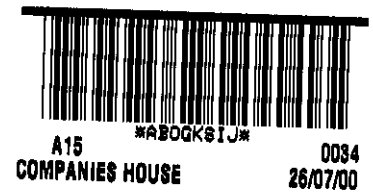


GRANADA MEDIA PLC
(THE "COMPANY")

WRITTEN AGREEMENT OF MEMBERS



We, being the sole member of the Company **HEREBY AGREE AND RESOLVE** that the following resolutions shall be as valid and effectual as if they had been passed as special resolutions at a general meeting of the Company duly convened and held:

1. **THAT**, subject to the resolution at paragraph 2 being passed,
 - (a) the authorised share capital of the Company be increased to £306,250,000 by the creation of an additional 53,750,000 shares of £1 each;
 - (b) 30,000,000 existing shares of £1 in the capital of the Company and all the authorised but unissued shares of £1 be subdivided into ordinary shares of 2.5 pence each;
 - (c) the remaining 219,226,116 existing shares of £1 each in the capital of the Company are converted into 219,226,116 Participating Preference Shares of £1 in the capital of the Company with such rights attached to them as set out in the new Articles of Association of the Company attached to this Agreement.
2. **THAT**, the regulations contained in the document attached to this Agreement, be adopted as the new Articles of Association of the Company to replace in their entirety the existing Articles of Association of the Company.
3. **THAT**, subject to the passing of the resolution at paragraph 2 above,
 - (a) in place of all existing authorities the Directors be generally and unconditionally authorised pursuant to Section 80 of the Companies Act 1985 (the "Act") to allot Participating Preference Shares in the Company up to an aggregate nominal amount of £250,000,000 and to allot ordinary shares in the Company up to an aggregate nominal amount of £56,250,000 for a period expiring (unless previously renewed, varied or revoked by the Company in a general meeting) five years after the date on which this resolution is passed, but the Company may make an offer or agreement which would or might require Participating Preference Shares in the Company or ordinary shares in the Company to be allotted after expiry of this authority and the directors may allot preference shares in the Company pursuant to that offer or agreement as if this authority had not expired; and

(b) in place of all existing powers the Directors be generally empowered pursuant to Section 95 of the Act to allot Participating Preference Shares in the Company up to an aggregate nominal amount of £250,000,000 and ordinary shares in the Company up to an aggregate nominal amount of £56,250,000 for cash, pursuant to the authority conferred by the resolution at paragraph 3(a) above as if Section 89 (1) of the Act did not apply to the allotment. This power shall cease to have effect at the end of the next annual general meeting of the Company after the date on which this resolution is passed but the Company may make an offer or agreement which would require Participating Preference Shares in the Company or ordinary shares in the Company to be allotted after expiry of this power and the directors may allot Participating Preference Shares or ordinary shares in the Company in pursuance of that offer or agreement as if this power had not expired.

4. **THAT**, the Granada Media Approved Executive Share Option Scheme, the Granada Media Unapproved Executive Share Option Scheme, the Granada Media Commitment Scheme, the Granada Media Savings-Related Share Option Scheme and the Granada Media All-Employee Share Ownership Plan (together the "Schemes"), the principal features of each of which are summarised in Part X of the Listing Particulars due to be published on 11 July 2000 in connection with the applications by the Company for admission to the Official List of the UK Listing Authority and to trading on the London Stock Exchange, be and are hereby approved and the Directors be and they are hereby authorised to do all acts and things necessary to implement the Schemes including the making of any changes to the rules of the Schemes as they may consider necessary or desirable.

Signed

For and on behalf of
Granada Group PLC

Dated

10 July 2000

A PUBLIC COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION
OF
GRANADA MEDIA PUBLIC LIMITED COMPANY

(Adopted by special resolution passed on 10 July 2000)

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A PUBLIC COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

OF

GRANADA MEDIA PUBLIC LIMITED COMPANY

(Adopted by special resolution passed on 10 July 2000)

PRELIMINARY

1. TABLE A

The regulations in Table A as in force at the date of the incorporation of the Company shall not apply to the Company.

2. DEFINITIONS

In these Articles, except where the subject or context otherwise requires:

Act means the Companies Act 1985 including any modification or re-enactment of it for the time being in force;

Articles means these articles of association as altered from time to time by special resolution;

auditors means the auditors of the Company;

the board means the directors or any of them acting as the board of directors of the Company;

the Broadcasting Act means the Broadcasting Act 1990, as amended by the Broadcasting Act 1996;

certificated share means a share in the capital of the Company that is not an uncertificated share and references in these Articles to a share being held in certificated form shall be construed accordingly;

clear days in relation to the giving of a notice means the period excluding the day on which a notice is given or deemed to be given and the day for which it is given or on which it is to take effect;

Companies Acts has the meaning given by section 744 of the Act and includes any enactment passed after those Acts which may, by virtue of that or any other such enactment, be cited together with those Acts as the "Companies Acts" (with or without the addition of an indication of the date of any such enactment);

Completion of the Demerger the date on which the Demerger becomes effective;

Demerger means the demerger of the Hospitality Business of Granada Compass;

director means a director of the Company;

dividend means dividend or bonus;

electronic communication has the meaning given by the Electronic Communications Act 2000;

employees' share scheme has the meaning given by section 743 of the Act;

entitled by transmission means, in relation to a share in the capital of the Company, entitled as a consequence of the death or bankruptcy of the holder or otherwise by operation of law;

Exchange has the meaning set out in Article 8.1;

Exchange Shares the ordinary shares other than those which are (i) registered in the names of Granada Compass, Granada Group or any member of their respective Groups or held in trust for any of them, or (ii) subject to the Purchase option as described in Article 8.4;

Granada Compass means Granada Compass PLC;

Granada Compass Shares means the ordinary shares to be issued or issued in the capital of Granada Compass in connection with the Exchange;

Granada Group means Granada Group PLC;

Granada Group Shares means the ordinary shares in Granada Group to be issued or issued to Granada Compass in connection with the Exchange;

Group means in relation to any person any corporations which are Holding Companies or Subsidiary Undertakings of it or any such Holding Company;

holder in relation to a share in the capital of the Company means the member whose name is entered in the register as the holder of that share;

Holding Company shall have the meaning ascribed to it in section 736 of the Act;

Hospitality Business means the business and activity carried on from time to time by the hospitality division of the Granada Group and all the business and activity of the Compass Group;

LIBOR means the rate for a period of three months which appears on the display designated Telerate Page 3750 (or such other page as may replace Page 3750, or such other service as may be nominated by the British Bankers Association (including the Reuters Screen) as the information vendor for the purposes of displaying British Bankers Association Interest Settlement Rates for deposits in the currency concerned) at or about 11.00 am on the date of the issue of the Participating Preference Shares for the period to the end of the first Quarterly Accrual Date following such issue and, with respect to each subsequent quarterly period, the rate set at or about 11.00 am on the Quarterly Accrual Date to which the previous interest period relates;

London Stock Exchange means London Stock Exchange plc;

member means a member of the Company;

Memorandum means the memorandum of association of the Company as amended from time to time;

office means the registered office of the Company;

ordinary shares means the ordinary shares of 2.5 pence each in the capital of the Company;

paid means paid or credited as paid;

paid up shares has the meaning given to it by section 738 of the Act;

Participating Preference Shares means the Participating Preference Shares of £1 each in the capital of the Company;

Purchase and **Purchaser** have the meanings set out in Article 8.4;

recognised person means a recognised clearing house or a nominee of a recognised clearing house or of a recognised investment exchange, each of which terms has the meaning given to it by section 185(4) of the Act;

register means the register of members of the Company;

Regulations means the Uncertificated Securities Regulations 1995;

seal means the common seal of the Company and includes any official seal kept by the Company by virtue of section 39 or 40 of the Act;

secretary means the secretary of the Company and includes a joint, assistant, deputy or temporary secretary and any other person appointed to perform the duties of the secretary;

Subsidiary Undertaking shall have the meaning ascribed to it in section 258 of the Act;

UK Listing Authority means the Financial Services Authority acting in its capacity as the competent authority for the purposes of Part IV of the Financial Services Act 1986 and in the exercise of its functions in respect of the admission to the official list otherwise than in accordance with Part IV of the Financial Services Act 1986, including where the context so permits, any committee, employee, officer or servant to whom any function of the UK Listing Authority may for the time being be delegated;

uncertificated share means a share in the capital of the Company which is recorded on the register as being held in uncertificated form and title to which may, by virtue of the Regulations, be transferred by means of a relevant system and references in these articles to a share being held in uncertificated form shall be construed accordingly;

United Kingdom means Great Britain and Northern Ireland; and

working day means any day other than a Saturday or Sunday, Christmas Day, Good Friday or a bank holiday as defined by the Banking and Financial Dealings Act 1971.

3. CONSTRUCTION

References to a document being executed include references to its being executed under hand or under seal or by electronic signature or by any other method and references to a document include references to any information in visible form whether having physical substance or not.

References to writing include references to any visible substitute for writing, including an electronic communication, and to anything partly in one visible form and partly in another visible form.

A PUBLIC COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

OF

GRANADA GROUP PUBLIC LIMITED COMPANY

*(Adopted by a Special Resolution passed on 6 March 1989 and
amended by Special Resolutions passed on 3 March 1992, 24 January 1996,
29 January 1997 and 2 February 2000)*

TABLE A

1. The regulations in Table A in the First Schedule to the Companies Act, 1929 (being the regulations in force at the date of incorporation of the Company) do not apply to the Company except in so far as the same are repeated or contained in these Articles.

INTERPRETATION

2. In these Articles unless the subject or context otherwise requires the words standing in the first column of the table next hereinafter contained shall bear the meanings set opposite to them respectively in the second column thereof.

WORDS

MEANINGS

"the Act"

The Companies Act 1985.

"the Statutes"

The Act, and every other act for the time being in force concerning joint stock companies and affecting the Company (including, without limitation, the Regulations).

"these Articles"

These articles of association as altered from time to time.

"the Auditors"

The auditors for the time being of the Company.

"the Office"

The registered office of the Company.

"the Register"

The register of members of the Company.

"the Seal"

The Common Seal of the Company and includes any official seal kept by the Company by virtue of section 39 or 40 of the Act.

Words denoting the singular number include the plural number and vice versa; words denoting the masculine gender include the feminine gender; and words denoting persons include corporations.

Words or expressions contained in these Articles which are not defined in Article 2 but are defined in the Act have the same meaning as in the Act (but excluding any modification of the Act not in force at the date of adoption of these Articles) unless inconsistent with the subject or context.

Words or expressions contained in these Articles which are not defined in Article 2 but are defined in the Regulations have the same meaning as in the Regulations (but excluding any modification of the Regulations not in force at the date of adoption of these Articles) unless inconsistent with the subject or context.

Subject to the preceding two paragraphs, references to any provision of any enactment or of any subordinate legislation (as defined by section 21(1) of the Interpretation Act 1978) include any modification or re-enactment of that provision for the time being in force.

Headings and marginal notes are inserted for convenience only and do not affect the construction of these Articles.

In these Articles, (a) powers of delegation shall not be restrictively construed but the widest interpretation shall be given to them; (b) the word **board** in the context of the exercise of any power contained in these Articles includes any committee consisting of one or more directors, any director holding executive office and any local or divisional board, manager or agent of the Company to which or, as the case may be, to whom the power in question has been delegated; (c) no power of delegation shall be limited by the existence or, except where expressly provided by the terms of delegation, the exercise of that or any other power of delegation; and (d) except where expressly provided by the terms of delegation, the delegation of a power shall not exclude the concurrent exercise of that power by any other body or person who is for the time being authorised to exercise it under these Articles or under another delegation of the power.

Where, in relation to a share, these Articles refer to a relevant system, the reference is to the relevant system in which that share is a participating security at the relevant time.

4. SHARE CAPITAL

- 4.1 The share capital of the Company on the adoption of these Articles is £306,250,000 divided into 2,250,000,000 ordinary shares of 2.5 pence and 250,000,000 Participating Preference Shares of £1 each.
- 4.2 The registered holders of the Exchange Shares shall not have the right to receive notice or attend any meeting concerning or vote on any Resolution to give effect to the Exchange, including any Special Resolution to reduce the share capital of the Company to be passed in connection with the Exchange.

PARTICIPATING PREFERENCE SHARES

4.3 Dividends

The Participating Preference Shares shall confer upon the holders thereof the right, subject to the provisions of the Companies Acts and the Articles, to receive out of the profit of the Company by way of distribution by way of dividend in priority to the payment of any dividend to the holders of the ordinary shares, a variable participating dividend

(Participating Dividend) in respect of each financial year of the Company of 0.25 per cent of the amount of the Company's annual consolidated post tax profits exceeding £250,000,000 but less than or equal to £500,000,000 and 0.16 per cent. of the amount of the Company's annual consolidated post tax profits in excess of £500,000,000. The Participating Dividend shall be exclusive of any imputed tax credit available to shareholders and shall be distributed pro rata to the holders of the Participating Preference Shares in accordance with the amount paid up or credited as paid up on the Participating Preference Shares.

4.4 Each Participating Dividend shall accrue on a daily basis and shall be paid yearly in arrears on 31 October in respect of the financial year ended prior to that date each year **(Participating Dividend Date)** (or, if any such date is not a working day on the next day which is a working day) and shall (subject to Article 4.5 below) be in respect of that financial year. Payments of Participating Dividends shall be made to holders whose names appear on the register at 12 noon on any date selected by the directors being no more than 14 days prior to the Participating Dividend Date.

4.5 The first Participating Dividend on each Participating Preference Share (including any Participating Preference Share issued after the date on which Participating Preference Shares were first issued) shall be paid on the Participating Dividend Date next following the date of allotment of the share or on such other Participating Dividend Date as the directors may determine (or, if that date is not a working day, on the next following day which is a working day) and shall be made on a pro rata basis in respect of the period from the date of allotment of the share to the relevant Participating Dividend Date.

4.6 **Voting Rights**

The Participating Preference Shares shall, subject to the provisions of the Companies Act and of the Articles, confer on the holders the right to receive notice of all general meetings of the Company but shall only confer the right to attend and speak or vote at any such meeting if the business of the meeting includes the consideration of a resolution for winding up the Company or modifying, varying or abrogating, or otherwise directly affects, any of the rights or privileges attaching to the Participating Preference Shares, or if any part of any dividend payable in respect of the Participating Preference Shares is six months or more in arrears. For any resolution on which holders of the Participating Preference Shares are entitled to vote, each such holder present in person shall, on a show of hands, have one vote and, on a poll, each such holder present in person or by proxy, shall have one vote in respect of each fully paid Participating Preference Share of which he is the holder.

4.7 **Distribution of assets on liquidation or other return of capital**

In the event of the winding up of the Company or other return of capital (except on conversion, redemption or purchase by the Company of any of its shares), the assets of the Company available for distribution among the shareholders, after payment of all other debts and liabilities of the Company and of the costs, charges and expenses of such winding up, shall be divided in the following manner and order of priority:

- (a) first, in paying to the holders of the Participating Preference Shares all unpaid arrears and accruals of Participating Dividends (whether or not such unpaid arrears and accruals have become due and payable) to be calculated down to and including the date of return of capital;
- (b) secondly, in paying to the holders of the Participating Preference Shares a sum equal to the capital paid up or credited as paid up in respect of the Participating Preference Shares held by them, respectively;

- (c) third, in paying to the holders of the ordinary shares a sum equal to the capital paid or credited as paid up in respect of the ordinary shares held by them; and
 - (d) fourth, in paying any surplus to the holders of the ordinary shares and the Participating Preference Shares, 0.5 per cent of such surplus being paid to the holders of the Participating Preference Shares subject to a cap of £10,000,000 rateably in accordance with the amounts paid up or credited as paid up on the Participating Preference Shares and the balance of such surplus being paid to the holders of the ordinary shares rateably in accordance with the amounts paid up or credited as paid up on the ordinary shares held by them respectively.
- 4.8 The special rights attached to any Participating Preference Shares allotted or in issue shall not (unless otherwise provided by their terms of issue) be deemed to be varied, affected, modified, dealt with or abrogated by the creation or issue of any further shares (**new shares**) ranking in all respects after or in any respect *pari passu* with such Participating Preference Shares (but in no respect in priority thereto) and so that any new shares ranking *pari passu* with such Participating Preference Shares may either carry rights identical in all respects with such Participating Preference Shares or any of them or rights and/or restrictions differing therefrom in any respect.
- 4.9 Notwithstanding the rights of the holders of Participating Preference Shares under Article 4.6, the written consent of the holders of three-quarters in nominal value of the issued Participating Preference Shares or the sanction of an extraordinary resolution passed at a separate general meeting of the holders of the Participating Preference Shares is required:
- (a) if the special rights and privileges attaching to the Participating Preference Shares are to be varied or abrogated or otherwise directly affected in any way;
 - (b) if any shares or securities are to be created, allotted or issued by the Company which rank in priority to or equally with the Participating Preference Shares (or any right to call for the allotment or issue of such shares or securities is to be granted by the Company).
- 4.10 All provisions of the Articles relating to general meetings of the Company shall apply *mutatis mutandis* to every general meeting of the holders of the Participating Preference Shares.
- 4.11 Each of the following shall each be deemed to be a variation of the rights attached to the Participating Preference Shares and, notwithstanding any other provisions of these Articles, shall be prohibited except with the consent or sanction of the holders of the Participating Preference Shares given in accordance with the provisions of Article 4.9:
- (a) the alteration of Article 4;
 - (b) the redemption of any shares other than Participating Preference Shares, unless such redemption is effected for the purpose of a conversion of the shares concerned and does not reduce the distributable profits of the Company; and
 - (c) the reduction by the Company (except pursuant to the Exchange described at Article 8 and except as authorised by Section 146(2) or by Section 159 of the Companies Acts) of its share capital or any uncalled liability in respect thereof or (except as authorised by Sections 130(2), 160(2) or 170(4) of the Companies Acts) of any share premium account or capital redemption reserve if the reduction involves either the diminution of liability in respect of unpaid share capital of the repayment to any shareholder of any paid up share capital.

5. SPECIAL RIGHTS

5.1 Rights Attaching to Shares on Issue

Subject to Article 8 and without prejudice to any special rights previously conferred on the holders of any shares or class of shares for the time being issued, any share in the Company may be issued with such preferred, deferred or other special rights, or subject to such restrictions, whether as regards dividend, return of capital, voting or otherwise, as the Company may from time to time by Ordinary Resolution determine (or, in the absence of any such determination, as the directors may determine) and subject to the provisions of the Articles may issue any shares which are, or at the option of the Company or the holder are liable, to be redeemed.

5.2 Share warrants to bearer

The board may issue share warrants to bearer in respect of any fully paid shares under a seal of the Company or in any other manner authorised by the board. Any share while represented by such a warrant shall be transferable by delivery of the warrant relating to it. In any case in which a warrant is so issued, the board may provide for the payment of dividends or other moneys on the shares represented by the warrant by coupons or otherwise. The board may decide, either generally or in any particular case or cases, that any signature on a warrant may be applied by electronic or mechanical means or printed on it or that the warrant need not be signed by any person.

5.3 Conditions of issue of share warrants

The board may determine, and from time to time vary, the conditions on which share warrants to bearer shall be issued and, in particular, the conditions on which:

- (a) a new warrant or coupon shall be issued in place of one worn-out, defaced, lost or destroyed (but no new warrant shall be issued unless the Company is satisfied beyond reasonable doubt that the original has been destroyed); or
- (b) the bearer shall be entitled to attend and vote at general meetings; or
- (c) a warrant may be surrendered and the name of the bearer entered in the register in respect of the shares specified in the warrant.

The bearer of such a warrant shall be subject to the conditions for the time being in force in relation to the warrant, whether made before or after the issue of the warrant. Subject to those conditions and to the provisions of the Companies Acts, the bearer shall be deemed to be a member of the Company and shall have the same rights and privileges as he would have if his name had been included in the register as the holder of the shares comprised in the warrant.

5.4 No right in relation to share

The Company shall not be bound by or be compelled in any way to recognise any right in respect of the share represented by a share warrant other than the bearer's absolute right to the warrant.

6. SHARES IN UNCERTIFIED FORM

6.1 Uncertificated shares

Subject to the provisions of the Regulations, the board may permit the holding of shares in any class of shares in uncertificated form and the transfer of title to shares in that class

by means of a relevant system and may determine that any class of shares shall cease to be a participating security.

6.2 Not separate class of shares

Shares in the capital of the Company that fall within a certain class shall not form a separate class of shares from other shares in that class because any share in that class:

- (a) is held in uncertificated form; or
- (b) is permitted in accordance with the Regulations to become a participating security.

6.3 Exercise of Company's entitlements in respect of uncertificated shares

Where any class of shares is a participating security and the Company is entitled under any provision of the Companies Acts, the Regulations or the Articles to sell, transfer or otherwise dispose of, forfeit, re-allot, accept the surrender of or otherwise enforce a lien over a share held in uncertificated form, the Company shall be entitled, subject to the provisions of the Companies Acts, the Regulations, the Articles and the facilities and requirements of the relevant system:

- (a) to require the holder of that uncertificated share by notice to change that share into certificated form within the period specified in the notice and to hold that share in certificated form so long as required by the Company;
- (b) to require the holder of that uncertificated share by notice to give any instructions necessary to transfer title to that share by means of the relevant system within the period specified in the notice;
- (c) to require the holder of that uncertificated share by notice to appoint any person to take any step, including without limitation the giving of any instructions by means of the relevant system, necessary to transfer that share within the period specified in the notice; and
- (d) to take any action that the board considers appropriate to achieve the sale transfer, disposal, forfeiture, re-allotment or surrender of that share or otherwise to enforce a lien in respect of that share.

7. ALLOTMENT OF SHARES

7.1 Section 80 authority

The board has general and unconditional authority to exercise all the powers of the Company to allot relevant securities up to an aggregate nominal amount equal to the section 80 amount, for each prescribed period.

7.2 Section 89 disapplication

The board is empowered for each prescribed period to allot equity securities for cash pursuant to the authority conferred by Article 7.1 as if section 89(1) of the Act did not apply to any such allotment, provided that its power shall be limited to:

- (a) the allotment of equity securities in connection with a rights issue;
- [(b) the allotment of equity shares in connection with the Exchange; and]
- (c) the allotment (otherwise than pursuant to Article 7.2(a)) of equity securities up to an aggregate nominal amount equal to the section 89 amount.

7.3 Allotment after expiry

Before the expiry of a prescribed period the Company may make an offer or agreement which would or might require equity securities or other relevant securities to be allotted after such expiry. The board may allot equity securities or other relevant securities in pursuance of that offer or agreement as if the prescribed period during which that offer or agreement was made had not expired.

7.4 Definitions

In this Article:

prescribed period means any period for which the authority conferred by Article 7.1 is given by ordinary or special resolution stating the section 80 amount and/or the power conferred by Article 7.2 is given by special resolution stating the section 89 amount;

rights issue means an offer of equity securities to ordinary shareholders and, if in accordance with their rights the board so determines, holders of other equity securities of any class (whether by way of rights issue, open offer or otherwise) where the equity securities respectively attributable to the interests of ordinary shareholders or holders of other equity securities, if applicable are proportionate (as nearly as practicable) to the respective numbers of ordinary shares or other equity securities, as the case may be held by them, but subject to such exclusions or other arrangements as the board may deem necessary or expedient in relation to fractional entitlements or any legal, regulatory or practical problems under the laws or regulations of any overseas territory or the requirements of any regulatory body or stock exchange;

section 80 amount means, for any prescribed period, the amount stated in the relevant ordinary or special resolution; and

section 89 amount means, for any prescribed period, the amount stated in the relevant special resolution.

8. EXCHANGE

8.1 For the purposes of the Articles, the Exchange shall mean the effect brought about by the combination of the following events (and if the context so requires, any one or more of those events):

- (a) the reduction (by cancellation or otherwise howsoever) of the share capital of the Company in accordance with Article 4.2;
- (b) the increase in the share capital of the Company through the capitalisation of the reserve created by any such reduction in the share capital referred to in Article 8.1(a) and the immediate issue and allotment of ordinary shares to Granada Group;
- (c) in consideration of Article 8.1(a) and 8.1(b), the procurement by Granada Group of the issue and allotment of Granada Compass Shares to the holders of the Exchange Shares;
- (d) in consideration of the issue and allotment referred to in Article 8.1(c), the issue and allotment of Granada Group Shares to Granada Compass.

8.2 Subject to the provisions of this Article 8.2 and on the terms set out in Article 8.3, the Company may at any time pass any Resolutions in connection with the Exchange, including any Special Resolution to reduce the share capital (by cancellation or otherwise

howsoever) of the Company PROVIDED THAT any such resolution to reduce the share capital of the Company shall not become effective unless and until:

- (a) the Granada Compass Shares to be issued and allotted in accordance with Article 8.1(c) have, subject to allotment, been admitted to the Official List of the UK Listing Authority and to trading on the London Stock Exchange;
- (b) the Demerger has become effective;

8.3 The Exchange shall be on such terms that:

- (a) immediately upon the Exchange becoming effective, the proportion of Granada Compass Shares held by the former holders of the Exchange Shares is identical to the proportion of the ordinary shares held in the Company by the holders of the Exchange Shares immediately prior thereto.
- (b) the Granada Compass Shares shall have rights substantially the same in all respects as those attaching to the Exchange Shares, save for any rights or obligations in connection with the Exchange described in these Articles.

- 8.4 (a) Subject to the Exchange becoming effective in accordance with Article 8.3(a) and 8.3(b), any person, other than Granada Group, Granada Compass or any other member of their respective Groups and any person holding ordinary shares on trust for any of them, to whom such shares are issued at any time or times after close of business on the working day preceding the Completion of the Demerger so that such shares do not become Exchange Shares (**Vendor**) shall at the time at which he (or any transferee in respect of such shares) becomes a member in respect of those shares (**Relevant Time**) be bound to transfer to Granada Compass or its nominee or to any other person as Granada Compass may direct (**Purchaser**) free from all liens, charges and encumbrances of any nature whatsoever (subject to the provisions of Article 8.4(b) below) and the Purchaser shall be bound to acquire all the ordinary shares in the Company held by the Vendor (**Disposal Shares**) for a consideration equal in kind and amount to that which the Vendor would have received pursuant to the Exchange if such Disposal Shares had been Exchange Shares for the purposes of Articles 8.2 and 8.3 (any and each such transfer being a **Purchase**).
- (b) To give effect to the Purchase, the Purchaser may appoint any person to execute a form of transfer on behalf of the Vendor in favour of the Purchaser and the Company may give a good receipt for the consideration for the Disposal Shares and may register the Purchaser as holder thereof and issue to it certificates for the same. The Company shall not be obliged to issue a certificate to the Vendor for the Disposal Shares. The Purchaser shall allot and/or procure the allotment to and/or transfer to the Vendor of the appropriate number of Granada Compass Shares within fourteen working days of the Relevant Time.

9. RESIDUAL ALLOTMENT POWERS

Subject to the provisions of the Companies Acts relating to authority, pre-emption rights or otherwise and of any resolution of the Company in general meeting passed pursuant to those provisions, and, in the case of redeemable shares, the provisions of Article 10:

- (a) all unissued shares for the time being in the capital of the Company shall be at the disposal of the board; and

- (b) the board may allot (with or without conferring a right of renunciation), grant options over, or otherwise dispose of them to such persons on such terms and conditions and at such times as it thinks fit.

10. REDEEMABLE SHARES

Subject to the provisions of the Companies Acts, and without prejudice to any rights attached to any existing shares or class of shares, shares may be issued which are to be redeemed or are to be liable to be redeemed at the option of the Company or the holder on such terms and in such manner as may be provided by these Articles.

11. COMMISSIONS

The Company may exercise all powers of paying commissions or brokerage conferred or permitted by the Companies Acts. Subject to the provisions of the Companies Acts, any such commission or brokerage may be satisfied by the payment of cash or by the allotment of fully or partly paid shares or partly in one way and partly in the other.

12. TRUSTS NOT RECOGNISED

Except as required by law, the Company shall recognise no person as holding any share on any trust and (except as otherwise provided by these Articles or by law) the Company shall not be bound by or recognise any interest in any share (or in any fractional part of a share) except the holder's absolute right to the entirety of the share (or fractional part of the share).

13. VARIATION OF RIGHTS OTHER THAN PARTICIPATING PREFERENCE SHARE RIGHTS

13.1 Method of varying rights

Subject to the provisions of the Companies Acts, if at any time the capital of the Company is divided into different classes of shares, the rights attached to any class may (unless otherwise provided by the terms of allotment of the shares of that class) be varied or abrogated, whether or not the Company is being wound up, either with the consent in writing of the holders of three-quarters in nominal value of the issued shares of the class or with the sanction of an extraordinary resolution passed at a separate general meeting of the holders of the shares of the class (but not otherwise).

13.2 When rights deemed to be varied

For the purposes of this Article, if at any time the capital of the Company is divided into different classes of shares, unless otherwise expressly provided by the rights attached to any share or class of shares, those rights shall be deemed to be varied by:

- (a) the reduction of the capital paid up on that share or class of shares otherwise than by a purchase or redemption by the Company of its own shares save in connection with the Exchange; and
- (b) the allotment of another share ranking in priority for payment of a dividend or in respect of capital or which confers on its holder voting rights more favourable than those conferred by that share or class of shares,

but shall not be deemed to be varied by:

- (c) the creation or issue of another share ranking equally with, or subsequent to, that share or class of shares or by the purchase or redemption by the Company of its own shares; or
- (d) the Company permitting, in accordance with the Regulations, the holding of and transfer of title to shares of that or any other class in uncertificated form by means of a relevant system.

SHARE CERTIFICATES

14. MEMBERS' RIGHTS TO CERTIFICATES

Every member, on becoming the holder of any certificated share (except a recognised person in respect of whom the Company is not required by law to complete and have ready for delivery a certificate) shall be entitled, without payment, to one certificate for all the certificated shares of each class held by him (and, on transferring a part of his holding of certificated shares of any class, to a certificate for the balance of his holding of certificated shares). He may elect to receive one or more additional certificates for any of his certificated shares if he pays for every certificate after the first a reasonable sum determined from time to time by the board. Every certificate shall:

- (a) be executed under the seal or otherwise in accordance with Article 138 or in such other manner as the board may approve; and
- (b) specify the number, class and distinguishing numbers (if any) of the shares to which it relates and the amount or respective amounts paid up on the shares.

The Company shall not be bound to issue more than one certificate for certificated shares held jointly by more than one person and delivery of a certificate to one joint holder shall be a sufficient delivery to all of them. Shares of different classes may not be included in the same certificate.

15. REPLACEMENT CERTIFICATES

If a share certificate is defaced, worn out, lost or destroyed, it may be renewed on such terms (if any) as to evidence and indemnity and payment of any exceptional out-of-pocket expenses reasonably incurred by the Company in investigating evidence and preparing the requisite form of indemnity as the board may determine but otherwise free of charge, and (in the case of defacement or wearing out) on delivery up of the old certificate.

16. LIEN

16.1 Company to have lien on shares

The Company shall have a first and paramount lien on every share (not being a fully paid share) for all moneys payable to the Company (whether presently or not) in respect of that share. The board may at any time (generally or in a particular case) waive any lien or declare any share to be wholly or in part exempt from the provisions of this Article. The Company's lien on a share shall extend to any amount (including without limitation dividends) payable in respect of it.

17. SALES OF SHARES WITH LIEN

17.1 Enforcement of lien by sale

The Company may sell, in such manner as the board determines, any share on which the Company has a lien if a sum in respect of which the lien exists is presently payable and is not paid within 14 clear days after notice has been given to the holder of the share, or to the person entitled to it by transmission, demanding payment and stating that if the notice is not complied with the share may be sold.

17.2 Giving effect to sale

To give effect to that sale the board may, if the share is a certificated share, authorise any person to execute an instrument of transfer in respect of the share sold to, or in accordance with the directions of, the buyer. If the share is an uncertificated share, the board may exercise any of the Company's powers under Article 6.3 to effect the sale of the share to, or in accordance with the directions of the buyer. The buyer shall not be bound to see to the application of the purchase money and his title to the share shall not be affected by any irregularity in or invalidity of the proceedings in relation to the sale.

17.3 Application of proceeds

The net proceeds of the sale, after payment of the costs, shall be applied in or towards payment or satisfaction of so much of the sum in respect of which the lien exists as is presently payable. Any residue shall (if the share sold is a certificated share, on surrender to the Company for cancellation of the certificate in respect of the share sold and, whether the share sold is a certificated or uncertificated share, subject to a like lien for any moneys not presently payable as existed on the share before the sale) be paid to the person entitled to the share at the date of the sale.

CALLS ON SHARES

18. POWER TO MAKE CALLS

Subject to the terms of allotment, the board may from time to time make calls on the members in respect of any moneys unpaid on their shares (whether in respect of nominal value or premium). Each member shall (subject to receiving at least 14 clear days' notice specifying when and where payment is to be made) pay to the Company the amount called on his shares as required by the notice. A call may be required to be paid by instalments. A call may be revoked in whole or part and the time fixed for payment of a call may be postponed in whole or part as the board may determine. A person on whom a call is made shall remain liable for calls made on him even if the shares in respect of which the call was made are subsequently transferred.

19. TIME WHEN CALL MADE

A call shall be deemed to have been made at the time when the resolution of the board authorising the call was passed.

20. LIABILITY OF JOINT HOLDERS

The joint holders of a share shall be jointly and severally liable to pay all calls in respect of it.

21. INTEREST PAYABLE

If a call or any instalment of a call remains unpaid in whole or in part after it has become due and payable the person from whom it is due and payable shall pay interest on the amount unpaid from the day it became due and payable until it is paid. Interest shall be paid at the rate fixed by the terms of allotment of the share or in the notice of the call or, if no rate is fixed, the rate determined by the board, not exceeding 15 per cent. per annum or, if higher, the appropriate rate (as defined by the Act), but the board may in respect of any individual member waive payment of such interest wholly or in part.

22. DEEMED CALLS

An amount payable in respect of a share on allotment or at any fixed date, whether in respect of nominal value or premium or as an instalment of a call, shall be deemed to be a call duly made and notified and payable on the date so fixed or in accordance with the terms of the allotment. If it is not paid the provisions of these Articles shall apply as if that amount had become due and payable by virtue of a call duly made and notified.

23. DIFFERENTIATION ON CALLS

Subject to the terms of allotment, the board may make arrangements on the issue of shares for a difference between the allottees or holders in the amounts and times of payment of calls on their shares.

24. PAYMENT OF CALLS IN ADVANCE

The board may, if it thinks fit, receive from any member all or any part of the moneys uncalled and unpaid on any share held by him. Such payment in advance of calls shall extinguish the liability on the share in respect of which it is made to the extent of the payment. The Company may pay on all or any of the moneys so advanced (until they would but for such advance become presently payable) interest at such rate agreed between the board and the member not exceeding (unless the Company by ordinary resolution otherwise directs) 15 per cent. per annum or, if higher, the appropriate rate (as defined in the Act).

FORFEITURE AND SURRENDER

25. NOTICE REQUIRING PAYMENT OF CALL

If a call or any instalment of a call remains unpaid in whole or in part after it has become due and payable, the board may give to the person from whom it is due not less than 14 clear days' notice requiring payment of the amount unpaid together with any interest which may have accrued and any costs, charges and expenses incurred by the Company by reason of such non- payment. The notice shall name the place where payment is to be made and shall state that if the notice is not complied with the shares in respect of which the call was made will be liable to be forfeited.

26. FORFEITURE FOR NON-COMPLIANCE

If that notice is not complied with, any share in respect of which it was given may, at any time before the payment required by the notice has been made, be forfeited by a resolution of the board. The forfeiture shall include all dividends or other moneys payable in respect of the forfeited share which have not been paid before the forfeiture. When a share has been forfeited, notice of the forfeiture shall be served on the person who was

the holder of the share before the forfeiture. An entry shall be made promptly in the register opposite the entry of the share showing that notice has been served, that the share has been forfeited and the date of forfeiture. No forfeiture shall be invalidated by the omission or neglect to give that notice or to make those entries.

27. SALE OF FORFEITED SHARES

Subject to the provisions of the Companies Acts, a forfeited share shall be deemed to belong to the Company and may be sold, re-allotted or otherwise disposed of on such terms and in such manner as the board determines, either to the person who was the holder before the forfeiture or to any other person. At any time before sale, re-allotment or other disposal, the forfeiture may be cancelled on such terms as the board thinks fit. Where for the purposes of its disposal a forfeited share held in certificated form is to be transferred to any person, the board may authorise any person to execute an instrument of transfer of the share to that person. Where for the purposes of its disposal a forfeited share held in uncertificated form is to be transferred to any person, the board may exercise any of the Company's powers under Article 6.3. The Company may receive the consideration given for the share on its disposal and may register the transferee as holder of the share.

28. LIABILITY FOLLOWING FORFEITURE

A person shall cease to be a member in respect of any share which has been forfeited and shall, if the share is a certificated share, surrender the certificate for any forfeited share to the Company for cancellation. The person shall remain liable to the Company for all moneys which at the date of forfeiture were presently payable by him to the Company in respect of that share with interest on that amount at the rate at which interest was payable on those moneys before the forfeiture or, if no interest was so payable, at the rate determined by the board, not exceeding 15 per cent. per annum or, if higher, the appropriate rate (as defined in the Act), from the date of forfeiture until payment. The board may waive payment wholly or in part or enforce payment without any allowance for the value of the share at the time of forfeiture or for any consideration received on its disposal.

29. SURRENDER

The board may accept the surrender of any share which it is in a position to forfeit on such terms and conditions as may be agreed. Subject to those terms and conditions, a surrendered share shall be treated as if it had been forfeited.

30. EXTINCTION OF RIGHTS

The forfeiture of a share shall involve the extinction at the time of forfeiture of all interest in and all claims and demands against the Company in respect of the share and all other rights and liabilities incidental to the share as between the person whose share is forfeited and the Company, except only those rights and liabilities expressly saved by these Articles, or as are given or imposed in the case of past members by the Companies Acts.

31. EVIDENCE OF FORFEITURE OR SURRENDER

A statutory declaration by a director or the secretary that a share has been duly forfeited or surrendered on a specified date shall be conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the share. The declaration shall (subject if

necessary to the execution of an instrument of transfer or transfer by means of the relevant system, as the case may be) constitute a good title to the share. The person to whom the share is disposed of shall not be bound to see to the application of the purchase money, if any, and his title to the share shall not be affected by any irregularity in, or invalidity of, the proceedings in reference to the forfeiture, surrender, sale, re-allotment or disposal of the share.

TRANSFER OF SHARES

32. FORM AND EXECUTION OF TRANSFER OF CERTIFICATED SHARE

The instrument of transfer of a certificated share may be in any usual form or in any other form which the board may approve. An instrument of transfer shall be signed by or on behalf of the transferor and, unless the share is fully paid, by or on behalf of the transferee. An instrument of transfer need not be under seal.

33. TRANSFERS OF SHARES

The board may, in its absolute discretion and without giving any reason, refuse to register the transfer of a certificated share which is not fully paid, provided that the refusal does not prevent dealings in shares in the Company from taking place on an open and proper basis.

The board may also refuse to register any transfer if it is their opinion that such transfer would or might (a) prejudice the right of the Company or any subsidiary thereof to hold any licence granted or to be granted to the Company or any such subsidiary from time to time to provide any "television programme service" (as such expression is defined in section 2(4) of the Broadcasting Act) or (b) give rise to or cause, directly or indirectly, a variation to be made to any such licence by the Commission.

34. TRANSFERS OF CERTIFICATED SHARES

34.1 Invalid transfers of certificated shares

The board may also refuse to register the transfer of a certificated share unless the instrument of transfer:

- (a) is lodged, duly stamped (if stampable), at the office or at another place appointed by the board accompanied by the certificate for the share to which it relates and such other evidence as the board may reasonably require to show the right of the transferor to make the transfer;
- (b) is in respect of only one class of shares; and
- (c) is in favour of not more than four transferees.

34.2 Transfers by recognised persons

In the case of a transfer of a certificated share by a recognised person, the lodgement of a share certificate will only be necessary if and to the extent that a certificate has been issued in respect of the share in question.

35. NOTICE OF REFUSAL TO REGISTER

If the board refuses to register a transfer of a share, it shall send the transferee notice of its refusal within two months after the date on which the instrument of transfer was lodged with the Company or the Operator-instruction was received, as the case may be.

36. SUSPENSION OF REGISTRATION

The registration of transfers of shares or of transfers of any class of shares may be suspended at such times and for such periods (not exceeding 30 days in any year) as the board may determine, except that the board may not suspend the registration of transfers of any participating security without the consent of the Operator of the relevant system.

37. NO FEE PAYABLE ON REGISTRATION

No fee shall be charged for the registration of any instrument of transfer or other document relating to or affecting the title to a share.

38. RETENTION OF TRANSFERS

The Company shall be entitled to retain an instrument of transfer which is registered, but an instrument of transfer which the board refuses to register shall be returned to the person lodging it when notice of the refusal is given.

TRANSMISSION OF SHARES

39. TRANSMISSION

If a member dies, the survivor or survivors where he was a joint holder, and his personal representatives where he was a sole holder or the only survivor of joint holders, shall be the only persons recognised by the Company as having any title to his interest. Nothing in these Articles shall release the estate of a deceased member (whether a sole or joint holder) from any liability in respect of any share held by him.

40.1 Elections permitted

A person becoming entitled by transmission to a share may, on production of any evidence as to his entitlement properly required by the board, elect either to become the holder of the share or to have another person nominated by him registered as the transferee. If he elects to become the holder he shall give notice to the Company to that effect. If he elects to have another person registered and the share is a certificated share, he shall execute an instrument of transfer of the share to that person. If he elects to have himself or another person registered and the share is an uncertificated share, he shall take any action the board may require (including without limitation the execution of any document and the giving of any instruction by means of a relevant system) to enable himself or that person to be registered as the holder of the share. All the provisions of these Articles relating to the transfer of shares apply to that notice or instrument of transfer as if it were an instrument of transfer executed by the member and the death or bankruptcy of the member or other event giving rise to the transmission had not occurred.

40.2 Elections required

The board may at any time give notice requiring any such person to elect either to be registered himself or to transfer the share. If the notice is not complied with within 60 days, the board may after the expiry of that period withhold payment of all dividends or other moneys payable in respect of the share until the requirements of the notice have been complied with.

41. RIGHTS OF PERSONS ENTITLED BY TRANSMISSION

A person becoming entitled by transmission to a share shall, on production of any evidence as to his entitlement properly required by the board and subject to the requirements of Article 40, have the same rights in relation to the share as he would have had if he were the holder of the share, subject to Article 148. That person may give a discharge for all dividends and other moneys payable in respect of the share, but he shall not, before being registered as the holder of the share, be entitled in respect of it to receive notice of, or to attend or vote at, any meeting of the Company or to receive notice of or to attend or vote at any separate meeting of the holders of any class of shares in the capital of the Company.

42. CONVERSION OF SHARES INTO STOCK

The Company may, from time to time, by ordinary resolution of a general meeting, convert all or any of its paid-up shares into stock and may from time to time, in like manner, re-convert any such stock into paid-up shares of any denomination.

43. When any shares have been converted into stock, the several holders of such stock may transfer their respective interests therein, or any part of such interests, in such manner as the Company in general meeting shall direct, but in default of any such direction in the same manner and subject to the same regulations as and subject to which the shares from which the stock arose might previously to conversion have been transferred, or as near thereto as circumstances will admit. The board may, if they think fit, from time to time fix the minimum amount of stock transferable, and restrict or forbid the transfer of fractions of that minimum, provided that the minimum shall not exceed the nominal amount of the shares from which the stock arose, and may prescribe that stock is to be divided and transferable in units of corresponding amount.

44. The several holders of stock shall be entitled to participate in the dividends and profits of the Company according to the amount of their respective interests in such stock, and such interests shall, in proportion to the amount thereof, confer on the holders thereof respectively the same privileges and advantages for the purpose of voting at meetings of the Company and for other purposes as if they held the shares from which the stock arose, but so that none of such privileges or advantages, except the participation in the dividends, profits and assets of the Company, shall be conferred by any such proportionate part of stock as would not, if existing shares, have conferred such privilege or advantage.

45. All such provisions of these Articles as are applicable to paid up shares shall apply to stock, and in all such provisions the words share and shareholder shall include **stock** and **stockholder**.

ALTERATION OF SHARE CAPITAL

46. ALTERATIONS BY ORDINARY RESOLUTION

The Company may by ordinary resolution:

- (a) increase its share capital by such sum to be divided into shares of such amount as the resolution prescribes;
- (b) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
- (c) subject to the provisions of the Companies Acts, sub-divide its shares, or any of them, into shares of smaller amount than is fixed by the Memorandum and the resolution may determine that, as between the shares resulting from the sub-division, any of them may have any preference or advantage as compared with the others; and
- (d) cancel shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled.

47. NEW SHARES SUBJECT TO THESE ARTICLES

All shares created by ordinary resolution pursuant to Article 46 shall be:

- (a) subject to all the provisions of these Articles including, without limitation, provisions relating to payment of calls, lien, forfeiture, transfer and transmission; and
- (b) unclassified, unless otherwise provided by these Articles, by the resolution creating the shares or by the terms of allotment of the shares.

48. FRACTIONS ARISING

Whenever any fractions arise as a result of a consolidation or sub-division of shares, the board may on behalf of the members deal with the fractions as it thinks fit. In particular, without limitation, the board may sell shares representing fractions to which any members would otherwise become entitled to any person (including, subject to the provisions of the Companies Acts, the Company) and distribute the net proceeds of sale in due proportion among those members. Where the shares to be sold are held in certificated form the board may authorise some person to execute an instrument of transfer of the shares to, or in accordance with the directions of, the buyer. Where the shares to be sold are held in uncertificated form, the board may do all acts and things it considers necessary or expedient to effect the transfer of the shares to, or in accordance with the directions of, the buyer. The buyer shall not be bound to see to the application of the purchase moneys and his title to the shares shall not be affected by any irregularity in, or invalidity of, the proceedings in relation to the sale.

49. POWER TO REDUCE CAPITAL

Subject to the provisions of the Companies Acts, the Company may by special resolution reduce its share capital, capital redemption reserve and share premium account in any way.

50. POWER TO PURCHASE OWN SHARES

Subject to and in accordance with the provisions of the Companies Acts and without prejudice to any relevant special rights attached to any class of shares, the Company may purchase any of its own shares of any class (including without limitation redeemable shares) in any way and at any price (whether at par or above or below par).

51. POWERS OF THE BOARD IN RELATION TO UNISSUED SHARE CAPITAL

The board may (pursuant to the authority given by the passing of the resolution to adopt these Articles) consolidate and/or sub-divide and/or convert the authorised but unissued share capital existing as a consequence of purchases made pursuant to Article 50 and cancellation into shares of any other class of share capital into which the authorised share capital of the Company is or may at that time be divided of a like nominal amount (as nearly as may be) as the shares of such class then in issue or into unclassified shares and pending any determination of the rights to be attached to any such shares, they shall be designated as unclassified shares

GENERAL MEETINGS

52. TYPES OF GENERAL MEETING

All general meetings of the Company other than annual general meetings shall be called extraordinary general meetings. The board shall convene and the Company shall hold general meetings as annual general meetings in accordance with the requirements of the Act.

53. CLASS MEETINGS

All provisions of these Articles relating to general meetings of the Company shall, mutatis mutandis, apply to every separate general meeting of the holders of any class of shares in the capital of the Company, except that:

- (a) the necessary quorum shall be two persons holding or representing by proxy at least one-third in nominal value of the issued shares of the class or, at any adjourned meeting of such holders, one holder present in person or by proxy, whatever the amount of his holding, who shall be deemed to constitute a meeting;
- (b) any holder of shares of the class present in person or by proxy may demand a poll; and
- (c) each holder of shares of the class shall, on a poll, have one vote in respect of every share of the class held by him.

54. CONVENING GENERAL MEETINGS

The board may call general meetings whenever and at such times and places as it shall determine. On the requisition of members pursuant to the provisions of the Companies Acts, the board shall promptly convene an extraordinary general meeting in accordance with the requirements of the Companies Acts. If there are insufficient directors in the United Kingdom to call a general meeting any director of the Company may call a general meeting, but where no director is willing or able to do so, any two members of the Company may summon a meeting for the purpose of appointing one or more directors.

NOTICE AND LOCATION OF GENERAL MEETINGS

55. NOTICE OF GENERAL MEETINGS

55.1 Period of notice

An annual general meeting shall be called by at least 20 working days' notice. An extraordinary general meeting called for the passing of a special resolution shall be called by at least 21 clear days' notice. All other extraordinary general meetings shall be called by at least 14 clear days' notice.

55.2 Recipients of notice

Subject to the provisions of these Articles and to any restrictions imposed on any shares, the notice shall be given to all the members, to each of the directors and to the auditors.

56.1 Contents of notice: general

The notice shall specify the time and place of the meeting (including without limitation any satellite meeting place arranged for the purposes of Article 55.1, which shall be identified as such in the notice) and, in the case of special business, the general nature of that business. All business that is transacted at an extraordinary general meeting shall be deemed special. All business transacted at an annual general meeting shall be deemed special except:

- (a) the declaration of dividends;
- (b) the consideration and adoption of the accounts and balance sheet and the reports of the directors and auditors and other documents required to be annexed to the accounts;
- (c) the election and re-election of directors;
- (d) the appointment of auditors where special notice of the resolution for such appointment is not required by the Companies Acts; and
- (e) the determination of the remuneration of the auditors.

56.2 Contents of notice: additional requirements

In the case of an annual general meeting, the notice shall specify the meeting as such. In the case of a meeting to pass a special or extraordinary resolution, the notice shall specify the intention to propose the resolution as a special or extraordinary resolution, as the case may be.

56.3 Article 57.3 arrangements

The notice shall include details of any arrangements made for the purpose of Article 57.3 (making clear that participation in those arrangements will not amount to attendance at the meeting to which the notice relates).

59.1 General meetings at more than one place

The board may resolve to enable persons entitled to attend a general meeting to do so by *simultaneous attendance and participation at a satellite meeting place anywhere in the world*. The members present in person or by proxy at satellite meeting places shall be counted in the quorum for, and entitled to vote at, the general meeting in question, and that meeting shall be duly constituted and its proceedings valid if the chairman of the

general meeting is satisfied that adequate facilities are available throughout the general meeting to ensure that members attending at all the meeting places are able to:

- (a) participate in the business for which the meeting has been convened;
- (b) hear and see all persons who speak (whether by the use of microphones, loudspeakers, audio-visual communications equipment or otherwise) in the principal meeting place and any satellite meeting place; and
- (c) be heard and seen by all other persons so present in the same way.

The chairman of the general meeting shall be present at, and the meeting shall be deemed to take place at, the principal meeting place.

59.2 Interruption or adjournment where facilities inadequate

If it appears to the chairman of the general meeting that the facilities at the principal meeting place or any satellite meeting place have become inadequate for the purposes referred to in Article 57.1, then the chairman may, without the consent of the meeting, interrupt or adjourn the general meeting. All business conducted at that general meeting up to the time of that adjournment shall be valid. The provisions of Article 63.2 shall apply to that adjournment.

59.3 Other arrangements for viewing/hearing proceedings

The board may make arrangements for persons entitled to attend a general meeting or an adjourned general meeting to be able to view and hear the proceedings of the general meeting or adjourned general meeting and to speak at the meeting (whether by the use of microphones, loudspeakers, audio-visual communications equipment or otherwise) by attending at a venue anywhere in the world not being a satellite meeting place. Those attending at any such venue shall not be regarded as present at the general meeting or adjourned general meeting and shall not be entitled to vote at the meeting or from that venue. The inability for any reason of any member present in person or by proxy at such a venue to view or hear all or any of the proceedings of the meeting or to speak at the meeting shall not in any way affect the validity of the proceedings of the meeting.

59.4 Controlling level of attendance

The board may from time to time make any arrangements for controlling the level of attendance at any venue for which arrangements have been made pursuant to Article 57.3 (including without limitation the issue of tickets or the imposition of some other means of selection) in its absolute discretion considers appropriate, and may from time to time change those arrangements. If a member, pursuant to those arrangements, is not entitled to attend in person or by proxy at a particular venue, he shall be entitled to attend in person or by proxy at any other venue for which arrangements have been made pursuant to Article 57.3. The entitlement of any member to be present at such venue in person or by proxy shall be subject to any such arrangement then in force and stated by the notice of meeting or adjourned meeting to apply to the meeting.

59.5 Change in place and/or time of meeting

If, after the giving of notice of a general meeting but before the meeting is held, or after the adjournment of a general meeting but before the adjourned meeting is held (whether or not notice of the adjourned meeting is required), the board decides that it is impracticable or unreasonable for a reason beyond its control to hold the meeting at the declared place (or any of the declared places, in the case of a meeting to which Article 57.1 applies) and/or time, it may change the place (or any of the places, in the case of a meeting to which Article 57.1 applies) and/or postpone the time at which the meeting is to be held. If such a decision is made, the board may then change the place (or any of the

places, in the case of a meeting to which Article 57.1 applies) and/or postpone the time again if it decides that it is reasonable to do so. In either case:

- (a) no new notice of the meeting need be given, but the board shall, if practicable, advertise the date, time and place of the meeting in at least two newspapers having a national circulation and shall make arrangements for notices of the change of place and/or postponement to appear at the original place and/or at the original time; and
- (b) notwithstanding Article 85(a), an instrument of proxy in relation to the meeting may be delivered at any time not less than 48 hours before any new time appointed for holding the meeting.

59.6 Meaning of participate

For the purposes of this Article 57, the right of a member to participate in the business of any general meeting shall include without limitation the right to speak, vote on a show of hands, vote on a poll, be represented by a proxy and have access to all documents which are required by the Companies Acts or these Articles to be made available at the meeting.

60.1 Accidental omission to give notice

The accidental omission to give notice of a meeting, or to send a form of proxy with a notice where required by these Articles, to any person entitled to receive it, or the non-receipt of a notice of meeting or form of proxy by that person, shall not invalidate the proceedings at that meeting.

60.2 Security

The board and, at any general meeting, the chairman may make any arrangement and impose any requirement or restriction it or he considers appropriate to ensure the security of a general meeting including, without limitation, requirements for evidence of identity to be produced by those attending the meeting, the searching of their personal property and the restriction of items that may be taken into the meeting place. The board and, at any general meeting, the chairman are entitled to refuse entry to a person who refuses to comply with these arrangements, requirements or restrictions.

PROCEEDINGS AT GENERAL MEETINGS

61. QUORUM

No business shall be transacted at any general meeting unless a quorum is present, but the absence of a quorum shall not preclude the choice or appointment of a chairman, which shall not be treated as part of the business of the meeting. Save as otherwise provided by these Articles, two persons present in person or by proxy and entitled to vote on the business to be transacted shall be a quorum.

62. IF QUORUM NOT PRESENT

If such a quorum is not present within five minutes (or such longer time not exceeding 30 minutes as the chairman of the meeting may decide to wait) from the time appointed for the meeting, or if during a meeting such a quorum ceases to be present, the meeting, if convened on the requisition of members, shall be dissolved, and in any other case shall stand adjourned to such time and place as the chairman of the meeting may determine. The adjourned meeting shall be dissolved if a quorum is not present within 15 minutes after the time appointed for holding the meeting.

63. CHAIRMAN

The chairman, if any, of the board or, in his absence, any deputy chairman of the Company or, in his absence, some other director nominated by the board, shall preside as chairman of the meeting. If neither the chairman, deputy chairman nor such other director (if any) is present within five minutes after the time appointed for holding the meeting or is not willing to act as chairman, the directors present shall elect one of their number to be chairman. If there is only one director present and willing to act, he shall be chairman. If no director is willing to act as chairman, or if no director is present within five minutes after the time appointed for holding the meeting, the members present and entitled to vote shall choose one of their number to be chairman.

64. DIRECTORS ENTITLED TO SPEAK

A director shall, notwithstanding that he is not a member, be entitled to attend and speak at any general meeting and at any separate meeting of the holders of any class of shares in the capital of the Company.

65.1 Adjournments: chairman's powers

The chairman may, with the consent of a meeting at which a quorum is present (and shall if so directed by the meeting), adjourn the meeting from time to time and from place to place. No business shall be transacted at an adjourned meeting other than business which might properly have been transacted at the meeting had the adjournment not taken place. In addition (and without prejudice to the chairman's power to adjourn a meeting conferred by Article 57.2), the chairman may adjourn the meeting to another time and place without such consent if it appears to him that:

- (a) it is likely to be impracticable to hold or continue that meeting because of the number of members wishing to attend who are not present; or
- (b) the unruly conduct of persons attending the meeting prevents or is likely to prevent the orderly continuation of the business of the meeting; or
- (c) an adjournment is otherwise necessary so that the business of the meeting may be properly conducted.

65.2 Adjournments: procedures

Any such adjournment may be for such time and to such other place (or, in the case of a meeting held at a principal meeting place and a satellite meeting place, such other places) as the chairman may, in his absolute discretion determine, notwithstanding that by reason of such adjournment some members may be unable to be present at the adjourned meeting. Any such member may nevertheless execute a form of proxy for the adjourned meeting which, if delivered by him to the chairman or the secretary, shall be valid even though it is given at less notice than would otherwise be required by these Articles. When a meeting is adjourned for 30 days or more or for an indefinite period, at least seven clear days' notice shall be given specifying the time and place (or places, in the case of a meeting to which Article 57.1 applies) of the adjourned meeting and the general nature of the business to be transacted. Otherwise it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

66. AMENDMENTS TO RESOLUTIONS

If an amendment is proposed to any resolution under consideration but is in good faith ruled out of order by the chairman, the proceedings on the substantive resolution shall not be invalidated by any error in such ruling. With the consent of the chairman, an amendment may be withdrawn by its proposer before it is voted on. No amendment to a resolution duly proposed as a special or extraordinary resolution may be considered or voted on (other than a mere clerical amendment to correct a patent error). No amendment to a resolution duly proposed as an ordinary resolution may be considered or voted on (other than a mere clerical amendment to correct a patent error) unless either (a) at least 48 hours before the time appointed for holding the meeting or adjourned meeting at which the ordinary resolution is to be considered, notice of the terms of the amendment and the intention to move it has been lodged at the office, or (b) the chairman in his absolute discretion decides that the amendment may be considered and voted on.

67. METHODS OF VOTING

A resolution put to the vote of a general meeting shall be decided on a show of hands unless, before or on the declaration of the result of a vote on the show of hands or on the withdrawal of any other demand for a poll, a poll is duly demanded. Subject to the provisions of the Companies Acts, a poll may be demanded by:

- (a) the chairman of the meeting; or
- (b) at least five members present in person or by proxy having the right to vote at the meeting; or
- (c) any member or members present in person or by proxy representing not less than one-tenth of the total voting rights of all the members having the right to vote at the meeting; or
- (d) any member or members present in person or by proxy holding shares conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the shares conferring that right.

A demand by a person as proxy for a member shall be the same as a demand by the member.

68. DECLARATION OF RESULT

Unless a poll is duly demanded (and the demand is not withdrawn before the poll is taken) a declaration by the chairman that a resolution has been carried or carried unanimously, or by a particular majority, or lost, or not carried by a particular majority shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against the resolution.

69. CHAIRMAN'S CASTING VOTE

In the case of an equality of votes, whether on a show of hands or on a poll, the chairman shall be entitled to a casting vote in addition to any other vote he may have.

70. WITHDRAWAL OF DEMAND FOR POLL

The demand for a poll may be withdrawn before the poll is taken, but only with the consent of the chairman. A demand so withdrawn shall not be taken to have invalidated the result of a show of hands declared before the demand was made. If the demand for a poll is withdrawn, the chairman or any other member entitled may demand a poll.

71. CONDUCT OF POLL

Subject to Article 65, a poll shall be taken as the chairman directs and he may, and shall if required by the meeting, appoint scrutineers (who need not be members) and fix a time and place for declaring the result of the poll. The result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.

72. WHEN POLL TO BE TAKEN

A poll demanded on the election of a chairman or on a question of adjournment shall be taken at the meeting at which it is demanded. A poll demanded on any other question shall be taken either at the meeting or at such time and place as the chairman directs not being more than 30 days after the poll is demanded. The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll was demanded. If a poll is demanded before the declaration of the result of a show of hands and the demand is duly withdrawn, the meeting shall continue as if the demand had not been made.

73. NOTICE OF POLL

No notice need be given of a poll not taken at the meeting at which it is demanded if the time and place at which it is to be taken are announced at the meeting. In any other case at least seven clear days' notice shall be given specifying the time and place at which the poll is to be taken.

74. EFFECTIVENESS OF SPECIAL AND EXTRAORDINARY RESOLUTIONS

Where for any purpose an ordinary resolution of the Company is required, a special or extraordinary resolution shall also be effective. Where for any purpose an extraordinary resolution is required, a special resolution shall also be effective.

75. RESOLUTIONS IN WRITING

A resolution in writing executed by or on behalf of each member who would have been entitled to vote on it if it had been proposed at a general meeting at which he was present shall be as effective as if it had been passed at a general meeting properly convened and held and may consist of several instruments in the same form each executed by or on behalf of one or more of the members.

VOTES OF MEMBERS

76. RIGHT TO VOTE

Subject to any rights or restrictions attached to any shares, on a show of hands every member who is present in person shall have one vote and on a poll every member

present in person or by proxy shall have one vote for every share of which he is the holder.

77. VOTES OF JOINT HOLDERS

In the case of joint holders of a share, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders. For this purpose seniority shall be determined by the order in which the names of the holders stand in the register.

78. MEMBER UNDER INCAPACITY

A member in respect of whom an order has been made by a court or official having jurisdiction (whether in the United Kingdom or elsewhere) in matters concerning mental disorder may vote, whether on a show of hands or on a poll, by his receiver, curator bonis or other person authorised for that purpose appointed by that court or official. That receiver, curator bonis or other person may, on a poll, vote by proxy. The right to vote shall be exercisable only if evidence satisfactory to the board of the authority of the person claiming to exercise the right to vote has been delivered to the office, or at another place specified in accordance with these Articles for the delivery of instruments of proxy, not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the right to vote is to be exercised.

79. CALLS IN ARREARS

No member shall be entitled to vote at a general meeting or at a separate meeting of the holders of any class of shares in the capital of the Company, either in person or by proxy, in respect of any share held by him unless all moneys presently payable by him in respect of that share have been paid.

80.1 Section 212 of the Act: restrictions if in default

If at any time the board is satisfied that any member, or any other person appearing to be interested in shares held by such member, has been duly served with a notice under section 212 of the Act (a **section 212 notice**) and is in default for the prescribed period in supplying to the Company the information thereby required, or, in purported compliance with such a notice, has made a statement which is false or inadequate in a material particular, then the board may, in its absolute discretion at any time thereafter by notice (a **direction notice**) to such member direct that:

- (a) in respect of the shares in relation to which the default occurred (the **default shares**, which expression includes any shares issued after the date of the section 212 notice in respect of those shares) the member shall not be entitled to attend or vote either personally or by proxy at a general meeting or at a separate meeting of the holders of that class of shares or on a poll; and
- (b) where the default shares represent at least $\frac{1}{4}$ of one per cent. in nominal value of the issued shares of their class, the direction notice may additionally direct that in respect of the default shares:
 - (i) no payment shall be made by way of dividend and no share shall be allotted pursuant to Article 146;
 - (ii) no transfer of any default share shall be registered unless:

- (1) the member is not himself in default as regards supplying the information requested and the transfer when presented for registration is accompanied by a certificate by the member in such form as the board may in its absolute discretion require to the effect that after due and careful enquiry the member is satisfied that no person in default as regards supplying such information is interested in any of the shares the subject of the transfer; or
- (2) the transfer is an approved transfer; or
- (3) registration of the transfer is required by the Regulations.

80.2 Copy of notice to interested persons

The Company shall send a copy of the direction notice to each other person appearing to be interested in the default shares, but the failure or omission by the Company to do so shall not invalidate such notice.

80.3 When restrictions cease to have effect

Any direction notice shall cease to have effect not more than seven days after the earlier of receipt by the Company of:

- (a) a notice of an approved transfer, but only in relation to the shares transferred; or
- (b) all the information required by the relevant section 212 notice, in a form satisfactory to the board.

80.4 Board may cancel restrictions

The board may at any time give notice cancelling a direction notice.

80.5 Conversion of uncertificated shares

The Company may exercise any of its powers under Article 6.3 in respect of any default share that is held in uncertificated form.

81.1 Provisions supplementary to Article 78

For the purposes of Article 78:

- (a) a person shall be treated as appearing to be interested in any shares if the member holding such shares has given to the Company a notification under section 212 of the Act which either (i) names such person as being so interested or (ii) fails to establish the identities of all those interested in the shares, and (after taking into account the said notification and any other relevant section 212 notification) the Company knows or has reasonable cause to believe that the person in question is or may be interested in the shares;
- (b) the prescribed period is 14 days from the date of service of the section 212 notice; and
- (c) a transfer of shares is an approved transfer if:
 - (i) it is a transfer of shares pursuant to an acceptance of a takeover offer (within the meaning of section 428(1) of the Act); or
 - (ii) the board is satisfied that the transfer is made pursuant to a sale of the whole of the beneficial ownership of the shares the subject of the transfer

to a party unconnected with the member and with any other person appearing to be interested in the shares; or

- (iii) the transfer results from a sale made through a recognised investment exchange as defined in the Financial Services Act 1986 or any other stock exchange outside the United Kingdom on which the Company's shares are normally traded.

81.2 Section 216 of the Act

Nothing contained in Article 78 limits the power of the Company under section 216 of the Act.

82. ERRORS IN VOTING

If any votes are counted which ought not to have been counted, or might have been rejected, the error shall not vitiate the result of the voting unless it is pointed out at the same meeting, or at any adjournment of the meeting, and, in the opinion of the chairman, it is of sufficient magnitude to vitiate the result of the voting.

83. OBJECTION TO VOTING

No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting or poll at which the vote objected to is tendered. Every vote not disallowed at such meeting shall be valid and every vote not counted which ought to have been counted shall be disregarded. Any objection made in due time shall be referred to the chairman whose decision shall be final and conclusive.

84. SUPPLEMENTARY PROVISIONS ON VOTING

On a poll, votes may be given either personally or by proxy. A member entitled to more than one vote need not, if he votes, use all his votes or cast all the votes he uses in the same way.

PROXIES AND CORPORATE REPRESENTATIVES

85. APPOINTMENT OF PROXY

An instrument appointing a proxy shall be in writing and executed by the appointor or his attorney or, if the appointor is a corporation, executed by a duly authorised officer, attorney or other authorised person or under its common seal.

86. FORM OF PROXY

Instruments of proxy shall be in any usual form or in any other form which the board may approve. The board may, if it thinks fit, but subject to the provisions of the Act, at the Company's expense send forms of instrument of proxy for use at the meeting with the notice of any meeting. Delivery of an instrument appointing a proxy shall not preclude a member from attending and voting in person at the meeting or poll concerned. A member may appoint more than one proxy to attend on the same occasion.

87. DELIVERY OF FORM OF PROXY

The instrument appointing a proxy and any power of attorney or other written authority under which it is executed or an office or notarially certified copy or a copy certified in accordance with the Powers of Attorney Act 1971 of such power or written authority shall:

- (a) be delivered personally, by post, electronically or by other data transmission process to the extent permitted by the Act (subject to any limitations, restrictions or conditions that the board may decide and the board may require such evidence as they think appropriate to decide that the proxy appointment is effective), to the office or at such other place within the United Kingdom as is specified in the notice convening the meeting or in any instrument of proxy sent by the Company in relation to the meeting not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote; or
- (b) in the case of a poll taken more than 48 hours after it is demanded, be delivered as aforesaid after the poll has been demanded and not less than 24 hours before the time appointed for the taking of the poll; or
- (c) where the poll is not taken forthwith but is taken not more than 48 hours after it was demanded, be delivered at the meeting at which the poll was demanded to the chairman or to the secretary or to any director.

An instrument of proxy which is not delivered in any such manner shall be invalid. No instrument of proxy shall be valid more than twelve months after the date stated in it as the date of its execution. When two or more valid instruments of proxy are delivered in respect of the same share for use at the same meeting, the one which was executed last shall be treated as replacing and revoking the others as regards that share; if the Company is unable to determine which was executed last, none of them shall be treated as valid in respect of that share. The proceedings at a general meeting shall not be invalidated where an instrument of proxy in respect of that meeting is delivered in a manner permitted by the Articles by electronic transmission, but because of a technical problem it cannot be read by the recipient.

88. VALIDITY OF FORM OF PROXY

An instrument appointing a proxy shall be deemed to include the right to demand, or join in demanding, a poll but shall not confer any further right to speak at a meeting, except with the permission of the chairman. The instrument of proxy shall also be deemed to confer authority to vote on any amendment of a resolution put to the meeting for which it is given as the proxy thinks fit. The instrument of proxy shall, unless it provides to the contrary, be valid for any adjournment of the meeting as well as for the meeting to which it relates.

89. CORPORATE REPRESENTATIVES

Any corporation or corporation sole which is a member of the Company (in this Article the **grantor**) may (in the case of a corporation, by resolution of its directors or other governing body or by authority to be given under seal or under the hand of an officer duly authorised by it) authorise such person as it thinks fit to act as its representative at any meeting of the Company or at any separate meeting of the holders of any class of shares. A person so authorised shall be entitled to exercise the same power on behalf of the grantor as the grantor could exercise if it were an individual member of the Company, save that a director, the secretary or other person authorised for the purpose by the secretary may require such person to produce a certified copy of the resolution of authorisation or other

authority before permitting him to exercise his powers. The grantor shall for the purposes of these Articles be deemed to be present in person at any such meeting if a person so authorised is present at it.

90. REVOCATION OF AUTHORITY

A vote given or poll demanded by proxy or by the duly authorised representative of a corporation shall be valid notwithstanding the previous determination of the authority of the person voting or demanding a poll unless notice of the determination was received by the Company at the office or at such other place at which the instrument of proxy was duly delivered and in the same manner in which the instrument of proxy was duly delivered at least three hours before the start of the meeting or adjourned meeting at which the vote is given or the poll demanded or (in the case of a poll taken otherwise than on the same day as the meeting or adjourned meeting) the time appointed for taking the poll.

NUMBER, APPOINTMENT AND REMUNERATION OF DIRECTORS

91. NUMBER OF DIRECTORS

Unless and until otherwise decided by the Company by ordinary resolution and subject to the Companies Acts, the number of directors may not be less than two or more than twenty.

92. INCREASE OR REDUCTION IN PERMITTED NUMBER OF DIRECTORS

Without prejudice to Article 89, the Company may from time to time by ordinary resolution:

- (a) increase or reduce the number of directors; and
- (b) appoint a person to be a director to fill a casual vacancy or as an additional director.

93. SHARE QUALIFICATION OF DIRECTORS

Neither a director nor an alternate director is required to hold any shares as a qualification to being a director or alternate director.

94. APPOINTMENT OF DIRECTOR TO FILL A CASUAL VACANCY

The board may from time to time appoint a person to be a director to fill a casual vacancy or as an additional director if in either case the total number of directors does not exceed any maximum fixed in accordance with these Articles. Subject to these Articles, a director so appointed holds office until the next annual general meeting and then is eligible for re-appointment.

95. REMUNERATION OF DIRECTORS

The directors (other than a director holding an executive office pursuant to Article 120) are entitled to remuneration by way of fees for their services as directors. The total amount of

that remuneration may not exceed £250,000 in each year or such higher amount (if any) decided by the Company by ordinary resolution. The remuneration is to be divided amongst the directors in such proportions as the directors, by resolution, agree and in default of agreement, equally. The remuneration is deemed to accrue daily. The board and a director may agree that any remuneration payable to the director pursuant to this Article may consist (wholly or partly) of payments by way of pension contributions or premiums to secure pension benefits, whether pursuant to a pension scheme or otherwise.

96. REMUNERATION FOR SPECIAL OR ADDITIONAL SERVICES

A director appointed to an executive office or who serves on a committee or who devotes special attention to the Company's business or who otherwise performs services which the board decides are outside the scope of the ordinary duties of a director or who goes or resides abroad in connection with the Company's business may be paid such extra remuneration (whether by way of salary, commission or percentage of profits or otherwise) in addition to that payable to him under Article 93 or 120 as the board may decide.

97. EXPENSES

In addition to any remuneration payable under Articles 93 and 94, a director may be paid such reasonable travelling, hotel and other expenses as he properly incurs in connection with the discharge of his duties including, without limitation, attending or returning from meetings of the board, committees of the board or general meetings.

RETIREMENT AND RE-ELECTION OF DIRECTORS

98. DIRECTORS TO RETIRE

Each director shall retire from office on the date which is three years from the date of the director's election or last re-election. A retiring director is eligible for re-election.

99. RETIRING DIRECTOR TO HOLD OFFICE UNTIL DISSOLUTION OF MEETING

A director retiring at a general meeting retains office until the dissolution of that meeting except if a resolution is passed to elect another person instead of the retiring director or a resolution for his re-election is put to the meeting and lost. A retiring 30 June 2000 director who is re-elected or deemed to have been re-elected continues in office without break.

100. WHEN DIRECTOR DEEMED TO BE RE-ELECTED

If the Company does not fill the vacancy at the meeting at which a director retires by rotation or otherwise, the retiring director shall, if willing to act, be deemed to have been re-elected unless at the meeting it is resolved not to fill the vacancy or unless a resolution for the re-election of the director is put to the meeting and lost.

101. RE-ELECTION OF A RETIRING DIRECTOR

The Company at a general meeting may by ordinary resolution fill the vacancy caused by a director retiring in accordance with these Articles by electing the retiring director or (subject to the Companies Acts and these Articles) another person.

102. EACH RE-ELECTION TO BE VOTED ON SEPARATELY

At a general meeting a motion for the election or re-election of two or more persons as directors by a single resolution may only be made if a resolution that it is to be made has first been agreed by the meeting without any vote being given against it.

103. NOTICE REQUIRED OF AN INTENTION TO PROPOSE A NEW DIRECTOR

A person (other than a director retiring in accordance with Article 96 or a person recommended by the board for election as a director) is only eligible for election as a director at a general meeting if:

- (a) a member (not being the person) who is qualified to be present and vote at the meeting has not less than seven nor more than 42 days before the day appointed for the meeting given the Company at the Office written notice of his intention to propose the person for election and written notice signed by the person and stating his willingness to be elected; and
- (b) the notice signed by the person has not been withdrawn.

104. AGE LIMIT

Until otherwise decided by the Company by ordinary resolution, generally or in a particular case:

- (a) a director is not required to vacate his office as a director because he has attained the age of 70 or another age;
- (b) a director required to retire under these Articles and a person proposed to be elected as a director may be re-elected or elected as a director notwithstanding that at the time of the re-election or election he has attained the age of 70 or another age; and
- (c) special notice is not required of a resolution for the re-election or election, or approving the election, of a person as a director who has attained the age of 70 or another age.

105. DISQUALIFICATION AS A DIRECTOR

The office of a director shall be vacated if:

- (a) he ceases to be a director by virtue of any provisions of the Companies Acts or these Articles or he becomes prohibited by law from being a director; or

- (b) he becomes bankrupt or makes any arrangement or composition with his creditors generally or shall apply to the court for an interim order under section 253 of the Insolvency Act 1986 in connection with a voluntary arrangement under that Act; or
- (c) he is, or may be, suffering from mental disorder and either:
 - (i) he is admitted to hospital in pursuance of an application for admission for treatment under the Mental Health Act 1983 or, in Scotland, an application for admission under the Mental Health (Scotland) Act 1984; or
 - (ii) an order is made by a court having jurisdiction (whether in the United Kingdom or elsewhere) in matters concerning mental disorder for his detention or for the appointment of a receiver, curator bonis or other person to exercise powers with respect to his property or affairs; or
- (d) he resigns his office by notice to the Company or, having been appointed for a fixed term, the term expires or his office as a director is vacated pursuant to Article 98; or
- (e) he has been absent for more than six consecutive months without permission of the board from meetings of the board held during that period and his alternate director (if any) has not attended in his place during that period and the board resolves that his office be vacated; or
- (f) he is requested to resign in writing by not less than three quarters of the other directors. In calculating the number of directors who are required to make such a request to the director:
 - (i) an alternate director appointed by him acting in his capacity as such shall be excluded; and
 - (ii) a director and any alternate director appointed by him and acting in his capacity as such shall constitute a single director for this purpose, so that the signature of either shall be sufficient.

106. **POWER OF COMPANY TO REMOVE DIRECTOR**

The Company may, without prejudice to the provisions of the Companies Acts, by special resolution remove any director from office (notwithstanding any provision of these Articles or of any agreement between the Company and such director, but without prejudice to any claim he may have for damages for breach of any such agreement). No special notice need be given, of any resolution to remove a director in accordance with this Article and no director proposed to be removed in accordance with this Article has any special right to protest against his removal. The Company may by ordinary resolution appoint another person in place of a director removed from office in accordance with this Article. Any person so appointed shall, for the purpose of determining the time at which he or any other director is to retire by rotation, be treated as if he had become a director on the day on which the director in whose place he is appointed was last elected a director. In default of such appointment the vacancy arising on the removal of a director from office may be filled as a casual vacancy.

107. **REMOVAL FROM OFFICE BY NOTICE FROM CO-DIRECTORS**

The office of a director (the "**Specified Director**") is also vacated if he is removed from office by him being given written notice signed by all his co-directors (other than any alternate director for the Specified Director acting in his capacity as such). The notice

may be signed by an alternate director instead of the director who appointed the alternate director. This Article is not to be taken as depriving a person removed under it of any right to claim compensation or damages in respect of the termination of his appointment as a director or of any appointment with the Company which terminates on his ceasing to be a director.

ALTERNATE DIRECTORS

108. POWER TO APPOINT ALTERNATES

Any director (other than an alternate director) may appoint any other director, approved by resolution of the board and willing to act, to be an alternate director and may remove from office an alternate director so appointed by him.

109. ALTERNATES ENTITLED TO RECEIVE NOTICE

An alternate director shall be entitled to receive notice of all meetings of the board and of all meetings of committees of the board of which his appointor is a member, to attend and vote at any such meeting at which his appointor is not personally present, and generally to perform all the functions of his appointor (except as regards power to appoint an alternate) as a director in his absence. It shall not be necessary to give notice of such a meeting to an alternate director who is absent from the United Kingdom.

110. ALTERNATES REPRESENTING MORE THAN ONE DIRECTOR

A director or any other person may act as alternate director to represent more than one director, and an alternate director shall be entitled at meetings of the board or any committee of the board to one vote for every director whom he represents (and who is not present) in addition to his own vote (if any) as a director, but he shall count as only one for the purpose of determining whether a quorum is present.

111. EXPENSES AND REMUNERATION OF ALTERNATES

An alternate director may be repaid by the Company such expenses as might properly have been repaid to him if he had been a director but shall not be entitled to receive any remuneration from the Company in respect of his services as an alternate director. An alternate director shall be entitled to be indemnified by the Company to the same extent as if he were a director.

112. TERMINATION OF APPOINTMENT

An alternate director shall cease to be an alternate director:

- (a) if his appointor ceases to be a director; but, if a director retires by rotation or otherwise but is re-elected or deemed to have been re-elected at the meeting at which he retires, any appointment of an alternate director made by him which was in force immediately prior to his retirement shall continue after his re-election; or
- (b) on the happening of any event which, if he were a director, would cause him to vacate his office as director; or
- (c) if he resigns his office by notice to the Company.

113. METHOD OF APPOINTMENT AND REVOCATION

Any appointment or removal of an alternate director shall be by notice to the Company signed by the director making or revoking the appointment and shall take effect in accordance with the terms of the notice on receipt of such notice at the office.

114. ALTERNATE NOT AN AGENT OF APPOINTOR

Except as otherwise expressly provided in these Articles, an alternate director shall be deemed for all purposes to be a director. Accordingly, except where the context otherwise requires, a reference to a director shall be deemed to include a reference to an alternate director. An alternate director shall alone be responsible for his own acts and defaults and he shall not be deemed to be the agent of the director appointing him.

POWERS OF THE BOARD

115. BUSINESS TO BE MANAGED BY BOARD

Subject to the provisions of the Companies Acts, the Memorandum and these Articles and to any directions given by special resolution, the business of the Company shall be managed by the board which may pay all expenses incurred in forming and registering the Company and may exercise all the powers of the Company, including without limitation the power to dispose of all or any part of the undertaking of the Company. No alteration of the Memorandum or Articles and no such direction 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 these Articles. A meeting of the board and which a quorum is present may exercise all powers exercisable by the board.

116. EXERCISE BY COMPANY OF VOTING RIGHTS

The board may exercise the voting power conferred by the shares in any body corporate held or owned by the Company in such manner in all respects as it thinks fit (including without limitation the exercise of that power in favour of any resolution appointing its members or any of them directors of such body corporate, or voting or providing for the payment of remuneration to the directors of such body corporate).

DELEGATION OF POWERS OF THE BOARD

117. DELEGATION OF POWERS TO A DIRECTOR

The board may confer on a director (including, without limitation, a director appointed to the office of executive director or other executive office) any of its powers (other than the power to make calls or forfeit shares) on such terms and conditions and with such restrictions as it decides, and either collaterally with, or to the exclusion of, its own powers. The board may from time to time revoke or vary all or any of those powers.

118. COMMITTEES AND LOCAL BOARDS

The board may make any arrangement for the management of the Company's business, in the United Kingdom or elsewhere, including, without limitation, the establishing of a committee or local board for that purpose. The board may appoint any person to be a

member of a committee or local board and may fix his remuneration. The Board may delegate, with power to sub-delegate, to a committee or local board, any of its powers, authorities and discretions except the power to make calls, forfeit shares or borrow money. The Board may authorise the members of a committee or local board to fill any vacancy in the committee or local board and to act notwithstanding vacancies. An appointment or delegation may be made on such terms and conditions as the Board decides. The Board may remove a person appointed to a committee or local board and may revoke or vary any delegation.

119. APPOINTMENT OF ATTORNEYS, AGENTS AND REGISTRAR

- 119.1 The Board may for time to time (by power of attorney or otherwise) appoint, whether in the United Kingdom or elsewhere, a person or a fluctuating body of persons, whether nominated directly or indirectly by the Board, to be the attorney or agent of the Board or the Company. The Board may delegate to that attorney or agent any of its powers, authorities and discretions for such purposes, for such period and on such terms and conditions as it decides. The Board's power to delegate is effective in relation to its powers, authorities and discretions generally and is not limited by the fact that in certain Articles, but not in others, express reference is made to particular powers, authorities or discretions being exercised by the Board or by a committee of the Board. The power of attorney or other appointment may contain such provisions for the protection and convenience of persons dealing with the attorney or agent as the Board decides and may authorise the attorney or agent to sub-delegate all or any of his powers, authorities or discretions.
- 119.2 The Board may remove a person appointed under Article 117.1 and may revoke or vary the delegation.
- 119.3 The Board shall appoint a person to act as registrar of the Company's shares or debentures on such terms as it decides and, if relevant, on such terms that are consistent with the Regulations.

120. OVERSEAS BRANCH REGISTER

The Company may exercise those powers conferred by the Statutes with regard to the keeping of an Overseas Branch Register in any territory permitted by the Statutes where the Company transacts business. Subject to the Statutes, the Board may make and vary regulations in connection with the keeping of that register.

BORROWING POWERS

121. POWER TO BORROW

The board may exercise all the powers of the Company to borrow money, to guarantee, to indemnify, to mortgage or charge its undertaking, property, assets (present and future) and uncalled capital, and to issue debentures and other securities whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.

EXECUTIVE DIRECTORS

122. APPOINTMENT TO EXECUTIVE OFFICE

Subject to the provisions of the Companies Acts, the board may appoint one or more of its body to be the holder of any executive office (except that of auditor) in the Company and may enter into an agreement or arrangement with any director for his employment by the Company or for the provision by him of any services outside the scope of the ordinary duties of a director. Any such appointment, agreement or arrangement may be made on such terms, including without limitation terms as to remuneration, as the board determines. The board may revoke or vary any such appointment but without prejudice to any rights or claims which the person whose appointment is revoked or varied may have against the Company because of the revocation or variation.

123. TERMINATION OF APPOINTMENT TO EXECUTIVE OFFICE

Any appointment of a director to an executive office shall terminate if he ceases to be a director but without prejudice to any rights or claims which he may have against the Company by reason of such cessation. A director appointed to an executive office shall not cease to be a director merely because his appointment to such executive office terminates.

124. EMOLUMENTS TO BE DETERMINED BY THE BOARD

The emoluments of any director holding executive office for his services as such shall be determined by the board, and may be of any description, including without limitation admission to, or continuance of, membership of any scheme (including any share acquisition scheme) or fund instituted or established or financed or contributed to by the Company for the provision of pensions, life assurance or other benefits for employees or their dependants, or the payment of a pension or other benefits to him or his dependants *on or after retirement or death, apart from membership of any such scheme or fund.*

125. DIRECTORS' INTERESTS

125.1 Directors may contract with the Company

Subject to the provisions of the Companies Acts, and provided that he has disclosed to the board the nature and extent of any material interest of his, a director notwithstanding his office:

- (a) may be a party to, or otherwise interested in, any transaction or arrangement with the Company or in which the Company is otherwise interested;
- (b) may act by himself or his firm in a professional capacity for the Company (otherwise than as auditor) and he or his firm shall be entitled to remuneration for professional services as if he were not a director;
- (c) may be a director or other officer of, or employed by, or a party to any transaction or arrangement with, or otherwise interested in, any body corporate promoted by the Company or in which the Company is otherwise interested; and
- (d) shall not, by reason of his office, be accountable to the Company for any benefit which he derives from any such office or employment or from any such transaction or arrangement or from any interest in any such body corporate and no such transaction or arrangement shall be liable to be avoided on the ground of any such interest or benefit.

125.2 Notification of interests

For the purposes of this Article:

- (a) a general notice given to the board that a director is to be regarded as having an interest of the nature and extent specified in the notice in any transaction or arrangement in which a specified person or class of persons is interested shall be deemed to be a disclosure that the director has an interest in any such transaction of the nature and extent so specified; and
- (b) an interest of which a director has no knowledge and of which it is unreasonable to expect him to have knowledge shall not be treated as an interest of his.

126. GRATUITIES, PENSIONS AND INSURANCE

126.1 Gratuities and pensions

The board may (by establishment of, or maintenance of, schemes or otherwise) provide benefits, whether by the payment of gratuities or pensions or by insurance or otherwise, for any past or present director or employee of the Company or any of its Subsidiary Undertakings or any body corporate associated with, or any business acquired by, any of them, and for any member of his family (including a spouse and a former spouse) or any person who is or was dependent on him, and may (as well before as after he ceases to hold such office or employment) contribute to any fund and pay premiums for the purchase or provision of any such benefit.

126.2 Insurance

Without prejudice to the provisions of Article 162, the board may exercise all the powers of the Company to purchase and maintain insurance for or for the benefit of any person who is or was:

- (a) a director, officer, employee or auditor of the Company, or any body which is or was the Holding Company or Subsidiary Undertaking of the Company, or in which the Company or such Holding Company or Subsidiary Undertaking has or had any interest (whether direct or indirect) or with which the Company or such Holding Company or Subsidiary Undertaking is or was in any way allied or associated; or
- (b) a trustee of any pension fund in which employees of the Company or any other body referred to in Article 124.2(a) is or has been interested,

including without limitation insurance against any liability incurred by such person in respect of any act or omission in the actual or purported execution or discharge of his duties or in the exercise or purported exercise of his powers or otherwise in relation to his duties, powers or offices in relation to the relevant body or fund.

126.3 Directors not liable to account

No director or former director shall be accountable to the Company or the members for any benefit provided pursuant to this Article. The receipt of any such benefit shall not disqualify any person from being or becoming a director of the Company.

127. SECTION 719 OF THE ACT

Pursuant to section 719 of the Act, the board is hereby authorised to make such provision as may seem appropriate for the benefit of any persons employed or formerly employed by the Company or any of its Subsidiary Undertakings in connection with the cessation or the transfer of the whole or part of the undertaking of the Company or any Subsidiary

Undertaking. Any such provision shall be made by a resolution of the board in accordance with section 719.

PROCEEDINGS OF THE BOARD

128. CONVENING MEETINGS

Subject to the provisions of these Articles, the board may regulate its proceedings as it thinks fit. A director may, and the secretary at the request of a director shall, call a meeting of the board. Notice of a board meeting shall be deemed to be properly given to a director if it is given to him personally or by word of mouth or sent in writing or by electronic mail to him at his last known address or any other address given by him to the Company for this purpose. Any board meeting will require 14 days' notice (or such lower number of days' notice as may be agreed in writing by a majority of the directors). A director absent or intending to be absent from the United Kingdom may request the board that notices of board meetings shall during his absence be sent in writing to him at an address given by him to the Company for this purpose, but such notices need not be given any earlier than notices given to directors not so absent and, if no such request is made to the board, it shall not be necessary to give notice of a board meeting to any director who is for the time being absent from the United Kingdom. No account is to be taken of directors absent from the United Kingdom when considering the adequacy of the period of notice of the meeting. Questions arising at a meeting shall be decided by a majority of votes. In the case of an equality of votes, the chairman shall have a second or casting vote.

129. QUORUM

Unless otherwise provided in these Articles of Association, the quorum for the transaction of the business of the board may be fixed by the board and unless so fixed at any other number shall be two (provided that if at any duly convened board meeting a quorum is not present within 30 minutes, the meeting shall be adjourned and reconvened not less than 24 hours later). The quorum for the transaction of the business of the board at any such reconvened meeting shall be any two directors. A person who holds office only as an alternate director shall, if his appointor is not present, be counted in the quorum. Any director who ceases to be a director at a board meeting may continue to be present and to act as a director and be counted in the quorum until the termination of the board meeting if no director objects.

130. POWERS OF DIRECTORS IF NUMBER FALLS BELOW MINIMUM

The continuing directors or a sole continuing director may act notwithstanding any vacancies in their number, but, if the number of directors is less than the number fixed as the quorum, the continuing directors or director may act only for the purpose of filling vacancies or of calling a general meeting.

131. CHAIRMAN AND DEPUTY CHAIRMAN

The chairman (if any) of the Board or, in his absence, the deputy chairman (if any) or the vice chairman (if any) shall preside as chairman at a general meeting. If there is no chairman, deputy chairman or vice chairman, or if at a meeting none of them is present within five minutes after the time appointed for holding the meeting, or if none of them is willing to act as chairman, the directors present shall choose one of their number to act. If only one director is present and he is willing to act, he shall preside as chairman. If no

director is present, or if none of the directors present is willing to act as chairman, the members present and entitled to vote shall choose one of themselves to be chairman. The appointment of a chairman is not to be treated as part of the business of a meeting.

132. VALIDITY OF ACTS OF THE BOARD

All acts done by a meeting of the board, or of a committee of the board, or by a person acting as a director or alternate director, shall, notwithstanding that it be afterwards discovered that there was a defect in the appointment of any director or any member of the committee or alternate director or that any of them were disqualified from holding office, or had vacated office, or were not entitled to vote, be as valid as if every such person had been duly appointed and was qualified and had continued to be a director or, as the case may be, an alternate director and had been entitled to vote.

133. RESOLUTIONS IN WRITING

A resolution in writing signed by all the directors entitled to vote at a meeting of the board or of a committee of the board (not being less than the number of directors required to form a quorum of the board) shall be as valid and effectual as if it had been passed at a meeting of the board or (as the case may be) a committee of the board duly convened and held. For this purpose:

- (a) a resolution may consist of several documents to the same effect each signed by one or more directors;
- (b) a resolution signed by an alternate director need not also be signed by his appointor; and
- (c) a resolution signed by a director who has appointed an alternate director need not also be signed by the alternate director in that capacity.

134. MEETINGS BY TELEPHONE, ETC

Without prejudice to the first sentence of Article 127, a person entitled to be present at a meeting of the board or of a committee of the board shall be deemed to be present for all purposes if he is able (directly or by telephonic communication) to speak to and be heard by all those present or deemed to be present simultaneously. A director so deemed to be present shall be entitled to vote and be counted in a quorum accordingly. Such a meeting shall be deemed to take place where it is convened to be held or (if no director is present in that place) where the largest group of those participating is assembled, or, if there is no such group, where the chairman of the meeting is. The word **meeting** in these Articles shall be construed accordingly.

135.1 Directors' power to vote on contracts in which they are interested

Except as otherwise provided by these Articles a director shall not vote at a meeting of the board or a committee of the board on any resolution of the board concerning a matter in which he has an interest (other than by virtue of his interests in shares or debentures or other securities of, or otherwise in or through, the Company or any Subsidiary Undertaking of the Company) which (together with any interest of any person connected with him) is to his knowledge material unless his interest arises only because the resolution concerns one or more of the following matters:

- (a) the giving of a guarantee, security or indemnity in respect of money lent or obligations incurred by him or any other person at the request of or for the benefit of, the Company or any of its Subsidiary Undertakings;
- (b) the giving of a guarantee, security or indemnity in respect of a debt or obligation of the Company or any of its Subsidiary Undertakings 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;
- (c) a contract, arrangement, transaction or proposal concerning an offer of shares, debentures or other securities of the Company or any of its Subsidiary Undertakings for subscription or purchase, in which offer he is or may be entitled to participate as a holder of securities or in the underwriting or sub-underwriting of which he is to participate;
- (d) a contract, arrangement, transaction or proposal concerning any other body corporate in which he or any person connected with him is interested, directly or indirectly, and whether as an officer, shareholder, creditor or otherwise, if he and any persons connected with him do not to his knowledge hold an interest (as that term is used in sections 198 to 211 of the Act) representing one per cent. or more of either any class of the equity share capital of such body corporate (or any other body corporate through which his interest is derived) or of the voting rights available to members of the relevant body corporate (any such interest being deemed for the purpose of this Article to be a material interest in all circumstances);
- (e) a contract, arrangement, transaction or proposal for the benefit of employees of the Company or of any of its Subsidiary Undertakings which does not award him any privilege or benefit not generally accorded to the employees to whom the arrangement relates; and
- (f) a contract, arrangement, transaction or proposal concerning any insurance which the Company is empowered to purchase or maintain for, or for the benefit of, any directors of the Company or for persons who include directors of the Company.

135.2 Interests of connected person and alternate director

For the purposes of this Article, an interest of a person who is, for any purpose of the Companies Acts (excluding any statutory modification of the Companies Acts not in force when this Article is adopted), 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.

136. DIVISION OF PROPOSALS

Where proposals are under consideration concerning the appointment (including without limitation fixing or varying the terms of appointment) of two or more directors to offices or employments with the Company or any body corporate in which the Company is interested, the proposals may be divided and considered in relation to each director separately. In such cases each of the directors concerned shall be entitled to vote in respect of each resolution except that concerning his own appointment.

137. DECISION OF CHAIRMAN AND FINAL CONCLUSION

If a question arises at a meeting of the board or of a committee of the board as to the entitlement of a director to vote, the question may, before the conclusion of the meeting, be referred to the chairman of the meeting and his ruling in relation to any director other than himself shall be final and conclusive except in a case where the nature or extent of the interests of the director concerned have not been fairly disclosed. If any such question arises in respect of the chairman of the meeting, it shall be decided by resolution of the board (on which the chairman shall not vote) and such resolution will be final and conclusive except in a case where the nature and extent of the interests of the chairman have not been fairly disclosed.

SECRETARY

138. APPOINTMENT AND REMOVAL OF SECRETARY

Subject to the provisions of the Companies Acts, the secretary shall be appointed by the board for such term, at such remuneration and on such conditions as in may think fit. Any secretary so appointed may be removed by the board, but without prejudice to any claim for damages for breach of any contract of service between him and the Company. The directors may from time to time by resolution appoint an assistant or deputy secretary to exercise the functions of the secretary.

MINUTES

139.1 Minutes required to be kept

The board shall cause minutes to be made in books kept for the purpose of:

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

139.2 Conclusiveness of minutes

Any such minutes, if purporting to be executed by the chairman of the meeting to which they relate or of the meeting at which they are read, shall be sufficient evidence of the proceedings at the meeting without any further proof of the facts stated in them.

THE SEAL

140. AUTHORITY REQUIRED FOR EXECUTION OF DEED

The seal shall only be used by the authority of a resolution of the board. The board may determine who shall sign any instrument executed under the seal. If they do not, it shall be signed by at least one director and the secretary or some other person appointed in than behalf by the director or by at least two directors. Any document may be executed under the seal by impressing the seal by mechanical means or by printing the seal or a facsimile of it on the document or by applying the seal or a facsimile of it by any other means to the document. A document executed, with the authority of a resolution of the board, by a director and the secretary or by two directors and expressed (in whatever form of words) to be executed by the Company has the same effect as if executed under the seal. For the purpose of the preceding sentence only, "secretary" shall have the same meaning as in the Act and not the meaning given to it by Article 2.

141. CERTIFICATES FOR SHARES AND DEBENTURES

The board may by resolution determine either generally or in any particular case that any certificate for shares or debentures or representing any other form of security executed in accordance with Article 14 may have any signature affixed to it by some mechanical or electronic means, or printed on it or, in the case of a certificate executed under the seal, need not bear any signature.

142. OFFICIAL SEAL FOR USE ABROAD

The Company may exercise the powers conferred by section 39 of the Act with regard to having an official seal for use abroad.

REGISTERS

143. OVERSEAS AND LOCAL REGISTERS

Subject to the provisions of the Companies Acts and the Regulations, the Company may keep an overseas or local or other register in any place, and the board may make, amend and revoke any regulations it thinks fit about the keeping of that register.

144. AUTHENTICATION AND CERTIFICATION OF COPIES AND EXTRACTS

Any director or the secretary or any other person appointed by the board for the purpose shall have power to authenticate and certify as true copies of and extracts from:

- (a) any document comprising or affecting the constitution of the Company;
- (b) any resolution passed by the Company, the holders of any class of shares in the capital of the Company, the board or any committee of the board; and
- (c) any book, record and document relating to the business of the Company (including without limitation the accounts).

If certified in this way, a document purporting to be a copy of a resolution, or the minutes or an extract from the minutes of a meeting of the Company, the holders of any class of shares in the capital of the Company, the board or a committee of the board shall be conclusive evidence in favour of all persons dealing with the Company in reliance on it or them that the resolution was duly passed or that the minutes are, or the extract from the minutes is, a true and accurate record of proceedings at a duly constituted meeting.

DIVIDENDS

145. DECLARATION OF DIVIDENDS

Subject to the provisions of the Companies Acts, the Company may by ordinary resolution declare dividends in accordance with the respective rights of the members, but no dividend shall exceed the amount recommended by the board. Notwithstanding these provisions, but subject to the provisions of the Companies Act, the directors of the Company may declare and pay dividends on the Participating Preference Shares in accordance with their terms of issue.

146. INTERIM DIVIDENDS

Subject to the provisions of the Companies Acts, the board may pay interim dividends if it appears to the board that they are justified by the profits of the Company available for distribution. If the share capital is divided into different classes, the board may pay interim dividends on shares which confer deferred or non-preferred rights with regard to dividend as well as on shares which confer preferential rights with regard to dividend, but no interim dividend shall be paid on shares carrying deferred or non-preferred rights if, at the time of payment, any preferential dividend is in arrears. The board may also pay at intervals settled by it any dividend payable at a fixed rate if it appears to the board that the profits available for distribution justify the payment. If the board acts in good faith it shall not incur any liability to the holders of shares conferring preferred rights for any loss they may suffer by the lawful payment of an interim dividend on any shares having deferred or non-preferred rights.

147. APPORTIONMENT OF DIVIDENDS

Except as otherwise provided by the rights attached to shares, all dividends shall be declared and paid according to the amounts paid up on the shares on which the dividend is paid; but no amount paid on a share in advance of the date on which a call is payable shall be treated for the purposes of this Article as paid on the share. All dividends shall be apportioned and paid proportionately to the amounts paid up on the shares during any portion or portions of the period in respect of which the dividend is paid; but, if any share is allotted or issued on terms providing that it shall rank for dividend as from a particular date, that share shall rank for dividend accordingly.

148. DIVIDENDS IN SPECIE

A general meeting declaring a dividend may, on the recommendation of the board, by ordinary resolution direct that it shall be satisfied wholly or partly by the distribution of assets, including without limitation paid up shares or debentures of another body corporate. The board may make any arrangements it thinks fit to settle any difficulty arising in connection with the distribution, including without limitation:

- (a) the fixing of the value for distribution of any assets;
- (b) the payment of cash to any member on the basis of that value in order to adjust the rights of members; and
- (c) the vesting of any asset in a trustee.

149.1 Scrip dividends: authorising resolution

The board may, if authorised by an ordinary resolution of the Company (the **Resolution**), offer any holder of shares the right to elect to receive shares, credited as fully paid, instead of cash in respect of the whole (or some part, to be determined by the board) of all or any dividend specified by the Resolution. The offer shall be on the terms and conditions and be made in the manner specified in Article 147.2 or, subject to those provisions, specified in the Resolution.

149.2 Scrip dividends: procedures

The following provisions shall apply to the Resolution and any offer made pursuant to it and Article 147.1:

- (a) The Resolution may specify a particular dividend, or may specify all or any dividends declared within a specified period.
- (b) Each holder of shares shall be entitled to that number of new shares as are together as nearly as possible equal in value to (but not greater than) the cash amount (disregarding any tax credit) of the dividend that such holder elects to forgo (each a **new share**). For this purpose, the value of each new share shall be:
 - (i) equal to the **average quotation** for the Company's ordinary shares, that is, the average of the middle market quotations for those shares on the London Stock Exchange, as derived from the Daily Official List, on the day on which such shares are first quoted ex the relevant dividend and the four subsequent dealing days; or
 - (ii) calculated in any other manner specified by the Resolution,but shall never be less than the par value of the new share.

A certificate or report by the auditors as to the value of a new share in respect of any dividend shall be conclusive evidence of that value.

- (c) On or as soon as practicable after announcing that any dividend is to be declared or recommended, the board, if it intends to offer an election in respect of that dividend, shall also announce that intention. If, after determining the basis of allotment, the board decides to proceed with the offer, it shall notify in writing the holders of shares of the terms and conditions of the right of election offered to them, specifying the procedure to be followed and place at which, and the latest time by which, elections or notices amending or terminating existing elections must be lodged in order to be effective.
- (d) The board shall not proceed with any election unless the Company has sufficient unissued shares authorised for issue and sufficient reserves or funds that may be appropriated to give effect to it after the basis of allotment is determined.
- (e) The board may exclude from any offer any holders of shares where the board believes the making of the offer to them would or might involve the contravention of the laws of any territory or that for any other reason the offer should not be made to them.
- (f) The dividend (or that part of the dividend in respect of which a right of election has been offered) shall not be payable in cash on shares in respect of which an election has been made (the **elected shares**) and instead such number of new shares shall be allotted to each holder of elected shares as is arrived at on the basis stated in Article 147.2(b). For that purpose the board shall appropriate out of any amount for the time being standing to the credit of any reserve or fund (including without limitation the profit and loss account), whether or not it is available for distribution, a sum equal to the aggregate nominal amount of the new shares to be allotted and apply it in paying up in full the appropriate number of new shares for allotment and distribution to each holder of elected shares as is arrived at on the basis stated in Article 147.2(b).
- (g) The new shares when allotted shall rank equally in all respects with the fully paid shares of the same class then in issue except that they shall not be entitled to participate in the relevant dividend.
- (h) No fraction of a share shall be allotted. The board may make such provision as it thinks fit for any fractional entitlements including without limitation payment in

cash to holders in respect of their fractional entitlements, provision for the accrual, retention or accumulation of all or part of the benefit of fractional entitlements to or by the Company or to or by or on behalf of any holder or the application of any accrual, retention or accumulation to the allotment of fully paid shares to any holder.

- (i) The board may do all acts and things it considers necessary or expedient to give effect to the allotment and issue of any share pursuant to this Article or otherwise in connection with any offer made pursuant to this Article and may authorise any person, acting on behalf of the holders concerned, to enter into an agreement with the Company providing for such allotment or issue and incidental matters. Any agreement made under such authority shall be effective and binding on all concerned.
- (j) The board may, at its discretion, amend, suspend or terminate any offer pursuant to this Article.

150. PERMITTED DEDUCTIONS AND RETENTIONS

The board may deduct from any dividend or other moneys payable to any member in respect of a share any moneys presently payable by him to the Company in respect of that share. Where a person is entitled by transmission to a share, the board may retain any dividend payable in respect of that share until that person (or that person's transferee) becomes the holder of that share.

151.1 Procedure for payment to holders and others entitled

Any dividend or other moneys payable in respect of a share may be paid:

- (a) in cash; or
- (b) by cheque or warrant made payable to or to the order of the holder or person entitled to payment; or
- (c) by any direct debit, bank or other funds transfer system to the holder or person entitled to payment or, if practicable, to a person designated in writing by the holder or person entitled to payment; or
- (d) by any other method approved by the board and agreed (in such form as the Company thinks appropriate) by the holder or person entitled to payment including (without limitation) in respect of an uncertificated share by means of the relevant system (subject to the facilities and requirements of the relevant system).

151.2 Joint entitlement

If two or more persons are registered as joint holders of any share, or are entitled by transmission jointly to a share, the Company may:

- (a) pay any dividend or other moneys payable in respect of the share to any one of them and any one of them may give effectual receipt for that payment; and
- (b) for the purposes of Article 149.1, rely in relation to the share on the written direction, designation or agreement of any one of them.

151.3 Payment by post

A cheque or warrant may be sent by post to:

- (a) where a share is held by a sole holder, the registered address of the holder of the share; or
- (b) if two or more persons are the holders, to the registered address of the person who is first named in the register; or
- (c) if a person is entitled by transmission to the share, as if it were a notice to be given under Article 160; or
- (d) in any case, to such person and to such address as the person entitled to payment may in writing direct.

151.4 Discharge to Company and risk

Payment of a cheque or warrant by the bank on which it was drawn or the transfer of funds by the bank instructed to make the transfer or, in respect of an uncertificated share, the making of payment in accordance with the facilities and requirements of the relevant system (which, if the relevant system is CREST, shall be the creation of an assured payment obligation in respect of the dividend or other moneys payable in favour of the settlement bank of the member or other person concerned) shall be a good discharge to the Company. Every cheque or warrant sent in accordance with these Articles shall be at the risk of the holder or person entitled. The Company shall have no responsibility for any sums lost or delayed in the course of payment by any other method used by the Company in accordance with Article 149.1.

152. INTEREST NOT PAYABLE

No dividend or other moneys payable in respect of a share shall bear interest against the Company unless otherwise provided by the rights attached to the share.

153. FORFEITURE OF UNCLAIMED DIVIDENDS

Any dividend which has remained unclaimed for 12 years from the date when it became due for payment shall, if the board so resolves, be forfeited and cease to remain owing by the Company. The payment of any unclaimed dividend or other moneys payable in respect of a share may (but need not) be paid by the Company into an account separate from the Company's own account. Such payment shall not constitute the Company a trustee in respect of it. The Company shall be entitled to cease sending dividend warrants and cheques by post or otherwise to a member if those instruments have been returned undelivered to, or left uncashed by, that member on at least two consecutive occasions, or, following one such occasion, reasonable enquiries have failed to establish the member's new address. The entitlement conferred on the Company by this Article in respect of any member shall cease if the member claims a dividend or cashes a dividend warrant or cheque.

CAPITALISATION OF PROFITS AND RESERVES

154. POWER TO CAPITALISE

The board may with the authority of an ordinary resolution of the Company:

- (a) subject to the provisions of this Article, resolve to capitalise any undistributed profits of the Company not required for paying any preferential dividend (whether or not they are available for distribution) or any sum standing to the credit of any reserve or other fund, including without limitation the Company's share premium account and capital redemption reserve, if any;

- (b) appropriate the sum resolved to be capitalised to the members or any class of members on the record date specified in the relevant resolution who would have been entitled to it if it were distributed by way of dividend and in the same proportions;
- (c) apply that sum on their behalf either in or towards paying up the amounts, if any, for the time being unpaid on any shares held by them respectively, or in paying up in full unissued shares, debentures or other obligations of the Company of a nominal amount equal to that sum but the share premium account, the capital redemption reserve, and any profits which are not available for distribution may, for the purposes of this Article, only be applied in paying up unissued shares to be allotted to members credited as fully paid;
- (d) allot the shares, debentures or other obligations credited as fully paid to those members, or as they may direct, in those proportions, or partly in one way and partly in the other;
- (e) where shares or debentures become, or would otherwise become, distributable under this Article in fractions, make such provision as they think fit for any fractional entitlements including without limitation authorising their sale and transfer to any person, resolving that the distribution be made as nearly as practicable in the correct proportion but not exactly so, ignoring fractions altogether or resolving that cash payments be made to any members in order to adjust the rights of all parties;
- (f) authorise any person to enter into an agreement with the Company on behalf of all the members concerned providing for either:
 - (i) the allotment to the members respectively, credited as fully paid, of any shares, debentures or other obligations to which they are entitled on the capitalisation; or
 - (ii) the payment up by the Company on behalf of the members of the amounts, or any part of the amounts, remaining unpaid on their existing shares by the application of their respective proportions of the sum resolved to be capitalised,and any agreement made under that authority shall be binding on all such members; and
- (g) generally do all acts and things required to give effect to the ordinary resolution.

RECORD DATES

155. RECORD DATES FOR DIVIDENDS, ETC

Notwithstanding any other provision of these Articles, the Company or the board may:

- (a) fix any date as the record date for any dividend, distribution, allotment or issue, which may be on or at any time before or after any date on which the dividend, distribution, allotment or issue is declared, paid or made;
- (b) for the purpose of determining which persons are entitled to attend and vote at a general meeting of the Company, or a separate general meeting of the holders of any class of shares in the capital of the Company, and how many votes such persons may cast, specify in the notice of meeting a time, not more than 48 hours before the time fixed for the meeting, by which a person must be entered on the register in order to have the right to attend or vote at the meeting; changes to the

register after the time specified by virtue of this Article 153(b) shall be disregarded in determining the rights of any person to attend or vote at the meeting; and

- (c) for the purpose of serving notices of general meetings of the Company, or separate general meetings of the holders of any class of shares in the capital of the Company, under the Articles, determine that persons entitled to receive such notices are those persons entered on the register at the close of business on a day determined by the Company or the board, which day may not be more than 21 days before the day that notices of the meeting are sent.

ACCOUNTS

156. RIGHTS TO INSPECT RECORDS

No member shall (as such) have any right to inspect any accounting records or other book or document of the Company except as conferred by statute or authorised by the board or by ordinary resolution of the Company or order of a court of competent jurisdiction.

157.1 Delivery of annual accounts

A copy of the Company's annual accounts, together with a copy of the directors' report for that financial year and the auditors' report on those accounts shall, at least 21 clear days before the date of the meeting at which copies of those documents are to be laid in accordance with the provisions of the Companies Acts, be delivered in any manner permitted by the Act and to the extent permitted by the Act, as an electronic communication, to every member and to every holder of the Company's debentures of whose address the Company is aware, and to every other person who is entitled to receive notice of meetings from the Company under the provisions of the Companies Acts or of these Articles or, in the case of joint holders of any share or debenture, to one of the joint holders.

157.2 Summary financial statements

The requirements of Article 155.1 shall be deemed satisfied in relation to any person by sending to the person in any manner permitted by the Act, where permitted by the Companies Acts and instead of such copies, a summary financial statement derived from the Company's annual accounts and the directors' report, which shall be in the form and containing the information prescribed by the Companies Acts and any regulations made under the Companies Acts.

AUDIT

158. AUDIT

Once at least in every year the accounts of the Company shall be examined, and the correctness of the profit and loss account and balance sheet ascertained by the auditors.

- 159. The auditors shall be appointed and their duties regulated in accordance with the provisions of the Act.

NOTICES

160. WHEN NOTICE REQUIRED TO BE IN WRITING

Any notice to be given to or by any person pursuant to these Articles shall be in writing except that a notice calling a meeting of the board need not be in writing.

161.1 Method of giving notice

The Company may serve or deliver any notice or other document pursuant to the Articles on or to a member:

- (a) personally;
- (b) by posting it in a prepaid envelope addressed to the member at his registered address;
- (c) or by leaving it at that address;
- (d) to the extent permitted by the Act, by sending it as an electronic communication to the member at his electronic address; or
- (e) to the extent permitted by the Act, by placing it on a website or websites and giving to the member a notice stating that the notice or other document is available there (a **notice of availability**). The notice of availability may be given to the member by any of the means set out in Article 159(1)(a), (b), (c) or (d).

In the case of joint holders of a share, all notices or other documents shall be served on or delivered to the joint holder whose name stands first in the register in respect of the joint holding. Any notice or other document so served or delivered shall be deemed for all purposes sufficient service on or delivery to all the joint holders.

No member shall be entitled to have notices or other documents given to him by means of electronic communication if the Board deems it necessary or expedient to give him notice by some other means authorised by these Articles.

Without prejudice to the generality of the foregoing, a member whose registered address is not within the United Kingdom and who gives to the Company an address within the United Kingdom at which notices or other documents may be given to him shall be entitled to have notices or other documents given to him at that address, but otherwise:

- (i) no such member shall be entitled to receive any notice or other document from the Company; and
- (ii) without prejudice to the generality of the foregoing, any notice of a general meeting of the Company which is in fact given or purports to be given to such member shall be ignored for the purpose of determining the validity of the proceedings at such general meeting.

161.2 Deemed receipt of notice

A member present, either in person or by proxy, at any meeting of the Company or of the holders of any class of shares in the capital of the Company shall be deemed to have received notice of the meeting and, where requisite, of the purposes for which it was called.

162. NOTICE TO PERSONS ENTITLED BY TRANSMISSION

A notice or other document may be served or delivered by the Company on or to the person or persons entitled by transmission to a share by sending or delivering it in any manner the Company may choose authorised by these Articles for the service or delivery of a notice or other document on or to a member, addressed to them by name, or by the title of representative of the deceased, or trustee of the bankrupt or by any similar description at the address, if any, in the United Kingdom or an electronic address supplied for that purpose by the person or persons claiming to be so entitled. Until such an address has been supplied, a notice or other document may be served or delivered in any manner in which it might have been served or delivered if the death or bankruptcy or other event giving rise to the transmission had not occurred.

163. TRANSFEREES ETC BOUND BY PRIOR NOTICE

Every person who becomes entitled to a share shall be bound by any notice in respect of that share which, before his name is entered in the register, has been duly given to a person from whom he derives his title, provided that no person who becomes entitled by transmission to a share shall be bound by any direction notice issued under Article 78.1 to a person from whom he derives his title.

164. WHEN NOTICES DEEMED SERVED

Proof that an envelope containing a notice was properly addressed, prepaid and posted shall be conclusive evidence that the notice was given. A notice or other document sent by the Company to a member by post shall be deemed to be given:

- (a) if sent by first class post or special delivery post from an address in the United Kingdom to another address in the United Kingdom, or by a postal service similar to first class post or special delivery post from an address in another country to another address in that other country, on the day following that on which the envelope containing it was posted;
- (b) if sent by airmail from an address in the United Kingdom to an address outside the United Kingdom, or from an address in another country to an address outside that country (including without limitation an address in the United Kingdom), on the third day following that on which the envelope containing it was posted; and
- (c) in any other case, on the second day following that on which the envelope containing it was posted.

A notice or other document sent by the Company to a member as an electronic communication shall be deemed to be given by the Company to the member on the day following that on which the communication was sent to the member. A notice placed on the Company's website or websites is deemed given by the Company to a member on the day following that on which a notice of availability was sent to the member.

165. MEMBER CEASING TO BE ENTITLED TO RECEIVE NOTICES

If on two consecutive occasions notices or other documents have been sent through the post to any member at his registered address or his address for the service of notices and have been returned undelivered, such member shall cease to be entitled to receive notices or other documents from the Company until he shall have supplied to the Company in writing a new registered address or address within the United Kingdom for the service of notices.

166. NOTICE DURING DISRUPTION OF SERVICES

If at any time the Company is unable effectively to convene a general meeting by notices sent through the post in the United Kingdom as a result of the suspension or curtailment of postal services, notice of general meeting may be sufficiently given by advertisement in the United Kingdom. Any notice given by advertisement for the purpose of this Article shall be advertised on the same date in an least one newspaper having a national circulation. Such notice shall be deemed to have been served on all persons who are entitled to have notice of meetings served on them at noon on the day when the advertisement appears. In any such case the Company shall send confirmatory copies of the notice by post if at least seven days before the meeting the posting of notices to addresses throughout the United Kingdom again becomes practicable.

If at any time the Company is unable effectively to convene a general meeting by notices sent by electronic communication as a result of general technical failure, notice of general meeting may be sufficiently given by advertisement in the United Kingdom. Any notice given by advertisement for the purpose of this Article shall be advertised on the same date in an least one newspaper having a national circulation. Such notice shall be deemed to have been served on all persons who are entitled to have notice of meetings served on them at noon on the day when the advertisement appears. In any such case, the Company shall send confirmatory copies of the notice by electronic communication, if at least seven days before the meeting the sending of notices by electronic communication again becomes practicable.

167. DESTRUCTION OF DOCUMENTS

167.1 Power of Company to destroy documents

The Company shall be entitled to destroy:

- (a) all instruments of transfer of shares which have been registered, and all other documents on the basis of which any entry is made in the register, at any time after the expiration of six years from the date of registration;
- (b) all dividend mandates, variations or cancellations of dividend mandates, and notifications of change of address at any time after the expiration of two years from the date of recording;
- (c) all share certificates which have been cancelled at any time after the expiration of one year from the date of the cancellation;
- (d) all paid dividend warrants and cheques at any time after the expiration of one year from the date of actual payment;
- (e) all instruments of proxy which have been used for the purpose of a poll at any time after the expiration of one year from the date of use; and
- (f) all instruments of proxy which have not been used for the purpose of a poll at any time after one month from the end of the meeting to which the instrument of proxy relates and at which no poll was demanded.

167.2 Presumption in relation to destroyed documents

It shall conclusively be presumed in favour of the Company that:

- (a) every entry in the register purporting to have been made on the basis of an instrument of transfer or other document destroyed in accordance with Article 165.1 was duly and properly made;
- (b) every instrument of transfer destroyed in accordance with Article 165.1 was a valid and effective instrument duly and properly registered;
- (c) every share certificate destroyed in accordance with Article 165.1 was a valid and effective certificate duly and properly cancelled; and
- (d) every other document destroyed in accordance with Article 165.1 was a valid and effective document in accordance with its recorded particulars in the books or records of the Company, but:
- (e) the provisions of this Article apply only to the destruction of a document in good faith and without notice of any claim (regardless of the parties) to which the document might be relevant;
- (f) nothing in this Article shall be construed as imposing on the Company any liability in respect of the destruction of any document earlier than the time specified in Article 165.1 or in any other circumstances which would not attach to the Company in the absence of this Article; and
- (g) any reference in Article 165 to the destruction of any document includes a reference to its disposal in any manner.

168. UNTRACED SHAREHOLDERS

168.1 Power to dispose of shares of untraced shareholders

The Company shall be entitled to sell, at the best price reasonably obtainable, the shares of a member or the shares to which a person is entitled by transmission if:

- (a) during the period of 12 years before the date of the publication of the advertisements referred to in Article 166.1(b) (or, if published on different dates, the first date) (the **relevant period**) at least three dividends in respect of the shares in question have been declared and all dividend warrants and cheques which have been sent in the manner authorised by these Articles in respect of the shares in question have remained uncashed;
- (b) the Company shall as soon as practicable after expiry of the relevant period have inserted advertisements both in a national daily newspaper and in a newspaper circulating in the area of the last known address of such member or other person giving notice of its intention to sell the shares;
- (c) during the relevant period and the period of three months following the publication of the advertisements referred to in Article 166.1(b) (or, if published on different dates, the first date) the Company has received no indication either of the whereabouts or of the existence of such member or person; and
- (d) if the shares are listed, notice has been given to relevant listing authority of the Company's intention to make such sale before the publication of the advertisements.

If during any 12 year period referred to in Article 166.1(a) above further shares have been issued in right of those held at the beginning of such period or of any previously issued during such period and all the other requirements of the Articles (other than the requirements that they be in issue for 12 years) have been satisfied in regard to the further shares, the Company may also sell the further shares.

168.2 Transfer on sale

To give effect to any sale pursuant to Article 166.1, the board may:

- (a) where the shares are held in certificated form, authorise any person to execute an instrument of transfer of the shares no, or in accordance with the directions of the buyer; or
- (b) where the shares are held in uncertificated form, do all acts and things it considers necessary or expedient to effect the transfer of the shares to, or in accordance with the directions of, the buyer.

168.3 Effectiveness of transfer

An instrument of transfer executed by that person in accordance with Article 166.2(a) shall be as effective as if it had been executed by the holder of, or person entitled by transmission to, the shares. An exercise by the Company of its powers in accordance with Article 166.2(b) shall be as effective as if exercised by the registered holder of or person entitled by transmission to the shares. The transferee shall not be bound to see to the application of the purchase money, and his title to the shares shall not be affected by any irregularity in, or invalidity of, the proceedings in reference to the sale.

168.4 Proceeds of sale

The net proceeds of sale shall belong to the Company which shall be obliged to account to the former member or other person previously entitled for an amount equal to the proceeds. The Company shall enter the name of such former member or other person in the books of the Company as a creditor for that amount. In relation to the debt, no trust is created and no interest is payable. The Company shall not be required to account for any money earned on the net proceeds of sale, which may be used in the Company's business or invested in such a way as the board from time to time thinks fit.

WINDING UP

169. LIQUIDATOR MAY DISTRIBUTE IN SPECIE

If the Company is wound up, the liquidator may, with the sanction of an extraordinary resolution of the Company and any other sanction required by the Insolvency Act 1986 and subject to the rights of the holders of the Participating Preference Shares:

- (a) divide among the members in specie the whole or any part of the assets of the Company and may, for that purpose, value any assets and determine how the division shall be carried out as between the members or different classes of members;
- (b) vest the whole or any part of the assets in trustees for the benefit of the members; and
- (c) determine the scope and terms of those trusts,

but no member shall be compelled to accept any asset on which there is a liability.

170. DISPOSAL OF ASSETS BY LIQUIDATORS

The power of sale of a liquidator shall include a power to sell wholly or partially for shares or debentures or other obligations of another body corporate, either then already constituted or about to be constituted for the purpose of carrying out the sale.

INDEMNITY

171. INDEMNITY TO DIRECTORS AND OFFICERS

Subject to the provisions of the Companies Acts but without prejudice to any indemnity to which a director may otherwise be entitled, every director or other officer of the Company shall be indemnified out of the assets of the Company against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour (or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on his part) or in which he is acquitted or in connection with any application in which relief is granted to him by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the Company.

THE BROADCASTING ACT

172.1 Relevant person for the purposes of the Broadcasting Act

In this Article words and expressions shall have the meanings ascribed thereto in the Broadcasting Act and unless the context otherwise requires:

- (a) **licence** shall mean a licence to provide Channel 3 or Channel 5 (as appropriate) services under the Broadcasting Act;
- (b) **person** shall include any natural person or legal entity and any body corporate or unincorporate;
- (c) **Relevant Interest** means any interest (which either alone or when taken with any other interest or interests) in shares in the Company (including any interest attributed by the directors pursuant to sub-paragraph (d) below) as a result of which:
 - (i) the Company or any Subsidiary Undertaking thereof would become a disqualified person in relation to any licence held by it (or awarded, but not yet granted, to it) by virtue of Part II of Schedule 2 to the Broadcasting Act;
 - (ii) there would be any breach of, or failure to comply with, any requirements or conditions imposed by or under section 5 and/or Parts III, IV and V of Schedule 2 to the Broadcasting Act in relation to any licence of the Company or any Subsidiary Undertaking thereof to which those requirements apply by the Company or any Subsidiary Undertaking thereof or any other person;
 - (iii) the Commission may refuse to grant or may revoke a licence to the Company or any Subsidiary Undertaking thereof under the Broadcasting Act; or
 - (iv) the Company or any Subsidiary Undertaking thereof would otherwise be materially adversely affected in relation to any licence held by (or awarded, but not yet granted, to) it;

- (d) **Relevant Person** means any person who:
- (i) has a Relevant Interest unless in any such case the Commission has given its consent in writing to the Company, or any Subsidiary Undertaking thereof, to the existence or continuance of the circumstance or circumstances which caused (or would have caused if such consent had not been given) the person to be or become a Relevant Person and:
 - (1) such consent has not been withdrawn; and
 - (2) there has not been any change in any circumstance which would be relevant to the Commission in considering whether to withdraw its consent; or
 - (ii) is determined by the directors, following consultation with the Commission, to have an interest in shares in the Company which may cause the Commission to vary, revoke, determine or refuse to award grant, renew or extend a licence to or of the Company or any Subsidiary Undertaking thereof. Without prejudice to the generality of the foregoing, for the purpose of determining, whether any person is a Relevant Person the directors may attribute to such person and aggregate with the interests in issued shares of such person:
 - (1) any interests which would be taken into account in deciding whether a notification to the Company would be required under Part VI of the Act on the assumption that the interests referred to in section 209(1) of the Act are not disregarded;
 - (2) any shares which are in the opinion of the directors the subject of an agreement or arrangement (whether legally enforceable or non) whereby such shares are to be voted in accordance with that person's instructions (whether given by him directly or through any other person); and
 - (3) any interest of any associate of such person or any person controlled by or connected with such person;
- (e) **Relevant Shares** means shares in the issued capital of the Company comprised in the interest of a Relevant Person; and
- (f) **Required Disposal** shall mean a disposal or disposals in accordance with the provisions of this Article of such number of Relevant Shares as will have the result that a Relevant Person will cease to be a Relevant Person and will not cause any other person (being the transferee or a person interested for the purposes of this Article in shares held by the transferee) to become, or continue to be, a Relevant Person.

172.2 The directors may at any time serve a notice upon any member of the Company requiring him to furnish them with any information (to the extent that information is required in relation to a person other than such member, as far as such information lies within the knowledge of such member), supported by a declaration and by such other evidence (if any) as the directors may require, for the purpose of determining whether such member or any person who has an interest in shares held by such member is a Relevant Person. If such information and evidence is not furnished within a reasonable time (not being less than 14 days) or the information and evidence provided is in the opinion of the directors unsatisfactory for the purpose of so determining, the directors may serve upon such member a further notice calling upon him, within 14 days after the service of such further

notice, to furnish the directors with such information and/or evidence or further information and/or evidence as shall in their opinion enable them so to determine.

- 172.3 If any person is determined by the directors to be a Relevant Person the Company may serve written notice on the holder or holders of the Relevant Shares to the effect that such holder, or a person who is interested in the shares held by such holder, has been determined to be a Relevant Person and may call for a Required Disposal to be made and for reasonable evidence of such a disposal to be supplied to the Company within 21 days of the date of the notice or such other period as the directors consider reasonable and which they may extend. The directors may withdraw any such notice if it appears to them that there is no Relevant Person in relation to the shares concerned.
- 172.4 If a notice served under Article 170.3 has not been complied with to the satisfaction of the directors, the person or persons on whom such notice shall have been served shall be deemed to have constituted the directors their agents and the directors may, so far as they are able, make a Required Disposal at the best price reasonably obtainable and shall give written notice of such disposal to the person or persons on whom such notice was served. A Required Disposal by the directors shall be completed within 30 days after the expiry of the period stated in such notice (or, if such period has been extended, the expiry of such extended period) provided that the directors shall not be obliged to make such a Required Disposal during any period (a **restricted period**) when dealings by the directors in the Company's shares are not permitted, or are in any way restricted, either by law or by regulations of the London Stock Exchange or UK Listing Authority, but any Required Disposal shall be completed within 30 days after the expiry of such restricted period. If on a Required Disposal being made by the directors, Relevant Shares are held by more than one registered holder (treating joint holders of any Relevant Shares as a single holder) the directors shall be entitled to sell such of the Relevant Shares as they shall in their absolute discretion determine. The directors shall not be required to give any reasons for any action taken or determination made by them in accordance with this sub-paragraph.
- 172.5 For the purpose of effecting any Required Disposal, the directors may authorise in writing any officer or employee of the Company to execute, complete and deliver any necessary transfer in the name and on behalf of any registered holder and may enter the name of the purchaser in the Register and issue a new certificate to the purchaser. The net proceeds of such disposal shall be received by the Company, whose receipt shall be a good discharge for the purchase money, and shall be paid (without any interest being payable thereon) to any former registered holder upon surrender by him of any certificate in respect of the shares sold and formerly held by him. After the name of the purchaser (or his nominee) has been entered in the Register, the validity of the proceedings shall not be questioned by any person.
- 172.6 A registered holder of a Relevant Share who has been made the subject of a Required Disposal by a notice served under Article 170.3, or a member of the Company who has failed to comply with, or furnished information and evidence determined by the directors to be unsatisfactory pursuant to, a notice served under Article 170.3, shall not, unless the directors otherwise determine, be entitled to receive notice of or attend or vote at any General Meeting of the Company or meeting of the holders of any class of shares until the directors are satisfied that either:
- (a) the notice calling for a Required Disposal served under Article 170.3 has been complied with or, if such notice has not been complied with to the satisfaction of the directors, a Required Disposal has been made by the directors under Article 170.3; or
 - (b) in the case of a member of the Company who has failed to comply with, or has furnished information and evidence determined by the directors to be unsatisfactory pursuant to, a notice served under Article 170.3, such member has

furnished information and evidence satisfactory to the directors and is not a Relevant Person.