

**THE COMPANIES ACT 1985
PRIVATE COMPANY LIMITED BY SHARES**

**NEW
ARTICLES OF ASSOCIATION**

of

LEVEL 5 NETWORKS LIMITED

No. 4441386

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1. Interpretation

1.1 In these Articles if not inconsistent with the subject or context the following words and expressions shall have the following meanings:

1.1.1 "**the Act**" means the Companies Act 1985 as amended or reenacted from time to time.

1.1.2 "**the Shares**" means Ordinary Shares of 1 pence each.

1.1.3 "**Table A**" means Table A in the Schedule to the Companies (Tables A-F) Regulations 1985.

1.1.4 "**Issued Share Capital**" means the Shares which are in issue from time to time

1.1.5 **"Founder Shareholder"** means Steven Pope, Derek Roberts, Andy Hopper, David Clarke and David Riddoch

1.1.6 **"Shareholder"** means a member who holds shares in the company.

1.1.7 **"Fair Market Value"** shall be the price agreed between the proposing transferor or his personal representatives and the Directors or, if they do not agree a price within 14 days of the issue or deemed issue of the Transfer Notice, the price certified by the Auditors or another firm of chartered accountants appointed by the Board, acting as experts and not as arbitrators, to be the market value which is in the opinion of the auditors/accountants likely to result in a sale of the relevant shares.

2. Table A

2.1 The Regulations contained in Table A in Regulations made by the Secretary of State 9.1. 1985 No. 805 and S.I. 1985 No 1052 (hereinafter called "Table A") shall apply to the Company save insofar as they are excluded or varied hereby. References in these Articles to numbered Regulations shall, unless the context otherwise requires, be deemed to be references to Regulations in Table A. The Regulations of Table A numbered 3, 24, 40, 53, 59, 64, 73, 74, 75, 89, 90 and 94 shall not apply to the Company and in lieu thereof and in addition to the remaining Regulations in Table A, the following shall be the Articles of the Company.

3. Share capital

3.1 The Capital of the Company (at the date of adoption of these Articles) is £25,000 divided into 2,500,000 Ordinary Shares of 1 pence each.

3.2 The Directors are unconditionally authorised for the purposes of section 80 of the Act at any time or times during the period of five years from the date of adoption of these Articles to allot or otherwise dispose of shares up to the amount of the authorised share capital of the Company at the date of adoption of these Articles to such persons, on such terms and conditions, and either at a premium or at par and at such times as the Directors think fit, and with full power to give to any person the call of any share at a premium or at par during such times and for such consideration as the Directors

think fit, and to grant to any person subscribing or agreeing to subscribe or procuring or agreeing to procure subscriptions for any shares an option to require the Company to allot to him or his nominees any further shares in the Company at not less than par. In accordance with section 91(1) of the Act sections 89(1) and 90(1) to 90(6) inclusive shall be excluded from applying to the Company.

- 3.3 Except with the consent or sanction of the members from time to time, all shares for the time being unissued, whether in the original or any increased capital of the company, shall be offered in the first instance for subscription by the existing members pro rata to the number of shares then held by them respectively. Such offer shall be made by written notice specifying the number of shares offered and specifying a period (not being less than 14 days) after which the offer, if not accepted, will lapse and determine.
- 3.4 The Company may by special resolution, whether or not all the Shares for the time being authorised have been issued or all the shares for the time being issued have been fully paid up, increase its share capital by new shares of such number and class as the special resolution prescribes.
- 3.5 Subject to the provisions of the Act the Company may:
- 3.5.1 issue shares which are to be redeemed or are liable to be redeemed at the option of the Company or the shareholder;
 - 3.5.2 purchase its own shares (including any redeemable shares);
 - 3.5.3 make a payment in respect of the redemption or purchase, under sections 159 and 160 or (as the case may be) section 162 of the Act and the relevant power contained in Table A, of any of its own shares otherwise than out of distributable profits of the Company or the proceeds of a fresh issue of shares to the extent permitted by sections 170 to 175 inclusive of the Act.
- 3.6 The following words shall be added in the sixth line of Regulation 6 after "shall be sealed with the seal" :- " or shall be signed by two Directors or one Director and the Company Secretary".

- 3.7 The Company shall have a first and paramount lien on every share for all moneys (whether presently payable or not) called or payable at a fixed time and in respect of that share. The Company shall also have a fast and paramount lien on all shares registered in the name of any person (whether solely or jointly with others) for all moneys owing to the Company from him or his estate either alone or jointly with any other person, whether as a member or not and whether such moneys are presently payable or not. The directors may at any time declare any share to be wholly or partly exempt from the provisions of this Article. The Company's lien on a share shall extend to any amount payable in respect of it.

4. Transfer of Shares

- 4.1 The instrument of transfer of any share shall be executed by or on behalf of the transferor. In the case of a partly paid share, the instrument of transfer must also be executed by or on behalf of the transferee. The transferor shall be deemed to remain the holder of the share until the name of the transferee is entered in the register of Shareholders in respect of it.
- 4.2 Notwithstanding Article 5, if the transferor is either a person whose business is to make, manage or advise upon investments (an "Institutional Investor") (or a nominee thereof) or a fund, partnership or other entity managed or advised by an institutional Investor, its Shares may be transferred to any affiliated or parallel fund or partnership (or nominee thereof) managed or advised by such Institutional Investor, to any participant or partner or former partner in such fund, partnership or other entity (or nominee thereof), to such Institutional Investor itself or to any successor manager or proposed successor manager of such fund or partnership (the "Defined Group") provided that if such transferee ceases to be a part of the Defined Group, it shall, immediately prior to such event, transfer the Shares back to another member of the Defined Group at that time.

5. "intentionally blank"

6. General Meeting

- 6.1 No business shall be transacted at any general meeting unless the requisite quorum is present. Three Founder Shareholders present in person or by proxy shall be a quorum for all purposes (save as set out in Article 6.2 below).
- 6.2 If within half an hour from the time appointed for a general meeting a quorum is not present, the meeting shall stand adjourned to the same day (or if that day is a holiday, to the next working day) in the next week but one and at the same time and place or to such other date, time and place as the directors may determine (not being more than 30 days nor less than 10 days after the date appointed for the adjourned meeting unless so agreed by the holders of not less than nine tenths in nominal value of the Shares entitled to vote at the meeting) and at the adjourned meeting those members (or that member as the case may be) present and entitled to vote shall constitute a quorum for all purposes.
- 6.3 Where a meeting is adjourned under Article 6.2 for 10 days or more not less than 7 days' notice of the adjourned meeting shall be given as in the case of an original meeting.
- 6.4 A member shall be entitled to vote at any general meeting or at any separate meeting of the holders of any class of shares in the company, either in person or by proxy, in respect of any share held by him notwithstanding that any monies payable in respect of that share have not been paid in full. Regulation 57 of Table A shall not apply.
- 6.5 A resolution in writing signed or approved by letter, fax, or e-mail by all members of the company who would have been entitled to vote upon it if it had been duly proposed at a general meeting of the Company shall be valid and effectual as if it had been passed at such general meeting. Any such resolution may consist of several documents in like form signed by or for one or more members.

7. Directors

- 7.1 Until otherwise determined by ordinary resolution the number of Directors (excluding alternate Directors) shall not be subject to any maximum but shall not be less than one.

8. Powers and duties of directors

- 8.1 A Director who is in any way, whether directly or indirectly, interested in a contract or proposed contract with the Company shall declare the nature of his interest in the manner required by Section 317 of the Act. A Director may vote in respect of any such contract or proposed contract and if he does so vote his vote shall be counted and he shall be capable of being counted towards the quorum at any meeting of the Directors at which any such contract or proposed contract shall come before the Board for consideration.
- 8.2 A Director may hold any other office or place of profit under the Company (other than the office of auditor) in conjunction with his office of Director for such period and on such terms (as to remuneration and otherwise) as the Directors may determine and no Director or intending Director shall be disqualified by his office from contracting with the Company either with regard to his tenure of any such other office or place of profit or as vendor, purchaser or otherwise, nor shall any such contract, or any contract or arrangement entered into by or on behalf of the Company in which any Director is in any way interested, be liable to be avoided, nor shall any Director so contracting or being so interested be liable to account to the Company for any profit realised by any such contract or arrangement by reason of such Director holding that office or of the fiduciary relation thereby established.
- 8.3 Any Director may act by himself or his firm in a professional capacity for the Company, and he or his firm shall be entitled to remuneration for professional services as if he were not a Director; provided that nothing herein contained shall authorise a Director or his firm to act as auditor to the Company.
- 8.4 The quorum necessary for the transaction of business of the Directors may be fixed by the Directors and until so fixed shall, except when one Director only is in office, be two. A person who holds office only as an alternate director shall, if his appointer is not present, be counted in the quorum. When one Director only is in office he shall have and may exercise all the powers and authorities in and over the affairs of the Company as are by these Articles conferred on the Board of Directors. In the event of an equality of voting on any resolution the chairman of the meeting shall have a casting vote.

9. Proceedings of directors

- 9.1 Regulation 88 of Table A shall be amended by substituting for the sentence: "It shall not be necessary to give notice of a meeting to a director who is absent from the United Kingdom", the following sentence: "Notice of every meeting of directors shall be given to each director, including directors who are absent from the United Kingdom and have given the Company their addresses outside the United Kingdom. Directors who are absent from the United Kingdom shall be entitled to receive 7 days' notice of every meeting."
- 9.2 Questions arising at any meeting of the directors or of any committee shall be decided by a majority of votes of the directors present. The chairman shall have a second or casting vote
- 9.3 Any director or alternate director may validly participate in a meeting of the Board or a committee of the Board through the medium of conference telephone or similar form of communication equipment provided that all persons participating in the meeting are able to hear and speak to each other throughout such meeting. A person so participating shall be deemed to be present in person at the meeting and shall accordingly be counted in a quorum and be entitled to vote. Subject to the Act, all business transacted in such manner by the Board or a committee of the Board shall for the purpose of these Articles be deemed to be validly and effectively transacted at a meeting of the Board or a committee of the Board notwithstanding that fewer than three directors or alternate directors are physically present at the same place. Such a meeting shall be deemed to take place where the largest group of those participating is assembled or, if there is no such group, where the Chairman of the meeting then is.

10. Notices

- 10.1 Any notice required by these Articles to be given by the Company may be given by any visible form on paper, including facsimile and electronic mail. A notice communicated by immediate transmission shall be deemed to be given at the time it is transmitted to the person to whom it is addressed. Regulations 111 and 112 of Table A shall be amended accordingly.

11. Indemnity

- 11.1 Subject to the provisions of the Act but without prejudice to any indemnity to which a director may otherwise be entitled, every director, secretary, auditor or other officer of the Company is entitled to be indemnified by the Company against all losses and liabilities sustained or incurred by him in the execution of his duties or in the exercise of his powers or otherwise in connection with his office, including any liability incurred by him
- 11.2 in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or which are otherwise disposed of without any finding or admission of any material breach of duty on his part; or
- 11.3 in connection with any application in which relief is granted to him by the court from liability in respect of any act or omission done or alleged to be done by him as an officer or employee of the Company. The Company may purchase and maintain for any person to whom this Article applies insurance against any liability in respect of which he is entitled to be indemnified.

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