

31-10-96

Company Number 20509

THE COMPANIES ACT 1985

COMPANY LIMITED BY SHARES

ATLANTIC TELECOM GROUP PLC



Special Resolution

At an Extraordinary General Meeting of the Members of the above company duly convened and held at London on the Twenty eighth of October, Nineteen Hundred and Ninety-six the following Resolution was passed as a Special Resolution:-

"THAT, conditional upon the admission to the Official List of the London Stock Exchange of the new ordinary shares of 25 pence in the capital of the Company ("New Ordinary Shares") in connection with the placing and open offer ("the Placing and Open Offer") and consolidation referred to in the prospectus issued by the Company dated 4 October 1996, becoming effective:


- (1) every five of the existing ordinary shares ("Existing Ordinary Shares") both unissued and issued of five pence each in the capital of the Company, in existence immediately prior to the passing of this resolution, be and are hereby consolidated into and redesignated as one New Ordinary Share having the rights and being subject to the restrictions set out in the articles of association of the Company and the directors of the Company be and are hereby empowered to aggregate all issued Existing Ordinary Shares which cannot be consolidated into New Ordinary Shares and sell such shares arising on an aggregation on behalf of and for the benefit of the Company;
- (2) the authorised share capital of the Company be increased from £12,095,000 to £20,000,000 by the creation of an additional 31,620,000 New Ordinary Shares;
- (3) (a) pursuant to and in accordance with section 80 of the Companies Act 1985 (as amended) ("the Act"), the directors be and are hereby authorised generally and unconditionally to exercise all or any powers of the Company to allot relevant securities up to an aggregate nominal amount of £9,227,258 to such persons at such times and on such terms or otherwise as they think proper during the period commencing on the date of the passing of this resolution and expiring at the fifth anniversary thereof, save that the Company may before such expiry make an offer or agreement which would or might require relevant securities to be allotted after such expiry and the directors may allot relevant securities in pursuance of such offer or agreement as if the authority had not expired; and

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- (b) this authority shall be to the exclusion of and in substitution for all existing authorities under section 80 of the Act; and
- (4) (a) the directors be and are hereby empowered pursuant to section 95 of the Act to allot for cash equity securities (as defined for the purposes of section 89 of the Act) pursuant to the authority conferred on them in paragraph 3(a) of this resolution as if section 89(1) of the Act did not apply to such allotment; provided that this power shall be limited to:
 - (i) the allotment of 20,132,200 New Ordinary Shares in connection with the Placing and Open Offer;
 - (ii) the allotment of equity securities in connection with a rights issue in favour of ordinary shareholders and so that for this purpose "rights issue" means an offer of equity securities open for acceptance for a period fixed by the directors 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 directors may deem necessary or expedient in relation to fractional entitlement or legal or practical problems under the law of, or the requirements of any recognised regulatory body or any stock exchange in any territory;
 - (iii) the granting of options in connection with the Atlantic Telecom Group PLC Approved Executive Share Option Scheme 1995; and
 - (iv) the allotment (otherwise than pursuant to sub-paragraphs (i), (ii) and (iii) of this paragraph 4(a)) of equity securities up to an aggregate nominal value of £629,131,

and shall expire at the earlier of the expiry of 15 months from the date of the passing of this resolution and the conclusion of the annual general meeting next following such date provided that the Company may make prior to the expiry thereof any offer or agreement which would or might require any such securities to be allotted otherwise than in accordance with section 89(1) of the Act after the expiry of this power and the directors may allot equity securities in pursuance of such offer or agreement as if the power conferred hereby had not expired; and

- (b) this power shall be to the exclusion of and in substitution for all existing powers under section 95 of the Act."



 Secretaries