

No. 4086475

**NORTHERN & SHELL NETWORK LIMITED**  
**(the "Company")**

**MEMBER'S WRITTEN RESOLUTION**

We, the undersigned, being the sole member of the Company who (at the date hereof) would have been entitled to vote upon the resolution set out below if it had been proposed at a general meeting at which we were present, hereby agree:-

- (a) pursuant to regulation 53 of Table A in the Schedule to the Companies (Table A to F) Regulations 1985 (as amended) (as incorporated in and modified by the Company's articles of association) to the passing of the resolution set out below (which would otherwise be required to be passed as a special resolution) by way of written resolution; and
- (b) to every variation or abrogation of the rights attaching to any class of shares of which we are a holder involved in or requisite to give effect to such resolutions.

**RESOLUTION**

**THAT:-**

1.

- (a) the authorised share capital of the Company be increased from £110,000 to £210,000 by the creation of 100,000 Preferred Ordinary shares of £1.00 each having the rights set out in the new Articles of Association referred to in resolution 1(b);
- (b) the articles of association in the form of the draft produced to the meeting and initialled by the Chairman be adopted as the new Articles of Association of the Company in replacement of the existing Articles of Association of the Company;
- (c) the directors be generally and unconditionally authorised for the purposes of section 80 of the Companies Act 1985 (the "Act") to exercise all the powers of the Company to allot relevant securities (within the meaning of section 80(2) of the Act) up to an aggregate nominal amount of £100,000 in the form of up to 100,000 Preferred Ordinary shares of £1 each. This authority shall expire on the fifth anniversary

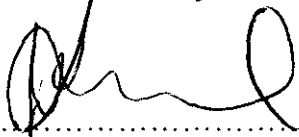


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the Company may before such expiry make offers or agreements which would or might require relevant securities to be allotted after such expiry and the directors may allot relevant securities in pursuant of such offers or agreements as if the authority conferred hereby had not expired. This authority shall be in substitution for and shall replace any existing authority pursuant to the said section 80 to the extent not utilised at the date this resolution is passed;

- (d) section 89(1) of the Act and Article 2.2 of the articles of association of the Company should not apply to any allotment of shares in the capital of the Company pursuant to the authority conferred by paragraph 1(c).

Date: 6 JUNE 2001

A handwritten signature in black ink, appearing to be 'D. J. ...', written over a dotted line.

For and on behalf of  
**RCD 1 LIMITED**

No. 04086475

The Companies Act 1985 to 1989  
Private Company Limited by Shares

**NORTHERN & SHELL NETWORK LIMITED**

**ARTICLES OF ASSOCIATION**

**The Companies Acts 1985 to 1989**

**Private Company Limited by Shares**

**ARTICLES OF ASSOCIATION**

**Of**

**NORTHERN & SHELL NETWORK LIMITED**

**1. PRELIMINARY**

- 1.1 The regulations contained in Table A in the Schedule to the Companies (Tables A to F) Regulations 1985 (SI 1985 No, 805) as amended by the Companies (Tables A to F) (Amendment) Regulations 1985 (SI 1985 No. 1052) (such Table being hereinafter called "Table A") shall apply to the Company save in so far as they are excluded or varied hereby and such regulations (save as so excluded or varied) and the Articles hereinafter contained shall be the Articles of Association of the Company.

- 1.2 In these Articles the following expression shall have the following meaning:-

**"Act"** means the Companies Act 1985 (but so that any reference in these Articles to any provision of the Act shall be deemed to include a reference to any statutory modification or re-enactment of that provision for the time being in force);

**"Articles"** these articles of association as amended

from time to time;

**“Ordinary Shares”**

ordinary shares of £1 each in the capital of the Company having the rights as set out in these Articles;

**“Preferred Ordinary Shares”**

preferred ordinary shares of £1 each in the capital of the Company having the rights as set out in these Articles;

**“shares”**

(unless the context does not so admit) shares in the capital of the Company (of whatever class).

**2. SHARE CAPITAL**

The authorised share capital of the Company at the date of adoption of these Articles is £210,000 divided into 110,000 Ordinary Shares and 100,000 Preferred Ordinary Shares

**3. SHARE RIGHTS**

3.1 Save as otherwise specifically provided in these Articles the Ordinary Shares and the Preferred Ordinary Shares rank *pari passu*, but constitute two separate classes of shares.

3.2 The rights attaching to the respective classes of shares shall be as follows:-

3.2.1 as regards income the holders of the Preferred Ordinary Shares shall be entitled to receive a fixed cumulative preferential dividend of 5.5% of the amount paid up thereon per Preferred Ordinary Share (insofar as such share has not been redeemed) per annum and the Company shall pay such

dividend out of the profits of the Company available for distribution by way of dividend within the meaning of the Act. The said fixed cumulative preferential dividend shall be payable in two instalments on 30 June and 31 December in each year (the "**Instalment Dates**") provided that the first such dividend shall be payable on 30 June 2001 in respect of the period from the date of adoption of these Articles to that date.

Subject to the provisions of the Act, the said fixed cumulative preferential dividend shall become a debt due from and payable by the Company to the holders of the Preferred Ordinary Shares on the Instalment Dates therefore without any resolution of the Directors of the Company in general meetings.

Payment of the said fixed cumulative preferential dividend and any arrears thereof shall be made in priority to any payment of any dividend on any other shares or stock in the Company.

If on any Instalment Date the amount of the said fixed cumulative preferential dividend otherwise then due on the Preferred Ordinary Shares may not lawfully be paid, there shall then be paid such less amount per share as may lawfully be paid. The Company shall pay the amount of any arrears arising from the foregoing provision on the earliest date that such arrears may lawfully be paid whether or not such date is an Instalment Date.

The Directors shall, subject to any restrictions imposed by law, exercise all voting and other rights or powers of control exercisable by the Company in relation to its subsidiaries (including without prejudice to the generality of the foregoing, powers in relation to requiring any such subsidiaries to pay dividends to their shareholders) so as to put the Company in funds and provide the Company with distributable profits

within the meaning of the Act to enable the payment of the fixed cumulative preferential dividend on the Preferred Ordinary Shares and when the same shall fall due for payment.

The Company shall, provided it has paid any fixed cumulative preferential dividend due on the Preferred Ordinary Shares in accordance with their terms, apply any profits which the Directors resolve thereafter to distribute in any such year in paying any such profits to the holders of Ordinary Shares pro rata to the number of Ordinary Shares held by them.

The Company shall pay to the holders of the Preferred Ordinary Shares a participating dividend equal in aggregate amount to 0.1% of the aggregate amount of any distribution paid on the Ordinary Shares (payment to be made on the same day as the payment of any dividend to the holders of Ordinary Shares).

3.2.2 as regards voting:-

- (a) the Ordinary Shares shall confer on the holders thereof (in that capacity) the right to receive notice of and to attend, speak and to have one vote per Ordinary Share at all general meetings of the Company; and
- (b) the Preferred Ordinary Shares shall confer on the holders thereof (in that capacity) the right to receive notice of and to attend, speak and to have one vote for every 20 Preferred Ordinary Shares at all general meetings of the Company;

3.2.3 as regards a return of capital on liquidation, reduction of capital or otherwise, the surplus assets of the Company available for distribution amongst its shareholders remaining after payment of its liabilities shall be

applied, in priority to any payment to the holders of any class of shares in the Company:-

- (a) first, in paying to the holders of the Preferred Ordinary Shares the nominal amount together with all arrears and accruals of the fixed cumulative preferential dividend and any other dividend on each Preferred Ordinary Share to be calculated down to and including the date of the return of capital;
- (b) any balance of such assets (if any) shall belong to and be distributed among the holders of the Ordinary Shares in proportion to the number of Ordinary Shares held by them.

#### 4. **SCHEDULED REDEMPTION OF PREFERRED ORDINARY SHARES**

- 4.1 Either the Company or the holders of the Preferred Ordinary Shares may upon giving seven days written notice to the other redeem all or any of the Preferred Ordinary Shares pro rata so far as possible to the number of Preferred Ordinary Shares held by each holder thereof on 31 December 2003 and thereafter on each anniversary of such date until the Preferred Ordinary Shares shall have been redeemed in full.
- 4.2 Upon the due date for any redemption of Preferred Ordinary Shares (a "**Redemption Date**") the Company shall pay in cash in respect of each Preferred Ordinary Share to be redeemed the nominal amount together with all arrears and accruals of the fixed cumulative preferential dividend and any other dividend on such Preferred Ordinary Share (to be calculated up to and including the relevant Redemption Date).
- 4.3 On each Redemption Date the redemption monies payable on the Preferred Ordinary Shares shall (irrespective of whether the Company has sufficient



distributable reserves out of which to pay such sum) become a debt due and payable by the Company to the holders of Preferred Ordinary Shares and subject to receipt of the relevant share certificates (or an indemnity in respect thereof in a form reasonably satisfactory to the Company) the Company shall forthwith upon such Redemption Date pay the redemption monies to the holders of the Preferred Ordinary Shares.

- 4.4 On redemption the Company shall cancel the share certificate of the relevant shareholder concerned and, in the case of redemption of part of the shares included in the certificate, without charge issue a fresh certificate for the balance of shares not redeemed.

## **5. ALLOTMENT OF SHARES**

- 5.1 Shares which are comprised in the authorised share capital with which the Company is incorporated shall be under the control of the directors who may (subject to section 80 of the Act and to Article 5.4 below) allot, grant options over or otherwise dispose of the same, to such persons, on such terms and in such manner as they think fit.
- 5.2 All shares which are not comprised in the authorised share capital with which the Company is incorporated and which the directors propose to issue shall first be offered to the members in proportion as nearly as may be to the number of the existing shares held by them respectively unless the Company in general meeting shall by special resolution otherwise direct. The offer shall be made by notice specifying the number of shares offered, and limiting a period (not being less than 14 days) within which the offer, if not accepted, will be deemed to be declined. After the expiration of that period, those shares so deemed to be declined shall be offered in the proportion aforesaid to the persons who have, within the said period, accepted all the shares offered to them; such further offer shall be made in like terms in the same manner and limited by a like period as the original offer.

Any shares not accepted pursuant to such offer or further offer as aforesaid or not capable of being offered as aforesaid except by way of fractions and any shares released from the provisions of this Article by any such special resolution as aforesaid shall be under the control of the directors, who may allot, grant options over or otherwise dispose of the same to such persons, on such terms, and in such manner as they think fit, provided that, in the case of shares not accepted as aforesaid, such shares shall not be disposed of on terms which are more favourable to the subscribers therefor than the terms on which they were offered to the members. The foregoing provisions of this Article 5.2 shall have effect subject to section 80 of the Act.

5.3 In accordance with section 91(1) of the Act sections 89(1) and 90(1) to (6) (inclusive) of the Act shall not apply to the Company.

5.4 The directors are generally and unconditionally authorised for the purposes of section 80 of the Act to exercise any power of the Company to allot and grant rights to subscribe for or convert securities into shares of the Company up to the amount of the authorised share capital with which the Company is incorporated at any time or times during the period of five years from the date of incorporation and the directors may, after that period, allot any shares or grant any such rights under this authority in pursuance of an offer or agreement so to do made by the Company within that period. The authority hereby given may at any time (subject to the said section 80) be renewed, revoked or varied by ordinary resolution.

## 6. **SHARES**

6.1 Regulation 8 of the Companies Act 1985, Table A shall not apply to the Company.

6.2 The liability of any member in default in respect of a call shall be increased by the addition at the end of the first sentence of regulation 18 in Table A of the words

“and all expenses that may have been incurred by the Company by reason of such non-payment”.

## **7. GENERAL MEETINGS AND RESOLUTIONS**

7.1 Every notice convening a general meeting shall comply with the provisions of section 372(3) of the Act as to giving information to members in regard to their right to appoint proxies; and notices of and other communications relating to any general meeting which any member is entitled to receive shall be sent to the directors and to the auditors for the time being of the Company.

### **7.2**

7.2.1 No business shall be transacted at any general meeting unless a quorum is present. Subject to Article 7.2.2 below, two persons entitled to vote upon the business to be transacted, each being a member or a proxy for a member or a duly authorised representative of a corporation, shall be a quorum.

7.2.2 If and for so long as the Company has only one member, that member present in person or by proxy or (if that member is a corporation) by a duly authorised representative shall be a quorum.

7.2.3 If a quorum is not present within half an hour from the time appointed for a general meeting the general meeting shall stand adjourned to the same day in the next week at the same time and place or to such other day and at such other time and place as the directors may determine; and if at the adjourned general meeting a quorum is not present within half an hour from the time appointed therefor such adjourned general meeting shall be dissolved.

7.2.4 Regulations 40 and 41 in Table A shall not apply to the Company.

### 7.3

7.3.1 If and for so long as the Company has only one member and that member takes any decision which is required to be taken in general meeting or by means of a written resolution, that decision shall be as valid and effectual as if agreed by the Company in general meeting, subject as provided in Article 7.3.3 below.

7.3.2 Any decision taken by a sole member pursuant to Article 7.3.1 above shall be recorded in writing and delivered by that member to the Company for entry in the Company's minute book.

7.3.3 Resolutions under section 303 of the Act for the removal of a director before the expiration of his period of office and under section 391 of the Act for the removal of an auditor before the expiration of his period of office shall only be considered by the Company in general meeting.

7.4 Unless resolved by ordinary resolution that regulation 62 in Table A shall apply without modification, the instrument appointing a proxy and any authority under which it is executed or a copy of such authority certified notarially or in some other way approved by the directors may be deposited at the place specified in regulation 62 in Table A up to the commencement of the meeting or (in any case where a poll is taken otherwise than at the meeting) of the taking of the poll or may be handed to the chairman of the meeting prior to the commencement of the business of the meeting.

## 8. **APPOINTMENT OF DIRECTORS**

8.1.1 Regulation 64 in Table A shall not apply to the Company.

8.1.2 The maximum number and minimum number respectively of the directors

may be determined from time to time by ordinary resolution. Subject to and in default of any such determination there shall be no maximum number of directors and the minimum number of directors shall be one. Whenever the minimum number of directors is one, a sole director shall have authority to exercise all the powers and discretions by Table A and by these Articles expressed to be vested in the directors generally, and regulation 89 in Table A shall be modified accordingly.

8.2 The directors shall not be required to retire by rotation and regulations 73 to 80 (inclusive) in Table A shall not apply to the Company.

8.3 No person shall be appointed a director at any general meeting unless either:

- (a) he is recommended by the directors; or
- (b) not less than 14 nor more than 35 clear days before the date appointed for the general meeting, notice signed by a member qualified to vote at the general meeting has been given to the Company of the intention to propose that person for appointment, together with notice signed by that person of his willingness to be appointed.

8.4.1 Subject to Article 8.3 above, the Company may by ordinary resolution appoint any person who is willing to act to be a director, either to fill a vacancy or as an additional director.

8.4.2 The directors may appoint a person who is willing to act to be a director, either to fill a vacancy or as an additional director, provided that the appointment does not cause the number of directors to exceed any number determined in accordance with Article 8.1.2 above as the maximum number of directors and for the time being in force.

8.5 In any case where as the result of death or deaths the Company has no members and no directors the personal representatives of the last member to have died shall have the right by notice in writing to appoint a person to be a director of the Company and such appointment shall be as effective as if made by the Company in General Meeting pursuant to Article 8.4.1 above. For the purpose of this article, where two or more members die in circumstances rendering it uncertain which of them survived the other or others, the members shall be deemed to have died in order of seniority, and accordingly the younger shall be deemed to have survived the elder.

## **9. BORROWING POWERS**

9.1 The directors may exercise all the powers of the Company to borrow money without limit as to amount and upon such terms and in such manner as they think fit, and subject (in the case of any security convertible into shares) to section 80 of the Act to grant any mortgage, charge or standard security over its undertaking, property and uncalled capital, or any part thereof, and to issue debentures, debenture stock, and other securities whether outright or as security for any debt, liability or obligation of the Company or of any third party.

## **10. ALTERNATE DIRECTORS**

10.1 Unless otherwise determined by the Company in general meeting by ordinary resolution an alternate director shall not be entitled as such to receive any remuneration from the Company, save that he may be paid by the Company such part (if any) of the remuneration otherwise payable to his appointor as such appointor may by notice in writing to the Company from time to time direct, and the first sentence of regulation 66 in Table A shall be modified accordingly.

10.2 A director, or any such other person as is mentioned in regulation 65 in Table A, may act as an alternate director to represent more than one director, and an

alternate director shall be entitled at any meeting of the directors or of any committee of the directors to one vote for every director whom he represents 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.

## **11. GRATUITIES AND PENSIONS**

11.1.1 The directors may exercise the powers of the Company conferred by its Memorandum of Association in relation to the payment of pensions, gratuities and other benefits and shall be entitled to retain any benefits received by them or any of them by reason of the exercise of any such powers.

11.1.2 Regulation 87 in Table A shall not apply to the Company.

## **12. PROCEEDINGS OF DIRECTORS**

12.1.1 A director may vote, at any meeting of the directors or of any committee of the directors, on any resolution, notwithstanding that it in any way concerns or relates to a matter in which he has, directly or indirectly, any kind of interest whatsoever, and if he shall vote on any such resolution his vote shall be counted; and in relation to any such resolution as aforesaid he shall (whether or not he shall vote on the same) be taken into account in calculating the quorum present at the meeting.

12.1.2 Each director shall comply with his obligations to disclose his interest in contracts under section 317 of the Act.

12.1.3 Regulations 94 to 97 (inclusive) in Table A shall not apply to the Company.

### **13. THE SEAL**

- 13.1 If the Company has a seal it shall only be used with the authority of the directors or of a committee of directors. The directors may determine who shall sign any instrument to which the seal is affixed and unless otherwise so determined it shall be signed by a director and by the secretary or second director. The obligation under regulation 6 of Table A relating to the sealing of share certificates shall apply only if the Company has a seal. Regulation 101 in Table A shall not apply to the Company.
- 13.2 The Company may exercise the powers conferred by section 39 of the Act with regard to having an official seal for use abroad, and such powers shall be vested in the directors.

### **14. NOTICES**

- 14.1 Without prejudice to regulations 112 to 116 inclusive in Table A, the Company may give notice to a member by electronic means provided that:
- 14.1.1 the member has given his consent in writing to receiving notice communicated by electronic means and in such consent has set out an address to which the notice shall be sent by electronic means; and
  - 14.1.2 the electronic means used by the Company enables the member concerned to read the text of the notice.
- 14.2 A notice given to a member personally or in a form permitted by Article 14.1 above shall be deemed to be given on the earlier of the day on which it is delivered personally and the day on which it was despatched by electronic means, as the case may be.



14.3 Regulation 115 in Table A shall not apply to a notice delivered personally or in a form permitted by Article 14.1 above.

14.4 In this article "electronic" means actuated by electric, magnetic, electro-magnetic, electro-chemical or electro-mechanical energy and "by electronic means" means by any manner only capable of being so actuated.

## 15. **INDEMNITY**

15.1 Every director or other officer or auditor of the Company shall be indemnified out of the assets of the Company against all losses or liabilities which he may sustain or incur in or about the execution of the duties of his office or otherwise in relation thereto, including any liability incurred by him in defending any proceedings, whether civil or criminal, or in connection with any application under section 144 or section 727 of the Act in which relief is granted to him by the Court, and no director or other officer shall be liable for any loss, damage or misfortune which may happen to or be incurred by the Company in the execution of the duties of his office or in relation thereto. But this Article shall only have effect in so far as its provisions are not avoided by section 310 of the Act.

15.2 The directors shall have power to purchase and maintain for any director, officer or auditor of the Company insurance against any such liability as is referred to in section 310(1) of the Act.

15.3 Regulation 118 of Table A shall not apply to the Company.

## 16. **TRANSFER OF SHARES**

16.1 The first sentence of regulation 24 of the Companies Act 1985, Table A shall not apply to the Company.

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Name and address of Subscriber

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For and on behalf of  
Instant Companies Limited  
1 Mitchell Lane  
Bristol  
BS1 6BU

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Date: 4 October 2000

Witness to the above signature

Glenys Copeland  
1 Mitchell Lane  
Bristol BS1 6BU