

**ARTICLES OF ASSOCIATION**

**of**

**Atlantic Telecom Group PLC**

**(Registered No. 20509)**

**(Adopted by Special Resolution passed on 9 January 1995 and amended by Special Resolution passed on 28 August 1997 and on 22 January 1998 and on 31 August 1999 and on 9 December 1999 and on 15 August 2001)**



THE COMPANIES ACTS 1929 to 1989

PUBLIC COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

of

ATLANTIC TELECOM GROUP PLC

(Registered No. 20509)

(Adopted by Special Resolutions passed on 9 January 1995 and amended by Special Resolution passed on 28 August 1997 and 22 January 1998 and on 31 August 1999 and on 9 December 1999 and on 15 August 2001)

PRELIMINARY

**Table A not to apply**

1. The regulations contained in Table A in the Schedule to the Companies (Tables A to F) Regulations 1985 (as amended) shall not apply to the Company except insofar as they are repeated or contained in these Articles.

**Definitions and interpretation**

2. In these Articles, unless the context otherwise requires, the words and expressions set out in the first column below shall bear the meanings set out opposite to them in the second column:-

<b>"the Act"</b>	means the Companies Act 1985 as amended and in force from time to time;
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<b>"the Adoption Date"</b>	means the date on which the Ordinary Shares of 5p each in the capital of the Company are admitted to the Official List of the London Stock Exchange being the date on which an announcement is made in accordance with Rule 7.1 of the rules relating to the admission of securities to listing issued by the London Stock Exchange;
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<b>"Affiliates"</b>	means, in relation to a company, its subsidiaries, its holding company and any other subsidiaries of such holding company;
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<b>"these Articles"</b>	means these Articles of Association as altered from time to time;
<b>"the Auditors"</b>	means the auditors for the time being of the Company;
<b>"the Board"</b>	means the board of Directors from time to time of the Company or the Directors present at a duly constituted meeting of the Directors;
<b>"Cable Television Licence"</b>	means either a licence granted by the Cable Authority or a local delivery (transitional) licence granted by the ITC;
<b>"CREST"</b>	means the system to facilitate the settlement of securities in uncertificated form
<b>"the Directors"</b>	means the Directors for the time being of the Company;
<b>"dividend"</b>	includes bonus;
<b>"Group"</b>	means the Company and its subsidiaries (as defined by Section 736 of the Act) from time to time;
<b>"holder" or "member"</b>	means, in respect of any shares of the Company, the person whose name is entered in the Register in respect of those shares;
<b>"ITC"</b>	<i>means the Independent Television Commission;</i>
<b>"Licence"/"Licences"</b>	means a Cable Television Licence and/or a Telecommunications Licence and any other Licence granted by any regulatory authority which has power to regulate the telecommunications, media and satellite business of the Company;
<b>"the London Stock Exchange"</b>	<i>means The International Stock Exchange of the United Kingdom and the Republic of Ireland Limited;</i>
<b>"month"</b>	means calendar month;
<b>"Marconi"</b>	means the General Electric Company plc ("GEC") and , where appropriate, Marconi plc, the successor company to GEC following completion of the GEC scheme of arrangement announced on 11 October 1999 and its Affiliates;

<b>"Network Operating Leases"</b>	means the leases for cable networks of the Company and any member of the Group;
<b>"the Office"</b>	means the registered office for the time being of the Company;
<b>"Ordinary Shares"</b>	ordinary shares in the capital of the Company;
<b>"paid up"</b>	includes credited as paid up;
<b>"Qualifying Interest"</b>	means 10 per cent. or more of the Ordinary Shares in issue for the time being;
<b>"the Register"</b>	means the Register of Members required to be kept by the Company in accordance with the Statutes;
<b>"the Regulations"</b>	means the Uncertificated Securities Regulations 1995
<b>"the Seal"</b>	means any common seal that the Company may be permitted to have under the Statutes;
<b>"Secretary"</b>	includes a deputy or assistant secretary and any person appointed by the Board to perform the duties of the Secretary and further includes joint secretaries or any of them;
<b>"the Securities Seal"</b>	<i>means any official seal that the company may be permitted to have by virtue of Section 40 of the Act;</i>
<b>"the Statutes"</b>	means the Act and every other statute (including any orders, regulations or other subordinate legislation made under it or them) for the time being in force relating to companies and affecting the Company;
<b>"Telecommunications Licence"</b>	means a Licence granted by the Department of Trade and Industry (or any successor body) to operate and use the physical network for the purpose of providing cable television programme and telecommunications services;

<b>"the Transfer Office"</b>	means the place where the Register is situated for the time being;
<b>"the United Kingdom"</b>	means Great Britain and Northern Ireland;
<b>"year"</b>	means calendar year.

The words "subsidiary" and "holding company" shall be construed in accordance with Sections 736 and 736A of the Act and "subsidiary" shall be construed to include "subsidiary undertaking" as that term is defined in Sections 258 and 259 of the Act.

Words importing the singular number only shall be deemed to include the plural, and vice versa.

Words importing the masculine gender only shall be deemed to include the feminine and neuter genders and vice versa.

Words importing individuals shall include bodies corporate or unincorporate.

Expressions referring to writing shall be construed as including references to any method of representing or reproducing words in a legible form.

Headings are for convenience or reference only and shall not affect the construction or interpretation hereof.

Unless otherwise stated, any reference herein to the provisions of any statute shall extend to and include any amendment or re-enactment of or substitution for the same effected by any subsequent statute provided that no modification or re-enactment after the Adoption Date of any statutory provision, instrument, regulation or order in force at that date shall be construed as imposing on any person any greater obligation than would have been the case if the statutory provision, instrument, regulation or order in force at the Adoption Date continued to apply.

A special or extraordinary resolution shall be effective for any purpose for which an ordinary resolution is expressed to be required under any provision of these Articles and a special resolution shall be effective for any purpose for which an extraordinary resolution is expressed to be required under any provision of these Articles.

Subject as aforesaid, and unless the context otherwise requires, word and expressions defined in the Act shall bear the same meanings in these Articles.

## SHARES

### Share capital

4. The share capital of the Company as at the date of adoption of these Articles as the Articles of Association of the Company is \* £12,095,000 divided into 241,900,000 Ordinary Shares of 5p each.  
**\*Increased by Special Resolution dated 28 October 1996 to £20,000,000 divided into 80,000,000 shares of 25p each and further increased by Special resolution dated 10 August 1998 to £30,000,000 divided into 120,000,000 shares of 25p each. Further increased by Special Resolution dated 9 December 1999 to £51,463,196 divided into 205,852,784 shares of 25p each and further increased by Special Resolution dated 7 June 2000 to £76,261,415 divided into 305,045,664 shares of 25p each.**

### Shares to be issued with such rights as the Company determines

5. Subject to the provisions of the Statutes 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 relating to dividend, voting, return of capital or otherwise, as the Company may from time to time by ordinary resolution determine (or, in the absence of any such determination, as the Board may determine). Where the capital of the Company includes shares with different voting rights, the designation of each class of shares other than those with the most favourable voting rights will include the words "restricted voting" or "limited voting" and where the capital of the Company includes shares which do not carry voting rights the designation of such shares will include the words "non-voting".

### Redeemable shares

6. Subject to the provisions of the Statutes, any shares may be issued on the terms that they are to be redeemed or are liable to be redeemed at the option of the Company or the holder thereof on such terms and in such manner as may be provided for by these Articles.

### Company may purchase its own shares

7. Subject to the provisions of the Statutes and to any rights conferred on the holders of any class of shares, the Company may purchase all or any of its own shares of any class, including any redeemable shares.

Every contract for the purchase, by the Company of, or under which the Company may become entitled or obliged to purchase, its own shares shall be authorised by such resolution of the Company as may be required by the Statutes and by an extraordinary resolution passed at a separate general meeting of the holders of each class of shares which, at the date on which the contract is authorised by the Company in general meeting, entitle them, either immediately or at any time in the future, to convert all or any of the shares of that class held by them into equity share

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capital of the Company. Neither the Company nor the Board shall be required to select the shares to be purchased rateably or in any other particular manner as between the holders of shares of the same class or as between them and the holders of shares of any other class or in accordance with the rights as to dividends or capital conferred by any class of shares.

**Financial assistance**

8. The Company shall not give any financial assistance for the acquisition of shares in the Company except and in so far as permitted by the Statutes.

**Shares not to be allotted at a discount**

9. The shares of the Company shall not be allotted at a discount and, save as permitted by the Statutes, shall not be allotted except as paid up at least as to one-quarter of their nominal value and the whole of any premium thereon.

**Company may pay commissions**

10. The Company may exercise the powers of paying commissions conferred by the Statutes to the full extent permitted by, and in accordance with, the Statutes. The Company may also on any issue of shares pay such brokerage as may be lawful.

**Unissued shares at the disposal of the Board**

11. Subject to the provisions of the Statutes, these Articles and to any resolution of the Company in general meeting, all unissued shares (whether forming part of the original or any increased capital) shall be at the disposal of the Board which may allot (with or without granting a right of renunciation), grant options over, offer or otherwise deal with or dispose of them to such persons, at such times and generally on such terms and conditions as it may determine.

**Section 80 authority and disapplication of Section 89**

12. 12.1 Pursuant to and in accordance with Section 80 of the Act, the Company may, by ordinary resolution, generally and unconditionally authorise the Board to exercise for each Section 80 Prescribed Period all the powers of the Company to allot relevant securities up to an aggregate nominal amount equal to the Section 80 amount.
- 12.2 Pursuant to and within the terms of the authority granted pursuant to Article 12.1, the Company may, by special resolution, empower the Board during each Section 89 Prescribed Period to allot equity securities (a) in connection with a rights issue and (b) otherwise than in connection with a rights issue up to an aggregate nominal amount equal to the Section 89 Amount as if Section 89(1) of the Act did not apply to such allotment.

- 12.3 During each Section 80 Prescribed Period and/or Section 89 Prescribed Period the Board by such authority and power may make offers or agreements which would or *might require equity securities or other relevant securities to be allotted after the expiry of such period* and the Board may allot equity securities or other relevant securities in pursuance of such offers or agreements as if such authority and/or power had not expired.
- 12.4 For the purpose of this Article 12:-
- 12.4.1 "rights issue" means an offer of equity securities open for acceptance for a period fixed by the Board to holders of equity securities on the Register on a fixed record date in proportion to their respective holdings of such securities or in accordance with the rights attached thereto (but subject to such exclusions or other arrangements as the Board may deem necessary or expedient in relation to fractional entitlements or legal problems under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory);
- 12.4.2 "Section 80 Prescribed Period" means any period (not exceeding on any occasion 5 years after the date on which the relevant ordinary resolution is passed) for which the authority conferred in the case of Article 12.1 is granted or renewed by ordinary resolution stating the Section 80 Amount and set out in such ordinary resolution;
- 12.4.3 "Section 89 Prescribed Period" means any period (not exceeding on any occasion 15 months after the date on which the relevant special resolution is passed) for which the power conferred in the case of Article 12.2 is granted or renewed by special resolution stating the Section 89 Amount and set out in such special resolution;
- 12.4.4 "the Section 80 Amount" shall for any Section 80 Prescribed Period be the aggregate nominal amount of the relevant securities authorised to be allotted, which is stated in the relevant ordinary resolution;



- 12.4.5 "the Section 89 Amount" shall for any Section 89 Prescribed Period be aggregate nominal amount of the equity securities authorised to be allotted, which is stated in the relevant special resolution;
- 12.4.6 the nominal amount of any securities shall be taken to be, in the case of rights to subscribe for or to convert any securities into shares of the Company, the nominal amount of such shares which may be allotted pursuant to such rights; and
- 12.4.7 words and expressions defined in or for the purposes of Part IV of the Act shall bear the same meanings herein.

**Directors may confer rights of renunciation**

13. The Board may at any time after the allotment of any share but before any person has been entered in the Register as the holder thereof recognise a renunciation thereof by the allottee in favour of some other person and may accord to any allottee of a share a right to effect such renunciation upon and subject to such terms and conditions as the Board may think fit to impose.

**Company may not recognise equitable interests**

14. Except as required by law or pursuant to the provisions of these Articles, no person shall be recognised by the Company as holding any share upon any trust, and (except only as otherwise provided by these Articles or by the Statutes or under an order of a court of competent jurisdiction) the Company shall not be bound by or be compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share or any interest in any fractional part of a share, or any other right in respect of any share, except an absolute right to the entirety thereof in the registered holder.

**WARRANTS**

**Warrants to subscribe for shares**

15. The Company may, subject to the provisions of the Statutes and of these Articles, issue warrants to subscribe for shares of the Company. Such warrants shall be issued upon such terms and subject to such conditions as may be resolved upon by the Directors.

## SHARE CERTIFICATES/UNCERTIFICATED SHARES

### **Issue of share certificates**

16. Every certificate for shares or other securities of the Company and every certificate relating to a participation in an employees' share scheme shall (except to the extent that the terms and conditions for the time being relating thereto otherwise provide) either (i) be issued under the seal (or under a securities seal ) or (ii) bear the signatures of two Directors or of one Director and the Secretary or of two persons authorised to subscribe the certificate on behalf of the Company provided that the Directors may by resolution determine, either generally or in any particular case or cases, that any such signature shall be affixed by some method or system of mechanical signature. Every such certificate shall specify the number, class and distinguishing number (if any) of the shares, warrants, debentures or other securities to which it relates and the amount or respective amounts paid up thereon. No certificate shall be issued representing shares or other securities of more than one class.

### **Joint holders to receive one certificate**

17. In the case of a share held jointly by several persons, the Company shall not be bound to issue more than one certificate therefor and delivery of a certificate to one of the joint holders shall be sufficient delivery to all such holders.

### **Members to receive certificates**

18. Any person (subject as aforesaid) whose name is entered on the Register in respect of any shares of any one class shall be entitled without payment to receive one certificate for all the shares registered in his name or, in the case of shares of more than one class being registered in his name, a separate certificate for each class of shares so registered (in the case of allotment or issue) within one month after allotment (or such longer period as the terms of issue shall provide) or (in the case of a transfer of a fully-paid share) within one month after lodgment of the transfer or (in the case of a transfer of a partly-paid share) within two months after lodgment of the transfer. Where a member transfers part of the shares of any class registered in his name he shall be entitled without payment to one certificate for the balance of shares of that class retained by him. Any two or more certificates representing shares of any one class held by any member may at his request be cancelled and a single new certificate for such shares issued in lieu subject to payment of such reasonable charge (if any) as the Board thinks fit. If any member shall surrender for cancellation a share certificate representing shares held by him and request the Company to issue in lieu two or more share certificates representing such shares in such proportions as he may specify, the Board may, subject to payment of such reasonable charge (if any) as it thinks fit, comply with such request. In the case of shares held jointly by several persons any such request may be made by any of the joint holders.

**Replacement certificates**

19. If a certificate is worn out, damaged or defaced then, upon delivery thereof to the Board, the Board may order the same to be cancelled and may issue a new certificate representing the same shares; and if any certificate is alleged to have been lost, stolen or destroyed, then upon evidence thereof to the satisfaction of the Board and upon such indemnity (with or without security) as the Board deems adequate being given, a new certificate representing the same shares shall be given to the party entitled to such certificate alleged to have been lost, stolen or destroyed. In the case of shares held jointly by several persons any such request shall be made by all of the joint holders.

**Replacement certificates to be issued without payment**

20. Every certificate issued under the last preceding Article shall be issued without payment, save where the Company has in the opinion of the Board incurred exceptional out-of-pocket expenses in connection with the request.

**Uncertificated Shares**

- 20A.1 Notwithstanding anything to the contrary in these Articles, but always subject to the *Uncertificated Securities Regulations 1995* (the "Regulations"), the Directors may resolve that a class of the Company's shares or other securities is to become a participating security in terms of the Regulations and may at any time determine that a class of the Company's shares shall cease to be a participating security.
- 20A.2 Shares of a class shall not be treated as forming a separate class from other shares of that class merely because any such shares are from time to time held in uncertificated form.
- 20A.3 Any share of a class, which is a participating security, may be changed from an uncertificated share to a certificated share, and vice versa, in accordance with and subject to the Regulations.
- 20A.4 For so long as a class of shares remains a participating security, these Articles shall only apply to uncertificated shares of that class to the extent they are consistent with:
- (i) the holding of any shares in uncertificated form;
  - (ii) the transfer of title to any shares by means of the CREST system; and
  - (iii) any provision of the Regulations
- 20A.5 Where the Company is entitled under any provisions of the Statutes or the rules, procedures or practices of any relevant system or under these Articles to dispose of, forfeit, enforce a lien over, or sell or otherwise procure the sale of any shares which are held in uncertificated form, the Directors shall have the power (subject to the extent permitted by the Regulations and the rules, procedures and practices of the relevant system) to take such steps as may be required, by

instruction by means of a relevant system or otherwise, to effect such disposal, forfeiture, enforcement or sale and such powers shall (subject as aforesaid) include the right to;

- (i) request or require the deletion of any computer-based entries in the relevant system relating to the holding of such shares in uncertificated form;
- (ii) *alter such computer-based entries so as to divest the registered holder of such shares of the power to transfer such shares to a person other than the transferee, purchaser or his nominee identified by the Company for this purpose;*
- (iii) require any holder of any uncertificated shares which are the subject of any exercise by the Company of any such entitlement, by notice in writing to the holder concerned, to convert his holding of such uncertificated shares into certificated form within such period as may be specified in the notice prior to completion of any disposal, sale or transfer of such shares or direct the holder to take such steps as may be necessary to sell or transfer such shares; and/or
- (iv) appoint any person to take such steps in the name of the holder of such shares as may be required to effect the transfer of such shares and such steps shall be as effective as if they had been taken by the registered holder of the uncertificated shares concerned.

20A.6 Subject as otherwise provided in these Articles, every person (other than a recognised clearing house or a recognised investment exchange in respect of whom the Company is not by law required to complete and have for delivery a certificate) whose name is entered as a member in the Register in respect of certificated shares shall be entitled, without payment, to receive within two months of lodgement a certificate representing the conversion of a share from uncertificated form into certificated form or within such other period as the terms of the issue shall provide one certificate for all his shares of any one class, or upon payment of such reasonable sum as the Directors may from time to time determine, several certificates, each for one or more of his shares of any one class."

## **EVIDENCE OF TITLE TO SECURITIES**

### **Evidence of title to securities**

21. Nothing in these Articles shall prevent title to any securities of the Company from being evidenced or transferred without a written instrument in accordance with the Statutes and the regulations for the time being of the London Stock Exchange. The Board shall have power to implement any

arrangements it may think fit for such evidencing and transfer which accord with the Statutes and the regulations for the time being of the London Stock Exchange.

### **VARIATION OF RIGHTS**

#### **Sanction by class meetings**

22. If at any time the share capital is divided into different classes of shares, the rights attached to any class may, subject to the provisions of the Statutes, be modified, abrogated or varied either with the consent in writing of the holders of three-fourths in nominal value of the issued shares of that class or with the sanction of an extraordinary resolution passed at a separate general meeting of the holders of the shares of that class and may be so modified, abrogated or varied either while the Company is a going concern or at any time during or in contemplation of winding up.

#### **Provisions applicable to class meetings**

23. To every such separate general meeting the provisions of Sections 369, 370, 376 and 377 of the Act and the provisions of these Articles relating to general meetings and the proceedings thereat shall apply *mutatis mutandis*, so far as applicable, subject to the following provisions, namely:-

23.1 the necessary quorum at any such meeting, other than an adjourned meeting, shall be two persons, present in person or by proxy or a duly authorised representative of a corporate member, holding or representing at least one-third in nominal value of the issued shares of the class in question and at an adjourned meeting shall be one person holding shares of the class in question or his proxy or a duly authorised representative of a corporate member; and

23.2 any holder of shares of the class in question, present in person or by proxy, may demand a poll and on a poll every such holder shall have one vote for every share of that class held by him.

#### **Creation or issue of shares ranking *pari passu***

24. The rights attached to any class of shares shall, unless otherwise expressly provided by the terms of issue of the shares of that class or by the terms upon which such shares are for the time being held, be deemed not to be modified, abrogated or varied by the creation or issue of further shares ranking *pari passu* therewith.

## **ALTERATION OF CAPITAL**

### **Increase of share capital**

25. The Company may from time to time by ordinary resolution increase its share capital by such sum to be divided into shares of such amount as the resolution shall prescribe. All new shares shall be subject to the provisions of the Statutes and of these Articles with reference to allotment, payment of calls, forfeiture, lien, transfer, transmission and otherwise.

### **Consolidation and sub-division of shares**

26. The Company may from time to time by ordinary resolution:-

- 26.1 consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
- 26.2 sub-divide all or any of its share capital into shares of smaller amount than is fixed by the Memorandum of Association and the resolution whereby any share is sub-divided may determine that, as between holders of the resulting shares, one or more of such shares may, as compared with the others, be given such preferred, deferred or other rights or be subject to such restrictions as the Company has power to attach to unissued or new shares; and
- 26.3 cancel any 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.

### **Board may sell fractional entitlements**

27. Subject to any direction by the Company in general meeting, whenever as a result of any consolidation and division or sub-division of shares any members would become entitled to any issued shares of the Company in fractions, the Board may deal with such fractions as it shall determine and in particular may sell the shares to which members would become so entitled in fractions to any person (including, but subject to the provisions of the Statutes, the Company) for the best price reasonably obtainable and pay and distribute to and amongst the members entitled to such shares, in due proportions the net proceeds of the sale thereof. For the purpose of giving effect to any such sale the Board may nominate some person to execute a transfer of the shares sold on behalf of the members so entitled in favour of the purchaser thereof and may cause the name of the purchaser to be entered in the Register as the holder of the shares comprised in any such transfer and he shall not be bound to see to the application of the purchase moneys nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings relating to the sale.

**Reduction of share capital**

28. The Company may by special resolution reduce its share capital, any capital redemption reserve, any share premium account or any other undistributable reserve in any manner and with, and subject to, any incident, authorisation or consent required by law.

**CALLS ON SHARES**

**Board may make calls**

29. The Board may, subject to the terms of allotment thereof, from time to time make such calls upon the members as it thinks fit in respect of any moneys unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and each member shall (subject to receiving at least fourteen days' notice specifying the time or times and place of payment) pay to the Company at the time or times and place so specified the amount called on his shares. A call may be required to be paid in instalments. A call may be revoked or postponed, in whole or in part, as the Board may determine. A person on whom a call is made remains liable for it notwithstanding the subsequent transfer of the shares in respect of which the call is made.

**Call made when resolution passed**

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

**Joint holders to be jointly and severally liable**

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

**Unpaid sums to bear interest**

32. If a sum called in respect of a share is not paid on or before the day appointed for payment thereof, the person from whom the sum is due, shall pay interest on the sum at the rate of fifteen per cent, per annum (or such lower rate as the Board may from time to time determine) from the day appointed for the payment thereof until the time of actual payment thereof. The person from whom the sum is due as aforesaid shall, in addition, reimburse the Company in full in respect of all expenses that may have been incurred by the Company by reason of such non-payment. The Board may, if it shall think fit, waive the payment of such interest and expenses or any part thereof.

**Sums payable on shares to be deemed calls**

33. Any sum (whether on account of the nominal value of the share or by way of premium) which by the terms of issue of a share becomes payable on allotment or any fixed date or by instalments at any fixed date, shall for the purposes of these Articles be deemed to be a call duly made and

payable on the date on which, by the terms of issue, the same becomes payable, and in the case of non-payment, all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.

**Board may differentiate between members**

34. The Board may, on the allotment of shares differentiate between the holders of such shares as to the amount of calls to be paid and the times of payment of such calls.

**Payment in advance of calls**

35. The Board may, if it thinks fit, receive from any member, willing to advance the same, all or any part of the moneys (whether on account of the nominal value of the shares or by way of premium), uncalled and unpaid upon any shares held by him and such payment in advance of calls shall extinguish *pro tanto* the liability upon the shares in respect of which it is made. In respect of all or any of the moneys so paid in advance the Company may (until the same would, but for such advance, become presently payable) pay interest at such rate, not exceeding six per cent per annum, as the Board and the member paying such moneys in advance may agree. No sum paid up in advance of a call shall entitle any member to any portion of a dividend subsequently declared in respect of any period prior to the date upon which such sum would, but for such payment in advance, become payable.

**Tax indemnity**

36. Whenever any law for the time being of any country, state or place imposes or purports to impose any immediate or future or possible liability upon the Company to make any payment or empowers any government or taxing authority or government official to require the Company to make any payment in respect of any shares registered in any of the Company's registers as held either jointly or solely by any member or in respect of any dividends, bonuses or other moneys due or payable or accruing due or which may become due or payable to such member by the Company on or in respect of any shares registered as aforesaid or for or on account or in respect of any member and whether in consequence of:-

36.1 the death of such member;

36.2 the non-payment of any income tax or other tax by such member;

36.3 the non-payment of inheritance tax or any estate, probate, succession, death, stamp, or other duty by the executor or administrator or other legal personal representative of such member or by or out of his estate; or



36.4 any other act or thing;

the Company in every such case:-

36.5 shall be fully indemnified by such member or his executor or administrator or his other legal personal representative from all liability; and

36.6 may recover as a debt due from such member or his executor or administrator or his other legal personal representative wherever constituted or residing any monies paid by the Company under or in consequence of any such law together with interest thereon at the rate of fifteen per cent per annum thereon from date of payment by the Company to date of repayment by the member or his executor or his administrator or his other legal personal representative.

Nothing herein contained shall prejudice or affect any right or remedy which any law may confer or purport to confer on the Company and as between the Company and every such member as aforesaid, his executor, administrator or other legal personal representative and estate wheresoever constituted or situated and any right or remedy which such law shall confer or purport to confer on the Company shall be enforceable by the Company.

#### **FORFEITURE, SURRENDER AND LIEN**

##### **Board may serve notice to pay unpaid calls**

37. If any member fails to pay in full any call or instalment on or before the day appointed for payment thereof, the Board may, at any time thereafter, serve a notice on him requiring him to pay so much of the call or instalment as is unpaid together with any interest which may have accrued and any expenses incurred by the Company by reason of such non-payment.

##### **Notice to state share is liable to be forfeited**

38. The notice shall name a further day (not earlier than the expiration of fourteen days from the date of service of the notice) on or before which, and the place within the United Kingdom where, such call or instalment and such interest and expenses as aforesaid are to be paid. The notice shall also state that in the event of non-payment on or before the day and at the place appointed, the shares in respect of which such call or instalment is payable will be liable to be forfeited.

**Board may resolve that share be forfeited**

39. If the requirements of any such notice as aforesaid are not complied with, the Board may by resolution at any time thereafter but before the payment of all calls or instalments and interest and expenses due in respect thereof has been made, forfeit any share in respect of which such notice has been given. Such forfeiture shall extend to all dividends declared in respect of the shares so forfeited and not actually paid before such forfeiture. Forfeiture shall be deemed to occur at the time of the passing of the said resolution of the Board. The Board may accept a surrender of any share liable to be forfeited hereunder.

**Notice of forfeiture**

40. Any person whose shares have been forfeited or surrendered shall cease to be a member in respect of those shares and such person shall deliver to the Company all share certificates representing the shares so forfeited or surrendered and the Board shall be entitled to cancel such share certificates and, in the event that the shares may be sold, re-allotted or otherwise disposed of in terms of Article 41, shall be entitled to issue a new share certificate in respect thereof. When any share has been forfeited, notice of the forfeiture shall be served upon the person who was, before forfeiture, the holder of the share, or the person entitled to the share by transmission, and an entry of the forfeiture or surrender, with the date thereof, shall forthwith be made in the register, but no forfeiture shall be invalidated by any failure to give such notice or make such entry as aforesaid.

**Forfeited shares to be the property of the Company**

41. A share so forfeited or surrendered shall become and be deemed to be the property of the Company and may be sold, re-allotted or otherwise disposed of to such person (including the person who was before such forfeiture or surrender the holder thereof or entitled thereto) and in such manner and upon such terms, either subject to or discharged from all calls made or instalments due prior to the forfeiture or surrender, as the Board thinks fit; provided that the Company shall not exercise any voting rights in respect of such share. Any such share not disposed of in accordance with the foregoing provision of this Article within a period of three years from the date of its forfeiture or surrender shall thereupon be cancelled in accordance with the provisions of the Statutes. For the purpose of giving effect to any such sale or other disposition the Board may authorise some person to transfer the share so sold or otherwise disposed of to such person as aforesaid.

**Board may annul forfeiture**

42. The Board may, at any time before any share so forfeited or surrendered shall have been cancelled or sold, re-allotted or otherwise disposed of, annul the forfeiture or surrender upon such terms as it thinks fit.

**Forfeiture not to extinguish liability to pay**

43. Any person whose shares have been forfeited or surrendered shall, notwithstanding that he shall have ceased to be member in respect of those shares, remain liable to pay to the Company all moneys which, at the date of the forfeiture or surrender, were presently payable by him to the Company in respect of the shares, together with interest thereon at the rate of fifteen per cent. per annum (or such lower rate as the Board may determine) from the time of forfeiture or surrender until the time of payment, but his liability shall cease if and when the Company shall have received payment in full of all such moneys in respect of the shares, together with interest as aforesaid. The Board may at its absolute discretion enforce payment without any allowance for the value of the shares at the time of forfeiture or surrender or for any consideration received on their disposal or waive payment in whole or in part.

**Company to have first lien on shares**

44. *The Company shall have a first and paramount lien on every share (not being a fully paid share) for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such share; but the Board may at any time waive any lien which has arisen and may declare any share to be wholly or in part exempt from the provisions of this Article. The Company's lien, if any, on a share shall extend to all dividends and other moneys payable thereon.*

**Company may sell shares subject to lien**

45. The Company may sell, in such manner as the Board thinks fit, any share on which the Company has a lien, but no sale shall be made unless a sum in respect of which the lien exists is presently payable, nor until the expiration of fourteen days after a notice in writing, stating, and demanding payment of, the sum presently payable and giving notice of intention to sell in default of such payment, has been given to the holder for the time being of the share or the person entitled thereto by reason of his death or bankruptcy.

**Proceeds of sale to be applied to debt**

46. The net proceeds of any sale pursuant to the preceding Article, after payment of the costs thereof, shall be received by the Company and applied in or towards satisfaction of such part of the amount in respect of which the lien exists as is presently payable. The residue, if any, shall, upon surrender to the Company for cancellation of the certificate for the shares sold, and subject to a like lien for sums not presently payable as existed upon the shares before the sale, be paid to the person entitled to the shares at the time of the sale. For the purposes of giving effect to any such sale the Board may authorise some person to transfer the shares sold to, or in accordance with the directions of, the purchaser.

**Statutory declaration to be evidence of due forfeiture**

47. A statutory declaration in writing that the declarant is a Director or the Secretary of the Company and that a share has been duly forfeited or surrendered or sold to satisfy a lien of the Company on a date stated in the declaration shall be *conclusive evidence of the facts stated therein* against all persons claiming to be entitled to the share. Such declaration together with the share certificate delivered to a purchaser or allottee thereof shall (subject to the execution of an instrument of transfer if the same be required) constitute a good title to the share and the person to whom the share is sold, re-allotted or disposed of shall be registered as the holder of the share and shall not be bound to see to the application of the consideration (if any) nor shall his title to the share be affected by any irregularity or invalidity in the proceedings relating to the forfeiture, surrender, sale, re-allotment or disposal of the share.

**TRANSFER OF SHARES**

**Execution of instruments of transfer**

48. The instrument of transfer of any share in the Company shall be executed by or on behalf of the transferor (and, in the case of a share which is not fully paid, shall also be executed by or on behalf of the transferee) and may be under hand only and the transferor shall be deemed to remain the holder of the share until the name of the transferee is entered in the Register in respect thereof.

**Transfer to be by written instrument**

49. All transfers of shares may be effected by instrument in writing in any usual or common form or any other form which the Board may approve. *Nothing in this Article shall preclude the Board from recognising a renunciation of the allotment of any share by the allottee in favour of some other person.*

**Board may refuse to register transfers of allotments**

50. The Board may, in its absolute discretion and without assigning any reason therefor, refuse to register any transfer of any share which is not a fully paid share unless any such share is listed on the London Stock Exchange. The Board may likewise refuse to register any allotment or transfer of a share, whether fully paid or not, in favour of more than four persons jointly.

**Board may decline to recognise instruments of transfer**

51. The Board may decline to recognise any instrument of transfer unless:-

- 51.1 the instrument of transfer is left at the Transfer Office, or at such other place as the Board may from time to time determine, accompanied by the relevant share certificate(s) representing the shares 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 (and, if the instrument of transfer is executed by some other person on his behalf, the authority of that person so to do); and
- 51.2 the instrument of transfer is in respect of one class of share only; and
- 51.3 the instrument of transfer is duly stamped unless it is a transfer which does not require to be stamped.

All instruments of transfer which are registered may be retained by the Company.

**Board may refuse to register certain transfers - Licence protection**

52. The Board may, in its absolute discretion and without assigning any reason therefor, refuse to register any transfer of any share or warrant in the event that any share or warrant in the Company may be acquired by persons whose holding of any such share (whether directly or indirectly ) might or could be prejudicial to the prospects of any member of the Group:-

- 52.1 being granted any Licence or of obtaining any further Licences;
- 52.2 being granted any Licence extension or any renewal of any Licence; or
- 52.3 continuing to hold any Licence.

The Board may also refuse to register any transfer of any share where any such acquisition may give rise to or cause a variation to be made to any such Licence.

**Request for information and disposals - Licence Protection**

53. 53.1 The Board may make a request for any information from a member of the Company where it appears that such member in holding (whether directly or indirectly) any

share in the Company might or could prejudice the prospects of any member of the Group in:-

- 53.1.1 being granted any Licence or of obtaining any further Licences; or
- 53.1.2 being granted any Licence extension or any renewal of any Licence ;  
or
- 53.1.3 continuing to hold any Licence.

The Board may also request such information from such a member where it appears that the member's holding of any share in the Company may give rise to or cause a variation to be made to any Licence.

If the board makes such a request for information from a member then that member must provide such information as soon as practicable from the date of such request and in any event must do so within 14 days of the date of the request.

- 53.2 If the Board, following the making of any such request for information from any member and such consultation and the provision of such information to the ITC or any other relevant authority as the Board deems appropriate, determines that an interest of any person (a "Relevant Person") in shares of the Company is or may be prejudicial to the continued holding of a Telecommunications Licence or Cable Television Licence or to the grant, renewal or extension of any such licence for which an application is or is intended to be made, the Directors may serve a written notice (a "Disposal Notice") on the Relevant Person or, if different, the holder or holders of such shares requiring a disposal to be made of all or some of those shares to a person not connected with such Relevant Person. If a Disposal Notice is not complied with (or not complied with to the satisfaction of the Board) the Board shall make the required disposal using its reasonable efforts to obtain the best price reasonably obtainable in the circumstances as soon as practicable after the expiration of the Disposal Notice and the Relevant Person appoints the Company as his attorney on his behalf and in his name or otherwise to approve the disposal and execute and sign and deliver any such document required to effect such a disposal. Neither the Company nor the Directors shall be liable to any person for failing to obtain the best price reasonably obtainable provided the Board acted in good faith within the period specified above. The net proceeds of the sale shall be paid (without interest) to the former holder(s) on surrender by such holder(s) of the certificate(s) in respect of the shares sold.

**Voting Rights Pending Disposal**

54. Any shareholder served with a Disposal Notice shall not be entitled to receive notice of, or to attend and vote at, any general meeting of the Company or at any separate class meeting in respect of such number of shares as such shareholder shall have been required to dispose of pursuant to such notice.

**Voting Rights - Failure to comply with request for information**

55. The Board may, in its absolute discretion remove the right to vote from any share prior to the service of a Disposal Notice where a shareholder has failed to comply with a request for information from the Board to enable it to assess whether any of the Group's existing Telecommunications or Cable Television Licences (or any which are to be applied for, renewed or extended) may be prejudiced by the holding of that share or any interest in it or where the Board was given notice to the member that such a prejudicial situation exists in relation to any of its shares.

**Board to notify refusal to register transfers or allotments**

56. If the Board refuses to register a transfer or an allotment it shall within two months after the date on which the instrument or transfer or letter of allotment was lodged with the Company send to the transferee or allottee notice of the refusal and (except in the case of fraud) return to him the instrument of transfer or letter of allotment.

**No fee to be charged for registration of transfers**

57. No fee shall be charged by the Company on the registration of any instrument of transfer, confirmation, probate, letters of administration, certificate of death or marriage, power of attorney, stop notice or other documents or instructions relating to or affecting the title to any shares or otherwise for making any entry in the Register affecting the title to any shares.

**Registration of transfers may be suspended**

58. The registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine and either generally or in respect of any class of shares, provided always that such registration shall not be suspended, either generally or otherwise, for more than thirty days in any year.

**Company may destroy old instruments of transfer and other documents**

59. The Company shall be entitled to destroy:-

- 59.1 any instrument of transfer which has been registered at any time after the expiration of six years from the date of registration thereof;

- 59.2 any dividend mandate or any variation or cancellation thereof or any notification of change of address at any time after the expiration of two years from the date of recording thereof or, as the case may be, the date of such cancellation or cessation;
- 59.3 any share certificate which has been cancelled at any time after the expiration of one year from the date of such cancellation; and
- 59.4 any other document on the basis of which any entry in the Register has been made at any time after the expiration of six years from the date of the first entry in the Register in respect thereof,

and it shall conclusively be presumed in favour of the Company that every entry in the Register purporting to have been made on the basis of an instrument of transfer or other document so destroyed was duly and properly made, that every instrument of transfer so destroyed was a valid and effective instrument duly and properly registered, that every share certificate so destroyed was a valid certificate duly and properly cancelled and that every other document destroyed hereunder was a valid and effective document in accordance with the recorded particulars thereof in the books or records of the Company; provided always that:-

- 59.5 the provisions aforesaid shall apply only to the destruction of a document in good faith and without express notice to the Company that the preservation of such document was relevant to any claim (regardless of the parties thereto);
- 59.6 nothing contained in this Article shall be construed as imposing upon the Company or the Board any liability in respect of the destruction of any such document earlier than as aforesaid or in any case where the conditions of proviso 59.5 above are not fulfilled; and
- 59.7 references in this Article to the destruction of any document include references to its disposal in any manner.

## **TRANSMISSION OF SHARES**

### **Persons recognised as entitled to shares on death of member**

- 60. In the case of the death of a member, the survivor or survivors (where the deceased was a joint holder) and the executors or administrators or any other legal personal representatives of the deceased where he was a sole or only surviving holder, shall be the only persons recognised by the Company as having any title to his interest in the shares, but nothing here contained shall release



the estate of a deceased holder (whether sole or joint) from any liability in respect of any share held by him whether solely or jointly with other persons.

**Personal representatives may elect to be registered as holders**

61. Any person becoming entitled to a share in consequence of the death or bankruptcy of a member or of any other event giving rise to its transmission by operation of law may, upon the production of such evidence as the Board may reasonably require to show his title to the share and subject as hereinafter provided, elect either to be registered himself as holder of the share or to have some person nominated by him registered as the transferee thereof. All the limitations, restrictions and provisions of these Articles relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or bankruptcy of the member or other event giving rise to the transmission by operation of law had not occurred and the notice of transfer were a transfer signed by that member.

**Notice of election to be sent to the Company**

62. If the person so becoming entitled shall elect to be registered himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects. If he shall elect to have another person registered he shall testify his election by executing to that person a transfer of the share.

**Personal representatives to be entitled to dividends**

63. Save as otherwise provided by or in accordance with these Articles, a person becoming entitled to a share by reason of the death or bankruptcy of the holder or of any other event giving rise to its transmission by operation of law shall (upon the production of such evidence as the Board may reasonably require to show his title to the share) be entitled to the same dividends and other advantages as those to which he would be entitled if he were the registered holder of the share, except that he shall not be entitled in respect thereof (save with the consent of the Board) to exercise any right conferred by membership in relation to meetings of the Company or any separate meetings of the holders of any class of shares in the capital of the Company until he shall have been registered as a member in respect of the share. The Board may at any time give notice requiring any such person to elect either to be registered himself or to transfer the share and, if the notice is not complied with within sixty days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the share until the requirements of the notice have been complied with.

## CONVERSION OF SHARES INTO STOCK

### **Ordinary resolution required to convert shares into stock**

64. The Company may from time to time by ordinary resolution convert all or any of its fully paid up shares into stock of the same class as the shares so converted, and reconvert such stock into fully paid up shares of the same class and of any denominations. If and whenever any unissued shares of any class in the share capital of the Company for the time being shall be issued and be fully paid and at that time the shares of that class previously issued shall stand converted into stock, such further shares, upon being fully paid, shall *ipso facto* be converted into stock transferable in the same units as the existing stock of that class.

### **Stock transferable in same manner as shares**

65. The several holders of stock may transfer the same, or any part thereof, in the same manner, and subject to the same regulations, as and subject to which the shares from which the stock arose might, prior to conversion, have been transferred, or as near thereto as circumstances admit.

### **Board may fix minimum transfers of stock**

66. The Board may from time to time fix the minimum amount of stock transferable but so that such minimum shall not exceed the nominal amount of the shares from which the stock arose and it may further direct that only that minimum and multiples thereof shall be dealt in.

### **Holders of stock to have rights as if shareholders**

67. The several holders of such stock, shall according to the amount of stock held by them, and the class thereof, have the same rights, privileges and advantages as regards dividends, voting at meetings of the Company and other matters as if they held the shares from which the stock arose, but no such privilege or advantage (except participation in the dividends and profits of the Company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage. Such of the provisions of these Articles as are applicable to fully paid up shares shall apply to stock and the words "share" and "shareholder" herein shall include "stock" and "stockholder".

## UNTRACED SHAREHOLDERS

### **Company entitled to sell any shares of untraced shareholders**

68. 68.1 The Company shall be entitled to sell any share of a member or any share to which a person is entitled by transmission on death or bankruptcy or any other event giving rise to a transmission by operation of law (such member or other person being

referred to for the purposes of this Article as "the Untraced Shareholder") if and provided that:-

- 68.1.1      *for a continuous period of twelve years no cheque or warrant, sent by the Company through the post in a prepaid letter addressed to the Untraced Shareholder, at his address on the Register or the last known address given by him for the purpose of receiving cheques and warrants, has been cashed and no communication has been received by the Company from the Untraced Shareholder, provided that in such continuous period of twelve years at least three dividends (whether interim or final) in respect of the shares in question have become payable and no such dividend during that period has been claimed; and*
- 68.1.2      *the Company has on or after the expiry of the said period of twelve years, by advertisement in both a national daily newspaper and in a newspaper circulating in the area in which the address referred to in Article 68.1.1 is located, given notice of its intention to sell such share; and*
- 68.1.3      *the Company has not during the further period of three months after the date of publication of the advertisements referred to in Article 68.1.2 (or if published on different dates, the first thereof) and prior to the exercise of the power of sale received any communication from the Untraced Shareholder; and*
- 68.1.4      *the Company has first given notice in writing to the London Stock Exchange of its intention to sell such shares; and*
- 68.1.5      *if during the twelve year period referred to in Article 68.1.1, further shares have been issued to the member in right of those shares held at the beginning of such period or of any shares previously issued during such period and the Company is entitled to sell the shares held at the beginning of the period then, notwithstanding that three dividends have not become payable on such further shares, the Company may also sell those further shares.*

- 68.2 To give effect to any such sale the Board may appoint any person to execute as transferor an instrument of transfer of the said share and such instrument of transfer shall be as effective as if it had been executed by the Untraced Shareholder and the title of the transferee shall not be affected by any irregularity or invalidity in the proceedings relating thereto. The net proceeds of sale shall belong to the Company which shall be obliged to account to the Untraced Shareholder for an amount equal to such proceeds and shall enter the name of the Untraced Shareholder in the books of the Company as a creditor for such amount. No trust shall be created in respect of the debt, no interest shall be payable in respect of the same and the Company shall not be required to account for any money earned on the net proceeds, which may be employed in the business of the Company or invested in such investments (other than shares of the Company or its holding Company if any) as the Board may from time to time think fit.

## **GENERAL MEETINGS**

### **Annual General Meetings**

69. The Company shall in each year hold a general meeting as its Annual General Meeting in addition to any other meetings in that year, and not more than fifteen months shall elapse between the date of one Annual General Meeting of the Company and that of the next. The Annual General Meeting shall be held at such time and place as the Board shall determine.

### **Extraordinary General Meetings**

70. All general meetings other than Annual General Meetings shall be called Extraordinary General Meetings.

### **Convening of Extraordinary General Meetings**

71. The Board may, whenever it thinks fit, convene an Extraordinary General Meeting and Extraordinary General Meetings may also be convened by the Board on the requisition of members pursuant to the provisions of the Statutes or, in default, may be convened by such requisitionists, as provided by the Statutes. General meetings shall in all cases be convened by notice served in accordance with Articles 191 to 197 (inclusive). If at any time there are not within the United Kingdom sufficient Directors capable of acting to form a quorum, the Directors in the United Kingdom capable of acting, or if there are no Directors capable and willing so to act, any two members of the Company may convene an Extraordinary General Meeting in the same manner as nearly as possible as that in which meetings may be convened by the Board.

## NOTICE OF GENERAL MEETINGS

### Notice of meetings

72. An Annual General Meeting and a meeting called for the passing of a special resolution of which special notice is required by the Statutes shall be called by not less than twenty-one days' notice in writing and all other general meetings of the Company shall be called by not less than fourteen days' notice in writing. The notice shall be exclusive of the day on which it is served or deemed to be served and of the day for which it is given or on which the meeting is to be held and shall specify the place, the day and the hour of the meeting and, in the case of special business, the general nature of that business. The notice shall be given in the manner hereinafter mentioned (or in such other manner as may be prescribed by the Company in general meeting) and to such persons as are, under these Articles or under the terms of issue of the shares held, entitled to receive such notices from the Company. There shall appear with reasonable prominence in every such notice a statement that a member entitled to attend and vote is entitled to appoint a proxy or proxies to attend and, on a poll, vote instead of him and that a proxy need not be a member of the Company. A notice calling an Annual General Meeting shall specify the meeting as such and a notice convening a meeting to pass an extraordinary resolution or a special resolution (as the case may be) shall specify the intention to propose the resolution as such.

### Short notice

73. A meeting of the Company shall, notwithstanding that it is called by shorter notice than that specified in the last preceding Article, be deemed to have been duly called (and the business thereat duly transacted) if it is so agreed:-

73.1 in the case of a meeting called as the Annual General Meeting, by all the members entitled to attend and vote thereat; and

73.2 in the case of any other meeting, by a majority in number of the members having a right to attend and vote at the meeting, being a majority together holding not less than ninety-five percent, in nominal value of the shares giving that right.

### Omission to give notice

74. The accidental omission to give notice of a meeting or (in cases where instruments of proxy are sent out with the notice) the accidental omission to send such instrument of proxy to, or the non-receipt of notice of a meeting or such instrument of proxy by, any person entitled to receive such notice shall not invalidate the proceedings at that meeting.

## PROCEEDINGS AT GENERAL MEETINGS

### **Special business**

75. All business that is transacted at an Extraordinary General Meeting shall be deemed special business. All business that is transacted at an Annual General Meeting, with the exception of sanctioning or declaring a dividend, considering and adopting the accounts, balance sheets, and the reports of the Directors and Auditors and any other documents required by law to be attached or annexed to the accounts, appointing or re-appointing Directors to fill vacancies arising at the meeting on retirement (whether by rotation or otherwise) re-appointing the retiring Auditors (unless they were last appointed otherwise than by the Company in general meeting) and the fixing of the remuneration of the Auditors or the determination of the manner in which such remuneration is to be fixed shall be deemed to be special business. In the case of any general meeting at which special business is to be transacted the notice of such meeting shall specify the general nature of such business.

### **Quorum at general meetings**

76. No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business; save as herein otherwise provided, two persons entitled to vote upon the business to be transacted, each being a member present in person or a proxy for a member or a duly authorised representative of a corporate member shall be a quorum. The appointment of the Chairman in accordance with the provisions of these Articles shall not be treated as part of the business of the meeting.

### **Procedure if meeting is inquorate**

77. If within half an hour from the time appointed for the general meeting (or such longer period as the Chairman may think fit) a quorum shall not be present, the meeting, if convened by or upon the requisition of members, shall be dissolved. In any other case, it shall stand adjourned to such time (being not less than fourteen days nor more than twenty-eight days thereafter) and place as may have been specified for such purpose in the notice convening the meeting or (if not so specified) as the Chairman shall appoint. If at such adjourned meeting a quorum shall not be present within half an hour from the time appointed therefor, the member present in person or by proxy, or the person present being a duly authorised representative of a corporate member, and entitled to vote shall have power to decide upon all matters which could properly have been disposed of at the meeting from which the adjournment took place. The Company shall give not less than seven clear days' notice of any meeting adjourned for want of a quorum and the notice shall state that the person present as aforesaid shall form a quorum and shall have the power aforesaid unless notice of the

original meeting specified the time and place of any adjourned meeting and contained a statement that a member present as aforesaid shall form a quorum and have the power aforesaid.

**Chairman of general meetings**

78. The chairman (if any) of the Board or, in his absence, the deputy chairman of the Board (if any) shall preside as chairman ("the Chairman") at every general meeting of the Company. If there be no such chairman or deputy chairman of the Board, or if at any general meeting neither the chairman nor any deputy chairman of the Board is present within fifteen minutes after the time appointed for holding the meeting or if neither such chairman of the Board nor any such deputy chairman is willing to act as the Chairman, the Directors present shall select one of their number to be the Chairman, or if one Director only is present he shall preside as the Chairman if willing so to act. If no Director be present and willing to take the chair the member or members present and entitled to vote shall choose one of their number to be chairman.

**Adjournment**

79. The Chairman may at any time with the consent of any general meeting at which a quorum is present (and shall if so directed by the meeting), adjourn the meeting to another time or place. In addition, the Chairman may at any time without the consent of the meeting adjourn any meeting to another time or place if it appears to him that:-
- 79.1 the number of persons wishing to attend cannot be conveniently accommodated in the place(s) appointed for the meeting; or
- 79.2 the unruly conduct of persons attending the general meeting prevents or is likely to prevent the orderly continuation of its business; or
- 79.3 an adjournment is otherwise necessary so that the business of the meeting may be properly conducted.

No business shall be transacted at any adjourned meeting other than business left unfinished at the meeting from which the adjournment took place.

**Notice of adjourned meetings**

80. The provisions of this Article apply in the case of an adjournment other than by reason of the absence of a quorum. When a general meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of the original meeting. When a general meeting is adjourned for more than fourteen days but less than thirty days, notice of the day, time and place of the adjourned meeting shall be placed in at least two national daily newspapers in the United

Kingdom and notice of the business to be transacted at such an adjourned meeting shall not be required.

**No notice of adjourned meetings generally required**

81. Save as expressly provided for in these Articles, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting whatever the reason for the adjournment.

**Meetings at more than one place**

82. 82.1 The provisions of this Article shall apply if any general meeting is to be convened at or is adjourned to more than one place.
- 82.2 The notice of such a meeting or adjourned meeting shall specify the place ("the Specified Place") at which the *Chairman shall preside and the Board shall make arrangements for simultaneous attendance and participation by the members at the Specified Place and at such other places as it in its absolute discretion considers appropriate, provided that persons attending at any particular place shall be able to see and hear and be seen and heard by means of audio-visual links by persons attending at the other places at which the meeting is held.*
- 82.3 The Board may from time to time make such arrangements for the purpose of controlling the level of attendance at any such place (whether involving the issue of tickets or the imposition of some geographical or regional means of selection or otherwise) as it shall in its absolute discretion consider appropriate, and may from time to time vary any such arrangements or make new arrangements in place of them. A member who by virtue of any provision in this Article, is not entitled to attend in person or by proxy at any particular place, shall be entitled so to attend at one of the other places. The entitlement of any member so to attend the meeting or adjourned meeting at such place shall be subject to any such arrangements for the time being in force and, by the notice of the general meeting or adjourned meeting, stated to apply to the meeting.
- 82.4 For the purposes of all other provisions of these Articles any such meeting shall be treated as being held at the Specified Place.
- 82.5 If a meeting is adjourned to more than one place, notice of the adjourned meeting shall be given notwithstanding any other provision of these Articles.



**Amendment of resolutions**

83. In the case of a resolution duly proposed as a special or extraordinary resolution no amendment thereto (other than an amendment to correct a patent error) may be considered or voted upon. In the case of a resolution duly proposed as an ordinary resolution no amendment thereto (other than an amendment to correct a patent error) may be considered or voted upon unless, at least forty-eight hours prior to the time appointed for holding the general meeting or adjourned meeting at which such resolution is to be proposed, notice in writing of the terms of the amendment and intention to move the same has been lodged at the Office.

**Improper ruling out of amendment not to invalidate proceedings**

84. If an amendment shall be proposed to any resolution under consideration but shall in good faith be ruled out of order by the Chairman, the proceedings on the substantive resolution shall not be invalidated by any error in such ruling.

**Votes at general meetings**

85. At any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands) demanded:-

85.1 by the Chairman; or

85.2 by at least two members present in person (which expression shall include a person present as a duly authorised representative of a corporate member) or by proxy and entitled to vote; or

85.3 by any member or members present in person or by proxy and representing in aggregate not less than one-tenth of the total voting rights of all the members having the right to vote at the meeting; or

85.4 by a member or members holding shares in the Company 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 shares conferring that right.

Unless a poll is so demanded and the demand has not been withdrawn, a declaration by the Chairman that a resolution has on a show of hands been carried, or carried unanimously, or by a particular majority, or not carried by a particular majority, or lost and an entry to that effect in the book containing the minutes of the proceedings of the Company shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution.

**Procedure on a poll**

86. Except as provided in these Articles, if a poll is duly demanded it shall be taken in such manner (including the use of ballot or voting papers or tickets) as the Chairman directs and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. The Chairman may (and if so directed by the meeting shall) appoint scrutineers and may adjourn the meeting to some place and time fixed by him for the purpose of declaring the result of the poll.

**Chairman to have casting vote**

87. 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 second or casting vote.

**Timing of polls**

88. A poll demanded on the election of the Chairman or on the question of an adjournment shall be taken forthwith. A poll demanded on any other question shall be taken either immediately or at such subsequent time (not being more than thirty days after the date of the meeting or adjourned meeting at which the poll is demanded) and place as the Chairman may direct. No notice need be given of a poll not taken immediately.

**Procedure pending polls**

89. Any business other than that upon which a poll has been demanded may be proceeded with pending the taking of the poll.

**Demand for a poll may be withdrawn**

90. The demand for a poll may be withdrawn with the consent of the Chairman. If a demand for a poll is withdrawn, the result of a show of hands declared before the demand was made shall remain valid.

**VOTES OF MEMBERS**

**Voting rights of members**

91. Subject to any rights or restrictions for the time being attached to any class or classes of shares on a show of hands every member who is present in person (which expression shall include a person present as a duly authorised representative of a corporate member) shall have one vote, and on a poll, every member present as aforesaid or represented by proxy shall have one vote for each share of which he is the holder.

**Votes of joint holders**

92. 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; and for this purpose seniority shall be determined by the order in which the names stand in the Register in respect of the share.

**Votes on behalf of members with unsound minds**

93. A member in respect of whom an order has been made by any court having jurisdiction (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 curator bonis/receiver or other person authorised in that regard appointed by such court, and such curator bonis/receiver or other person may, on a poll, vote by proxy. Evidence to the satisfaction of the Board of the authority of the person claiming the right to vote shall be deposited at the Office, or at such other place, as is specified in accordance with these Articles for the deposit of instruments of proxy, not less than forty-eight hours before the time appointed for holding the meeting or adjourned meeting at which the right to vote is to be exercised and in default the right to vote shall not be exercisable.

**No right to vote where sums overdue**

94. No member shall, unless the Board otherwise determines, be entitled, in respect of any share in the capital of the Company held by him, to be present or to vote on any question, either in person or by proxy, at any meeting, or upon any poll, or to be reckoned in a quorum, or to exercise any other right or privilege conferred by membership in relation to meetings of the Company if any call or other sum presently payable by him to the Company in respect of such share remains unpaid.

**Suspension of rights where non-disclosure of interest**

95. 95.1 If any member, or any other person appearing to be interested in shares held by such member, has been duly served with a notice ("a Statutory Notice") under Section 212 of the Act and is in default for the prescribed period in supplying to the Company the information thereby required, then the Board may in its absolute discretion at any time thereafter by notice ("a Direction Notice") to such member or any such person direct that, in respect of the shares in relation to which the default occurred and any other shares held by the member in question ("Default Shares"), the member shall not (nor shall any transferee to which any of such shares are transferred, other than pursuant to an approved transfer (as defined in Article 90.5.3 below) be entitled to be present or to vote at any general meeting or meeting of the holders of any class of

shares of the Company either personally or by proxy (or, in the case of a corporation, by a duly authorised representative).

95.2        *The Company shall send to each other person appearing to be interested in the shares the subject of any Direction Notice a copy of the Direction Notice, but the failure or omission by the Company to do so shall not invalidate such Direction Notice.*

95.3.       Where the Default Shares represent at least one-quarter per cent of the issued shares of the class concerned as at the date of the Direction Notice, then the Direction Notice may additionally direct that, until the Statutory Notice has been complied with in all respects:-

95.3.1       any cash dividend or other moneys or money's worth which would otherwise be payable in respect of the Default Shares shall be retained by the Company without any liability to pay interest thereon when such moneys are finally paid to the member and the member shall not be entitled to exercise the rights conferred by Article 176, but any dividend or money withheld shall be paid immediately following receipt by the Company of the information required by the Statutory Notice; and/or

95.3.2       no transfer, other than an approved transfer (as defined in Article 95.5.3), of any of the shares held by such member shall be registered unless:-

95.3.2.1       the member is not himself in default as regards supplying the information required; and

95.3.2.2       the transfer is of part only of the member's holding and, when presented for registration, is accompanied by a certificate given by the member in a form satisfactory to the Board 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 which are the subject of the transfer.

95.4 Any Direction Notice shall have effect in accordance with its terms until seven days after the earlier of:-

95.4.1 *receipt by the Company of notice that the Default Shares have been transferred by such member by means of an approved transfer (as defined in Article 95.5.3); and*

95.4.2 due compliance, to the satisfaction of the Board, with the Statutory Notice.

The Directors may at any time give notice cancelling a Direction Notice. If, while any of the restrictions referred to in this Article apply to a Default Share, another share is allotted in right of it, the same restrictions shall apply to that share as if it were a Default Share.

95.5 For the purposes of this Article:-

95.5.1 a person shall be treated as appearing to be interested in any shares if the member holding such shares has given to the Company notice under Section 212 of the Act which either (a) names such person as being so interested or (b) fails to establish the identities of those interested in the shares and (after taking into account the said notice and any other relevant Section 212 notice) the Company knows or has reasonable cause to believe that the person in question is or may be interested in the shares;

95.5.2 the prescribed period in respect of any particular member is 14 days after date of service of the Statutory Notice; and

95.5.3 a transfer of shares is an approved transfer if, but only if:-

95.5.3.1 it is a transfer of shares to an offeror by way of or in pursuance of acceptance of a take-over offer for a company (as defined in Section 428 of the Act); or

95.5.3.2 the Board is satisfied that the transfer is made pursuant to a sale of the whole of the beneficial ownership of the shares to a *bona fide* party unconnected with a member

and with other persons appearing to be interested in such shares; or

- 95.5.3.3 it results from a sale through a recognised investment exchange (as defined in Section 207 of the Financial Services Act 1986) or any stock exchange outside the United Kingdom on which the Company's shares are normally traded.

- 95.6 Nothing contained in this Article limits the powers of the Board under Section 216 of the Act.

#### **Objections to qualification of voters**

96. No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered and every vote not disallowed at such meeting shall be valid for all purposes. Any such objection made in due time shall be referred to the Chairman, whose decision shall be final and conclusive.

#### **Casting of votes on a poll**

97. On a poll, votes may be given personally or by proxy and 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.

#### **Instruments of proxy**

98. The instrument appointing a proxy shall be in writing in any usual or common form or any other form which the Board may approve, signed by the appointor or by his attorney duly authorised in writing, or if the appointor is a corporation, either under seal or signed by an officer or attorney duly authorised. The signature on such instrument need not be witnessed and may (if applicable) be under hand.

#### **Proxy need not be a member**

99. A proxy need not be a member of the Company. A member may appoint more than one proxy to attend on the same occasion provided that he may appoint only one proxy in respect of the same shares. In the event that two or more proxies have been appointed in respect of the same shares, the one which is deposited at the office (or at such other place as specified pursuant to Article 100) last in time shall, and shall be deemed to, replace and revoke those proxies deposited earlier in time. If such proxies are deposited simultaneously then they shall be invalid. The deposit of an instrument of proxy shall not preclude a member (duly entitled) from attending, and voting in person at the meeting or any adjournment thereof.

**Deposit of proxy**

100. An instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a copy certified in accordance with the Powers of Attorney Act 1971 of that power or authority shall be deposited at the Office, or at such other place (if any) within the United Kingdom as is specified for that purpose in or by way of note to the notice convening the meeting, not less than forty-eight hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll taken more than forty-eight hours after it is demanded or in the case of an adjourned meeting to be held more than forty-eight hours after the time fixed for holding the original meeting, shall be deposited at the Office (or at such other place as may be specified aforesaid) at least twenty-four hours before the time appointed for the taking of the poll or, as the case may be, the time fixed for holding the adjourned meeting, or, in the case of a poll taken otherwise than at or on the same day as the meeting or adjourned meeting at which it is demanded but taken forty-eight hours or less after it is demanded, or, in the case of an adjourned meeting to be held forty-eight hours or less after the time fixed for holding the original meeting, shall be delivered at the meeting at which the poll is demanded or, as the case may be, at the original meeting, to the Chairman or to the Secretary or to any Director or as directed at the meeting by the Chairman, and in default the instrument of proxy shall not be treated as valid.

**Expiry of proxies**

101. An instrument appointing a proxy shall, unless the contrary is stated thereon, be valid as well for any adjournment of the meeting to which it relates. No instrument of proxy shall be valid after the expiration of twelve months from the date of its execution except at an adjourned meeting or on a poll demanded at a meeting or adjourned meeting in cases where the meeting was originally held within twelve months from that date.

**Proxy to confer authority to demand a poll**

102. The instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll but shall not confer any further right to speak at the meeting except with the permission of the Chairman.

**Notice of cessation of proxy's authority to be given to the Company**

103. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the principal or revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the share or shares in respect of which the proxy is given, provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the Company at the Office or such other place (if any) as is specified for depositing the instrument of proxy before the commencement of the meeting or adjourned meeting or the holding of a poll subsequently thereto at which such vote is given.

**Written resolutions of members**

104. Subject to the provisions of the Statutes, a resolution in writing signed by all the members for the time being entitled to receive notice of and to attend and vote at general meetings (or being corporations by their duly authorised representatives) shall be as valid and effective as if the same had been passed at a general meeting of the Company duly convened and held, and may consist of one or more documents in like form each signed by one or more of the members.

**Corporate representatives**

105. Any corporation which is a member of the Company may by resolution of its directors or other governing body authorise such person as it thinks fit to act as its representative at any general meeting of the Company or at any meeting of the holders of any class of shares in the capital of the Company and the person so authorised shall be entitled to exercise the same powers on behalf of the corporation which he represents as that corporation could exercise if it were an individual member of the Company and the corporation 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 thereat and the Board shall be entitled but not bound to require evidence of such authorisation.

**DIRECTORS**

**Number of Directors**

106. Unless and until the Company in general meeting shall otherwise determine, the number of Directors shall not be more than 12 nor less than 4.

**No Directors' shareholding qualification**

107. A Director shall not be required to hold any shares in the capital of the Company.

**Directors to receive notice of meetings of shareholders**

108. A Director who is not a member shall nevertheless be entitled to receive notice of and to attend and speak at all general meetings of the Company and all separate meetings of the holders of any class of shares in the capital of the Company or other securities of the Company.

**Directors who are seventy years old or over**

109. The provisions of Section 293 of the Act (which regulate the appointment and continuation in office of Directors who have attained the age of seventy) shall apply to the Company.



**Other offices and shareholdings**

110. A Director may be or continue as or become a director or other officer, employee or member of, or otherwise interested in, any company promoted by the Company or in which the Company may be interested as shareholder or otherwise, and no such Director shall be accountable to the Company for any remuneration or other benefits received or receivable by him as a director or other officer, employee or member of, or from his interest in, such other company.

**Directors' remuneration**

111. The Directors (other than Directors holding an executive office of, and/or employed under a contract of service by, the Company or any of its subsidiaries) shall be paid, out of the funds of the Company, by way of fees for their services as Directors, such sums (if any) as the Board may from time to time determine (not exceeding in aggregate the amount of £55,000 or such larger amount as the Company may by ordinary resolution determine) and such remuneration shall be divided between the Directors as the Board shall agree or, failing agreement, equally. Such remuneration shall be deemed to accrue from day to day.

**Directors' expenses**

112. The Directors may also be paid all reasonable travelling, hotel and other expenses properly incurred by them in attending and returning from meetings of the Board or any committee of the Board or general meetings of the Company or any separate meeting of the holders of any class of shares in the capital of the Company or other securities of the Company or otherwise in connection with the business of the Company.

**Remuneration for special services**

113. Any Director who is appointed to any executive office or who serves on any committee or who devotes special attention to the business of the Company, or who otherwise performs services which, in the opinion of the Board, are outside the scope of the ordinary duties of a Director may be paid such extra remuneration by way of salary, percentage of profits or otherwise as the Board may determine.

**Registers of Directors' interests**

114. The Company shall in accordance with the provisions of the Statutes duly keep a register showing, in respect of each Director, interests of his in shares in, or debentures of, the Company or any other body corporate, being a subsidiary or holding company of the Company or a subsidiary of the Company's holding company.

## **ALTERNATE DIRECTORS**

### **Power to appoint alternate Directors**

115. Each Director shall have the power at any time to appoint as an alternate Director either (i) another director or (ii) any other person approved for that purpose by a resolution of the Board or the written consent of a majority of the Directors, and, at any time, to terminate such appointment. Every appointment and removal of an alternate Director shall be in writing signed by the appointor and (subject to any approval required) shall (unless the Board agrees otherwise) only take effect upon receipt of such written appointment or removal at the Office. An alternate Director shall not be required to hold any shares in the capital of the Company and shall not be counted in reckoning the maximum and minimum number of Directors allowed or required by these Articles.

### **Alternate Directors not entitled to remuneration**

116. An alternate director so appointed shall not be entitled as such to receive any remuneration from the Company (except only 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) but shall otherwise be subject to the provisions of these Articles with respect to Directors. An alternate Director shall during his appointment be an officer of the Company and shall not be deemed to be an agent of his appointor.

### **Notice to be given to alternate Directors**

117. An alternate director shall (subject to his giving to the Company an address within the United Kingdom at which notices may be served upon him) be entitled to receive notices of all meetings of the Board and of any committee of the Board of which his appointor is a member and to attend and vote as a Director at any such meeting at which his appointor is not personally present and generally in the absence of his appointor to perform and exercise all functions, rights, powers and duties of his appointor as Director, and to receive notice of all general meetings and all separate meetings of the holders of any class of shares in the capital of the Company or other securities of the Company.

### **Termination of authority of alternate Directors**

118. The appointment of an alternate Director shall automatically determine on the happening of any event which, if he were a Director, would cause him to vacate such office, or if his appointor shall cease for any reason to be a Director otherwise than by retiring and being reappointed at the same meeting.

**Votes of alternate Directors**

119. 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 in addition to his own vote (if any) as a Director, but shall count as only one for the purpose of determining whether a quorum is present.

**BORROWING POWERS**

**Directors may exercise all borrowing powers of the Company**

120. 120.1 Subject as hereinafter provided, the Board may exercise all the powers of the Company to borrow money and to mortgage or charge its undertaking, property and assets (both present and future) and uncalled capital, or any part thereof, and, subject to the provisions of the Statutes and these Articles, 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.
- 120.2 The Board shall restrict the borrowings of the Company and exercise all voting and other rights or powers of control exercisable by the Company in relation to its subsidiaries (if any) so as to secure (so far, as regards subsidiaries, as by such exercise it can secure) that the aggregate principal amount for the time being remained undischarged of all monies borrowed by the Group (which expression in this Article means and includes the Company and its subsidiaries for the time being and the phrase "Company in the Group" shall be construed accordingly) exclusive of borrowings by one member of the Group from another, together with any fixed or minimum premium payable on final redemption or repayment thereof (or, in the case of an index-linked stock or other index-linked obligation, the highest amount that would be repayable thereon under the provisions of the instrument constituting or regulating such stock or obligation if such stock or obligation were to be redeemed on the date on which the calculation falls to be made) after deducting the amount of cash deposited, shall not at the time of borrowing, without the previous sanction of an ordinary resolution of the Company in general meeting, exceed the greater of £400 million pounds sterling and a sum equal to four times the Adjusted Total of capital and Reserves ("the Borrowing Limit") provided that to the extent that any excess has been caused by currency changes, there shall be no breach of this Article until the expiry of 6 months from the time when such excess came to the notice of the Board.

120.3 For the purpose of this Article, "Balance Sheet" means the published audited balance sheet of the Company unless, as at the date to which audited accounts incorporating such balance sheets are made up, the Company shall have a subsidiary or subsidiaries, in which event "Balance Sheet" means the published audited consolidated balance sheet of the Group as at that date (provided that, if at that date, the Company has a subsidiary or subsidiaries and an audited consolidated balance sheet of the Group has not been prepared as at that date and published, "Balance Sheet" shall mean an audited consolidated balance sheet of the Group prepared by the Company as at such date and reported on by the Auditors as having been properly prepared and the date of publication of such consolidated balance sheet shall be taken to be the date of such report by the Auditors), and references in Article 120.4 to reserves and profit and loss account shall be deemed to be references to consolidated reserves and consolidated profit and loss account respectively, as disclosed by such consolidated balance sheet.

120.4 For the purposes of this Article, "the Adjusted Total of Capital and Reserves" means the aggregate of:-

120.4.1 the amount paid up or credited as paid up on the issued share capital of the Company; and

120.4.2 the amounts standing to the credit of any of the capital or revenue reserves of the Group (including, without limitation, any share premium account, warrant reserve, capital reserve, capital redemption reserve, revaluation or other reserve) and any credit balance on the *profit and loss account*,

all as shown in the latest Balance Sheet but:-

120.4.3 adjusted in respect of any variation in the paid up share capital, share premium account, warrant reserve or capital redemption reserve since the date to which that Balance Sheet was made up and so that for this purpose if any issue or proposed issue of shares by the Company for cash has been underwritten then such shares shall be deemed to have been issued and the amount (including any premium of the subscription moneys) payable in respect thereof (not later than 6 months from the date of allotment) shall to the extent so underwritten be deemed to have been paid up on the date when the issue of such

shares was underwritten (or, if such underwriting was conditional, on the date when it became unconditional);

- 120.4.4 *adjusted in respect of any subsidiary which was not a subsidiary at the date of the Balance Sheet but which would be a subsidiary if the latest Balance Sheet were prepared at the relevant time (and as if such time were the end of the Company's financial year) and/or any subsidiary which was a subsidiary at the date of the latest Balance Sheet but would no longer be so if the Balance Sheet were to be prepared at such relevant time;*
- 120.4.5 *adjusted in respect of any variation in the interest of the Company in any company in the Group since the date of the Balance Sheet;*
- 120.4.6 *deducting any debit balance on the profit and loss account or other reserve account at the date to which that Balance Sheet is made up;*
- 120.4.7 *deducting the gross amount of any distributions (other than distributions made out of profits earned since the date to which that Balance Sheet is made up and distributions to another company in the Group) in cash or specie made since that date and not provided for in that Balance Sheet;*
- 120.4.8 *deducting a sum equivalent to the book value of any intangible assets (excluding goodwill ("Purchased Goodwill") purchased and arising on the acquisition of businesses and shares in companies and which for this purpose means the difference between the consideration paid and the net tangible assets of the business or companies acquired) as shown in the latest Balance Sheet;*
- 120.4.9 *adding back sums equivalent to that part of Purchased Goodwill which, as at the date of the calculation, has been written off against reserves but after deducting from that part of Purchased Goodwill an amount equal to the cumulative amortisation in respect of such part of Purchased Goodwill as at such relevant date (such amortisation being calculated on the basis of the useful economic life of the relevant part of the Purchased Goodwill); and*

- 120.4.10 adding the sum equivalent to the estimated value as set out in the notes to the annual audited accounts of the Company from time to time of the amount required to prepay in full the Network Operating Leases and all interests, costs and expenses incurred thereon.
- 120.5 For the purpose of this Article 120, "moneys borrowed" shall be deemed to include but shall not be restricted to:-
- 120.5.1 the principal amount for the time being outstanding of any debentures (as defined in Section 744 of the Act) together with any fixed or minimum premium payable on final redemption or repayment thereof (or, in the case of an index-linked stock or other index-linked obligation, the highest amount that would be repayable thereon under the provisions of the instrument constituting or regulating such stock or obligation if such stock or obligation were to be redeemed on the date on which the calculation falls to be made) notwithstanding that the same be issued in whole or in part for a consideration other than cash;
- 120.5.2 the nominal amount of any issued share capital and the principal amount of any debentures or borrowings, the beneficial interest wherein is not for the time being owned by a company in the Group and the redemption or repayment whereof is for the time being guaranteed or secured or the subject of an indemnity by the Company or any of its subsidiaries (except to the extent that the amount so guaranteed or secured or the subject of an indemnity otherwise falls to be included as "moneys borrowed"), together in either case with any fixed or minimum premium payable on final redemption or repayment (or, in the case of an index-linked stock or other index-linked obligation, the highest amount that would be repayable thereon under the provisions of the instrument constituting or regulating such stock or obligation if such stock or obligation were to be redeemed on the date on which the calculation falls to be made);
- 120.5.3 all amounts outstanding of acceptances under any acceptance credit or similar arrangement opened by a bank or acceptance house on behalf of and in favour of the Company or any of its subsidiaries excluding

acceptances of trade bills relating to goods purchased in the ordinary course of trading;

- 120.5.4 *all amounts outstanding under or in respect of any instrument creating or evidencing indebtedness in the nature of borrowing;*
- 120.5.5 *all amounts recoverable from the Company or any subsidiary in respect of bills discounted other than contingent sums which the Auditors certify as being unlikely to become payable in the foreseeable future;*
- 120.5.6 *the nominal amount of any share capital, not being equity share capital (as defined in Section 744 of the Act), of a subsidiary not for the time being in the beneficial ownership of a company in the Group;*
- 120.5.7 *any fixed amount in respect of a finance lease payable by the Company or any of its subsidiaries which is or would be shown as an obligation in the Balance Sheet (as if the Balance Sheet were prepared at the relevant time and in accordance with the accounting principles used in the preparation of the latest Balance Sheet) and for this purpose "finance lease" means a contract between a lessor and any company in the Group as lessee or sub-lessee where substantially all the risks and rewards of the ownership of the asset leased or sub-leased are to be borne by the lessee or sub-lessee;*

provided that:

- 120.5.8 *moneys borrowed by a partly-owned subsidiary (excluding any amount for the time being owing to the Company or any of its subsidiaries) shall be deemed to be reduced by an amount equal to the minority proportion of such moneys borrowed and the minority proportion of moneys borrowed by the Company or any of its subsidiaries from a partly-owned subsidiary of the Company, which might otherwise fall to be excluded, shall nevertheless be included; "minority proportion" shall mean the proportion of the issued equity share capital of a partly-owned subsidiary which is not owned by a company in the Group,*

but "moneys borrowed" shall exclude:

- 120.5.9 any amounts borrowed by the Company or any of its subsidiaries for the purpose of repaying, within six months of the date on which such amounts were borrowed, all or part of any moneys borrowed (other than referred to in this Article 120.5.9) by any company in the Group, provided that such amounts borrowed are applied for that purpose within such period;
- 120.5.10 amounts payable under any hire-purchase agreement, credit sale agreement, operating lease or similar agreement which is not a finance lease for the purposes of Article 120.5.7 above; and
- 120.5.11 sums which fall to be treated as moneys borrowed of any company in the Group by reason only of any current statement of standard accounting practice or other accountancy principle or practice.
- 120.6 In computing the amounts to be taken into account in terms of this Article, an amount which could be counted as a borrowing by more than one company in the Group shall in no case be so counted for the purpose of the Borrowing Limit. Any such amount shall be treated (so far as it is possible and practical so to do) as follows:
- 120.6.1 as moneys borrowed by the Company or a wholly owned subsidiary of the company rather than as moneys borrowed by a partly-owned subsidiary of the Company; and
- 120.6.2 as between two or more partly-owned subsidiaries of the Company as moneys borrowed by that subsidiary in which the minority proportion is smallest.
- 120.7 For the purpose of calculating the aggregate amount of all moneys borrowed, any amount expressed in a currency other than sterling shall be translated into sterling at the latest establishable rate of exchange ruling in London prior to the date on which the calculation falls to be made (and so that for that purpose the rate of exchange shall be taken as the spot rate of any bank (being an institution authorised under the Banking Act 1987) in London, approved by the board, at 11.00 a.m., London time, on the date on which such latest rate of exchange can be established) and, for the purpose of calculating the amount of the Adjusted Total of Capital and Reserves, any amount so expressed in a currency other than sterling shall be translated into sterling at the rate of exchange used for the purposes of the relevant Balance Sheet.



- 120.8 For the purposes of this Article, where, under the terms on which moneys are borrowed, the amount of money that would be required to discharge the principal amount in full if it fell to be repaid (at the option of the borrower or by reason of default) on the date at which the Borrowing Limit is being calculated is less than the amount that would otherwise be taken into account in respect of such borrowing for the purpose of this Article, the amount of the moneys borrowed shall be, and be deemed to be, the lesser amount.
- 120.9 Notwithstanding any other provision of these Articles, the Borrowing Limit shall be deemed not to have been breached until the aggregate amount of moneys borrowed has exceeded the Borrowing Limit for thirty consecutive days.
- 120.10 The certificate or report of the Auditors as to the amount of the Adjusted Total of Capital and Reserves or as to the Borrowing Limit or as to the aggregate amount of moneys borrowed falling to be taken into account for the purposes of or as to compliance with the Borrowing Limit at any particular time shall be conclusive evidence of such amount or fact for the purposes of this Article 120.
- 120.11 No lender or other person dealing with the Company or any of its subsidiaries shall be concerned to see or inquire whether the said limit is observed and no debt incurred or security given in excess of such limit shall be invalid or ineffectual except in the case of express notice to the lender or the recipient of the security at the time when the debt was incurred or security given that the said limit has been or would thereby be exceeded.

## **POWERS AND DUTIES OF DIRECTORS**

### **Business to be managed by the Board**

- 121 The business of the Company shall be managed by the Board, which may exercise all such powers of the Company as are not, by the Statutes or by these Articles, required to be exercised by the Company in general meeting, subject, nevertheless, to the provisions of these Articles and of the Statutes, and to such resolutions (being not inconsistent with any provisions of these Articles and of the Statutes) as may be passed by the Company in general meeting; provided that no resolution of the Company in general meeting or amendment to these Articles shall invalidate any prior act of the Board which would have been valid if such resolution had not been passed or such amendment made. The general powers conferred upon the Board by this Article shall not be deemed to be

abridged or restricted by any specific power conferred upon the Board by any other Article or resolution of the Company.

**Board may award pensions to employees**

- 122 The Board may exercise all the powers of the Company to provide or pay pensions, annuities, gratuities and superannuation or other allowances or benefits to any persons who are, or have at any time been, directors of, or employed by or in the service of, the Company or any of its subsidiaries, or of any holding company of the Company or of any other subsidiary of such holding company or of any company which is allied or associated with the Company or any such subsidiary or holding company or subsidiary of such holding company (in each case whether past or present) and to the wives, widows, children and other relatives and dependants of any such persons and may establish, maintain, support, subscribe to and contribute to all kinds of schemes, trusts and funds (whether contributory or non-contributory) for the benefit of such persons as are hereinbefore referred to or any of them or any class of them, and so that any Director shall be entitled to receive and retain for his own benefit any such pension, annuity, gratuity, superannuation or other allowance or benefit (whether under any such fund or scheme or otherwise).

**Local boards and agencies**

- 123 The Board may make such arrangements as it thinks fit for the management and transaction of the Company's affairs in the United Kingdom and elsewhere and may from time to time and at any time establish any local boards or agencies for managing any of the affairs of the Company in any specified locality, and may appoint any persons to be members of such local board, or any managers or agents, and may fix their remuneration. The Board may from time to time, and at any time, delegate to any person so appointed any of the powers, authorities and discretions for the time being vested in the Board (other than the powers of borrowing and of making calls and forfeiting shares), with power to sub-delegate, and may authorise the members for the time being of any such local board, or any of them, to fill up any vacancies therein, and to act notwithstanding vacancies, and any such appointment or delegation may be made on such conditions as the Board may think fit, and the Board may at any time remove any person so appointed, and may annul or vary any such delegation.

**Use of "Director" in a designation or title**

- 124 The Board may appoint any person to any office or employment having a designation or title including (without limitation) the words "Regional Director" or "Director of" or attach to any existing office or employment with the Company such a designation or title and may terminate any

such appointment or the use of any such designation or title. The inclusion of the words "Regional Director" or "Director of" (or similar words) in the designation or title of any such office or employment shall not imply that the holder is a Director of the Company, nor shall the holder thereby be empowered in any respect to act as, or be deemed to be, a Director of the Company for any of the purposes of these Articles, nor shall he be entitled to attend or be present at any meeting of the Board or of any committee thereof unless the Board shall require him to be in attendance.

#### **Powers of attorney**

- 125 The Board may from time to time and at any time by power of attorney appoint any company, firm or person or body of persons, whether nominated directly or indirectly by the Board, to be the attorney or attorneys of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Board under these Articles) and for such period and subject to such conditions as it may think fit, and any such power of attorney may contain such provisions for the protection and convenience of persons dealing with any such attorney as the Board may think fit, and may also authorise any such attorney to sub-delegate all or any of the powers, authorities and discretions vested in him. The Board may remove any person appointed under this Article and may revoke or vary the power granted hereunder.

#### **Dominion or branch registers**

- 126 The Company may exercise the powers conferred upon the Company by the Statutes with regard to the keeping of a dominion register or a branch register, and the Board may (subject to the provisions of the Statutes) make and vary such regulations as it may think fit in respect of the keeping of any such register.

#### **Directors' interests, permitted interests and voting**

- 127 127.1 Subject to the provisions of the Statutes, a Director may be a party to or in any way interested in any contract, arrangement, transaction or proposal to which the Company is a party or in which the Company is in any way interested and he may hold and be remunerated (in addition to any other remuneration provided for by, or payable pursuant to, these Articles) in respect of any office or place of profit (other than the office of Auditor of the Company or any of its subsidiaries) under the Company or any of its subsidiaries and he (or any firm in which he is a member) may act in a professional capacity for the Company or any of its subsidiaries and be remunerated therefor (in addition to any other remuneration provided for, or payable pursuant to, these Articles). Subject to the provisions of the Statutes and save as therein provided, no such contract, arrangement, transaction or proposal entered into by or on behalf of the Company in which any Director or person connected with him

is in any way interested, whether directly or indirectly, shall be liable to be avoided, nor shall any Director who enters into any such contract, arrangement, transaction or proposal or who is so interested be liable to account to the Company for any profit realised by any such contract, arrangement, transaction or proposal by reason of such Director holding that office or of the fiduciary relationship thereby established, provided that he shall declare the nature of his interest in accordance with the Statutes.

127.2        *Save as herein provided, a Director shall not vote on any resolution concerning any contract, arrangement, transaction or any other proposal whatsoever in which he has an interest which (together with any interest of any person connected with him within the meaning of Section 346 of the Act) is a material interest otherwise than by virtue of his interest in shares or debentures or other securities of or otherwise in or through the Company. A Director shall not be counted in the quorum at a meeting in relation to any resolution on which he is debarred from voting.*

127.3        Subject to the Statutes, a Director shall (in the absence of some material interest other than is indicated below) be entitled to vote (and be counted in the quorum) in respect of any resolution concerning any of the following matters, namely:-

127.3.1       the giving of any guarantee, security or indemnity in respect of money lent or obligations incurred by him or by any other person at the request of, or for the benefit of, the Company or any of its subsidiaries;

127.3.2       the giving of any guarantee, security or indemnity in respect of a debt or obligation of the Company or any of its subsidiaries for which he himself has assumed responsibility in whole or in part under a guarantee or indemnity or by the giving of security;

127.3.3       any contract, arrangement, transaction or proposal concerning an offer of shares or debentures or other securities of or by the Company or any of its subsidiaries for subscription or purchase in which offer he is, or may be entitled to participate as a holder of securities or as a participant in the underwriting or sub-underwriting thereof;

127.3.4       any contract, arrangement, transaction or proposal concerning any other company in which he does not hold an interest in shares (as that term is used in Part VI of the Act) representing one per cent or more of

either any class of the equity share capital or of the voting rights available to members of the relevant company;

127.3.5 any contract, arrangement, transaction or proposal concerning or relating to a pension, superannuation or similar scheme or retirement, death or disability benefits scheme or employees' share scheme which does not award him any privilege or benefit not awarded to the employees to whom such scheme relates; and

127.3.6 any proposal concerning the purchase and/or maintenance of any insurance policy for the benefit of Directors or for the benefit of persons including Directors.

127.4 A Director shall not vote or be counted in the quorum on any resolution concerning his own appointment as the holder of any office or place of profit with the Company or any company in which the Company is interested including fixing or varying the terms of his appointment or the termination thereof. In the case of an alternate Director, an interest of his appointor shall be treated as an interest of the alternate Director in addition to any interest which the alternate Director would otherwise have.

127.5 Where proposals are under consideration concerning the appointment (including fixing or varying the terms of appointment) of two or more Directors to offices or employment with the Company or any company in which the Company is interested, such proposals may be divided and considered in relation to each Director separately *and in such cases each of the Directors concerned (if not debarred from voting under Article 122.3) shall be entitled to vote (and be counted in the quorum) in respect of each resolution except that concerning his own appointment.*

127.6 If any question shall arise at any meeting as to the materiality of a Director's interest or as to the entitlement of any Director to vote and such question is not resolved by his voluntarily agreeing to abstain from voting, such question shall, in the case of any Director other than the Chairman, be referred to the Chairman and, in the case of the Chairman himself, such question shall be determined by a ruling of the Directors present (excluding the Chairman who shall not vote) and such ruling in relation to any Director or the Chairman (as the case may be) shall be final and conclusive except in a case where the nature or extent of the interests of the Director concerned or the Chairman have not been fairly disclosed.

- 127.7 Subject to the provisions of the Statutes, the Company may by special resolution suspend or relax the provisions of this Article to any extent or ratify any transaction *not duly authorised by reason of a contravention of this Article.*

**Exercise of voting rights**

- 128 The Board may exercise or procure the exercise of the voting rights conferred by the shares in any other company held or owned by the Company, and may exercise any voting rights to which the Directors are entitled as directors of such other company, in such manner as it shall in its absolute discretion think fit, including the exercise thereof in favour of any resolution appointing one or more of the Directors as directors, officers or employees of such other company, and fixing their remuneration as such, and may vote as Directors of the Company in connection with any of the matters aforesaid.

**Cheques and other instruments**

- 129 All cheques, promissory notes, drafts, negotiable instruments, and other bills of exchange, and all receipts for moneys paid to the Company, shall be signed, drawn, accepted, endorsed or otherwise executed, as the case may be, in such manner as the Board shall from time to time determine.

**Board minutes to be kept**

- 130 The Board shall cause minutes to be made in books provided for the purpose:-

- 130.1 of all appointments of officers made by the Board;
- 130.2 of the names of the Directors present at each meeting of the Board and of any committee of the Board;
- 130.3 of all resolutions and proceedings at all meetings of the Company, the Board and committees of the Board.

It shall not be necessary for Directors present at any meeting of the Board or committee of the Board to sign their names in the Minute Book or other book kept for recording attendance. Any such minute as aforesaid, if purporting to be signed by the Chairman or the chairman of the Board (as the case may be) of the meeting at which the proceedings took place, or by the chairman of the next succeeding meeting, shall be receivable as *prima facie* evidence of the matters stated in such minutes without any further proof.

## DISQUALIFICATION OF DIRECTORS

### Disqualification of Directors

- 131 The office of a Director shall be vacated in any of the following events, namely:-
- 131.1 if he ceases to be a Director by virtue of the Statutes (including, without limitation Section 293 of the Act);
  - 131.2 if he becomes bankrupt or has a receiving order made against him or if he makes any arrangement or composition with his creditors generally;
  - 131.3 if he becomes prohibited by law from acting as a Director by virtue of the Statutes including, without limitation, by reason of any order made under Section 1 of the Company Directors Disqualification Act 1986;
  - 131.4 if in Scotland or elsewhere an order is made by any court claiming jurisdiction in that respect of the ground (however formulated) of mental disorder for his detention or for the appointment of a *curator bonis* or guardian or receiver or other person to exercise powers with respect to his property or affairs or (provided that the Board resolves that he be so removed) if he becomes of unsound mind;
  - 131.5 if he resigns his office by notice in writing under his hand to the Company or offers in writing under his hand to resign and the Board resolves to accept such offer;
  - 131.6 if not having leave of absence from the Board, he and his alternate (if any) fail to attend the meetings of the Board for six successive months, unless prevented by illness, unavoidable accident or other cause which may seem to the Board to be sufficient, and the Board resolves that his office be vacated;
  - 131.7 if he is requested in writing by all his co-Directors to resign.

## ROTATION OF DIRECTORS

### Number to retire by rotation

- 132 At the first Annual General Meeting of the Company following the Adoption Date and at every subsequent Annual General Meeting of the Company one-third of the Directors for the time being, or, if their number is not three or a multiple of three, then the number nearest to but not less than

one-third, shall retire from office. A Director retiring at a meeting shall retain office until the dissolution of such meeting.

**Identity of Directors to retire**

- 133 The Directors to retire in any year under Article 132 shall be those who have been longest in office since their last election, but, as between persons who became Directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by lot. A retiring Director shall be eligible for re-election.

**Filling rotation vacancies**

- 134 If, at any general meeting at which an election of Directors ought to take place, the place of any Director retiring by rotation is not filled up, then, subject to any resolution reducing the number of Directors in office, such retiring Director shall, if willing, continue in office until the dissolution of the Annual General Meeting in the next year, and so on from year to year until his place is filled up, unless a resolution for his re-election shall have been put to the meeting and lost.

**APPOINTMENT & REMOVAL OF DIRECTORS**

**Resolutions to appoint Directors**

- 135 A single resolution for the appointment of two or more persons as Directors shall not be put at any general meeting, unless a resolution that it shall be so put has first been agreed to by the meeting without any vote being given against it.

**Persons eligible as Directors**

- 136 No person other than a Director retiring at the general meeting or a person recommended by the Directors shall be eligible for election or re-election to the office of Director at any general meeting unless not less than seven and not more than forty-two days before the date appointed for the meeting there shall have been left at the Office (or such other place as specified pursuant to Article 100) notice in writing, signed by a member duly qualified to attend and vote at such meeting, of his intention to propose a resolution for the appointment of such person for election, and also notice in writing signed by that person of his willingness to be elected.

**Changes to the number of Directors**

- 137 The Company may from time to time by ordinary resolution increase or reduce the number of directors then in office and may also determine in what rotation the increased or reduced number is to retire from office.



**Power of the Board to fill casual vacancies**

- 138 The Board shall have power at any time and from time to time, to appoint any person to be a Director of the Company, either to fill a casual vacancy or as an addition to the existing Directors, but so that the total number of Directors shall not at any time exceed the maximum number, if any, fixed by or pursuant to these Articles. Any Director so appointed must retire from office at, or at the end of the next following Annual General Meeting, at which time he shall be eligible for re-election but shall not be taken into account in determining the Directors who are to retire by rotation at such meeting.

**Power of the Company to remove Directors**

- 139 The Company may by ordinary resolution, of which special notice has been given in accordance with the provisions of the Statutes, remove any Director before the expiration of his period of office notwithstanding anything in these Articles or in any agreement between the Company and such Director. Such removal shall be without prejudice to any claim such Director may have for damages for breach of any contract of service between him and the Company.

**Power of the Company to appoint Directors**

- 140 The Company may by ordinary resolution appoint another person in place of a Director removed from office under the immediately preceding Article, and, without prejudice to the powers of the Board under Article 139, the Company in general meeting may appoint any person to be a Director either to fill a casual vacancy or as an additional Director. A person appointed in place of a Director so removed or to fill such a vacancy shall be subject to retirement at the same time 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.

**Power of Marconi to appoint, remove and replace Directors**

- 140A Notwithstanding Articles 135 to 140, for so long as Marconi holds not less than a Qualifying Interest, Marconi shall have the right to appoint one person, who is so willing to act, as a Director and to remove and replace any Director so appointed by Marconi.
- 140B Any appointment, removal and/or replacement of a Director pursuant to Articles 140A shall be effected by notice to the Company signed by or on behalf of Marconi. A notice shall be left at or sent by post or facsimile transmission to the office or such other place designated by the Board for the purpose. The appointment, removal and/or replacement shall take effect immediately on deposit of notice in accordance with these Articles or on such date (if any) specified in the notice.
- 140C On any vote or resolution of the Company to remove or replace any Director appointed pursuant to or to amend Article 140A, Marconi shall have an aggregate of twice the aggregate number of votes

cast (on a show of hands or by proxy) in favour of such vote or resolution by or on behalf of all members other than Marconi.

## **PROCEEDINGS OF DIRECTORS**

### **Proceedings at Board Meetings**

- 141 The Board may meet together for the despatch of business, adjourn and otherwise regulate its meetings, as it thinks fit, and determine the quorum necessary for the transaction of business. Until *otherwise determined two Directors shall constitute a quorum. Questions arising at any meeting* shall be decided by a majority of votes. In case of an equality of votes, the chairman of the Board shall have a second or casting vote. A Director may, and the Secretary on the requisition of a Director shall, at any time summon a meeting of the Board. Notwithstanding the provisions of Article 143, it shall not be necessary to give notice of a meeting of the Board to a Director who is not within the United Kingdom.

### **Meetings by telephone conference**

- 142 All or any of the members of the Board or any committee of the Board may participate in a meeting of the Board or that committee by means of a conference telephone or any communication equipment which allows all persons participating in the meeting to hear and communicate with each other simultaneously and provided two or more Directors are participating as aforesaid such meeting shall be quorate and, subject to the provisions of these Articles, the meeting shall constitute a meeting of the Board or a committee of the Board, as the case may be. A person so participating shall be deemed to be present in person at the meeting and shall be entitled to vote or be counted in a quorum accordingly. 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 or the relevant committee then is.

### **Notice of Board meetings**

- 143 Notice of a Board meeting shall be deemed to be duly given to a Director if it is given to him personally or by word of mouth or sent in writing to him at his last known address or any other address given by him to the Company for this purpose. Subject to Article 141, 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 his last known address or any other address given by him to the Company for this purpose, whether or not outside the United Kingdom.

### **Directors may act notwithstanding vacancies**

- 144 The continuing Directors or sole continuing Director may act notwithstanding any vacancy in their number, but, if and so long as their number is reduced below the number fixed by or pursuant to

these Articles as the necessary quorum of Directors, the continuing Directors or sole continuing Director may act for the purpose of increasing the number of Directors to that number, or of summoning a general meeting of the Company, but for no other purpose.

**Board may elect a chairman**

- 145 The Board may elect a chairman of its meetings and determine the period for which he is to hold office; but if no such election is made, or if at any meeting the chairman of the Board is not present within fifteen minutes after the time appointed for holding the same, the Directors present shall choose one of their number to be the chairman of the Board for the purposes of such meeting only.

**Board may delegate powers to committees**

- 146 The Board may delegate any of its powers (with power to sub-delegate) to committees consisting of such member or members of the Board as it thinks fit and may revoke or vary any such delegation. Any committee so formed shall in the exercise of the powers so delegated conform to any regulations that may be imposed on it by the Board. Save as aforesaid, the meetings and proceedings of a committee consisting of more than one Director shall be governed by the provisions of these Articles regulating the proceedings and meetings of the Board.

**Defects in appointments**

- 147 All acts done by any meeting of the Board or of a committee of the Board or by any person acting as a Director shall, notwithstanding that it be afterwards discovered that there was some defect in the appointment or continuance in office of any such Director or person acting as aforesaid, or that they or any of them were or was disqualified from holding office or not entitled to vote, or had in any way vacated their or his office, be as valid as if every such person had been duly appointed or had duly continued in office and was qualified and had continued to be a Director, and was entitled to vote.

**Written resolutions of Directors**

- 148 A resolution in writing, signed or approved by letter, facsimile, telegram or telex by all the Directors for the time being entitled to receive notice of a meeting of the Board, shall be as valid and effective for all purposes as a resolution of the Board passed at a meeting duly convened and held, and may consist of one or more documents in like form each signed or approved by one or more of the Directors, provided that such a resolution need not be signed or approved by an alternate Director if it is signed by the Director who appointed him

## **MANAGING AND EXECUTIVE DIRECTORS**

### **Board may appoint Managing and Executive Directors**

- 149 Subject to the provisions of the Statutes, the Board may from time to time appoint one or more of their body to the office of Managing Director or to hold such other executive office in relation to the management of the business of the Company as it may decide, for such period and on such terms as it thinks fit, and, subject to the terms of any service contract entered into in any particular case and without prejudice to any claim for damages such Director may have for breach of any such service contract, may revoke such appointment.

### **Remuneration of Managing and Executive Directors**

- 150 The salary or remuneration of any Managing Director or such Executive Director of the Company shall, subject as provided in any contract, be such as the Board may from time to time determine, and may either be a fixed sum of money, or may altogether or in part be governed by the business done or profits made, and may include the making of provisions for the payment to him, his widow or other dependants, of a pension on retirement from the office or employment to which he is appointed and for the participation in pension and life assurance benefits, or may be upon such other terms as the Board determines.

### **Powers conferred on Managing and Executive Directors**

- 151 The Board may entrust to and confer upon a Managing Director or such Executive Director any of the powers exercisable by it (with power to sub-delegate) upon such terms and conditions and with such restrictions as it may think fit, and either collaterally with or to the exclusion of its own powers, and may from time to time revoke, withdraw, alter or vary all or any of such powers.

## **SECRETARY**

### **Secretary appointed by the Board**

- 152 Subject to the provisions of the Statutes, the Secretary shall be appointed by the Board and on such terms and subject to such conditions and for such period as it thinks fit. Any Secretary so appointed may at any time be removed from office by the Board, but without prejudice to any claim for damages for breach of any contract of service between him and the Company. If thought fit two or more persons may be appointed as joint secretaries. The Directors may similarly appoint from time to time one or more Deputy Secretaries.

**Persons who may not act as Secretary**

153 No person shall be appointed or hold office as Secretary who is:-

153.1 the sole Director of the Company; or

153.2 a corporation, the sole director of which is the sole Director of the Company; or

153.3 the sole director of a corporation which is the sole Director of the Company.

**Persons may not act in dual capacity**

154 A provision of the Statutes or these Articles requiring or authorising a thing to be done by or to a Director and the Secretary shall not be satisfied by its being done by or to the same person acting both as Director and as, or in place of, the Secretary.

**SEAL AND SECURITIES SEAL**

**Board vested with power to use official seals**

155 The Company may exercise the powers conferred by the Statutes with regard to having an official seal for use abroad and the powers conferred by Section 40 of the Act with regard to the Securities Seal and, in each case, such powers shall be vested in the Board.

**Use of seals**

156 The Board shall provide for the safe custody of the Seal and the Securities Seal, and neither shall be used without the authority of the Board or of a committee of the Board authorised by the Board in that behalf or by way of approval in a letter, facsimile, telegram, telex or by telephone by a majority of the Directors or of the members of the relevant committee of the Board. Every instrument to which the Seal shall be affixed shall be signed autographically by one Director and the Secretary or by two Directors or otherwise subscribed in accordance with the Statutes save that as regards any certificates for shares or debentures or other securities of the Company the Board may by resolution determine that such signatures or either of them shall be dispensed with or affixed by some method or system of mechanical signature provided that nothing in this Article shall require any certificates for shares or debentures to be sealed if neither the Statutes nor the regulations for the time being of the London Stock Exchange require such certificates to be sealed.

**Documents deemed to be executed under seal**

157 Where the Statutes so permit, any instrument signed by the Director and the Secretary or by two Directors or otherwise subscribed in accordance with the Statutes and expressed to be executed by the Company shall have the same effect as if executed under the Seal, provided that no instrument

shall be so signed which makes it clear on its face that it is intended to have effect as a deed without the authority of the Board or of a committee authorised by the Board in that behalf.

**Use of Securities Seal**

- 158 The Securities Seal shall be used only for sealing securities issued by the Company and documents creating or evidencing securities so issued. Any such securities or documents sealed with the Securities Seal shall not require to be signed:

**AUTHENTICATION OF DOCUMENTS**

**Power to authenticate documents**

- 159 Any Director or the Secretary or any person appointed by the Board for the purpose shall have power to authenticate any document affecting the constitution of the Company and any resolutions passed by the Board, and any books, records, documents and accounts relating to the business of the Company and to certify copies thereof or extracts therefrom as true copies or extracts. A document purporting to be a copy of a resolution, or the extract from the minutes of a meeting of the Company or the Board which is certified as aforesaid shall be conclusive evidence in favour of all persons dealing with the Company upon the faith thereof that such resolution has been duly passed or, as the case may be, that any minute so extracted is a true and accurate record of proceedings at a duly constituted meeting.

**RESERVES**

**Board may carry profits to reserve**

- 160 The Board may, before recommending any dividend, set aside out of the profits of the Company and carry to reserve or reserves such sums as it thinks proper which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the Company may properly be applied, and pending such application may, at the like discretion, either be employed in the business of the Company or be invested in such investments as the Board thinks fit. The Board may divide the reserve fund into such separate accounts as it thinks fit, and may consolidate in one fund any separate accounts or any parts of any separate accounts into which the reserve may have been divided as it thinks fit. The Board may also, without placing the same to reserve, carry forward any profits which it may think prudent not to distribute. In carrying sums to reserve and in applying the same the Board shall comply with the provisions of the Statutes.

## **DIVIDENDS**

### **Company may declare dividends**

- 161 The Company may by ordinary resolution declare dividends, but no dividends shall exceed the amount recommended by the Board.

### **Interim dividends**

- 162 If and so far as in the opinion of the Board the profits of the Company justify such payments, the Board may declare and pay the fixed dividends on any class of shares carrying a fixed dividend expressed to be payable on fixed dates on half-yearly or other dates prescribed for the payment thereof and may also from time to time pay interim dividends on shares of any class of such amounts and on such dates and in respect of such periods as the Board thinks fit.

### **Dividends to be paid proportionately to amounts paid up on shares**

- 163 Subject to the rights of persons entitled to shares with any priority, preference or special rights as to dividend, all dividends shall be declared and paid according to the amounts paid up on the shares in respect whereof the dividend is paid, but no amount paid up on a share in advance of calls shall be treated for the purpose of this Article as paid upon on the shares. All dividends shall be apportioned and paid proportionately to the amount paid up on the shares during any portion or portions of the period in respect of which the dividend is paid. If any share is issued on terms providing that it shall rank for dividend as if paid up in full or in part from a particular date, whether past or future, such share shall rank for dividend accordingly.

### **Dividends to comply with the Statutes**

- 164 No dividend or interim dividend shall be paid otherwise than in accordance with the provisions of the Statutes.

### **Treatment of certain profits and income**

- 165 Subject to the provisions of the Statute, where any asset, business or property is bought by the Company as from a past date the profits and losses thereof as from such date may at the discretion of the Board in whole or in part be carried to the profit and loss account and treated for all purposes as profits or losses of the Company. Subject as aforesaid, if any shares or securities are purchased *cum* dividend or interest, such dividend or interest may at the discretion of the Board be treated as revenue, and the Board shall not be obliged to capitalise the same or any part thereof.

### **Distribution of specific assets**

- 166 Any general meeting declaring a dividend may, upon the recommendation of the Board, direct payment of such dividend wholly or in part by the distribution of specific assets and, in particular,

the distribution of paid up shares or debentures of any other company, and the Board shall give effect to such direction. Where any difficulty arises in regard to such distribution, the Board may settle the same as it thinks expedient and in particular may issue fractional certificates and fix the value for distribution of such specific assets or any part thereof and may determine that cash payments shall be made to any member upon the footing of the value so fixed in order to adjust the rights of all parties (and secure, so far as practicable, equality of distribution), and may vest any such specific assets in trustees upon such trusts as the Board may deem expedient.

#### **Payment of dividends**

- 167 All dividends and interest shall belong and be paid (subject to any lien of the Company) to those members whose names shall be on the Register at the date at which such dividends shall be declared or at the date on which such interest shall be payable or at the Record Date (as defined in Article 175) (as the case may be) notwithstanding any subsequent transfer or transmission of shares. The Company may pay any dividend, interest or other moneys payable in cash in respect of shares by direct debit, bank transfer, cheque, dividend warrant or money order and may remit the same by post directed to the registered address of the holder or person entitled thereto (or, if two or more persons are registered as joint holders or are entitled thereto in case of the death or bankruptcy of the holders to any one of such persons) or to such person and to such address as such members or such person or persons may in writing direct, and the Company shall not be responsible for any loss of any such cheque, warrant or order, which shall be sent at the risk of the persons entitled to the money thereby. Every such cheque, warrant or order shall be made payable to the person entitled thereto, or to such person as the holder or joint holders or person or persons entitled to the share in case of the death or bankruptcy of the holder may in writing direct, and the payment of such cheque, warrant or order upon whom it is drawn shall be a good discharge to the Company. If any such cheque, warrant or order has or shall be alleged to have been lost, stolen or destroyed, the Board may, at the request of the person entitled thereto, issue a replacement cheque, warrant or order subject to compliance with such conditions as to evidence and indemnity and the payment of such out-of-pocket expenses incurred by the Company in connection with the request as the Board may think fit. Any one of two or more joint holders of a share or any one of two or more persons entitled jointly to a share in consequence of the death or bankruptcy of the holder, may give effectual receipts for any dividends or other moneys payable or property distributable in respect of the share. If on two consecutive occasions cheques, warrants or orders in payment of dividends or other moneys payable in respect of any share have been sent through the post in accordance with the provisions of this Article but have been returned undelivered or left uncashed during the periods for which the same are valid or following one such occasion, reasonable enquiries have failed to establish any new address for the member or other person entitled thereto, the Company need not thereafter despatch further cheques or warrants in payment of dividends or other moneys payable



in respect of the share in question until the member or other person entitled thereto shall have communicated with the Company and supplied in writing to the Office an address for the purpose.

**Dividends payable in foreign currency**

- 168 Any dividend or interim dividend may be paid in the currency in which it is declared or resolved or in such other currency as the Board considers appropriate.

**No dividend to bear interest**

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

**Board may deduct moneys owed from dividends**

- 170 The Board may deduct from any dividend, or other moneys payable to any member (either alone or jointly with another) on or in respect of a share, all sums of money (if any) presently payable by him to the Company on account of calls or otherwise in relation to shares of the Company.

**Board may apply dividend in satisfaction of a debt**

- 171 Without prejudice to the provisions of the foregoing Article, the Board may retain any dividend or other moneys payable on or in respect of a share on which the Company has a lien and may apply the same in or towards satisfaction of the debts, liabilities or engagements in respect of which the lien exists.

**Board may retain dividends until election on transmission is made**

- 172 The Board may retain the dividends payable upon shares in respect of which any person is, under the provisions of these Articles as to transmission of shares, entitled to become a member or entitled to transfer those shares, until such person shall have become a member in respect of such shares or have elected to transfer and have transferred the same.

**Waiver of dividend**

- 173 The waiver in whole or in part of any dividend on any share by any document (whether or not under seal) shall be effective only if such document is signed by the registered holder thereof (or the person entitled to the share in consequence of the death or bankruptcy of the holder) and delivered to the Company and if and to the extent that the same is accepted as such or acted upon by the Company.

**Board may invest unclaimed dividends**

- 174 All dividends, interest or other sums payable unclaimed for one year after having been declared may be invested or otherwise made use of by the Board for the benefit of the Company until claimed.

**Forfeiture of dividends unclaimed for twelve years**

- 175 The payment of any unclaimed dividend, interest or other sum payable by the Company on or in respect of any share into a separate account shall not constitute the Company a trustee thereof and any dividend unclaimed for a period of twelve years after the date such dividend becomes due for payment shall be forfeited and shall revert to the Company.

**Share dividend plans**

- 176 176.1 The Board may, with the prior sanction of an ordinary resolution of the Company and subject to the provisions of this Article, operate a plan or plans for the benefit of the holders of shares under which the Board may offer such holders one or more of the following options, in such manner and on such terms and conditions as the Board may think fit;

176.1.1 the right to elect to receive additional shares of the same class credited as fully paid in lieu of receiving the net cash amount due to them in respect of all or any part of any dividend declared or payable on all or any part of their holdings of shares, on the terms and conditions of any such plan; or

176.1.2 in lieu of accepting the net cash amount due to them in respect of all or any part of any dividend declared or payable on all or any part of their holdings of shares, the right to elect either to invest such cash in subscribing for unissued shares of the same class in the capital of the Company payable in full or by instalments, or in paying up in full or by instalments any partly paid or unpaid shares of the same class issued by the Company and held by them from time to time, on the terms and conditions of any such plan; or

176.1.3 any other option in respect of the whole or any part of any dividend on all or any shares held by them as the Board may in its absolute discretion determine.

The ordinary resolution shall confer the said power on the Board in respect of all or part of a particular dividend or in respect of all or any dividends (or any part of such dividends) declared or paid within a specified period.

- 176.2 The Board shall notify holders of shares of the terms and conditions of any such plan applicable to them and shall make available to or provide such holders with forms of election (in such form as the Board may approve) whereby such holders may exercise any rights under any such plan. The Board may determine that an election by a holder may be specified, or must be specified, to be a continuous mandate which need not be renewed annually or otherwise, and shall take effect until the mandate is revoked by the holder, in accordance with any procedure decided upon from time to time by the Board.
- 176.3 Each holder of shares who elects to receive or subscribe for additional shares of the same class shall be entitled to receive or subscribe such whole number of additional shares, valued at the Issue Price (as defined below) for each share and ignoring any fraction of an additional share, as is as nearly as possible equal to (but not in excess of) the net cash amount of the dividend which such holder would otherwise have received, provided that the number of such additional shares so valued may, with the prior sanction of an ordinary resolution of the Company, exceed such cash amount. For the purpose of this Article the "Issue Price" of an additional share shall either be such price as is equal to the average of the middle market quotations for the shares of the same class of the Company as derived from the Daily Official List of the London Stock Exchange during the period of five dealing days commencing on the day when such shares are first quoted "ex-dividend" or to the par value of a share (whichever is the higher) or shall be calculated in such other manner as may be determined by or in accordance with the ordinary resolution. A certificate or report by the Auditors as to the amount of the Issue Price in respect of any dividend, if required by the terms of the ordinary resolution or obtained for any other reason, shall in the absence of manifest error be conclusive evidence of that amount.
- 176.4 Following election by the holders of shares in accordance herewith, the Board shall appropriate out of such of the sums standing to the credit of any of the Company's reserves (including any share premium account, capital redemption reserve or any other undistributable reserve) or any of the profits of the Company available for distribution in accordance with the Statutes an amount equal to the aggregate nominal value of the number of shares required to be allotted to such holders who have given notice of election as aforesaid and shall apply such amount in paying up in full such number of additional shares. The power conferred under this Article and by any authority given by the members shall not be exercised unless the Company shall then have, in order to give effect to the terms of any plan under which shares are to

be allocated other than for cash, sufficient profits available for distribution or reserves or funds standing to the credit of an appropriate account. The obligation of the Board to make such appropriation in respect of the shares of a particular member shall be subject to the right of the Board under these Articles to retain any dividend or other moneys payable on or in respect of the shares of such member.

- 176.5 The shares so allotted credited as fully paid shall not be entitled to participate in the dividend then being declared or paid but shall in all other respects rank *pari passu* with the fully paid shares of the same class then in issue.
- 176.6 The Board may on any occasion determine that the rights of election hereunder shall be subject to such exclusions or other arrangements as the Board may deem necessary or expedient in relation to legal or practical problems under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory. In addition, the Board may, in its absolute discretion, suspend or terminate any plan which is in operation, notwithstanding that there may be elections outstanding pursuant to such plan.
- 176.7 The Board may undertake and do such acts and things as it may consider necessary or expedient for the purpose of giving effect to the provisions of this Article, including (without limiting the foregoing) making such provisions as it may think fit in relation to any fraction of a share which may or would arise pursuant to the application of Article 176.3, including provisions whereby the benefit of fractional entitlements in whole or in part is disregarded or accrues to the Company and/or under which the benefit of fractional entitlements is accumulated on behalf of any holder of shares without entitlement to interest on terms that the relevant amount may subsequently be applied to the allotment by way of bonus or cash subscription on behalf of such holder of fully paid shares of the same class (or in payment to such holder in cash). Any such allotment shall be made in accordance with the terms and conditions of any plan as if the amount applied were part of the cash amount of the dividend which the holder of shares would otherwise have received.
- 176.8 Any communication by the Board to the members concerning any such plan, or any amendment thereto, including the notices referred to in this Article, may be by advertisement published in accordance with Article 191.2.
- 176.9 The provisions of this Article shall not apply so as to restrict or curtail the operation of any plan established prior to the Adoption Date.

## RECORD DATE

### **Company or Board may specify record date**

- 177 Notwithstanding any other provision of these Articles, but subject always to the Statutes and rights attaching to any shares, the Company or the Board may by resolution specify any date ("the Record Date") as the date at the close of business (or such other time as the Board may determine) on which persons registered as the holders of shares or other securities shall be entitled to receipt of any dividend, distribution, interest, allotment, issue, notice, information, document or circular and the Record Date may be on or at any time before the date on which the same is paid or made or (in the case of any dividend, distribution, interest, allotment or issue) at any time after the same is recommended, resolved, declared or announced. In the absence of a Record Date, entitlement to any dividend, distribution, interest, allotment or issue shall be determined by reference to the date on which the dividend or interest is declared, or the distribution, allotment or issue is made. Nothing contained in this Article shall prejudice the rights of transferors or transferees of any such shares or other securities *inter se*.

## CAPITALISATION OF PROFITS AND RESERVES

### **Board may capitalise reserves**

- 178 Subject to the provisions of Article 179, the Board may capitalise any part of the amount for the time being standing to the credit of any of the Company's reserve accounts (including, without prejudice to the generality of the foregoing, any share premium account and capital redemption reserve) or to the credit of the profit and loss account (in each case, whether or not such amounts are available for distribution), and appropriate the sum resolved to be capitalised to the holders of shares who would have been entitled thereto if distributed by way of dividend and in the same proportions and the Board shall apply such sum on their behalf either in or towards paying up any amounts for the time being unpaid on any shares held by such holders respectively or in paying up in full at par unissued shares or debentures of the Company to be allotted credited as fully paid up to such holders of shares in the proportion aforesaid, or partly in one way and partly in the other.

### **Company to authorise capitalisation issue**

- 179 179.1 The authority of the Company in general meeting shall be required for the capitalisation pursuant to Article 178 above.
- 179.2 Without prejudice to the application of share premiums in any manner authorised by the Statutes, a share premium account and a capital redemption reserve and any other amounts which are not available for distribution may in so far as the same are

applied in the paying up of unissued shares, only be applied in the paying up of such shares to be allotted to holders of shares of the Company credited as fully paid up.

**Powers of the Board on capitalisation**

- 180 Whenever a capitalisation requires to be effected pursuant to Article 173, the Board shall make all appropriations and applications of the undivided profits resolved to be capitalised thereby, and all allotments and issues of fully paid shares or debentures, if any, and may do all acts and things which it may consider necessary or expedient to give effect thereto, with full power to the Board to make such provision as it thinks fit for the case of shares or debentures becoming distributable in fractions (including provisions whereby fractional entitlements are disregarded or the benefit accrues to the Company rather than the members concerned or by the issue of fractional certificates or by payment in cash or otherwise), and also to authorise any person to enter on behalf of all members entitled thereto into an agreement with the Company providing for the allotment to them respectively, credited as fully paid up, of any further shares or debentures to which they may be entitled upon such capitalisation, or (as the case may require) for the payment up by the Company on their behalf, by the application thereto of their respective proportions of the profits resolved to be capitalised, of the amounts or any part of the amounts remaining unpaid on their existing shares, and any agreement made under such authority shall be effective and binding on all such members.

**Capitalisation in connection with employees' share schemes**

- 181 181.1 This Article (which is without prejudice to the generality of the provisions of the immediately preceding three Articles) applies:
- 181.1.1 where a person is granted, pursuant to an employees' share scheme, a right to subscribe for shares in the Company in cash at a subscription price less than their nominal value; and
  - 181.1.2 where, pursuant to an employees' share scheme, the terms on which any person is entitled to subscribe in cash for shares in the Company are adjusted as a result of a capitalisation issue, rights issue or other variation of capital so that the subscription price is less than their nominal value.
- 181.2 In any such case the Board:
- 181.2.1 shall transfer to a reserve account a sum equal to the deficiency between the subscription price and the nominal value of the shares ("the cash deficiency") from the profits or reserves of the Company

which are available for distribution and not required for the payment of any preferential dividend; and

181.2.2 (subject to Article 181.4 below) shall not apply that reserve account for any purpose other than paying up the cash deficiency upon the allotment of those shares.

181.3 Whenever the Company is required to allot shares pursuant to such a right to subscribe, the Board shall (subject to the Statutes) appropriate to capital out of the reserve account an amount equal to the cash deficiency applicable to those shares, apply that amount in paying up the deficiency on the nominal value of those shares and allot those shares credited as fully paid up to the person entitled to them.

181.4 If any person ceases to be entitled to subscribe for shares as described above, the restrictions on the reserve account shall cease to apply in relation to such part of the account as is equal to the amount of the cash deficiency applicable to those shares.

181.5 *No right shall be granted under any employees' share scheme under Article 181.1.1 and no adjustment shall be made as mentioned in Article 181.1.2 unless there are sufficient profits or reserves of the Company available for distribution and not required for the payment of any preferential dividend to permit the transfer to a reserve account in accordance with this Article of an amount sufficient to pay up the cash deficiency applicable to the shares concerned.*

## ACCOUNTS

### **Accounting records to be kept**

182 The Board shall cause accounting records to be kept in accordance with the provisions of the Statutes.

### **Accounting records to be kept at the Office**

183 The accounting records shall be kept at the Office or, subject to the provisions of the Statute, at such other place or places as the Board thinks fit, and shall always be open for inspection by the officers of the Company.

### **Members to have no right to inspect accounting records**

184 The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations the accounting records of the Company or any of

them shall be open to the inspection of members not being Directors, and no member (not being a Director) shall have any right of inspecting any account or book or document of the Company except as conferred by the Statutes or authorised by the Board or by the Company in general meeting.

**Accounts to be laid before the Company**

- 185 The Board shall from time to time, in accordance with the provisions of the Statutes, cause to be prepared and to be laid before the Company in general meeting such profit and loss accounts, balance sheets, group accounts (if any) and reports as are referred to in the Statutes.

**Accounts to be sent to members**

- 186 Subject to Article 187 a printed copy of every balance sheet (including every document required by law to be annexed thereto) which is to be laid before the Company in general meeting, together with a copy of the profit and loss account, Auditors' report and Directors' report and any other document required by the Statutes to be comprised in, or attached or annexed to, any of the foregoing, shall, not less than twenty-one days before the date of the annual general meeting, be sent to every member (whether or not he is entitled to receive notices of meetings of the Company) and every holder of debentures of the Company (whether or not he is so entitled) and to every other person who is entitled to receive notices of meetings from the Company under the provisions of the Statutes or these Articles, but this Article shall not require a copy of those documents to be sent to any person of whose address the Company is not aware or to more than one of the joint holders of any shares or debentures.

**Summary of financial statements**

- 187 The Company need not, subject to the provisions of the Statutes and the regulations for the time being of the London Stock Exchange so permitting and if the Board so decides, send copies of the documents specified in Article 186 to those persons mentioned in that Article as being entitled to receive such documents, but may instead send them a summary financial statement derived from the Company's annual accounts and the Directors' report, in such form and containing such information as may be required by the Statutes and the regulations for the time being of the London Stock Exchange and provided further that copies of the Company's annual accounts (together with the Directors' report and the Auditor's report on those accounts) shall be sent to any such person who wishes to receive them and the Company shall comply with any provisions of the Statutes as to the manner in which it is to ascertain whether such person (or any person proposing to become a holder of shares, debentures or other securities of the Company) wishes to receive them.



## AUDITORS

### **Auditors**

- 188 Auditors shall be appointed and their duties regulated in accordance with the provisions of the Statutes.

### **Acts not invalidated by defect in appointment or disqualification**

- 189 Subject to the provisions of the Statutes, all acts done by any person acting as Auditor shall, as regards all persons dealing in good faith with the Company, be valid notwithstanding that there was some defect in his appointment or that he was at the time of his appointment not qualified for appointment or subsequently became disqualified.

### **Auditors entitled to notice of meetings and to attend**

- 190 The Auditors shall be entitled to attend any general meeting of the Company and to receive all notices of and other communications relating to any general meeting which any member is entitled to receive and to be heard at any general meeting on any part of the business of the general meeting which concerns him as auditor.

## NOTICES

### **Method of giving notice**

- 191 191.1 A notice (or other document) may be given by the Company to any member either personally or by sending it by post to him or to his registered address, or (if he has no registered address within the United Kingdom) to the address, if any, within the United Kingdom supplied by him to the Company for the giving of notice to him.
- 191.2 If at any time by reason of suspension or any curtailment of postal services in the United Kingdom the Company is unable effectively to convene a general meeting by notices sent through the post, a general meeting may be convened by a notice advertised on the same date in at least two national daily newspapers with appropriate circulation and such notice shall be deemed to have been duly served on all members entitled thereto at noon on the date when the advertisement appears. In any such case the Company shall send confirmatory copies of the notice by post if, at least seven days prior to the date of the general meeting, the posting of notices to addresses throughout the United Kingdom again becomes practicable.

**Notice to members outside the United Kingdom**

192. A member who has no registered address within the United Kingdom, and has not supplied an address within the United Kingdom as aforesaid, shall not be entitled to receive any notice from the Company.

**Service of notice by post**

193. Where a notice is sent by post, service of the notice shall be deemed to be effected by properly addressing, prepaying and posting a letter containing the notice, and to have been effected at the latest *within twenty-four hours if prepaid as first-class and within seventy-two hours if prepaid as second-class* after the letter containing the same is posted; and in proving such service it shall be sufficient to prove that the letter containing the same was properly addressed and stamped and put into a post office or post box. 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 Company shall be deemed to have received notice thereof and of the purposes for which such meeting was called. 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 sent to any person from whom he derives his title.

**Notice to joint holders**

194. A notice may be given by the Company to the joint holders of a share by giving the notice to the joint holder first named in the Register in respect of the share.

**Notice to members' representatives**

195. A notice may be given by the Company to the persons entitled to a share in consequence of the death or bankruptcy of a member by sending it through the post in a pre-paid letter addressed to them by name, or by the title of representatives of the deceased, or trustees of the bankrupt, or by any like description, at the address (if any) within the United Kingdom supplied for the purpose by the persons claiming to be so entitled, or (until such an address has been so supplied) by giving the notice in any manner in which the same might have been given if the death or bankruptcy had not occurred.

**Persons to receive notice**

196. Subject to such restrictions affecting the right to receive notice as are for the time being applicable to the holders of any class or shares, notice of every general meeting shall be given in any manner hereinbefore authorised to:-

- 196.1 every member except those members who (having no registered address within the United Kingdom) have not supplied to the Company an address within the United Kingdom for the giving of notices to them;

196.2 the Auditors; and

196.3 the Directors and alternate Directors (if any).

No other person shall be entitled to receive notices of general meetings.

**Service to comply with the Statutes**

197. *Noting in any of the preceding six Articles shall affect any requirement of the Statutes that any particular offer, notice or other document be served in any particular manner.*

**PROVISION FOR EMPLOYEES**

**Provision for employees**

198. The power conferred upon the Company by Section 719 of the Act to make provision for the benefit of persons employed or formerly employed by the Company or any of its subsidiaries, in connection with the cessation or the transfer to any person of the whole or part of the undertaking of the Company or any subsidiary shall only be exercised by the Company with the prior sanction of a special resolution. If at any time the capital of the Company is divided into different classes of shares, the exercise of such power as aforesaid shall be deemed to be a variation of the rights attached to each class of shares and shall accordingly require either (i) the prior consent in writing of the holders of three-fourths in nominal value of the issued shares or (ii) the prior sanction of an extraordinary resolution passed at a separate meeting of the holders of the shares of each class in accordance with the provisions of Articles 21 and 22 hereof.

**WINDING UP**

**Winding up**

199. If the Company shall be wound up the liquidator may, with the sanction of an extraordinary resolution of the Company and any other sanction required by the Statutes, divide amongst the members *in specie* or in kind the whole or any part of the assets of the Company (whether they shall consist of property of the same kind or not) and may, for such purposes, set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members of different classes of members. The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories as the liquidator, with the like sanction, shall think fit, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability

## INDEMNITY

### **Indemnification of Directors**

200. Subject to the provisions of the Statutes, every Director or other officer or Auditors shall be indemnified out of the assets of the Company against all costs, charges, expenses, losses or liabilities which he may sustain or incur in or about the execution of the duties of his office or otherwise in relation thereto, including any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgement is given in his favour 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 indemnity shall not apply to any liability to the extent that it is recovered from another person.

### **Insurance for Directors**

201. Without prejudice to Article 200 the Board shall have power to purchase and maintain insurance for or for the benefit of any persons who are or were at any time Directors, officers, employees or Auditors of the Company or any other company which is its holding company or subsidiary including (without prejudice to the generality of the foregoing) insurance against any liability incurred by such persons in respect of any act or omission in the actual or purported execution and/or discharge of their duties and/or in the exercise or purported exercise of their powers and/or otherwise in relation to their duties, powers or offices in relation to the Company or any such other holding company or subsidiary.

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