otherwise, and either alone or in conjunction with others, and either by or through agents, sub-contractors, trustees or otherwise; and
- (z) To do all such other things as are in the opinion of the company incidental or conducive to the above objects or any of them.

The objects specified in each of the paragraphs of this Clause shall not, except where the context expressly so requires, be in any way limited or restricted by the terms of any other paragraph and shall be construed as separate,

distinct and independent objects capable of being performed and carried out separately, distinctly and independently of each other,

Company Number: 2591237

THE COMPANIES ACTS 1985 AND 1989

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COMPANY LIMITED BY SHARES

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A M E N D E D

# MEMORANDUM

AND  
N E W

# ARTICLES OF ASSOCIATION

OF

NTL GROUP LIMITED

(incorporated on 13th March 1991)

(including all amendments up to and including 24th October 1991)

LOVELL WHITE DURRANT  
65 HOLBORN VIADUCT,  
LONDON EC1A 2DY.





**CERTIFICATE OF INCORPORATION  
OF A PRIVATE LIMITED COMPANY**

No. 2591237

I hereby certify that

**159TH SHELF INVESTMENT COMPANY LIMITED**

is this day incorporated under the Companies Act 1985  
as a private company and that the Company is limited.

Given under my hand at the Companies Registration Office,  
Cardiff the 13 MARCH 1991

*V J Kendrick*  
MRS V J KENDRICK

an authorised officer



**CERTIFICATE OF INCORPORATION  
ON CHANGE OF NAME**

Company No. 2591237

The Registrar of Companies for England and Wales hereby certifies that

159TH SHELF INVESTMENT COMPANY LIMITED

having by special resolution changed its name, is now incorporated  
under the name of

NTL GROUP LIMITED

Given at Companies House, London, the 9th October 1991

A handwritten signature in dark ink, appearing to read 'G. O. Friend', written over a faint circular stamp.

G. O. FRIEND

For The Registrar Of Companies



C O M P A N I E S H O U S E



THE COMPANIES ACT 1985

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A PRIVATE COMPANY LIMITED BY SHARES

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MEMORANDUM OF ASSOCIATION

OF

NTL GROUP LIMITED\*

1.\* The name of the company is "NTL GROUP LIMITED."

2. The registered office of the company is to be situate in England and Wales.

3.\*\* The objects of the company are:

- (a) (1) To carry on the business of a property and investment holding company in all its branches, and for that purpose in particular to acquire by purchase, lease, exchange or otherwise and hold by way of investment, land, buildings or other structures thereon, land covered by water, and any estate, interest, easement, servitude or right in or over such land, buildings or structures and any real or immovable property of any tenure or

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\* The name of the Company was changed from 159th Shelf Investment Company Limited on 9th October, 1991.

\*\* Clause 3 of the Memorandum was amended by a Special Resolution passed on 24th October, 1991.



description in the United Kingdom or elsewhere in any part of the world, including (without limiting the generality of the foregoing) freehold or leasehold ground rents, reversions, mortgages and charges; and to acquire by purchase, subscription, exchange or otherwise and hold by way of investment, shares, stocks, securities or obligations issued or guaranteed by any person, firm, company or trust constituted or carrying on business in any part of the world or by any government, state, dominion, colony, public body or authority, supreme, municipal, local or otherwise, whether at home or abroad;

(2) (i) to carry on the business of transmitting, relaying or otherwise distributing signals at any frequency and of any wavelength for general reception or otherwise (including, without limitation, in connection with the broadcasting of television and radio programmes and data services);

(ii) to carry on the business of suppliers of telecommunications services and other services in or connected with the field of telecommunications and for other forms of dissemination including cable programme services, satellite services and generally all radiocommunications services;

(iii) to design, manufacture and distribute all forms of electronic equipment including, without limitation, equipment in connection with radio and television broadcasting and all telecommunications or data services;

(iv) to carry out research and development of all kinds including, but not limited to, research and development relating to radio, television or data services or the broadcast or transmission thereof or relating to any other means of communication;

(v) to provide (whether as principal or agent) engineering, consultancy, management, advisory and other services of all kinds; and

(vi) to acquire, hold, sell, lease or otherwise dispose of, establish, maintain, design, operate, equip, provide and construct facilities, either for itself or for other persons, in connection with such businesses;

(b) To manage any such property and investments so acquired and to collect and receive the income and rents therefrom;

(c) To improve any property so acquired by constructing, reconstructing, pulling down, altering, adding to, enlarging, decorating, furnishing, fitting up and maintaining the same whether as offices, flats, houses, shops, factories, garages, warehouses, wharves or other buildings, works and conveniences and by advancing money to and entering into contracts and arrangements of all kinds with builders, tenants and others; and to provide services and amenities of all kinds;

- (d) To create freehold and leasehold ground rents and to grant leases, underleases, tenancies and licences;
- (e) To sell, assign, realise, vary, surrender, exchange or dispose of any property or investments for the time being of the company if from time to time it shall be found necessary or advisable so to do;
- (f) To carry on all kinds of financial, trust, agency and broking business and any other business which is capable of being carried on by an individual;
- (g) To promote companies and ventures for any purpose whatsoever and to undertake and assist in financial operations of every description;
- (h) To advance, issue, deposit or lend money, securities and property of any kind, and to draw, make, issue, accept, discount, buy, sell, hold and exchange, bills, notes, warrants, coupons and other negotiable or transferable instruments, documents and obligations;
- (i) To receive money on deposit or loan and to borrow or raise money and to secure or discharge any debt or obligation of or binding on the company by the issue of debentures or debenture stock or in any other manner;

- (j) To mortgage and charge the undertaking and all or any of the real and personal property and assets, present or future, and all or any of the uncalled capital for the time being of the company, and to issue at par or at a premium or discount, and for such consideration, and with such rights, powers and privileges as may be thought fit, debentures, mortgage debentures or debenture stock, payable to bearer or otherwise, and either permanent or redeemable or repayable, and collaterally to secure any securities of the company by a trust deed or other assurance;
- (k) To issue and deposit any securities which the company has power to issue by way of mortgage to secure any sum less than the nominal amount of such securities;
- (l) To guarantee, support or secure, whether by direct obligation or covenant or by mortgaging or charging all or any part of the undertaking, property and assets (present and future) and uncalled capital of the company or by any one or more or all of such methods or by any other method, and whether or not the company receives any advantage therefor, the performance of any obligations or commitments of, and the repayment or payment of any monies whatsoever (including but not limited to the principal amounts of or the premiums, interest and dividends on any securities) by any person, firm or company, including (without prejudice to the generality of the foregoing) any company which is for the time being a subsidiary company or holding company of the company or a subsidiary company of such holding company or which

is otherwise associated directly or indirectly with the company in business or through shareholdings;

- (m) To establish and maintain or procure the establishment and maintenance of any share option or share incentive or profit sharing schemes or trusts or non-contributory or contributory pension or superannuation schemes or funds for the benefit of, and to make or give or procure the making or giving of loans, donations, gratuities, pensions, allowances or emoluments (whether in money or moneys worth) to, or to trustees on behalf of, any persons who are or were at any time in the employment of the company, or of any company which is a subsidiary of the company or is allied to or associated with the company or with any such subsidiary company, or who are or were at any time directors or officers of the company or of any such other company as aforesaid, or any persons in whose welfare the company or any such other company as aforesaid is or has been at any time interested, and the wives, husbands, widows, widowers, families and dependants of any such persons, and to establish and subsidise or subscribe to any institutions, associations, clubs or funds calculated to be for the benefit of or to advance the interests and well-being of the company or of any such other company as aforesaid, or of any such persons as aforesaid, and to make payments for or towards policies of assurance on the lives of any such persons and policies of insurance for the benefit of or in respect of any such persons as aforesaid (including insurance against their negligence or breach of duty to the company), and to pay, subscribe or

guarantee money for charitable or benevolent objects or for any exhibition or for any political, public, general or useful object, and to do any of the above things, either alone or in conjunction with any such other company as aforesaid;

- (n) To distribute among the members in specie any property of the company, or any proceeds of sale or disposal of any property of the company, but so that no distribution amounting to a reduction of capital be made except with the sanction (if any) for the time being required by law;
- (o) To carry on any other business or activity, whether investing manufacturing trading or otherwise, which may seem to the company capable of being conveniently carried on in connection with the business of the company, or calculated, directly or indirectly, to be for the benefit of and to promote the prosperity of the company, or to enhance the value of or render more profitable any of the company's property or to advance the interests of the company or of its members;
- (p) To sell, improve, manage, develop, turn to account, exchange, let on rent, royalty, share of profits or otherwise, grant licences, easements and other rights in or over, and in any other manner deal with or dispose of the undertaking and all or any of the property and assets for the time being of the company for such consideration as may seem expedient;

(q) To adopt such means of making known the businesses or any of them or the products of the company or the businesses or products of any other person as may seem expedient, and in particular by advertising in the press, by circulars, by purchase and exhibition of works of art or interest, by publication in books and periodicals, and by granting prizes, rewards and donations, and to carry on and conduct prize and competition schemes or any scheme or arrangement of any kind, either alone or in conjunction with any other person, firm or company, whereby the said businesses or any of them may be promoted or developed, or whereby the said products may be more extensively advertised and made known;

(r) To enter into any arrangement with any government or authority, supreme, municipal, local or otherwise, of any country, and to obtain from any such government or authority all legislation, orders, rights, concessions, and privileges that may seem requisite;

(s) To enter into any partnership or joint-purse arrangement or arrangement for sharing profits, union of interests or co-operation with any company, firm or person;

(t) To purchase or otherwise acquire and undertake all or any part of the business, property, liabilities and transactions of any person, firm or company which is calculated to benefit this company or to advance its interests, or which comprises any property suitable for any purpose of the company;



- (u) To pay for any property or rights acquired by the company either in cash or fully or partly paid-up shares, with or without preferred or deferred or guaranteed rights in respect of dividend or repayment of capital or otherwise, or by any securities which the company has power to issue, or partly in one mode and partly in another, and generally on such terms as may seem expedient;
- (v) To accept payment for any property or rights sold or otherwise disposed of or dealt with by the company either in cash, by instalments or otherwise, or in fully or partly paid-up shares of any company or corporation, with or without deferred or preferred or guaranteed rights in respect of dividend or repayment of capital or otherwise, or in debentures or mortgage debentures or debenture stock, mortgages or other securities of any company or corporation, or partly in one mode and partly in another, and generally on such terms as may seem expedient and to hold, dispose of or otherwise deal with any shares, stock or securities so acquired;
- (w) To amalgamate with any other company, whether by sale or purchase (for fully or partly paid-up shares or otherwise) of the undertaking, subject to the liabilities of this or any other such company as aforesaid, with or without winding-up or by sale or purchase (for fully or partly paid-up shares or otherwise) of all or a controlling interest in the shares or stock of this or any other such company as aforesaid, or by partnership, or any arrangement of the nature of partnership, or in any other manner;

- (x) To pay out of the funds of the company all expenses which the company may lawfully pay of or incidental to the formation, registration and advertising of or raising money for the company and the issue of its capital, including brokerage and commissions for obtaining applications for or taking, placing or under-writing shares, debentures or debenture stock, and to apply at the cost of the company to Parliament for any extension of the company's powers;
- (y) To do all or any of the above things in any part of the world, and either as principals, agents, trustees, contractors or otherwise, and either alone or in conjunction with others, and either by or through agents, sub-contractors, trustees or otherwise; and
- (z) To do all such other things as are in the opinion of the company incidental or conducive to the above objects or any of them.

The objects specified in each of the paragraphs of this Clause shall not, except where the context expressly so requires, be in any way limited or restricted by the terms of any other paragraph and shall be construed as separate, distinct and independent objects capable of being performed and carried out separately, distinctly and independently of each other.

4. The liability of the Members is limited.

5,\* The share capital of the company is £25,200.12 divided into 2,142,000 'A' Ordinary Shares of 1 penny each, 378,000 'B' Ordinary Shares of 1 penny each and 12 Redeemable Special Shares of 1 penny each.

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\* The share capital was increased from £100 to £25,200.12 by a Special Resolution passed on 24th October, 1991.

WE, the subscribers to this memorandum of association, wish to be formed into a company pursuant to this memorandum; and we agree to take the number of shares shown opposite our respective names.

Names and Addresses

Number of  
of Subscribers  
shares taken  
by each  
Subscriber

- 
- |    |  |     |
|----|--|-----|
| 1. | J H REEVES<br>Director<br>for and on behalf of<br>LOVITING LIMITED<br>Registered Office<br>21 Holborn Viaduct<br>London EC1A 2DY<br><br>A Company limited by shares                | One |
| 2. | J H REEVES<br>Director<br>for and on behalf of<br>SERJEANTS' INN NOMINEES LIMITED<br>Registered Office<br>21 Holborn Viaduct<br>London EC1A 2DY<br><br>A Company limited by shares | One |
|    | Total shares taken   | Two |
- 

Dated 5th February, 1991

WITNESS to the above signatures,

S J Williamson  
65 Holborn Viaduct  
London EC1A 2DY

THE COMPANIES ACT 1985

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COMPANY LIMITED BY SHARES

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NEW  
ARTICLES OF ASSOCIATION  
(adopted by Special Resolution  
passed on 24th October 1991)

OF  
NTL GROUP LIMITED\*

REGULATIONS OF THE COMPANY

1. The articles comprise these Articles and, save insofar as it is modified by these Articles, Table A (which expression means that Table as prescribed by regulations made pursuant to the Companies Act 1985 and in force on the date of adoption of these Articles).

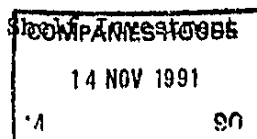
2. (1) Regulations 8, 24, 25, 50, 53, 54, 60-62 (inclusive), 65-69 (inclusive), 73-78 (inclusive), 80, 82, 87, 89, 100, 109 and 118 in Table A do not apply to the Company.

(2) Unless the context otherwise requires:-

(a) words denoting the singular number shall include the plural number and vice-versa;

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\* The name of the Company was changed from 159th Street Investments Company Limited on 9th October 1991.



- (b) words denoting the masculine gender shall include the feminine and neuter genders and vice-versa; and
- (c) references to persons shall include bodies corporate, unincorporated associations and partnerships.

#### DEFINITIONS

3. In these Articles unless the context otherwise requires the words standing in the first column of the following table bear the meanings set opposite them respectively in the second column:-

<u>Expression</u>	<u>Meaning</u>
"Act"	the Companies Act 1985 (as amended from time to time);
"'A' Ordinary Shareholders"	the holders for the time being of 'A' Ordinary Shares;
"'A' Ordinary Shares"	the 'A' Ordinary Shares of one penny each in the capital of the Company;
"Annual Business Plan"	the annual business plan of the Company and of each of its subsidiaries from time to time as approved by the Board (including a majority of the Special Directors);

"Auditors"	the auditors for the time being of the Company;
"Board"	the board of directors for the time being of the Company;
"'B' Ordinary Shareholders"	the holders for the time being of 'B' Ordinary Shares;
"'B' Ordinary Shares"	the 'B' Ordinary Shares of one penny each in the capital of the Company;
"Consolidated Post-Tax Profit"	the consolidated profit of the Company and its Subsidiaries (if any) as shown by the audited profit and loss account of the Company (or, as the case may be, the audited consolidated profit and loss account of the Company and its Subsidiaries) which shall be drawn up in accordance with generally accepted accounting principles in the United Kingdom and on a basis and in accordance with accounting policies approved from time to time by the Board (and approved by a majority of the Non-Executive Directors in accordance with Article 26) and:-

- (a) before any provision is made for the payment of any dividend on any share in the capital of the Company or for any share distribution by the Company or for the transfer of any sum to any reserves of the Company forming part of shareholders' funds;
- (b) before deducting the amount of any dividend declared and paid in respect of any share by the Company in the year or period to which the audited profit and loss account (or audited consolidated profit and loss account) related;
- (c) after there has been deducted any corporation tax (or any other tax levied upon or measured by reference to profits of or gains realised by the Company and its Subsidiaries (if any)) calculated at the rates then prevailing for which the Company or any of its Subsidiaries is liable and after making provision for deferred tax as contained in the relevant accounts but excluding any taxation relating to extraordinary items;



(d) after exceptional but before extraordinary items (as defined in Statement of Standard Accounting Practice No. 6 or any revision or replacement thereof);

(e) before allowing for minority interests;

(f) after there have been deducted any interest charges paid or payable by the Company and its Subsidiaries;

(g) before any amortisation of any goodwill arising on the acquisition by the Company or a Subsidiary of any Company or business; and

(h) before any amortisation or depreciation of any other intangible assets;

all as certified by the Auditors;

"GAAP"

generally accepted accounting principles in England and Wales;

"Group"

the Company and its subsidiaries from time to time;

"Licences"

the licences granted to National Transcommunications Limited ("NTL") from time to time under the Wireless Telegraphy Act 1949 and/or the Telecommunications Act 1984 and any other licences granted to NTL for the purposes of its business;

"Listing"

- (i) the listing of the Company's Ordinary Shares on The International Stock Exchange of the United Kingdom and the Republic of Ireland Limited ("The Stock Exchange") becoming effective; or
- (ii) the granting of an application by the Company for the dealing in any of the Company's Ordinary Shares on any other public securities market (including the Unlisted Securities Market of The Stock Exchange) whereby such Shares can be freely traded and the approval for such dealing becoming effective;

whether such listing is effected by way of an offer for sale, a new issue of shares, an introduction, a placing or otherwise;

"Loan Agreements"

the Facilities Agreement dated 24th October 1991 between the Company, S.G. Warburg and Co. Limited and The Governor and Company of the Bank of Scotland (and others) relating to the provision of various facilities to the Company together with the Security Documents referred to therein;

"Loan Stock"

the unsecured 8% (net) Loan Stock 1997/2000 issued by the Company;

"MAM"

Mercury Asset Management plc;

"NTL"

National Telecommunications Limited;

"Sale"

the sale of any part of the equity share capital of the Company to any person or group resulting in that person or group (whether alone or in conjunction with persons acting in concert with such person or group, as defined by the City Code on Take-Overs and Mergers) holding at least 50 per cent of the equity share capital and for the purposes of these Articles none of the Special Shareholders, the 'A' Ordinary Shareholders (while they are Qualifying Institutions) and/or the 'B' Ordinary Shareholders shall be

deemed to be acting in concert with one another;

"Special Directors" the Special Directors appointed pursuant to Article 26(1) and/or (2);

"Special Shares" the Redeemable Special Shares of one penny each in the capital of the Company;

"Special Shareholders" the holders for the time being of the Special Shares;

"Specified Majority" 75% of the Special Shares in issue;

"Qualifying Institution" MAM and any other person who manages a collective investment scheme (as defined in Section 75 Financial Services Act 1986) or any person who manages funds on its own behalf or for clients on a discretionary basis.

## SHARE CAPITAL

4.\* The share capital of the Company at the date of the adoption of these Articles is divided into:-

- (a) 2,142,000 'A' Ordinary Shares of one penny each;
- (b) 378,000 'B' Ordinary Shares of one penny each; and
- (c) 12 Redeemable Special Shares of one penny each.

The Special Shares shall constitute a separate class of shares. The 'A' Ordinary Shares and 'B' Ordinary Shares shall constitute one class of shares and shall rank pari passu in all respects save as set out in Article 5.

5. The rights of the 'A' and 'B' Ordinary Shares shall be as follows:-

(1) Income

The profits which are available for distribution (including retained distributable profits) shall be applied as follows:-

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\* The Share Capital was increased from £100 to £25,200.12 by a Special Resolution passed on 24th October 1991.

- (a) Subject to sub-clause (b)(i) the profits shall be distributed amongst the 'A' Ordinary Shareholders and the 'B' Ordinary Shareholders pari passu according to the amounts paid up or credited as paid up on the 'A' Ordinary Shares and the 'B' Ordinary Shares held by them respectively. PROVIDED THAT, save as set out in paragraph (b)(i) of this Article no such dividends shall be payable without the consent of the Specified Majority.
- (b) In respect of the financial year of the Company commencing 1st January 1994 and thereafter:-
- (i) the 'A' Ordinary Shareholders as a class shall be entitled (in priority to any application of profit for the benefit of any other class of shares and before any setting aside or appropriation of profit for any other purpose) in accordance with their entitlement hereinafter appearing to a cumulative participating ordinary dividend (the 'Participating 'A' Ordinary Dividend') which, net of any associated tax credit, shall be equal to one third of the Consolidated Post Tax Profit for the relevant financial year (or financial period, as the case may be). The Participating 'A' Ordinary Dividend shall be distributed among the 'A' Ordinary Shareholders in proportion to the amounts paid up or credited as paid up on the 'A' Ordinary Shares held by them.

The Participating 'A' Ordinary Dividend shall accrue from day to day and shall be payable in full within 14 days of the production of the Auditors' certificate referred to in paragraph (e) and in any event not later than two months after the end of the financial year or period in question ("the Due Date") unless a later date is agreed by the Specified Majority. If by the Due Date the Participating 'A' Ordinary Dividend has not been paid, it shall be paid as soon as practicable thereafter together with interest at the rate of 2% over the base rate of Bank of Scotland calculated from the Due Date to the date of actual payment. The Participating 'A' Ordinary Dividend shall be payable to 'A' Ordinary Shareholders on the register of members at the end of the relevant financial year or period.

- (ii) Subject to the proviso in paragraph (a), the balance of any profits which the Company may determine to distribute in respect of any financial year after payment of the Participating 'A' Ordinary Dividend shall be distributed amongst the 'A' Ordinary shares and the 'B' Ordinary Shares *pari passu* according to the amounts paid up or credited as paid up on the 'A' Ordinary Shares and the 'B' Ordinary Shares held by them respectively.

- (c) The Participating 'A' Ordinary Dividend shall be due and payable on the dates or at the times herein stipulated and notwithstanding the fact that the same are expressed to be, and shall in the event of their not being paid be, 'cumulative', the amounts due and payable on such dates or at such times shall, unless the Specified Majority decides to the contrary, ipso facto and without any resolution of the directors or the Company in general meeting (and notwithstanding anything contained in Regulations 102 to 105 (inclusive) of Table A) become a debt due from and immediately payable by the Company to the 'A' Ordinary Shareholders entitled to such dividends (subject to there being profits out of which the same may lawfully be paid).
- (d) If in any financial year of the Company there shall not be sufficient profits of the Company available for distribution and resolved to be distributed in respect of such financial year for which the Company's accounts are made up or to the extent that payment of a dividend would constitute a breach of the Loan Agreement, then any amount unpaid in respect of the Participating 'A' Ordinary Dividend shall be paid (together with interest at the rate set out in sub-paragraph (b)(i) above from the Due Date to the date of actual payment) as soon as the profits available for distribution are sufficient to cover such payment and such payment is not prohibited by the Loan Agreement and no dividend shall be proposed, declared, or



paid on any other class of share in the capital of the Company, nor any other return of capital made other than in respect of redemption of a Special Share, unless and until all arrears of the Participating 'A' Ordinary Dividend have been paid. The Company and the Board shall take all steps in its power to procure that, subject to the Act, its subsidiaries pay to the Company sufficient distributions or otherwise provide funds to the Company to enable it to pay the Participating 'A' Ordinary Dividend.

- (e) For so long as there are 'A' Ordinary Shares in issue the Company shall require the Auditors to prepare a certificate as to the Consolidated Post Tax Profit for each financial year or period of the Company either before or at the same time as the consolidated accounts of the Company and its subsidiary undertakings for that year or period are being audited and the Company shall cause a copy of the certificate prepared for such financial year or period to be delivered to every member as soon as possible and in any case not later than the date of signing of the audited consolidated accounts of the Company and its subsidiary undertakings for such financial year or period, together with a statement of the adjustments (if any) and the reasons therefor made to the consolidated profits of the Company and its subsidiary undertakings (as shown in the audited consolidated accounts) in order to arrive at the figures contained in such certificate.

(2) As regards capital

In the event of a winding up of the Company or upon a reduction or return of capital other than as a result of redemption of a Special Share, the assets of the Company remaining after payment of its debts and liabilities and of the costs, charges and expenses of such winding up or reduction or return of capital shall be applied in the following manner and order of priority:-

- (i) firstly, in paying to the 'A' Ordinary Shareholders a sum equal to all unpaid arrears or accruals of any Participating 'A' Ordinary dividend (whether declared or not) plus interest thereon at the rate set out in sub-paragraph (b)(ii) above calculated down to and including the date of repayment;
- (ii) secondly, in distributing the balance amongst the 'A' Ordinary Shareholders and 'B' Ordinary Shareholders in proportion to the nominal values of the shares held by them and as if they were all holders of shares of the same class.

(3) As regards Voting

Subject to any special rights or restrictions as to voting attached by or in accordance with these Articles to any class of shares, on a show of hands every member who is present in person 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.

### SPECIAL SHARES

6. (1) The Special Shares shall not be entitled to any votes at any general meeting of the Company or to participate in the capital or profits of the Company at any time but a Special Shareholder shall be entitled to receive notice of and to attend general meetings of the Company.

(2) In the event of:-

(a) either a Listing or a Sale, in each case if such Listing or Sale is approved by the Specified Majority, all the rights attaching to each of the Special Shares shall forthwith determine upon such Sale or Listing becoming effective; or

(b) any holder of a Special Share ceasing to hold any 'A' Ordinary Shares, in which case all the rights attaching to any Special Share held by that holder shall forthwith determine,

and in each of the cases above,

(i) any Special Share the rights attaching to which have so determined shall unless redemption can be effected under the Act be automatically converted into one Deferred Share (having no rights to income or capital) and the Company shall give notice thereof forthwith to the holder of any such Share;

- (ii) if redemption within seven days of such determination would be permitted under the Act the Company shall give notice to the holder of any Special Share, the rights attaching to which have so determined, redeeming such Share for cash at par.

The provisions of paragraphs (3) and (4) respectively shall apply to any such redemption or conversion.

- (3) (a) Forthwith on receipt of the notice referred to in paragraph (2)(ii) each holder of a Special Share in respect of which the rights have determined pursuant to Article 6(2) shall deliver to the Office a certificate in respect of such Share;
- (b) upon the redemption date (being the date upon which the Company gives notice pursuant to paragraph (2)(ii)) the nominal value of such Share shall become a debt due and payable by the Company and upon receipt of the relevant share certificate (or an indemnity in respect thereof in a form reasonably satisfactory to the Company) the Company shall forthwith pay such amount to the Shareholder; and
- (c) if the holder of any Special Share which is liable to be redeemed shall fail or refuse to deliver up the certificate for his Share the Special Share

shall be automatically converted into a Deferred Share having no rights to income or capital.

(4) Each holder of a Special Share in respect of which the rights have determined pursuant to paragraph (2) above shall, unless redemption is effected in accordance with paragraph (3) above, be bound to send to the Company upon receipt of the notice referred to in paragraph (2) above the certificate in respect of such Special Share and the Company shall in exchange issue to such holder a certificate for the Deferred Share resulting from the conversion.

(5) For so long as it or its nominee(s) hold 'A' Ordinary Shares MAM shall be entitled to hold not less than 7 Special Shares.

(6) Notwithstanding any other provisions of these Articles to the contrary, so long as any Special Shares shall remain outstanding:

- (i) the modification or variation of the rights attaching to the 'A' Ordinary, 'B' Ordinary or Special Shares;
- (ii) the proposing of any resolution for reducing any share capital or the amount (if any) for the time being standing to the credit of the Company's share premium account or capital redemption reserve in any manner for which the consent of the Court would be required pursuant to the Act, or for reducing any uncalled liability in respect of partly paid shares;

- (iii) the payment of any dividend (other than the dividend on the 'A' Ordinary Shares pursuant to Article 5(1)(b));
- (iv) the making of any distribution to Shareholders of a capital nature including any distribution out of capital profits or capital reserves or out of profits or reserves arising from a distribution of capital profits or capital reserves by a subsidiary of the Company;
- (v) the issue by any subsidiary (other than to the Company or another wholly owned subsidiary) of any shares in the capital of such subsidiary or the disposal by the Company or by any subsidiary of any such shares (otherwise than as aforesaid);
- (vi) the capitalisation of any of the distributable profits of the Company (whether or not the same are available for distribution and including profits standing to any reserve) or of any sum standing to the credit of the Company's share premium account or capital redemption reserve;
- (vii) the creation or the granting of any options or other rights to subscribe for shares or to convert into shares in the capital of the Company or any subsidiary or any variation in the authorised or issued share or convertible loan capital other than pursuant to the exercise of any option or other right to subscribe previously consented to under these Articles;

- (viii) any increase in the authorised or issued share capital of the Company or any subsidiary;
- (ix) any alteration to the Memorandum or Articles of the Company or any of its subsidiaries;
- (x) the redemption or repurchase or variation of rights of any Shares of the Company or any subsidiary other than as specifically required by their terms (other than redemptions or repurchases of shares in a subsidiary involving payment to the Company or another wholly owned subsidiary);
- (xi) any sale, lease, transfer or other disposal of the whole or any significant part of the undertaking of the Company or of any of its subsidiaries or of assets (including shares in subsidiaries) having a value (a "Value") (taking into account liabilities (other than future or contingent liabilities not requiring provision under GAAP) to be assumed by the purchaser, lessee or transferee) of £1,000,000 or more PROVIDED THAT for the purposes of arriving at the Value a series of connected transactions shall be treated as one transaction. Once a transaction has been approved by the Specified Majority under this sub-paragraph the Value of such relevant transaction shall be disregarded for the purposes of determining whether any subsequent transaction requires approval under this Sub-paragraph;

(xii) any material change in the nature of the business of the Company and its subsidiaries taken as a whole;

(xiii) (a) the incurring after the date of adoption of these Articles of any indebtedness of the Company or any subsidiary (for borrowed money or otherwise except for normal trade credit in the ordinary course of business), other than borrowings under the Loan Agreements or the Loan Stock;

(b) the modification, refinancing or amendment of the terms of any outstanding indebtedness (including under the Loan Agreements or the Loan Stock) of the Company or any subsidiary;

(c) the repayment or redemption of any indebtedness in respect of borrowed monies (as defined in Article 27(3)) other than as and when required by the Annual Business Plan for the time being or in accordance with the terms of the Loan Agreements (excluding for this purpose prepayment of the Term Loan) or the Loan Stock;

(xiv) amalgamation or merger of the Company with or into any other entity, or amalgamation or merger of any subsidiary of the Company with or into any other entity (except the Company or another wholly owned subsidiary of the Company);



- (xv) any liquidation, winding up receivership or administration (or any analogous proceedings under the laws of any jurisdiction) of the Company or of any subsidiary of the Company;
- (xvi) any Listing or Sale; or
- (xvii) any item of capital expenditure by the Company or any of its subsidiaries of an amount in excess of £2,000,000 in any one transaction or any series of connected transactions;
- (xviii) the entering into any contract or arrangement or a series of connected contracts or arrangements by the Company or any of its subsidiaries involving payments of £2,000,000 or more over the term of such contract or arrangement (or such connected contracts or arrangements as the case may be);
- (xix) the acquisition of assets, (including shares and securities) in one or a series of transactions, for consideration in excess of £2,000,000 (including assumed liabilities);
- (xx) the Company or any subsidiary entering into any legally binding agreement undertaking or commitment to do any of the foregoing;

shall require the consent of the Specified Majority given in accordance with this Article, in addition to any other approvals required by law or these Articles.

(7) The Company shall seek the consent referred to in paragraph (6) in respect of any matter therein referred to after such matter has been considered at a duly convened meeting of the Board by giving to each Special Shareholder notice that a decision in respect of such matter is required. Such notice shall be accompanied by:

- (i) the papers submitted to the Board as a body in connection with such matter; and
- (ii) the recommendation of the Board with regard to the decision to be made.

(8) The Company shall send copies of the following documents to each of the Special Shareholders:-

- (a) the monthly management accounts of the Company and its subsidiaries, to be sent within 5 working days after the date of the first meeting of the Board held after they have been prepared;
- (b) a quarterly report by the chief executive of the Company, indicating significant developments and trends in relation to the business of the Company and its subsidiaries during

the last quarter, comments on trading relative to the equivalent period in the prior year and the current year's budget, and future trading prospects. Such report shall be sent to Special Shareholders within 7 days after the Board Meeting at which the Management accounts and the chief executive's report for the quarter were considered. Such report may be amended by the Board, prior to its dissemination, with the consent of the Board (including a majority of the Special Directors) and to exclude from the report, as disseminated, any confidential information.

- (c) copies of all documents sent to the agent pursuant to the Loan Agreements at the same time as they are despatched to the agent.

#### CLASS RIGHTS

7. (1) Whenever the capital of the Company is divided into different classes of shares the special rights attached to any class of shares may be varied or abrogated, either whilst the Company is a going concern or during or in contemplation of a winding-up, with the consent in writing of the holders of 75% of the issued shares of that class, or with the sanction of an extraordinary resolution passed at a separate meeting of the holders of the shares of that class. To every such separate meeting all the provisions of these Articles relating to general meetings of the Company or to the proceedings thereat shall, mutatis mutandis, apply, save that the necessary quorum shall be two

persons at least holding or representing by proxy one third in nominal amount of the issued shares of the class (but so that if at any adjourned meeting of such holders a quorum as above defined is not present those members who are present shall be a quorum and where there is only one person holding shares of that class that sole shareholder shall be a quorum), and that the holders of shares of the class shall, on a poll, have one vote in respect of every share of the class held by them respectively.

(2) The rights conferred upon the holders of shares of any class shall not, unless otherwise expressly provided by the terms of the shares of that class, be deemed varied by the creation or issue of further shares ranking in priority to or *pari passu* therewith.

#### ALLOTMENT OF SHARES

8. (1) Subject to paragraph (4) of this Article the directors shall not without the authority of the Company in general meeting and of any consents required pursuant to Article 6(6) allot any of the shares in the capital of the Company.

(2) Where authority has been given to the directors as referred to in paragraph (1) of this Article to allot shares the directors may subject to the terms of such authority and subject to any terms on which any shares are created or issued and in accordance with this Article allot shares provided that no shares shall be issued at a discount contrary to the Act.

(3) In the foregoing paragraphs of this Article references to allotment of shares shall include references to the grant of any right to subscribe for, or to convert any security into, shares.

(4) Where authority has been given to the directors as referred to in this Article to grant a right to subscribe for, or to convert any security into, shares the directors shall allot such shares as may require to be allotted pursuant to the exercise of such right.

(5) Unless the Company in General Meeting by special resolution shall otherwise determine, no shares in the Company shall be allotted on terms that the right to the same may be renounced by the allottees.

(6) Sections 89(1) and 90 of the Act shall not apply to the Company.

9. In Regulation 3 in Table A there shall be inserted after the words "provided by the articles" the following words, namely: "or by special resolution".

10. Subject to the provisions of Part V of the Act and subject to any other rights attaching to any class of share of the Company the Company may:-

(a) issue shares which are to be redeemed or are liable to be redeemed at the option of the Company or the shareholders concerned;

- (b) purchase its own shares (including any redeemable shares);
- (c) make payment in respect of the redemption or purchase under Sections 159 and 160 or (as the case may be) Section 162 of the Act, together with the relevant consent, of any of its own shares, otherwise than out of distributable profits of the Company or the proceeds of a fresh issue of shares to the extent permitted by Sections 171 and 172 of the Act.

#### SHARE CERTIFICATES

11. In Regulation 6 in Table A there shall be inserted after the word "seal" the following words, namely: "or the official seal of the company".

#### LIEN

12. The Company shall have a first and paramount lien on all the shares registered in the name of any member (whether solely or jointly with others) for all moneys due to the Company from him or his estate, whether solely or jointly with any other person (whether a member or not) and whether such moneys are presently payable or not. The Company's lien on a share shall extend to all dividends or other moneys payable thereon or in respect thereof. The directors may at any time resolve that any share shall be exempt, wholly or partly, from the provisions of this Article.

#### CALLS ON SHARES

13. The directors may accept from any member the whole or any part of the amount remaining unpaid on any share held by him notwithstanding that no Part of that amount has been called up.

#### TRANSFER OF SHARES

14. (1) The directors may refuse to register a transfer if either the share is not fully paid up or the Company has a lien thereon or the transfer is prohibited by these Articles or by the terms of the allotment of the Shares in question.

(2) No sale or transfer of any Shares to any person whomsoever shall be made or registered if it would give the Secretary of State power to revoke any of the Licences or if, in the reasonable opinion of the Board, it might otherwise jeopardise any of the Licences or give the Secretary of State the ability to vary any of the Licences.

(3) The provisions of paragraphs (1) and (2) shall apply mutatis mutandis to the sale or other disposal of any shares allotted to a member by means of a renounceable letter of allotment or other renounceable document of title.

(4) The Board shall within 30 days of any request from a shareholder wishing to transfer shares inform such shareholder whether any person named by such shareholder as a proposed transferee might, in

the Board's opinion, jeopardise any of the Licences or give the Secretary of State the ability to vary any of the Licences.

(5) No share shall be issued or transferred to any bankrupt or person of unsound mind.

15. (1) Transfers of 'A' Ordinary Shares shall only be effected in accordance with this Article 15.

(2) Subject to paragraph (3) a transfer of 'A' Ordinary Shares shall only be made to a Qualifying Institution whose identity has been approved by the Specified Majority and only if the transferee complies with paragraph (3) of this Article.

(3) Before disposing, directly or indirectly, of the beneficial interest in any 'A' Ordinary Shares the member who is proposing to make the disposal shall procure that the transferee, having decided how many 'A' Ordinary Shares in aggregate it wishes to acquire interests in ("the Aggregate Amount") offers to buy the requisite number of Shares at the same price and on the same terms from each of the 'A' Ordinary Shareholders pro rata to his total holdings of 'A' Ordinary Shares. Each 'A' Ordinary Shareholder shall have 10 business days in which to decide to accept or reject such opportunity and, if it does not reply within such period, shall be deemed to have rejected it, in which case the other parties shall be free (on a pro rata basis) to dispose of 'A' Ordinary Shares in excess of their pro rata entitlement up to the Aggregate Amount. The provisions of this paragraph (3) may be waived by the Specified Majority.



(4) The following transfers by Qualifying Institutions shall not be subject to paragraphs (2) and (3) of this Article. Transfers to:-

- (a) its nominee or from one nominee to another nominee of the Qualifying Institution;
- (b) the beneficial owner for the time being of the shares or any other person who becomes a manager or trustee of such shares for the same beneficial owner;
- (c) any other company (in this Article called "Associated Company") which is a holding company of that member or which is another subsidiary of such a holding company (the expression "holding company" and "subsidiary" having the meanings respectively given to them in section 736 of the Act);
- (d) a fund or a nominee of a fund managed by a Qualifying Institution or any other person who becomes a manager or trustee of such a fund;
- (e) a limited partnership in which each of the limited partners is at the time of the transfer a beneficial owner of some or some part of the shares the subject of the transfer ("a qualifying partnership") or the general partner or a nominee of the qualifying partnership or any transfer thereafter by a qualifying partnership or the general

partner or a nominee of such qualifying partnership to the beneficial owner of the shares;

(f) a nominee formed for the purposes of administering a co-investment scheme of a Qualifying Investor.

(5) Where a Qualifying Institution has transferred any shares to an Associated Company (the "transferee company") pursuant to the exception contained in paragraph (4)(c) and thereafter at any time the transferee company ceases to be an Associated Company with the transferor company, the transferee company shall promptly give notice thereof to the Company and shall transfer the relevant shares to the transferor company or an Associated Company of the transferor company within 14 days of the transferor company and the transferee company ceasing to be Associated Companies.

16. (1) Transfer of 'B' Ordinary Shares shall only be effected in accordance with this Article 16.

(2) If a 'B' Ordinary Shareholder wishes to transfer shares to any person other than those listed in paragraph (10) of this Article he shall be bound to offer all of such shares ("the Shares for Sale") to the Board at a price to be determined by the Board (including the Special Directors) ("the Price"). Such offer shall be in writing and is hereinafter referred to as the Transfer Notice.

(3) On receipt by the Company of a Transfer Notice the Board shall be entitled to determine, subject to the prior written approval of the Non-Executives, to allocate the Shares:-

- (a) to a person or persons replacing (directly or indirectly) the Vendor as an employee or director of the Company;
- (b) to a trust for the benefit of employees or directors;
- (c) a suitable nominee company (pending nomination of a person pursuant to sub-paragraph (a)); or
- (d) to such other persons as the Board shall consider appropriate.

Such determination shall be made within 28 days of the date of the Transfer Notice and shall be communicated in writing to the Vendor.

(4) Within 7 days of receipt of the determination under paragraph (3) the Vendor shall be bound, upon receipt of payment therefor, to transfer the Shares for Sale which have been allocated pursuant to this Article to the persons nominated by the Board pursuant to paragraph (3). If, after becoming so bound, the Vendor makes default in transferring any of the Shares for Sale, the Company may receive the purchase money and the Vendor shall be deemed to have appointed any one director or the secretary of the Company as his agent to execute a transfer of Shares for Sale to the purchaser and upon execution of such

transfer, the Company shall hold the purchase money in trust for the Vendor. The receipt of the Company for the purchase money shall be a good discharge to each purchaser and, after his name has been entered in the register of members of the Company, the validity of the proceedings shall not be questioned by any person.

(5) The provisions of this Article shall apply mutatis mutandis to the sale or other disposal of any shares allotted to a member by means of a renounceable letter of allotment or other renounceable document of title. No member shall transfer or agree to transfer the legal or beneficial ownership of any share registered in his name or allotted to him except by means of a transfer and subject to the provisions of this Article.

(6) Any member of the Company who (being an individual) shall have made in respect of him a petition for a bankruptcy order or an application for a Voluntary Arrangement (as that expression is defined in Section 1(1) of the Insolvency Act 1986) or (being a body corporate) shall have any action, application or proceeding taken in respect of it for a Voluntary Arrangement or composition or reconstruction of its debts, the presentation of an administration petition, its winding up or dissolution or the appointment of a receiver, liquidator, trustee or administrative receiver or similar officer, shall be deemed to have given a Transfer Notice at the Price in respect of all of his or its shares in the capital of the Company immediately before the happening of such event unless any person entitled to a share in consequence of any of such events is, or within thirty days of becoming so entitled

transfer such shares to a person to whom shares may be transferred pursuant to paragraph (10). Regulations 29-31 of Table A shall be construed accordingly.

(7) If any director or employee of the Company or any of its subsidiaries ceases (other than by reason of death, disability or ill-health, retirement or dismissal which is wrongful or unfair within the meaning of the provisions of the Employment Protection (Consolidation) Act 1978 to be such a director or employee, he (and any person to whom he may have transferred any shares pursuant to the provisions of paragraph (10) hereof whether directly or through a series of transfers) shall be deemed to have given a Transfer Notice at the Price at the date of such cessation in respect of all the shares then registered in his or their names. In any such case as aforesaid the provisions of this Article shall take effect.

(8) If, in any case where under the provisions of these Articles a person has become bound to give a Transfer Notice in respect of any shares and such a Transfer Notice is not duly given within a period of two weeks of demand being made or within the period allowed thereafter respectively a Transfer Notice shall be deemed to have been given at the expiration of the said period. In any such case as aforesaid the provisions of this Article shall take effect.

(9) The provisions of this Article shall cease and determine (except in relation to shares which are the subject of a Transfer Notice) on a Sale or Listing.

(10) The following transfers by 'B' Ordinary Shareholders shall not be subject to paragraph (2) of this Article:-

- (a) in the case of shares beneficially owned by a member, any transfer to the parents, brothers, sisters, spouse, child or remoter issue of such member or to the trustees of any trust the sole beneficiaries of which are one or more of that member, such parent, brother, sister, spouse, child or remoter issue PROVIDED THAT if and whenever any such persons cease to be the sole beneficiaries of such trust the trustee or trustees shall forthwith give a Transfer Notice pursuant to this Article in respect of the shares in question and, if they fail to give a Transfer Notice within 14 days of such cessation, they shall be deemed to have given a Transfer Notice at the end of such period of 14 days;
- (b) in the case of a personal representative of a deceased member, any transfer to the widow, widower, parents, brother, sister, child or remoter issue of such deceased member or to another personal representative of the same estate;
- (c) in the case of a trustee of a trust any transfer to the beneficiaries or to another trustee of that trust or to the trustee of another trust for the benefit of anyone or more of the same beneficiaries only subject to the same proviso as is stated in sub-paragraph (b).

17. Special Shares shall only be transferable to a Qualifying Institution holding not less than 8.33% of the issued 'A' Ordinary Shares (or such lesser percentage as is approved by the Specified Majority) which has been approved as the holder of Special Shares by the Specified Majority.

18. (1) The directors may also refuse to register a transfer unless:-

(a) it is lodged duly stamped at the office or at such other place as the directors may appoint and is accompanied by the certificate for the shares to which it relates and such other evidence as the directors may reasonably require to show the right of the transferor to make the transfer;

(b) it is in respect of only one class of share; and

(c) it is in favour of not more than four transferees.

(2) If the directors refuse to register a transfer of a share, they shall within fourteen days after the date on which the transfer was lodged with the Company send to the transferor notice of the refusal.

(3) All instruments of transfer which are registered shall be retained by the Company, but any instrument of transfer which the directors refuse to register shall be returned to the person lodging it when notice of the refusal is given.

#### ALTERATION OF SHARE CAPITAL

19. The provisions of regulations 32, 33, 34 and 36 of Table A shall take effect subject to the provisions of Article 7.

#### GENERAL MEETINGS

20. Every notice convening a general meeting shall comply with the provisions of Section 372(3) of the Act as to giving information to members in regard to their right to appoint proxies; and notices of and other communications relating to any general meeting which any member is entitled to receive shall be sent to the Auditors.

21. A poll may be demanded by any member present in person or by proxy or (being a corporation) by its duly authorised representative. Regulation 46 in Table A shall be construed accordingly.

#### VOTES OF MEMBERS

22. The instrument appointing a proxy shall be in writing in any usual or common form and shall (except in the case of an appointment by telex or a facsimile copy of an appointment otherwise complying with the requirements of this Article) be executed by the appointor or his attorney duly authorised in writing or in such other form as the directors may approve. A proxy need not be a member of the Company.



23. The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is executed, or a notarially certified copy of such power or authority, shall be deposited or received at the registered office (or at such other place in the United Kingdom as is specified for that purpose in any instrument of proxy sent by the Company in relation to the meeting) not less than forty-eight hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or handed to the chairman of the meeting or adjourned meeting, and, in default, the instrument of proxy shall be invalid.

24. Subject to the provisions of the Act, a resolution in writing signed by all the members of the Company who would be entitled to receive notice of and to attend and vote at a general meeting, or by their duly appointed proxies or attorneys, shall be as valid and effectual as if it had been passed at a general meeting of the Company duly convened and held. Any such resolution may be contained in one document or in several documents in the same terms each, signed by one or more of the members or their proxies or attorneys, and signature in the case of a body corporate which is a member shall be sufficient if made by a director or the secretary thereof or by its duly authorised representative.

#### DIRECTORS

25. (1) Unless and until otherwise determined by the Specified Majority the number of directors shall not be subject to any maximum but

shall be not less than two. Regulation 64 in Table A shall not apply to the Company.

(2) A director shall not require a share qualification but shall be entitled to attend and speak at any general meeting of the Company and at any separate meeting of the holders of any class of shares in the capital of the Company.

#### SPECIAL DIRECTORS

26. (1) MAM, for so long as it or its nominees holds not less than 7 Special Shares, shall be entitled by notice in writing addressed to the Company from time to time to appoint as directors any two persons and may remove from office any person so appointed and appoint another person in his place. If at any time it has only appointed one director he shall have two votes.

(2) The holders for the time being of the remaining Special Shares (other than those held by MAM) shall, acting by majority, be entitled by notice in writing addressed to the Company from time to time to appoint as a director any one person and may remove from office any person so appointed and appoint another person in his place.

(3) Each of the Directors appointed pursuant to paragraphs (1) and/or (2) of this Article ("the Special Directors") shall at the request of his appointor be appointed to any committee of the Directors.

(4) Each of the Special Directors may by notice in writing to the Company appoint any other person (whether a Director or member of the Company or not) to act as his alternate at any meeting of the Directors, to remove at any time such appointee and to appoint any other person in his place. The alternata shall be entitled to sit on any committee of which his appointor is a member when his appointor is absent.

(5) For so long as MAM or the other Special Shareholders have not exercised their respective right to appoint Special Directors they shall each be entitled, by notice in writing addressed to the Company and served at the registered office, from time to time to appoint any one person ("the Observer"), to remove any person so appointed and to appoint another person in his place. The Observer shall have the right to attend all meetings of the Board and of such of the Company's subsidiaries and any committees of the Board and of the relevant subsidiaries as are specified by the appointor. The Observer shall be given all notices, agendas, minutes and other papers relating to such meetings and to meetings of any committee of any such board of directors and such other information as a director would be entitled to receive and at the same time as such information is provided to directors and shall as regards confidentiality have the same obligations to the Company and any subsidiary to which he is appointed as if he were a director and shall undertake to the Company and any relevant subsidiary accordingly. The Observer shall be entitled to attend and speak at any such meetings of the board but shall not in any circumstances be entitled to vote.

(6) The Company and the Board shall take all such steps as lie within their respective powers to procure that, at the request of the person(s) which appointed him, any Special Director shall be appointed as a director of any of the Company's subsidiaries and to any committee of the board of any such subsidiary, and such Special Director so appointed shall be entitled to appoint one alternate in respect of the subsidiaries (who shall be the same person as the alternate director of the Company appointed pursuant to Article 26(4)). The Company shall further take all steps as lie within its power to procure that its subsidiaries conduct their affairs so as to comply with all relevant provisions of these Articles.

(7) Each of the Special Directors or the Observers appointed pursuant to this Article 27 shall be entitled to report back to his appointor on the affairs of the Company and its subsidiaries and to disclose to his appointor such information as he shall reasonably consider appropriate, provided that such appointor shall have entered into an undertaking of confidentiality on terms reasonably satisfactory to the appointor and the Company.

(8) Any Special Director shall be entitled to all notices and voting rights and in all other respects be treated as the other directors of the Company, save that the remuneration of the non-executive shall be at such fee (being not less than £15,000 per annum, subject to annual adjustment in accordance with the Index of Retail Prices) as is agreed between the Board and his appointor.

(9) In addition to the powers under paragraphs (1) and (2) of this Article, the holders of the Specified Majority shall be entitled by notice in writing addressed to the Company to appoint any number of additional directors (whether executive or non-executive) of the Company and/or any of its subsidiaries.

(10) On any resolution pursuant to section 303 of the Act or Article 31 hereof for the removal of a Special Director his appointor present at such meeting shall together have twice as many votes as all other Shareholders voting on such resolution.

MATTERS REQUIRING APPROVAL OF THE SPECIAL DIRECTORS

27. (1) In addition to any other authority required by law or by these Articles:-

- (a) the appointment of any additional executive directors or non-executive directors (other than in accordance with Article 26);
- (b) the approval of the Annual Business Plan or any material modification thereto;
- (c) the alteration of the accounting reference date of the Company or any subsidiary, the adoption of the accounting policies for the Company and any material change in the accounting policies of the Company or any subsidiary unless

the Board or the directors of that subsidiary are advised in writing by the auditors of the Company that not to make such a change will lead them to qualify the accounts to the effect that they do not give a true and fair view;

- (d) any item of capital expenditure by the Company or any of its subsidiaries of an amount in excess of £500,000 in any one transaction or any series of connected transactions;
- (e) the making by the Company or any of its subsidiaries of any material contract outside the ordinary course of their respective businesses or otherwise than at arm's length commercial terms;
- (f) the entering into any contract or arrangement or a series of connected contracts or arrangements by the Company or any of its subsidiaries involving payments of £500,000 or more over the term of such contract or arrangement (or such connected contracts or arrangements as the case may be);
- (g) the acquisition of assets, (including shares and securities) in one or a series of transactions, for consideration in excess of £500,000 (including assumed liabilities);
- (h) the dismissal, or any recommendation for the appointment, of any auditors and legal advisers to the Company or its subsidiaries;

- (i) any change in the Service Agreements for directors of the Company or NTL or of any employee of the Company or NTL earning £40,000 or more per annum;
- (j) the Company or any subsidiary entering into any legally binding agreement undertaking or commitment to do any of the foregoing;

shall, whether or not any such matter requires the consent of the Specified Majority in accordance with Article 6(6), require, in addition to the approval of the Board, the consent of a majority of the Special Directors given in accordance with this Article. If there are two or less Special Directors the required consent shall be unanimous. If there are no Special Directors but there is an Observer, his consent will be required.

(2) The Company shall seek the consents referred to in this Article in respect of any matter therein referred to after such matter has been considered at a duly convened meeting of the Directors. The notice convening such a board meeting shall contain provision that a decision in respect of such matter is required. Such notice shall be accompanied by documentation (comprising papers submitted to the other Directors) of reasonable length which is in the possession of the Company and is relevant to the matter requiring a decision.

(3) Within 5 working days of the later of (i) a Special Director having actually received the papers referred to in

paragraph (2) and having actually received such responses as he may reasonably request to any points, queries or reservations he may have, and (ii) the Board Meeting referred to in paragraph (2) having actually happened, such Special Director shall notify the Company as to whether he consents to the proposal or otherwise. Any failure to notify the Company within such period shall be deemed to be consent. If at the Board Meeting referred to in paragraph (2), the Special Director gives a formal affirmative vote (minuted as such) in favour of the proposal, that shall be regarded as consent.

(4) The consents referred to in this Article may be given either specifically or generally in respect of the matters comprised therein.

#### BORROWING POWERS

28. (1) Subject as hereinafter provided the directors may exercise all the powers of the Company to borrow money, and to mortgage or charge its undertaking, property and uncalled capital, and to issue debentures and other securities, whether outright or as collateral security, for any debt, liability or obligation of the Company or of any third party.

(2) The directors shall restrict the borrowings of the Company and exercise all voting and other rights or powers of control exercisable by the Company in relation to its Subsidiaries and subsidiary undertakings (if any) so as to secure (as regards subsidiaries and subsidiary undertakings so far as by such exercise they



can secure) that the aggregate amount for the time being remaining undischarged of all moneys borrowed by the Company and its subsidiaries and subsidiary undertakings for the time being shall not at any time without the consent of the Company in general meeting exceed the greater of £70 million or twice the aggregate of:-

(a) the amount paid up on the issued share capital of the Company;

(b) the amount standing to the credit of the consolidated capital and revenue reserves of the Company and its Subsidiaries and subsidiary undertakings (including retained earnings); and

(c) the principal amount of outstanding Loan Stock

all as shown in the latest audited and consolidated balance sheet of the Company and its Subsidiaries and subsidiary undertakings but adjusted as may be necessary:

(a) to take account of:

(i) any variation in the amount paid up on the issued share capital of the Company and in the share premium account since the date of such balance sheet;

(ii) any distribution from such reserves (otherwise than to the Company or to a Subsidiary) not provided for therein;

(b) by deducting any debit balance on profit and loss account as shown in such balance sheet; and

(c) by the addition of any previous amortisation of goodwill

but until such time as the first audited and consolidated balance sheet of the Company and its Subsidiaries and subsidiary undertakings shall be presented to an Annual General Meeting of the Company such borrowings shall not exceed £70 million.

(3) For the purpose of these Articles (but without prejudice to the generality of the expression "moneys borrowed"):

(a) the amount outstanding in respect of acceptances by the Company or any of its subsidiaries or by any bank or accepting house under any acceptance credit opened on behalf of the Company or any subsidiaries or subsidiary undertakings (not being acceptances in relation to the purchase of goods in the normal course of trading) shall be taken into accounts as money borrowed;

(b) moneys borrowed for the purpose of repaying the whole or any part of the moneys previously borrowed and then

outstanding (including any premium payable on final repayment) and applied for that purpose within three months of such borrowing shall not, pending such application, be taken into account as moneys borrowed;

(c) the following shall be deemed to be money borrowed:

- (i) the principal amount for the time being owing in respect of any debenture within the meaning of part XXVI of the Act whether issued for cash or otherwise;
- (ii) the nominal amount of any share capital and the principal amount of any borrowings or other indebtedness the redemption or repayment of which is guaranteed or secured or is the subject of an indemnity given by the Company or any of its subsidiaries or subsidiary undertakings and the beneficial interest in which is not owned by the Company or any of its subsidiaries or subsidiary undertakings;
- (iii) any amount raised by bills of exchange;
- (iv) the principal amount for the time being owing in respect of any arrangements for hire, hire-purchase or purchase on credit sale or conditional sale terms and including sums due under finance leases;

- (v) the aggregate amount of any book debts sold by the Company or any of its subsidiaries or subsidiary undertakings in respect of which the purchase price is outstanding;
- (vi) the aggregate amount for the time being of any unpaid taxation in respect of which the Company or any of its subsidiaries or subsidiary undertakings is or may be required to pay interest;
- (vii) the amount of any borrowings subordinated in the event of the liquidation of the Company to the unsecured creditors of the Company;
- (viii) factoring or like agreements or trade finance or other arrangements entered into primarily as a method of raising finance but not shown as borrowings on the balance sheet of the company receiving credit and liabilities incurred primarily in connection with the raising of finance but which are off-balance-sheet by reason of being contingent, conditional, limited recourse or netted-out against an asset or otherwise;

(d) moneys borrowed shall not include:-

(i) any borrowings between the Company and any wholly owned subsidiary or between any wholly owned subsidiary and another; and

(ii) accrued dividends and interest thereon; and

(iii) the principal amount of Loan Stock and accrued interest thereon;

(e) moneys borrowed and outstanding in a currency other than sterling shall be converted into sterling at the market rate of exchange prevailing for the relevant currency in London on the date on which the borrowing limit falls to be applied;

(f) where moneys borrowed by a member of the Group are guaranteed by another member of the Group only the principal indebtedness shall be included.

(4) A certificate by the Auditors as to the aggregate amount of moneys borrowed which may at any one time in accordance with this Article be owing by the Company and its subsidiaries and subsidiary undertakings shall be conclusive and shall be binding upon the Company, its members and all persons dealing with the Company.

(5) No liability or security given in respect of moneys borrowed in excess of the limit imposed by paragraph (2) of this Article shall be invalid or ineffectual except in the case of express notice at the time when the liability was incurred or security given that the limit thereby imposed had been or was thereby exceeded.

#### QUALIFICATION OF DIRECTORS

29. In addition to the provisions of Regulation 81, the office of a director shall also be vacated if:-

- (a) he becomes of unsound mind;
- (b) he is removed under Article 26, being a Non-Executive Director; or
- (c) he is removed pursuant to Section 303 of the Act or Article 31.

30. Any person may be appointed or elected as a director, whatever his age, and no director shall be required to vacate his office by reason of his attaining or having attained the age of seventy years or any other age.

#### REMOVAL OF DIRECTORS

31. In addition and without prejudice to the provisions of Section 303 of the Act and without prejudice to the rights of any directors under his service contract in respect of such removal but subject to Article 26:-

- (a) the Company may by extraordinary resolution remove any director other than a Special Director before the expiration of his period of office;
- (b) the holders of the Specified Majority may, by notice in writing given to the Company at its registered office remove any director other than a Special Director from his office as director and from any executive position he may have with the Company or any of its subsidiaries.

#### ALTERNATE DIRECTORS

32. A director may at any time appoint any other person (whether a director or member of the Company or not) to act as alternate director at any meeting of the directors at which the director is not present, and may at any time revoke such appointment. An alternate director so appointed shall not be entitled as such to receive any remuneration from the Company but shall otherwise be subject to the provisions of Table A and of these Articles with regard to directors. An alternate director shall be entitled to receive notice of all meetings of the directors and

to attend and vote as a director at any such meeting at which the director appointing him is not personally present, and generally to perform all the functions, rights, powers and duties of the director by whom he was appointed. An alternate director shall as regards confidentiality have the same obligations to the Company and any subsidiary to which he is appointed as if he were a director and shall undertake to the Company and any relevant subsidiary accordingly. An alternate director shall ipso facto cease to be an alternate director if his appointor ceases for any reason to be a director. Where a director who has been appointed to be an alternate director is present at a meeting of the directors in the absence of his appointor such alternate director shall have one vote in addition to his vote as director. Every appointment and revocation of an alternate director shall be made by instrument in writing under the hand of the director making or revoking such appointment and such instrument shall only take effect on the service thereof at the registered office of the Company.

#### DIVIDENDS

33. Regulations 102 to 105 (inclusive) of Table A shall be subject to Article 5.

#### REMUNERATION OF DIRECTORS

34. The directors shall be entitled to the remuneration which the Board shall approve. Any director who serves on any committee, or who devotes special attention to the business of the Company, or who



otherwise performs services which in the opinion of the Board are in addition to or outside the scope of the ordinary duties of a director (which services shall include, without limitation, visiting or residing abroad in connection with the Company's affairs), may be paid such extra remuneration by way of salary, percentage of profits or otherwise as the directors shall approve.

#### DIRECTORS' AND EMPLOYEES' GRATUITIES AND PENSIONS

35. Subject to the prior consent of the Specified Majority, the directors may:-

- (a) establish and maintain, or procure the establishment and maintenance of any share option or share incentive or profit sharing schemes or trusts or any non-contributory or contributory pension or superannuation schemes or funds for the benefit of, and may make or give or procure the making or giving of loans, donations, gratuities, pensions, allowances or emoluments (whether in money or money's-worth) to, or to trustees on behalf of, any persons who are or were at any time in the employment of the Company, or of any company which is a subsidiary of the Company, or is allied to or associated with the Company or with any such subsidiary, or who are or were at any time directors or officers of the Company or of any such other company as aforesaid, and to the wives, husbands, widows, widowers, families and dependants of any such persons;

- (b) establish and subsidise or subscribe to any institutions, associations, clubs or funds calculated to be for the benefit of, or to advance the interests and well-being of the Company, or of any such other company as aforesaid or of any such persons as aforesaid;
- (c) make payments for or towards policies of assurance on the lives of any such persons and policies of insurance of or in respect of any such persons (including insurance against their negligence) as aforesaid;
- (d) pay, subscribe or guarantee money to or for any charitable or benevolent objects, or for any exhibition, or for any political, public, general, or useful object; and
- (e) do any of the above things either alone or in conjunction with any such other company as aforesaid.

Subject always if the Act shall so require to particulars with respect to the proposed payment being disclosed to the members of the Company and to the payment being approved by the Company in general meeting, any director shall be entitled to participate in and retain for his own benefit any such loan, donation, gratuity, pension, allowance or emolument.

PROCEEDINGS OF DIRECTORS

36. In Regulation 88 in Table A there shall be substituted for the third sentence the following sentences namely: "All directors shall be given notice of every meeting of the directors. Any director or alternate director may by notice to the Company waive his right to receive notice of the meeting and the presence of any director or alternate director at the commencement of a meeting shall constitute such waiver by him".

37. (1) The quorum for meetings of the directors shall be three including at least two Special Directors (or, if there is only one, that Special Director).

(2) Save for emergencies, not less than seven days' notice shall be given of meetings of the directors and meetings of the directors shall be held monthly.

(3) For the purpose of determining whether a quorum exists for the transaction of the business of the Board:-

(a) in the case of a resolution agreed by directors in telephonic communication with one another, all such directors shall be counted in the quorum and any resolution so agreed shall be as valid and effective as if passed at a meeting of the board of directors duly convened and held;

(b) in the case of a meeting of the board of directors, in addition to the directors present at the meeting, any director in telephonic communication with such meeting shall be counted in the quorum and entitled to vote; and

(c) any person attending a meeting of the board, or in telephonic communication with such a meeting, who is both a director and is acting as an alternate director for two or more of the Directors shall, for the purposes of the quorum, be counted as one for each such person for whom he is acting as an alternate director and, if applicable, also be counted as a director, but not less than two individuals shall constitute a quorum.

38. A resolution in writing of all the directors or all the members of a committee of directors shall be as effectual as if it had been passed at a meeting of directors or (as the case may be) a committee of directors duly convened and held either:

(a) if it consists of an instrument executed by or on behalf of each such director or committee member; or

(b) if it consists of several instruments in the like form each either:

(i) executed by or on behalf of one or more of such directors or committee members; or

(ii) sent by or on behalf of one or more of such directors or committee members by telex or facsimile transmission and deposited or received at the office or received by the secretary,

and any such instrument executed or sent by or on behalf of an alternate director shall be deemed to have been duly executed or sent (as the case may be) by or on behalf of his appointor.

39. Subject to any requisite declaration of interest in accordance with the provisions of the Act and (if applicable) Regulation 85 in Table A having been made by him, a director may vote as a director in regard to any transaction or arrangement in which he is interested, or upon any matter arising therefrom and Regulations 94 and 95 in Table A shall be construed subject to this provision.

40. In Regulation 97 In Table A:-

(a) there shall be inserted after the words "the appointment" the following words, namely: "or the terms of appointment"; and

(b) the following words shall be deleted, namely: "and be counted in the quorum" and there shall be inserted after the words "his own appointment" the following words, namely: "and shall be counted in the quorum in respect of

each resolution including that concerning his own appointment".

#### MINUTES

41. The directors shall cause minutes to be made in books kept for the purpose:-

- (a) of all appointments of officers and alternate directors made by the directors; and
- (b) of all proceedings at meetings of the Company, of the holders of any class of shares in the Company of the directors, and of committees of directors, including the names of the persons present at each such meeting.

#### THE SEAL

42. The Company is authorised pursuant to Section 39 of the Act for so long as its objects require or comprise the transaction of business in foreign countries to have an official seal for use in any territory, district, or place elsewhere than in the United Kingdom.

#### INDEMNITY

43. (1) Every director or other officer of the Company shall be entitled to be indemnified out of the assets of the Company against all

losses or liabilities which he may sustain or incur in or about the execution of the duties of his office or otherwise in relation thereto including any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in connection with any application under Section 727 of the Act in which relief is granted to him by the Court and no director or other officer shall be liable for any loss, damage or misfortune which may happen to or be incurred by the Company in the execution of the duties of his office or in relation thereto. But this Article shall only have effect insofar as its provisions are not avoided by Section 310 of the Act.

(2) Without prejudice to the provisions of paragraph (1) 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 or auditors of the Company, or of any other company which is its holding company or in which the Company or such holding company or any of the predecessors of the Company has any interest whether direct or indirect or which is in any way allied to or associated with the Company, or of any subsidiary undertaking of the Company or of any such other company, or who are or were at any time trustees of any pension fund in which employees of the Company or of any such other company or subsidiary undertaking 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 the Company or any such other company, subsidiary undertaking or pension fund.



91237

THE COMPANIES ACT 1985

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C O M P A N Y L I M I T E D B Y S H A R E S

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NEW  
ARTICLES OF ASSOCIATION  
(adopted by Special Resolution  
passed on 24th October 1991 and amended by  
Special Resolution passed on 15th January 1992)

OF

NTL GROUP LIMITED\*

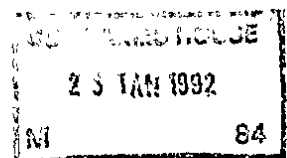
REGULATIONS OF THE COMPANY

1. The articles comprise these Articles and, save insofar as it is modified by these Articles, Table A (which expression means that Table as prescribed by regulations made pursuant to the Companies Act 1985 and in force on the date of adoption of these Articles).

2. (1) Regulations 8, 24, 25, 50, 53, 54, 60-62 (inclusive), 65-69 (inclusive), 73-78 (inclusive), 80, 82, 87, 89, 100, 109 and 118 in Table A do not apply to the Company.

(2) Unless the context otherwise requires:-

(a) words denoting the singular number shall include the plural number and vice-versa;



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\* The name of the Company was changed from 159th Shelf Investment Company Limited on 9th October 1991.

- (b) words denoting the masculine gender shall include the feminine and neuter genders and vice-versa; and
- (c) references to persons shall include bodies corporate, unincorporated associations and partnerships.

#### DEFINITIONS

3. In these Articles unless the context otherwise requires the words standing in the first column of the following table bear the meanings set opposite them respectively in the second column:-

<u>Expression</u>	<u>Meaning</u>
"Act"	the Companies Act 1985 (as amended from time to time);
"'A' Ordinary Shareholders"	the holders for the time being of 'A' Ordinary Shares;
"'A' Ordinary Shares"	the 'A' Ordinary Shares of one penny each in the capital of the Company;
"Annual Business Plan"	the annual business plan of the Company and of each of its subsidiaries from time to time as approved by the Board (including a majority of the Special Directors);

"Auditors"	the auditors for the time being of the Company;
"Board"	the board of directors for the time being of the Company;
"'B' Ordinary Shareholders"	the holders for the time being of 'B' Ordinary Shares;
"'B' Ordinary Shares"	the 'B' Ordinary Shares of one penny each in the capital of the Company;
"Consolidated Post-Tax Profit"	the consolidated profit of the Company and its Subsidiaries (if any) as shown by the audited profit and loss account of the Company (or, as the case may be, the audited consolidated profit and loss account of the Company and its Subsidiaries) which shall be drawn up in accordance with generally accepted accounting principles in the United Kingdom and on a basis and in accordance with accounting policies approved from time to time by the Board (and approved by a majority of the Non-Executive Directors in accordance with Article 26) and:-

- (a) before any provision is made for the payment of any dividend on any share in the capital of the Company or for any share distribution by the Company or for the transfer of any sum to any reserves of the Company forming part of shareholders' funds;
- (b) before deducting the amount of any dividend declared and paid in respect of any share by the Company in the year or period to which the audited profit and loss account (or audited consolidated profit and loss account) related;
- (c) after there has been deducted any corporation tax (or any other tax levied upon or measured by reference to profits of or gains realised by the Company and its Subsidiaries (if any)) calculated at the rates then prevailing for which the Company or any of its Subsidiaries is liable and after making provision for deferred tax as contained in the relevant accounts but excluding any taxation relating to extraordinary items;

- (d) after exceptional but before extraordinary items (as defined in Statement of Standard Accounting Practice No. 6 or any revision or replacement thereof);
- (e) before allowing for minority interests;
- (f) after there have been deducted any interest charges paid or payable by the Company and its Subsidiaries;
- (g) before any amortisation of any goodwill arising on the acquisition by the Company or a Subsidiary of any Company or business; and
- (h) before any amortisation or depreciation of any other intangible assets;

all as certified by the Auditors;

"GAAP"

generally accepted accounting principles in England and Wales;

"Group"

the Company and its subsidiaries from time to time;

"Licences"

the licences granted to National Transcommunications Limited ("NTL") from time to time under the Wireless Telegraphy Act 1949 and/or the Telecommunications Act 1984 and any other licences granted to NTL for the purposes of its business;

"Listing"

- (i) the listing of the Company's Ordinary Shares on The International Stock Exchange of the United Kingdom and the Republic of Ireland Limited ("The Stock Exchange") becoming effective; or
- (ii) the granting of an application by the Company for the dealing in any of the Company's Ordinary Shares on any other public securities market (including the Unlisted Securities Market of The Stock Exchange) whereby such Shares can be freely traded and the approval for such dealing becoming effective;

whether such listing is effected by way of an offer for sale, a new issue of shares, an introduction, a placing or otherwise;

"Loan Agreements"

the Facilities Agreement dated 24th October 1991 between the Company, S.G. Warburg and Co. Limited and The Governor and Company of the Bank of Scotland (and others) relating to the provision of various facilities to the Company together with the Security Documents referred to therein;

"Loan Stock"

the unsecured 8% (net) Loan Stock 1997/2000 issued by the Company;

"MAM"

Mercury Asset Management plc;

"NTL"

National Transcommunications Limited;

"Sale"

the sale of any part of the equity share capital of the Company to any person or group resulting in that person or group (whether alone or in conjunction with persons acting in concert with such person or group, as defined by the City Code on Take-Overs and Mergers) holding at least 50 per cent of the equity share capital and for the purposes of these Articles none of the Special Shareholders, the 'A' Ordinary Shareholders (while they are Qualifying Institutions) and/or the 'B' Ordinary Shareholders shall be

deemed to be acting in concert with one another;

"Special Directors" the Special Directors appointed pursuant to Article 26(1) and/or (2);

"Special Shares" the Redeemable Special Shares of one penny each in the capital of the Company;

"Special Shareholders" the holders for the time being of the Special Shares;

"Specified Majority" 75% of the Special Shares in issue;

"Qualifying Institution" MAM and any other person who manages a collective investment scheme (as defined in Section 75 Financial Services Act 1986) or any person who manages funds on its own behalf or for clients on a discretionary basis.



#### SHARE CAPITAL

4.\* The share capital of the Company at the date of the adoption of these Articles is divided into:-

- (a) 2,142,000 'A' Ordinary Shares of one penny each;
- (b) 378,000 'B' Ordinary Shares of one penny each; and
- (c) 12 Redeemable Special Shares of one penny each.

The Special Shares shall constitute a separate class of shares. The 'A' Ordinary Shares and 'B' Ordinary Shares shall constitute one class of shares and shall rank *pari passu* in all respects save as set out in Article 5.

5. The rights of the 'A' and 'B' Ordinary Shares shall be as follows:-

(1) Income

The profits which are available for distribution (including retained distributable profits) shall be applied as follows:-

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\* The Share Capital was increased from £100 to £25,200.12 by a Special Resolution passed on 24th October 1991.

- (a) Subject to sub-clause (b)(i) the profits shall be distributed amongst the 'A' Ordinary Shareholders and the 'B' Ordinary Shareholders pari passu according to the amounts paid up or credited as paid up on the 'A' Ordinary Shares and the 'B' Ordinary Shares held by them respectively. PROVIDED THAT, save as set out in paragraph (b)(i) of this Article no such dividends shall be payable without the consent of the Specified Majority.
- (b) In respect of the financial year of the Company commencing 1st January 1994 and thereafter:-
- (i) the 'A' Ordinary Shareholders as a class shall be entitled (in priority to any application of profit for the benefit of any other class of shares and before any setting aside or appropriation of profit for any other purpose) in accordance with their entitlement hereinafter appearing to a cumulative participating ordinary dividend (the 'Participating 'A' Ordinary Dividend') which, net of any associated tax credit, shall be equal to one third of the Consolidated Post Tax Profit for the relevant financial year (or financial period, as the case may be). The Participating 'A' Ordinary Dividend shall be distributed among the 'A' Ordinary Shareholders in proportion to the amounts paid up or credited as paid up on the 'A' Ordinary Shares held by them.

The Participating 'A' Ordinary Dividend shall accrue from day to day and shall be payable in full within 14 days of the production of the Auditors' certificate referred to in paragraph (e) and in any event not later than two months after the end of the financial year or period in question ("the Due Date") unless a later date is agreed by the Specified Majority. If by the Due Date the Participating 'A' Ordinary Dividend has not been paid, it shall be paid as soon as practicable thereafter together with interest at the rate of 2% over the base rate of Bank of Scotland calculated from the Due Date to the date of actual payment. The Participating 'A' Ordinary Dividend shall be payable to 'A' Ordinary Shareholders on the register of members at the end of the relevant financial year or period.

- (ii) Subject to the proviso in paragraph (a), the balance of any profits which the Company may determine to distribute in respect of any financial year after payment of the Participating 'A' Ordinary Dividend shall be distributed amongst the 'A' Ordinary shares and the 'B' Ordinary Shares *pari passu* according to the amounts paid up or credited as paid up on the 'A' Ordinary Shares and the 'B' Ordinary Shares held by them respectively.

- (c) The Participating 'A' Ordinary Dividend shall be due and payable on the dates or at the times herein stipulated and notwithstanding the fact that the same are expressed to be, and shall in the event of their not being paid be, 'cumulative', the amounts due and payable on such dates or at such times shall, unless the Specified Majority decides to the contrary, ipso facto and without any resolution of the directors or the Company in general meeting (and notwithstanding anything contained in Regulations 102 to 105 (inclusive) of Table A) become a debt due from and immediately payable by the Company to the 'A' Ordinary Shareholders entitled to such dividends (subject to there being profits out of which the same may lawfully be paid).
- (d) If in any financial year of the Company there shall not be sufficient profits of the Company available for distribution and resolved to be distributed in respect of such financial year for which the Company's accounts are made up or to the extent that payment of a dividend would constitute a breach of the Loan Agreement, then any amount unpaid in respect of the Participating 'A' Ordinary Dividend shall be paid (together with interest at the rate set out in sub-paragraph (b)(i) above from the Due Date to the date of actual payment) as soon as the profits available for distribution are sufficient to cover such payment and such payment is not prohibited by the Loan Agreement and no dividend shall be proposed, declared, or

paid on any other class of share in the capital of the Company, nor any other return of capital made other than in respect of redemption of a Special Share, unless and until all arrears of the Participating 'A' Ordinary Dividend have been paid. The Company and the Board shall take all steps in its power to procure that, subject to the Act, its subsidiaries pay to the Company sufficient distributions or otherwise provide funds to the Company to enable it to pay the Participating 'A' Ordinary Dividend.

- (e) For so long as there are 'A' Ordinary Shares in issue the Company shall require the Auditors to prepare a certificate as to the Consolidated Post Tax Profit for each financial year or period of the Company either before or at the same time as the consolidated accounts of the Company and its subsidiary undertakings for that year or period are being audited and the Company shall cause a copy of the certificate prepared for such financial year or period to be delivered to every member as soon as possible and in any case not later than the date of signing of the audited consolidated accounts of the Company and its subsidiary undertakings for such financial year or period, together with a statement of the adjustments (if any) and the reasons therefor made to the consolidated profits of the Company and its subsidiary undertakings (as shown in the audited consolidated accounts) in order to arrive at the figures contained in such certificate.

(2) As regards capital

In the event of a winding up of the Company or upon a reduction or return of capital other than as a result of redemption of a Special Share, the assets of the Company remaining after payment of its debts and liabilities and of the costs, charges and expenses of such winding up or reduction or return of capital shall be applied in the following manner and order of priority:-

- (i) firstly, in paying to the 'A' Ordinary Shareholders a sum equal to all unpaid arrears or accruals of any Participating 'A' Ordinary dividend (whether declared or not) plus interest thereon at the rate set out in sub-paragraph (b)(ii) above calculated down to and including the date of repayment;
- (ii) secondly, in distributing the balance amongst the 'A' Ordinary Shareholders and 'B' Ordinary Shareholders in proportion to the nominal values of the shares held by them and as if they were all holders of shares of the same class.

(3)\* As regards Voting

- (i) Subject to any special rights or restrictions as to voting attached by or in accordance with these Articles to any

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\* Article 5(3) was amended by a Special Resolution passed on 15th January 1992.

class of shares, on a show of hands every member who is present in person shall have one vote and on a poll every member who is present in person or by proxy shall have one vote for every 'A' Ordinary Share of which he is the holder.

- (ii) The holders of the 'B' Ordinary Shares shall have no right to receive notice of, or to attend or to vote at, any general meeting of the Company but notwithstanding this the holders of the 'B' Ordinary Shares shall have the same common law and statutory rights for protection of minorities as if the 'B' Ordinary Shares carried the right to receive notice of, attend and vote at general meetings of the Company.

#### SPECIAL SHARES

6. (1) The Special Shares shall not be entitled to any votes at any general meeting of the Company or to participate in the capital or profits of the Company at any time but a Special Shareholder shall be entitled to receive notice of and to attend general meetings of the Company.

(2) In the event of:-

- (a) either a Listing or a Sale, in each case if such Listing or Sale is approved by the Specified Majority, all the rights attaching to each of the Special Shares shall forthwith determine upon such Sale or Listing becoming effective; or

- (b) any holder of a Special Share ceasing to hold any 'A' Ordinary Shares, in which case all the rights attaching to any Special Share held by that holder shall forthwith determine,

and in each of the cases above,

- (i) any Special Share the rights attaching to which have so determined shall unless redemption can be effected under the Act be automatically converted into one Deferred Share (having no rights to income or capital) and the Company shall give notice thereof forthwith to the holder of any such Share;
- (ii) if redemption within seven days of such determination would be permitted under the Act the Company shall give notice to the holder of any Special Share, the rights attaching to which have so determined, redeeming such Share for cash at par.

The provisions of paragraphs (3) and (4) respectively shall apply to any such redemption or conversion.

- (3) (a) Forthwith on receipt of the notice referred to in paragraph (2)(ii) each holder of a Special Share in respect of which the rights have determined pursuant to Article 6(2) shall deliver to the Office a certificate in respect of such Share;



- (b) upon the redemption date (being the date upon which the Company gives notice pursuant to paragraph (2)(ii)) the nominal value of such Share shall become a debt due and payable by the Company and upon receipt of the relevant share certificate (or an indemnity in respect thereof in a form reasonably satisfactory to the Company) the Company shall forthwith pay such amount to the Shareholder; and
- (c) if the holder of any Special Share which is liable to be redeemed shall fail or refuse to deliver up the certificate for his Share the Special Share shall be automatically converted into a Deferred Share having no rights to income or capital.

(4) Each holder of a Special Share in respect of which the rights have determined pursuant to paragraph (2) above shall, unless redemption is effected in accordance with paragraph (3) above, be bound to send to the Company upon receipt of the notice referred to in paragraph (2) above the certificate in respect of such Special Share and the Company shall in exchange issue to such holder a certificate for the Deferred Share resulting from the conversion.

(5) For so long as it or its nominee(s) hold 'A' Ordinary Shares MAM shall be entitled to hold not less than 7 Special Shares.

(6) Notwithstanding any other provisions of these Articles to the contrary, so long as any Special Shares shall remain outstanding:

- (i) the modification or variation of the rights attaching to the 'A' Ordinary, 'B' Ordinary or Special Shares;
- (ii) the proposing of any resolution for reducing any share capital or the amount (if any) for the time being standing to the credit of the Company's share premium account or capital redemption reserve in any manner for which the consent of the Court would be required pursuant to the Act, or for reducing any uncalled liability in respect of partly paid shares;
- (iii) the payment of any dividend (other than the dividend on the 'A' Ordinary Shares pursuant to Article 5(1)(b));
- (iv) the making of any distribution to Shareholders of a capital nature including any distribution out of capital profits or capital reserves or out of profits or reserves arising from a distribution of capital profits or capital reserves by a subsidiary of the Company;
- (v) the issue by any subsidiary (other than to the Company or another wholly owned subsidiary) of any shares in the capital of such subsidiary or the disposal by the Company or by any subsidiary of any such shares (otherwise than as aforesaid);

- (vi) the capitalisation of any of the distributable profits of the Company (whether or not the same are available for distribution and including profits standing to any reserve) or of any sum standing to the credit of the Company's share premium account or capital redemption reserve;
- (vii) the creation or the granting of any options or other rights to subscribe for shares or to convert into shares in the capital of the Company or any subsidiary or any variation in the authorised or issued share or convertible loan capital other than pursuant to the exercise of any option or other right to subscribe previously consented to under these Articles;
- (viii)\* any increase in the authorised or issued share capital of the Company or any subsidiary (save for the issue of not more than 378,000 'B' Ordinary Shares directly or indirectly to employees of the Group);
- (ix) any alteration to the Memorandum or Articles of the Company or any of its subsidiaries;

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\* Article 6(6)(viii) was amended by a Special Resolution passed on 15th January, 1992.

- (x) the redemption or repurchase or variation of rights of any Shares of the Company or any subsidiary other than as specifically required by their terms (other than redemptions or repurchases of shares in a subsidiary involving payment to the Company or another wholly owned subsidiary);
  
- (xi) any sale, lease, transfer or other disposal of the whole or any significant part of the undertaking of the Company or of any of its subsidiaries or of assets (including shares in subsidiaries) having a value (a "Value") (taking into account liabilities (other than future or contingent liabilities not requiring provision under GAAP) to be assumed by the purchaser, lessee or transferee) of £1,000,000 or more PROVIDED THAT for the purposes of arriving at the Value a series of connected transactions shall be treated as one transaction. Once a transaction has been approved by the Specified Majority under this sub-paragraph the Value of such relevant transaction shall be disregarded for the purposes of determining whether any subsequent transaction requires approval under this Sub-paragraph;
  
- (xii) any material change in the nature of the business of the Company and its subsidiaries taken as a whole;

- (xiii) (a) the incurring after the date of adoption of these Articles of any indebtedness of the Company or any subsidiary (for borrowed money or otherwise except for normal trade credit in the ordinary course of business), other than borrowings under the Loan Agreements or the Loan Stock;
- (b) the modification, refinancing or amendment of the terms of any outstanding indebtedness (including under the Loan Agreements or the Loan Stock) of the Company or any subsidiary;
- (c) the repayment or redemption of any indebtedness in respect of borrowed monies (as defined in Article 27(3)) other than as and when required by the Annual Business Plan for the time being or in accordance with the terms of the Loan Agreements (excluding for this purpose prepayment of the Term Loan) or the Loan Stock;
- (xiv) amalgamation or merger of the Company with or into any other entity, or amalgamation or merger of any subsidiary of the Company with or into any other entity (except the Company or another wholly owned subsidiary of the Company);
- (xv) any liquidation, winding up receivership or administration (or any analogous proceedings under the laws of any

jurisdiction) of the Company or of any subsidiary of the Company;

(xvi) any Listing or Sale; or

(xvii) any item of capital expenditure by the Company or any of its subsidiaries of an amount in excess of £2,000,000 in any one transaction or any series of connected transactions;

(xviii) the entering into any contract or arrangement or a series of connected contracts or arrangements by the Company or any of its subsidiaries involving payments of £2,000,000 or more over the term of such contract or arrangement (or such connected contracts or arrangements as the case may be);

(xix) the acquisition of assets, (including shares and securities) in one or a series of transactions, for consideration in excess of £2,000,000 (including assumed liabilities);

(xx) the Company or any subsidiary entering into any legally binding agreement undertaking or commitment to do any of the foregoing;

shall require the consent of the Specified Majority given in accordance with this Article, in addition to any other approvals required by law or these Articles.

(7) The Company shall seek the consent referred to in paragraph (6) in respect of any matter therein referred to after such matter has been considered at a duly convened meeting of the Board by giving to each Special Shareholder notice that a decision in respect of such matter is required. Such notice shall be accompanied by:

(i) the papers submitted to the Board as a body in connection with such matter; and

(ii) the recommendation of the Board with regard to the decision to be made.

(8) The Company shall send copies of the following documents to each of the Special Shareholders:-

(a) the monthly management accounts of the Company and its subsidiaries, to be sent within 5 working days after the date of the first meeting of the Board held after they have been prepared;

(b) a quarterly report by the chief executive of the Company, indicating significant developments and trends in relation to the business of the Company and its subsidiaries during the last quarter, comments on trading relative to the equivalent period in the prior year and the current year's budget, and future trading prospects. Such report shall be sent to Special Shareholders within 7 days after the

Board Meeting at which the Management accounts and the chief executive's report for the quarter were considered. Such report may be amended by the Board, prior to its dissemination, with the consent of the Board (including a majority of the Special Directors) and to exclude from the report, as disseminated, any confidential information.

- (c) copies of all documents sent to the agent pursuant to the Loan Agreements at the same time as they are despatched to the agent.

#### CLASS RIGHTS

7. (1) Whenever the capital of the Company is divided into different classes of shares the special rights attached to any class of shares may be varied or abrogated, either whilst the Company is a going concern or during or in contemplation of a winding-up, with the consent in writing of the holders of 75% of the issued shares of that class, or with the sanction of an extraordinary resolution passed at a separate meeting of the holders of the shares of that class. To every such separate meeting all the provisions of these Articles relating to general meetings of the Company or to the proceedings thereat shall, mutatis mutandis, apply, save that the necessary quorum shall be two persons at least holding or representing by proxy one third in nominal amount of the issued shares of the class (but so that if at any adjourned meeting of such holders a quorum as above defined is not present those members who are present shall be a quorum and where there



is only one person holding shares of that class that sole shareholder shall be a quorum), and that the holders of shares of the class shall, on a poll, have one vote in respect of every share of the class held by them respectively.

(2) The rights conferred upon the holders of shares of any class shall not, unless otherwise expressly provided by the terms of the shares of that class, be deemed varied by the creation or issue of further shares ranking in priority to or *pari passu* therewith.

#### ALLOTMENT OF SHARES

8. (1) Subject to paragraph (4) of this Article the directors shall not without the authority of the Company in general meeting and of any consents required pursuant to Article 6(6) allot any of the shares in the capital of the Company.

(2) Where authority has been given to the directors as referred to in paragraph (1) of this Article to allot shares the directors may subject to the terms of such authority and subject to any terms on which any shares are created or issued and in accordance with this Article allot shares provided that no shares shall be issued at a discount contrary to the Act.

(3) In the foregoing paragraphs of this Article references to allotment of shares shall include references to the grant of any right to subscribe for, or to convert any security into, shares.

(4) Where authority has been given to the directors as referred to in this Article to grant a right to subscribe for, or to convert any security into, shares the directors shall allot such shares as may require to be allotted pursuant to the exercise of such right.

(5) Unless the Company in General Meeting by special resolution shall otherwise determine, no shares in the Company shall be allotted on terms that the right to the same may be renounced by the allottees.

(6) Sections 89(1) and 90 of the Act shall not apply to the Company.

9. In Regulation 3 in Table A there shall be inserted after the words "provided by the articles" the following words, namely: "or by special resolution".

10. Subject to the provisions of Part V of the Act and subject to any other rights attaching to any class of share of the Company the Company may:-

(a) issue shares which are to be redeemed or are liable to be redeemed at the option of the Company or the shareholders concerned;

(b) purchase its own shares (including any redeemable shares);

- (c) make payment in respect of the redemption or purchase under Sections 159 and 160 or (as the case may be) Section 162 of the Act, together with the relevant consent, of any of its own shares, otherwise than out of distributable profits of the Company or the proceeds of a fresh issue of shares to the extent permitted by Sections 171 and 172 of the Act.

#### SHARE CERTIFICATES

11. In Regulation 6 in Table A there shall be inserted after the word "seal" the following words, namely: "or the official seal of the company".

#### LIEN

12. The Company shall have a first and paramount lien on all the shares registered in the name of any member (whether solely or jointly with others) for all moneys due to the Company from him or his estate, whether solely or jointly with any other person (whether a member or not) and whether such moneys are presently payable or not. The Company's lien on a share shall extend to all dividends or other moneys payable thereon or in respect thereof. The directors may at any time resolve that any share shall be exempt, wholly or partly, from the provisions of this Article.

#### CALLS ON SHARES

13. The directors may accept from any member the whole or any part of the amount remaining unpaid on any share held by him notwithstanding that no Part of that amount has been called up.

#### TRANSFER OF SHARES

- 14.\* (1) The directors may refuse to register a transfer if either the share is not fully paid up or the Company has a lien thereon or the transfer is prohibited by these Articles or by the terms of the allotment of the Shares in question.
- (2) No sale or transfer of any Shares to any person whomsoever shall be made or registered if it would give the Secretary of State power to revoke any of the Licences or if, in the reasonable opinion of the Board, it might otherwise jeopardise any of the Licences or give the Secretary of State the ability to vary any of the Licences.
- (3) The provisions of paragraphs (1) and (2) shall apply mutatis mutandis to the sale or other disposal of any

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\* Article 14 was amended by a Special Resolution passed on 15th January, 1992.

shares allotted to a member by means of a renounceable letter of allotment or other renounceable document of title.

- (4) The Board shall within 30 days of any request from a shareholder wishing to transfer shares inform such shareholder whether any person named by such shareholder as a proposed transferee might, in the Board's opinion, jeopardise any of the Licences or give the Secretary of State the ability to vary any of the Licences.
- (5) No share shall be issued or transferred to any bankrupt or person of unsound mind.
- (6) Notwithstanding any other provision of these Articles no member may transfer or agree to transfer any interest in any 'A' Ordinary Shares to any person who is not a Qualifying Institution ("the transferee") if, as a result of the transfer or a series of transfers the transferee would, either alone or in conjunction with persons acting in concert, directly or indirectly own 90% or more of the 'A' Ordinary Shares in issue (or any other shares into which such shares may have been converted) unless the transferee makes an irrevocable offer open for acceptance for not less than thirty days to acquire the remaining 'A' Ordinary Shares and all of the 'B' Ordinary Shares in issue at a price per share and on terms no less favourable

than the most favourable terms provided by the transferee during the twelve months preceding the proposed date of such transfer (including the terms proposed in relation to the transfer itself), after deducting such part of the price paid (if any) as represented the value of any arrears or accrual of dividend in respect of such shares. For these purposes the expression "acting in concert" has the meaning set out in the City Code on Take-overs and Mergers.

- (7) In the event that (i) a person ("the Offeror") makes an irrevocable bona fide offer ("the Offer") open for acceptance for not less than thirty days ("the Offer Period") to acquire all the 'A' Ordinary Shares and 'B' Ordinary Shares held by all members of the Company (other than any already held by the Offeror) and (ii) the Offer is accepted by shareholder(s) holding in aggregate more than 90% of the 'A' Ordinary Shares in issue excluding any shares held by the Offeror or a person connected (within the meaning of Section 839 Income and Corporation Taxes Act 1988) with the Offeror then each member:

- (i) shall be bound to accept the Offer in the Offer Period and to execute all such documents and to do all such other acts or things which are necessary to transfer its shares to the Offeror in accordance with the terms of the Offer; and

(ii) hereby appoints the Company as his Attorney in his name and on his behalf to accept the Offer and execute all such documents and to do all such other acts or things which the Company as his Attorney deems necessary to transfer its shares to the Offeror in accordance with the terms of the Offer;

and the aggregate price paid by the Offeror to the holders of shares accepting the Offer shall be treated by them as if it were a surplus distributed to such holders in a liquidation of the Company and shall be divided among the holders of the 'A' and 'B' Ordinary Shares accordingly. Any member which receives from such Offeror a greater payment than that to which he is entitled shall hold the amount of the overpayment in trust for the other members in proportion to their respective entitlements.

- 15.\* (1) Transfers of 'A' Ordinary Shares shall only be effected in accordance with this Article 15.
- (2) Subject to paragraph (3) a transfer of 'A' Ordinary Shares shall only be made to a Qualifying Institution whose

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\* Article 15 was amended by a Special Resolution passed on 15th January, 1992.

identity has been approved by the Specified Majority and only if the transferee complies with paragraph (3) of this Article.

- (3) Before disposing, directly or indirectly, of the beneficial interest in any 'A' Ordinary Shares the member who is proposing to make the disposal shall procure that the transferee, having decided how many 'A' Ordinary Shares in aggregate it wishes to acquire interests in ("the Aggregate Amount") offers to buy the requisite number of Shares at the same price and on the same terms from each of the 'A' Ordinary Shareholders pro rata to his total holdings of 'A' Ordinary Shares. Each 'A' Ordinary Shareholder shall have 10 business days in which to decide to accept or reject such opportunity and, if it does not reply within such period, shall be deemed to have rejected it, in which case the other parties shall be free (on a pro rata basis) to dispose of 'A' Ordinary Shares in excess of their pro rata entitlement up to the Aggregate Amount. The provisions of this paragraph (3) may be waived by the Specified Majority.

- (4) The following transfers by Qualifying Institutions shall not be subject to paragraphs (2) and (3) of this Article. Transfers to:-

- (a) its nominee or from one nominee to another nominee of the Qualifying Institution;



- (b) the beneficial owner for the time being of the shares or any other person who becomes a manager or trustee of such shares for the same beneficial owner;
- (c) any other company (in this Article called "Associated Company") which is a holding company of that member or which is another subsidiary of such a holding company (the expression "holding company" and "subsidiary" having the meanings respectively given to them in section 736 of the Act);
- (d) a fund or a nominee of a fund managed by a Qualifying Institution or any other person who becomes a manager or trustee of such a fund;
- (e) a limited partnership in which each of the limited partners is at the time of the transfer a beneficial owner of some or some part of the shares the subject of the transfer ("a qualifying partnership") or the general partner or a nominee of the qualifying partnership or any transfer thereafter by a qualifying partnership or the general partner or a nominee of such qualifying partnership to the beneficial owner of the shares;
- (f) a nominee formed for the purposes of administering a co-investment scheme of a Qualifying Investor.

(5) Where a Qualifying Institution has transferred any shares to an Associated Company (the "transferee company") pursuant to the exception contained in paragraph (4)(c) and thereafter at any time the transferee company ceases to be an Associated Company with the transferor company, the transferee company shall promptly give notice thereof to the Company and shall transfer the relevant shares to the transferor company or an Associated Company of the transferor company within 14 days of the transferor company and the transferee company ceasing to be Associated Companies.

16.\* (1) Transfers of 'B' Ordinary Shares shall only be effected in accordance with paragraphs (6) and (7) of Article 14 or this Article 16.

(2) The following transfers by 'B' Ordinary Shareholders shall be permitted:-

(a) in the case of shares beneficially owned by a member, any transfer to the parents, brothers, sisters, spouse, child or remoter issue of such member or to the trustees of any trust the sole beneficiaries of which are one or more of that

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\* Article 16 was amended by a Special Resolution passed on 15th January, 1992.

member, such parent, brother, sister, spouse, child or remoter issue PROVIDED THAT if and whenever any such persons cease to be the sole beneficiaries of such trust the trustee or trustees shall forthwith give a Transfer Notice (as defined in paragraph (3) of this Article) in respect of the shares in question and, if they fail to give a Transfer Notice within 14 days of such cessation, they shall be deemed to have given a Transfer Notice at the end of such period of 14 days;

(b) if the Board does not allocate the Shares in accordance with paragraph (6), any transfer by the personal representative of a deceased member to the widow, widower, parents, brother, sister, child or remotor issue of such deceased member or to another personal representative of the same estate;

(c) in the case of a trustee of a trust any transfer to the beneficiaries or to another trustee of that trust or to the trustee of another trust for the benefit of any one or more of the same beneficiaries only subject to the same proviso as is stated in sub-paragraph (a).

(3) If any director or employee of the Company or any of its subsidiaries ceases (other than by reason of disability or ill-health, retirement at normal retirement date or

dismissal which is wrongful or unfair within the meaning of the provisions of the Employment Protection (Consolidation) Act 1978) to be such a director or employee or dies he (and any person to whom he may have transferred any shares pursuant to the provisions of paragraph (2) hereof whether directly or through a series of transfers) his personal representatives (in the case of death) shall be bound to offer all of the shares then registered in his or their names ("the Shares for Sale") to the Board at a price to be determined by the Board in accordance with paragraph (5). The offer is referred to in this Article as the Transfer Notice and, once given or deemed to be given, may not be withdrawn.

- (4) If a 'B' Ordinary Shareholder ceases to be an employee (from any cause other than as specified in paragraph (3)) of the Company or any of its subsidiaries or at any time wishes to transfer shares to any person other than those listed in paragraph (2), he may (but shall not be obliged to) issue a Transfer Notice in respect of all of the shares held by him to the Board at a price to be determined by the Board in accordance with paragraph (5). Except when served after a 'B' Ordinary Shareholder has ceased to be an employee the Transfer Notice shall be accompanied by an explanation to the Board as to why he wishes to transfer shares.

- (5) (a) The price for the Shares for Sale ("the Price") shall equal the fair value of the Shares for Sale based on the most recent annual valuation and computed in accordance with sub-paragraph (b), unless the Board believes that there has been a material change in the value of the Shares for Sale in which case the Price shall be the fair value (computed in accordance with sub-paragraph (b)), but based on the next annual valuation. In this case, the Transfer Notice shall be held over and the Shares for Sale shall not be transferred until the next annual valuation has been made.
- (b) The Board shall arrange that each year the Auditors shall certify in writing the sum which in their opinion is the fair value of a 'B' Ordinary Share (on the basis that the transferor is a willing seller). In certifying such sum the Auditors shall take into account generally accepted valuation methods and shall also take into account the fact that the Shares for Sale constitute a minority interest and that the Shares for Sale are unlisted but otherwise the Auditors shall have regard to such criteria as they shall regard as appropriate for the purpose. In so certifying, the Auditors shall be considered to be acting as experts and not as arbitrators and, accordingly, the Arbitration Acts

1950 and 1979 or any statutory re-enactment or modification thereof for the time being in force shall not apply. The cost of obtaining the Auditors' certificate shall be borne by the Company.

- (6) On receipt by the Company of a Transfer Notice or a deemed Transfer Notice the Board shall be entitled to determine, subject to the prior written approval of the Special Directors, to allocate the Shares for Sale:-
- (a) to a person or persons replacing (directly or indirectly) the transferor as an employee or director of the Company;
  - (b) to a trust for the benefit of employees or directors;
  - (c) directly or indirectly to such other employees as the Board shall consider appropriate.

The Board shall use all reasonable endeavours to allocate the Shares for Sale as provided in this paragraph, if a Transfer Notice is served or deemed served after the death of a 'B' Ordinary Shareholder or after such holder (or the person from whom such shares were transferred pursuant to the provisions of paragraph (2) hereof whether directly or through a series of transfers) has ceased to be a director or employee of the Company or any of its subsidiaries. In

these circumstances, the Board will use all reasonable endeavours to make such allocation as soon as practicable, having regard to the provisions in paragraph 5(a) of this Article relating to the holding over of Transfer Notices until the next annual valuation. In any other circumstances the Board shall have no obligation to seek to allocate the Shares for Sale. In any case where the Board fails to allocate the Shares for Sale, such Shares may not be transferred to any other party (except as provided in paragraph (2)) without the consent of the Board (including the Special Directors).

- (7) Within 14 days of the issue or deemed issue of a Transfer Notice the transferor shall be bound to deliver to the Board a Stock Transfer Form ("the Transfer Form") in respect of all the Shares for Sale duly executed by him with the name of the transferee in blank. The transferor shall be deemed to have given the Board irrevocable instructions to fill in the name of the transferee in accordance with the determination in accordance with paragraph (6) as soon as this has been done and the Price has been determined pursuant to paragraph (5). If, after becoming so bound, the transferor makes default in delivering the Transfer Form, the Company may receive the purchase money and the transferor shall be deemed to have appointed any one director or the secretary of the Company as his agent to execute a transfer form to the purchaser

and upon execution of such transfer, the Company shall hold the purchase money in trust for the transferor. The receipt of the Company for the purchase money shall be a good discharge to each purchaser and, after his name has been entered in the register of members of the Company, the validity of the proceedings shall not be questioned by any person.

(8) The provisions of this Article shall apply mutatis mutandis to the sale or other disposal of any shares allotted to a member by means of a renounceable letter of allotment or other renounceable document of title. No 'B' Ordinary Shareholder shall transfer or agree to transfer the legal or beneficial ownership of any share registered in his name or allotted to him except by means of a transfer and subject to the provisions of this Article.

(9) Any member of the Company who (being an individual) shall have made in respect of him a petition for a bankruptcy order or an application for a Voluntary Arrangement (as that expression is defined in Section 1(1) of the Insolvency Act 1986) or (being a body corporate) shall have any action, application or proceeding taken in respect of it for a Voluntary Arrangement or composition or reconstruction of its debts, the presentation of an administration petition, its winding up or dissolution or the appointment of a receiver, liquidator, trustee or



administrative receiver or similar officer, shall be deemed to have given a Transfer Notice at the Price in respect of all of his or its shares in the capital of the Company immediately before the happening of such event unless any person entitled to a share in consequence of any of such events is, or within thirty days of becoming so entitled transfer such shares to, a person to whom shares may be transferred pursuant to paragraph (2). Regulations 29-31 of Table A shall be construed accordingly.

- (10) Regulation 29-31 of Table A shall be construed subject to this Article.
- (11) If, in any case where under the provisions of these Articles a person has become bound to give a Transfer Notice in respect of any shares and such a Transfer Notice is not duly given within a period of two weeks of demand being made a Transfer Notice shall be deemed to have been given at the expiration of the said period. In any such case as aforesaid the provisions of this Article shall take effect.
- (12) The provisions of this Article shall cease and determine (except in relation to shares which are then the subject of a Transfer Notice) on a Sale or Listing.

17. Special Shares shall only be transferable to a Qualifying Institution holding not less than 8.33% of the Issued 'A' Ordinary Shares (or such lesser percentage as is approved by the Specified Majority) which has been approved as the holder of Special Shares by the Specified Majority.

18. (1) The directors may also refuse to register a transfer unless:-

(a) it is lodged duly stamped at the office or at such other place as the directors may appoint and is accompanied by the certificate for the shares to which it relates and such other evidence as the directors may reasonably require to show the right of the transferor to make the transfer;

(b) it is in respect of only one class of share; and

(c) it is in favour of not more than four transferees.

(2) If the directors refuse to register a transfer of a share, they shall within fourteen days after the date on which the transfer was lodged with the Company send to the transferor notice of the refusal.

(3) All instruments of transfer which are registered shall be retained by the Company, but any instrument of transfer which the directors refuse to register shall be returned to the person lodging it when notice of the refusal is given.

#### ALTERATION OF SHARE CAPITAL

19. The provisions of regulations 32, 33, 34 and 36 of Table A shall take effect subject to the provisions of Article 7.

#### GENERAL MEETINGS

20. Every notice convening a general meeting shall comply with the provisions of Section 372(3) of the Act as to giving information to members in regard to their right to appoint proxies; and notices of and other communications relating to any general meeting which any member is entitled to receive shall be sent to the Auditors.

21. A poll may be demanded by any member present in person or by proxy or (being a corporation) by its duly authorised representative. Regulation 46 in Table A shall be construed accordingly.

#### VOTES OF MEMBERS

22. The instrument appointing a proxy shall be in writing in any usual or common form and shall (except in the case of an appointment by telex or a facsimile copy of an appointment otherwise complying with the requirements of this Article) be executed by the appointor or his attorney duly authorised in writing or in such other form as the directors may approve. A proxy need not be a member of the Company.

23. The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is executed, or a notarially certified copy of such power or authority, shall be deposited or received at the registered office (or at such other place in the United Kingdom as is specified for that purpose in any instrument of proxy sent by the Company in relation to the meeting) not less than forty-eight hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or handed to the chairman of the meeting or adjourned meeting, and, in default, the instrument of proxy shall be invalid.

24. Subject to the provisions of the Act, a resolution in writing signed by all the members of the Company who would be entitled to receive notice of and to attend and vote at a general meeting, or by their duly appointed proxies or attorneys, shall be as valid and effectual as if it had been passed at a general meeting of the Company duly convened and held. Any such resolution may be contained in one document or in several documents in the same terms each signed by one or more of the members or their proxies or attorneys, and signature in the case of a body corporate which is a member shall be sufficient if made by a director or the secretary thereof or by its duly authorised representative.

#### DIRECTORS

25. (1) Unless and until otherwise determined by the Specified Majority the number of directors shall not be subject to any maximum but

shall be not less than two. Regulation 64 in Table A shall not apply to the Company.

(2) A director shall not require a share qualification but shall be entitled to attend and speak at any general meeting of the Company and at any separate meeting of the holders of any class of shares in the capital of the Company.

#### SPECIAL DIRECTORS

26. (1) MAM, for so long as it or its nominees holds not less than 7 Special Shares, shall be entitled by notice in writing addressed to the Company from time to time to appoint as directors any two persons and may remove from office any person so appointed and appoint another person in his place. If at any time it has only appointed one director he shall have two votes.

(2) The holders for the time being of the remaining Special Shares (other than those held by MAM) shall, acting by majority, be entitled by notice in writing addressed to the Company from time to time to appoint as a director any one person and may remove from office any person so appointed and appoint another person in his place.

(3) Each of the Directors appointed pursuant to paragraphs (1) and/or (2) of this Article ("the Special Directors") shall at the request of his appointor be appointed to any committee of the Directors.

(4) Each of the Special Directors may by notice in writing to the Company appoint any other person (whether a Director or member of the Company or not) to act as his alternate at any meeting of the Directors, to remove at any time such appointee and to appoint any other person in his place. The alternate shall be entitled to sit on any committee of which his appointor is a member when his appointor is absent.

(5) For so long as MAM or the other Special Shareholders have not exercised their respective right to appoint Special Directors they shall each be entitled, by notice in writing addressed to the Company and served at the registered office, from time to time to appoint any one person ("the Observer"), to remove any person so appointed and to appoint another person in his place. The Observer shall have the right to attend all meetings of the Board and of such of the Company's subsidiaries and any committees of the Board and of the relevant subsidiaries as are specified by the appointor. The Observer shall be given all notices, agendas, minutes and other papers relating to such meetings and to meetings of any committee of any such board of directors and such other information as a director would be entitled to receive and at the same time as such information is provided to directors and shall as regards confidentiality have the same obligations to the Company and any subsidiary to which he is appointed as if he were a director and shall undertake to the Company and any relevant subsidiary accordingly. The Observer shall be entitled to attend and speak at any such meetings of the board but shall not in any circumstances be entitled to vote.

(6) The Company and the Board shall take all such steps as lie within their respective powers to procure that, at the request of the person(s) which appointed him, any Special Director shall be appointed as a director of any of the Company's subsidiaries and to any committee of the board of any such subsidiary, and such Special Director so appointed shall be entitled to appoint one alternate in respect of the subsidiaries (who shall be the same person as the alternate director of the Company appointed pursuant to Article 26(4)). The Company shall further take all steps as lie within its power to procure that its subsidiaries conduct their affairs so as to comply with all relevant provisions of these Articles.

(7) Each of the Special Directors or the Observers appointed pursuant to this Article 27 shall be entitled to report back to his appointor on the affairs of the Company and its subsidiaries and to disclose to his appointor such information as he shall reasonably consider appropriate, provided that such appointor shall have entered into an undertaking of confidentiality on terms reasonably satisfactory to the appointor and the Company.

(8) Any Special Director shall be entitled to all notices and voting rights and in all other respects be treated as the other directors of the Company, save that the remuneration of the non-executive shall be at such fee (being not less than £15,000 per annum, subject to annual adjustment in accordance with the Index of Retail Prices) as is agreed between the Board and his appointor.

(9) In addition to the powers under paragraphs (1) and (2) of this Article, the holders of the Specified Majority shall be entitled by notice in writing addressed to the Company to appoint any number of additional directors (whether executive or non-executive) of the Company and/or any of its subsidiaries.

(10) On any resolution pursuant to section 303 of the Act or Article 31 hereof for the removal of a Special Director his appointor present at such meeting shall together have twice as many votes as all other Shareholders voting on such resolution.

MATTERS REQUIRING APPROVAL OF THE SPECIAL DIRECTORS

27.\* (1) In addition to any other authority required by law or by these Articles:-

(a) the appointment of any additional executive directors or non-executive directors (other than in accordance with Article 26);

(b) the approval of the Annual Business Plan or any material modification thereto;

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\* Article 27(1) was amended by a Special Resolution passed on 15th January, 1992.



- (c) the issue of shares directly or indirectly to employees of the Group;
- (d) the alteration of the accounting reference date of the Company or any subsidiary, the adoption of the accounting policies for the Company and any material change in the accounting policies of the Company or any subsidiary unless the Board or the directors of that subsidiary are advised in writing by the auditors of the Company that not to make such a change will lead them to qualify the accounts to the effect that they do not give a true and fair view;
- (e) any item of capital expenditure by the Company or any of its subsidiaries of an amount in excess of £500,000 in any one transaction or any series of connected transactions;
- (f) the making by the Company or any of its subsidiaries of any material contract outside the ordinary course of their respective businesses or otherwise than at arm's length commercial terms;
- (g) the entering into any contract or arrangement or a series of connected contracts or arrangements by the Company or any of its subsidiaries involving payments of £500,000 or more over the term of such contract or arrangement (or such connected contracts or arrangements as the case may be);

- (h) the acquisition of assets, (including shares and securities) in one or a series of transactions, for consideration in excess of £500,000 (including assumed liabilities);
- (i) the dismissal, or any recommendation for the appointment, of any auditors and legal advisers to the Company or its subsidiaries;
- (j) any change in the Service Agreements for directors of the Company or NTL or of any employee of the Company or NTL earning £40,000 or more per annum;
- (k) the Company or any subsidiary entering into any legally binding agreement undertaking or commitment to do any of the foregoing;

shall, whether or not any such matter requires the consent of the Specified Majority in accordance with Article 6(6), require, in addition to the approval of the Board, the consent of a majority of the Special Directors given in accordance with this Article. If there are two or less Special Directors the required consent shall be unanimous. If there are no Special Directors but there is an Observer, his consent will be required.

(2) The Company shall seek the consents referred to in this Article in respect of any matter therein referred to after such matter

has been considered at a duly convened meeting of the Directors. The notice convening such a board meeting shall contain provision that a decision in respect of such matter is required. Such notice shall be accompanied by documentation (comprising papers submitted to the other Directors) of reasonable length which is in the possession of the Company and is relevant to the matter requiring a decision.

(3) Within 5 working days of the later of (i) a Special Director having actually received the papers referred to in paragraph (2) and having actually received such responses as he may reasonably request to any points, queries or reservations he may have, and (ii) the Board Meeting referred to in paragraph (2) having actually happened, such Special Director shall notify the Company as to whether he consents to the proposal or otherwise. Any failure to notify the Company within such period shall be deemed to be consent. If at the Board Meeting referred to in paragraph (2), the Special Director gives a formal affirmative vote (minuted as such) in favour of the proposal, that shall be regarded as consent.

(4) The consents referred to in this Article may be given either specifically or generally in respect of the matters comprised therein.

#### BORROWING POWERS

28. (1) Subject as hereinafter provided the directors may exercise all the powers of the Company to borrow money, and to mortgage or charge

its undertaking, property and uncalled capital, and to issue debentures and other securities, whether outright or as collateral security, for any debt, liability or obligation of the Company or of any third party.

(2) The directors shall restrict the borrowings of the Company and exercise all voting and other rights or powers of control exercisable by the Company in relation to its Subsidiaries and subsidiary undertakings (if any) so as to secure (as regards subsidiaries and subsidiary undertakings so far as by such exercise they can secure) that the aggregate amount for the time being remaining undischarged of all moneys borrowed by the Company and its subsidiaries and subsidiary undertakings for the time being shall not at any time without the consent of the Company in general meeting exceed the greater of £70 million or twice the aggregate of:-

- (a) the amount paid up on the issued share capital of the Company;
- (b) the amount standing to the credit of the consolidated capital and revenue reserves of the Company and its Subsidiaries and subsidiary undertakings (including retained earnings); and
- (c) the principal amount of outstanding Loan Stock

all as shown in the latest audited and consolidated balance sheet of the Company and its Subsidiaries and subsidiary undertakings but adjusted as may be necessary:

(a) to take account of:

(i) any variation in the amount paid up on the issued share capital of the Company and in the share premium account since the date of such balance sheet;

(ii) any distribution from such reserves (otherwise than to the Company or to a Subsidiary) not provided for therein;

(b) by deducting any debit balance on profit and loss account as shown in such balance sheet; and

(c) by the addition of any previous amortisation of goodwill

but until such time as the first audited and consolidated balance sheet of the Company and its Subsidiaries and subsidiary undertakings shall be presented to an Annual General Meeting of the Company such borrowings shall not exceed £70 million.

(3) For the purpose of these Articles (but without prejudice to the generality of the expression "moneys borrowed"):

- (a) the amount outstanding in respect of acceptances by the Company or any of its subsidiaries or by any bank or accepting house under any acceptance credit opened on behalf of the Company or any subsidiaries or subsidiary undertakings (not being acceptances in relation to the purchase of goods in the normal course of trading) shall be taken into accounts as money borrowed;
- (b) moneys borrowed for the purpose of repaying the whole or any part of the moneys previously borrowed and then outstanding (including any premium payable on final repayment) and applied for that purpose within three months of such borrowing shall not, pending such application, be taken into account as moneys borrowed;
- (c) the following shall be deemed to be money borrowed:
  - (i) the principal amount for the time being owing in respect of any debenture within the meaning of part XXVI of the Act whether issued for cash or otherwise;
  - (ii) the nominal amount of any share capital and the principal amount of any borrowings or other indebtedness the redemption or repayment of which is guaranteed or secured or is the subject of an indemnity given by the Company or any of its

subsidiaries or subsidiary undertakings and the beneficial interest in which is not owned by the Company or any of its subsidiaries or subsidiary undertakings;

- (iii) any amount raised by bills of exchange;
- (iv) the principal amount for the time being owing in respect of any arrangements for hire, hire-purchase or purchase on credit sale or conditional sale terms and including sums due under finance leases;
- (v) the aggregate amount of any book debts sold by the Company or any of its subsidiaries or subsidiary undertakings in respect of which the purchase price is outstanding;
- (vi) the aggregate amount for the time being of any unpaid taxation in respect of which the Company or any of its subsidiaries or subsidiary undertakings is or may be required to pay interest;
- (vii) the amount of any borrowings subordinated in the event of the liquidation of the Company to the unsecured creditors of the Company;

(viii) factoring or like agreements or trade finance or other arrangements entered into primarily as a method of raising finance but not shown as borrowings on the balance sheet of the company receiving credit and liabilities incurred primarily in connection with the raising of finance but which are off-balance-sheet by reason of being contingent, conditional, limited recourse or netted-out against an asset or otherwise;

(d) moneys borrowed shall not include:-

(i) any borrowings between the Company and any wholly owned subsidiary or between any wholly owned subsidiary and another; and

(ii) accrued dividends and interest thereon; and

(iii) the principal amount of Loan Stock and accrued interest thereon;

(e) moneys borrowed and outstanding in a currency other than sterling shall be converted into sterling at the market rate of exchange prevailing for the relevant currency in London on the date on which the borrowing limit falls to be applied;



(f) where moneys borrowed by a member of the Group are guaranteed by another member of the Group only the principal indebtedness shall be included.

(4) A certificate by the Auditors as to the aggregate amount of moneys borrowed which may at any one time in accordance with this Article be owing by the Company and its subsidiaries and subsidiary undertakings shall be conclusive and shall be binding upon the Company, its members and all persons dealing with the Company.

(5) No liability or security given in respect of moneys borrowed in excess of the limit imposed by paragraph (2) of this Article shall be invalid or ineffectual except in the case of express notice at the time when the liability was incurred or security given that the limit thereby imposed had been or was thereby exceeded.

#### QUALIFICATION OF DIRECTORS

29. In addition to the provisions of Regulation 81, the office of a director shall also be vacated if:-

- (a) he becomes of unsound mind;
- (b) he is removed under Article 26, being a Non-Executive Director; or

- (c) he is removed pursuant to Section 303 of the Act or Article 31.

30. Any person may be appointed or elected as a director, whatever his age, and no director shall be required to vacate his office by reason of his attaining or having attained the age of seventy years or any other age.

#### REMOVAL OF DIRECTORS

31. In addition and without prejudice to the provisions of Section 303 of the Act and without prejudice to the rights of any directors under his service contract in respect of such removal but subject to Article 26:-

- (a) the Company may by extraordinary resolution remove any director other than a Special Director before the expiration of his period of office;
- (b) the holders of the Specified Majority may, by notice in writing given to the Company at its registered office remove any director other than a Special Director from his office as director and from any executive position he may have with the Company or any of its subsidiaries.

### ALTERNATE DIRECTORS

32. A director may at any time appoint any other person (whether a director or member of the Company or not) to act as alternate director at any meeting of the directors at which the director is not present, and may at any time revoke such appointment. An alternate director so appointed shall not be entitled as such to receive any remuneration from the Company but shall otherwise be subject to the provisions of Table A and of these Articles with regard to directors. An alternate director shall be entitled to receive notice of all meetings of the directors and to attend and vote as a director at any such meeting at which the director appointing him is not personally present, and generally to perform all the functions, rights, powers and duties of the director by whom he was appointed. An alternate director shall as regards confidentiality have the same obligations to the Company and any subsidiary to which he is appointed as if he were a director and shall undertake to the Company and any relevant subsidiary accordingly. An alternate director shall ipso facto cease to be an alternate director if his appointor ceases for any reason to be a director. Where a director who has been appointed to be an alternate director is present at a meeting of the directors in the absence of his appointor such alternate director shall have one vote in addition to his vote as director. Every appointment and revocation of an alternate director shall be made by instrument in writing under the hand of the director making or revoking such appointment and such instrument shall only take effect on the service thereof at the registered office of the Company.

#### DIVIDENDS

33. Regulations 102 to 105 (inclusive) of Table A shall be subject to Article 5.

#### REMUNERATION OF DIRECTORS

34. The directors shall be entitled to the remuneration which the Board shall approve. Any director who serves on any committee, or who devotes special attention to the business of the Company, or who otherwise performs services which in the opinion of the Board are in addition to or outside the scope of the ordinary duties of a director (which services shall include, without limitation, visiting or residing abroad in connection with the Company's affairs), may be paid such extra remuneration by way of salary, percentage of profits or otherwise as the directors shall approve.

#### DIRECTORS' AND EMPLOYEES' GRATUITIES AND PENSIONS

35. Subject to the prior consent of the Specified Majority, the directors may:-

- (a) establish and maintain, or procure the establishment and maintenance of any share option or share incentive or profit sharing schemes or trusts or any non-contributory or contributory pension or superannuation schemes or funds for the benefit of, and may make or give or procure the making

or giving of loans, donations, gratuities, pensions, allowances or emoluments (whether in money or money's-worth) to, or to trustees on behalf of, any persons who are or were at any time in the employment of the Company, or of any company which is a subsidiary of the Company, or is allied to or associated with the Company or with any such subsidiary, or who are or were at any time directors or officers of the Company or of any such other company as aforesaid, and to the wives, husbands, widows, widowers, families and dependants of any such persons;

- (b) establish and subsidise or subscribe to any institutions, associations, clubs or funds calculated to be for the benefit of, or to advance the interests and well-being of the Company, or of any such other company as aforesaid or of any such persons as aforesaid;
- (c) make payments for or towards policies of assurance on the lives of any such persons and policies of insurance of or in respect of any such persons (including insurance against their negligence) as aforesaid;
- (d) pay, subscribe or guarantee money to or for any charitable or benevolent objects, or for any exhibition, or for any political, public, general, or useful object; and

- (e) do any of the above things either alone or in conjunction with any such other company as aforesaid.

Subject always if the Act shall so require to particulars with respect to the proposed payment being disclosed to the members of the Company and to the payment being approved by the Company in general meeting, any director shall be entitled to participate in and retain for his own benefit any such loan, donation, gratuity, pension, allowance or emolument.

#### PROCEEDINGS OF DIRECTORS

36. In Regulation 88 in Table A there shall be substituted for the third sentence the following sentences namely: "All directors shall be given notice of every meeting of the directors. Any director or alternate director may by notice to the Company waive his right to receive notice of the meeting and the presence of any director or alternate director at the commencement of a meeting shall constitute such waiver by him".

37. (1) The quorum for meetings of the directors shall be three including at least two Special Directors (or, if there is only one, that Special Director).

(2) Save for emergencies, not less than seven days' notice shall be given of meetings of the directors and meetings of the directors shall be held monthly.

(3) For the purpose of determining whether a quorum exists for the transaction of the business of the Board:-

- (a) in the case of a resolution agreed by directors in telephonic communication with one another, all such directors shall be counted in the quorum and any resolution so agreed shall be as valid and effective as if passed at a meeting of the board of directors duly convened and held;
- (b) in the case of a meeting of the board of directors, in addition to the directors present at the meeting, any director in telephonic communication with such meeting shall be counted in the quorum and entitled to vote; and
- (c) any person attending a meeting of the board, or in telephonic communication with such a meeting, who is both a director and is acting as an alternate director for two or more of the Directors shall, for the purposes of the quorum, be counted as one for each such person for whom he is acting as an alternate director and, if applicable, also be counted as a director, but not less than two individuals shall constitute a quorum.

38. A resolution in writing of all the directors or all the members of a committee of directors shall be as effectual as if it had been passed at a meeting of directors or (as the case may be) a committee of directors duly convened and held either:

(a) if it consists of an instrument executed by or on behalf of each such director or committee member; or

(b) if it consists of several instruments in the like form each either:

(i) executed by or on behalf of one or more of such directors or committee members; or

(ii) sent by or on behalf of one or more of such directors or committee members by telex or facsimile transmission and deposited or received at the office or received by the secretary,

and any such instrument executed or sent by or on behalf of an alternate director shall be deemed to have been duly executed or sent (as the case may be) by or on behalf of his appointor.

39. Subject to any requisite declaration of interest in accordance with the provisions of the Act and (if applicable) Regulation 85 in Table A having been made by him, a director may vote as a director in regard to any transaction or arrangement in which he is interested, or upon any matter arising therefrom and Regulations 94 and 95 in Table A shall be construed subject to this provision.



40. In Regulation 97 In Table A:-

- (a) there shall be inserted after the words "the appointment" the following words, namely: "or the terms of appointment"; and
- (b) the following words shall be deleted, namely: "and be counted in the quorum" and there shall be inserted after the words "his own appointment" the following words, namely: "and shall be counted in the quorum in respect of each resolution including that concerning his own appointment".

MINUTES

41. The directors shall cause minutes to be made in books kept for the purpose:-

- (a) of all appointments of officers and alternate directors made by the directors; and
- (b) of all proceedings at meetings of the Company, of the holders of any class of shares in the Company of the directors, and of committees of directors, including the names of the persons present at each such meeting.

#### THE SEAL

42. The Company is authorised pursuant to Section 39 of the Act for so long as its objects require or comprise the transaction of business in foreign countries to have an official seal for use in any territory, district, or place elsewhere than in the United Kingdom.

#### INDEMNITY

43. (1) Every director or other officer of the Company shall be entitled to be indemnified out of the assets of the Company against all losses or liabilities which he may sustain or incur in or about the execution of the duties of his office or otherwise in relation thereto including any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in connection with any application under Section 727 of the Act in which relief is granted to him by the Court and no director or other officer shall be liable for any loss, damage or misfortune which may happen to or be incurred by the Company in the execution of the duties of his office or in relation thereto. But this Article shall only have effect insofar as its provisions are not avoided by Section 310 of the Act.

(2) Without prejudice to the provisions of paragraph (1) 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 or auditors of the Company, or of any other

company which is its holding company or in which the Company or such holding company or any of the predecessors of the Company has any interest whether direct or indirect or which is in any way allied to or associated with the Company, or of any subsidiary undertaking of the Company or of any such other company, or who are or were at any time trustees of any pension fund in which employees of the Company or of any such other company or subsidiary undertaking 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 the Company or any such other company, subsidiary undertaking or pension fund.

Company No: 2591237

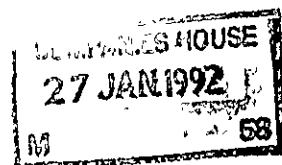
THE COMPANIES ACT 1985

COMPANY LIMITED BY SHARES

SPECIAL RESOLUTION

of

**NIL GROUP LIMITED**  
(passed on 15 January 1992)



At an Extraordinary General Meeting of the above-named Company duly convened and held on 15 January 1992 at Crawley Court, Winchester, Hampshire SO21 2QA, the following Resolution was passed as a Special Resolution:-

**SPECIAL RESOLUTION**

THAT the Articles of Association of the Company be amended as follows:-

1. By adding at the end of Article 6(6)(viii) the words "(save for the issue of not more than 378,000 'B' Ordinary Shares directly or indirectly to employees of the Group)";
2. In Article 5(3):-
  - a. By renumbering the existing Article 5(3) as Article 5(3)(i) and in the last full line of that sub-paragraph by deleting the words "every share" and replacing them by "every 'A' Ordinary Share";
  - b. By adding immediately thereafter the following new sub-paragraph:-

"(ii) The holders of the 'B' Ordinary Shares shall have no right to receive notice of, or to attend or to vote at, any general meeting of the Company but notwithstanding this the holders of the 'B' Ordinary Shares shall have the same common law and statutory rights for protection of minorities as if the 'B' Ordinary Shares carried the right to receive notice of, attend and vote at general meetings of the Company";
3. By deleting Article 14, 15 and 16 and replacing them by the new Articles contained in the document laid before this meeting and for the purpose of identification signed by the Chairman;
4. By adding a new sub-paragraph (c) to Article 27(1) as follows:-

"(c) the issue of shares directly or indirectly to employees of the Group;"

and by relettering existing sub-paragraphs (e) to (j) of Article 27(1) accordingly.

Chairman

119C

TRANSFER OF SHARES

14. (1) The directors may refuse to register a transfer if either the share is not fully paid up or the Company has a lien thereon or the transfer is prohibited by these Articles or by the terms of the allotment of the Shares in question.
- (2) No sale or transfer of any Shares to any person whomsoever shall be made or registered if it would give the Secretary of State power to revoke any of the Licences or if, in the reasonable opinion of the Board, it might otherwise jeopardise any of the Licences or give the Secretary of State the ability to vary any of the Licences.
- (3) The provisions of paragraphs (1) and (2) shall apply mutatis mutandis to the sale or other disposal of any shares allotted to a member by means of a renounceable letter of allotment or other renounceable document of title.
- (4) The Board shall within 30 days of any request from a shareholder wishing to transfer shares inform such shareholder whether any person named by such shareholder as a proposed transferee might, in the Board's opinion, jeopardise any of the Licences or give the Secretary of State the ability to vary any of the Licences.
- (5) No share shall be issued or transferred to any bankrupt or person of unsound mind.

(6) Notwithstanding any other provision of these Articles no member may transfer or agree to transfer any interest in any 'A' Ordinary Shares to any person who is not a Qualifying Institution ("the transferee") if, as a result of the transfer or a series of transfers the transferee would, either alone or in conjunction with persons acting in concert, directly or indirectly own 90% or more of the 'A' Ordinary Shares in issue (or any other shares into which such shares may have been converted) unless the transferee makes an irrevocable offer open for acceptance for not less than thirty days to acquire the remaining 'A' Ordinary Shares and all of the 'B' Ordinary Shares in issue at a price per share and on terms no less favourable than the most favourable terms provided by the transferee during the twelve months preceding the proposed date of such transfer (including the terms proposed in relation to the transfer itself), after deducting such part of the price paid (if any) as represented the value of any arrears or accrual of dividend in respect of such shares. For these purposes the expression "acting in concert" has the meaning set out in the City Code on Take-overs and Mergers.

(7) In the event that (i) a person ("the Offeror") makes an irrevocable bona fide offer ("the Offer") open for acceptance for not less than thirty days ("the Offer Period") to acquire all the 'A' Ordinary Shares and 'B' Ordinary Shares held by all members of the Company (other

than any already held by the Offeror) and (ii) the Offer is accepted by shareholder(s) holding in aggregate more than 90% of the 'A' Ordinary Shares in issue excluding any shares held by the Offeror or a person connected (within the meaning of Section 839 Income and Corporation Taxes Act 1988) with the Offeror then each member:

- (i) shall be bound to accept the Offer in the Offer Period and to execute all such documents and to do all such other acts or things which are necessary to transfer its shares to the Offeror in accordance with the terms of the Offer; and
- (ii) hereby appoints the Company as his Attorney in his name and on his behalf to accept the Offer and execute all such documents and to do all such other acts or things which the Company as his Attorney deems necessary to transfer its shares to the Offeror in accordance with the terms of the Offer;

and the aggregate price paid by the Offeror to the holders of shares accepting the Offer shall be treated by them as if it were a surplus distributed to such holders in a liquidation of the Company and shall be divided among the holders of the 'A' and 'B' Ordinary Shares accordingly. Any member which receives from such Offeror a greater payment than that to which he is entitled shall hold the

amount of the overpayment in trust for the other members in proportion to their respective entitlements.

15. (1) Transfers of 'A' Ordinary Shares shall only be effected in accordance with this Article 15.
- (2) Subject to paragraph (3) a transfer of 'A' Ordinary Shares shall only be made to a Qualifying Institution whose identity has been approved by the Specified Majority and only if the transferee complies with paragraph (3) of this Article.
- (3) Before disposing, directly or indirectly, of the beneficial interest in any 'A' Ordinary Shares the member who is proposing to make the disposal shall procure that the transferee, having decided how many 'A' Ordinary Shares in aggregate it wishes to acquire interests in ("the Aggregate Amount") offers to buy the requisite number of Shares at the same price and on the same terms from each of the 'A' Ordinary Shareholders pro rata to his total holdings of 'A' Ordinary Shares. Each 'A' Ordinary Shareholder shall have 10 business days in which to decide to accept or reject such opportunity and, if it does not reply within such period, shall be deemed to have rejected it, in which case the other parties shall be free (on a pro rata basis) to dispose of 'A' Ordinary Shares in excess of their pro rata entitlement up to the Aggregate Amount. The



provisions of this paragraph (3) may be waived by the Specified Majority.

- (4) The following transfers by Qualifying Institutions shall not be subject to paragraphs (2) and (3) of this Article. Transfers to:-

- (a) its nominee or from one nominee to another nominee of the Qualifying Institution;
- (b) the beneficial owner for the time being of the shares or any other person who becomes a manager or trustee of such shares for the same beneficial owner;
- (c) any other company (in this Article called "Associated Company") which is a holding company of that member or which is another subsidiary of such a holding company (the expression "holding company" and "subsidiary" having the meanings respectively given to them in section 736 of the Act);
- (d) a fund or a nominee of a fund managed by a Qualifying Institution or any other person who becomes a manager or trustee of such a fund;
- (e) a limited partnership in which each of the limited partners is at the time of the transfer a beneficial

owner of some or some part of the shares the subject of the transfer ("a qualifying partnership") or the general partner or a nominee of the qualifying partnership or any transfer thereafter by a qualifying partnership or the general partner or a nominee of such qualifying partnership to the beneficial owner of the shares;

(f) a nominee formed for the purposes of administering a co-investment scheme of a Qualifying Investor.

(5) Where a Qualifying Institution has transferred any shares to an Associated Company (the "transferee company") pursuant to the exception contained in paragraph (4)(c) and thereafter at any time the transferee company ceases to be an Associated Company with the transferor company, the transferee company shall promptly give notice thereof to the Company and shall transfer the relevant shares to the transferor company or an Associated Company of the transferor company within 14 days of the transferor company and the transferee company ceasing to be Associated Companies.

16. (1) Transfers of 'B' Ordinary Shares shall only be effected in accordance with paragraphs (6) and (7) of Article 14 or this Article 16.

(2) The following transfers by 'B' Ordinary Shareholders shall be permitted:-

- (a) in the case of shares beneficially owned by a member, any transfer to the parents, brothers, sisters, spouse, child or remoter issue of such member or to the trustees of any trust the sole beneficiaries of which are one or more of that member, such parent, brother, sister, spouse, child or remoter issue PROVIDED THAT if and whenever any such persons cease to be the sole beneficiaries of such trust the trustee or trustees shall forthwith give a Transfer Notice (as defined in paragraph (3) of this Article) in respect of the shares in question and, if they fail to give a Transfer Notice within 14 days of such cessation, they shall be deemed to have given a Transfer Notice at the end of such period of 14 days;
- (b) if the Board does not allocate the Shares in accordance with paragraph (6), any transfer by the personal representative of a deceased member to the widow, widower, parents, brother, sister, child or remotor issue of such deceased member or to another personal representative of the same estate;

(c) in the case of a trustee of a trust any transfer to the beneficiaries or to another trustee of that trust or to the trustee of another trust for the benefit of any one or more of the same beneficiaries only subject to the same proviso as is stated in sub-paragraph (a).

(3) If any director or employee of the Company or any of its subsidiaries ceases (other than by reason of disability or ill-health, retirement at normal retirement date or dismissal which is wrongful or unfair within the meaning of the provisions of the Employment Protection (Consolidation) Act 1978) to be such a director or employee or dies he (and any person to whom he may have transferred any shares pursuant to the provisions of paragraph (2) hereof whether directly or through a series of transfers) his personal representations (in the case of death) shall be bound to offer all of the shares then registered in his or their names ("the Shares for Sale") to the Board at a price to be determined by the Board in accordance with paragraph (5). The offer is referred to in this Article as the Transfer Notice and, once given or deemed to be given, may not be withdrawn.

(4) If a 'B' Ordinary Shareholder ceases to be an employee (from any cause other than as specified in paragraph (3)) of the Company or any of its subsidiaries or at any time

wishes to transfer shares to any person other than those listed in paragraph (2), he may (but shall not be obliged to) issue a Transfer Notice in respect of all of the shares held by him to the Board at a price to be determined by the Board in accordance with paragraph (5). Except when served after a 'B' Ordinary Shareholder has ceased to be an employee the Transfer Notice shall be accompanied by an explanation to the Board as to why he wishes to transfer shares.

- (5) (a) The price for the Shares for Sale ("the Price") shall equal the fair value of the Shares for Sale based on the most recent annual valuation and computed in accordance with sub-paragraph (b), unless the Board believes that there has been a material change in the value of the Shares for Sale in which case the Price shall be the fair value (computed in accordance with sub-paragraph (b)), but based on the next annual valuation. In this case, the Transfer Notice shall be held over and the Shares for Sale shall not be transferred until the next annual valuation has been made.
- (b) The Board shall arrange that each year the Auditors shall certify in writing the sum which in their opinion is the fair value of a 'B' Ordinary Share (on the basis that the transferor is a willing

seller). In certifying such sum the Auditors shall take into account generally accepted valuation methods and shall also take into account the fact that the Shares for Sale constitute a minority interest and that the Shares for Sale are unlisted but otherwise the Auditors shall have regard to such criteria as they shall regard as appropriate for the purpose. In so certifying, the Auditors shall be considered to be acting as experts and not as arbitrators and, accordingly, the Arbitration Acts 1950 and 1979 or any statutory re-enactment or modification thereof for the time being in force shall not apply. The cost of obtaining the Auditors' certificate shall be borne by the Company.

(6) On receipt by the Company of a Transfer Notice or a deemed Transfer Notice the Board shall be entitled to determine, subject to the prior written approval of the Special Directors, to allocate the Shares for Sale:-

- (a) to a person or persons replacing (directly or indirectly) the transferor as an employee or director of the Company;
- (b) to a trust for the benefit of employees or directors;

(c) directly or indirectly to such other employees as the Board shall consider appropriate.

The Board shall use all reasonable endeavours to allocate the Shares for Sale as provided in this paragraph, if a Transfer Notice is served or deemed served after the death of a 'B' Ordinary Shareholder or after such holder (or the person from whom such shares were transferred pursuant to the provisions of paragraph (2) hereof whether directly or through a series of transfers) has ceased to be a director or employee of the Company or any of its subsidiaries. In these circumstances, the Board will use all reasonable endeavours to make such allocation as soon as practicable, having regard to the provisions in paragraph 5(a) of this Article relating to the holding over of Transfer Notices until the next annual valuation. In any other circumstances the Board shall have no obligation to seek to allocate the Shares for Sale. In any case where the Board fails to allocate the Shares for Sale, such Shares may not be transferred to any other party (except as provided in paragraph (2)) without the consent of the Board (including the Special Directors).

(7) Within 14 days of the issue or deemed issue of a Transfer Notice the transferor shall be bound to deliver to the Board a Stock Transfer Form ("the Transfer Form") in respect of all the Shares for Sale duly executed by him

with the name of the transferee in blank. The transferor shall be deemed to have given the Board irrevocable instructions to fill in the name of the transferee in accordance with the determination in accordance with paragraph (6) as soon as this has been done and the Price has been determined pursuant to paragraph (5). If, after becoming so bound, the transferor makes default in delivering the Transfer Form, the Company may receive the purchase money and the transferor shall be deemed to have appointed any one director or the secretary of the Company as his agent to execute a transfer form to the purchaser and upon execution of such transfer, the Company shall hold the purchase money in trust for the transferor. The receipt of the Company for the purchase money shall be a good discharge to each purchaser and, after his name has been entered in the register of members of the Company, the validity of the proceedings shall not be questioned by any person.

- (8) The provisions of this Article shall apply mutatis mutandis to the sale or other disposal of any shares allotted to a member by means of a renounceable letter of allotment or other renounceable document of title. No 'B' Ordinary Shareholder shall transfer or agree to transfer the legal or beneficial ownership of any share registered in his name or allotted to him except by means of a transfer and subject to the provisions of this Article.



- (9) Any member of the Company who (being an individual) shall have made in respect of him a petition for a bankruptcy order or an application for a Voluntary Arrangement (as that expression is defined in Section 1(1) of the Insolvency Act 1986) or (being a body corporate) shall have any action, application or proceeding taken in respect of it for a Voluntary Arrangement or composition or reconstruction of its debts, the presentation of an administration petition, its winding up or dissolution or the appointment of a receiver, liquidator, trustee or administrative receiver or similar officer, shall be deemed to have given a Transfer Notice at the Price in respect of all of his or its shares in the capital of the Company immediately before the happening of such event unless any person entitled to a share in consequence of any of such events is, or within thirty days of becoming so entitled transfer such shares to, a person to whom shares may be transferred pursuant to paragraph (2). Regulations 29-31 of Table A shall be construed accordingly.
- (10) Regulation 29-31 of Table A shall be construed subject to this Article.
- (11) If, in any case where under the provisions of these Articles a person has become bound to give a Transfer Notice in respect of any shares and such a Transfer Notice is not duly given within a period of two weeks of demand

being made a Transfer Notice shall be deemed to have been given at the expiration of the said period. In any such case as aforesaid the provisions of this Article shall take effect.

- (12) The provisions of this Article shall cease and determine (except in relation to shares which are then the subject of a Transfer Notice) on a Sale or Listing.

COMPANIES FORM No.353a

**Notice of place for inspection of  
a register of members which is  
kept in a non-legible form,  
or of any change in that place**

**353a**

do not  
write in  
this margin

Pursuant to the Companies (Registers and Other Records) Regulations 1985

Note: For use only when the register is kept by computer or in some other non-legible form

use complete  
legibly, preferably  
black type, or  
block lettering

To the Registrar of Companies

For official use

Company number

[ ] [ ] [ ] [ ]

2591237

Name of company

NTL GROUP LIMITED

insert full name  
of company

gives notice, in accordance with regulation 3(1) of the Companies (Registers and Other Records) Regulations 1985, that the place for inspection of the register of members of the company which the company keeps in a non-legible form is (now) at:

delete as  
appropriate

LLOYDS BANK PLC	
LLOYDS BANK REGISTRARS	
THE CAUSEWAY	
WORTHING, WEST SUSSEX	Postcode BN99 6DA

Signed

*LSuSker*

[Director] [Secretary] Date 28/10/94

Presenter's name address and  
reference (if any):

For official Use  
General Section





COMPANIES FORM No. 123

**Notice of increase  
in nominal capital****123**Please do not  
write in  
this margin

Pursuant to section 123 of the Companies Act 1985

Please complete  
legibly, preferably  
in black type, or  
bold block letteringTo the Registrar of Companies  
(Address overleaf)

For official use

Company number

--	--	--	--

2591237

Name of company

* NTL Group Limited
---------------------

\* Insert full name  
of company

gives notice in accordance with section 123 of the above Act that by resolution of the company  
dated 25th November 1994 the nominal capital of the company has been  
increased by £ 28,583.75 beyond the registered capital of £ 25,200.12.

§ the copy must be  
printed or in some  
other form approved  
by the registrar

A copy of the resolution authorising the increase is attached. §

The conditions (eg. voting rights, dividend rights, winding-up rights etc.) subject to which the new  
shares have been or are to be issued are as follow:

Please tick here if  
continued overleaf☐‡ Insert  
Director,  
Secretary,  
Administrator,  
Administrative  
Receiver or  
Receiver  
(Scotland) as  
appropriate

Signed

*M. Stokes*

Designation ‡

Company  
SecretaryDate *5 December '94*Presentor's name address and  
reference (if any):

M. Stokes  
NTL Group Limited  
Crawley Court  
Winchester  
Hampshire SO21 2QA

For official Use  
General Section

Post room



**G**

COMPANIES FORM No. 122

**122****Notice of consolidation, division,  
sub-division, redemption or  
cancellation of shares, or conversion,  
re-conversion of stock into shares**Please do not  
write in  
this margin

Pursuant to section 122 of the Companies Act 1985

Please complete  
legibly, preferably  
in black type, or  
bold block letteringTo the Registrar of Companies  
(Address overleaf)

For official use

Company number

--	--	--	--

2591237

Name of company

\* NTL Group Limited

\* Insert full name  
of company

gives notice that:

by an ordinary resolution passed as a written resolution pursuant to section 381A of the Companies Act 1985 on 25th November 1994 25,625 "B" Ordinary Shares which, at the date of the passing of the resolution have not been taken or agreed to be taken by any person be cancelled and that the Company's authorised share capital be diminished by £256.25.

‡ Insert  
Director,  
Secretary,  
Administrator,  
Administrative  
Receiver or  
Receiver  
(Scotland) as  
appropriate

Signed

*M. Stokes*

Designation‡

Company  
Secretary

Date 5 December '94

Presenter's name address and  
reference (if any):

M. Stokes  
NTL Group Limited  
Crawley Court  
Winchester  
Hampshire SO21 2QA

For official Use  
General Section

Post room



Certified as a true  
copy of the original  
*L.H. O'Brien*  
Secretary 5/12/94

THE COMPANIES ACT 1985  
COMPANY LIMITED BY SHARES

WRITTEN RESOLUTIONS

-of-

NTL GROUP LIMITED  
(the "Company")

(Passed 25th November 1994)

Pursuant to Section 381A of the Companies Act 1985 the following Resolutions were duly passed on 25th November 1994 as Ordinary and Special Resolutions as the case may be.

Ordinary Resolutions

1. THAT the 25,625 'B' Ordinary Shares which, at the date of the passing of the resolution have not been taken or agreed to be taken by any person be cancelled and the Company's authorised share capital be diminished by £256.25.
2. THAT the share capital of the Company be increased from £24,943.87 to £53,783.87 by the creation of 2,884,000 'C' Ordinary Shares of one penny each having the rights and restrictions set out in the new Articles of Association to be adopted pursuant to the Special Resolution set out at paragraph 5(b) below.
3. THAT £24,879.25 standing to the credit of the Share Premium Account be capitalised and to apply the said sum in paying up in full 2,487,925 new 'C' Ordinary Shares to be issued as a bonus issue to 'A' and 'B'



Ordinary Shareholders in the proportion of one new 'C' Ordinary Share for every 'A' or 'B' Ordinary Share held by the registered shareholders at the close of business on the day following the day on which the Company completes the proposed purchase of its 'B' Ordinary Shares as outlined in paragraph 5(d).

4. THAT:

- (a) subject to the approval of the Board of Inland Revenue the NTL Group Limited 1994 Approved Share Option Scheme (the "Scheme") the draft rules and ancillary documentation of which has been produced to all the members of the Company entitled to attend and vote at any general meeting and for the purposes of identification only has been initialled by the Chairman be and it is hereby adopted; and
- (b) the directors be and they are hereby authorised to do all acts and things necessary to carry the scheme into effect including the making of any amendments thereto as may be necessary to obtain the approval of the Board of Inland Revenue and/or such other approvals as the directors consider necessary or desirable to obtain.

Special Resolutions

5. THAT:

- (a) the 56,000 'B' Ordinary Shares of one penny each in the authorised share capital of the Company registered in the names

of Rowan Nominees Limited, MamCo Nominees (Jersey) Limited and Montagu Private Equity Investments Limited be and are hereby converted into and redesignated as 56,000 'A' Ordinary Shares of one penny each having the rights and restrictions set out in the new Articles of Association of the Company to be adopted pursuant to paragraph (b) below;

- (b) the regulations contained in the printed document which has been produced to all the members of the Company entitled to attend and vote at any general meeting and for the purpose of identification has been signed by the Chairman be and the same are hereby approved and adopted on the day the Company effects the bonus issue as outlined by the Ordinary Resolution at paragraph 3 above as the Articles of Association of the Company in substitution for and to the exclusion of all the existing Articles of Association of the Company;
- (c) in accordance with Section 80 of the Companies Act 1985 the directors be and are hereby generally and unconditionally authorised for the period commencing on and with effect from the date of adoption of this Resolution and expiring on the fifth anniversary of such date to exercise all the powers of the Company to allot all the authorised but unissued share capital of the Company in existence immediately following the passing of this Resolution;
- (d) the terms of the Agreement which has been produced to all the members of the Company entitled to attend and vote at any general



meeting and has been initialled by the Chairman for the purposes of identification for the purchase by the Company of 6,450 'B' Ordinary Shares in the capital of the Company from each of the persons set out in the attached Schedule in the quantities and for the price as stated therein be and they are hereby authorised, and that the directors shall give effect to this Resolution.

THE COMPANIES ACT 1985  
COMPANY LIMITED BY SHARES  
WRITTEN RESOLUTIONS

-of-

NTL GROUP LIMITED  
(the "Company")

(Passed 25th November 1994)

Pursuant to Section 381A of the Companies Act 1985 the following Resolutions were duly passed on 25th November 1994 as Ordinary and Special Resolutions as the case may be.

Ordinary Resolutions

1. THAT the 25,625 'B' Ordinary Shares which, at the date of the passing of the resolution have not been taken or agreed to be taken by any person be cancelled and the Company's authorised share capital be diminished by £256.25.
2. THAT the share capital of the Company be increased from £24,943.87 to £53,783.87 by the creation of 2,884,000 'C' Ordinary Shares of one penny each having the rights and restrictions set out in the new Articles of Association to be adopted pursuant to the Special Resolution set out at paragraph 5(b) below.
3. THAT £24,879.25 standing to the credit of the Share Premium Account be capitalised and to apply the said sum in paying up in full 2,487,925 new 'C' Ordinary Shares to be issued as a bonus issue to 'A' and 'B'



Ordinary Shareholders in the proportion of one new 'C' Ordinary Share for every 'A' or 'B' Ordinary Share held by the registered shareholders at the close of business on the day following the day on which the Company completes the proposed purchase of its 'B' Ordinary Shares as outlined in paragraph 5(d).

4. THAT:

(a) subject to the approval of the Board of Inland Revenue the NTL Group Limited 1994 Approved Share Option Scheme (the "Scheme") the draft rules and ancillary documentation of which has been produced to all the members of the Company entitled to attend and vote at any general meeting and for the purposes of identification only has been initialled by the Chairman be and it is hereby adopted; and

(b) the directors be and they are hereby authorised to do all acts and things necessary to carry the Scheme into effect including the making of any amendments thereto as may be necessary to obtain the approval of the Board of Inland Revenue and/or such other approvals as the directors consider necessary or desirable to obtain.

Special Resolutions

5. THAT:

(a) the 56,000 'B' Ordinary Shares of one penny each in the authorised share capital of the Company registered in the names

of Rowan Nominees Limited, MamCo Nominees (Jersey) Limited and Montagu Private Equity Investments Limited be and are hereby converted into and redesignated as 56,000 'A' Ordinary Shares of one penny each having the rights and restrictions set out in the new Articles of Association of the Company to be adopted pursuant to paragraph (b) below;

- (b) the regulations contained in the printed document which has been produced to all the members of the Company entitled to attend and vote at any general meeting and for the purpose of identification has been signed by the Chairman be and the same are hereby approved and adopted on the day the Company effects the bonus issue as outlined by the Ordinary Resolution at paragraph 3 above as the Articles of Association of the Company in substitution for and to the exclusion of all the existing Articles of Association of the Company;
- (c) in accordance with Section 80 of the Companies Act 1985 the directors be and are hereby generally and unconditionally authorised for the period commencing on and with effect from the date of adoption of this Resolution and expiring on the fifth anniversary of such date to exercise all the powers of the company to allot all the authorised but unissued share capital of the company in existence immediately following the passing of this Resolution;
- (d) the terms of the Agreement which has been produced to all the members of the Company entitled to attend and vote at any general

meeting and has been initialled by the Chairman for the purposes of identification for the purchase by the Company of 6,450 'B' Ordinary Shares in the capital of the Company from each of the persons set out in the attached Schedule in the quantities and for the price as stated therein be and they are hereby authorised, and that the directors shall give effect to this Resolution.

Certified as a true  
copy of the original

*L. S. Reyes*  
.....  
Secretary 5/12/94 .

**NTL Group Limited**

**No. 2591237**

**Amended Memorandum**

**and**

**New Articles of Association**

**25 November 1994**

Company No: 2591237

THE COMPANIES ACT 1985  
COMPANY LIMITED BY SHARES  
SPECIAL RESOLUTIONS

of

NTL GROUP LIMITED  
(passed on 24th October 1991)

At an Extraordinary General Meeting of the above-named Company duly convened and held on 24th October, 1991 at 65 Holborn Viaduct, London, EC1A 2DY the following resolutions were passed as Special Resolutions.

SPECIAL RESOLUTIONS

1. That

- (a) the existing ordinary shares of £1 each in the authorised share capital of the Company be and are hereby converted into and redesignated as 10,000 'A' Ordinary Shares of one penny each, having the rights and restrictions set out in the new Articles of Association to be adopted pursuant to paragraph (c) below;
- (b) the share capital of the Company be increased from £100 to £25,200.12 by the creation of
  - (i) 2,1232,000 'A' Ordinary Shares of one penny each;
  - (ii) 378,000 'B' Ordinary Shares of one penny each; and

(iii) 12 Redeemable Special Shares of one penny each

in each case having the rights and restrictions set out in the new Articles of Association to be adopted pursuant to paragraph (c) below;

- (c) the regulations contained in the printed document laid before this meeting marked "A" and for the purpose of identification signed by the Chairman be and the same are hereby approved and adopted as the Articles of Association of the Company in substitution for and to the exclusion of all the existing Articles of Association of the Company;
- (d) in accordance with Section 80 of the Companies Act 1985 the directors be and are hereby generally and unconditionally authorised for the period commencing on and with effect from the date of adoption of this Resolution and expiring on the fifth anniversary of such date to exercise all the powers of the Company to allot all the authorised but unissued share capital of the Company in existence immediately following the passing of this Resolution;
- (e) the pre-emption provisions contained in Section 89 of the Companies Act 1985 are excluded and shall not apply to the allotment of the shares pursuant to the authority granted to the directors by paragraph (d) above.



2. That the provisions of the Memorandum of Association of the Company with respect to the objects of the Company be amended by the deletion of the existing Clause 3 of the Memorandum and the adoption of the new Clause 3 set out in the printed document laid before this meeting marked "B" and signed by the Chairman for the purpose of identification.

N.T. Turner

CHAIRMAN

Company No: 2591237

THE COMPANIES ACT 1985  
COMPANY LIMITED BY SHARES

SPECIAL RESOLUTION

of

NTL GROUP LIMITED  
(passed on 15th January 1992)

At an Extraordinary General Meeting of the above-named Company duly convened and held on 15 January 1992 at Crawley Court, Winchester, Hampshire SO21 2QA, the following Resolution was passed as a Special Resolution:-

SPECIAL RESOLUTION

THAT the Articles of Association of the Company be amended as follows:-

1. By adding at the end of Article 6(6)(viii) the words "(save for the issue of not more than 378,000 'B' Ordinary Shares directly or indirectly to employees of the Group)";
2. In Article 5(3):-
  - (a) By renumbering the existing Article 5(3) as Article 5(3)(i) and in the last full line of that sub-paragraph by deleting the words "every share" and replacing them by "every 'A' Ordinary Share";
  - (b) By adding immediately thereafter the following new sub-paragraph:-

"(ii) The holders of the 'B' Ordinary Shares shall have no right to receive notice of, or to attend or to vote at, any general meeting of the Company but notwithstanding this the holders of the 'B' Ordinary Shares shall have the same common law and statutory rights for protection of minorities as if the 'B' Ordinary Shares carried the right to receive notice of, attend and vote at general meetings of the Company";
3. By deleting Articles 14, 15 and 16 and replacing them by the new Articles contained in the document laid before this meeting and for the purpose of identification signed by the Chairman;
4. By adding a new sub-paragraph (c) to Article 27(1) as follows:

"(c) the issue of shares directly or indirectly to employees of the Group",

and by relettering existing sub-paragraphs (c) to (j) of Article 27(1) accordingly.

.....  
Chairman

A PRIVATE COMPANY LIMITED BY SHARES

MEMORANDUM OF ASSOCIATION

OF

NTL GROUP LIMITED\*

- 1.\* The name of the company is "NTL GROUP LIMITED."
2. The registered office of the company is to be situate in England and Wales.
- 3.\*\* The objects of the company are:
  - (a) (1) To carry on the business of a property and investment holding company in all its branches, and for that purpose in particular to acquire by purchase, lease, exchange or otherwise and hold by way of investment, land, buildings or other structures thereon, land covered by water, and any estate, interest, easement, servitude or right in or over such land, buildings or structures and any real or immovable property of any tenure or description in the United Kingdom or elsewhere in any part

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\* The name of the Company was changed from 159th Shelf Investment Company Limited on 9th October, 1991.

\*\* Clause 3 of the Memorandum was amended by a Special Resolution passed on 24th October, 1991.

of the world, including (without limiting the generality of the foregoing) freehold or leasehold ground rents, reversions, mortgages and charges; and to acquire by purchase, subscription, exchange or otherwise and hold by way of investment, shares, stocks, securities or obligations issued or guaranteed by any person, firm, company or trust constituted or carrying on business in any part of the world or by any government, state, dominion, colony, public body or authority, supreme, municipal, local or otherwise, whether at home or abroad;

(2) (i) to carry on the business of transmitting, relaying or otherwise distributing signals at any frequency and of any wavelength for general reception or otherwise (including, without limitation, in connection with the broadcasting of television and radio programmes and data services);

(ii) to carry on the business of suppliers of telecommunications services and other services in or connected with the field of telecommunications and for other forms of dissemination including cable programme services, satellite services and generally all radiocommunications services;

(iii) to design, manufacture and distribute all forms of electronic equipment including, without limitation, equipment in connection with radio and television broadcasting and all telecommunications or data services;

(iv) to carry out research and development of all kinds including, but not limited to, research and development relating to radio, television or data services or the broadcast or transmission thereof or relating to any other means of communication;

(v) to provide (whether as principal or agent) engineering, consultancy, management, advisory and other services of all kinds; and

(vi) to acquire, hold, sell, lease or otherwise dispose of, establish, maintain, design, operate, equip, provide and construct facilities, either for itself or for other persons, in connection with such businesses;

(b) To manage any such property and investments so acquired and to collect and receive the income and rents therefrom;

(c) To improve any property so acquired by constructing, reconstructing, pulling down, altering, adding to, enlarging, decorating, furnishing, fitting up and maintaining the same whether as offices, flats, houses, shops, factories, garages, warehouses, wharves or other buildings, works and conveniences and by advancing money to and entering into contracts and arrangements of all kinds with builders, tenants and others; and to provide services and amenities of all kinds;

(d) To create freehold and leasehold ground rents and to grant leases, underleases, tenancies and licences;

- (e) To sell, assign, realise, vary, surrender, exchange or dispose of any property or investments for the time being of the company if from time to time it shall be found necessary or advisable so to do;
- (f) To carry on all kinds of financial, trust, agency and broking business and any other business which is capable of being carried on by an individual;
- (g) To promote companies and ventures for any purpose whatsoever and to undertake and assist in financial operations of every description;
- (h) To advance, issue, deposit or lend money, securities and property of any kind, and to draw, make, issue, accept, discount, buy, sell, hold and exchange, bills, notes, warrants, coupons and other negotiable or transferable instruments, documents and obligations;
- (i) To receive money on deposit or loan and to borrow or raise money and to secure or discharge any debt or obligation of or binding on the company by the issue of debentures or debenture stock or in any other manner;
- (j) To mortgage and charge the undertaking and all or any of the real and personal property and assets, present or future, and all or any of the uncalled capital for the time being of the company, and to issue at par or at a premium or discount, and for such consideration, and with such rights, powers and privileges as may be thought fit, debentures, mortgage debentures or debenture stock, payable to bearer or otherwise, and either permanent or redeemable or repayable, and collaterally to secure any securities of the company by a trust deed or other assurance;

- (k) To issue and deposit any securities which the company has power to issue by way of mortgage to secure any sum less than the nominal amount of such securities;
- (l) To guarantee, support or secure, whether by direct obligation or covenant or by mortgaging or charging all or any part of the undertaking, property and assets (present and future) and uncalled capital of the company or by any one or more or all of such methods or by any other method, and whether or not the company receives any advantage therefor, the performance of any obligations or commitments of, and the repayment or payment of any monies whatsoever (including but not limited to the principal amounts of or the premiums, interest and dividends on any securities) by any person, firm or company, including (without prejudice to the generality of the foregoing) any company which is for the time being a subsidiary company or holding company of the company or a subsidiary company of such holding company or which is otherwise associated directly or indirectly with the company in business or through shareholdings;
- (m) To establish and maintain or procure the establishment and maintenance of any share option or share incentive or profit sharing schemes or trusts or non-contributory or contributory pension or superannuation schemes or funds for the benefit of, and to make or give or procure the making or giving of loans, donations, gratuities, pensions, allowances or emoluments (whether in money or moneys worth) to, or to trustees on behalf of, any persons who are or were at any time in the employment of the company, or of any company which is a subsidiary of the company or is allied to or associated with the company or with any such subsidiary

company, or who are or were at any time directors or officers of the company or of any such other company as aforesaid, or any persons in whose welfare the company or any such other company as aforesaid is or has been at any time interested, and the wives, husbands, widows, widowers, families and dependants of any such persons, and to establish and subsidise or subscribe to any institutions, associations, clubs or funds calculated to be for the benefit of or to advance the interests and well-being of the company or of any such other company as aforesaid, or of any such persons as aforesaid, and to make payments for or towards policies of assurance on the lives of any such persons and policies of insurance for the benefit of or in respect of any such persons as aforesaid (including insurance against their negligence or breach of duty to the company), and to pay, subscribe or guarantee money for charitable or benevolent objects or for any exhibition or for any political, public, general or useful object, and to do any of the above things, either alone or in conjunction with any such other company as aforesaid;

- (n) To distribute among the members in specie any property of the company, or any proceeds of sale or disposal of any property of the company, but so that no distribution amounting to a reduction of capital be made except with the sanction (if any) for the time being required by law;
- (o) To carry on any other business or activity, whether investing manufacturing trading or otherwise, which may seem to the company capable of being conveniently carried on in connection with the business of the company, or calculated, directly or indirectly, to be for the benefit of and to promote the prosperity of the company, or to enhance the value of or render more profitable any of the company's property or to advance the interests of the company or of its members;



- (p) To sell, improve, manage, develop, turn to account, exchange, let on rent, royalty, share of profits or otherwise, grant licences, easements and other rights in or over, and in any other manner deal with or dispose of the undertaking and all or any of the property and assets for the time being of the company for such consideration as may seem expedient;
- (q) To adopt such means of making known the businesses or any of them, or the products of the company or the businesses or products of any other person as may seem expedient, and in particular by advertising in the press, by circulars, by purchase and exhibition of works of art or interest, by publication in books and periodicals, and by granting prizes, rewards and donations, and to carry on and conduct prize and competition schemes or any scheme or arrangement of any kind, either alone or in conjunction with any other person, firm or company, whereby the said businesses or any of them may be promoted or developed, or whereby the said products may be more extensively advertised and made known;
- (r) To enter into any arrangement with any government or authority, supreme, municipal, local or otherwise, of any country, and to obtain from any such government or authority all legislation, orders, rights, concessions, and privileges that may seem requisite;
- (s) To enter into any partnership or joint-purse arrangement or arrangement for sharing profits, union of interests or co-operation with any company, firm or person;

- (t) To purchase or otherwise acquire and undertake all or any part of the business, property, liabilities and transactions of any person, firm or company which is calculated to benefit this company or to advance its interests, or which comprises any property suitable for any purpose of the company;
- (u) To pay for any property or rights acquired by the company either in cash or fully or partly paid-up shares, with or without preferred or deferred or guaranteed rights in respect of dividend or repayment of capital or otherwise, or by any securities which the company has power to issue, or partly in one mode and partly in another, and generally on such terms as may seem expedient;
- (v) To accept payment for any property or rights sold or otherwise disposed of or dealt with by the company either in cash, by instalments or otherwise, or in fully or partly paid-up shares of any company or corporation, with or without deferred or preferred or guaranteed rights in respect of dividend or repayment of capital or otherwise, or in debentures or mortgage debentures or debenture stock, mortgages or other securities of any company or corporation, or partly in one mode and partly in another, and generally on such terms as may seem expedient and to hold, dispose of or otherwise deal with any shares, stock or securities so acquired;
- (w) To amalgamate with any other company, whether by sale or purchase (for fully or partly paid-up shares or otherwise) of the undertaking, subject to the liabilities of this or any other such company as aforesaid, with or without winding-up or by sale or purchase (for fully or partly

paid-up shares or otherwise) of all or a controlling interest in the shares or stock of this or any other such company as aforesaid, or by partnership, or any arrangement of the nature of partnership, or in any other manner;

- (x) To pay out of the funds of the company all expenses which the company may lawfully pay of or incidental to the formation, registration and advertising of or raising money for the company and the issue of its capital, including brokerage and commissions for obtaining applications for or taking, placing or under-writing shares, debentures or debenture stock, and to apply at the cost of the company to Parliament for any extension of the company's powers;
- (y) To do all or any of the above things in any part of the world, and either as principals, agents, trustees, contractors or otherwise, and either alone or in conjunction with others, and either by or through agents, sub-contractors, trustees or otherwise; and
- (z) To do all such other things as are in the opinion of the company incidental or conducive to the above objects or any of them.

The objects specified in each of the paragraphs of this Clause shall not, except where the context expressly so requires, be in any way limited or restricted by the terms of any other paragraph and shall be construed as separate, distinct and independent objects capable of being performed and carried out separately, distinctly and independently of each other.

4. The liability of the Members is limited.

5.\* The share capital of the company is £53,783.87 divided into 2,198,000 'A' Ordinary Shares of 1 penny each, 289,925 B Ordinary Shares of 1 penny each 2,884,000 'C' Ordinary Shares of 1 penny each and 12 Redeemable Special Shares of 1 penny each.

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\* The share capital was increased from £100 to £25,200.12 by a Special Resolution passed on 24th October, 1991.

\*\* The share capital was increased from £25,200.12 to £53,783.87 by a Special Resolution passed on 25th November, 1994. 56,000 'B' Ordinary Shares of 1 penny each were converted into and redesignated 56,000 'A' Ordinary Shares of 1 penny each by a Special Resolution passed on 25th November, 1994.

WE, the subscribers to this memorandum of association, wish to be formed into a company pursuant to this memorandum; and we agree to take the number of shares shown opposite our respective names.

Names and Addresses

Number of  
of Subscribers  
shares taken  
by each  
Subscriber

1. J H REEVES  
Director  
for and on behalf of  
LOVITING LIMITED  
Registered Office  
21 Holborn Viaduct  
London EC1A 2DY

One

A Company limited by shares

2. J H REEVES  
Director  
for and on behalf of  
SERJEANTS' INN NOMINEES LIMITED  
Registered Office  
21 Holborn Viaduct  
London EC1A 2DY

One

A Company limited by shares

Total shares taken

Two

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Dated 5th February, 1991

WITNESS to the above signatures,

S J Williamson  
65 Holborn Viaduct  
London EC1A 2DY

THE COMPANIES ACT 1985

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C O M P A N Y L I M I T E D B Y S H A R E S

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NEW  
ARTICLES OF ASSOCIATION  
(adopted by Special Resolution  
passed on 25th November 1994)

OF

NTL GROUP LIMITED

REGULATIONS OF THE COMPANY

1. The articles comprise these Articles and, save insofar as it is modified by these Articles, Table A (which expression means that Table as prescribed by regulations made pursuant to the Companies Act 1985 and in force on the date of adoption of these Articles).

2. (1) Regulations 8, 24, 25, 50, 53, 54, 60-62 (inclusive), 65-69 (inclusive), 73-78 (inclusive), 80, 82, 87, 89, 100, 109 and 118 in Table A do not apply to the Company.

(2) Unless the context otherwise requires:-

(a) words denoting the singular number shall include the plural  
—  
number and vice-versa;

- (b) words denoting the masculine gender shall include the feminine and neuter genders and vice-versa; and
- (c) references to persons shall include bodies corporate, unincorporated associations and partnerships.

DEFINITIONS

3. In these Articles unless the context otherwise requires the words standing in the first column of the following table bear the meanings set opposite them respectively in the second column:-

<u>Expression</u>	<u>Meaning</u>
"Act"	the Companies Act 1985 (as amended from time to time);
"'A' Ordinary Shareholders"	the holders for the time being of 'A' Ordinary Shares;
"'A' Ordinary Shares"	the 'A' Ordinary Shares of one penny each in the capital of the Company;
"Annual Business Plan"	the annual business plan of the Company and of each of its subsidiaries from time to time as approved by the Board (including a majority of the Special Directors);

"Auditors"	the auditors for the time being of the Company;
"Board"	the board of directors for the time being of the Company;
"'B' Ordinary Shareholders"	the holders for the time being of 'B' Ordinary Shares;
"'B' Ordinary Shares"	the 'B' Ordinary Shares of one penny each in the capital of the Company;
"Consolidated Post-Tax Profit"	<p>the consolidated profit of the Company and its Subsidiaries (if any) as shown by the audited profit and loss account of the Company (or, as the case may be, the audited consolidated profit and loss account of the Company and its Subsidiaries) which shall be drawn up in accordance with generally accepted accounting principles in the United Kingdom and on a basis and in accordance with accounting policies approved from time to time by the Board (and approved by a majority of the Non-Executive Directors in accordance with Article 26) and:-</p> <p>(a) before any provision is made for the payment of any dividend on any share in the capital of the Company or for any share distribution by the Company or for the transfer of any sum to any reserves of the Company forming part of shareholders' funds;</p>



- (b) before deducting the amount of any dividend declared and paid in respect of any share by the Company in the year or period to which the audited profit and loss account (or audited consolidated profit and loss account) related;
- (c) after there has been deducted any corporation tax (or any other tax levied upon or measured by reference to profits of or gains realised by the Company and its Subsidiaries (if any)) calculated at the rates then prevailing for which the Company or any of its Subsidiaries is liable and after making provision for deferred tax as contained in the relevant accounts but excluding any taxation relating to extraordinary items;
- (d) after exceptional but before extraordinary items (as defined in Statement of Standard Accounting Practice No. 6 or any revision or replacement thereof);
- (e) before allowing for minority interests;
- (f) after there have been deducted any interest charges paid or payable by the Company and its Subsidiaries;

(g) before any amortisation of any goodwill arising on the acquisition by the Company or a Subsidiary of any Company or business; and

(h) before any amortisation or depreciation of any other intangible assets;

all as certified by the Auditors;

"'C' Ordinary Shareholders"

the holders for the time being of 'C' Ordinary Shares;

"'C' Ordinary Shares"

the 'C' Ordinary Shares of one penny each in the capital of the Company;

"GAAP"

generally accepted accounting principles in England and Wales;

"Group"

the Company and its subsidiaries from time to time;

"Licences"

the licences granted to National Transcommunications Limited ("NTL") from time to time under the Wireless Telegraphy Act 1949 and/or the Telecommunications Act 1984 and any other licences granted to NTL for the purposes of its business;

"Listing"

(i) the listing of the Company's Ordinary Shares on The International Stock Exchange of the

United Kingdom and the Republic of Ireland Limited ("The Stock Exchange") becoming effective; or

- (ii) the granting of an application by the Company for the dealing in any of the Company's Ordinary Shares on any other public securities market (including the Unlisted Securities Market of The Stock Exchange) whereby such Shares can be freely traded and the approval for such dealing becoming effective;

whether such listing is effected by way of an offer for sale, a new issue of shares, an introduction, a placing or otherwise;

"Loan Agreements"

the Facilities Agreement dated 24th October 1991 between the Company, S.G. Warburg and Co. Limited and The Governor and Company of the Bank of Scotland (and others) as from time to time amended or restated relating to the provision of various facilities to the Company together with the Security Documents referred to therein;

"Loan Stock"

the unsecured 8% (net) Loan Stock 1997/2000 issued by the Company;

"MAM"

Mercury Asset Management plc;

"NTL"	National Transcommunications Limited;
"Sale"	the sale of any part of the equity share capital of the Company to any person or group resulting in that person or group (whether alone or in conjunction with persons acting in concert with such person or group, as defined by the City Code on Take-Overs and Mergers) holding at least 50 per cent of the equity share capital and for the purposes of these Articles none of the Special Shareholders, the 'A' Ordinary Shareholders (while they are Qualifying Institutions) and/or the 'B' Ordinary Shareholders and/or the 'C' Ordinary Shareholders shall be deemed to be acting in concert with one another;
"Securities Seal"	the official seal of the Company permitted to be used by Section 40 of the Companies Act 1985;
"Special Directors"	the Special Directors appointed pursuant to Article 27(1) and/or (2);
"Special Shares"	the Redeemable Special Shares of one penny each in the capital of the Company;
"Special Shareholders"	the holders for the time being of the Special Shares;
"Specified Majority"	75% of the Special Shares in issue;

"Qualifying Institution" MAM and any other person who manages a collective investment scheme (as defined in Section 75 Financial Services Act 1986) or any person who manages funds on its own behalf or for clients on a discretionary basis.

SHARE CAPITAL

4. The share capital of the Company at the date of the adoption of these Articles is divided into:-

- (a) 2,198,000 'A' Ordinary Shares of one penny each;
- (b) 289,000 'B' Ordinary Shares of one penny each;
- (c) 2,883,655 'C' Ordinary Shares of one penny each; and
- (d) 12 Redeemable Special Shares of one penny each.

The Special Shares shall constitute a separate class of shares. The 'A' Ordinary Shares, the 'B' Ordinary Shares and 'C' Ordinary Shares shall constitute one class of shares and shall rank pari passu in all respects save as set out in Article 5.

5. The rights of the 'A', 'B' and 'C' Ordinary Shares shall be as follows:-

(1) Income

The profits which are available for distribution (including retained distributable profits) shall be applied as follows:-

- (a) Subject to sub-clause (b)(i) the profits shall be distributed amongst the 'A' Ordinary Shareholders, the 'B' Ordinary Shareholders and the 'C' Ordinary Shareholders pari passu according to the amounts paid up or credited as paid up on the 'A' Ordinary Shares, the 'B' Ordinary Shares and the 'C' Ordinary Shares held by them respectively. PROVIDED THAT, save as set out in paragraph (b)(i) of this Article no such dividends shall be payable without the consent of the Specified Majority.
- (b) In respect of the financial year of the Company commencing 1st January 1994 and thereafter:-
- (i) the 'A' Ordinary Shareholders as a class shall be entitled (in priority to any application of profit for the benefit of any other class of shares and before any setting aside or appropriation of profit for any other purpose) in accordance with their entitlement hereinafter appearing to a cumulative participating ordinary dividend (the 'Participating 'A' Ordinary Dividend') which, net of any associated tax credit, shall be equal to one third of the Consolidated Post Tax Profit for the relevant financial year (or financial period, as the case may be). The Participating 'A' Ordinary Dividend shall be distributed among the 'A' Ordinary Shareholders in proportion to the amounts paid up or credited as paid up on the 'A' Ordinary Shares held by them. The Participating 'A' Ordinary Dividend shall accrue from day to day and shall be payable in full within 14 days of the production of the Auditors'

certificate referred to in paragraph (e) and in any event not later than two months after the end of the financial year or period in question ("the Due Date") unless a later date is agreed by the Specified Majority. If by the Due Date the Participating 'A' Ordinary Dividend has not been paid, it shall be paid as soon as practicable thereafter together with interest at the rate of 2% over the base rate of Bank of Scotland calculated from the Due Date to the date of actual payment. The Participating 'A' Ordinary Dividend shall be payable to 'A' Ordinary Shareholders on the register of members at the end of the relevant financial year or period.

(ii) Subject to the proviso in paragraph (a), the balance of any profits which the Company may determine to distribute in respect of any financial year after payment of the Participating 'A' Ordinary Dividend shall be distributed amongst the 'A' Ordinary Shares, the 'B' Ordinary Shares and the 'C' Ordinary Shares pari passu according to the amounts paid up or credited as paid up on the 'A' Ordinary Shares, the 'B' Ordinary Shares and the 'C' Ordinary Shares held by them respectively.

(c) The Participating 'A' Ordinary Dividend shall be due and payable on the dates or at the times herein stipulated and notwithstanding the fact that the same are expressed to be, and shall in the event of their not being paid be, 'cumulative', the amounts due and payable on such dates or at such times shall,

unless the Specified Majority decides to the contrary, ipso facto and without any resolution of the directors or the Company in general meeting (and notwithstanding anything contained in Regulations 102 to 105 (inclusive) of Table A) become a debt due from and immediately payable by the Company to the 'A' Ordinary Shareholders entitled to such dividends (subject to there being profits out of which the same may lawfully be paid).

- (d) If in any financial year of the Company there shall not be sufficient profits of the Company available for distribution and resolved to be distributed in respect of such financial year for which the Company's accounts are made up or to the extent that payment of a dividend would constitute a breach of the Loan Agreement, then any amount unpaid in respect of the Participating 'A' Ordinary Dividend shall be paid (together with interest at the rate set out in sub-paragraph (b)(i) above from the Due Date to the date of actual payment) as soon as the profits available for distribution are sufficient to cover such payment and such payment is not prohibited by the Loan Agreement and no dividend shall be proposed, declared, or paid on any other class of share in the capital of the Company, nor any other return of capital made other than in respect of redemption of a Special Share, unless and until all arrears of the Participating 'A' Ordinary Dividend have been paid. The Company and the Board shall take all steps in its power to procure that, subject to the Act, its subsidiaries pay to the Company sufficient distributions or otherwise provide funds to the Company to enable it to pay the Participating 'A' Ordinary Dividend.



- (e) For so long as there are 'A' Ordinary Shares in issue the Company shall require the Auditors to prepare a certificate as to the Consolidated Post Tax Profit for each financial year or period of the Company either before or at the same time as the consolidated accounts of the Company and its subsidiary undertakings for that year or period are being audited and the Company shall cause a copy of the certificate prepared for such financial year or period to be delivered to every member as soon as possible and in any case not later than the date of signing of the audited consolidated accounts of the Company and its subsidiary undertakings for such financial year or period, together with a statement of the adjustments (if any) and the reasons therefor made to the consolidated profits of the Company and its subsidiary undertakings (as shown in the audited consolidated accounts) in order to arrive at the figures contained in such certificate.

(2) As regards capital

In the event of a winding up of the Company or upon a reduction or return of capital other than as a result of redemption of a Special Share, the assets of the Company remaining after payment of its debts and liabilities and of the costs, charges and expenses of such winding up or reduction or return of capital shall be applied in the following manner and order of priority:-

- (i) firstly, in paying to the 'A' Ordinary Shareholders a sum equal to all unpaid arrears or accruals of any Participating 'A' Ordinary dividend (whether declared or not) plus interest

thereon at the rate set out in sub-paragraph (b)(ii) above calculated down to and including the date of repayment;

- (ii) secondly, in distributing the balance amongst the 'A' Ordinary Shareholders, the 'B' Ordinary Shareholders and the 'C' Ordinary Shareholders in proportion to the nominal values of the shares held by them

(3) As regards Voting

- (i) Subject to any special rights or restrictions as to voting attached by or in accordance with these Articles to any class of shares, on a show of hands every member who is present in person shall have one vote and on a poll every member who is present in person or by proxy shall have one vote for every 'A' Ordinary Share of which he is the holder.
- (ii) The holders of the 'B' Ordinary Shares and the holders of the 'C' Ordinary Shares shall have no right to receive notice of, or to attend or to vote at, any general meeting of the Company but notwithstanding this the holders of the 'B' Ordinary Shares and the holders of the 'C' Ordinary Shares shall have the same common law and statutory rights for protection of minorities as if the 'B' Ordinary Shares and the 'C' Ordinary Shares carried the right to receive notice of, attend and vote at general meetings of the Company.

SPECIAL SHARES

6. (1) The Special Shares shall not be entitled to any votes at any general meeting of the Company or to participate in the capital or profits of the Company at any time but a Special Shareholder shall be entitled to receive notice of and to attend general meetings of the Company.

(2) In the event of:-

(a) either a Listing or a Sale, in each case if such Listing or Sale is approved by the Specified Majority, all the rights attaching to each of the Special Shares shall forthwith determine upon such Sale or Listing becoming effective; or

(b) any holder of a Special Share ceasing to hold any 'A' Ordinary Shares, in which case all the rights attaching to any Special Share held by that holder shall forthwith determine,

and in each of the cases above,

(i) any Special Share the rights attaching to which have so determined shall unless redemption can be effected under the Act be automatically converted into one Deferred Share (having no rights to income or capital) and the Company shall give notice thereof forthwith to the holder of any such share;

(ii) if redemption within seven days of such determination would be permitted under the Act the Company shall give notice to the

holder of any Special Share, the rights attaching to which have so determined, redeeming such share for cash at par.

The provisions of paragraphs (3) and (4) respectively shall apply to any such redemption or conversion.

- (3) (a) Forthwith on receipt of the notice referred to in paragraph (2)(ii) each holder of a Special Share in respect of which the rights have determined pursuant to Article 6(2) shall deliver to the Office a certificate in respect of such share;
- (b) upon the redemption date (being the date upon which the Company gives notice pursuant to paragraph (2)(ii)) the nominal value of such share shall become a debt due and payable by the Company and upon receipt of the relevant share certificate (or an indemnity in respect thereof in a form reasonably satisfactory to the Company) the Company shall forthwith pay such amount to the Shareholder; and
- (c) if the holder of any Special Share which is liable to be redeemed shall fail or refuse to deliver up the certificate for his share the Special Share shall be automatically converted into a Deferred Share having no rights to income or capital.

(4) Each holder of a Special Share in respect of which the rights have determined pursuant to paragraph (2) above shall, unless redemption is effected in accordance with paragraph (3) above, be bound to send to the

Company upon receipt of the notice referred to in paragraph (2) above the certificate in respect of such Special Share and the Company shall in exchange issue to such holder a certificate for the Deferred Share resulting from the conversion.

(5) For so long as it or its nominee(s) hold 'A' Ordinary Shares MAM shall be entitled to hold not less than 7 Special Shares.

(6) Notwithstanding any other provisions of these Articles to the contrary, so long as any Special Shares shall remain outstanding:

- (i) the modification or variation of the rights attaching to the 'A' Ordinary, 'B' Ordinary, 'C' Ordinary or Special Shares;
- (ii) the proposing of any resolution for reducing any share capital or the amount (if any) for the time being standing to the credit of the Company's share premium account or capital redemption reserve in any manner for which the consent of the Court would be required pursuant to the Act, or for reducing any uncalled liability in respect of partly paid shares;
- (iii) the payment of any dividend (other than the dividend on the 'A' Ordinary Shares pursuant to Article 5(1)(b));
- (iv) the making of any distribution to Shareholders of a capital nature including any distribution out of capital profits or capital reserves or out of profits or reserves arising from a distribution of capital profits or capital reserves by a subsidiary of the Company;

- (v) the issue by any subsidiary (other than to the Company or another wholly owned subsidiary) of any shares in the capital of such subsidiary or the disposal by the Company or by any subsidiary of any such shares (otherwise than as aforesaid);
- (vi) the capitalisation of any of the distributable profits of the Company (whether or not the same are available for distribution and including profits standing to any reserve) or of any sum standing to the credit of the Company's share premium account or capital redemption reserve;
- (vii) the creation or the granting of any options or other rights to subscribe for shares or to convert into shares in the capital of the Company or any subsidiary or any variation in the authorised or issued share or convertible loan capital other than pursuant to the exercise of any option or other right to subscribe previously consented to under these Articles;
- (viii) any increase in the authorised or issued share capital of the Company or any subsidiary (save for the issue of:- (a) not more than 289,235 'B' Ordinary Shares directly or indirectly to employees of the Group and (b) not more than 396,420 'C' Ordinary Shares), pursuant to options granted to employees of the Group;
- (ix) any alteration to the Memorandum or Articles of the Company or any of its subsidiaries;

- (x) the redemption or repurchase or variation of rights of any shares of the Company or any subsidiary other than as specifically required by their terms (other than redemptions or repurchases of shares in a subsidiary involving payment to the Company or another wholly owned subsidiary);
- (xi) any sale, lease, transfer or other disposal of the whole or any significant part of the undertaking of the Company or of any of its subsidiaries or of assets (including shares in subsidiaries) having a value (a "Value") (taking into account liabilities (other than future or contingent liabilities not requiring provision under GAAP) to be assumed by the purchaser, lessee or transferee) of £5,000,000 or more PROVIDED THAT for the purposes of arriving at the Value a series of connected transactions shall be treated as one transaction. Once a transaction has been approved by the Specified Majority under this sub-paragraph the Value of such relevant transaction shall be disregarded for the purposes of determining whether any subsequent transaction requires approval under this sub-paragraph;
- (xii) any material change in the nature of the business of the Company and its Subsidiaries taken as a whole;
- (xiii) (a) the incurring after the date of adoption of these Articles of any indebtedness of the Company or any subsidiary (for borrowed money or otherwise except for normal trade credit in the ordinary course of business), other than borrowings under the Loan Agreements or the Loan Stock;

- (b) the modification, refinancing or amendment of the terms of any outstanding indebtedness (including under the Loan Agreements or the Loan Stock) of the Company or any subsidiary;
- (c) the repayment or redemption of any indebtedness in respect of borrowed moneys (as defined in Article 27(3)) other than as and when required by the Annual Business Plan for the time being or in accordance with the terms of the Loan Agreements (excluding for this purpose prepayment of the Term Loan) or the Loan Stock;
- (xiv) amalgamation or merger of the Company with or into any other entity, or amalgamation or merger of any subsidiary of the Company with or into any other entity (except the Company or another wholly owned subsidiary of the Company);
- (xv) any liquidation, winding up receivership or administration (or any analogous proceedings under the laws of any jurisdiction) of the Company or of any subsidiary of the Company;
- (xvi) any Listing or Sale; or
- (xvii) any item of capital expenditure by the Company or any of its subsidiaries of an amount in excess of £5,000,000 in any one transaction or any series of connected transactions;



(xviii) the entering into any contract or arrangement or a series of connected contracts or arrangements by the Company or any of its subsidiaries involving payments of £5,000,000 or more over the term of such contract or arrangement (or such connected contracts or arrangements as the case may be);

(xix) the acquisition of assets, (including shares and securities) in one or a series of transactions, for consideration in excess of £5,000,000 (including assumed liabilities);

(xx) the Company or any subsidiary entering into any legally binding agreement undertaking or commitment to do any of the foregoing;

shall require the consent of the Specified Majority given in accordance with this Article, in addition to any other approvals required by law or these Articles.

(7) The Company shall seek the consent referred to in paragraph (6) in respect of any matter therein referred to after such matter has been considered at a duly convened meeting of the Board by giving to each Special Shareholder notice that a decision in respect of such matter is required. Such notice shall be accompanied by:

- (i) the papers submitted to the Board as a body in connection with such matter; and
- (ii) the recommendation of the Board with regard to the decision to be made.

(8) The Company shall send copies of the following documents to each of the Special Shareholders:-

- (a) the monthly management accounts of the Company and its Subsidiaries, to be sent within 5 working days after the date of the first meeting of the Board held after they have been prepared;
- (b) a quarterly report by the chief executive of the Company, indicating significant developments and trends in relation to the business of the Company and its Subsidiaries during the last quarter, comments on trading relative to the equivalent period in the prior year and the current year's budget, and future trading prospects. Such report shall be sent to Special Shareholders within 7 days after the Board Meeting at which the Management accounts and the chief executive's report for the quarter were considered. Such report may be amended by the Board, prior to its dissemination, with the consent of the Board (including a majority of the Special Directors) and to exclude from the report, as disseminated, any confidential information.
- (c) copies of all documents sent to the agent pursuant to the Loan Agreements at the same time as they are despatched to the agent.

CLASS RIGHTS

7. (1) Whenever the capital of the Company is divided into different classes of shares the special rights attached to any class of shares may be varied or abrogated, either whilst the Company is a going concern or

during or in contemplation of a winding-up, with the consent in writing of the holders of 75% of the issued shares of that class, or with the sanction of an extraordinary resolution passed at a separate meeting of the holders of the shares of that class. To every such separate meeting all the provisions of these Articles relating to general meetings of the Company or to the proceedings thereat shall, mutatis mutandis, apply, save that the necessary quorum shall be two persons at least holding or representing by proxy one third in nominal amount of the issued shares of the class (but so that if at any adjourned meeting of such holders a quorum as above defined is not present those members who are present shall be a quorum and where there is only one person holding shares of that class that sole shareholder shall be a quorum), and that the holders of shares of the class shall, on a poll, have one vote in respect of every share of the class held by them respectively.

(2) The rights conferred upon the holders of shares of any class shall not, unless otherwise expressly provided by the terms of the shares of that class, be deemed varied by the creation or issue of further shares ranking in priority to or pari passu therewith.

#### ALLOTMENT OF SHARES

8. (1) Subject to paragraph (4) of this Article the directors shall not without the authority of the Company in General Meeting and of any consents required pursuant to Article 6(6) allot any of the shares in the capital of the Company.

(2) Where authority has been given to the directors as referred to in paragraph (1) of this Article to allot shares the directors may subject to the terms of such authority and subject to any terms on which any shares are

created or issued and in accordance with this Article allot shares provided that no shares shall be issued at a discount contrary to the Act.

(3) In the foregoing paragraphs of this Article references to allotment of shares shall include references to the grant of any right to subscribe for, or to convert any security into, shares.

(4) Where authority has been given to the directors as referred to in this Article to grant a right to subscribe for, or to convert any security into, shares the directors shall allot such shares as may require to be allotted pursuant to the exercise of such right.

(5) Unless the Company in General Meeting by special resolution shall otherwise determine, no shares in the Company shall be allotted on terms that the right to the same may be renounced by the allottees.

(6) Sections 89(1) and 90 of the Act shall not apply to the Company.

9. In Regulation 3 in Table A there shall be inserted after the words "provided by the articles" the following words, namely: "or by special resolution".

10. Subject to the provisions of Part V of the Act and subject to any other rights attaching to any class of share of the Company the Company may:

(a) issue shares which are to be redeemed or are liable to be redeemed at the option of the Company or the shareholders concerned;

- (b) purchase its own shares (including any redeemable shares);
- (c) make payment in respect of the redemption or purchase under Sections 159 and 160 or (as the case may be) Section 162 of the Act, together with the relevant consent, of any of its own shares, otherwise than out of distributable profits of the Company or the proceeds of a fresh issue of shares to the extent permitted by Sections 171 and 172 of the Act.

#### SHARE CERTIFICATES

11. In Regulation 6 in Table A there shall be inserted after the word "seal" the following words, namely: "or the official seal of the company or the securities seal of the company".

#### LIEN

12. The Company shall have a first and paramount lien on all the shares registered in the name of any member (whether solely or jointly with others) for all moneys due to the Company from him or his estate, whether solely or jointly with any other person (whether a member or not) and whether such moneys are presently payable or not. The Company's lien on a share shall extend to all dividends or other moneys payable thereon or in respect thereof. The directors may at any time resolve that any share shall be exempt, wholly or partly, from the provisions of this Article.

#### CALLS ON SHARES

13. The directors may accept from any member the whole or any part of the amount remaining unpaid on any share held by him notwithstanding that no Part of that amount has been called up.

TRANSFER OF SHARES

14. (1) The directors may refuse to register a transfer if either the share is not fully paid up or the Company has a lien thereon or the transfer is prohibited by these Articles or by the terms of the allotment of the shares in question.
- (2) No sale or transfer of any shares to any person whomsoever shall be made or registered if it would give the Secretary of State power to revoke any of the Licences or if, in the reasonable opinion of the Board, it might otherwise jeopardise any of the Licences or give the Secretary of State the ability to vary any of the Licences.
- (3) The provisions of paragraphs (1) and (2) shall apply mutatis mutandis to the sale or other disposal of any shares allotted to a member by means of a renounceable letter of allotment or other renounceable document of title.
- (4) The Board shall within 30 days of any request from a shareholder wishing to transfer shares inform such shareholder whether any person named by such shareholder as a proposed transferee might, in the Board's opinion, jeopardise any of the Licences or give the Secretary of State the ability to vary any of the Licences.
- (5) No share shall be issued or transferred to any bankrupt or person of unsound mind.

- (6) Notwithstanding any other provision of these Articles no member may transfer or agree to transfer any interest in any 'A' Ordinary Shares to any person who is not a Qualifying Institution ("the transferee") if, as a result of the transfer or a series of transfers the transferee would, either alone or in conjunction with persons acting in concert, directly or indirectly own 90% or more of the 'A' Ordinary Shares in issue (or any other shares into which such shares may have been converted) unless the transferee makes an irrevocable offer open for acceptance for not less than 30 days to acquire the remaining 'A' Ordinary Shares and all of the 'B' Ordinary Shares and the 'C' Ordinary Shares in issue at a price per share and on terms no less favourable than the most favourable terms provided by the transferee during the twelve months preceding the proposed date of such transfer (including the terms proposed in relation to the transfer itself), after deducting such part of the price paid (if any) as represented the value of any arrears or accrual of dividend in respect of such shares. For these purposes the expression "acting in concert" has the meaning set out in the City Code on Take-Overs and Mergers.
- (7) In the event that (i) a person ("the Offeror") makes an irrevocable bona fide offer ("the Offer") open for acceptance for not less than 30 days ("the Offer Period") to acquire all the 'A' Ordinary Shares, 'B' Ordinary Shares and 'C' Ordinary Shares held by all members of the Company (other than any already held by the Offeror) and (ii) the Offer is accepted by shareholder(s) holding in aggregate more than 90% of the 'A' Ordinary Shares in issue excluding any shares held by the

Offeror or a person connected (within the meaning of Section 839 Income and Corporation Taxes Act 1988) with the Offeror then each member:

- (i) shall be bound to accept the Offer in the Offer Period and to execute all such documents and to do all such other acts or things which are necessary to transfer its shares to the Offeror in accordance with the terms of the Offer; and
- (ii) hereby appoints the Company as his Attorney in his name and on his behalf to accept the Offer and execute all such documents and to do all such other acts or things which the Company as his Attorney deems necessary to transfer its shares to the Offeror in accordance with the terms of the Offer;

and the aggregate price paid by the Offeror to the holders of shares accepting the Offer shall be treated by them as if it were a surplus distributed to such holders in a liquidation of the Company and shall be divided among the holders of the 'A', 'B' and 'C' Ordinary Shares accordingly. Any member which receives from such Offeror a greater payment than that to which he is entitled shall hold the amount of the overpayment in trust for the other members in proportion to their respective entitlements.

15. (1) Transfers of 'A' Ordinary Shares shall only be effected in accordance with this Article 15.



- (2) Subject to paragraph (3) a transfer of 'A' Ordinary Shares shall only be made to a Qualifying Institution whose identity has been approved by the Specified Majority and only if the transferee complies with paragraph (3) of this Article.
- (3) Before disposing, directly or indirectly, of the beneficial interest in any 'A' Ordinary Shares the member who is proposing to make the disposal shall procure that the transferee, having decided how many 'A' Ordinary Shares in aggregate it wishes to acquire interests in ("the Aggregate Amount") offers to buy the requisite number of shares at the same price and on the same terms from each of the 'A' Ordinary Shareholders pro rata to his total holdings of 'A' Ordinary Shares. Each 'A' Ordinary Shareholder shall have 10 business days in which to decide to accept or reject such opportunity and, if it does not reply within such period, shall be deemed to have rejected it, in which case the other parties shall be free (on a pro rata basis) to dispose of 'A' Ordinary Shares in excess of their pro rata entitlement up to the Aggregate Amount. The provisions of this paragraph (3) may be waived by the Specified Majority.
- (4) The following transfers by Qualifying Institutions shall not be subject to paragraphs (2) and (3) of this Article. Transfers to:-
- (a) its nominee or from one nominee to another nominee of the Qualifying Institution;

- (b) the beneficial owner for the time being of the shares or any other person who becomes a manager or trustee of such shares for the same beneficial owner;
- (c) any other company (in this Article called "Associated Company") which is a holding company of that member or which is another subsidiary of such a holding company (the expression "holding company" and "subsidiary" having the meanings respectively given to them in section 736 of the Act);
- (d) a fund or a nominee of a fund managed by a Qualifying Institution or any other person who becomes a manager or trustee of such a fund;
- (e) a limited partnership in which each of the limited partners is at the time of the transfer a beneficial owner of some or some part of the shares the subject of the transfer ("a qualifying partnership") or the general partner or a nominee of the qualifying partnership or any transfer thereafter by a qualifying partnership or the general partner or a nominee of such qualifying partnership to the beneficial owner of the shares;
- (f) a nominee formed for the purposes of administering a co-investment scheme of a Qualifying Investor.

- (5) Where a Qualifying Institution has transferred any shares to an Associated Company (the "transferee company") pursuant to the exception contained in paragraph (4)(c) and thereafter at any time the transferee company ceases to be an Associated Company with the transferor company, the transferee company shall promptly give notice thereof to the Company and shall transfer the relevant shares to the transferor company or an Associated Company of the transferor company within 14 days of the transferor company and the transferee company ceasing to be Associated Companies.
16. (1) Transfers of 'B' Ordinary Shares shall only be effected in accordance with paragraphs (6) and (7) of Article 14 or this Article 16.
- (2) The following transfers by 'B' Ordinary Shareholders shall be permitted:-
- (a) in the case of shares beneficially owned by a member, any transfer to the parents, brothers, sisters, spouse, child or remoter issue of such member or to the trustees of any trust the sole beneficiaries of which are one or more of that member, such parent, brother, sister, spouse, child or remoter issue PROVIDED THAT if and whenever any such persons cease to be the sole beneficiaries of such trust the trustee or trustees shall forthwith give a Transfer Notice (as defined in paragraph (3) of this Article) in respect of the shares in question and, if they fail to

give a Transfer Notice within 14 days of such cessation, they shall be deemed to have given a Transfer Notice at the end of such period of 14 days;

- (b) if the Board does not allocate the shares in accordance with paragraph (6), any transfer by the personal representative of a deceased member to the widow, widower, parents, brother, sister, child or remoter issue of such deceased member or to another personal representative of the same estate;
- (c) in the case of a trustee of a trust any transfer to the beneficiaries or to another trustee of that trust or to the trustee of another trust for the benefit of any one or more of the same beneficiaries only subject to the same proviso as is stated in sub-paragraph (a).

PROVIDED THAT if the person from whom 'B' Ordinary Shares were transferred pursuant to the provisions of this paragraph whether directly or through a series of transfers ceases to be a 'B' Ordinary Shareholder the person to whom such shares have been transferred in accordance with the provisions of this paragraph shall be bound to offer all of the shares then registered in his name to the Board at a price to be determined by the Board in accordance with paragraph (5). The offer is referred to in this Article as the Transfer Notice and, once given or deemed to be given, may not be withdrawn.

(3) If any director or employee of the Company or any of its subsidiaries ceases (other than by reason of disability or ill-health, retirement at normal retirement date or at an earlier date at the request of the employer or dismissal which is wrongful or unfair within the meaning of the provisions of the Employment Protection (Consolidation) Act 1978) to be such a director or employee or dies he or his personal representatives (in the case of death) shall be bound to offer all of the shares then registered in his or their names ("the Shares for Sale") to the Board at a price to be determined by the Board in accordance with paragraph (5). The offer is referred to in this Article as the Transfer Notice and, once given or deemed to be given, may not be withdrawn.

(4) If a 'B' Ordinary Shareholder ceases to be an employee (from any cause other than as specified in paragraph (3)) of the Company or any of its subsidiaries or at any time wishes to transfer shares to any person other than those listed in paragraph (2), he may (but shall not be obliged to) issue a Transfer Notice in respect of all of the shares held by him to the Board at a price to be determined by the Board in accordance with paragraph (5). Except when served after a 'B' Ordinary Shareholder has ceased to be an employee the Transfer Notice shall be accompanied by an explanation to the Board as to why he wishes to transfer shares.

(5) (a) The price for the Shares for Sale ("the Price") shall equal the fair value of the Shares for Sale based on the most recent annual valuation and computed in accordance

with sub-paragraph (b), unless the Board believes that there has been a material change in the value of the Shares for Sale in which case the Price shall be the fair value (computed in accordance with sub-paragraph (b)), but based on the next annual valuation. In this case, the Transfer Notice shall be held over and the Shares for Sale shall not be transferred until the next annual valuation has been made.

- (b) The Board shall arrange that each year the Auditors shall certify in writing the sum which in their opinion is the fair value of a 'B' Ordinary Share (on the basis that the transferor is a willing seller). In certifying such sum the Auditors shall take into account generally accepted valuation methods and shall also take into account the fact that the Shares for Sale constitute a minority interest and that the Shares for Sale are unlisted but otherwise the Auditors shall have regard to such criteria as they shall regard as appropriate for the purpose. In so certifying, the Auditors shall be considered to be acting as experts and not as arbitrators and, accordingly, the Arbitration Acts 1950 and 1979 or any statutory re-enactment or modification thereof for the time being in force shall not apply. The cost of obtaining the Auditors' certificate shall be borne by the Company.

- (6) On receipt by the Company of a Transfer Notice or a deemed Transfer Notice the Board shall be entitled to determine, subject to the prior written approval of the Special Directors, to allocate the Shares for Sale:-

- (a) to a person or persons replacing (directly or indirectly) the transferor as an employee or director of the Company;
- (b) to a trust for the benefit of employees or directors;
- (c) directly or indirectly to such other employees as the Board shall consider appropriate.

The Board shall use all reasonable endeavours to allocate the Shares for Sale as provided in this paragraph, if a Transfer Notice is served or deemed served after the death of a 'B' Ordinary Shareholder or after such holder (or the person from whom such shares were transferred pursuant to the provisions of paragraph (2) hereof whether directly or through a series of transfers) has ceased to be a director or employee of the Company or any of its subsidiaries. In these circumstances, the Board will use all reasonable endeavours to make such allocation as soon as practicable, having regard to the provisions in paragraph 5(a) of this Article relating to the holding over of Transfer Notices until the next annual valuation. In any other circumstances the Board shall have no obligation to seek to allocate the Shares for Sale. In any case where the Board fails to allocate the Shares for Sale, such Shares may not be transferred to any other party (except as provided in paragraph (2)) without the consent of the Board (including the Special Directors).

(7) Within 14 days of the issue or deemed issue of a Transfer Notice the transferor shall be bound to deliver to the Board a Stock Transfer Form ("the Transfer Form") in respect of all the Shares for Sale duly executed by him with the name of the transferee in blank. The transferor shall be deemed to have given the Board irrevocable instructions to fill in the name of the transferee in accordance with the determination in accordance with paragraph (6) as soon as this has been done and the Price has been determined pursuant to paragraph (5). If, after becoming so bound, the transferor makes default in delivering the Transfer Form, the Company may receive the purchase money and the transferor shall be deemed to have appointed any one director or the secretary of the Company as his agent to execute a transfer form to the purchaser and upon execution of such transfer, the Company shall hold the purchase money in trust for the transferor. The receipt of the Company for the purchase money shall be a good discharge to each purchaser and, after his name has been entered in the register of members of the Company, the validity of the proceedings shall not be questioned by any person.

(8) The provisions of this Article shall apply mutatis mutandis to the sale or other disposal of any shares allotted to a member by means of a renounceable letter of allotment or other renounceable document of title. No 'B' Ordinary Shareholder shall transfer or agree to transfer the legal or beneficial ownership of any share registered in his name or allotted to him except by means of a transfer and subject to the provisions of this Article.



- (9) Any member of the Company who (being an individual) shall have made in respect of him a petition for a bankruptcy order or an application for a Voluntary Arrangement (as that expression is defined in Section 1(1) of the Insolvency Act 1986) or (being a body corporate) shall have any action, application or proceeding taken in respect of it for a Voluntary Arrangement or composition or reconstruction of its debts, the presentation of an administration petition, its winding up or dissolution or the appointment of a receiver, liquidator, trustee or administrative receiver or similar officer, shall be deemed to have given a Transfer Notice at the Price in respect of all of his or its shares in the capital of the Company immediately before the happening of such event unless any person entitled to a share in consequence of any of such events is, or within thirty days of becoming so entitled transfer such shares to, a person to whom shares may be transferred pursuant to paragraph (2). Regulations 29-31 of Table A shall be construed accordingly.
- (10) Regulation 29-31 of Table A shall be construed subject to this Article.
- (11) If, in any case where under the provisions of these Articles a person has become bound to give a Transfer Notice in respect of any shares and such a Transfer Notice is not duly given within a period of two weeks of demand being made a Transfer Notice shall be deemed to have been given at the expiration of the said period. In any such case as aforesaid the provisions of this Article shall take effect.

- (12) The provisions of this Article shall cease and determine (except in relation to shares which are then the subject of a Transfer Notice) on a Sale or Listing.
17. (1) Transfers of 'C' Ordinary Shares shall only be effected in accordance with this Article 17.
- (2) With regard to transfers of 'C' Ordinary Shares held by a Qualifying Institution the provisions of Article 15(2), (3), and (4) shall apply mutatis mutandis save that all references to 'A' Ordinary Shares shall be construed as references to 'C' Ordinary Shares.
- (3) With regard to transfers of 'C' Ordinary Shares held by anyone other than a Qualifying Institution the provisions of Article 16(1), (2), (5), (6), (7), (8), (9), (10), (11) and (12) shall apply mutatis mutandis save that all references to 'B' Ordinary Shares shall be construed as references to 'C' Ordinary Shares. In addition the following provisions shall apply.
- (a) If any director or employee of the Company or any of its subsidiaries ceases for any reason to be such a director or employee or dies he or his personal representatives (in the case of death) shall be bound to offer all of the 'C' Ordinary Shares then registered in his or their names ("the 'C' Shares for sale") to the Board at a price to be determined by the Board in accordance with Article 16(5). The offer is referred to in this Article 17 as the 'C' Transfer Notice and, once given or deemed to be given, may not be withdrawn.

- (b) If at any time any person (whether or not a 'C' Ordinary Shareholder) ceases for whatever reason to be a director or employee of the Company or any of its subsidiaries and at any time thereafter he or his personal representatives (in the case of death) becomes or become the holder of any 'C' Ordinary Shares in the Company by virtue of any rights or interests acquired by him whilst he was such director or employee, he or his personal representatives shall thereupon be bound to issue a Transfer Notice in respect of all the 'C' Ordinary Shares held by him to the Board at a price to be determined by the Board in accordance with Article 16(5) (as applied to 'C' Ordinary Shares by Article 17(3)). In any such case as aforesaid the provisions of this Article shall take effect.

18. Special Shares shall only be transferable to a Qualifying Institution holding not less than 8.33% of the issued 'A' Ordinary Shares (or such lesser percentage as is approved by the Specified Majority) which has been approved as the holder of Special Shares by the Specified Majority.

19. (1) The directors may also refuse to register a transfer unless:-

- (a) it is lodged duly stamped at the office or at such other place as the directors may appoint and is accompanied by the certificate for the shares to which it relates and such other evidence as the directors may reasonably require to show the right of the transferor to make the transfer;

(b) it is in respect of only one class of share; and

(c) it is in favour of not more than four transferees.

(2) If the directors refuse to register a transfer of a share, they shall within fourteen days after the date on which the transfer was lodged with the Company send to the transferor notice of the refusal.

(3) All instruments of transfer which are registered shall be retained by the Company, but any instrument of transfer which the directors refuse to register shall be returned to the person lodging it when notice of the refusal is given.

#### ALTERATION OF SHARE CAPITAL

20. The provisions of regulations 32, 33, 34 and 36 of Table A shall take effect subject to the provisions of Article 7.

#### GENERAL MEETINGS

21. Every notice convening a general meeting shall comply with the provisions of Section 372(3) of the Act as to giving information to members in regard to their right to appoint proxies; and notices of and other communications relating to any general meeting which any member is entitled to receive shall be sent to the Auditors.

22. A poll may be demanded by any member present in person or by proxy or (being a corporation) by its duly authorised representative. Regulation 46 in Table A shall be construed accordingly.

VOTES OF MEMBERS

23. The instrument appointing a proxy shall be in writing in any usual or common form and shall (except in the case of an appointment by telex or a facsimile copy of an appointment otherwise complying with the requirements of this Article) be executed by the appointor or his attorney duly authorised in writing or in such other form as the directors may approve. A proxy need not be a member of the Company.

24. The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is executed, or a notarially certified copy of such power or authority, shall be deposited or received at the registered office (or at such other place in the United Kingdom as is specified for that purpose in any instrument of proxy sent by the Company in relation to the meeting) not less than forty-eight hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or handed to the chairman of the meeting or adjourned meeting, and, in default, the instrument of proxy shall be invalid.

25. Subject to the provisions of the Act, a resolution in writing signed by all the members of the Company who would be entitled to receive notice of and to attend and vote at a General Meeting, or by their duly appointed proxies or attorneys, shall be as valid and effectual as if it had been passed at a General Meeting of the Company duly convened and held. Any such resolution may be contained in one document or in several documents in the same terms each signed by one or more of the members or their proxies or attorneys, and signature in the case of a body corporate which is a member shall be sufficient if made by a director or the secretary thereof or by its duly authorised representative.

DIRECTORS

26. (1) Unless and until otherwise determined by the Specified Majority the number of directors shall not be subject to any maximum but shall be not less than two. Regulation 64 in Table A shall not apply to the Company.

(2) A director shall not require a share qualification but shall be entitled to attend and speak at any General Meeting of the Company and at any separate meeting of the holders of any class of shares in the capital of the Company.

SPECIAL DIRECTORS

27. (1) MAM, for so long as it or its nominees holds not less than 7 Special Shares, shall be entitled by notice in writing addressed to the Company from time to time to appoint as directors any two persons and may remove from office any person so appointed and appoint another person in his place. If at any time it has only appointed one director he shall have two votes.

(2) The holders for the time being of the remaining Special Shares (other than those held by MAM) shall, acting by majority, be entitled by notice in writing addressed to the Company from time to time to appoint as a director any one person and may remove from office any person so appointed and appoint another person in his place.

(3) Each of the Directors appointed pursuant to paragraphs (1) and/or (2) of this Article ("the Special Directors") shall at the request of his appointor be appointed to any committee of the Directors.

(4) Each of the Special Directors may by notice in writing to the Company appoint any other person (whether a Director or member of the Company or not) to act as his alternate at any meeting of the Directors, to remove at any time such appointee and to appoint any other person in his place. The alternate shall be entitled to sit on any committee of which his appointor is a member when his appointor is absent.

(5) For so long as MAM or the other Special Shareholders have not exercised their respective right to appoint Special Directors they shall each be entitled, by notice in writing addressed to the Company and served at the registered office, from time to time to appoint any one person ("the Observer"), to remove any person so appointed and to appoint another person in his place. The Observer shall have the right to attend all meetings of the Board and of such of the Company's subsidiaries and any committees of the Board and of the relevant subsidiaries as are specified by the appointor. The Observer shall be given all notices, agendas, minutes and other papers relating to such meetings and to meetings of any committee of any such board of directors and such other information as a director would be entitled to receive and at the same time as such information is provided to directors and shall as regards confidentiality have the same obligations to the Company and any subsidiary to which he is appointed as if he were a director and shall undertake to the Company and any relevant subsidiary accordingly. The Observer shall be entitled to attend and speak at any such meetings of the board but shall not in any circumstances be entitled to vote.

(6) The Company and the Board shall take all such steps as lie within their respective powers to procure that, at the request of the person(s) which appointed him, any Special Director shall be appointed as a director of any of the Company's subsidiaries and to any committee of the

board of any such subsidiary, and such Special Director so appointed shall be entitled to appoint one alternate in respect of the subsidiaries (who shall be the same person as the alternate director of the Company appointed pursuant to Article 26(4)). The Company shall further take all steps as lie within its power to procure that its subsidiaries conduct their affairs so as to comply with all relevant provisions of these Articles.

(7) Each of the Special Directors or the Observers appointed pursuant to this Article 27 shall be entitled to report back to his appointor on the affairs of the Company and its subsidiaries and to disclose to his appointor such information as he shall reasonably consider appropriate, provided that such appointor shall have entered into an undertaking of confidentiality on terms reasonably satisfactory to the appointor and the Company.

(8) Any Special Director shall be entitled to all notices and-voting rights and in all other respects be treated as the other directors of the Company, save that the remuneration of the non-executive shall be at such fee (being not less than £15,000 per annum, subject to annual adjustment in accordance with the Index of Retail Prices) as is agreed between the Board and his appointor.

(9) In addition to the powers under paragraphs (1) and (2) of this Article, the holders of the Specified Majority shall be entitled to notice in writing addressed to the Company to appoint any number of additional directors (whether executive or non-executive) of the Company and/or any of its subsidiaries.



(10) On any resolution pursuant to section 303 of the Act or Article 31 hereof for the removal of a Special Director his appointor present at such meeting shall together have twice as many votes as all other Shareholders voting on such resolution.

MATTERS REQUIRING APPROVAL OF THE SPECIAL DIRECTORS

28. (1) In addition to any other authority required by law or by these Articles:-

- (a) the appointment of any additional executive directors or non-executive directors (other than in accordance with Article 26);
- (b) the approval of the Annual Business Plan or any material modification thereto;
- (c) the issue of shares directly or indirectly to employees of the Group;
- (d) the alteration of the accounting reference date of the Company or any subsidiary, the adoption of the accounting policies for the Company and any material change in the accounting policies of the Company or any subsidiary unless the Board or the directors of that subsidiary are advised in writing by the Auditors of the Company that not to make such a change will lead them to qualify the accounts to the effect that they do not give a true and fair view;

- (e) any item of capital expenditure by the Company or any of its subsidiaries of an amount in excess of £2,000,000 in any one transaction or any series of connected transactions;
- (f) the making by the Company or any of its subsidiaries of any material contract outside the ordinary course of their respective businesses or otherwise than at arm's length commercial terms;
- (g) the entering into any contract or arrangement or a series of connected contracts or arrangements by the Company or any of its Subsidiaries involving payments of £2,000,000 or more over the term of such contract or arrangement (or such connected contracts or arrangements as the case may be);
- (h) the acquisition of assets, (including shares and securities) in one or a series of transactions, for consideration in excess of £2,000,000 (including assumed liabilities);
- (i) any sale, lease, transfer or other disposal of the whole or any significant part of the undertaking of the Company or of any of its subsidiaries or of assets (including shares in subsidiaries) having a value (a "Value") (taking into account liabilities (other than future or contingent liabilities not requiring provision under GAAP) to be assumed by the purchaser, lessee or transferee) of £2,000,000 or more PROVIDED THAT for the purposes of arriving at the Value a series of connected transactions shall be treated as one transaction. Once a transaction has been approved by the Special Director under this sub-paragraph

the Value of such relevant transaction shall be disregarded for the purposes of determining whether any subsequent transaction requires approval under this sub-paragraph;

(j) the dismissal, or any recommendation for the appointment, of any auditors and legal advisers to the Company or its Subsidiaries;

(k) any change in the service agreements for directors (other than a determination of remuneration made by the Remuneration Committee in accordance with the provisions of Article 42) of the Company or NTL or of any employee of the Company or NTL earning £150,000 or more per annum;

(l) the Company or any subsidiary entering into any legally binding agreement undertaking or commitment to do any of the foregoing;

shall, whether or not any such matter requires the consent of the Specified Majority in accordance with Article 5(6), require, in addition to the approval of the Board, the consent of a majority of the Special Directors given in accordance with this Article. If there are two or less Special Directors the required consent shall be unanimous. If there are no Special Directors but there is an Observer, his consent will be required.

(2) The Company shall seek the consents referred to in this Article in respect of any matter therein referred to after such matter has been considered at a duly convened meeting of the directors. The notice convening such a Board Meeting shall contain provision that a decision in respect of

such matter is required. Such notice shall be accompanied by documentation (comprising papers submitted to the other directors) of reasonable length which is in the possession of the Company and is relevant to the matter requiring a decision.

(3) Within 5 working days of the later of (i) a Special Director having actually received the papers referred to in paragraph (2) and having actually received such responses as he may reasonably request to any points, queries or reservations he may have, and (ii) the Board Meeting referred to in paragraph (2) having actually happened, such Special Director shall notify the Company as to whether he consents to the proposal or otherwise. Any failure to notify the Company within such period shall be deemed to be consent. If at the Board Meeting referred to in paragraph (2), the Special Director gives a formal affirmative vote (minuted as such) in favour of the proposal, that shall be regarded as consent.

(4) The consents referred to in this Article may be given either specifically or generally in respect of the matters comprised therein.

#### BORROWING POWERS

29. (1) Subject as hereinafter provided the directors may exercise all the powers of the Company to borrow money, and to mortgage or charge its undertaking, property and uncalled capital, and to issue debentures and other securities, whether outright or as collateral security, for any debt, liability or obligation of the Company or of any third party.

(2) The directors shall restrict the borrowings of the Company and exercise all voting and other rights or powers of control exercisable by the Company in relation to its Subsidiaries and subsidiary undertakings (if any) so as to secure (as regards subsidiaries and subsidiary undertakings so far as by such exercise they can secure) that the aggregate amount for the time being remaining undischarged of all moneys borrowed by the Company and its Subsidiaries and subsidiary undertakings for the time being shall not at any time without the consent of the Company in General Meeting exceed the greater of £70 million or twice the aggregate of:-

- (a) the amount paid up on the issued share capital of the Company;
- (b) the amount standing to the credit of the consolidated capital and revenue reserves of the Company and its Subsidiaries and subsidiary undertakings (including retained earnings); and
- (c) the principal amount of outstanding Loan Stock

all as shown in the latest audited and consolidated balance sheet of the Company and its Subsidiaries and subsidiary undertakings but adjusted as may be necessary:

- (a) to take account of:
  - (i) any variation in the amount paid up on the issued share capital of the Company and in the share premium account since the date of such balance sheet;

- (ii) any distribution from such reserves (otherwise than to the Company or to a Subsidiary) not provided for therein;
- (b) by deducting any debit balance on profit and loss account as shown in such balance sheet; and
- (c) by the addition of any previous amortisation of goodwill

but until such time as the first audited and consolidated balance sheet of the Company and its Subsidiaries and subsidiary undertakings shall be presented to an Annual General Meeting of the Company such borrowings shall not exceed £70 million.

(3) For the purpose of these Articles (but without prejudice to the generality of the expression "moneys borrowed"):

- (a) the amount outstanding in respect of acceptances by the Company or any of its subsidiaries or by any bank or accepting house under any acceptance credit opened on behalf of the Company or any subsidiaries or subsidiary undertakings (not being acceptances in relation to the purchase of goods in the normal course of trading) shall be taken into accounts as money borrowed;
- (b) moneys borrowed for the purpose of repaying the whole or any part of the moneys previously borrowed and then outstanding (including any premium payable on final repayment) and applied for that purpose within three months of such borrowing shall not, pending such application, be taken into account as moneys borrowed;

- (c) the following shall be deemed to be money borrowed:
- (i) the principal amount for the time being owing in respect of any debenture within the meaning of part XXVI of the Act whether issued for cash or otherwise;
  - (ii) the nominal amount of any share capital and the principal amount of any borrowings or other indebtedness the redemption or repayment of which is guaranteed or secured or is the subject of an indemnity given by the Company or any of its subsidiaries or subsidiary undertakings and the beneficial interest in which is not owned by the Company or any of its subsidiaries or subsidiary undertakings;
  - (iii) any amount raised by bills of exchange;
  - (iv) the principal amount for the time being owing in respect of any arrangements for hire, hire-purchase or purchase on credit sale or conditional sale terms and including sums due under finance leases;
  - (v) the aggregate amount of any book debts sold by the Company or any of its subsidiaries or subsidiary undertakings in respect of which the purchase price is outstanding;
  - (vi) the aggregate amount for the time being of any unpaid taxation in respect of which the Company or any of its subsidiaries or subsidiary undertakings is or may be required to pay interest;

(vii) the amount of any borrowings subordinated in the event of the liquidation of the Company to the unsecured creditors of the Company;

(viii) factoring or like agreements or trade finance or other arrangements entered into primarily as a method of raising finance but not shown as borrowings on the balance sheet of the Company receiving credit and liabilities incurred primarily in connection with the raising of finance but which are off-balance-sheet by reason of being contingent, conditional, limited recourse or netted-out against an asset or otherwise;

(d) moneys borrowed shall not include:-

(i) any borrowings between the Company and any wholly owned subsidiary or between any wholly owned subsidiary and another; and

(ii) accrued dividends and interest thereon; and

(iii) the principal amount of Loan Stock and accrued interest thereon;

(e) moneys borrowed and outstanding in a currency other than sterling shall be converted into sterling at the market rate of exchange prevailing for the relevant currency in London on the date on which the borrowing limit falls to be applied;



- (f) where moneys borrowed by a member of the Group are guaranteed by another member of the Group only the principal indebtedness shall be included.

(4) A certificate by the Auditors as to the aggregate amount of moneys borrowed which may at any one time in accordance with this Article be owing by the Company and its Subsidiaries and subsidiary undertakings shall be conclusive and shall be binding upon the Company, its members and all persons dealing with the Company.

(5) No liability or security given in respect of moneys borrowed in excess of the limit imposed by paragraph (2) of this Article shall be invalid or ineffectual except in the case of express notice at the time when the liability was incurred or security given that the limit thereby imposed had been or was thereby exceeded.

#### QUALIFICATION OF DIRECTORS

30. In addition to the provisions of Regulation 81, the office of a director shall also be vacated if:-

- (a) he becomes of unsound mind;
- (b) he is removed under Article 26, being a Non-Executive Director;  
or
- (c) he is removed pursuant to Section 303 of the Act or Article 31.

31. Any person may be appointed or elected as a director, whatever his age, and no director shall be required to vacate his office by reason of his attaining or having attained the age of seventy years or any other age.

#### REMOVAL OF DIRECTORS

32. In addition and without prejudice to the provisions of Section 303 of the Act and without prejudice to the rights of any directors under his service contract in respect of such removal but subject to Article 26:-

- (a) the Company may by extraordinary resolution remove any director other than a Special Director before the expiration of his period of office;
- (b) the holders of the Specified Majority may, by notice in writing given to the Company at its registered office remove any director other than a Special Director from his office as director and from any executive position he may have with the Company or any of its subsidiaries.

#### ALTERNATE DIRECTORS

33. A director may at any time appoint any other person (whether a director or member of the Company or not) to act as alternate director at any meeting of the directors at which the director is not present, and may at any time revoke such appointment. An alternate director so appointed shall not be entitled as such to receive any remuneration from the Company but shall otherwise be subject to the provisions of Table A and of these Articles with regard to directors. An alternate director shall be entitled to receive

notice of all meetings of the directors and to attend and vote as a director at any such meeting at which the director appointing him is not personally present, and generally to perform all the functions, rights, powers and duties of the director by whom he was appointed. An alternate director shall as regards confidentiality have the same obligations to the Company and any subsidiary to which he is appointed as if he were a director and shall undertake to the Company and any relevant subsidiary accordingly. An alternate director shall ipso facto cease to be an alternate director if his appointor ceases for any reason to be a director. Where a director who has been appointed to be an alternate director is present at a meeting of the directors in the absence of his appointor such alternate director shall have one vote in addition to his vote as director. Every appointment and revocation of an alternate director shall be made by instrument in writing under the hand of the director making or revoking such appointment and such instrument shall only take effect on the service thereof at the registered office of the Company.

#### DIVIDENDS

34. Regulations 102 to 105 (inclusive) of Table A shall be subject to Article 5.

#### REMUNERATION OF DIRECTORS

35. The directors shall be entitled to the remuneration determined by the Remuneration Committee. Any director who serves on any committee, or who devotes special attention to the business of the Company, or who otherwise performs services which in the opinion of the Board are in addition to or

outside the scope of the ordinary duties of a director (which services shall include, without limitation, visiting or residing abroad in connection with the Company's affairs), may be paid such extra remuneration by way of salary, percentage of profits or otherwise as the directors shall approve.

DIRECTORS' AND EMPLOYEES' GRATUITIES AND PENSIONS

36. Subject to the prior consent of the Specified Majority, the directors may:-

- (a) establish and maintain, or procure the establishment and maintenance of any share option or share incentive or profit sharing schemes or trusts or any non-contributory or contributory pension or superannuation schemes or funds for the benefit of, and may make or give or procure the making or giving of loans, donations, gratuities, pensions, allowances or emoluments (whether in money or money's-worth) to, or to trustees on behalf of, any persons who are or were at any time in the employment of the Company, or of any company which is a subsidiary of the Company, or is allied to or associated with the Company or with any such subsidiary, or who are or were at any time directors or officers of the Company or of any such other company as aforesaid, and to the wives, husbands, widows, widowers, families and dependants of any such persons;
- (b) establish and subsidise or subscribe to any institutions, associations, clubs or funds calculated to be for the benefit of, or to advance the interests and well-being of the Company,

or of any such other company as aforesaid or of any such persons as aforesaid;

- (c) make payments for or towards policies of assurance on the lives of any such persons and policies of insurance of or in respect of any such persons (including insurance against their negligence) as aforesaid;
- (d) pay, subscribe or guarantee money to or for any charitable or benevolent objects, or for any exhibition, or for any political, public, general, or useful object; and
- (e) do any of the above things either alone or in conjunction with any such other company as aforesaid.

Subject always if the Act shall so require to particulars with respect to the proposed payment being disclosed to the members of the Company and to the payment being approved by the Company in General Meeting, any director shall be entitled to participate in and retain for his own benefit any such loan, donation, gratuity, pension, allowance or emolument.

#### PROCEEDINGS OF DIRECTORS

37. In Regulation 88 in Table A there shall be substituted for the third sentence the following sentences namely: "All directors shall be given notice of every meeting of the directors. Any director or alternate director may by notice to the Company waive his right to receive notice of the meeting and the presence of any director or alternate director at the commencement of a meeting shall constitute such waiver by him".

38. (1) The quorum for meetings of the directors shall be three including at least two Special Directors (or, if there is only one, that Special Director).

(2) Save for emergencies, not less than seven days' notice shall be given of meetings of the directors and meetings of the directors shall be held monthly.

(3) For the purpose of determining whether a quorum exists for the transaction of the business of the Board:-

- (a) in the case of a resolution agreed by directors in telephonic communication with one another, all such directors shall be counted in the quorum and any resolution so agreed shall be as valid and effective as if passed at a meeting of the board of directors duly convened and held;
- (b) in the case of a meeting of the Board of directors, in addition to the directors present at the meeting, any director in telephonic communication with such meeting shall be counted in the quorum and entitled to vote; and
- (c) any person attending a meeting of the Board, or in telephonic communication with such a meeting, who is both a director and is acting as an alternate director for two or more of the directors shall, for the purposes of the quorum, be counted as one for each such person for whom he is acting as an alternate director and, if applicable, also be counted as a director, but not less than two individuals shall constitute a quorum.

39. A resolution in writing of all the directors or all the members of a committee of directors shall be as effectual as if it had been passed at a meeting of directors or (as the case may be) a committee of directors duly convened and held either:

- (a) if it consists of an instrument executed by or on behalf of each such director or committee member; or
- (b) if it consists of several instruments in the like form each either:
  - (i) executed by or on behalf of one or more of such directors or committee members; or
  - (ii) sent by or on behalf of one or more of such directors or committee members by telex or facsimile transmission and deposited or received at the office or received by the secretary,

and any such instrument executed or sent by or on behalf of an alternate director shall be deemed to have been duly executed or sent (as the case may be) by or on behalf of his appointor.

40. Subject to any requisite declaration of interest in accordance with the provisions of the Act and (if applicable) Regulation 85 in Table A having been made by him, a director may vote as a director in regard to any transaction or arrangement in which he is interested, or upon any matter arising therefrom and Regulations 94 and 95 in Table A shall be construed subject to this provision.

41. In Regulation 97 In Table A:-

- (a) there shall be inserted after the words "the appointment" the following words, namely: "or the terms of appointment", and
- (b) the following words shall be deleted, namely: "and be counted in the quorum" and there shall be inserted after the words "his own appointment" the following words, namely: "and shall be counted in the quorum in respect of each resolution including that concerning his own appointment".

42. There shall be a Remuneration Committee of the Directors consisting of the Special Directors, the Chairman and the Chief Executive. No meeting of the Remuneration Committee shall be quorate without the presence of at least one Special Director. The Special Directors present at the meeting shall have one more vote than the combined votes of the other members of the Remuneration Committee. In addition to determining the remuneration of directors the Remuneration Committee will be solely responsible for the granting of options under the Approved Option Scheme.

MINUTES

43. The directors shall cause minutes to be made in books kept for the purpose:-

- (a) of all appointments of officers and alternate directors made by the directors; and
- (b) of all proceedings at meetings of the Company, of the holders of any class of shares in the Company of the directors, and of



committees of directors, including the names of the persons present at each such meeting.

#### THE SEAL

44. The Company is authorised pursuant to Section 39 of the Act for so long as its objects require or comprise the transaction of business in foreign countries to have an official seal for use in any territory, district, or place elsewhere than in the United Kingdom.

45. The Company is authorised pursuant to Section 40 of the Companies Act 1985 to have an additional form of official seal which is a facsimile of its common seal with the addition on its face of the word "securities". Such seal is only to be used for the sealing of certificates relating to shares or debentures (including loan stock) comprising the capital of the Company or creating or otherwise evidencing securities so issued.

#### INDEMNITY

46. (1) Every director or other officer of the Company shall be entitled to be indemnified out of the assets of the Company against all losses or liabilities which he may sustain or incur in or about the execution of the duties of his office or otherwise in relation thereto including any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in connection with any application under Section 727 of the Act in which relief is granted to him by the Court and no director or other officer shall be liable for any loss, damage or misfortune which may happen to or be incurred by the Company in the execution of the duties of his office or in relation

thereto. But this Article shall only have effect insofar as its provisions are not avoided by Section 310 of the Act.

(2) Without prejudice to the provisions of paragraph (1) 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 or auditors of the Company, or of any other company which is its holding company or in which the Company or such holding company or any of the predecessors of the Company has any interest whether direct or indirect or which is in any way allied to or associated with the Company, or of any subsidiary undertaking of the Company or of any such other company, or who are or were at any time trustees of any pension fund in which employees of the Company or of any such other company or subsidiary undertaking 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 the Company or any such other company, subsidiary undertaking or pension fund.

Certified as a true  
copy of the original  
*L. H. Oakes*  
Secretary 5/12/94

THE COMPANIES ACT 1985  
COMPANY LIMITED BY SHARES  
WRITTEN RESOLUTIONS

-of-

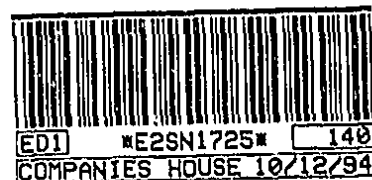
NTL GROUP LIMITED  
(the "Company")

(Passed 25th November 1994)

Pursuant to Section 381A of the Companies Act 1985 the following Resolutions were duly passed on 25th November 1994 as Ordinary and Special Resolutions as the case may be.

Ordinary Resolutions

1. THAT the 25,625 'B' Ordinary Shares which, at the date of the passing of the resolution have not been taken or agreed to be taken by any person be cancelled and the Company's authorised share capital be diminished by £256.25.
2. THAT the share capital of the Company be increased from £24,943.87 to £53,783.87 by the creation of 2,884,000 'C' Ordinary Shares of one penny each having the rights and restrictions set out in the new Articles of Association to be adopted pursuant to the Special Resolution set out at paragraph 5(b) below.
3. THAT £24,879.25 standing to the credit of the Share Premium Account be capitalised and to apply the said sum in paying up in full 2,487,925 new 'C' Ordinary Shares to be issued as a bonus issue to 'A' and 'B'



Ordinary Shareholders in the proportion of one new 'C' Ordinary Share for every 'A' or 'B' Ordinary Share held by the registered shareholders at the close of business on the day following the day on which the Company completes the proposed purchase of its 'B' Ordinary Shares as outlined in paragraph 5(d).

4. THAT:

- (a) subject to the approval of the Board of Inland Revenue the NTL Group Limited 1994 Approved Share Option Scheme (the "Scheme") the draft rules and ancillary documentation of which has been produced to all the members of the Company entitled to attend and vote at any general meeting and for the purposes of identification only has been initialled by the Chairman be and it is hereby adopted; and
- (b) the directors be and they are hereby authorised to do all acts and things necessary to carry the Scheme into effect including the making of any amendments thereto as may be necessary to obtain the approval of the Board of Inland Revenue and/or such other approvals as the directors consider necessary or desirable to obtain.

Special Resolutions

5. THAT:

- (a) the 56,000 'B' Ordinary Shares of one penny each in the authorised share capital of the company registered in the names

of Rowan Nominees Limited, Manco Nominees (Jersey) Limited and Montagu Private Equity Investments Limited be and are hereby converted into and redesignated as 56,000 'A' Ordinary Shares of one penny each having the rights and restrictions set out in the new Articles of Association of the Company to be adopted pursuant to paragraph (b) below;

- (b) the regulations contained in the printed document which has been produced to all the members of the Company entitled to attend and vote at any general meeting and for the purpose of identification has been signed by the Chairman be and the same are hereby approved and adopted on the day the Company effects the bonus issue as outlined by the Ordinary Resolution at paragraph 3 above as the Articles of Association of the Company in substitution for and to the exclusion of all the existing Articles of Association of the Company;
- (c) in accordance with Section 80 of the Companies Act 1985 the directors be and are hereby generally and unconditionally authorised for the period commencing on and with effect from the date of adoption of this Resolution and expiring on the fifth anniversary of such date to exercise all the powers of the Company to allot all the authorised but unissued share capital of the Company in existence immediately following the passing of this Resolution;
- (d) the terms of the Agreement which has been produced to all the members of the Company entitled to attend and vote at any general

meeting and has been initialed by the Chairman for the purposes of identification for the purchase by the Company of 6,450 'B' Ordinary Shares in the capital of the Company from each of the persons set out in the attached Schedule in the quantities and for the price as stated therein be and they are hereby authorised, and that the directors shall give effect to this Resolution.

Certified as a true  
copy of the original

*LSuRkes*.....  
Secretary 5/12/94

**NTL Group Limited**

**No. 2591237**

**Amended Memorandum  
and  
New Articles of Association**

**25 November 1994**

Company No: 2591237

THE COMPANIES ACT 1985  
COMPANY LIMITED BY SHARES  
SPECIAL RESOLUTIONS

of

NIL GROUP LIMITED  
(passed on 24th October 1991)

At an Extraordinary General Meeting of the above-named Company duly convened and held on 24th October, 1991 at 65 Holborn Viaduct, London, EC1A 2DY the following resolutions were passed as Special Resolutions.

SPECIAL RESOLUTIONS

1. That

- (a) the existing ordinary shares of £1 each in the authorised share capital of the Company be and are hereby converted into and redesignated as 10,000 'A' Ordinary Shares of one penny each having the rights and restrictions set out in the new Articles of Association to be adopted pursuant to paragraph (c) below;
- (b) the share capital of the Company be increased from £100 to £25,200.12 by the creation of
  - (i) 2,123,000 'A' Ordinary Shares of one penny each;
  - (ii) 378,000 'B' Ordinary Shares of one penny each; and



(iii) 12 Redeemable Special Shares of one penny each

in each case having the rights and restrictions set out in the new Articles of Association to be adopted pursuant to paragraph (c) below;

- (c) the regulations contained in the printed document laid before this meeting marked "A" and for the purpose of identification signed by the Chairman be and the same are hereby approved and adopted as the Articles of Association of the Company in substitution for and to the exclusion of all the existing Articles of Association of the Company;
- (d) in accordance with Section 80 of the Companies Act 1985 the directors be and are hereby generally and unconditionally authorised for the period commencing on and with effect from the date of adoption of this Resolution and expiring on the fifth anniversary of such date to exercise all the powers of the Company to allot all the authorised but unissued share capital of the Company in existence immediately following the passing of this Resolution;
- (e) the pre-emption provisions contained in Section 89 of the Companies Act 1985 are excluded and shall not apply to the allotment of the shares pursuant to the authority granted to the directors by paragraph (d) above.

2. That the provisions of the Memorandum of Association of the Company with respect to the objects of the Company be amended by the deletion of the existing Clause 3 of the Memorandum and the adoption of the new Clause 3 set out in the printed document laid before this meeting marked "B" and signed by the Chairman for the purpose of identification.

N.T. Turner

CHAIRMAN

Company No: 2591237

THE COMPANIES ACT 1985  
COMPANY LIMITED BY SHARES  
SPECIAL RESOLUTION

of

NTL GROUP LIMITED  
(passed on 15th January 1992)

At an Extraordinary General Meeting of the above-named Company duly convened and held on 15 January 1992 at Crawley Court, Winchester, Hampshire SO21 2QA, the following Resolution was passed as a Special Resolution:-

SPECIAL RESOLUTION

THAT the Articles of Association of the Company be amended as follows:-

1. By adding at the end of Article 6(6)(viii) the words "(save for the issue of not more than 378,000 'B' Ordinary Shares directly or indirectly to employees of the Group)";
2. In Article 5(3):-
  - (a) By renumbering the existing Article 5(3) as Article 5(3)(i) and in the last full line of that sub-paragraph by deleting the words "every share" and replacing them by "every 'A' Ordinary Share";
  - (b) By adding immediately thereafter the following new sub-paragraph:-

"(ii) The holders of the 'B' Ordinary Shares shall have no right to receive notice of, or to attend or to vote at, any general meeting of the Company but notwithstanding this the holders of the 'B' Ordinary Shares shall have the same common law and statutory rights for protection of minorities as if the 'B' Ordinary Shares carried the right to receive notice of, attend and vote at general meetings of the Company";
3. By deleting Articles 14, 15 and 16 and replacing them by the new Articles contained in the document laid before this meeting and for the purpose of identification signed by the Chairman;
4. By adding a new sub-paragraph (c) to Article 27(1) as follows:

"(c) the issue of shares directly or indirectly to employees of the Group",

and by relettering existing sub-paragraphs (c) to (j) of Article 27(1) accordingly.

.....  
Chairman

THE COMPANIES ACT 1985

A PRIVATE COMPANY LIMITED BY SHARES

MEMORANDUM OF ASSOCIATION

OF

NTL GROUP LIMITED\*

- 1.\* The name of the company is "NTL GROUP LIMITED."
2. The registered office of the company is to be situate in England and Wales.
- 3.\*\* The objects of the company are:
  - (a) (1) To carry on the business of a property and investment holding company in all its branches, and for that purpose in particular to acquire by purchase, lease, exchange or otherwise and hold by way of investment, land, buildings or other structures thereon, land covered by water, and any estate, interest, easement, servitude or right in or over such land, buildings or structures and any real or immovable property of any ~~terre~~ or description in the United Kingdom or elsewhere in any part

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\* The name of the Company was changed from 159th Shelf Investment Company Limited on 9th October, 1991.

\*\* Clause 3 of the Memorandum was amended by a Special Resolution passed on 24th October, 1991.

of the world, including (without limiting the generality of the foregoing) freehold or leasehold ground rents, reversions, mortgages and charges; and to acquire by purchase, subscription, exchange or otherwise and hold by way of investment, shares, stocks, securities or obligations issued or guaranteed by any person, firm, company or trust constituted or carrying on business in any part of the world or by any government, state, dominion, colony, public body or authority, supreme, municipal, local or otherwise, whether at home or abroad;

(2) (i) to carry on the business of transmitting, relaying or otherwise distributing signals at any frequency and of any wavelength for general reception or otherwise (including, without limitation, in connection with the broadcasting of television and radio programmes and data services);

(ii) to carry on the business of suppliers of telecommunications services and other services in or connected with the field of telecommunications and for other forms of dissemination including cable programme services, satellite services and generally all radiocommunications services;

(iii) to design, manufacture and distribute all forms of electronic equipment including, without limitation, equipment in connection with radio and television broadcasting and all telecommunications or data services;

(iv) to carry out research and development of all kinds including, but not limited to, research and development relating to radio, television or data services or the broadcast or transmission thereof or relating to any other means of communication;

(v) to provide (whether as principal or agent) engineering, consultancy, management, advisory and other services of all kinds; and

(vi) to acquire, hold, sell, lease or otherwise dispose of, establish, maintain, design, operate, equip, provide and construct facilities, either for itself or for other persons, in connection with such businesses;

- (b) To manage any such property and investments so acquired and to collect and receive the income and rents therefrom;
- (c) To improve any property so acquired by constructing, reconstructing, pulling down, altering, adding to, enlarging, decorating, furnishing, fitting up and maintaining the same whether as offices, flats, houses, shops, factories, garages, warehouses, wharves or other buildings, works and conveniences and by advancing money to and entering into contracts and arrangements of all kinds with builders, tenants and others; and to provide services and amenities of all kinds;
- (d) To create freehold and leasehold ground rents and to grant leases, underleases, tenancies and licences;

- (e) To sell, assign, realise, vary, surrender, exchange or dispose of any property or investments for the time being of the company if from time to time it shall be found necessary or advisable so to do;
- (f) To carry on all kinds of financial, trust, agency and broking business and any other business which is capable of being carried on by an individual;
- (g) To promote companies and ventures for any purpose whatsoever and to undertake and assist in financial operations of every description;
- (h) To advance, issue, deposit or lend money, securities and property of any kind, and to draw, make, issue, accept, discount, buy, sell, hold and exchange, bills, notes, warrants, coupons and other negotiable or transferable instruments, documents and obligations;
- (i) To receive money on deposit or loan and to borrow or raise money and to secure or discharge any debt or obligation of or binding on the company by the issue of debentures or debenture stock or in any other manner;
- (j) To mortgage and charge the undertaking and all or any of the real and personal property and assets, present or future, and all or any of the uncalled capital for the time being of the company, and to issue at par or at a premium or discount, and for such consideration, and with such rights, powers and privileges as may be thought fit, debentures, mortgage debentures or debenture stock, payable to bearer or otherwise, and either permanent or redeemable or repayable, and collaterally to secure any securities of the company by a trust deed or other assurance;

- (k) To issue and deposit any securities which the company has power to issue by way of mortgage to secure any sum less than the nominal amount of such securities;
- (l) To guarantee, support or secure, whether by direct obligation or covenant or by mortgaging or charging all or any part of the undertaking, property and assets (present and future) and uncalled capital of the company or by any one or more or all of such methods or by any other method, and whether or not the company receives any advantage therefor, the performance of any obligations or commitments of, and the repayment or payment of any monies whatsoever (including but not limited to the principal amounts of or the premiums, interest and dividends on any securities) by any person, firm or company, including (without prejudice to the generality of the foregoing) any company which is for the time being a subsidiary company or holding company of the company or a subsidiary company of such holding company or which is otherwise associated directly or indirectly with the company in business or through shareholdings;
- (m) To establish and maintain or procure the establishment and maintenance of any share option or share incentive or profit sharing schemes or trusts or non-contributory or contributory pension or superannuation schemes or funds for the benefit of, and to make or give or procure the making or giving of loans, donations, gratuities, pensions, allowances or emoluments (whether in money or moneys worth) to, or to trustees on behalf of, any persons who are or were at any time in the employment of the company, or of any company which is a subsidiary of the company or is allied to or associated with the company or with any such subsidiary



company, or who are or were at any time directors or officers of the company or of any such other company as aforesaid, or any persons in whose welfare the company or any such other company as aforesaid is or has been at any time interested, and the wives, husbands, widows, widowers, families and dependants of any such persons, and to establish and subsidise or subscribe to any institutions, associations, clubs or funds calculated to be for the benefit of or to advance the interests and well-being of the company or of any such other company as aforesaid, or of any such persons as aforesaid, and to make payments for or towards policies of assurance on the lives of any such persons and policies of insurance for the benefit of or in respect of any such persons as aforesaid (including insurance against their negligence or breach of duty to the company). and to pay, subscribe or guarantee money for charitable or benevolent objects or for any exhibition or for any political, public, general or useful object, and to do any of the above things, either alone or in conjunction with any such other company as aforesaid;

- (n) To distribute among the members in specie any property of the company, or any proceeds of sale or disposal of any property of the company, but so that no distribution amounting to a reduction of capital be made except with the sanction (if any) for the time being required by law;
- (o) To carry on any other business or activity, whether investing manufacturing trading or otherwise, which may seem to the company capable of being conveniently carried on in connection with the business of the company, or calculated, directly or indirectly, to be for the benefit of and to promote the prosperity of the company, or to enhance the value of or render more profitable any of the company's property or to advance the interests of the company or of its members;

- (p) To sell, improve, manage, develop, turn to account, exchange, let on rent, royalty, share of profits or otherwise, grant licences, easements and other rights in or over, and in any other manner deal with or dispose of the undertaking and all or any of the property and assets for the time being of the company for such consideration as may seem expedient;
- (q) To adopt such means of making known the businesses or any of them, or the products of the company or the businesses or products of any other person as may seem expedient, and in particular by advertising in the press, by circulars, by purchase and exhibition of works of art or interest, by publication in books and periodicals, and by granting prizes, rewards and donations, and to carry on and conduct prize and competition schemes or any scheme or arrangement of any kind, either alone or in conjunction with any other person, firm or company whereby the said businesses or any of them may be promoted or developed, or whereby the said products may be more extensively advertised and made known;
- (r) To enter into any arrangement with any government or authority, supreme, municipal, local or otherwise, of any country, and to obtain from any such government or authority all legislation, orders, rights, concessions, and privileges that may seem requisite;
- (s) To enter into any partnership or joint-purse arrangement or arrangement for sharing profits, union of interests or co-operation with any company, firm or person;

- (t) To purchase or otherwise acquire and undertake all or any part of the business, property, liabilities and transactions of any person, firm or company which is calculated to benefit this company or to advance its interests, or which comprises any property suitable for any purpose of the company;
- (u) To pay for any property or rights acquired by the company either in cash or fully or partly paid-up shares, with or without preferred or deferred or guaranteed rights in respect of dividend or repayment of capital or otherwise, or by any securities which the company has power to issue, or partly in one mode and partly in another, and generally on such terms as may seem expedient;
- (v) To accept payment for any property or rights sold or otherwise disposed of or dealt with by the company either in cash, by instalments or otherwise, or in fully or partly paid-up shares of any company or corporation, with or without deferred or preferred or guaranteed rights in respect of dividend or repayment of capital or otherwise, or in debentures or mortgage debentures or debenture stock, mortgages or other securities of any company or corporation, or partly in one mode and partly in another, and generally on such terms as may seem expedient and to hold, dispose of or otherwise deal with any shares, stock or securities so acquired;
- (w) To amalgamate with any other company, whether by sale or purchase (for fully or partly paid-up shares or otherwise) of the undertaking, subject to the liabilities of this or any other such company as aforesaid, with or without winding-up or by sale or purchase (for fully or partly

paid-up shares or otherwise) of all or a controlling interest in the shares or stock of this or any other such company as aforesaid, or by partnership, or any arrangement of the nature of partnership, or in any other manner;

- (x) To pay out of the funds of the company all expenses which the company may lawfully pay of or incidental to the formation, registration and advertising of or raising money for the company and the issue of its capital, including brokerage and commissions for obtaining applications for or taking, placing or under-writing shares, debentures or debenture stock, and to apply at the cost of the company to Parliament for any extension of the company's powers;
- (y) To do all or any of the above things in any part of the world, and either as principals, agents, trustees, contractors or otherwise, and either alone or in conjunction with others, and either by or through agents, sub-contractors, trustees or otherwise; and
- (z) To do all such other things as are in the opinion of the company incidental or conducive to the above objects or any of them.

The objects specified in each of the paragraphs of this Clause shall not, except where the context expressly so requires, be in any way limited or restricted by the terms of any other paragraph and shall be construed as separate, distinct and independent objects capable of being performed and carried out separately, distinctly and independently of each other.

4. The liability of the Members is limited.

5.\* The share capital of the company is £53,783.87 divided into 2,198,000 'A' Ordinary Shares of 1 penny each, 289,925 B Ordinary Shares of 1 penny each 2,884,000 'C' Ordinary Shares of 1 penny each and 12 Redeemable Special Shares of 1 penny each.

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\* The share capital was increased from £100 to £25,200.12 by a Special Resolution passed on 24th October, 1991.

\*\* The share capital was increased from £25,200.12 to £53,783.87 by a Special Resolution passed on 25th November, 1994. 56,000 'B' Ordinary Shares of 1 penny each were converted into and redesignated 56,000 'A' Ordinary Shares of 1 penny each by a Special Resolution passed on 25th November, 1994.

WE, the subscribers to this memorandum of association, wish to be formed into a company pursuant to this memorandum; and we agree to take the number of shares shown opposite our respective names.

Names and Addresses

Number of  
of Subscribers  
shares taken  
by each  
Subscriber

1. J H REEVES  
Director  
for and on behalf of  
LOVITING LIMITED  
Registered Office  
21 Holborn Viaduct  
London EC1A 2DY

One

A Company limited by shares

2. J H REEVES  
Director  
for and on behalf of  
SERJEANTS' INN NOMINEES LIMITED  
Registered Office  
21 Holborn Viaduct  
London EC1A 2DY

One

A Company limited by shares

Total shares taken

Two

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Dated 5th February, 1991

WITNESS to the above signatures,

S J Williamson  
65 Holborn Viaduct  
London EC1A 2DY

THE COMPANIES ACT 1985

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C O M P A N Y L I M I T E D B Y S H A R E S

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NEW  
ARTICLES OF ASSOCIATION  
(adopted by Special Resolution  
passed on 25th November 1994)

OF

NTL GROUP LIMITED

REGULATIONS OF THE COMPANY

1. The articles comprise these Articles and, save insofar as it is modified by these Articles, Table A (which expression means that Table as prescribed by regulations made pursuant to the Companies Act 1985 and in force on the date of adoption of these Articles).

2. (1) Regulations 8, 24, 25, 50, 53, 54, 60-62 (inclusive), 65-69 (inclusive), 73-78 (inclusive), 80, 82, 87, 89, 100, 109 and 118 in Table A do not apply to the Company.

(2) Unless the context otherwise requires:-

(a) words denoting the singular number shall include the plural  
—  
number and vice-versa;

- (b) words denoting the masculine gender shall include the feminine and neuter genders and vice-versa; and
- (c) references to persons shall include bodies corporate, unincorporated associations and partnerships.

DEFINITIONS

3. In these Articles unless the context otherwise requires the words standing in the first column of the following table bear the meanings set opposite them respectively in the second column:-

<u>Expression</u>	<u>Meaning</u>
"Act"	the Companies Act 1985 (as amended from time to time);
"'A' Ordinary Shareholders"	the holders for the time being of 'A' Ordinary Shares;
"'A' Ordinary Shares"	the 'A' Ordinary Shares of one penny each in the capital of the Company;
"Annual Business Plan"	the annual business plan of the Company and of each of its subsidiaries from time to time as approved by the Board (including a majority of the Special Directors);



"Auditors"	the auditors for the time being of the Company;
"Board"	the board of directors for the time being of the Company;
"'B' Ordinary Shareholders"	the holders for the time being of 'B' Ordinary Shares;
"'B' Ordinary Shares"	the 'B' Ordinary Shares of one penny each in the capital of the Company;
"Consolidated Post-Tax Profit"	<p>the consolidated profit of the Company and its Subsidiaries (if any) as shown by the audited profit and loss account of the Company (or, as the case may be, the audited consolidated profit and loss account of the Company and its Subsidiaries) which shall be drawn up in accordance with generally accepted accounting principles in the United Kingdom and on a basis and in accordance with accounting policies approved from time to time by the Board (and approved by a majority of the Non-Executive Directors in accordance with Article 26) and:-</p> <p>(a) before any provision is made for the payment of any dividend on any share in the capital of the Company or for any share distribution by the Company or for the transfer of any sum to any reserves of the Company forming part of shareholders' funds;</p>

- (b) before deducting the amount of any dividend declared and paid in respect of any share by the Company in the year or period to which the audited profit and loss account (or audited consolidated profit and loss account) related;
- (c) after there has been deducted any corporation tax (or any other tax levied upon or measured by reference to profits of or gains realised by the Company and its Subsidiaries (if any)) calculated at the rates then prevailing for which the Company or any of its Subsidiaries is liable and after making provision for deferred tax as contained in the relevant accounts but excluding any taxation relating to extraordinary items;
- (d) after exceptional but before extraordinary items (as defined in Statement of Standard Accounting Practice No. 6 or any revision or replacement thereof);
- (e) before allowing for minority interests;
- (f) after there have been deducted any interest charges paid or payable by the Company and its Subsidiaries;

(g) before any amortisation of any goodwill arising on the acquisition by the Company or a Subsidiary of any Company or business; and

(h) before any amortisation or depreciation of any other intangible assets;

all as certified by the Auditors;

"'C' Ordinary Shareholders"

the holders for the time being of 'C' Ordinary Shares;

"'C' Ordinary Shares"

the 'C' Ordinary Shares of one penny each in the capital of the Company;

"GAAP"

generally accepted accounting principles in England and Wales;

"Group"

the Company and its subsidiaries from time to time;

"Licences"

the licences granted to National Transcommunications Limited ("NTL") from time to time under the Wireless Telegraphy Act 1949 and/or the Telecommunications Act 1984 and any other licences granted to NTL for the purposes of its business;

"Listing"

(i) the listing of the Company's Ordinary Shares on The International Stock Exchange of the

United Kingdom and the Republic of Ireland Limited ("The Stock Exchange") becoming effective; or

- (ii) the granting of an application by the Company for the dealing in any of the Company's Ordinary Shares on any other public securities market (including the Unlisted Securities Market of The Stock Exchange) whereby such Shares can be freely traded and the approval for such dealing becoming effective;

whether such listing is effected by way of an offer for sale, a new issue of shares, an introduction, a placing or otherwise;

"Loan Agreements"

the Facilities Agreement dated 24th October 1991 between the Company, S.G. Warburg and Co. Limited and The Governor and Company of the Bank of Scotland (and others) as from time to time amended or restated relating to the provision of various facilities to the Company together with the Security Documents referred to therein;

"Loan Stock"

the unsecured 8% (net) Loan Stock 1997/2000 issued by the Company;

"MAM"

Mercury Asset Management plc;

"NTL"	National Transcommunications Limited;
"Sale"	the sale of any part of the equity share capital of the Company to any person or group resulting in that person or group (whether alone or in conjunction with persons acting in concert with such person or group, as defined by the City Code on Take-Overs and Mergers) holding at least 50 per cent of the equity share capital and for the purposes of these Articles none of the Special Shareholders, the 'A' Ordinary Shareholders (while they are Qualifying Institutions) and/or the 'B' Ordinary Shareholders and/or the 'C' Ordinary Shareholders shall be deemed to be acting in concert with one another;
"Securities Seal"	the official seal of the Company permitted to be used by Section 40 of the Companies Act 1985;
"Special Directors"	the Special Directors appointed pursuant to Article 27(1) and/or (2);
"Special Shares"	the Redeemable Special Shares of one penny each in the capital of the Company;
"Special Shareholders"	the holders for the time being of the Special Shares;
"Specified Majority"	75% of the Special Shares in issue;

"Qualifying Institution" MAM and any other person who manages a collective investment scheme (as defined in Section 75 Financial Services Act 1986) or any person who manages funds on its own behalf or for clients on a discretionary basis.

SHARE CAPITAL

4. The share capital of the Company at the date of the adoption of these Articles is divided into:-

- (a) 2,198,000 'A' Ordinary Shares of one penny each;
- (b) 289,000 'B' Ordinary Shares of one penny each;
- (c) 2,883,655 'C' Ordinary Shares of one penny each; and
- (d) 12 Redeemable Special Shares of one penny each.

The Special Shares shall constitute a separate class of shares. The 'A' Ordinary Shares, the 'B' Ordinary Shares and 'C' Ordinary Shares shall constitute one class of shares and shall rank pari passu in all respects save as set out in Article 5.

5. The rights of the 'A', 'B' and 'C' Ordinary Shares shall be as follows:-

(1) Income

The profits which are available for distribution (including retained distributable profits) shall be applied as follows:-

- (a) Subject to sub-clause (b)(i) the profits shall be distributed amongst the 'A' Ordinary Shareholders, the 'B' Ordinary Shareholders and the 'C' Ordinary Shareholders *pari passu* according to the amounts paid up or credited as paid up on the 'A' Ordinary Shares, the 'B' Ordinary Shares and the 'C' Ordinary Shares held by them respectively. PROVIDED THAT, save as set out in paragraph (b)(i) of this Article no such dividends shall be payable without the consent of the Specified Majority.
- (b) In respect of the financial year of the Company commencing 1st January 1994 and thereafter:-
- (i) the 'A' Ordinary Shareholders as a class shall be entitled (in priority to any application of profit for the benefit of any other class of shares and before any setting aside or appropriation of profit for any other purpose) in accordance with their entitlement hereinafter appearing to a cumulative participating ordinary dividend (the 'Participating 'A' Ordinary Dividend') which, net of any associated tax credit, shall be equal to one third of the Consolidated Post Tax Profit for the relevant financial year (or financial period, as the case may be). The Participating 'A' Ordinary Dividend shall be distributed among the 'A' Ordinary Shareholders in proportion to the amounts paid up or credited as paid up on the 'A' Ordinary Shares held by them. The Participating 'A' Ordinary Dividend shall accrue from day to day and shall be payable in full within 14 days of the production of the Auditors'

certificate referred to in paragraph (e) and in any event not later than two months after the end of the financial year or period in question ("the Due Date") unless a later date is agreed by the Specified Majority. If by the Due Date the Participating 'A' Ordinary Dividend has not been paid, it shall be paid as soon as practicable thereafter together with interest at the rate of 2% over the base rate of Bank of Scotland calculated from the Due Date to the date of actual payment. The Participating 'A' Ordinary Dividend shall be payable to 'A' Ordinary Shareholders on the register of members at the end of the relevant financial year or period.

(ii) Subject to the proviso in paragraph (a), the balance of any profits which the Company may determine to distribute in respect of any financial year after payment of the Participating 'A' Ordinary Dividend shall be distributed amongst the 'A' Ordinary Shares, the 'B' Ordinary Shares and the 'C' Ordinary Shares *pari passu* according to the amounts paid up or credited as paid up on the 'A' Ordinary Shares, the 'B' Ordinary Shares and the 'C' Ordinary Shares held by them respectively.

(c) The Participating 'A' Ordinary Dividend shall be due and payable on the dates or at the times herein stipulated and notwithstanding the fact that the same are expressed to be, and shall in the event of their not being paid be, 'cumulative', the amounts due and payable on such dates or at such times shall,



unless the Specified Majority decides to the contrary, ipso facto and without any resolution of the directors or the Company in general meeting (and notwithstanding anything contained in Regulations 102 to 105 (inclusive) of Table A) become a debt due from and immediately payable by the Company to the 'A' Ordinary Shareholders entitled to such dividends (subject to there being profits out of which the same may lawfully be paid).

- (d) If in any financial year of the Company there shall not be sufficient profits of the Company available for distribution and resolved to be distributed in respect of such financial year for which the Company's accounts are made up or to the extent that payment of a dividend would constitute a breach of the Loan Agreement, then any amount unpaid in respect of the Participating 'A' Ordinary Dividend shall be paid (together with interest at the rate set out in sub-paragraph (b)(i) above from the Due Date to the date of actual payment) as soon as the profits available for distribution are sufficient to cover such payment and such payment is not prohibited by the Loan Agreement and no dividend shall be proposed, declared, or paid on any other class of share in the capital of the Company, nor any other return of capital made other than in respect of redemption of a Special Share, unless and until all arrears of the Participating 'A' Ordinary Dividend have been paid. The Company and the Board shall take all steps in its power to procure that, subject to the Act, its subsidiaries pay to the Company sufficient distributions or otherwise provide funds to the Company to enable it to pay the Participating 'A' Ordinary Dividend.

- (e) For so long as there are 'A' Ordinary Shares in issue the Company shall require the Auditors to prepare a certificate as to the Consolidated Post Tax Profit for each financial year or period of the Company either before or at the same time as the consolidated accounts of the Company and its subsidiary undertakings for that year or period are being audited and the Company shall cause a copy of the certificate prepared for such financial year or period to be delivered to every member as soon as possible and in any case not later than the date of signing of the audited consolidated accounts of the Company and its subsidiary undertakings for such financial year or period, together with a statement of the adjustments (if any) and the reasons therefor made to the consolidated profits of the Company and its subsidiary undertakings (as shown in the audited consolidated accounts) in order to arrive at the figures contained in such certificate.

(2) As regards capital

In the event of a winding up of the Company or upon a reduction or return of capital other than as a result of redemption of a Special Share, the assets of the Company remaining after payment of its debts and liabilities and of the costs, charges and expenses of such winding up or reduction or return of capital shall be applied in the following manner and order of priority:-

- (i) firstly, in paying to the 'A' Ordinary Shareholders a sum equal to all unpaid arrears or accruals of any Participating 'A' Ordinary dividend (whether declared or not) plus interest

thereon at the rate set out in sub-paragraph (b)(ii) above  
calculated down to and including the date of repayment;

- (ii) secondly, in distributing the balance amongst the 'A' Ordinary Shareholders, the 'B' Ordinary Shareholders and the 'C' Ordinary Shareholders in proportion to the nominal values of the shares held by them

(3) As regards Voting

- (i) Subject to any special rights or restrictions as to voting attached by or in accordance with these Articles to any class of shares, on a show of hands every member who is present in person shall have one vote and on a poll every member who is present in person or by proxy shall have one vote for every 'A' Ordinary Share of which he is the holder.
- (ii) The holders of the 'B' Ordinary Shares and the holders of the 'C' Ordinary Shares shall have no right to receive notice of, or to attend or to vote at, any general meeting of the Company but notwithstanding this the holders of the 'B' Ordinary Shares and the holders of the 'C' Ordinary Shares shall have the same common law and statutory rights for protection of minorities as if the 'B' Ordinary Shares and the 'C' Ordinary Shares carried the right to receive notice of, attend and vote at general meetings of the Company.

SPECIAL SHARES

6. (1) The Special Shares shall not be entitled to any votes at any general meeting of the Company or to participate in the capital or profits of the Company at any time but a Special Shareholder shall be entitled to receive notice of and to attend general meetings of the Company.

(2) In the event of:-

(a) either a Listing or a Sale, in each case if such Listing or Sale is approved by the Specified Majority, all the rights attaching to each of the Special Shares shall forthwith determine upon such Sale or Listing becoming effective; or

(b) any holder of a Special Share ceasing to hold any 'A' Ordinary Shares, in which case all the rights attaching to any Special Share held by that holder shall forthwith determine,

and in each of the cases above,

(i) any Special Share the rights attaching to which have so determined shall unless redemption can be effected under the Act be automatically converted into one Deferred Share (having no rights to income or capital) and the Company shall give notice thereof forthwith to the holder of any such share;

(ii) if redemption within seven days of such determination would be permitted under the Act the Company shall give notice to the

holder of any Special Share, the rights attaching to which have so determined, redeeming such share for cash at par.

The provisions of paragraphs (3) and (4) respectively shall apply to any such redemption or conversion.

- (3) (a) Forthwith on receipt of the notice referred to in paragraph (2)(ii) each holder of a Special Share in respect of which the rights have determined pursuant to Article 6(2) shall deliver to the Office a certificate in respect of such share;
- (b) upon the redemption date (being the date upon which the Company gives notice pursuant to paragraph (2)(ii)) the nominal value of such share shall become a debt due and payable by the Company and upon receipt of the relevant share certificate (or an indemnity in respect thereof in a form reasonably satisfactory to the Company) the Company shall forthwith pay such amount to the Shareholder; and
- (c) if the holder of any Special Share which is liable to be redeemed shall fail or refuse to deliver up the certificate for his share the Special Share shall be automatically converted into a Deferred Share having no rights to income or capital.

(4) Each holder of a Special Share in respect of which the rights have determined pursuant to paragraph (2) above shall, unless redemption is effected in accordance with paragraph (3) above, be bound to send to the

Company upon receipt of the notice referred to in paragraph (2) above the certificate in respect of such Special Share and the Company shall in exchange issue to such holder a certificate for the Deferred Share resulting from the conversion.

(5) For so long as it or its nominee(s) hold 'A' Ordinary Shares MAM shall be entitled to hold not less than 7 Special Shares.

(6) Notwithstanding any other provisions of these Articles to the contrary, so long as any Special Shares shall remain outstanding:

- (i) the modification or variation of the rights attaching to the 'A' Ordinary, 'B' Ordinary, 'C' Ordinary or Special Shares;
- (ii) the proposing of any resolution for reducing any share capital or the amount (if any) for the time being standing to the credit of the Company's share premium account or capital redemption reserve in any manner for which the consent of the Court would be required pursuant to the Act, or for reducing any uncalled liability in respect of partly paid shares;
- (iii) the payment of any dividend (other than the dividend on the 'A' Ordinary Shares pursuant to Article 5(1)(b));
- (iv) the making of any distribution to Shareholders of a capital nature including any distribution out of capital profits or capital reserves or out of profits or reserves arising from a distribution of capital profits or capital reserves by a subsidiary of the Company;

- (v) the issue by any subsidiary (other than to the Company or another wholly owned subsidiary) of any shares in the capital of such subsidiary or the disposal by the Company or by any subsidiary of any such shares (otherwise than as aforesaid);
- (vi) the capitalisation of any of the distributable profits of the Company (whether or not the same are available for distribution and including profits standing to any reserve) or of any sum standing to the credit of the Company's share premium account or capital redemption reserve;
- (vii) the creation or the granting of any options or other rights to subscribe for shares or to convert into shares in the capital of the Company or any subsidiary or any variation in the authorised or issued share or convertible loan capital other than pursuant to the exercise of any option or other right to subscribe previously consented to under these Articles;
- (viii) any increase in the authorised or issued share capital of the Company or any subsidiary (save for the issue of:- (a) not more than 289,235 'B' Ordinary Shares directly or indirectly to employees of the Group and (b) not more than 396,420 'C' Ordinary Shares), pursuant to options granted to employees of the Group;
- (ix) any alteration to the Memorandum or Articles of the Company or any of its subsidiaries;

- (x) the redemption or repurchase or variation of rights of any shares of the Company or any subsidiary other than as specifically required by their terms (other than redemptions or repurchases of shares in a subsidiary involving payment to the Company or another wholly owned subsidiary);
- (xi) any sale, lease, transfer or other disposal of the whole or any significant part of the undertaking of the Company or of any of its subsidiaries or of assets (including shares in subsidiaries) having a value (a "Value") (taking into account liabilities (other than future or contingent liabilities not requiring provision under GAAP) to be assumed by the purchaser, lessee or transferee) of £5,000,000 or more PROVIDED THAT for the purposes of arriving at the Value a series of connected transactions shall be treated as one transaction. Once a transaction has been approved by the Specified Majority under this sub-paragraph the Value of such relevant transaction shall be disregarded for the purposes of determining whether any subsequent transaction requires approval under this sub-paragraph;
- (xii) any material change in the nature of the business of the Company and its Subsidiaries taken as a whole;
- (xiii) (a) the incurring after the date of adoption of these Articles of any indebtedness of the Company or any subsidiary (for borrowed money or otherwise except for normal trade credit in the ordinary course of business), other than borrowings under the Loan Agreements or the Loan Stock;



- (b) the modification, refinancing or amendment of the terms of any outstanding indebtedness (including under the Loan Agreements or the Loan Stock) of the Company or any subsidiary;
- (c) the repayment or redemption of any indebtedness in respect of borrowed moneys (as defined in Article 27(3)) other than as and when required by the Annual Business Plan for the time being or in accordance with the terms of the Loan Agreements (excluding for this purpose prepayment of the Term Loan) or the Loan Stock;
- (xiv) amalgamation or merger of the Company with or into any other entity, or amalgamation or merger of any subsidiary of the Company with or into any other entity (except the Company or another wholly owned subsidiary of the Company);
- (xv) any liquidation, winding up receivership or administration (or any analogous proceedings under the laws of any jurisdiction) of the Company or of any subsidiary of the Company;
- (xvi) any Listing or Sale; or
- (xvii) any item of capital expenditure by the Company or any of its subsidiaries of an amount in excess of £5,000,000 in any one transaction or any series of connected transactions;

(xviii) the entering into any contract or arrangement or a series of connected contracts or arrangements by the Company or any of its subsidiaries involving payments of £5,000,000 or more over the term of such contract or arrangement (or such connected contracts or arrangements as the case may be);

(xix) the acquisition of assets, (including shares and securities) in one or a series of transactions, for consideration in excess of £5,000,000 (including assumed liabilities);

(xx) the Company or any subsidiary entering into any legally binding agreement undertaking or commitment to do any of the foregoing;

shall require the consent of the Specified Majority given in accordance with this Article, in addition to any other approvals required by law or these Articles.

(7) The Company shall seek the consent referred to in paragraph (6) in respect of any matter therein referred to after such matter has been considered at a duly convened meeting of the Board by giving to each Special Shareholder notice that a decision in respect of such matter is required. Such notice shall be accompanied by:

- (i) the papers submitted to the Board as a body in connection with such matter; and
- (ii) the recommendation of the Board with regard to the decision to be made.

(8) The Company shall send copies of the following documents to each of the Special Shareholders:-

- (a) the monthly management accounts of the Company and its Subsidiaries, to be sent within 5 working days after the date of the first meeting of the Board held after they have been prepared;
- (b) a quarterly report by the chief executive of the Company, indicating significant developments and trends in relation to the business of the Company and its Subsidiaries during the last quarter, comments on trading relative to the equivalent period in the prior year and the current year's budget, and future trading prospects. Such report shall be sent to Special Shareholders within 7 days after the Board Meeting at which the Management accounts and the chief executive's report for the quarter were considered. Such report may be amended by the Board, prior to its dissemination, with the consent of the Board (including a majority of the Special Directors) and to exclude from the report, as disseminated, any confidential information.
- (c) copies of all documents sent to the agent pursuant to the Loan Agreements at the same time as they are despatched to the agent.

CLASS RIGHTS

7. (1) Whenever the capital of the Company is divided into different classes of shares the special rights attached to any class of shares may be varied or abrogated, either whilst the Company is a going concern or

during or in contemplation of a winding-up, with the consent in writing of the holders of 75% of the issued shares of that class, or with the sanction of an extraordinary resolution passed at a separate meeting of the holders of the shares of that class. To every such separate meeting all the provisions of these Articles relating to general meetings of the Company or to the proceedings thereat shall, mutatis mutandis, apply, save that the necessary quorum shall be two persons at least holding or representing by proxy one third in nominal amount of the issued shares of the class (but so that if at any adjourned meeting of such holders a quorum as above defined is not present those members who are present shall be a quorum and where there is only one person holding shares of that class that sole shareholder shall be a quorum), and that the holders of shares of the class shall, on a poll, have one vote in respect of every share of the class held by them respectively.

(2) The rights conferred upon the holders of shares of any class shall not, unless otherwise expressly provided by the terms of the shares of that class, be deemed varied by the creation or issue of further shares ranking in priority to or *pari passu* therewith.

#### ALLOTMENT OF SHARES

8. (1) Subject to paragraph (4) of this Article the directors shall not without the authority of the Company in General Meeting and of any consents required pursuant to Article 6(6) allot any of the shares in the capital of the Company.

(2) Where authority has been given to the directors as referred to in paragraph (1) of this Article to allot shares the directors may subject to the terms of such authority and subject to any terms on which any shares are

created or issued and in accordance with this Article allot shares provided that no shares shall be issued at a discount contrary to the Act.

(3) In the foregoing paragraphs of this Article references to allotment of shares shall include references to the grant of any right to subscribe for, or to convert any security into, shares.

(4) Where authority has been given to the directors as referred to in this Article to grant a right to subscribe for, or to convert any security into, shares the directors shall allot such shares as may require to be allotted pursuant to the exercise of such right.

(5) Unless the Company in General Meeting by special resolution shall otherwise determine, no shares in the Company shall be allotted on terms that the right to the same may be renounced by the allottees.

(6) Sections 89(1) and 90 of the Act shall not apply to the Company.

9. In Regulation 3 in Table A there shall be inserted after the words "provided by the articles" the following words, namely: "or by special resolution".

10. Subject to the provisions of Part V of the Act and subject to any other rights attaching to any class of share of the Company the Company may:

(a) issue shares which are to be redeemed or are liable to be redeemed at the option of the Company or the shareholders concerned;

- (b) purchase its own shares (including any redeemable shares);
- (c) make payment in respect of the redemption or purchase under Sections 159 and 160 or (as the case may be) Section 162 of the Act, together with the relevant consent, of any of its own shares, otherwise than out of distributable profits of the Company or the proceeds of a fresh issue of shares to the extent permitted by Sections 171 and 172 of the Act.

#### SHARE CERTIFICATES

11. In Regulation 6 in Table A there shall be inserted after the word "seal" the following words, namely: "or the official seal of the company or the securities seal of the company".

#### LIEN

12. The Company shall have a first and paramount lien on all the shares registered in the name of any member (whether solely or jointly with others) for all moneys due to the Company from him or his estate, whether solely or jointly with any other person (whether a member or not) and whether such moneys are presently payable or not. The Company's lien on a share shall extend to all dividends or other moneys payable thereon or in respect thereof. The directors may at any time resolve that any share shall be exempt, wholly or partly, from the provisions of this Article.

#### CALLS ON SHARES

13. The directors may accept from any member the whole or any part of the amount remaining unpaid on any share held by him notwithstanding that no Part of that amount has been called up.

TRANSFER OF SHARES

14. (1) The directors may refuse to register a transfer if either the share is not fully paid up or the Company has a lien thereon or the transfer is prohibited by these Articles or by the terms of the allotment of the shares in question.
- (2) No sale or transfer of any shares to any person whomsoever shall be made or registered if it would give the Secretary of State power to revoke any of the Licences or if, in the reasonable opinion of the Board, it might otherwise jeopardise any of the Licences or give the Secretary of State the ability to vary any of the Licences.
- (3) The provisions of paragraphs (1) and (2) shall apply mutatis mutandis to the sale or other disposal of any shares allotted to a member by means of a renounceable letter of allotment or other renounceable document of title.
- (4) The Board shall within 30 days of any request from a shareholder wishing to transfer shares inform such shareholder whether any person named by such shareholder as a proposed transferee might, in the Board's opinion, jeopardise any of the Licences or give the Secretary of State the ability to vary any of the Licences.
- (5) No share shall be issued or transferred to any bankrupt or person of unsound mind.

- (5) Notwithstanding any other provision of these Articles no member may transfer or agree to transfer any interest in any 'A' Ordinary Shares to any person who is not a Qualifying Institution ("the transferee") if, as a result of the transfer or a series of transfers the transferee would, either alone or in conjunction with persons acting in concert, directly or indirectly own 90% or more of the 'A' Ordinary Shares in issue (or any other shares into which such shares may have been converted) unless the transferee makes an irrevocable offer open for acceptance for not less than 30 days to acquire the remaining 'A' Ordinary Shares and all of the 'B' Ordinary Shares and the 'C' Ordinary Shares in issue at a price per share and on terms no less favourable than the most favourable terms provided by the transferee during the twelve months preceding the proposed date of such transfer (including the terms proposed in relation to the transfer itself), after deducting such part of the price paid (if any) as represented the value of any arrears or accrual of dividend in respect of such shares. For these purposes the expression "acting in concert" has the meaning set out in the City Code on Take-Overs and Mergers.
- (7) In the event that (i) a person ("the Offeror") makes an irrevocable bona fide offer ("the Offer") open for acceptance for not less than 30 days ("the Offer Period") to acquire all the 'A' Ordinary Shares, 'B' Ordinary Shares and 'C' Ordinary Shares held by all members of the Company (other than any already held by the Offeror) and (ii) the Offer is accepted by shareholder(s) holding in aggregate more than 90% of the 'A' Ordinary Shares in issue excluding any shares held by the



Offeror or a person connected (within the meaning of Section 839 Income and Corporation Taxes Act 1988) with the Offeror then each member:

- (i) shall be bound to accept the Offer in the Offer Period and to execute all such documents and to do all such other acts or things which are necessary to transfer its shares to the Offeror in accordance with the terms of the Offer; and
- (ii) hereby appoints the Company as his Attorney in his name and on his behalf to accept the Offer and execute all such documents and to do all such other acts or things which the Company as his Attorney deems necessary to transfer its shares to the Offeror in accordance with the terms of the Offer;

and the aggregate price paid by the Offeror to the holders of shares accepting the Offer shall be treated by them as if it were a surplus distributed to such holders in a liquidation of the Company and shall be divided among the holders of the 'A', 'B' and 'C' Ordinary Shares accordingly. Any member which receives from such Offeror a greater payment than that to which he is entitled shall hold the amount of the overpayment in trust for the other members in proportion to their respective entitlements.

15. (1) Transfers of 'A' Ordinary Shares shall only be effected in accordance with this Article 15.

- (2) Subject to paragraph (3) a transfer of 'A' Ordinary Shares shall only be made to a Qualifying Institution whose identity has been approved by the Specified Majority and only if the transferee complies with paragraph (3) of this Article.
- (3) Before disposing, directly or indirectly, of the beneficial interest in any 'A' Ordinary Shares the member who is proposing to make the disposal shall procure that the transferee, having decided how many 'A' Ordinary Shares in aggregate it wishes to acquire interests in ("the Aggregate Amount") offers to buy the requisite number of shares at the same price and on the same terms from each of the 'A' Ordinary Shareholders pro rata to his total holdings of 'A' Ordinary Shares. Each 'A' Ordinary Shareholder shall have 10 business days in which to decide to accept or reject such opportunity and, if it does not reply within such period, shall be deemed to have rejected it, in which case the other parties shall be free (on a pro rata basis) to dispose of 'A' Ordinary Shares in excess of their pro rata entitlement up to the Aggregate Amount. The provisions of this paragraph (3) may be waived by the Specified Majority.
- (4) The following transfers by Qualifying Institutions shall not be subject to paragraphs (2) and (3) of this Article. Transfers to:-
- (a) its nominee or from one nominee to another nominee of the Qualifying Institution;

- (b) the beneficial owner for the time being of the shares or any other person who becomes a manager or trustee of such shares for the same beneficial owner;
- (c) any other company (in this Article called "Associated Company") which is a holding company of that member or which is another subsidiary of such a holding company (the expression "holding company" and "subsidiary" having the meanings respectively given to them in section 736 of the Act);
- (d) a fund or a nominee of a fund managed by a Qualifying Institution or any other person who becomes a manager or trustee of such a fund;
- (e) a limited partnership in which each of the limited partners is at the time of the transfer a beneficial owner of some or some part of the shares the subject of the transfer ("a qualifying partnership") or the general partner or a nominee of the qualifying partnership or any transfer thereafter by a qualifying partnership or the general partner or a nominee of such qualifying partnership to the beneficial owner of the shares;
- (f) a nominee formed for the purposes of administering a co-investment scheme of a Qualifying Investor.

- (5) Where a Qualifying Institution has transferred any shares to an Associated Company (the "transferee company") pursuant to the exception contained in paragraph (4)(c) and thereafter at any time the transferee company ceases to be an Associated Company with the transferor company, the transferee company shall promptly give notice thereof to the Company and shall transfer the relevant shares to the transferor company or an Associated Company of the transferor company within 14 days of the transferor company and the transferee company ceasing to be Associated Companies.
16. (1) Transfers of 'B' Ordinary Shares shall only be effected in accordance with paragraphs (6) and (7) of Article 14 or this Article 16.
- (2) The following transfers by 'B' Ordinary Shareholders shall be permitted:-
- (a) in the case of shares beneficially owned by a member, any transfer to the parents, brothers, sisters, spouse, child or remoter issue of such member or to the trustees of any trust the sole beneficiaries of which are one or more of that member, such parent, brother, sister, spouse, child or remoter issue PROVIDED THAT if and whenever any such persons cease to be the sole beneficiaries of such trust the trustee or trustees shall forthwith give a Transfer Notice (as defined in paragraph (3) of this Article) in respect of the shares in question and, if they fail to

give a Transfer Notice within 14 days of such cessation, they shall be deemed to have given a Transfer Notice at the end of such period of 14 days;

- (b) if the Board does not allocate the shares in accordance with paragraph (6), any transfer by the personal representative of a deceased member to the widow, widower, parents, brother, sister, child or remoter issue of such deceased member or to another personal representative of the same estate;
- (c) in the case of a trustee of a trust any transfer to the beneficiaries or to another trustee of that trust or to the trustee of another trust for the benefit of any one or more of the same beneficiaries only subject to the same proviso as is stated in sub-paragraph (a).

PROVIDED THAT if the person from whom 'B' Ordinary Shares were transferred pursuant to the provisions of this paragraph whether directly or through a series of transfers ceases to be a 'B' Ordinary Shareholder the person to whom such shares have been transferred in accordance with the provisions of this paragraph shall be bound to offer all of the shares then registered in his name to the Board at a price to be determined by the Board in accordance with paragraph (5). The offer is referred to in this Article as the Transfer Notice and, once given or deemed to be given, may not be withdrawn.

- (3) If any director or employee of the Company or any of its subsidiaries ceases (other than by reason of disability or ill-health, retirement at normal retirement date or at an earlier date at the request of the employer or dismissal which is wrongful or unfair within the meaning of the provisions of the Employment Protection (Consolidation) Act 1978) to be such a director or employee or dies he or his personal representatives (in the case of death) shall be bound to offer all of the shares then registered in his or their names ("the Shares for Sale") to the Board at a price to be determined by the Board in accordance with paragraph (5). The offer is referred to in this Article as the Transfer Notice and, once given or deemed to be given, may not be withdrawn.
- (4) If a 'B' Ordinary Shareholder ceases to be an employee (from any cause other than as specified in paragraph (3)) of the Company or any of its subsidiaries or at any time wishes to transfer shares to any person other than those listed in paragraph (2), he may (but shall not be obliged to) issue a Transfer Notice in respect of all of the shares held by him to the Board at a price to be determined by the Board in accordance with paragraph (5). Except when served after a 'B' Ordinary Shareholder has ceased to be an employee the Transfer Notice shall be accompanied by an explanation to the Board as to why he wishes to transfer shares.
- (5) (a) The price for the Shares for Sale ("the Price") shall equal the fair value of the Shares for Sale based on the most recent annual valuation and computed in accordance

with sub-paragraph (b), unless the Board believes that there has been a material change in the value of the Shares for Sale in which case the Price shall be the fair value (computed in accordance with sub-paragraph (b)), but based on the next annual valuation. In this case, the Transfer Notice shall be held over and the Shares for Sale shall not be transferred until the next annual valuation has been made.

- (b) The Board shall arrange that each year the Auditors shall certify in writing the sum which in their opinion is the fair value of a 'B' Ordinary Share (on the basis that the transferor is a willing seller). In certifying such sum the Auditors shall take into account generally accepted valuation methods and shall also take into account the fact that the Shares for Sale constitute a minority interest and that the Shares for Sale are unlisted but otherwise the Auditors shall have regard to such criteria as they shall regard as appropriate for the purpose. In so certifying, the Auditors shall be considered to be acting as experts and not as arbitrators and, accordingly, the Arbitration Acts 1950 and 1979 or any statutory re-enactment or modification thereof for the time being in force shall not apply. The cost of obtaining the Auditors' certificate shall be borne by the Company.
- (6) On receipt by the Company of a Transfer Notice or a deemed Transfer Notice the Board shall be entitled to determine, subject to the prior written approval of the Special Directors, to allocate the Shares for Sale:-

- (a) to a person or persons replacing (directly or indirectly) the transferor as an employee or director of the Company;
- (b) to a trust for the benefit of employees or directors;
- (c) directly or indirectly to such other employees as the Board shall consider appropriate.

The Board shall use all reasonable endeavours to allocate the Shares for Sale as provided in this paragraph, if a Transfer Notice is served or deemed served after the death of a 'B' Ordinary Shareholder or after such holder (or the person from whom such shares were transferred pursuant to the provisions of paragraph (2) hereof whether directly or through a series of transfers) has ceased to be a director or employee of the Company or any of its subsidiaries. In these circumstances, the Board will use all reasonable endeavours to make such allocation as soon as practicable, having regard to the provisions in paragraph 5(a) of this Article relating to the holding over of Transfer Notices until the next annual valuation. In any other circumstances the Board shall have no obligation to seek to allocate the Shares for Sale. In any case where the Board fails to allocate the Shares for Sale, such Shares may not be transferred to any other party (except as provided in paragraph (2)) without the consent of the Board (including the Special Directors).



- (7) Within 14 days of the issue or deemed issue of a Transfer Notice the transferor shall be bound to deliver to the Board a Stock Transfer Form ("the Transfer Form") in respect of all the Shares for Sale duly executed by him with the name of the transferee in blank. The transferor shall be deemed to have given the Board irrevocable instructions to fill in the name of the transferee in accordance with the determination in accordance with paragraph (6) as soon as this has been done and the Price has been determined pursuant to paragraph (5). If, after becoming so bound, the transferor makes default in delivering the Transfer Form, the Company may receive the purchase money and the transferor shall be deemed to have appointed any one director or the secretary of the Company as his agent to execute a transfer form to the purchaser and upon execution of such transfer, the Company shall hold the purchase money in trust for the transferor. The receipt of the Company for the purchase money shall be a good discharge to each purchaser and, after his name has been entered in the register of members of the Company, the validity of the proceedings shall not be questioned by any person.
- (8) The provisions of this Article shall apply mutatis mutandis to the sale or other disposal of any shares allotted to a member by means of a renounceable letter of allotment or other renounceable document of title. No 'B' Ordinary Shareholder shall transfer or agree to transfer the legal or beneficial ownership of any share registered in his name or allotted to him except by means of a transfer and subject to the provisions of this Article.

- (9) Any member of the Company who (being an individual) shall have made in respect of him a petition for a bankruptcy order or an application for a Voluntary Arrangement (as that expression is defined in Section 1(1) of the Insolvency Act 1986) or (being a body corporate) shall have any action, application or proceeding taken in respect of it for a Voluntary Arrangement or composition or reconstruction of its debts, the presentation of an administration petition, its winding up or dissolution or the appointment of a receiver, liquidator, trustee or administrative receiver or similar officer, shall be deemed to have given a Transfer Notice at the Price in respect of all of his or its shares in the capital of the Company immediately before the happening of such event unless any person entitled to a share in consequence of any of such events is, or within thirty days of becoming so entitled transfer such shares to, a person to whom shares may be transferred pursuant to paragraph (2). Regulations 29-31 of Table A shall be construed accordingly.
- (10) Regulation 29-31 of Table A shall be construed subject to this Article.
- (11) If, in any case where under the provisions of these Articles a person has become bound to give a Transfer Notice in respect of any shares and such a Transfer Notice is not duly given within a period of two weeks of demand being made a Transfer Notice shall be deemed to have been given at the expiration of the said period. In any such case as aforesaid the provisions of this Article shall take effect.

(12) The provisions of this Article shall cease and determine (except in relation to shares which are then the subject of a Transfer Notice) on a Sale or Listing.

17. (1) Transfers of 'C' Ordinary Shares shall only be effected in accordance with this Article 17.

(2) With regard to transfers of 'C' Ordinary Shares held by a Qualifying Institution the provisions of Article 15(2), (3), and (4) shall apply mutatis mutandis save that all references to 'A' Ordinary Shares shall be construed as references to 'C' Ordinary Shares.

(3) With regard to transfers of 'C' Ordinary Shares held by anyone other than a Qualifying Institution the provisions of Article 15(1), (2), (5), (6), (7), (8), (9), (10), (11) and (12) shall apply mutatis mutandis save that all references to 'B' Ordinary Shares shall be construed as references to 'C' Ordinary Shares. In addition the following provisions shall apply.

(a) If any director or employee of the Company or any of its subsidiaries ceases for any reason to be such a director or employee or dies he or his personal representatives (in the case of death) shall be bound to offer all of the 'C' Ordinary Shares then registered in his or their names ("the 'C' Shares for sale") to the Board at a price to be determined by the Board in accordance with Article 16(5). The offer is referred to in this Article 17 as the 'C' Transfer Notice and, once given or deemed to be given, may not be withdrawn.

(b) If at any time any person (whether or not a 'C' Ordinary Shareholder) ceases for whatever reason to be a director or employee of the Company or any of its subsidiaries and at any time thereafter he or his personal representatives (in the case of death) becomes or become the holder of any 'C' Ordinary Shares in the Company by virtue of any rights or interests acquired by him whilst he was such director or employee, he or his personal representatives shall thereupon be bound to issue a Transfer Notice in respect of all the 'C' Ordinary Shares held by him to the Board at a price to be determined by the Board in accordance with Article 16(5) (as applied to 'C' Ordinary Shares by Article 17(3)). In any such case as aforesaid the provisions of this Article shall take effect.

18. Special Shares shall only be transferable to a Qualifying Institution holding not less than 8.33% of the issued 'A' Ordinary Shares (or such lesser percentage as is approved by the Specified Majority) which has been approved as the holder of Special Shares by the Specified Majority.

19. (1) The directors may also refuse to register a transfer unless:-

(a) it is lodged duly stamped at the office or at such other place as the directors may appoint and is accompanied by the certificate for the shares to which it relates and such other evidence as the directors may reasonably require to show the right of the transferor to make the transfer;

(b) it is in respect of only one class of share; and

(c) it is in favour of not more than four transferees.

(2) If the directors refuse to register a transfer of a share, they shall within fourteen days after the date on which the transfer was lodged with the Company send to the transferor notice of the refusal.

(3) All instruments of transfer which are registered shall be retained by the Company, but any instrument of transfer which the directors refuse to register shall be returned to the person lodging it when notice of the refusal is given.

#### ALTERATION OF SHARE CAPITAL

20. The provisions of regulations 32, 33, 34 and 36 of Table A shall take effect subject to the provisions of Article 7.

#### GENERAL MEETINGS

21. Every notice convening a general meeting shall comply with the provisions of Section 372(3) of the Act as to giving information to members in regard to their right to appoint proxies; and notices of and other communications relating to any general meeting which any member is entitled to receive shall be sent to the Auditors.

22. A poll may be demanded by any member present in person or by proxy or (being a corporation) by its duly authorised representative. Regulation 46 in Table A shall be construed accordingly.

VOTES OF MEMBERS

23. The instrument appointing a proxy shall be in writing in any usual or common form and shall (except in the case of an appointment by telex or a facsimile copy of an appointment otherwise complying with the requirements of this Article) be executed by the appointor or his attorney duly authorised in writing or in such other form as the directors may approve. A proxy need not be a member of the Company.

24. The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is executed, or a notarially certified copy of such power or authority, shall be deposited or received at the registered office (or at such other place in the United Kingdom as is specified for that purpose in any instrument of proxy sent by the Company in relation to the meeting) not less than forty-eight hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or handed to the chairman of the meeting or adjourned meeting, and, in default, the instrument of proxy shall be invalid.

25. Subject to the provisions of the Act, a resolution in writing signed by all the members of the Company who would be entitled to receive notice of and to attend and vote at a General Meeting, or by their duly appointed proxies or attorneys, shall be as valid and effectual as if it had been passed at a General Meeting of the Company duly convened and held. Any such resolution may be contained in one document or in several documents in the same terms each signed by one or more of the members or their proxies or attorneys, and signature in the case of a body corporate which is a member shall be sufficient if made by a director or the secretary thereof or by its duly authorised representative.

DIRECTORS

26. (1) Unless and until otherwise determined by the Specified Majority the number of directors shall not be subject to any maximum but shall be not less than two. Regulation 64 in Table A shall not apply to the Company.

(2) A director shall not require a share qualification but shall be entitled to attend and speak at any General Meeting of the Company and at any separate meeting of the holders of any class of shares in the capital of the Company.

SPECIAL DIRECTORS

27. (1) MAM, for so long as it or its nominees holds not less than 7 Special Shares, shall be entitled by notice in writing addressed to the Company from time to time to appoint as directors any two persons and may remove from office any person so appointed and appoint another person in his place. If at any time it has only appointed one director he shall have two votes.

(2) The holders for the time being of the remaining Special Shares (other than those held by MAM) shall, acting by majority, be entitled by notice in writing addressed to the Company from time to time to appoint as a director any one person and may remove from office any person so appointed and appoint another person in his place.

(3) Each of the Directors appointed pursuant to paragraphs (1) and/or (2) of this Article ("the Special Directors") shall at the request of his appointor be appointed to any committee of the Directors.

(4) Each of the Special Directors may by notice in writing to the Company appoint any other person (whether a Director or member of the Company or not) to act as his alternate at any meeting of the Directors, to remove at any time such appointee and to appoint any other person in his place. The alternate shall be entitled to sit on any committee of which his appointor is a member when his appointor is absent.

(5) For so long as MAM or the other Special Shareholders have not exercised their respective right to appoint Special Directors they shall each be entitled, by notice in writing addressed to the Company and served at the registered office, from time to time to appoint any one person ("the Observer"), to remove any person so appointed and to appoint another person in his place. The Observer shall have the right to attend all meetings of the Board and of such of the Company's subsidiaries and any committees of the Board and of the relevant subsidiaries as are specified by the appointor. The Observer shall be given all notices, agendas, minutes and other papers relating to such meetings and to meetings of any committee of any such board of directors and such other information as a director would be entitled to receive and at the same time as such information is provided to directors and shall as regards confidentiality have the same obligations to the Company and any subsidiary to which he is appointed as if he were a director and shall undertake to the Company and any relevant subsidiary accordingly. The Observer shall be entitled to attend and speak at any such meetings of the board but shall not in any circumstances be entitled to vote.

(6) The Company and the Board shall take all such steps as lie within their respective powers to procure that, at the request of the person(s) which appointed him, any Special Director shall be appointed as a director of any of the Company's subsidiaries and to any committee of the



board of any such subsidiary, and such Special Director so appointed shall be entitled to appoint one alternate in respect of the subsidiaries (who shall be the same person as the alternate director of the Company appointed pursuant to Article 26(4)). The Company shall further take all steps as lie within its power to procure that its subsidiaries conduct their affairs so as to comply with all relevant provisions of these Articles.

(7) Each of the Special Directors or the Observers appointed pursuant to this Article 27 shall be entitled to report back to his appointor on the affairs of the Company and its subsidiaries and to disclose to his appointor such information as he shall reasonably consider appropriate, provided that such appointor shall have entered into an undertaking of confidentiality on terms reasonably satisfactory to the appointor and the Company.

(8) Any Special Director shall be entitled to all notices and-voting rights and in all other respects be treated as the other directors of the Company, save that the remuneration of the non-executive shall be at such fee (being not less than £15,000 per annum, subject to annual adjustment in accordance with the Index of Retail Prices) as is agreed between the Board and his appointor.

(9) In addition to the powers under paragraphs (1) and (2) of this Article, the holders of the Specified Majority shall be entitled to notice in writing addressed to the Company to appoint any number of additional directors (whether executive or non-executive) of the Company and/or any of its subsidiaries.

(10) On any resolution pursuant to section 303 of the Act or Article 31 hereof for the removal of a Special Director his appointor present at such meeting shall together have twice as many votes as all other Shareholders voting on such resolution.

MATTERS REQUIRING APPROVAL OF THE SPECIAL DIRECTORS

28. (1) In addition to any other authority required by law or by these Articles:-

- (a) the appointment of any additional executive directors or non-executive directors (other than in accordance with Article 26);
- (b) the approval of the Annual Business Plan or any material modification thereto;
- (c) the issue of shares directly or indirectly to employees of the Group;
- (d) the alteration of the accounting reference date of the Company or any subsidiary, the adoption of the accounting policies for the Company, and any material change in the accounting policies of the Company or any subsidiary unless the Board or the directors of that subsidiary are advised in writing by the Auditors of the Company that not to make such a change will lead them to qualify the accounts to the effect that they do not give a true and fair view;

- (e) any item of capital expenditure by the Company or any of its subsidiaries of an amount in excess of £2,000,000 in any one transaction or any series of connected transactions;
- (f) the making by the Company or any of its subsidiaries of any material contract outside the ordinary course of their respective businesses or otherwise than at arm's length commercial terms;
- (g) the entering into any contract or arrangement or a series of connected contracts or arrangements by the Company or any of its Subsidiaries involving payments of £2,000,000 or more over the term of such contract or arrangement (or such connected contracts or arrangements as the case may be);
- (h) the acquisition of assets, (including shares and securities) in one or a series of transactions, for consideration in excess of £2,000,000 (including assumed liabilities);
- (i) any sale, lease, transfer or other disposal of the whole or any significant part of the undertaking of the Company or of any of its subsidiaries or of assets (including shares in subsidiaries) having a value (a "Value") (taking into account liabilities (other than future or contingent liabilities not requiring provision under GAAP) to be assumed by the purchaser, lessee or transferee) of £2,000,000 or more PROVIDED THAT for the purposes of arriving at the Value a series of connected transactions shall be treated as one transaction. Once a transaction has been approved by the Special Director under this sub-paragraph

the Value of such relevant transaction shall be disregarded for the purposes of determining whether any subsequent transaction requires approval under this sub-paragraph;

- (j) the dismissal, or any recommendation for the appointment, of any auditors and legal advisers to the Company or its Subsidiaries;
- (k) any change in the service agreements for directors (other than a determination of remuneration made by the Remuneration Committee in accordance with the provisions of Article 42) of the Company or NTL or of any employee of the Company or NTL earning £150,000 or more per annum;
- (l) the Company or any subsidiary entering into any legally binding agreement undertaking or commitment to do any of the foregoing;

shall, whether or not any such matter requires the consent of the Specified Majority in accordance with Article 6(6), require, in addition to the approval of the Board, the consent of a majority of the Special Directors given in accordance with this Article. If there are two or less Special Directors the required consent shall be unanimous. If there are no Special Directors but there is an Observer, his consent will be required.

- (2) The Company shall seek the consents referred to in this Article in respect of any matter therein referred to after such matter has been considered at a duly convened meeting of the directors. The notice convening such a Board Meeting shall contain provision that a decision in respect of

such matter is required. Such notice shall be accompanied by documentation (comprising papers submitted to the other directors) of reasonable length which is in the possession of the Company and is relevant to the matter requiring a decision.

(3) Within 5 working days of the later of (i) a Special Director having actually received the papers referred to in paragraph (2) and having actually received such responses as he may reasonably request to any points, queries or reservations he may have, and (ii) the Board Meeting referred to in paragraph (2) having actually happened, such Special Director shall notify the Company as to whether he consents to the proposal or otherwise. Any failure to notify the Company within such period shall be deemed to be consent. If at the Board Meeting referred to in paragraph (2), the Special Director gives a formal affirmative vote (minuted as such) in favour of the proposal, that shall be regarded as consent.

(4) The consents referred to in this Article may be given either specifically or generally in respect of the matters comprised therein.

#### BORROWING POWERS

29. (1) Subject as hereinafter provided the directors may exercise all the powers of the Company to borrow money, and to mortgage or charge its undertaking, property and uncalled capital, and to issue debentures and other securities, whether outright or as collateral security, for any debt, liability or obligation of the Company or of any third party.

(2) The directors shall restrict the borrowings of the Company and exercise all voting and other rights or powers of control exercisable by the Company in relation to its Subsidiaries and subsidiary undertakings (if any) so as to secure (as regards subsidiaries and subsidiary undertakings so far as by such exercise they can secure) that the aggregate amount for the time being remaining undischarged of all moneys borrowed by the Company and its Subsidiaries and subsidiary undertakings for the time being shall not at any time without the consent of the Company in General Meeting exceed the greater of £70 million or twice the aggregate of:-

- (a) the amount paid up on the issued share capital of the Company;
- (b) the amount standing to the credit of the consolidated capital and revenue reserves of the Company and its Subsidiaries and subsidiary undertakings (including retained earnings); and
- (c) the principal amount of outstanding Loan Stock

all as shown in the latest audited and consolidated balance sheet of the Company and its Subsidiaries and subsidiary undertakings but adjusted as may be necessary:

- (a) to take account of:
  - (i) any variation in the amount paid up on the issued share capital of the Company and in the share premium account since the date of such balance sheet;

- (ii) any distribution from such reserves (otherwise than to the Company or to a Subsidiary) not provided for therein;
- (b) by deducting any debit balance on profit and loss account as shown in such balance sheet; and
- (c) by the addition of any previous amortisation of goodwill

but until such time as the first audited and consolidated balance sheet of the Company and its Subsidiaries and subsidiary undertakings shall be presented to an Annual General Meeting of the Company such borrowings shall not exceed £70 million.

(3) For the purpose of these Articles (but without prejudice to the generality of the expression "moneys borrowed"):

- (a) the amount outstanding in respect of acceptances by the Company or any of its subsidiaries or by any bank or accepting house under any acceptance credit opened on behalf of the Company or any subsidiaries or subsidiary undertakings (not being acceptances in relation to the purchase of goods in the normal course of trading) shall be taken into accounts as money borrowed;
- (b) moneys borrowed for the purpose of repaying the whole or any part of the moneys previously borrowed and then outstanding (including any premium payable on final repayment) and applied for that purpose within three months of such borrowing shall not, pending such application, be taken into account as moneys borrowed;

(c) the following shall be deemed to be money borrowed:

- (i) the principal amount for the time being owing in respect of any debenture within the meaning of part XXVI of the Act whether issued for cash or otherwise;
- (ii) the nominal amount of any share capital and the principal amount of any borrowings or other indebtedness the redemption or repayment of which is guaranteed or secured or is the subject of an indemnity given by the Company or any of its subsidiaries or subsidiary undertakings and the beneficial interest in which is not owned by the Company or any of its subsidiaries or subsidiary undertakings;
- (iii) any amount raised by bills of exchange;
- (iv) the principal amount for the time being owing in respect of any arrangements for hire, hire-purchase or purchase on credit sale or conditional sale terms and including sums due under finance leases;
- (v) the aggregate amount of any book debts sold by the Company or any of its subsidiaries or subsidiary undertakings in respect of which the purchase price is outstanding;
- (vi) the aggregate amount for the time being of any unpaid taxation in respect of which the Company or any of its subsidiaries or subsidiary undertakings is or may be required to pay interest;



(vii) the amount of any borrowings subordinated in the event of the liquidation of the Company to the unsecured creditors of the Company;

(viii) factoring or like agreements or trade finance or other arrangements entered into primarily as a method of raising finance but not shown as borrowings on the balance sheet of the Company receiving credit and liabilities incurred primarily in connection with the raising of finance but which are off-balance-sheet by reason of being contingent, conditional, limited recourse or netted-out against an asset or otherwise;

(d) moneys borrowed shall not include:-

(i) any borrowings between the Company and any wholly owned subsidiary or between any wholly owned subsidiary and another; and

(ii) accrued dividends and interest thereon; and

(iii) the principal amount of Loan Stock and accrued interest — thereon;

(e) moneys borrowed and outstanding in a currency other than sterling shall be converted into sterling at the market rate of exchange prevailing for the relevant currency in London on the date on which the borrowing limit falls to be applied;

- (f) where moneys borrowed by a member of the Group are guaranteed by another member of the Group only the principal indebtedness shall be included.

(4) A certificate by the Auditors as to the aggregate amount of moneys borrowed which may at any one time in accordance with this Article be owing by the Company and its Subsidiaries and subsidiary undertakings shall be conclusive and shall be binding upon the Company, its members and all persons dealing with the Company.

(5) No liability or security given in respect of moneys borrowed in excess of the limit imposed by paragraph (2) of this Article shall be invalid or ineffectual except in the case of express notice at the time when the liability was incurred or security given that the limit thereby imposed had been or was thereby exceeded.

#### QUALIFICATION OF DIRECTORS

30. In addition to the provisions of Regulation 81, the office of a director shall also be vacated if:-

- (a) he becomes of unsound mind;
- 
- (b) he is removed under Article 26, being a Non-Executive Director;  
or
- (c) he is removed pursuant to Section 303 of the Act or Article 31.

31. Any person may be appointed or elected as a director, whatever his age, and no director shall be required to vacate his office by reason of his attaining or having attained the age of seventy years or any other age.

#### REMOVAL OF DIRECTORS

32. In addition and without prejudice to the provisions of Section 303 of the Act and without prejudice to the rights of any directors under his service contract in respect of such removal but subject to Article 26:-

- (a) the Company may by extraordinary resolution remove any director other than a Special Director before the expiration of his period of office;
- (b) the holders of the Specified Majority may, by notice in writing given to the Company at its registered office remove any director other than a Special Director from his office as director and from any executive position he may have with the Company or any of its subsidiaries.

#### ALTERNATE DIRECTORS

33. A director may at any time appoint any other person (whether a director or member of the Company or not) to act as alternate director at any meeting of the directors at which the director is not present, and may at any time revoke such appointment. An alternate director so appointed shall not be entitled as such to receive any remuneration from the Company but shall otherwise be subject to the provisions of Table A and of these Articles with regard to directors. An alternate director shall be entitled to receive

notice of all meetings of the directors and to attend and vote as a director at any such meeting at which the director appointing him is not personally present, and generally to perform all the functions, rights, powers and duties of the director by whom he was appointed. An alternate director shall as regards confidentiality have the same obligations to the Company and any subsidiary to which he is appointed as if he were a director and shall undertake to the Company and any relevant subsidiary accordingly. An alternate director shall ipso facto cease to be an alternate director if his appointor ceases for any reason to be a director. Where a director who has been appointed to be an alternate director is present at a meeting of the directors in the absence of his appointor such alternate director shall have one vote in addition to his vote as director. Every appointment and revocation of an alternate director shall be made by instrument in writing under the hand of the director making or revoking such appointment and such instrument shall only take effect on the service thereof at the registered office of the Company.

#### DIVIDENDS

34. Regulations 102 to 105 (inclusive) of Table A shall be subject to Article 5.

#### REMUNERATION OF DIRECTORS

35. The directors shall be entitled to the remuneration determined by the Remuneration Committee. Any director who serves on any committee, or who devotes special attention to the business of the Company, or who otherwise performs services which in the opinion of the Board are in addition to or

outside the scope of the ordinary duties of a director (which services shall include, without limitation, visiting or residing abroad in connection with the Company's affairs), may be paid such extra remuneration by way of salary, percentage of profits or otherwise as the directors shall approve.

DIRECTORS' AND EMPLOYEES' GRATUITIES AND PENSIONS

36. Subject to the prior consent of the Specified Majority, the directors may:-

- (a) establish and maintain, or procure the establishment and maintenance of any share option or share incentive or profit sharing schemes or trusts or any non-contributory or contributory pension or superannuation schemes or funds for the benefit of, and may make or give or procure the making or giving of loans, donations, gratuities, pensions, allowances or emoluments (whether in money or money's-worth) to, or to trustees on behalf of, any persons who are or were at any time in the employment of the Company, or of any company which is a subsidiary of the Company, or is allied to or associated with the Company or with any such subsidiary, or who are or were at any time directors or officers of the Company or of any such other company as aforesaid, and to the wives, husbands, widows, widowers, families and dependants of any such persons;
- (b) establish and subsidise or subscribe to any institutions, associations, clubs or funds calculated to be for the benefit of, or to advance the interests and well-being of the Company,

or of any such other company as aforesaid or of any such persons as aforesaid;

(c) make payments for or towards policies of assurance on the lives of any such persons and policies of insurance of or in respect of any such persons (including insurance against their negligence) as aforesaid;

(d) pay, subscribe or guarantee money to or for any charitable or benevolent objects, or for any exhibition, or for any political, public, general, or useful object; and

(e) do any of the above things either alone or in conjunction with any such other company as aforesaid.

Subject always if the Act shall so require to particulars with respect to the proposed payment being disclosed to the members of the Company and to the payment being approved by the Company in General Meeting, any director shall be entitled to participate in and retain for his own benefit any such loan, donation, gratuity, pension, allowance or emolument.

#### PROCEEDINGS OF DIRECTORS

37. In Regulation 88 in Table A there shall be substituted for the third sentence the following sentences namely: "All directors shall be given notice of every meeting of the directors. Any director or alternate director may by notice to the Company waive his right to receive notice of the meeting and the presence of any director or alternate director at the commencement of a meeting shall constitute such waiver by him".

38. (1) The quorum for meetings of the directors shall be three including at least two Special Directors (or, if there is only one, that Special Director).

(2) Save for emergencies, not less than seven days' notice shall be given of meetings of the directors and meetings of the directors shall be held monthly.

(3) For the purpose of determining whether a quorum exists for the transaction of the business of the Board:-

- (a) in the case of a resolution agreed by directors in telephonic communication with one another, all such directors shall be counted in the quorum and any resolution so agreed shall be as valid and effective as if passed at a meeting of the board of directors duly convened and held;
- (b) in the case of a meeting of the Board of directors, in addition to the directors present at the meeting, any director in telephonic communication with such meeting shall be counted in the quorum and entitled to vote; and
- (c) any person attending a meeting of the Board, or in telephonic communication with such a meeting, who is both a director and is acting as an alternate director for two or more of the directors shall, for the purposes of the quorum, be counted as one for each such person for whom he is acting as an alternate director and, if applicable, also be counted as a director, but not less than two individuals shall constitute a quorum.

39. A resolution in writing of all the directors or all the members of a committee of directors shall be as effectual as if it had been passed at a meeting of directors or (as the case may be) a committee of directors duly convened and held either:

- (a) if it consists of an instrument executed by or on behalf of each such director or committee member; or
- (b) if it consists of several instruments in the like form each either:
  - (i) executed by or on behalf of one or more of such directors or committee members; or
  - (ii) sent by or on behalf of one or more of such directors or committee members by telex or facsimile transmission and deposited or received at the office or received by the secretary,

and any such instrument executed or sent by or on behalf of an alternate director shall be deemed to have been duly executed or sent (as the case may be) by or on behalf of his appointor.

40. Subject to any requisite declaration of interest in accordance with the provisions of the Act and (if applicable) Regulation 85 in Table A having been made by him, a director may vote as a director in regard to any transaction or arrangement in which he is interested, or upon any matter arising therefrom and Regulations 94 and 95 in Table A shall be construed subject to this provision.



41. In Regulation 97 In Table A:-

- (a) there shall be inserted after the words "the appointment" the following words, namely: "or the terms of appointment", and
- (b) the following words shall be deleted, namely: "and be counted in the quorum" and there shall be inserted after the words "his own appointment" the following words, namely: "and shall be counted in the quorum in respect of each resolution including that concerning his own appointment".

42. There shall be a Remuneration Committee of the Directors consisting of the Special Directors, the Chairman and the Chief Executive. No meeting of the Remuneration Committee shall be quorate without the presence of at least one Special Director. The Special Directors present at the meeting shall have one more vote than the combined votes of the other members of the Remuneration Committee. In addition to determining the remuneration of directors the Remuneration Committee will be solely responsible for the granting of options under the Approved Option Scheme.

MINUTES

43. The directors shall cause minutes to be made in books kept for the purpose:-

- (a) of all appointments of officers and alternate directors made by the directors; and
- (b) of all proceedings at meetings of the Company, of the holders of any class of shares in the Company of the directors, and of

committees of directors, including the names of the persons present at each such meeting.

#### THE SEAL

44. The Company is authorised pursuant to Section 39 of the Act for so long as its objects require or comprise the transaction of business in foreign countries to have an official seal for use in any territory, district, or place elsewhere than in the United Kingdom.

45. The Company is authorised pursuant to Section 40 of the Companies Act 1985 to have an additional form of official seal which is a facsimile of its common seal with the addition on its face of the word "securities". Such seal is only to be used for the sealing of certificates relating to shares or debentures (including loan stock) comprising the capital of the Company or creating or otherwise evidencing securities so issued.

#### INDEMNITY

46. (1) Every director or other officer of the Company shall be entitled to be indemnified out of the assets of the Company against all losses or liabilities which he may sustain or incur in or about the execution of the duties of his office or otherwise in relation thereto including any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in connection with any application under Section 727 of the Act in which relief is granted to him by the Court and no director or other officer shall be liable for any loss, damage or misfortune which may happen to or be incurred by the Company in the execution of the duties of his office or in relation

thereto. But this Article shall only have effect insofar as its provisions are not avoided by Section 310 of the Act.

(2) Without prejudice to the provisions of paragraph (1) 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 or auditors of the Company, or of any other company which is its holding company or in which the Company or such holding company or any of the predecessors of the Company has any interest whether direct or indirect or which is in any way allied to or associated with the Company, or of any subsidiary undertaking of the Company or of any such other company, or who are or were at any time trustees of any pension fund in which employees of the Company or of any such other company or subsidiary undertaking 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 the Company or any such other company, subsidiary undertaking or pension fund.

# G

## COMPANIES FORM No. 169

### Return by a company purchasing its own shares

# 169

Pursuant to section 169 of the Companies Act 1985

Please do not write in this margin

Please complete legibly, preferably in block type, or bold block lettering

\* Insert full name of company

**Note**  
This return must be delivered to the Registrar within a period of 28 days beginning with the first date on which shares to which it relates were delivered to the company

§ A private company is not required to give this information

‡ Insert Director, Secretary, Receiver, Administrator, Administrative Receiver or Receiver (Scotland) as appropriate

To the Registrar of Companies  
(Address overleaf)

For official use  
[ ] [ ] [ ] [ ] [ ] [ ]

Company number

2591237

Name of company

\* NTL Group Limited

Shares were purchased by the company under section 162 of the above Act as follows:

Class of shares	"B" Ordinary		
Number of shares purchased	6450		
Nominal value of each share	1p		
Date(s) on which the shares were delivered to the company			
Maximum prices paid § for each share			
Minimum prices paid § for each share			

The aggregate amount paid by the company for the shares to which this return relates was: £ 328,950

Stamp duty payable pursuant to section 66 of the Finance Act 1986 on the aggregate amount at 50p per £100 or part of £100 £ 1,645

Signed

*M. Stokes*

Designation‡

Company Secretary

Date

19/12/94 6/12

Presenter's name address and reference (if any):

M. Stokes  
NTL Group Limited  
Crawley Court  
Winchester  
Hampshire SO21 2QA

For official Use  
General Section

Post room

