

**No. 2802598**

**THE COMPANIES ACT 1985 (AS AMENDED)**

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**COMPANY LIMITED BY SHARES**

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**MEMORANDUM OF ASSOCIATION**

**- of -**

**UK LIVING LIMITED**

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**FRERE CHOLMELEY BISCHOFF**

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THE COMPANIES ACT 1985 (AS AMENDED)

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COMPANY LIMITED BY SHARES

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MEMORANDUM OF ASSOCIATION  
of  
UK LIVING LIMITED

- 1.\* The Company's name is "FC 1039 LIMITED".
2. The Company's registered office is to be situated in England.
- 3.\*\* The Company's objects are:
  - 3.1 To transmit and/or broadcast by satellite, cable, microwave, radio, television, wire or other conductor or by any combination of these or any other telecommunications system or other related systems or any other form of dissemination or transmission now existing or subsequently hereafter invented, radio or television programmes, films, text or other material of any description or type whatsoever; to apply for and obtain any licences, consents, permissions or authorisations which may be necessary to effect any of the foregoing and to do all things necessary to obtain and maintain in full force and effect such licences, permissions, consents and authorisations; to enter into any contracts which may be necessary for the provision, the transmission and the broadcasting of such programmes and materials; to originate, produce, commission, sell, distribute and let or hire any programme or other material and to act as advertising and publicity agents; to establish, maintain and operate radio and television transmitting and receiving stations; to establish operate and maintain all necessary offices, studios, workshops or any other

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\* The company changed its name by special resolution dated 7th July 1993. The Certificate of Incorporation on Change of Name was issued on 9th July 1993.

\*\* Amended by special resolution dated 26th August 1993.

premises required for the purposes of the Company and to deal in, maintain, lease, sub-lease, hire or own satellite receiving and transmitting facilities, masts, aerials, poles, cables, wires, lines and all other works and equipment, required to effect any of the foregoing.

3.2 To establish and carry on the business of providing a non-domestic satellite service or any other television programme service or any additional service including, but not limited to:-

- (a) the provision of facilities for the transmission of television programmes by satellite;
- (b) the transmission of television programmes by satellite;
- (c) the provision of radio transmissions, teletext transmissions (as defined in the Broadcasting Act 1990), data transmissions and all other services involving the use of broadcast satellite frequencies or fixed service satellite frequencies;
- (d) the buying, selling, producing, acquiring, distributing, commissioning or otherwise dealing in, and in rights in, on such terms as the directors see fit, programmes and programming for transmission by satellite and the selling, marketing and exploitation by whatever means of all and any rights, goods and services acquired by the Company in or in connection with any such programmes or programming, including the manufacture, production, purchase, sale, lease, licensing or other turning to account in any manner of merchandise, goods and services of all kinds for the purposes of such exploitation;
- (e) the publishing and/or turning to account in any manner whatsoever, on such terms as the directors see fit, all material whatsoever relating to the programming and/or data broadcast by the Company or to the technology owned or used by the Company for the purposes of its business, including, without limitation, the sale of advertising airtime, sponsorship and subscriptions for television programmes, radio transmissions, teletext transmissions, data transmissions or any other service transmitted by the Company;
- (f) the doing of all such things as may be required to comply with the conditions attached to any licence granted to the Company by the Independent Television Commission or any successor to it;

- (g) the application for, obtaining, acquiring, leasing, licensing, letting, holding and maintaining, upon such terms as the directors see fit, facilities and services and the application for and maintenance of all necessary consents, permissions and licences for the provision of a non-domestic satellite service or any other television programme service or any additional service; and
- (h) the doing of all such other things as in the opinion of the directors may be required to effect or in connection with or ancillary to any of the foregoing.

- 3.3 To apply for any television or broadcasting licence and to do all things necessary, desirable or appropriate in connection with any such application and to carry on business in all branches of the television, radio, electronic and electrical industries, and in particular, to produce, direct, organise, perform, manage, arrange, distribute, exhibit, sell, rent out, broadcast, exploit and turn to account, and to promote, assist, finance and generally be concerned with the production, direction, organisation, performance, management, arrangement, distribution, sale, renting, exploitation and turning to account of concerts, theatres, plays, motion pictures, films, radio and television shows, video films, recordings, advertisements, sponsorship, performances and appearances, engagements and entertainments of all kinds.
- 3.4 To carry on business as programme contractors, owners, managers and operators of television programme services and sound broadcasting services and studios and theatres and cinemas and as makers, directors, producers and distributors of television, sound radio, cinematograph and stage plays, performances, advertisements and programmes of all forms and descriptions and of any other form of public or private entertainment.
- 3.5 To purchase or otherwise acquire, dispose of and otherwise deal in copyrights or other rights, licences or interests of all kinds whatsoever in or relating to literary, dramatic, theatrical, musical, cinematographic, choreographic, and other works, sporting and other events and subjects and matters of every description and to use and manufacture under or grant licences or privileges in respect of the same and (without limiting the generality of the foregoing) the rights to broadcast by sound and television and cause to be transmitted performances, works, scenes and events of every description and to make adaptations thereof.

- 3.6 To enter into arrangements whether reciprocal or otherwise for a supply of live or recorded programmes to other providers of television programme services or sound broadcasting services or other stations elsewhere in the world and for the purchase, hire, or acquisition under any other form of commercial arrangement of programmes broadcast from stations controlled by other providers of television programme services or sound broadcasting services or other persons and to enter into any arrangement with any governments or authorities (supreme, municipal, local or otherwise) or any corporation, companies or persons that in the opinion of the directors is ancillary to the Company's objects or any of them and to obtain from any such government, authority, corporation, company or person such charters, contracts, decrees, rights, privileges and concessions which the Company may think desirable and to carry out, exercise and comply with any such charters, contracts, decrees, rights, privileges and concessions.
- 3.7 To acquire and exploit the services and abilities of, and to enter into contracts and engagements with, and to act as managers, organisers and employers of and agents of all kinds for authors, dramatists, playwrights, scriptwriters, composers, painters, musicians, singers, actors, dancers, artists, journalists, entertainers, comedians, sportsmen, sports promoters, commentators, cameramen, printers, designers, engravers, sculptors, producers, publishers, electrical, electronic and mechanical and recording engineers of any description and other persons for the purpose of making, recording, or otherwise producing photographic or cinematographic records, pictures or films, and for the production and representation or recording or reproduction of scenarios, films, plays, photographs, stage plays, television plays, radio plays, operas, pantomimes, songs, ballets, concerts, exhibitions, variety entertainments, musical, instructive or illustrational performances and entertainments and amusements of any kind and description.
- 3.8 To purchase or otherwise acquire, hire, take on lease or licence, produce, manufacture, build, develop, experiment with, improve, convert, adapt, sell, maintain, operate, let out on hire, licence or sub-licence the use of, use, or otherwise deal in, buildings, studios, offices, radio and television transmitting and/or receiving stations, locations, properties, apparatus, scenery, sound recording apparatus, lighting equipment, public address systems, telecommunications systems and all other premises, equipment and apparatus connected with television and

radio or which in the opinion of the directors are conducive to any of the Company's objects.

- 3.9 To carry on the business of general merchants, importers, exporters, manufacturers, dealers, traders, brokers and factors of every kind, whether by mail order or otherwise, both wholesale or retail, in every description of property, goods and merchandise.
- 3.10 To import, export, buy, sell, exchange, barter, distribute, trade, contract or otherwise deal in and turn to account goods, materials, commodities, produce and merchandise of every class and description in a prepared, manufactured, semi-manufactured or raw state and to manufacture, construct, assemble, design, refine, develop, alter, convert, refit, repair, treat, render marketable, process or otherwise produce materials, fuels, chemicals, substances and industrial, commercial and consumer products of all kinds.
- 3.11 To carry on the business of dealing in real and personal property and to purchase, take on lease or in exchange, or otherwise acquire, hold, sell, take and grant options on, improve, develop, construct, exploit, maintain, broke and underwrite transactions in relation to any land, buildings or personal property wherever situate, and rights and interests therein.
- 3.12 To act and carry on the business of a holding company and all matters incidental thereto including but without limitation, to co-ordinate the policy and administration of and manage any corporate body or business or group of corporate bodies or businesses in which the company is a member or participant or which is controlled by or associated with the Company in any manner, to assist financially, subsidise or enter into subvention and other agreements with any such body or business, and to provide for any such body or business administrative, executive, managerial, secretarial and accountancy services, staff, premises, social or welfare services and facilities of any kind, to act as secretaries, directors, registrars, managers and agents thereof and to do anything which will or may promote the efficiency and profitability of any such corporate body or business or group of corporate bodies or businesses.
- 3.13 To manage, farm or let (whether furnished or unfurnished) any land or buildings or any part thereof or any rights or interests therein for any period and at such rent and on such conditions as the directors see fit; to lay out roads and gardens and recreation grounds; to pull down, alter and improve land or buildings; to plant, drain or otherwise improve land

or any part thereof; and to build, install or improve electric, gas, water and other fittings.

- 3.14 To carry on business as property developers, builders and decorators, joiners, plumbers, carpenters, engineers, electricians, sanitary engineers and merchants of any kind.
- 3.15 To carry on business as consultants, advisers and/or managers in relation to any land or buildings whether freehold or leasehold or any other property, whether real or personal, wherever situate, or any rights or interest therein.
- 3.16 To acquire, upon such terms and in such manner as the directors see fit, the shares, stocks, debentures, debenture stock, annuities, warrants, bonds, units, obligations and securities or any interest therein of any person, company, fund or trust.
- 3.17 To acquire, upon such terms and in such manner as the directors see fit, the whole or any part of the undertaking, property and assets, or any interest therein, and to undertake the whole or any of the liabilities or obligations of, and to acquire and carry on the business of, any person or company.
- 3.18 To sell, exchange, mortgage, charge, lease or grant licences, easements, options and other rights over, or in any other manner deal with, or dispose of, the whole or any part of the undertaking, property and assets (present and future) of the Company (including, without limitation to the generality of the foregoing, all or any shares, stocks, debentures, debenture stock, annuities, warrants, bonds, units, obligations and securities of the Company) for any consideration and in particular, but without prejudice to the generality of the foregoing, for shares, stock, debentures, debenture stock or other securities of any company.
- 3.19 To provide services of all descriptions and to undertake and execute agency or commission work of all kinds and to act generally as agents, factors, brokers, managers, consultants and advisers for the sale and purchase of every description of property, goods and merchandise and the provision of every type of service.
- 3.20 To manufacture, process, import, export, deal in and store any goods and other things, and to carry on the business of manufacturers, processors, importers, exporters and storers of and dealers in any goods and other things.

- 3.21 To apply for, register, purchase, or by any other means obtain or seek to obtain, upon such terms and in such manner as the directors see fit, any patent rights, licences, secret processes, trade marks, designs, brevets d'invention, or other industrial or business rights, protections or concessions, to use, alter, grant licences, options, interests or privileges in respect of, manufacture under, expend money in experimenting upon and improving and otherwise deal in the same, and to carry on the business of an inventor, designer or research organisation.
- 3.22 To advertise, market and sell the products and services of the Company and to carry on the business of advertisers and advertising agents and of a marketing or selling organisation and of a supplier, wholesaler, retailer, merchant or dealer of any kind.
- 3.23 To borrow and raise money and to secure or discharge any debt, liability or obligation, whether of the Company or any other person, upon such terms and in such manner as the Company sees fit, and in particular, but without prejudice to the generality of the foregoing, by mortgaging or charging or providing any other security over the whole or any part of the undertaking, property and assets (whether present or future), and uncalled capital of the Company or by the creation and issue of any securities of the Company.
- 3.24 To lend money, give credit or provide any other form of credit or financial accommodation to any person, and to carry on the business of a banking, finance or insurance Company.
- 3.25 To enter into guarantees, contracts of indemnity and suretyships of all kinds, whether or not the company shall receive any consideration in respect of, or derive any commercial benefit from the same, on such terms and in such manner as the directors see fit, and in particular but without prejudice to the generality of the foregoing, to guarantee, underwrite, support or secure, as aforesaid, and whether by personal obligation or by mortgaging or charging or providing any other security over the whole or any part of the undertaking, property or assets (whether present or future) and uncalled capital of the Company or by the creation and issue of any securities of the Company, the performance of any obligations or commitments or satisfaction of any liabilities of any person or company including, but without prejudice to the generality of the foregoing, any company which is for the time being a subsidiary or holding company or a subsidiary undertaking or parent undertaking of the Company or another subsidiary of a holding company of the Company or another subsidiary undertaking of a



parent undertaking of the Company or is otherwise associated with the Company.

- 3.26 To draw, make, accept, issue, execute, endorse, discount and deal in bills of exchange, promissory notes, bills of lading, debentures, warrants and other instruments and securities, whether negotiable or otherwise.
- 3.27 To promote any other company for the purpose of acquiring the whole or any part of the business or property or undertaking or any of the liabilities of the Company, or of undertaking any business or operations which may appear likely to assist or benefit the Company or to enhance the value of any property or business of the Company, and to place or guarantee the placing of, underwrite, subscribe for, or otherwise acquire all or any part of the shares or securities of any such company as aforesaid.
- 3.28 To remunerate any person, firm or company rendering services to the Company either by cash payment or so far as permitted by law by the allotment to him or them of shares or other securities of the Company credited as paid up in full or in part or otherwise as may be thought expedient.
- 3.29 To act in a fiduciary capacity of any sort including (but without prejudice to the generality of the foregoing) to undertake the duties of a trustee of trust deeds or other instruments constituting debentures, debenture stock, bonds and other securities, or of wills and settlements, and of an executor or administrator of estates, or to act as and undertake the duties of a nominee, a custodian trustee, a trustee of a unit trust, a trustee for charitable or other institutions, a trustee for pension, benevolent or other funds, and as a manager or director of business or companies whether limited or unlimited, and generally to undertake all and any duties normally undertaken by a trust corporation and either with or without remuneration.
- 3.30 To establish and maintain or procure the establishment and maintenance of any contributory or non-contributory pension or superannuation funds and to give or procure the giving of donations, gratuities, pensions, allowances and emoluments to any persons who are or were at any time directors or officers of or in the service or employment of the Company or of any company which is a subsidiary or holding company of the Company or a subsidiary of another subsidiary of a holding company of the Company or otherwise associated with the Company and to the wives, widows, families and dependants of any such persons, and to make payments for or towards the insurance of such persons

and generally to make such provision for the well-being of any of the aforementioned persons as the directors see fit and, without prejudice to the generality of the foregoing, to establish, subsidise or subscribe money to any associations, societies, trusts, clubs and institutions as the directors see fit.

- 3.31 To establish and maintain or procure the establishment and maintenance of all forms of employee share option and share incentive schemes and such other option, incentive or bonus schemes (whether or not involving shares or securities in or of the Company) on such terms as the directors see fit.
- 3.32 To make payment for any charitable, benevolent, public, national, educational, general or useful purpose.
- 3.33 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 parent undertaking or in which the Company or such holding company or parent undertaking or any of the predecessors of the Company or of such holding company or parent undertaking 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 any 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 and to such extent as may be permitted by law otherwise to indemnify or to exempt any such person against or from any such liability; for the purposes of this clause "holding company" "parent undertaking" and "subsidiary undertaking" shall have the same meanings as in the Companies Acts 1985 to 1989.
- 3.34 To provide technical, cultural, artistic, educational, entertainment or business facilities or services and to carry on any business involving any such provision.
- 3.35 To amalgamate or enter into any partnership, joint venture, profit sharing arrangement or cooperative or

other arrangement for the pursuit of mutual interests with any person or company.

- 3.36 To issue and allot securities of the Company for cash or in payment or part payment for any real or personal property or interest therein, purchased or otherwise acquired by the Company or any services rendered to the Company or as security for any obligation or amount (even if less than the nominal amount of such securities) or for any other purpose.
- 3.37 To accept any shares, stock, debentures, debenture stock or other securities of any other company in payment or part payment for any services rendered or for any sale made to or debt owing from any such company.
- 3.38 To invest the moneys of the Company in any investments, and to hold, sell or otherwise deal with such investments, and to carry on the business of an investment company.
- 3.39 To pay all costs, charges and expenses preliminary or incidental to the formation, promotion, establishment and incorporation of the Company and the issue of its capital, including brokerage and commissions for obtaining applications for, or taking, placing or underwriting or procuring the underwriting of shares, debentures or other securities of the Company.
- 3.40 To procure the registration, incorporation or recognition of the Company in or under the laws of any place or country in the world.
- 3.41 To distribute any of the property or assets of the Company amongst its creditors and members in specie or kind.
- 3.42 To cease carrying on any business or activity of the Company or any part of any such business or activity, and to procure the winding up or dissolution of the Company.
- 3.43 To do all or any of the things or matters mentioned above in any part of the world, on any terms and in any manner as the directors see fit, and whether as principal, agent, contractor, trustee or otherwise and either alone or in conjunction with others and by or through agents, trustees, sub-contractors or otherwise.
- 3.44 To do all such other things as in the opinion of the directors may be carried on in connection with or ancillary to any or all of the above objects or which is capable of being carried on for the benefit of the Company.

It is hereby declared that:-

- (a) the word "company" in this clause, except where used in reference to this Company, shall include any partnership or other body, or association of persons, whether incorporated or not and whether domiciled or resident in the United Kingdom or elsewhere; and
  - (b) each and every object specified in the different paragraphs of this clause shall not, except where the context expressly so requires, be in any way limited or restricted by reference to or inference from any other object specified in any such paragraph or from the terms of any other paragraph or the name of the Company, but may be carried out in as full and ample a manner and shall be construed in as wide a sense as if each object and each of the said paragraphs defined the objects of a separate, distinct and independent company.
4. The liability of the members is limited.
5. The Company's share capital is £100 divided into 100 ordinary shares of £1 each.\*\*\*

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\*\*\* The authorised share capital of the company was divided by written resolution which became effective on 26th August 1993 into 10,000 Ordinary Shares of one pence each.

The authorised share capital was increased by written resolution which became effective on 26th August 1993 from £100 to £1,360 divided into 135,999 Ordinary Shares of one pence each and 1 Special Share of one pence by the creation of 125,999 Ordinary Shares of one pence each and 1 Special Share of one pence.

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NAMES AND ADDRESSES OF SUBSCRIBERS

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FC NOMINEES LIMITED  
4 John Carpenter Street  
London EC4Y 0NH

I.R. Gibson  
(acting via its duly  
authorised representative)

CF NOMINEES LIMITED  
4 John Carpenter Street  
London EC4Y 0NH

I.R. Gibson  
(acting via its duly  
authorised representative)

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DATED 12th March 1993

WITNESS to the above signatures:-

BRUCE GRAHAM JAMES GRIPTON  
7 Ringmer Way,  
Bickley,  
Kent BR1 2TY

Solicitor

**No. 2802598**

**THE COMPANIES ACT 1985 (AS AMENDED)**

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**COMPANY LIMITED BY SHARES**

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**ARTICLES OF ASSOCIATION**

**- of -**

**UK LIVING LIMITED**

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**FRERE CHOLMELEY BISCHOFF**

4 John Carpenter Street, London EC4Y 0NH Tel: 071 615 8000 Fax: 071 615 8080 Telex: 27623 LDE: DX 140

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THE COMPANIES ACT 1985 (AS AMENDED)

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COMPANY LIMITED BY SHARES

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ARTICLES OF ASSOCIATION

- of -

UK LIVING LIMITED<sup>1</sup>

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1. PRELIMINARY

1.1 In these Articles the "Companies Act" means the Companies Act 1985 (as amended or re-enacted at the date of adoption of these Articles) and "Table A" means Table A as prescribed in the Companies (Tables A to F) Regulations 1985 (as amended at the date of adoption of these Articles).

1.2 The regulations contained in Table A, except as excluded or varied by or inconsistent with these Articles, shall apply to the Company and together with these Articles shall constitute the regulations of the Company. No other regulation set out in any statute concerning companies or in any statutory instrument or other subordinate legislation made under any statute shall apply as the regulations or articles of the Company.

2. INTERPRETATION

2.1 In these Articles the following words and expressions shall have the following meanings:-

"Associates" in relation to a Member means each member of its Group and/or any Nominated Trustee appointed by

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<sup>1</sup>Adopted by special resolution passed on 26th August 1993.



it or by any member of its Group and the expression "Associated Members" shall be construed accordingly;

the "Auditors" means the auditors for the time being of the Company;

the "Board": means the board of Directors from time to time;

the "Broadcasting Act" means the Broadcasting Act 1990 and, where the context permits, shall include reference to all codes, requirements, directions and guidelines issued or made by the ITC from time to time under it;

"Business Day" means a weekday (not including Saturday) on which banks in London are open for business and, for as long as Cox or TCI or any Associate of either of them shall be a Member, on which banks in New York, United States of America are open for business;

the "Chairman" means the person appointed as the non-executive chairman of the Board from time to time in accordance with the provisions of Article 11.2;

"company" includes any body corporate;

"control" shall have the meaning set out in Part I of Schedule 2 to the Broadcasting Act;

"Cox" means Cox Programming Limited;

"Defaulting Shareholder" means a Member in the circumstances referred to in Articles 5.14, 5.15, 5.16, 5.17 or 5.19;

"Director" means a director of the Company;

"Disqualified Participant" means any person:-

- (a) all or part of whose Interest or shareholding or interest in any other company taken alone or together with the Interest or shareholding or interest in any other company of any other person or persons, after taking into account any issue of any shares or securities in the Company or any of the Subsidiaries or any transfer of any interest, in either case in respect of which the relevant person has indicated in writing an intention to acquire any such shares or securities and, where relevant, after taking into account the number of Ordinary Shares which would be held by such person or persons upon the exercise of all the subscription rights attaching to the Warrants, has caused or would cause or be

likely to cause (as determined in accordance with any Shareholders' Agreement), a Licence Event; or

- (b) whose shareholding in the Company is or would be less than 5% of the total number of Shares in issue (after taking into account any issue or disposal of any Shares or transfer of any Interest, in either case in respect of which that person has indicated in writing an intention to acquire or dispose of); or
- (c) who is not a body corporate resident in the United Kingdom for the purposes of the Taxes Act;

"Economic Interest" means a percentage interest (determined by number of Ordinary Shares) in the fully diluted share capital of the Company (following the issue of all the Initial Investment and exercise of all subscription rights attaching to all the Warrants);

"Executive Directors" means the Directors appointed by the Shareholders' Directors from time to time in accordance with the provisions of Article 11.5;

"Group" means:

- (a) except for the purpose of Articles 5.1(a) and 5.14(a), in relation to a company other than Thames, that company and any body corporate that is a holding company or subsidiary of that company or another subsidiary of any such holding company and, in relation to Thames, that company and any body corporate that is a subsidiary of that company;
- (b) for the purpose of Articles 5.1(a) and 5.14(a) but for no other purpose:
  - (i) in relation to a company other than Thames, that company, any body corporate in which it (directly or indirectly) beneficially holds 90% or more of the voting share capital, any body corporate which (directly or indirectly) beneficially holds more than 90% of the voting share capital of that company and any other body corporate in which any such holding company (directly or indirectly) beneficially holds 90% or more of the voting share capital; and
  - (ii) in relation to Thames, that company and any body corporate in which it (directly or indirectly) beneficially holds 90% or more of the voting share capital;

"Initial Investment" means the issue of 59,400 Ordinary Shares to Cox, the issue of 42,400 Ordinary Shares to TCI and the issue of 17,999 Ordinary Shares, 1 Special Share and 16,000 Warrants to Thames on the date of adoption of these Articles;

"Interest" means the interest of any person in Shares and/or Warrants and/or RULS or any other securities of the Company;

"interest" has, in relation to shares, the meaning given to that word in sections 208 and 209 of the Companies Act;

"Interested Shareholder" has the meaning given to that expression in Article 7.3;

the "ITC" means the Independent Television Commission established under the Broadcasting Act and any successor to it;

the "ITC Satellite Licence" means the non-domestic satellite service licence granted by the ITC to the Company in accordance with the provisions of the Broadcasting Act on 28th July 1993;

"Licence Event" means any of the following events:-

- (a) the ITC revoking or (in a manner which has or is reasonably likely to have a material adverse effect on the Company) reducing the period of the ITC Satellite Licence (and, for the avoidance of doubt, any reduction which results in the involuntary cessation of business by the Company shall be deemed to have such effect); or
- (b) the ITC varying the terms of the ITC Satellite Licence which variation has or is likely to have a material adverse effect on the Company; or
- (c) the ITC declining to grant to the Company a further licence to provide a non-domestic satellite service on terms and conditions reasonably acceptable to the Company upon the expiry of the ITC Satellite Licence; or
- (d) a relevant change (as defined in sub-section 5(7) of the Broadcasting Act) taking place in relation to the Company; or
- (e) the Company becoming a disqualified person in relation to the holding of the ITC Satellite Licence by virtue of Schedule 2 to the Broadcasting Act;

the "Loan Stock Instrument" means the loan stock instrument executed on the date of adoption of these Articles and constituting the RULS;

"Members" means the shareholders from time to time in the Company;

"New Shareholder Conditions" means the conditions specified in Article 5.13;

"Nominated Trustee" means such trustee or custodian as may be nominated by any Shareholder if it, in its reasonable opinion, considers it necessary to request that any Shares to be offered or allotted to it or to any members of its Group be instead offered or allotted to that trustee or custodian, or to transfer any Interest held by it or any of its Group members to that trustee or custodian, in order to avoid:-

- (i) prejudicing its or any of its Associates status as an Independent Producer under the Broadcasting (Independent Productions) Order 1991 or the revocation of any licence held pursuant to the Broadcasting Act by that Shareholder or a person in whom that Shareholder or any member of its Group is directly or indirectly interested; and
- (ii) it or any member of its Group, becoming, or being likely to become, a Disqualified Participant solely by reason of the circumstances specified in paragraph (a) of the definition of "Disqualified Participant";

"Ordinary Shares" means ordinary shares of one pence each in the capital of the Company;

"Permitted Transferee" means a transferee to which a Member's Interest or part of it has been transferred in accordance with the provisions of Article 5.1;

"Prescribed Price" shall have the meaning given to that expression in Articles 5.5 and 5.12;

"Restricted Period" means the period of three years beginning on the date of the adoption of these Articles and ending on 31st December 1996;

"RULS" means Floating Rate Redeemable Unsecured Loan Stock issued or to be issued by the Company on the terms set out in the Loan Stock Instrument;

"Sale Interest" has the meaning given to that expression in Article 5.5;

"Shareholders' Agreement" means any written agreement entered into or agreed to from time to time by the Company and all of the Members;

the "Shareholders' Directors" means Directors appointed by the Members from time to time in accordance with the provisions of Article 11.3;  
"Shares" means shares (including, but not limited to, Ordinary Shares and Special Shares) in the capital of the Company and any interest in any such shares;

"Special Share" means the Special Share of one pence in the capital of the Company and any interest in it;

"subsidiary", "subsidiary undertaking", "holding company", "group undertaking", "parent undertaking" and "wholly owned subsidiary" shall each have the meaning given to those expressions in the Companies Act;

the "Subsidiaries" means any subsidiaries of the Company from time to time;

"TCI" means United Artists Investments Limited incorporated in England under number 2761569;

"Thames" means Thames Television PLC;

"Transfer Notice" has the meaning given to that expression in Article 5.5;

"Unanimous Shareholders' Decision" means a resolution of the Members:-

- (a) in writing which has been signed by or on behalf of each Member; or
- (b) passed at a general meeting of the Company at which the votes cast in favour of it represent all of the votes entitled to be cast on that resolution;

"Warrants" means the warrants representing subscription rights to subscribe for 16,000 Ordinary Shares which were issued to Thames on the date of adoption of these Articles;

"in writing" includes any communication made by letter, cablegram, telex, facsimile transmission or electronic mail.

- 2.2 For the purposes of these Articles, a person shall be regarded as acting in concert with another if each would be regarded, under the City Code on Takeovers and Mergers, as acting in concert with the other in relation to the acquisition of shares provided that

this shall not include actions and discussions undertaken or held by Members or members of their Groups or their Nominated Trustees pursuant to any Shareholders' Agreement or these Articles to determine whether any Member is to exercise its pre-emptive rights under these Articles.

- 2.3 Except as specifically otherwise provided, references in these Articles to statutes, bye-laws, regulations and delegated legislation shall include any statute, bye-law, regulation or delegated legislation (whether made before or after the date of adoption of these Articles) modifying, re-enacting, extending or made pursuant to the same or which is modified, re-enacted or extended by the same or pursuant to which the same is made.
- 2.4 Except as expressly provided to the contrary in these Articles or by any Shareholders' Agreement, all decisions of the Board or of the Shareholders' Directors shall be taken by majority vote in accordance with the provisions of Article 13.1 and all decisions of the Members shall be taken by majority vote.

3. SHARE CAPITAL

- 3.1 The authorised share capital of the Company at the date of adoption of these Articles is £13,600 divided into 13,599 Ordinary Shares and 1 Special Share.
- 3.2 The rights and provisions attaching to the Special Share are as follows:-

(a) As to Income

The Special Share shall carry the right to a dividend of an amount equal to the aggregate amount of any dividend or other distribution declared, paid or made on the Relevant Nominal Amount of Ordinary Shares together with the amount of any dividend or other distribution declared, paid or made on one Ordinary Share, that dividend to be paid on the date on which any such dividend or distribution on Ordinary Shares is paid. Subject as provided in this Article 3.2(a), the Special Share shall rank *pari passu* with the issued Ordinary Shares.

(b) As to Capital

The Special Share shall carry the right to receive by way of distribution or otherwise, on a winding-up of the Company, an amount equal to the aggregate amount of any distribution or other payment declared, paid or made on the Relevant

Nominal Amount of Ordinary Shares together with the amount of any distribution or other payment declared, paid or made on one Ordinary Share, that distribution or payment to be paid on the date on which any such distribution or other payment on the Ordinary Shares is paid. Subject as provided in this Article 3.2(b), the Special Share shall rank pari passu with the issued Ordinary Shares.

(c) Relevant Nominal Amount

For the purposes of paragraphs 3.2(a) and (b) "Relevant Nominal Amount" means the aggregate nominal amount in pence of Ordinary Shares for which Thames and persons to whom Thames has transferred Warrants and their respective transferees, in either case in accordance with the terms of the Warrants, (together, the "Thames Holders") are entitled to subscribe, in accordance with the provisions of the Warrants, on the record date for the relevant dividend, distribution or other payment on Ordinary Shares.

(d) Transfer

The Special Share shall not be transferable except between Thames and its Associates unless converted into an Ordinary Share in accordance with the provisions of these Articles.

(e) Generally

In all other respects, the Special Share shall rank pari passu with (and carry the same rights as) the Ordinary Shares.

(f) As to Conversion to Ordinary Shares

Upon exercise of all subscription rights attaching to the Warrants held by the Thames Holders, the Special Share shall automatically be converted into and re-classified as an Ordinary Share.

3.3 Subject as provided in any Shareholders' Agreement the Board may allot and issue any authorised but unissued Shares provided that no allotment or issue of Shares may be made unless:-

- (a) the Shares (other than those the subject of the Initial Investment) have first been offered to the Members in accordance with the provisions of Article 3.6; and

- (b) the allotment has been authorised in accordance with the provisions of section 80 of the Act, either by Article 3.4 or otherwise.

Regulation 2 of Table A shall not apply to the Company.

- 3.4 For the purposes of section 80 of the Companies Act (but otherwise subject to the provisions of these Articles and any Shareholders' Agreement), the Board is authorised to exercise all the powers of the Company to allot relevant securities at any time or times during the period of five years from the date of adoption of these Articles up to the amount of the authorised share capital of the Company remaining unissued at the time of that adoption. The Company may make any offer or agreement before the expiry of this authority which would or might require relevant securities to be allotted after this authority has expired, and the Directors may allot relevant securities in pursuance of any such offer or agreement.
- 3.5 Section 89(1) of the Companies Act shall not apply to the Company.
- 3.6 Except for (i) the issue of Shares comprising part of the Initial Investment or (ii) the issue of Shares in accordance with the subscription rights attaching to the Warrants, and subject to and as provided in any Unanimous Shareholders' Decision, before Shares are allotted they shall be offered to the Members only and on identical terms pro rata to the respective Economic Interests of such Members. Each such offer shall be made by notice from the Board specifying the number and price of the Shares on offer and shall invite each Member to state in writing within a period (not being less than 28 days) whether it is willing to take any and if so what maximum number of the Shares on offer. At the expiration of the time period specified in the offer, the Board shall allocate the Shares on offer to or amongst the Members who shall have notified the Board of their willingness to take any of the Shares and (if more than one) so far as may be pro rata according to the Economic Interests of such Members respectively at the date of the offer, provided that:-
  - (a) no Member shall be obliged to take more than the maximum number of Shares so notified by it;
  - (b) the Board shall not allocate any number of Shares to a Member if that allocation would be likely, in the reasonable opinion of the Board (determined in accordance with any Shareholders' Agreement) to make the Member a Disqualified Participant.



If any Shares remain unallocated after making such an offer, the Board shall make such further offer(s) on the same terms as the original offer to the Members who have notified their willingness to subscribe (if more than one pro rata to their respective Economic Interests of such Members, ignoring Shares already allocated under the same series of offers) as may be necessary to allocate (subject to paragraphs (a) and (b) of this Article 3.6) all unissued Shares or until all existing Members have indicated their unwillingness to subscribe for further Shares.

- 3.7 Any Shares not taken up under the provision of Article 3.6 shall be at the disposal of the Board who may, subject to:-
- (a) the provisions set out in Article 3.3; and
  - (b) the New Shareholder Conditions (which shall apply, mutatis mutandis, to the issue of Shares to a person or persons other than a Member); and
  - (c) the provisions of any Shareholders' Agreement
- within 14 days of completion of the offer procedure under Article 3.6, offer, allot, grant options over or otherwise dispose of them to such person at such times and for such consideration and upon such terms and conditions as the Board may determine provided that any such offer, allotment, grant of options over or other disposal shall be on no more favourable terms than the terms offered under Article 3.6 and no Shares shall be issued at a discount except in accordance with the provisions of section 97 of the Companies Act.
- 3.8 The Company may from time to time, by Unanimous Shareholders' Decision, increase its share capital by such sum as such decision shall prescribe. Regulation 32 of Table A shall be modified accordingly. The new share capital shall unless provided otherwise in any Shareholders' Agreement or by such decision be divided into Ordinary Shares.
- 3.9 Any capital raised by the creation of new Shares shall be considered as part of the original share capital of the Company and shall be subject to the same provisions with respect to the payment of calls, lien, transfer, transmission, forfeiture and otherwise as the original share capital.
- 3.10 Subject to and in accordance with the provisions of the Companies Act and otherwise on such terms as the Company may by Unanimous Shareholders' Decision determine:-

- (a) any Share may be issued on terms that it is to be, or at the option of the Company or the holder of it, is liable to be, redeemed;
- (b) the Company may purchase any Shares (including any redeemable Shares); and
- (c) the Company may make a payment in respect of the redemption or purchase of any shares otherwise than out of distributable profits of the Company or the proceeds of a fresh issue of Shares

and the Board shall be empowered respectively to redeem or purchase any such Shares on such terms as the Company may by such Unanimous Shareholders' Decision determine. Regulations 3 and 35 of Table A shall not apply to the Company.

#### 4. LIEN AND FORFEITURE

- 4.1 The Company shall have a first and paramount lien on every Share (whether or not it is a fully paid Share) for all monies (whether presently payable or not) called or payable at a fixed time in respect of that Share and the Company shall also have a first and paramount lien on all Shares (whether or not they are fully paid Shares) standing registered in the name of any person indebted or under liability to the Company including any liability to subscribe for RULS and for all monies presently payable by him or his estate to the Company including in respect of RULS, whether it shall be the sole registered holder of such Shares or shall be one of two or more joint holders. The Company's lien, if any, on a Share shall extend to all dividends payable on it. Regulation 8 of Table A shall not apply to the Company.
- 4.2 If any Member is indebted to or under liability to the Company or any of the Subsidiaries and fails to pay any such debt or liability after damages have been awarded against or agreed to be paid by the Member or a court has otherwise ordered payment of such debt or liability (all appeals having been exhausted or agreed not to be pursued), all of the Shares of such Member or such proportion of them as equals the amount of any such debt or liability which the Member so failed to satisfy, shall be liable to forfeiture as though such failure were a failure to pay a call on monies unpaid on Shares and Regulations 19, 20, 21 and 22 of Table A shall, mutatis mutandis, apply in relation to such forfeiture. For the purpose of this Article, the Shares of such a Member shall be valued in accordance with the provisions of Article 5.12(b) as though that Member were a Vendor save that if Article 5.12(b) applies and if that Member does not appoint any accountants within 14 days of receiving notice to do so from the Company, the Prescribed Price shall be

that specified by the Company's Accountants, and their valuations shall be final and binding on the Company and that Member.

5. TRANSFER OF SHARES

5.1 Subject to the terms and conditions attaching to the Warrants and to the Loan Stock Instrument, a Member may at any time transfer, sell, assign or otherwise dispose of all (but not (save in relation to Articles 5.1(c) or (d)) part only) of its Interest:-

(a) to a member of its Group provided that:-

(i) such a transfer, sale, assignment or other disposal is on terms that before the transferee ceases to be a member of the Member's Group it shall transfer that Interest to the original Member or to another member of that Member's Group and so on; and

(ii) the New Shareholder Conditions are first complied with; or

(b) to any other person approved by all of the Members provided that if such person is not an existing Member, the New Shareholder Conditions are first complied with; or

(c) to a Nominated Trustee provided that the New Shareholder Conditions are first complied with; or

(d) as permitted under any Shareholders' Agreement provided that the New Shareholder Conditions are first complied with

any such transfer being referred to as a "Permitted Transfer".

5.2 Except in the case of a Permitted Transfer made under Article 5.1(c), but otherwise notwithstanding any provision in these Articles or in any Shareholders' Agreement, a Member may not sell, transfer, assign or otherwise dispose of Ordinary Shares or Warrants held by it unless that Member simultaneously and to the same transferee sells, transfers, assigns or otherwise disposes of such proportion of RULS held by that Member and any Nominated Trustee of it (or if that Member is a Nominated Trustee, by the Member who nominated that Nominated Trustee) as is equal (as nearly as practicable) to the proportion of Shares to be sold, transferred, assigned or otherwise disposed of by that Member (which proportion shall be calculated (i) by comparing the number of Shares to be

transferred against the number of Shares held by the transferor and its Nominated Trustee and (ii) as if that Member and its Nominated Trustee had exercised all subscription rights attaching to any Warrants held by them) and, where the transferor remains liable (actually or contingently) to subscribe for RULS, the transferee enters into a deed of adherence with the Company and the other Members in the form set out in any Shareholders' Agreement agreeing to be bound to subscribe for such proportion of those RULS as is equal (as nearly as practicable) to the proportion of Shares and/or Warrants to be sold, transferred, assigned or otherwise disposed of by the relevant Member.

5.3 Notwithstanding any provision in these Articles or in any Shareholders' Agreement, immediately before any sale, transfer, assignment or other disposal of all the Ordinary Shares held by Thames (other than a Permitted Transfer within Article 5.1(a) or (c)):-

- (a) Thames shall exercise in full its subscription rights under the Warrants to subscribe for Ordinary Shares and shall procure that any of its Associates to whom it has transferred Warrants shall exercise in full the subscription rights under their respective holdings of Warrants and Thames shall, and shall procure that any of its Associates who hold Ordinary Shares which have been issued pursuant to the exercise of subscription rights under the Warrants in accordance with this paragraph ("Warrant Shares") shall, sell, transfer, assign or otherwise dispose of all such Warrant Shares simultaneously and to the same transferee as the transferee to whom Thames shall sell, transfer, assign or otherwise dispose of all its Ordinary Shares; and
- (b) the Special Share held by Thames (or any of its Associates to whom Thames has transferred the Special Share) shall automatically be re-classified as and converted into an Ordinary Share and Thames shall (and shall procure that its Associates shall) sell, transfer, assign or otherwise dispose of that Ordinary Share simultaneously and to the same transferee to whom Thames shall sell, transfer, assign or otherwise dispose of all its Ordinary Shares.

5.4 A Member may not sell, transfer, assign or otherwise dispose of Shares held by it:-

- (a) in the Restricted Period, except:-
  - (i) for Permitted Transfers; and

- (ii) if and when and to the extent that any Shareholder reasonably considers it necessary in order to preserve its or any of its Associates status as an Independent Producer under the Broadcasting (Independent Productions) Order 1991 or to avoid revocation of any licence held pursuant to the Broadcasting Act by it or a person in whom it or any of its Associates is, directly or indirectly, interested and that Shareholder wishes, in such case, to dispose of any Shares otherwise than by a Permitted Transfer provided that a transfer may not be made in accordance with the provisions of this paragraph (ii) unless and until the rights of pre-emption contained in Articles 5.5 to 5.11 have been exhausted and the New Shareholder Conditions have been complied with; or

(b) thereafter, except for Permitted Transfers:-

- (i) unless and until the rights of pre-emption contained in Articles 5.5 to 5.11 shall have been exhausted and the New Shareholder Conditions have been complied with; and
- (ii) (except as required in these Articles or except in the circumstances referred to in Article 5.4(a)(ii)) unless either:-
  - (A) the number of Shares being disposed of is no less than 5% of the total number of issued Shares provided that any such disposal may not result in the Member becoming a Disqualified Participant; or
  - (B) the Member is disposing of the total number of Shares held by that Member.

5.5 Except as provided in Article 5.1, if any Member or other person (the "Vendor") wishes to sell, transfer, assign or otherwise dispose of any of its Interest (including where applicable, Ordinary Shares to be sold pursuant to Article 5.3) it shall give a written notice (a "Transfer Notice") of that wish to the Secretary of the Company. The Transfer Notice shall specify the number of Ordinary Shares, the number of Warrants (if applicable) and nominal amount of RULS to

be sold (the "Sale Interest") and, if the Vendor shall have received a bona fide offer for the Sale Interest in accordance with Article 5.12(a), the Transfer Notice shall also specify the name of the third party and the price per Ordinary Share, per Warrant and per £1 in nominal amount of RULS at which the Sale Interest is proposed to be bought by the third party and shall be accompanied by a letter of commitment from the third party to purchase the Sale Interest at the stated price and shall also be accompanied by a certificate from the Vendor stating that the third party offer represents the entire understanding and arrangement between the Vendor and the third party and those acting in concert with either of them in connection with the sale of the Sale Interest. The Secretary of the Company shall forthwith advise the other Members of the Transfer Notice and whether the price for the Sale Interest has been fixed by reason of a bona fide offer received in accordance with Article 5.12(a) or whether the price of the Sale Interest is to be agreed or determined in accordance with Article 5.12(b). Forthwith upon the price for the Sale Interest being fixed, agreed or determined in accordance with Article 5.12 (the "Prescribed Price") the Secretary of the Company shall offer the Sale Interest at the Prescribed Price to the other Members of the Company and invite each of them to state in writing within 14 days from the date of such offer whether it is willing to purchase and, if so, what maximum number of Ordinary Shares and of Warrants and (if applicable) the corresponding proportion of RULS (as the case may be) at the Prescribed Price.

5.6 At the expiration of the relevant period of 14 days the Board shall allocate the Sale Interest to or amongst the Member or Members who shall have expressed willingness to purchase any of the Sale Interest and, if more than one, so far as may be pro rata to their respective Economic Interests provided that:-

- (a) no Member shall be entitled to purchase Ordinary Shares or Warrants without the corresponding proportion of RULS (where applicable); and
- (b) no Member shall be obliged to take more than the maximum number of Ordinary Shares or of Warrants and the corresponding proportion of RULS (as the case may be) notified by it; and
- (c) the Board shall not allocate any number of Ordinary Shares or of Warrants and the corresponding proportion of RULS (as the case may be) to a Member if such an allocation would or would be likely, in the reasonable opinion of the Board, to make the Member a Disqualified Participant.

- 5.7 If any of the Sale Interest remains unallocated at the end of the 14 day period the Board shall forthwith make a further offer (on the same basis as that made in accordance with the provisions of Article 5.5 except that the period for acceptance of any such offer shall be 7 days from the end of the 14 day period referred to in Article 5.5) of any such unallocated Sale Interest to the Members who have notified their willingness to purchase any of the Sale Interest. At the expiration of that 7 day period, Article 5.6 shall apply mutatis mutandis to the allocation of the Sale Interest which is offered in accordance with the provisions of this Article 5.7.
- 5.8 Upon the completion of all allocations (if any) in accordance with the provisions of Article 5.5 and (where applicable) Article 5.7, and subject as mentioned in Articles 5.9 and 5.10, the Vendor shall be bound on the date falling 7 days after receipt by the Vendor of the Prescribed Price or the date falling 7 days after completion of all such allocations (whichever is the later) to transfer the Sale Interest to the purchaser or purchasers and, if he makes default in so doing, the Board may
- (a) receive (as trustee for the Vendor, but without liability to account for interest) and give a good discharge for the purchase money on behalf of the Vendor;
  - (b) deduct from the purchase money the costs of the Company's Accountants under Article 5.12 in relation to the determination of the Prescribed Price;
  - (c) deduct from the purchase money any subscription monies due from the Vendor in respect of any Ordinary Shares to be issued in accordance with the provisions of Article 5.3(a); and
  - (d) authorise some person to execute transfers of the Sale Interest in favour of the purchaser or purchasers on behalf of the Vendor; and
  - (e) enter the name or names of the purchaser or purchasers in the Register of Members as the holder or holders by transfer of the Shares so purchased by it or them.
- 5.9 If the Prescribed Price of the Sale Interest is determined by the average of the valuations of the two independent accountants in accordance with the provisions of Article 5.12(b) then within the period of 7 days following determination of that Prescribed Price the Vendor may withdraw the Transfer Notice by

notice in writing to the Secretary of the Company who shall forthwith notify the Members of that withdrawal.

5.10 If all of the Sale Interest is not allocated to a Member or Members in accordance with the provisions of these Articles the Vendor may within 7 days of the completion of all allocations (if any) under Articles 5.6 and 5.7 above:-

- (a) withdraw the Transfer Notice (whereupon the Vendor's obligation to sell in accordance with the provisions of Articles 5.5 to 5.9 shall lapse without liability on its part) and sell all of the Sale Interest within 60 days of such withdrawal to the third party or parties named in the Transfer Notice on terms no less favourable to the Vendor than the Prescribed Price but subject always to prior satisfaction of the New Shareholder Conditions; or
- (b) retain its Sale Interest; or
- (c) sell such of the Sale Interest in respect of which Members have indicated their willingness to purchase to those Members and sell the balance to the third party or parties named in the Transfer Notice on the basis referred to in Article 5.10(a).

5.11 Except as provided in Articles 5.9 and 5.10 a Transfer Notice shall be irrevocable.

5.12 The Prescribed Price shall be either:-

- (a) such sum per Ordinary Share and per Warrant and per £1 in nominal amount of RULS (as the case may be) as shall match any bona fide offer for those Ordinary Shares, Warrants and RULS referred to in the Transfer Notice and which shall have been received by the Vendor from an unconnected party acting in good faith and capable of completing the purchase and the terms of which represents the entire understanding and arrangement between the Vendor and the third party and those acting in concert with either of them in connection with the sale of the Sale Interest, and which offer shall be capable of acceptance by the Vendor for a period not less than 21 days after being made; or
- (b) if there shall be no such offer, such sum per Ordinary Share and per Warrant and per £1 in nominal amount of RULS (as the case may be) as may be agreed between the Members or, in default of any such agreement within 7 days of the date of the Transfer Notice, the average of such sums



as are specified in writing by an independent international firm of accountants appointed by the Company (the "Company's Accountants") and by an independent international firm of accountants appointed by the Vendor (the "Vendor's Accountants") (in each case such accountants having and using corporate finance expertise) to be, in their respective opinions, having taken all relevant circumstances into account (including, without limitation, any bona fide third party offer received for the Sale Interest after the Company's Accountants and the Vendor's Accountants have commenced their valuations), the fair selling value of the relevant Ordinary Shares, Warrants and RULS as between a willing vendor and a willing purchaser provided that the Company shall be valued as a whole and the price of the Shares and Warrants to be sold shall be calculated pro rata to the total number of Shares in issue or capable of being issued on exercise of all the Warrants in issue and the price of the RULS to be sold pro rata to the total number of RULS in issue. The costs of the Company's Accountants and the Vendor's Accountants in making such valuations shall be borne by the Vendor. The Company's Accountants and the Vendor's Accountants shall be considered to be acting as experts and not as arbitrators and the average of their respective valuations shall be final and binding on the Company and the Members. For the purposes of any such valuations the Board and the Vendor shall permit the Company's Accountants and the Vendor's Accountants to have access to such information as those accountants or either or them may reasonably consider necessary in order to make their valuations. The Secretary of the Company shall forthwith upon receipt of the valuations of the Company's Accountants and the Vendor's Accountants pursuant to this Article 5.12 deliver a copy of them to the Board and each of the Members.

5.13 If any Member (the "Vendor") shall wish to sell, transfer, assign or otherwise dispose of any of its Interest (including where applicable, Ordinary Shares to be sold pursuant to Article 5.3) to a person or persons other than an existing Member (the "transferee") it shall be a condition precedent to any such disposal (and any registration of it) that:-

- (a) the transferee enters into a deed of adherence with the Company and the other Members in the form set out in any Shareholders' Agreement undertaking to be bound by all of the provisions of any Shareholders' Agreement including, where appropriate, to be bound to subscribe for any

RULES as if it were an original Member and, where the context so permits, as if each reference in any such Shareholders' Agreement to the Vendor were a reference to the transferee in place of the Vendor provided always that, in the case of a transfer made in accordance with the provisions of Article 5.1(a) or 5.1(c), notwithstanding any such transfer, the Vendor shall for all purposes remain primarily liable for the due and prompt performance of the Vendor's obligations under any Shareholders' Agreement; and

- (b) the transferee is not a Disqualified Participant; and
- (c) (unless the transferee is, or is an Associate of, Cox, TCI or Thames, in which case the provisions of this Article 5.13(c) shall not apply), if the transferee is a subsidiary of any company, or a Permitted Transferee pursuant to a transfer made under Articles 5.1.(a) or (c), the ultimate holding company of the transferee, or in the case of a Permitted Transferee, the ultimate holding company of the transferor or such surety as shall be permitted or otherwise approved by the Members in accordance with the provisions of any Shareholders' Agreement, delivers and maintains a guarantee and undertaking to the Company in the form set out in any Shareholders' Agreement. Each such guarantor shall also provide to the Company and to each of the Members a legal opinion, in a form reasonably acceptable to the Members, confirming the enforceability of its guarantee; and
- (d) the transferee delivers to the Company a duly executed power of attorney in the form set out in any Shareholders' Agreement

and these conditions shall apply, mutatis mutandis, to any person or persons other than an existing Member to whom Shares are issued pursuant to Article 3.7.

5.14 Forthwith upon:-

- (a) a Member who holds an Interest pursuant to a transfer under Article 5.1(a) ceasing to be a member of the same Group as the transferor of such Interest (or, in the case of successive transfers under Article 5.1(a), as the original transferor of such Interest); or
- (b) any Associate of a Member which holds any Interest becoming insolvent, going into liquidation or having a receiver, administrator

or other encumbrancer appointed over all or a substantial part of its assets; or

- (c) any person becoming entitled to any Interest or encumbrance over any Interest otherwise than as permitted or required by these Articles or any Shareholders' Agreement; or
- (d) any Member becoming insolvent, going into liquidation or having a receiver, administrator or other encumbrancer appointed over all or a substantial part of its assets

that Member or person and, in the case of Articles 5.14(c) and (d), any Associate of that Member which holds an Interest or such person shall forthwith give to the Company notice in writing of that fact and, if that Member and/or persons shall fail to give such notice, the Board may give such notice on its or their behalf and that Member and, where appropriate, any of its Associates which hold an Interest shall, from the date of such notice(s) or deemed notice(s), be Defaulting Shareholders(s) and, failing a Unanimous Shareholders' Decision to the contrary within 14 days of such notice or notice(s), such notice or notices shall be deemed to be a Transfer Notice(s) and, in the case of Articles 5.14(c) and (d), the Transfer Notice(s) shall be in respect of all the Interest held by that person or Member and any of that Member's Associates which hold an Interest (and for the purposes of Articles 5.5 to 5.11 any such Interest together with any Ordinary Shares to be issued pursuant to the exercise of any subscription rights held by any of them under the Warrants, shall be the Sale Interest) and all the provisions of Articles 5.5 to 5.11 shall (mutatis mutandis) apply to any such Transfer Notice(s) except that:-

- (i) the Vendor shall not be permitted to withdraw from a sale in accordance with the provisions of Articles 5.9 or 5.10(a) or (b); and
- (ii) in the case of Articles 5.14(a) and (b), all of the relevant Interest shall first be offered to the Member who made the Permitted Transfer or to another member of the original Member's Group and, in the case of Articles 5.14(c) and (d), the Interest shall not be offered to any Associate of that person or Member.

5.15 If:-

- (a) a Member shall commit a material breach of any provisions in these Articles or in any

Shareholders' Agreement, in either case relating to the provision of information for the determination of:-

- (i) whether a Licence Event exists or is likely to occur; or
  - (ii) whether any Member is or is likely to become a Disqualified Participant; or
  - (iii) whether a Licence Event has occurred; or
  - (iv) whether a Member has become a Disqualified Participant; or
- (b) in accordance with the provisions of any Shareholders' Agreement, it is determined:-
- (i) that there is a reasonable likelihood that a Licence Event will be caused or will occur or that a Member or Members will become a Disqualified Participant(s); and
  - (ii) that (save for a Member falling within paragraph (b) of the definition of "Disqualified Participant") the transfer of Shares by the relevant Member or Members is necessary in order to avoid the occurrence or continuance of a Licence Event or in order for such Member or Members to cease being, or avoid becoming, a Disqualified Participant

the Board shall serve written notice to that effect on the Member or Members in breach or whom the Board reasonably considers are responsible for the occurrence of the Licence Event or who is or are or is or are likely to become a Disqualified Participant and any Associate of that Member which holds an Interest (as the case may be). Any notice so served shall specify the breach (if any) and require the Member to remedy that breach, if capable of remedy and/or where relevant, shall specify all or such other number of Shares and/or RULS (as the case may be) held by the relevant Member(s) and its/their Associates as must, in the reasonable opinion of the Board, be transferred in order to avoid the occurrence or continuance of a Licence Event or in order for such Member(s) and its/their Associates to cease being or avoid becoming a Disqualified Participant (provided that in the case of a Member falling within paragraph (b) of the definition of "Disqualified Participant" such notice shall specify all of the Shares and RULS held by that

Member). From the date of any such notice the Member and Associates of it which hold an Interest shall become Defaulting Shareholder(s).

5.16 Without prejudice to any other right or remedy of the Company or any other Member, and except as otherwise provided in Articles 5.14 or 5.15, if a notice has been served on a Member and/or any of its Associates in accordance with the provisions of Article 5.15 and that Member and/or those Associates shall have failed to remedy the breach or otherwise comply with the notice or otherwise avoid the occurrence or continuation of the relevant Licence Event or avoid becoming or remaining a Disqualified Participant to the reasonable satisfaction of the Board within 30 days of the service of the notice the Defaulting Shareholder(s) shall, at the end of that 30 day period, be deemed to have given a Transfer Notice or Transfer Notices (as the case may be) in accordance with the provisions of Article 5.5 to 5.11 but only in respect of the Shares and/or RULS specified in the notice served in accordance with the provisions of Article 5.15 and, where appropriate shall be deemed to have exercised all the subscription rights attaching to any Warrants held by those Member(s), their Associates and any person to whom such Member(s) shall have transferred any Warrants (and for the purposes of Articles 5.5 to 5.11 that Interest, together with any Ordinary Shares to be issued pursuant to the exercise of such subscription rights, shall be the "Sale Interest") and all the provisions of Articles 5.5 to 5.11 shall (mutatis mutandis) apply, except that:-

- (a) the Defaulting Shareholder shall not be permitted to withdraw from the sale in accordance with the provisions of Articles 5.9 or 5.10(a) or (b); and
- (b) the Sale Interest shall not be offered to any person acting in concert with the Defaulting Shareholder or to any Associate of the Defaulting Shareholder; and
- (c) if not all of the Sale Interest is agreed to be transferred to a Member or Members, or transferred to a third party or third parties in accordance with the provisions of Article 5.10(c), the balance of the Interest shall be transferred for no consideration to such of the other Members who desire to accept such a transfer to them pro rata to the number of Shares held by them, and upon disposal of the Sale Interest under this Article 5.16(c) the Member(s) concerned shall cease to be (a) Defaulting Shareholder(s), in respect of the matter in relation to which the notice or deemed notice was served. For the avoidance of doubt,

notwithstanding the provisions of any Shareholders' Agreement, upon any such disposal the Member(s) concerned shall not have any liability to subscribe for the relevant proportion of any RULS due for subscription after, or which may be called for subscription after, the date of registration of any such disposal and the liability in respect of those RULS shall automatically be assumed by such other Members pro rata to the proportion of the Sale Interest accepted by them. For the purpose of this Article 5.16(c), the relevant proportion of RULS shall be such proportion of them as the Sale Interest disposed of under this Article 5.16(c) bears to the Shares previously held by that/those Member(s), the number of Shares held by that/those Member(s) being deemed to include any which they would hold on the exercise of all the subscription rights attached to any Warrants held by them.

- 5.17 If any Member other than Thames (except in the circumstances set out in Article 5.18) or any holding company of a Member (other than the ultimate holding company of a Member) ceases to be beneficially held (directly or indirectly) as to 90% of the issued voting share capital of that company by the company which is, at the date the Member becomes a member of the Company, the ultimate holding company of that Member and:-

- (a) either the Members by resolution so direct; or
- (b) the Member is notified by the Board that by reason of that change of ownership it has or is likely to become a Disqualified Participant,

then the relevant Member shall, from the date of any such notice, be a Defaulting Shareholder and the Defaulting Shareholder and any of its Associates which hold any Interest shall, at the date on which such a resolution is passed or at the expiry of any such notice (as the case may be), be deemed to have given a Transfer Notice or Transfer Notices (as the case may be) in respect of all of the Interest held by them in accordance with the provisions of Articles 5.5 to 5.11 and, where appropriate, be deemed to have exercised all subscription rights in relation to any Warrants held by them and the provisions of Articles 5.5 to 5.11 shall (mutatis mutandis) apply, save as specified in Articles 5.16(a) and (b).

- 5.18 The provisions of Article 5.17 shall apply to Thames at any time when Thames' proportion of the turnover of the Company and the Subsidiaries, when aggregated with Thames' proportion of the turnover of UK Gold

Television Limited (Company No. 2702652) and its subsidiaries, represents more than 90% of the turnover of Thames and members of its Group for the corresponding period. For the purpose of this Article 5.18, the turnover of each of the relevant companies shall be that set out in the relevant company's most recent audited accounts. For the purpose of this Article 5.18, Thames proportion of the turnover of the relevant company shall be calculated by multiplying that turnover by Thames' Economic Interest in that company. Thames' Economic Interest in UK Gold Television Limited and its subsidiaries shall be calculated on the same basis as that used for calculating its Economic Interest in the Company and the Subsidiaries.

- 5.19 For the purpose of ensuring that a transfer of any Interest is duly authorised under these Articles or that no circumstances have arisen whereby a Transfer Notice is required to be given under these Articles the Board may from time to time require any Member or Members or any person named as transferee in any transfer lodged for registration to furnish to the Company such information and evidence as the Board may reasonably think fit regarding any matter which they deem relevant for such purpose including (but not limited to) (i) information reasonably required by the Board for the determination of whether there is or is likely to occur a Licence Event or whether any Member is or is likely to become a Disqualified Participant, and (ii) the names, addresses and interests of all persons respectively having interests in any such Interest. Failing such information or evidence being furnished to the reasonable satisfaction of the Board within 14 days of the date of the request or if such information or evidence discloses that a Transfer Notice ought to have been given in respect of any Interest, the Board shall be entitled to refuse to register the transfer in question and to declare the Member or Members to be a Defaulting Shareholder or (if no transfer is in question) to give a Transfer Notice in respect of the Interest(s) concerned in which case all the provisions of Articles 5.5 to 5.11 shall apply thereto save as so specified in Articles 5.14, 5.15, 5.16 or 5.17 (as the case may be).
- 5.20 The Board shall decline to register any transfer of any Share, whether or not it is a fully paid Share, other than any transfer made in accordance with these Articles and with any Shareholders' Agreement which transfer shall be registered. Regulation 24 of Table A shall not apply to the Company and Regulation 26 of Table A shall be modified accordingly.
- 5.21 The instrument of transfer of a Share shall be signed by or on behalf of the transferor and the transferor

shall be deemed to remain the holder of the Share until the name of the transferee is entered in the register of Members of the Company in respect of it; provided that in the case of a partly paid Share the instrument of transfer must also be signed by the transferee. Regulation 23 of Table A shall not apply to the Company.

- 5.22 There shall be substituted for the words "two months" in Regulation 25 of Table A the words "30 days".

6. PROCEEDINGS AT GENERAL MEETINGS

- 6.1 The following words shall be substituted for the first sentence of Regulation 37 of Table A:-

"Subject as provided in the Act the Shareholders' Directors may whenever they think fit convene a General Meeting, and General Meetings may also be convened on such requisition, or, in default, may be convened by such requisitionists as provided by the Act."

- 6.2 Subject as provided in any Shareholders' Agreement no business shall be transacted at any general meeting unless a quorum of Members is present at the time when the meeting proceeds to business. The quorum for any general meeting shall be three Members present by proxy or representative and entitled to vote. For the purposes of this Article 6.2 a Member and its Associates shall together be deemed to be one Member. If:-

- (a) within half an hour after the time arranged for the meeting to be held a quorum is not present the meeting shall be adjourned until the same time and place on the fifth Business Day thereafter and notice of such adjournment shall be given to each Member and at the adjourned meeting those present shall be a quorum and Regulations 40 and 41 of Table A shall not apply to the Company;
- (b) at any time there is only one Member entitled to attend and vote at a general meeting (because there is only one Member or because all the other Members are Defaulting Shareholders or are otherwise prevented by the provisions of these Articles or any Shareholders' Agreement from voting at the relevant meeting), the quorum for any general meeting shall be one Member present by proxy or representative and entitled to vote.

- 6.3 A poll may be demanded by the Chairman or by any Member present by representative or by proxy and



Regulation 46 of Table A shall be modified accordingly.

6.4 In the case of an equality of votes, whether on a show of hands or on a poll, the Chairman shall not have a casting vote. Regulation 50 of Table A shall be modified accordingly.

6.5 A resolution in writing executed by or on behalf of each Member shall be as effectual as if it had been passed at a general meeting properly convened and held and may consist of several instruments in the like form each executed by or on behalf of one or more of the Members.

7. VOTES OF MEMBERS

7.1 Subject to the provisions of these Articles and subject as provided in any Shareholders' Agreement, on a show of hands every Member who is present shall have one vote and on a poll every Member shall have one vote for every Share of which he is the holder. Regulation 54 of Table A shall not apply to the Company.

7.2 A Defaulting Shareholder may not:-

- (a) exercise its right to appoint or remove a Shareholders' Director; or
- (b) exercise its right to vote at any general meeting of the Company or sign any written resolutions or otherwise take part in Shareholders' Decisions where a notice has been served on that Member in accordance with the provisions of Article 5.15 in respect of the Shares and/or RULES (as the case may be) specified in such notice (but only if that Member is a Defaulting Shareholder by reason of it having caused (as determined in accordance with any Shareholders' Agreement) a Licence Event and a Transfer Notice has been deemed to be given by that Member in accordance with the provisions of Article 5.16); or
- (c) sell, transfer or offer to sell or transfer the whole or any part of its Interest other than in accordance with the provisions of Articles 5.14, 5.16, 5.17 or 5.19

during such time as that Member is a Defaulting Shareholder and any actual or purported exercise of any such right shall not be valid or effective.

7.3 A Member shall be an Interested Shareholder in relation to:-

- (a) any agreement, transaction or arrangement in or to which that Member, or any of its Associates is a party;
- (b) the sale, assignment, transfer or other disposal of an interest in that Member's Shares or of Shares in which an Associate of that Member has an interest;
- (c) the giving of any guarantee or indemnity by the Company or any of its Subsidiaries for the obligations or liabilities of that Member or of any of its Associates;
- (d) any decision or resolution relating to whether that Member has caused, or is likely to cause, a Licence Event or is, or is likely to become, a Disqualified Participant.

An Interested Shareholder shall declare the nature and extent of his interest in any matter in relation to which it is an Interested Shareholder by notice in writing to the Company delivered to its registered office or at a meeting of the Board as soon as practicable after the Member becomes aware of such interest.

- 7.4 In relation to any ordinary, special or extraordinary resolution of the Company relating to a matter which these Articles or any Shareholders' Agreement require to be decided by a particular majority in number or in votes of Members, and which has been so decided by the Members, the Shares held by those Members voting on a poll or executing any written resolution in a manner so as to give effect to that agreed decision shall be deemed to carry such number of votes as shall ensure that the resolution is passed or not passed (as the case may be) in accordance with the agreed decision.
- 7.5 No Member shall enter into any agreement, arrangement or understanding with any other Member or any member of the other Member's Group to exercise its votes as a Member or to procure its Shareholders' Director to exercise his votes (in each case) in the same manner as any other Member or Shareholders' Director in relation to all or any class of issues and notwithstanding any other provision of these Articles or any Shareholders' Agreement, any Member in breach of this Article 7.5 shall not for so long as the breach subsists be entitled to exercise its right to vote at any general meeting of the Company or to sign any written resolution or otherwise take part in Shareholders' Decisions nor shall its Shareholders' Director be entitled to vote as a Director.

For the avoidance of doubt, nothing in this Article 7.5 shall prevent any Members or members of their Groups taking any action or holding any discussions with any other Member or any member of that other Member's Group in connection with these Articles or any Shareholders' Agreement in respect of any issue including, without limiting the generality of the foregoing, to determine how any Member is to exercise its votes at any particular general meeting or how any Member's Shareholders' Director is to vote at any particular meeting of the Board.

8. ALTERNATE DIRECTORS

Any Director (other than an alternate director) may appoint any person willing to act to be an alternate director and may remove from office an alternate director so appointed by him. Regulation 65 of Table A shall not apply to the Company.

9. POWERS OF DIRECTORS

Subject to the provisions of the Companies Act, these Articles and any Shareholders' Agreement, the business of the Company shall be managed by the Board who may exercise all the powers of the Company. No alteration of these Articles or of any Shareholders' Agreement shall invalidate any prior act of the Board which would have been valid if that alteration had not been made or that direction had not been given. The powers given by this Article shall not be limited by any special power given to the Board by the Articles and a meeting of Board at which a quorum is present may exercise all powers exercisable by the Board. Regulation 70 of Table A shall not apply to the Company.

10. DELEGATION OF DIRECTORS' POWERS

The Board may not delegate powers to any Committee and Regulation 72 of Table A shall not apply to the Company.

11. APPOINTMENT AND RETIREMENT OF DIRECTORS

11.1 Regulations 73 to 80 (inclusive) of Table A shall not apply to the Company.

11.2 The Chairman from time to time (who shall be a Shareholders' Director) shall be appointed by the Board.

11.3 Associated Members holding, in aggregate, an Economic Interest of 10% or more (so long as they are not Disqualified Participants) shall have the right (exercisable by notice in writing to the Company delivered to the Company's registered office) from time to time to appoint one Director (a "Shareholders' Director") and to remove from office any such person

so appointed and to appoint such other person in his place. For the avoidance of doubt, there may only be one Shareholders' Director appointed by any Member and/or its Associates.

Save as provided in Article 11.4, a Shareholders' Director may only be removed by the Member who appointed such Director.

No resolution of the Company in general meeting to remove from office any Shareholders' Director shall be effective unless a poll is taken and, in respect of any such resolution, the Member who appointed the relevant Shareholders' Director (provided that that Member is not a Defaulting Shareholder) shall be entitled to cast in person or by proxy or representative such number of votes in respect of that Member's holding of Shares as shall be sufficient to defeat the resolution.

- 11.4 Upon completion of the transfer of all of its Interest by a Member and its Associates or if a Member or its Associates become a Disqualified participant or where the aggregated Economic Interest of any Associated Members becomes less than 10%, such Members' Shareholders' Director shall ipso facto cease to be a Director.
- 11.5 Subject to the Shareholders having, by Unanimous Shareholders' Decision, agreed that the appointment of Executive Directors is necessary or desirable, the Shareholders' Directors shall have the power to appoint and remove any particular person as an Executive Director. The terms of appointment and remuneration (if any) of any Executive Director shall (subject to the provisions of Article 11.6) be determined by the Shareholders' Directors.
- 11.6 The Executive Directors shall be entitled to attend and to receive notice of any meeting of the Board but Executive Directors present at such meetings shall not be counted in a quorum and shall not be entitled to vote on matters put to the vote at such meetings.
- 11.7 No Director shall vacate or be required to vacate his office as a Director on or by reason of his attaining or having attained the age of 70 or any other age and any Director or any person may be re-appointed or appointed, as the case may be, as a Director notwithstanding that he had then attained the age of 70, and no special notice need be given of any resolution for the re-appointment or appointment or approval of the appointment of a Director at any age and it shall not be necessary to give the Members of the Company notice of the age of any Director or person proposed to be so re-appointed or appointed.

11.8 Notwithstanding the other provisions of this Article 11, the office of Director shall be vacated if the Director:-

- (a) becomes bankrupt or insolvent or makes any arrangement or composition with his creditors generally; or
- (b) becomes prohibited from being a Director by reason of any order made under the Company Directors Disqualification Act 1986; or
- (c) becomes a patient within the meaning of the Mental Health Act 1983 (or any modification or re-enactment of it) and the remaining Directors direct by notice in writing to the Company that his office should be vacated; or
- (d) resigns his office by notice in writing to the Company; or
- (e) is sentenced to a term of imprisonment (whether or not suspended).

Regulation 81 of Table A shall not apply to the Company.

11.9 No appointment or purported appointment of a Director shall be valid or effective unless that appointment is made in accordance with the provisions of these Articles. Regulation 90 of Table A shall be modified accordingly.

11.10 A person may only be appointed a Director in accordance with the provisions of this Article 11 with the prior written approval of the ITC if such approval is required by the ITC.

## 12. REMUNERATION OF DIRECTORS/GRATUITIES AND PENSIONS

12.1 Any Director who by request of the Board performs special services or goes or resides abroad for any purposes of the Company may receive such extra remuneration by way of salary, commission, percentage of profits or otherwise as the Shareholders' Directors may determine.

12.2 The Shareholders' Directors may provide benefits whether by payment of gratuities or pensions or by insurance or otherwise, to or to any person in respect of any Director or employee or former Director or employee who may hold or may have held any executive or other office or employment under the Company or any body corporate which is or has been a subsidiary or holding company of the Company or any other subsidiary

of a holding company of the Company or a predecessor in business of the Company or of any such other company and for the purpose of providing any such benefits may contribute to any scheme or fund and may make payments towards insurances or trusts for the purchase or provision of any such benefit in respect of such persons. Regulation 87 of Table A shall not apply to the Company.

13. PROCEEDINGS OF DIRECTORS

13.1 The Board may meet together for the despatch of business, adjourn and otherwise regulate their meetings as they think fit but shall meet at least once in every 2 months and additionally within 7 days of receipt by the Company of written notice from any Shareholders' Director or Member convening a meeting. Except as otherwise provided in these Articles, at any meeting of the Board the Shareholders' Director appointed by a particular group of Associated Members shall be entitled to exercise the number of votes exercisable on a poll by those Associated Members between them at general meetings of the Company.

13.2 Except as provided above or by law, the Chairman shall convene all meetings of the Board in accordance with the provisions of these Articles. Meetings shall be convened by not less than five Business Days written notice accompanied by a short written agenda specifying the business proposed to be transacted provided that (i) all the Shareholders' Directors (or their alternates) may agree in relation to a particular meeting that the length of the notice period may be reduced and (ii) a meeting may be held on shorter notice (not being less than 2 Business Days' written notice) in the case of emergency. Notice of any meeting of the Board shall be given to each Director (and his alternate) and to the Secretary of the Company. If a meeting of the Board is convened by or at the request of a Shareholders' Director or a Member, the notice shall also include all matters requested by any such Shareholders' Director (or his alternate) or any such Member. Any Shareholders' Director may by not less than two days' notice in writing to the Chairman and the other Shareholders' Directors (and their alternates) and the Secretary of the Company request that further matters be added to the agenda for discussion provided that nothing in this Article 13.2 shall prevent a Shareholders' Director from raising any matter for discussion at any meeting of the Board on less than two days' notice in writing. For the avoidance of doubt, a Director ordinarily resident outside of the United Kingdom shall be entitled to receive notices of meetings of the Board in accordance with the Articles and

Regulation 88 of Table A shall be modified accordingly.

13.3 Subject as provided in any Shareholders' Agreement no business shall be transacted at any meeting of the Board unless a quorum of Shareholders' Directors is present at the time when the meeting proceeds to business. The quorum for any Board meeting shall be two Shareholders' Directors or their alternates, in each case being Directors or alternates entitled to vote. If:-

- (a) within half an hour after the time arranged for the meeting to be held a quorum is not present the meeting shall be adjourned until the same time and place on the next Business Day and notice of such adjournment shall be given to each Director and his alternate and at the adjourned meeting those present shall be a quorum. Regulations 89 of Table A shall not apply to the Company;
- (b) at any time there is only one Director entitled to attend and vote at a meeting of the Board (because there is only one Member or because the other Member or Members are Defaulting Shareholders or because all the other Shareholders' Directors are otherwise prevented by the provisions of these Articles or of any Shareholders' Agreement from voting at the relevant meeting), the quorum for any such meeting shall be one Shareholders' Director or his alternate.

A Shareholders' Director shall not be counted in the quorum present for any meeting in relation to a resolution on which he is not entitled to vote by reason of the fact that the Member who appointed such Shareholders' Director is a Defaulting Shareholder.

13.4 2. Director may not vote on any resolutions concerning a matter in respect of which:-

- (a) the Member who appointed him as a Shareholders' Director is an Interested Shareholder or Article 7.5 applies; or
- (b) a Director has, directly or indirectly, an interest or duty (subject as provided in Article 13.7 other than an interest or duty arising solely by virtue of the Director's connection with any Member (or any member of a Member's Group)) which conflicts or may conflict with the interests of the Company unless his interest or duty arises only because the case falls within one or more of the following paragraphs:-

- (i) the resolution relates to the giving to him of a guarantee, security, or indemnity in respect of money lent to, or an obligation incurred by him for the benefit of, the Company or any of its Subsidiaries;
- (ii) the resolution relates to the giving to a third party of a guarantee, security, or indemnity in respect of an obligation of the Company or any of its Subsidiaries for which the Director has assumed responsibility in whole or part and whether alone or jointly with others under a guarantee or indemnity or by the giving of security;
- (iii) the resolution relates in any way to a retirement benefits scheme which has been approved, or is conditional upon approval, by the Board of Inland Revenue for taxation purposes;
- (iv) the resolution relates to the Company taking out directors' and officers' insurance or other indemnity insurance in respect of that Director in accordance with these Articles;
- (v) the resolution relates to any contract for the benefit of employees of the Company or any of the Subsidiaries under which the Director benefits in a similar manner to the employees and which does not accord to any Director as such any privilege or advantage not accorded to the employees to whom the contract relates.

For the purposes of this Article, except as specifically otherwise provided above, an interest of a person who is, for any purpose of the Broadcasting Act, connected with a Director shall be treated as an interest of the Director and, in relation to an alternate director, an interest of his appointor shall be treated as an interest of the alternate director without prejudice to any interest which the alternate director has otherwise.

Regulation 94 of Table A shall not apply to the Company.

- 13.5 A Shareholders' Director may not exercise his right to vote whilst the Member or Members or any one of them who appointed him is or are a Defaulting Shareholder.



- 13.6 The Chairman shall not have a second or casting vote and Regulation 88 of Table A shall be modified accordingly.
- 13.7 On any resolution proposed at a meeting of the Board relating to a matter in which a Member is an Interested Shareholder:-
- (a) the Shareholders' Director appointed by the Interested Shareholder or an Associate of it may not vote on the resolution in accordance with the provisions of Article 13.4;
  - (b) the other Shareholders' Directors entitled to vote on the resolution shall each (notwithstanding the provisions of Article 13.1) only have one vote; and
  - (c) in the event of deadlock between the Shareholders' Directors entitled to vote on the resolution, the meeting shall (in relation to the particular resolution) be adjourned for five Business Days and if at the reconvened meeting that deadlock still exists all the Executive Directors (if any) shall (notwithstanding the provisions of Article 11.6) be asked to cast, between them, one vote on the resolution (the Executive Directors to decide between them by majority vote how that one single vote should be cast).
- 13.8 Subject to the provisions of Article 13.2, a Director may participate in a meeting of the Board by means of conference telephone or similar communications equipment notwithstanding that all of the Directors are not present at the same place provided that:
- (a) a quorum of the Directors so participates in the meeting; and
  - (b) each Director participating is able to speak to each of the other Directors so participating and each Director when speaking can be heard by the other Directors simultaneously.

Participation in a meeting in this manner shall be deemed to constitute presence in person at the meeting and Directors so participating shall be entitled to vote and to be counted in a quorum. Such a meeting shall be deemed to take place where the largest group of those Directors participating in the conference is assembled or, if there is no such group, where the chairman of the meeting then is. The word "meeting" in these Articles shall be construed accordingly.

13.9 A resolution in writing signed by all the Shareholders' Directors entitled to receive notice of a meeting (or their duly appointed alternates) shall be as valid and effectual as a resolution passed at a meeting of the Board. Such resolution may be contained in one document or in several documents in like form each signed by one or more of the Directors. Regulation 93 of Table A shall not apply.

13.10 Regulation 96 of Table A shall not apply to the Company.

14. THE SEAL

At the end of Regulation 101 of Table A shall be added the words:-

"(a) Any instrument signed by one director and the secretary or by two directors and expressed to be executed by the Company shall have the same effect as if executed under the Seal.

(b) No instrument shall be signed pursuant to Regulation 101(a) which makes it clear on its face that it is intended by the person or persons making it to have effect as a deed without the authority of the directors."

15. DIVIDENDS

15.1 The Company shall not pay any dividends and shall make no distributions of any value whatsoever to the Members unless and until the entire principal amount of the RULS together with all accrued interest shall have been repaid to the holders of the RULS. Regulation 102 of Table A shall not apply to the Company.

15.2 Except as provided otherwise by the rights attaching to, or the terms of issue of, any Shares, all dividends shall be declared and paid according to the nominal value of the Shares on which the dividend is paid. Regulation 104 of Table A shall be modified accordingly.

16. NOTICES

16.1 Notice of every general meeting of the Company shall be given by letter, telex or facsimile transmission and shall be given to every Member of the Company. Regulation 112 of Table A shall be modified accordingly.

16.2 Unless the contrary shall be proved, each such notice or communication shall be deemed to have been given or made and delivered, if by letter, five Business Days

after posting, if by delivery, when left at the relevant address, if by telex on receipt of the answerback code and if by facsimile, upon telephone confirmation of receipt from the addressee. Regulation 115 of Table A shall be modified accordingly.

17. WINDING-UP

- 17.1 If the Company shall be wound up, the liquidator may, with the sanction of an extraordinary resolution and any other sanction required by the Companies Act 1985, divide among the Members in specie or in kind the whole or any part of the assets of the Company and any such division may be otherwise than in accordance with the existing rights of the Members, but so that if any division is resolved on otherwise than in accordance with such rights, the Members shall have the same right of dissent and consequential rights as if such resolution were a special resolution passed pursuant to section 110 of the Insolvency Act 1986. A special resolution sanctioning a transfer or sale to another company duly passed pursuant to the said section may in like manner authorise the distribution of any Shares or other consideration receivable by the liquidator among the Members otherwise than in accordance with their existing rights, and any such determination shall be binding upon all the Members, subject to the right of dissent and consequential rights conferred by the said section. Regulation 117 of Table A shall not apply to the Company.
- 17.2 In the event of a winding up of the Company or upon a reduction or return of capital, except as provided otherwise by the rights attaching to, or the terms of issue of, any Shares, the Members shall be entitled pari passu amongst themselves in proportion to the nominal value of the Shares in respect of which the distribution is made, to 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 return of capital.

18. INDEMNITY INSURANCE

Without prejudice to the provisions of Regulation 118 of Table A the Board 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 parent undertaking or in which the Company or such holding company or parent undertaking or any of the predecessors of the Company or of such holding company or parent undertaking 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 any 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.

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**NAMES AND ADDRESSES OF SUBSCRIBERS**

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FC NOMINEES LIMITED  
4 John Carpenter Street  
London EC4Y ONH

I.R. Gibson  
(acting via its duly  
authorised representative)

CF NOMINEES LIMITED  
4 John Carpenter Street  
London EC4Y ONH

I.R. Gibson  
(acting via its duly  
authorised representative)

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DATED 12th March 1993

WITNESS to the above signatures:-

BRUCE GRAHAM JAMES GRIPTON  
7 Ringmer Way,  
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Kent BR1 2TY

Solicitor