

Company No. 548648

THE COMPANIES ACTS 1985 AND 1989

COMPANY LIMITED BY SHARES

SPECIAL RESOLUTIONS

of

INDEPENDENT TELEVISION NEWS LIMITED

In accordance with Article 67 of the Articles of Association of the Company, we being all the members of the Company who would, at the date of these resolutions, have been entitled to vote upon them if they had been proposed at a general meeting at which we were present, pass the following resolutions as special resolutions:-

SPECIAL RESOLUTIONS

1. THAT the authorised share capital of the Company be reduced to £15,400,000 by the cancellation of 18,000,000 ordinary shares of £1 each which are authorised but unissued and which have not been taken or agreed to be taken by any person.
2. THAT new articles of association in the form of the annexed draft be adopted in substitution for the existing articles of association of the Company.

Signed _____ Date _____
For and on behalf of Anglia Television Group PLC

Signed  _____ Date 26 September 1994
For and on behalf of Carlton Communications Plc



Signed N. J. L. Date _____
For and on behalf of Central Independent Television plc

Signed _____ Date _____
For and on behalf of Granada Group PLC

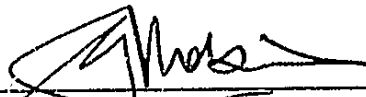
Signed _____ Date _____
For and on behalf of LWT (Holdings) plc

Signed _____ Date _____
For and on behalf of Reuters Limited

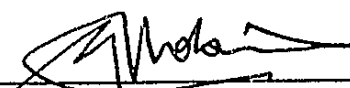
Signed _____ Date _____
For and on behalf of Scottish Television plc

Signed _____ Date _____

For and on behalf of Central Independent Television plc

Signed  Date 28/7/94

For and on behalf of Granada Group PLC

Signed  Date 28/7/94

For and on behalf of LWT (Holdings) plc

Signed _____ Date _____

For and on behalf of Reuters Limited

Signed _____ Date _____

For and on behalf of Scottish Television plc

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Signed Wm. J. P. P. Date 5.8.94
For and on behalf of Anglia Television Group PLC

Signed _____ Date _____
For and on behalf of Carlton Communications Plc



Signed _____ Date _____
For and on behalf of Central Independent Television plc

Signed _____ Date _____
For and on behalf of Granada Group PLC

Signed _____ Date _____
For and on behalf of LWT (Holdings) plc

Signed M. B. 21 Date 26 September 1994
For and on behalf of Reuters Limited

Signed _____ Date _____
For and on behalf of Scottish Television plc

Signed _____ Date _____

For and on behalf of Central Independent Television plc

Signed _____ Date _____

For and on behalf of Granada Group PLC

Signed _____ Date _____

For and on behalf of LWT (Holdings) plc

Signed _____ Date _____

For and on behalf of Reuters Limited

Signed  Date 26 September 1998

For and on behalf of Scottish Television plc

Company No. 548648

THE COMPANIES ACTS 1948

THE COMPANIES ACTS 1985 AND 1989

PRIVATE COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

of

INDEPENDENT TELEVISION NEWS LIMITED

Incorporated 4th May 1955

Adopted by special resolution passed on 26 September 1994

CLIFFORD CHANCE

200 Aldersgate Street
London EC1A 4JJ

Telephone: 071 600 1000

Telefax: 071 600 5555

Reference: SMQH/C2980/19/DK

Company No. 548648

THE COMPANIES ACTS 1948

THE COMPANIES ACTS 1985 AND 1989

PRIVATE COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

of

INDEPENDENT TELEVISION NEWS LIMITED

Incorporated 4th May 1955

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PRELIMINARY

1. (A) In these articles:

"Act"

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

"articles"

means the articles of the Company;

"Broadcasting Act"

the Broadcasting Act 1990 including any statutory modification or re-enactment thereof for the time being in force;

"clear days"

in relation to the period of notice means that period excluding the day when the notice is given or deemed to be given and the day for which it is given or on which it is to take effect;

"Commission"

means the Independent Television Commission or any successor exercising powers similar to those exercised by the



Independent Television Commission under the Broadcasting Act;

"Conditions"

means the terms and conditions of the Loan Notes in the form set out in the Second Schedule of the Deed Poll (as the same may from time to time be modified in accordance with the terms thereof);

"connected"

has the meaning given to it in section 32(10) of the Broadcasting Act and "connected person" shall be construed accordingly;

"control"

has the meaning given to it in paragraph 1 of Part I of Schedule 2 to the Broadcasting Act and "controlled" shall be construed accordingly;

"Core Business"

means the business currently carried on by the Company together with the business of supplying news services to UK broadcasters;

"Deed of Adherence"

means a deed by which a person who proposes to accept a transfer of shares from an Investor agrees to be bound by the Investor Agreement;

"Deed Poll"

means the instrument by way of deed poll dated 30th April 1993 (as amended from time to time) constituting the Loan Notes;

"Disqualified Person"

means a body corporate disqualified for the purposes of the Broadcasting Act pursuant to section 32(12) of that Act;

"executed"

means any mode of execution;

"Group"

in relation to a company, means that company and all subsidiaries of that company and its ultimate holding company and all other subsidiaries of its ultimate holding company;

"holder"

means, in relation to any share, the member whose name is entered in the register of members as the holder of the share;

"Interest"

means in relation to the Company, either:-

- (i) a holding of or beneficial entitlement to any shares in the Company; or
- (ii) the possession of voting power in the Company;

"Investor"

means each of Anglia Television Group PLC, Carlton Communications Plc, Central Independent Television Plc, Granada Group PLC, LWT (Holdings) plc, Scottish Television p.l.c. and Reuters Limited (together the "Investors") and any other person to whom any of such persons may transfer shares in the Company and who agree to be bound by the terms of the Investor Agreement;

"Investor Agreement"

means an agreement dated 26th September 1994 between the Investors and Reuters Holdings PLC;

"Jeopardy Event"

means one or more of the following events:-

- (i) the Company being, or becoming, a Disqualified Person or any notice or determination by the Commission being given to the effect that the Company is, or may be, or will become, a Disqualified Person; or
- (ii) any other notice or determination by the Commission being given to the effect that the Company is not or may not be qualified for or may not be a fit and proper person to hold or operate the Nomination pursuant to the Broadcasting Act; or
- (iii) the breach of any term or condition of the Nomination or the imposition of any sanction by the Commission for breach or purported breach of any term or condition of the Nomination which would or might lead to the revocation, withdrawal, suspension or avoidance of the Nomination; or
- (iv) the revocation, withdrawal, suspension or avoidance of the Nomination or any variation (without the agreement of the Company) of the Nomination which would or might have a material and adverse effect on the business of the Company; or
- (v) a determination by the Commission not to award or renew the Nomination;

"Loan Notes"

means the £15,000,000 in aggregate principal amount of Subordinated Unsecured Convertible Loan Notes 2003 constituted by the Deed Poll;

"Nomination"

means the nomination of the Company by the Commission as nominated news provider pursuant to section 32 of and for the purposes of section 31 of the Broadcasting Act in the

form of the Instrument of Nomination signed on behalf of the Commission and dated 31st January 1991 in force for the time being as may be modified supplemented replaced or renewed from time to time;

- "Noteholders"** means the several persons for the time being who are the holders of the Loan Notes and "Noteholder" shall be construed accordingly;
- "office"** means the registered office of the Company;
- "person"** includes individuals, partnerships and corporate bodies;
- "Regulations"** means all and any regulations issued by the Commission which are binding on the Company and in force from time to time in relation to the ownership of the Company and/or the Nomination or the continuation and/or operation of the Nomination;
- "Restricted Transfer"** means a transfer of Units which would or might:-
- (i) result, in the reasonable opinion of the directors, in a Jeopardy Event occurring; or
 - (ii) result, in the reasonable opinion of the directors, in the Company becoming a Disqualified Person;
- "seal"** means the common seal of the Company;
- "secretary"** means the secretary of the Company or any other person appointed to perform the duties of the secretary of the Company, including a joint, assistant or deputy secretary;
- "Unit"** means one share held by a member together with the amount of nominal value of Loan Notes held by that member which equals the total nominal value of Loan Notes held by that member divided by the total number of shares held by that member and references to numbers of Units shall be references to the number of shares comprised within Units and calculations made with respect to numbers of Units shall be made with respect to the number of shares comprised within Units; and
- "United Kingdom"** means Great Britain and Northern Ireland.
- (B) an "associated company" shall be construed in accordance with section 416 of the Income and Corporation Taxes Act 1988; an associate of a company shall mean an associated company of that company.

- (C) Unless the context otherwise requires, words or expressions contained in the articles bear the same meaning as in the Act, but excluding any statutory modification thereof not in force when these articles become binding on the Company.
 - (D) Where an ordinary resolution of the Company is expressed to be required for any purpose, a special or extraordinary resolution is also effective for that purpose, and where an extraordinary resolution is expressed to be required for any purpose, a special resolution is also effective for that purpose.
2. No regulations contained in any statute or subordinate legislation, including but not limited to the regulations contained in Table A in the schedule to the Companies (Table A to F) Regulations 1985 (as amended), apply as the regulations or articles of association of the Company.

PRIVATE COMPANY

3. The Company is a private company limited by shares and accordingly any invitation to the public to subscribe for any shares or debentures of the Company is prohibited.

SHARE CAPITAL

4. The authorised share capital of the Company at the date of adoption of these articles is £15,400,000 divided into 15,400,000 ordinary shares of £1 each.
5. (A) Subject to the Act, the directors have general and unconditional authority to allot (with or without conferring rights of renunciation), grant options over, offer or otherwise deal with or dispose of any unissued shares (whether forming part of the original or any increased share capital) to such persons, at such times and on such terms and conditions as the directors may decide but no share may be issued at a discount.
- (B) The directors have general and unconditional authority, pursuant to section 80 of the Act, to exercise all powers of the Company to allot relevant securities pursuant to Condition 4 of the Second Schedule of the Deed Poll for a period expiring on the fifth anniversary of the date of adoption of this article unless previously renewed, varied or revoked by the Company in general meeting.
- (C) The maximum amount of relevant securities which may be allotted pursuant to the authority conferred by paragraph (B) is the amount of the authorised but unissued share capital of the Company at the date of adoption of this article or, where the authority is renewed, at the date of that renewal.
- (D) By the authority conferred by paragraph (B), or by any renewal of the authority, the directors may before the authority expires make an offer or agreement which would or might require relevant securities to be allotted after it expires and may allot relevant securities in pursuance of that offer or agreement.

6. (A) The provisions of sections 89(1), 90(1) to (5) and/or 90(6) of the Act shall not apply to allotments of the Company's equity securities.
- (B) Subject to the passing of any special resolution to the contrary, all unissued shares (whether forming part of the original or any increased capital) shall, before issue, be offered on identical terms to all members in proportion as nearly as all circumstances admit (fractions being disregarded) to the amount of the existing issued shares of which they are the holders.
- (C) Any such offer shall be made by notice in writing (the "Issue Offer Notice") specifying the number and class of shares, the proportionate entitlement of the relevant member and the price at which the same are offered and limiting the time (being not less than twenty-eight days unless the member to whom the offer is to be made otherwise agrees) within which the offer, if not accepted, shall be deemed to be declined.
- (D) After the expiry of the time within which the offer may be accepted (if the offer is not accepted) or on the receipt of confirmation from the person to whom the offer is made that he declines to accept the shares offered, then to the extent that shares remain in relation to which the offer has not been duly accepted by the offerees (the "Remaining Shares") the Board shall by notice in writing (the "Second Issue Offer Notice") make a further offer of the Remaining Shares at the same price as such shares were originally offered (but otherwise on such terms in such manner and for such a period or periods for acceptance (within which the offer, if not accepted, shall be deemed to be declined) as it shall deem appropriate) to those members of the Company who did not decline the original offer provided that in the event of competition for the number of Remaining Shares acceptances shall be deemed to be scaled down pro rata amongst the relevant accepting members according to their respective proportionate holdings (determined after taking into account acceptances of the original offer) pursuant to article 6(C).
- (E) If any member wishes to accept an offer made to him by an Issue Offer Notice or a Second Issue Notice where his so doing would or might:-
- (a) result, in the reasonable opinion of the directors, in a Jeopardy Event occurring; or
 - (b) result, in the reasonable opinion of the directors, in the Company becoming a Disqualified Person, together and individually (a "Restricted Issue").

the directors shall notify such members of that fact in writing and any time limit imposed by these articles shall be extended by 14 clear days. If, within the said 14 clear days of receipt (or deemed receipt if later) of such notice the member or members concerned is unable to satisfy the directors that the issue and allotment of shares would not represent a Restricted Issue, or that he could accept or apply for or acquire a lesser number of shares without the issue and allotment being a Restricted Issue, it shall be deemed to have withdrawn its acceptance to the Issue Offer Notice

or Second Issue Offer Notice or to have withdrawn that part of the acceptance to the Issue Offer Notice or the Second Issue Offer Notice which would or might represent a Restricted Issue.

- (F) If and to the extent that after the expiry of the time or times within which such further offer may be accepted there remain Remaining Shares which have not been accepted the Remaining Shares shall not be allotted to or issued to any person.
7. Subject to the provisions of the Act and without prejudice to any rights attached to any existing shares, any share may be issued with such rights or restrictions as the Company may by ordinary resolution determine provided that no partly paid shares shall be issued by the Company.
 8. Subject to the provisions of the Act, shares may be issued which are to be redeemed or are to be liable to be redeemed at the option of the Company or the holder on such terms and in such manner as may be provided by the articles.
 9. The Company may exercise the powers of paying commissions conferred by the Act. Subject to the provisions of the Act, any such commission may be satisfied by the payment of cash or by the allotment of fully paid shares or partly in one way and partly in the other.
 10. Except as required by law, no person shall be recognised by the Company as holding any share upon any trust and (except as otherwise provided by the articles or by law) the Company shall not be bound by or recognise any interest in any share except an absolute right to the entirety thereof in the holder.

SHARE CERTIFICATES

11. Every member, upon becoming the holder of any shares, shall be entitled without payment to one certificate for all the shares of each class held by him (and, upon transferring a part of his holding of shares of any class, to a certificate for the balance of such holding) or several certificates each for one or more of his shares upon payment for every certificate after the first of such reasonable sum as the directors may determine. Every certificate shall be sealed with the seal and shall specify, if so resolved by the directors, the number, class and distinguishing numbers (if any) of the shares to which it relates and the amount or respective amounts paid up thereon. The Company shall not be bound to issue more than one certificate for shares held jointly by several persons and delivery of a certificate for a share to one joint holder shall be a sufficient delivery to all of them.
12. If a share certificate is defaced, worn-out, lost or destroyed, it may be renewed on such terms (if any) as to evidence and indemnity and payment of the expenses reasonably incurred by the Company in investigating evidence as the directors may determine but otherwise free of charge, and (in the case of defacement or wearing-out) on delivery up of the old certificate.

TRANSFER OF SHARES AND LOAN NOTES

13. (A) The instrument of transfer of a share may be in any usual form or in any other form which the directors may approve and shall be executed by or on behalf of the transferor and, unless the share is fully paid, by or on behalf of the transferee.
- (B) Unless the transfer is made under the provisions of articles 14, 15 and 16 (and in compliance therewith), the directors will and without giving any reason, refuse to register the transfer of a share to any person, whether or not it is a fully-paid share or a share on which the Company has a lien.
- (C) Loan Notes or shares will not be transferred or transmitted by operation of law or otherwise to any person unless a transfer of a Unit or Units is made.
- (D) If the directors refuse to register a transfer of a share, they shall within two months after the date on which the transfer was lodged with the Company send to the transferee notice of the refusal.
- (E) The registration of transfers of shares or of any class of shares may be suspended at such times and for such periods (not exceeding thirty days in any year) as the directors may determine.
- (F) No fee shall be charged for the registration of any instrument of transfer or other document relating to or affecting the title to any share.
- (G) The Company shall be entitled to retain any instrument of transfer which is registered, but any instrument of transfer which the directors refuse to register shall be returned to the person lodging it when notice of the refusal is given.

PERMITTED TRANSFERS

14. (A) A member may at any time transfer all or any number of Units (the "Relevant Units") to a Group company. The Group company may at any time transfer all or any of the Relevant Units to the member or another Group company of the member. Article 15 shall not apply to the transfer of any Relevant Shares pursuant to this article 14.
- (B) If Relevant Units have been transferred under article 14(A) (whether directly or by a series of transfers) by a member (the "Transferor", which expression shall not include a second or subsequent transferor in a series of transfers) to any Group company (the "Transferee") and subsequently the Transferee ceases to be a Group company of the Transferor, then the Transferee shall forthwith transfer the Relevant Units to the Transferor or at the Transferor's option to a Group company of the Transferor. If the Transferee fails to transfer the Relevant Units within twenty-eight days of the Transferee ceasing to be a Group company of the Transferor then the Transferee shall be deemed to have served a Transfer Notice in respect of the Relevant Units and the provisions of article 15 shall apply accordingly. The Transfer Notice shall not be withdrawn in any circumstances.

- (C) The directors may require the holder of the Relevant Units or the person named as transferee in any transfer lodged for registration to furnish the directors with such information as the directors may reasonably consider necessary for the purpose of ensuring that a transfer of Units is permitted under article 14(A). If the information is not provided within twenty-eight days of the request the directors may refuse to register the transfer of the Relevant Units.
- (D) Where a member who is an Investor proposes to transfer Relevant Units to a Group company, the directors shall refuse to register any such transfer until all the Investors other than the transferring Investor shall have confirmed that the Group company has executed a Deed of Adherence or that they have waived the requirement for the execution of a Deed of Adherence.
- (E) Any member may transfer any Unit or any number of Units to any person if all the other members of the Company have given their consent to such transfer in writing and the conditions or terms upon which such consent has been given have been fulfilled or waived by the member imposing the condition or term of his consent.
- (F) Notwithstanding any other provision of article 14 no transfer of Units shall be registered if such transfer would or might:-
 - (i) result, in the reasonable opinion of the directors, in a Jeopardy Event occurring; or
 - (ii) result, in the reasonable opinion of the directors, in the Company becoming a Disqualified Person.

TRANSFERS

- 15. (A) Unless the transfer is made pursuant to article 14, before a member (the "Vendor") transfers a Unit or any number of Units or disposes of any Unit or any number of Units or any interest in a Unit or any number of Units the Vendor shall give notice in writing (the "Transfer Notice") to the Company at its registered office of its desire to do so.
- (B) The Transfer Notice:
 - (i) shall specify the number of Units desired to be transferred or disposed of ("Offered Units");
 - (ii) shall specify the price per Unit which the Vendor is willing to accept for the Offered Units (the "Vendor's Price") and shall also specify the price offered to the Vendor by a third party for the Offered Units, if any (the "Third Party Price");
 - (iii) shall specify all material commercial terms of the transfer (the "Material Terms");

- (iv) shall constitute the Company by its directors as the Vendor's agent to offer and sell the Offered Units to the other members (the "Purchasers") at the lower of the Vendor's Price and the price determined in accordance with articles 15(C) or 15(D) (the "Prescribed Price");
 - (v) shall not be withdrawn except as provided in articles 15(C), 15(D), 15(E) or 15(K).
- (C) Upon receipt (or deemed receipt if later) of the Transfer Notice a meeting of the directors shall be convened and held within seven clear days of such receipt (or deemed receipt) for the purpose of fixing the Prescribed Price. If the directors present at the meeting determine that the Vendor's Price is the fair value of the Offered Units, the Vendor's Price shall be the Prescribed Price. If the directors do not so determine, the directors shall notify the Vendor in writing of that fact and of what they consider to be the fair value.

The Vendor shall within a period of seven clear days from the date it is notified (or deemed to have been notified if later) of the directors' decision notify the Company in writing whether:

- (i) it accepts the directors' determination of the fair value of the Offered Units as the Prescribed Price (in which case such price shall be the Prescribed Price); or
- (ii) requires the fair value of the Offered Units to be determined by a firm of Chartered Accountants (other than the auditors) (the "Experts").

If no notice is received by the Company within the period of seven clear days, the Transfer Notice shall be deemed to have been withdrawn and shall be of no effect.

- (D) If the Vendor requires the Experts to determine the fair value of the Offered Units as the Prescribed Price, the following provisions shall apply:
- (i) the Experts shall be as agreed between the Company and the Vendor and failing agreement within seven clear days from the date the Company is notified (or deemed to have been notified if later) of the Vendor's decision under article 15(C)(ii) shall be such firm as the President of the Institute of Chartered Accountants in England and Wales may determine on the application of the Vendor or the Company;
 - (ii) the costs of the Experts shall be borne by the Vendor;
 - (iii) in the absence of manifest error, the fair value of the Offered Units as determined by the Experts shall be the Prescribed Price;
 - (iv) in determining the fair value of the Offered Units, the Experts shall:
 - (a) be considered to be acting as experts and not as arbitrators;

(b) take into account, if the Experts think appropriate, the Third Party Price; and

(c) value the Offered Units using the following principles:

- (1) valuing the Offered Units as on an arm's length sale between a willing vendor and a willing purchaser on the Material Terms;
- (2) if the Company is then carrying on business as a going concern, on the assumption that it will continue to do so;
- (3) the Offered Units are capable of being transferred without restriction other than a restriction imposed by the Broadcasting Act, these articles, the Regulations, the Nomination or the Investor Agreement;
- (4) each Unit has the same value corresponding to its proportion of the value of all the Units taken as a whole; and
- (5) no reduced or additional value is attached to any holding of Units by virtue only of the holding comprising or after purchase conferring a majority or minority of the total issued share capital.

If the Experts are not agreed or determined in accordance with article 15(D)(i) within twenty eight clear days the Transfer Notice shall be deemed to be withdrawn and shall be of no effect.

(E) After receiving the Experts' written determination of the fair value, the Company shall within seven clear days of such receipt deliver a copy of the determination to the Vendor. The Vendor may within seven clear days of receipt (or deemed receipt if later) of such notice withdraw the Transfer Notice and cancel the Company's authority to sell the Offered Units.

(F) If the Transfer Notice is not withdrawn by the Vendor pursuant to article 15(E) then within fourteen clear days of the earlier of:

- (i) the acceptance by the directors that the Vendor's Price is the Prescribed Price; and
- (ii) the acceptance by the Vendor of the directors' determination of fair value of the Offered Units as the Prescribed Price; and
- (iii) the determination by the Experts of the fair value of the Offered Units as the Prescribed Price,

the Company shall offer the Offered Units to the Purchasers *pro rata* to their holdings of Units immediately prior to such offer by notice in writing (the "Offer Notice") at the Prescribed Price per Offered Unit. The Offer Notice shall limit the time not being less than twenty-eight clear days within which the Offer may be accepted and failing which shall be deemed to have been declined.

- (G) The Offer Notice shall state that such members who desire to purchase more than their *pro rata* entitlement to Offered Units should state how many of such Offered Units that they wish to purchase. Subject to article 15(L), any Offered Units not purchased by members to whom the Offer Notice is sent shall be used to satisfy excess applications. If excess applications cannot be satisfied in full they will be satisfied as nearly as may be in proportion to the number of shares held by those members making such applications immediately prior to the date of the Offer Notice.
- (H) If all the Offered Units are the subject of acceptances pursuant to the Offer Notices or by virtue of excess applications, the Company shall forthwith give notice (the "Allocation Notice") of the acceptance of the offers to purchase the Offered Units to the Vendor and to the Purchasers. The Allocation Notice shall specify:
 - (i) the identity of the Purchasers and the number of Offered Units to be purchased by each of them; and
 - (ii) the place and time (being not earlier than fourteen and not later than twenty-eight days after the date of the Allocation Notice) at which the Prescribed Price is to be paid by the Purchasers and the Offered Units are to be transferred by the Vendor.
- (I) The Vendor shall be bound to transfer the Offered Units to the Purchasers against tender of the Prescribed Price in accordance with the terms of the Allocation Notice.
- (J) If after having become bound to transfer the Offered Units pursuant to article 15(I) the Vendor defaults in transferring the Offered Units (or any of them), then the following provisions shall apply:
 - (i) the Company may receive the purchase money and the Vendor shall be deemed to have appointed any director or the secretary as the Vendor's agent to execute a transfer of the Offered Units in favour of the Purchasers concerned and to receive the purchase money in trust for the Vendor;
 - (ii) the receipt of the Company for the purchase money shall be a good discharge to the Purchasers concerned and after it has been entered in the register of members in purported exercise of this power the validity of the proceedings shall not be questioned by any person; and
 - (iii) the Vendor shall be bound to deliver up the share certificate for the shares included in the Offered Units and on its delivery shall be entitled to receive the purchase price without interest. If the certificate comprises any shares

which the Vendor has not become entitled to transfer the Company shall issue to the Vendor a share certificate for the balance of those shares.

- (K) If the Company is unable to serve an Allocation Notice because it has not received acceptances or excess applications in respect of all the Offered Units, then the following provisions shall apply:
- (i) the Company shall notify that fact to the Vendor together with the number of Offered Units for which it has received acceptances and excess applications; and
 - (ii) the Vendor may either within fourteen clear days of receipt (or deemed receipt if later) of such notice:
 - (a) withdraw the Transfer Notice and cancel the Company's authority to sell the Offered Units by delivering to the Company a written notice of withdrawal; or
 - (b) elect by notice in writing to the Company to attempt to sell all the Offered Units for a period of six months after the date of such election to any person (the "New Member") at a price not lower than the Prescribed Price and on the Material Terms and on terms no more favourable than those offered to the Purchasers and subject to the conditions that:
 - (i) any such transfer does not result, in the reasonable opinion of the directors, in a Restricted Transfer;
 - (ii) the Investors, other than the transferring Investor, shall have confirmed that the New Member has executed a Deed of Adherence or that they have waived the requirement for the execution of a Deed of Adherence; or
 - (c) elect by notice in writing to the Company to transfer those of the Offered Units to the members who have accepted (including those who have accepted and made excess applications) and for a period of six months after the date of such election attempt to sell the balance of such Offered Units to any person (the "Second New Member") at a price not lower than the Prescribed Price and on the Material Terms and on terms no more favourable than those offered to the Purchasers and subject to the conditions that:
 - (1) such transfer does not result, in the reasonable opinion of the directors, in a Restricted Transfer; and
 - (2) the Investors, other than the transferring Investor, shall have confirmed that the Second New Member has executed a Deed

of Adherence or that they have waived the requirement for the execution of a Deed of Adherence.

- (L) If any member wishes to accept an offer made to him by an Offer Notice or has made an excess application in circumstances where his so doing would or might result, in the reasonable opinion of the directors, in a Restricted Transfer, the directors shall notify such member of that fact in writing and any time limit imposed by these articles shall be extended by 14 clear days. If, within the said 14 clear days of receipt (or deemed receipt if later) of such notice the member concerned is unable to satisfy the directors that a transfer of Units would not represent a Restricted Transfer, or that it could accept or apply for a lesser number of Units without a transfer of such shares being a Restricted Transfer, it shall be deemed to have withdrawn its acceptance or excess application or as the case may be to have withdrawn that part of the acceptance or excess application which would or might represent a Restricted Transfer.

TRANSFERS - FORCED

16. (A) A member shall be deemed to have given a Transfer Notice, such Transfer Notice to be without prejudice to any claim for damages that any Investor may have pursuant to the Investor Agreement or these Articles, on the date immediately prior to any of the following events:-
- (i) being an individual, a bankruptcy order or an application for a voluntary arrangement (as that expression is defined in section 1(1) of the Insolvency Act 1986) is made in respect of him or, being a body corporate, any order is made on any action, application or proceeding in respect of it for the composition or reconstruction of its debts or for the appointment of an administrative receiver, administrator, liquidator or similar officer in any jurisdiction in which a material part of its assets is located; or
 - (ii) being an Investor or an associate of an Investor, without the written consent of the other Investors, either alone or jointly with, through (which includes by ownership of any shares directly or indirectly) or on behalf of (whether as director, partner, consultant, manager, employee, agent or otherwise) any person, directly or indirectly carry on or be engaged or concerned or interested in any business or concern which is seeking or holding a nomination as a nominated news provider under Section 31(2) of the Broadcasting Act or which is providing or seeking to provide national news for Channel 4 Television provided that nothing in this article shall preclude or restrict an Investor or an associate of an Investor from:
 - (a) holding in aggregate not more than twenty-five per cent. of the issued ordinary share capital of any company whose shares are listed on a recognised stock exchange;
 - (b) making an acquisition of a company or business where the activities prohibited by this article contribute less than 25% of the aggregate

turnover (based on the most recently available audited accounts or management information at the date thereof) of the company or business acquired and the part of the business of company acquired which would otherwise cause a breach of this article is disposed of within eighteen months of acquisition thereof; or

(c) taking any news service from any other person who is a nominated news provider for the purposes of Sections 31 and 32 of the Broadcasting Act.

(iii) the service upon or in relation to that member of a Disposal Notice (as defined in article 16(B)).

A Transfer Notice deemed given under this article shall be the same as a Transfer Notice given under article 15 except that:

(iv) the number of Units comprising the Offered Units shall be all of the Units registered in the name of the member in case falling within paragraphs (i) and (ii) of this article 16(A) and shall be the number of shares stated in the Disposal Notice in any other case;

(v) the Prescribed Price shall be as agreed between the directors and the Vendor within 10 business days of the transfer notice being deemed to have been given and if no such agreement is reached within that period the Prescribed Price shall be the fair value determined in accordance with article 15(D);

(vi) the Vendor shall have no right to withdraw the Transfer Notice in the circumstances set out in article 15(C) and an Allocation Notice shall be valid and binding on the Vendor notwithstanding that Purchasers may not have been found for all of the shares and article 15(K) shall not apply;

(vii) any Units not sold pursuant to an Allocation Notice may be dealt with in accordance with articles 16(G) and 16(H).

(B) If at any time any person either by himself or together with a connected person acquires or has an Interest which in the reasonable determination of the directors gives rise or is likely to give rise to a Jeopardy Event (the "Jeopardy Person") then the directors shall, if members (excluding the Jeopardy Person) holding in aggregate fifty one per cent or more of the total shareholdings in the company excluding the shareholding of the Jeopardy Person (the "51 per cent members") direct in writing, serve a written notice on the member in whose shares the Interest exists or on the member who is connected with a person in whose shares the Interest exists requiring a disposal of as many (or as the case may be all) of the Units in which the Interest exists as is necessary to ensure that a Jeopardy Event has not occurred as the 51 per cent members direct in writing.

Any notice served by the directors pursuant to article 16(B) shall be called a "Disposal Notice" and any disposal made pursuant to this article shall be called a "Required Disposal".

- (C) A Required Disposal of Units shall not be made to any person who as a result of such disposal would have an Interest which would or might compel or enable the directors to serve a Disposal Notice on that person.
- (D) A Disposal Notice shall specify in general terms the grounds for its service by the directors, shall refer to the cessation of voting rights set out in article 16(I), shall call for a disposal to be made of all or such proportion of the Interest of the member or members served as shall be specified in the Disposal Notice and shall specify the date upon which the Transfer Notice shall be deemed to have been served which shall not be less than seven clear days after the date of service of the Disposal Notice.
- (E) In the case of a Required Disposal where more than one member (treating joint members as a single member) is required to dispose of Units pursuant to a Disposal Notice, the Disposal Notice shall specify the number of Units to be disposed of by each such member (which shall be pro rata amongst the members being called upon to dispose of Units).
- (F) The directors may withdraw a Disposal Notice at any time if it appears to the directors that the ground or purported grounds for its service do not exist or no longer exist.
- (G) If the directors serve an Allocation Notice in circumstances where they have not found Purchasers for all of the Offered Shares, the directors shall attempt to sell the balance of the Offered Units to any person (the "Proposed Member") at a price not lower than the Prescribed Price and on terms not more favourable than those offered to the Purchasers and subject to the conditions that:-
 - (a) any such transfer must not be a Restricted Transfer; or
 - (b) the Investors, other than the transferring Investor, shall have confirmed that the Proposed Member has executed a Deed of Adherence or that they have waived the requirement for the execution of a Deed of Adherence.
- (H) If the directors are unable to find members or any third party willing to purchase the Offered Units within six months after the date of service of the Disposal Notice the balance of the Offered Units shall then be transferred to such persons ("Trustees") as the directors shall nominate. The Trustees shall hold such Units on trust for sale at the Prescribed Price on behalf of the member obliged by the Disposal Notice to dispose of them and shall receive any proceeds of sale thereof and all dividends other monies received in respect thereof in trust for such member absolutely. If the Trustees shall not find a person or persons willing to purchase all such Units at the Prescribed Price within two years from the date of the Disposal Notice, such shares shall be sold at the best price then reasonably obtainable in all the circumstances. The Trustees shall be entitled absolutely to exercise all the voting rights and other rights

attached to such Units which rights the member or members the subject of the Required Disposal shall cease to be entitled to exercise Provided that any transfer which takes place pursuant to this article is subject to the conditions that:

- (i) any such transfer must not be a Restricted Transfer; and
 - (ii) the Investors, other than the transferring Investor, shall have confirmed that any transferee has executed a Deed of Adherence or that they have waived the requirement for the execution of a Deed of Adherence. For the purposes of this article 16(H), "Investor" includes any person to whom Units have been transferred.
- (I) Any member of the Company who has been served with a Disposal Notice shall not, with effect from the service of such notice, be entitled to receive notice of, or to attend or vote at, any general meeting of the Company or any separate general meeting of any class of shares in the Company save in respect of such proportion (if any) of his shareholding in the Company as shall not have been the subject of the Disposal Notice.

TRANSFERS - CHANGING CONTROL

17. (A) Notwithstanding anything contained in these articles no sale or transfer of Units or any interest in any Unit to any person whomsoever which would result if made and registered in a person and/or any persons connected with that person becoming interested in more than 50 per cent. of the equity share capital of the Company (the "Specified Units") shall be made or registered:-
- (i) without the previous written consent of all the members of the Company; or
 - (ii) unless before the transfer is lodged for registration the proposed transferee or his nominee has made an offer (stipulated to be open for acceptance for twenty-eight days) to purchase all the other Units in the Company which offer every member shall be bound within twenty-eight days of the making of such offer to him either to accept or reject in writing (and in default of so doing shall be deemed to have rejected the offer). The said offer shall be at the Specified Price per Unit (as hereinafter defined) and on the Specified Terms (as hereinafter defined) and if and to the extent that it is an offer to purchase the shares in the Company otherwise than for cash and/or for shares listed on The Stock Exchange or dealt on the Unlisted Securities Market, shall include an alternative equivalent cash offer for the shares subject to the said offer.

For the purposes of this article:-

The "Specified Price" shall mean in respect of the Units the higher of:-

- (i) the highest price paid by the proposed transferees or any person connected with the proposed transferee for any interest acquired by any of them in any Unit during the preceding twelve months;
- (ii) the price received or receivable by the holders of the Specified Units for each Specified Share.

In the event of disagreement as to the Specified Price in connection with the shares (and any equivalent cash offer required to be made under article 17) the calculation of the Specified Price shall be referred to an umpire (acting as an expert and not as an arbitrator) nominated by and acting at the joint expense of the parties concerned (or, in the event of disagreement as to nomination, appointed by the President for the time being of the Institute of Chartered Accountants in England and Wales) whose decision shall be final and binding.

The "Specified Terms" shall mean on terms not less favourable than those offered to the holders of the Specified Units.

- (B) The proposed transferee shall deliver to the directors all such details as the directors may require of the consideration paid or payable by it or them for the Specified Units and of the consideration paid or payable for any interest in any Unit in the Company acquired by the proposed transferee or persons connected with them during the preceding twelve months including such opinion as to the value of any non-cash consideration and certificates as to the accuracy and completeness of all such information as the directors may reasonably require.
- (C) The directors shall not at any time register a transfer of any shares if they have reasonable cause to believe that the registration of such transfer would amount to a breach of this article 17.

NOTICES REQUIRING MEMBERS TO FURNISH INFORMATION

18. (A) The directors may from time to time and at any time serve a notice upon any member of the Company requiring him to furnish the directors with such information (in the case of paragraphs (iii), (iv) and (v) below, so far as such information lies within the knowledge of such member) supported (if the directors require) by a statutory declaration and by such evidence as the directors may consider necessary for the purposes of determining:-
- (i) whether or not such member is or is likely to be a party to an agreement or an arrangement (whether legally enforceable or not) whereby any of the shares held by him are to be voted in accordance with some other person's instructions (whether given by that other person directly or through any other person); or

- (ii) whether or not such member is or is likely to be subject to the control of some other person; or
- (iii) whether or not such member is an associate of any other member or person; or
- (iv) whether or not such member, and/or any other person who has any Interest in shares held by such member has an Interest which would or might give rise to a Jeopardy Event; or
- (v) whether or not such member and/or any other person who has any Interest in shares held by such member has an Interest which would or might cause the Company to be or become a Disqualified Person.

If such information and evidence is not furnished within a reasonable period (not being less than fourteen clear days from the date of service of such notice) or the information and evidence provided is, in the opinion of the directors, insufficient or unsatisfactory for the purposes of so determining, the directors may serve upon such member a further notice calling upon him, within fourteen clear days after service of such further notice, to furnish the directors with such information and evidence or further information or evidence as shall (in their opinion) enable the directors so to determine.

- (B) Any member who has pursuant to article 18(A) been served with a further notice by the directors requiring him to furnish the directors with information or further information and evidence and who does not furnish such information or evidence within fourteen clear days after the service of such further notice shall not, with effect from the expiration of such period and until information or evidence is furnished to the satisfaction to the directors, be entitled to receive notice of, or to attend or vote at any general meeting of the Company or any separate general meeting of the holders of any class of shares in the Company other than in respect of such proportion of shares held by him as it shall have been established to the satisfaction of the directors are not shares in respect of which the directors may be compelled or wish to serve a Disposal Notice.
- (C) The directors shall be entitled to refuse to register any transfer of any shares in the Company by any member who has pursuant to article 18(A) been served with a further notice by the directors requiring him to furnish the directors with information and evidence or further information and further evidence and who does not furnish such information or evidence within fourteen clear days of the service of such further notice other than:-
 - (i) a transfer of such proportion of that member's Units in the Company as it shall have been established to the satisfaction of the directors is not a shareholding in respect of which the directors may be compelled or wish to serve a Disposal Notice; or

- (ii) a transfer which is made pursuant to a Transfer Notice or a Disposal Notice.

TRANSMISSION OF SHARES

19. If a member dies the survivor or survivors where he was a joint holder, and his personal representatives where he was a sole holder or the only survivor of joint holders shall be the only persons recognised by the Company as having any title to his interest; but nothing in the articles shall release the estate of a deceased member from any liability in respect of any share which had been jointly held by him.
20. A person becoming entitled to a share in consequence of the death or bankruptcy of a member may, upon such evidence being produced as the directors may properly require, elect either to become the holder of the share or to have some person nominated by him registered as the transferee. If he elects to become the holder he shall give notice to the Company to that effect. If he elects to have another person registered he shall execute an instrument of transfer of the share to that person.
21. All the articles relating to the transfer of shares shall apply to the notice or instrument of transfer referred to in article 20 as if it were an instrument of transfer executed by the member and the death or bankruptcy of the member had not occurred.
22. A person becoming entitled to a share by reason of the death or bankruptcy of a member shall have the rights to which he would be entitled if he were the holder of the share, except that he shall not, before being registered as the holder of the share, be entitled in respect of it to attend or vote at any meeting of the Company or at any separate meeting of the holders of any class of shares in the Company.

ALTERATION OF SHARE CAPITAL

23. The Company may by ordinary resolution:
- (a) increase its share capital by new shares of such amount as the resolution prescribes;
 - (b) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
 - (c) subject to the provisions of the Act, sub-divide its shares, or any of them, into shares of smaller amount and the resolution may determine that, as between the shares resulting from the sub-division, any of them may have any preference or advantage as compared with the others; and
 - (d) cancel shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled.
24. Whenever as a result of a consolidation of shares any members would become entitled to fractions of a share, the directors may, on behalf of those members, sell the shares representing the fractions for the best price reasonably obtainable to any person (including,

subject to the provisions of the Act, the Company) and distribute the net proceeds of sale in due proportion among those members, and the directors may authorise some person to execute an instrument of transfer of the shares to, or in accordance with the directions of, the purchaser. The transferee shall not be bound to see to the application of the purchase money nor shall his title to the shares be affected by any irregularity in or invalidity of the proceedings in reference to the sale.

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

PURCHASE OF OWN SHARES

26. Subject to the provisions of the Act, the Company may purchase its own shares (including any redeemable shares) and make a payment in respect of the redemption or purchase of its own shares otherwise than out of distributable profits of the Company or the proceeds of a fresh issue of shares.

GENERAL MEETINGS

27. All general meetings other than annual general meetings shall be called extraordinary general meetings.
28. The directors may call general meetings and, on the requisition of members pursuant to the provisions of the Act, shall forthwith proceed to convene an extraordinary general meeting for a date not later than twenty eight days after receipt of the requisition. If there are not within the United Kingdom sufficient directors to call a general meeting, any director or any member may call a general meeting.

NOTICE OF GENERAL MEETINGS

29. An annual general meeting and an extraordinary general meeting called for the passing of a special resolution or an elective resolution shall be called by at least twenty-one clear days' notice. All other extraordinary general meetings shall be called by at least fourteen clear days' notice but a general meeting, other than a meeting called for the passing of an elective resolution, may be called by shorter notice if it is so agreed:
- (a) in the case of the annual general meeting, by all the members entitled to attend and vote thereat; and
 - (b) in the case of any other meeting, by a majority in number of the members having a right to attend and vote, being (i) a majority together holding not less than such percentage in nominal value of the shares giving that right as has been determined by elective resolution of the members in accordance with the Act, or (ii) if no such elective resolution is in force, a majority together holding not less than ninety-five per cent. in nominal value of the shares giving that right.

30. The notice shall specify the time and place of the meeting and the general nature of the business to be transacted and, in the case of an annual general meeting, shall specify the meeting as such.
31. Subject to the provisions of the articles and to any restrictions imposed on any shares, the notice shall be given to all the members, to all the persons entitled to a share in consequence of the death or bankruptcy of a member and to the directors and auditors.
32. The accidental omission to give notice of a meeting to, or the non-receipt of notice of a meeting by, any person entitled to receive notice shall not invalidate the proceedings at that meeting.

PROCEEDINGS AT GENERAL MEETINGS

33. No business shall be transacted at any meeting unless a quorum is present. Two persons entitled to vote upon the business to be transacted, each being a member or a proxy for a member or a duly authorised representative of a corporation, shall be a quorum.
34. Members may participate in a meeting through the medium of video conference facilities if all persons participating in the meeting are able to hear and speak to each other throughout the meeting. A member participating in this way is deemed to be present in person at the meeting and is counted in a quorum and entitled to vote. Subject to the Act, all business transacted in this way by the members is for the purposes of these articles deemed to be validly and effectively transacted at a meeting of the members although fewer than 2 members are physically present at the same place. The meeting is deemed to take place where the largest group of those participating is assembled or, if there is no such group, where the chairman of the meeting then is.
35. If such a quorum is not present within half an hour from the time appointed for the meeting, or if during a meeting a quorum ceases to be present, the meeting shall stand adjourned to the same day in the next week, at the same time and place or to such day and at such time and place as the directors may determine.
36. The chairman, if any, of the board of directors or in his absence some other director nominated by the directors shall preside as chairman of the meeting, but if neither the chairman nor such other director (if any) is present within fifteen minutes after the time appointed for holding the meeting and willing to act, the directors present shall elect one of their number to be chairman and, if there is only one director present and willing to act, he shall be chairman.
37. If no director is willing to act as chairman, or if no director is present within fifteen minutes after the time appointed for holding the meeting, the members present and entitled to vote shall choose one of their number to be chairman.
38. A director shall, notwithstanding that he is not a member, be entitled to attend and speak at any general meeting and at any separate meeting of the holders of any class of shares in the Company.

39. The chairman may, with the consent of any meeting at which a quorum is present (and shall if so directed by the meeting), adjourn the meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than business which might properly have been transacted at the meeting had the adjournment not taken place. When a meeting is adjourned for fourteen days or more, at least seven clear days' notice shall be given specifying the time and place of the adjourned meeting and the general nature of the business to be transacted. Otherwise it shall not be necessary to give any such notice.
40. A resolution put to the vote of the meeting shall be decided on a show of hands unless before, or on the declaration of the result of, the show of hands a poll is duly demanded. Subject to the provisions of the Act, a poll may be demanded:
- (a) by the chairman; or
 - (b) by any member present in person or by proxy and entitled to vote.
41. Unless a poll is duly demanded a declaration by the chairman that a resolution has been carried or carried unanimously, or by a particular majority, or lost, or not carried by a particular majority and an entry to that effect in the minutes of the meeting shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against the resolution.
42. The demand for a poll may, before the poll is taken, be withdrawn but only with the consent of the chairman and a demand so withdrawn shall not be taken to have invalidated the result of a show of hands declared before the demand was made.
43. A poll shall be taken in such manner as the chairman directs and he may appoint scrutineers (who need not be members) and fix a place and time for declaring the result of the poll. The result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.
44. In the case of equality of votes, whether on a show of hands or on a poll, the chairman shall be entitled to a casting vote in addition to any other vote he may have.
45. A poll demanded on the election of a chairman or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken either forthwith or at such time and place as the chairman directs not being more than thirty days after the poll is demanded. The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll was demanded. If a poll is demanded before the declaration of the result of a show of hands and the demand is duly withdrawn, the meeting shall continue as if the demand had not been made.
46. No notice need be given of a poll not taken forthwith if the time and place at which it is taken are announced at the meeting at which it is demanded. In any other case at least seven clear days' notice shall be given specifying the time and place at which the poll is to be taken.
47. A resolution in writing executed by or on behalf of each member who would have been entitled to vote upon it if it had been proposed at a general meeting at which he was present

shall be as effectual as if it had been passed at a general meeting duly convened and held and may consist of several instruments in the like form each executed by or on behalf of one or more members. If a resolution in writing is described as a special resolution or as an extraordinary resolution, it has effect accordingly.

VOTES OF MEMBERS

48. Subject to any rights or restrictions attached to any shares, on a show of hands every member who (being an individual) is present in person or (being a corporation) is present by a duly authorised representative not being himself a member entitled to vote, shall have one vote, and on a poll every member shall have one vote for every share of which he is the holder.
49. In the case of joint holders 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 seniority shall be determined by the order in which the names of the holders stand in the register of members.
50. A member in respect of whom an order has been made by any court having jurisdiction (whether in the United Kingdom or elsewhere) in matters concerning mental disorder may vote, whether on a show of hands or on a poll, by his receiver, curator bonis or other person authorised in that behalf appointed by that court, and any such receiver, curator bonis or other person may, on a poll, vote by proxy. Evidence to the satisfaction of the directors of the authority of the person claiming to exercise the right to vote shall be deposited at the office, or at such other place as is specified in accordance with the 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.
51. No member shall, unless the directors otherwise determine, be entitled to vote at any general meeting or at any separate meeting of the holders of any class of shares in the Company, either in person or by proxy, in respect of any share held by him unless all moneys presently payable by him in respect of that share have been paid.
52. 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 tendered, and every vote not disallowed at the meeting shall be valid. Any objection made in due time shall be referred to the chairman whose decision shall be final and conclusive.
53. On a poll votes may be given either personally or by proxy. A member may appoint more than one proxy to attend on the same occasion. Deposit of an instrument of proxy does not preclude a member from attending and voting at the meeting or at any adjournment of it.
54. An instrument appointing a proxy shall be in writing in any usual form or in any other form which the directors may approve and shall be executed by or on behalf of the appointor.
55. The instrument appointing a proxy and any authority under which it is executed or a copy of such authority certified notarially or in some other way approved by the directors may:

- (a) be left at or sent by post or by facsimile transmission to the office or such other place within the United Kingdom as is specified in the notice convening the meeting or in any instrument of proxy sent out by the Company in relation to the meeting at any time before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote; or
- (b) in the case of a poll taken more than forty-eight hours after it is demanded, be deposited as aforesaid after the poll has been demanded and at any time before the time appointed for the taking of the poll; or
- (c) where the poll is not taken forthwith but is taken not more than forty-eight hours after it was demanded, be delivered at the meeting at which the poll was demanded to the chairman or to the secretary or to any director;

and an instrument of proxy which is not deposited or delivered in a manner so permitted shall be invalid.

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

NUMBER OF DIRECTORS

- 57. Unless otherwise determined by ordinary resolution, the number of directors (other than alternate directors) is not subject to a maximum and the minimum number is one.

ALTERNATE DIRECTORS

- 58. Any director (other than an alternate director) may appoint any person willing to act, whether or not he is a director of the Company and without the approval of the directors, to be an alternate director and may remove from office an alternate director so appointed by him.
- 59. An alternate director shall, whether or not he is absent from the United Kingdom, be entitled to receive notice of all meetings of directors and of all meetings of committees of directors of which his appointor is a member, to attend and vote at any such meeting at which the director appointing him is not personally present, and generally to perform all the functions of his appointor as a director in his absence but shall not be entitled to receive any remuneration from the Company for his services as an alternate director.
- 60. An alternate director shall cease to be an alternate director if his appointor ceases to be a director; but, if a director retires but is reappointed at the meeting at which he retires, any appointment of an alternate director made by him which was in force immediately prior to his retirement shall continue in force after his reappointment.

61. Any appointment or removal of an alternate director shall be by notice to the Company signed by the director making or revoking the appointment or in any other manner approved by the directors. Any such notice may be left at or sent by post or facsimile transmission to the office or such other place as may be designated for the purpose by the directors.
62. Save as otherwise provided in the articles, an alternate director shall be deemed for all purposes to be a director and shall alone be responsible for his own acts and defaults and he shall not be deemed to be the agent of the director appointing him.

POWERS OF DIRECTORS

63. (A) Subject to the provisions of the Act, the memorandum and articles and to any directions given by special resolution, the business of the Company shall be managed by the directors who may exercise all the powers of the Company. No alteration of the memorandum or articles and no such direction shall invalidate any prior act of the directors which would have been valid if that alteration had not been made or that direction had not been given. The powers given by this article shall not be limited by any special power given to the directors by the articles and a meeting of directors at which a quorum is present may exercise all powers exercisable by the directors.
- (B) The directors shall procure that the Company and any of its subsidiary undertakings do not do any of the following without the prior written consent of Investors together holding 75 per cent. or more of the total shareholdings in the Company of all Investors:-
- (i) the entering into of any contract or contracts with any Investor or any associate of any Investor which, in any calendar year, involves liabilities, expenditure or obligations in excess of £100,000 or which is otherwise than on arm's length terms;
 - (ii) the carrying on of any business by the Company other than its Core Business or the carrying on of any business that might jeopardise the Nomination or renewal thereof;
 - (iii) the presentation of any petition or passing of any resolution for the Company or any of its subsidiary undertakings to be put into administration or to be wound up;
 - (iv) the sale, lease, transfer, mortgage, charge (including floating charges), pledge, encumbrance or other disposition of all or substantially all of the undertaking and assets of the Company or of any of its subsidiary undertakings (other than sales of current assets in the ordinary course of business) or any agreement to effect any of the foregoing;
 - (v) the borrowing of money or the incurring of credit (other than trade credit in the ordinary course of business and the Loan Notes) in each case exceeding in aggregate £15,000,000;

- (vi) the sanctioning of any scheme of arrangement or any scheme or plan for the reconstruction of the Company or any union with or the transfer of the engagements of the Company to any other person or for any change in its legal or corporate status;
 - (vii) the exchange of any of the Loan Notes for or the conversion of the Loan Notes into shares, stock, debenture, debenture stock or other obligations or securities of the Company or any company formed or to be formed other than pursuant to the conversion provisions contained in the Loan Notes;
 - (viii) the entering into of any modification, compromise or arrangement in respect of or any abrogation of the rights of the Noteholders, whether such rights shall arise under the Deed Poll or otherwise;
 - (ix) the modification of the Conditions and/or of the provisions contained in the Deed Poll and the execution of any deed supplemental to the Deed Poll embodying any such modification;
 - (x) the release of the Company from payment or postponement of payment of all or any part of the principal monies and interest owing upon the Loan Notes or postponement of payment of any other monies payable to Noteholders pursuant to the Deed Poll or the release of the Company from any other obligation arising under the Deed Poll or the waiving or sanctioning of any default by the Company under the Loan Notes; and
 - (xi) the appointment of any persons (whether Noteholders or not) as a committee to represent the interest of the Noteholders and the conferring upon such committee any powers or discretions which the Noteholders could themselves exercise.
- (C) The directors shall procure that the doing by the Company and any of its subsidiary undertakings of the matters set out below will require approval at a board meeting of the directors in respect of which not less than seven days' notice was given of the meeting and the proposal and will not be implemented until 24 hours after the close of such a meeting of the directors and that if any director has not more than 24 hours after the close of such a meeting of the directors notified the Company that he regards any proposal relating to the matters set out below as a "shareholder matter" then the proposal will not be implemented unless the written consent of Investors together holding 50.1% or more of the total shareholdings in the Company of all Investors to the proposal is obtained. The matters are:-
- (i) the issue of shares or loan stock, the call or amount of call of any partly paid shares, or any agreement or arrangement in respect thereof and the creation or issue of any share or loan capital or any obligation convertible into share capital or loan capital of the Company or any of its subsidiary undertakings and the grant of any option or right to subscribe for any share or loan capital of the Company or any of its subsidiary undertakings;

- (ii) the redemption or the purchase by the Company or any of its subsidiary undertakings of any shares or loan stock;
- (iii) the acquisition by the Company or any of its subsidiary undertakings of all or substantially all of the undertaking and assets of any other person or the acquisition by the Company or any of its subsidiary undertakings of shares or other securities of any other company which carry control of that other company or any other transaction which would cause the merger, consolidation or amalgamation of the Company or any of its subsidiary undertakings or their undertaking with that of any other person;
- (iv) any action by the Company or any of its subsidiary undertakings to acquire, relinquish, renew or transfer the Nomination or any other television broadcasting licence or any interest therein or any interest in any other company, person or entity for the time being holding or being entitled to any such licence;
- (v) the removal or appointment of the auditors of the Company or any of its subsidiary undertakings (other than the re-appointment of the auditors of the Company or of any of its subsidiary undertakings);
- (vi) the making of any capital expenditure and capital commitments in any year exceeding £100,000 or the entry into of finance leases involving a liability (calculated in accordance with generally accepted accounting practice) in any year exceeding £100,000;
- (vii) the incorporation of any subsidiary or the subscription for or the acquisition of any shares or other securities or interest in any company;
- (viii) the borrowing of money or incurring of credit (other than trade credit in the ordinary course of business and the Loan Notes) in each case exceeding in aggregate £100,000 ;
- (ix) the employment of any executive Director;
- (x) the declaration of any dividend or the making of any distribution or return of capital;
- (xi) the giving of any guarantee outside the ordinary course of business of the obligations, or indemnity in respect of the liability, of any third party not being the Company or a subsidiary undertaking thereof;
- (xii) the entering into of any partnership, joint venture or profit sharing agreement; and
- (xiii) any tender by the Company or any of its subsidiary undertakings for any contract (or group of related contracts) having a potential aggregate net invoice value of in excess of £5,000,000.

64. The directors may, by power of attorney or otherwise, appoint any person to be the agent of the Company for such purposes and on such conditions as they determine, including authority for the agent to delegate all or any of his powers.

DELEGATION OF DIRECTORS' POWERS

65. The directors may delegate any of their powers to any committee consisting of one or more directors. They may also delegate to any managing director or any director holding any other executive office such of their powers as they consider desirable to be exercised by him. Any such delegation shall be subject to any limitations on the powers of the directors under article 63(B) but otherwise may be made subject to any conditions the directors may impose, and either collaterally with or to the exclusion of its own powers and may be revoked or altered. Subject to any such conditions, the proceedings of a committee with two or more members shall be governed by the provisions of the articles regulating the proceedings of directors so far as they are capable of applying. Where a provision of the articles refers to the exercise of a power, authority or discretion by the directors and that power, authority or discretion has been delegated by the directors to a committee, the provision shall be construed as permitting the exercise of the power, authority or discretion by the committee.

APPOINTMENT AND REMOVAL OF DIRECTORS

66. The Company may by ordinary resolution appoint a person who is willing to act to be a director either to fill a vacancy or as an additional director.
67. The directors may appoint any person who is willing to act to be a director, either to fill a vacancy or as an additional director, provided that the appointment does not cause the number of directors to exceed any number fixed by or in accordance with the articles as the maximum number of directors.
68. No person is incapable of being appointed a director by reason of his having reached the age of 70 or another age. No special notice is required in connection with the appointment or the approval of the appointment of such person. No director is required to vacate his office at any time because he has reached the age of 70 or another age and section 293 of the Act does not apply to the Company.
69. The holder or holders of not less than half in nominal value of the shares giving the right to attend and vote at general meetings of the Company may remove a director from office and appoint a person to be a director, but only if the appointment does not cause the number of directors to exceed a number fixed by or in accordance with the articles as the maximum number of directors. The removal or appointment is effected by notice to the Company signed by or on behalf of the holder or holders. The notice may consist of several documents in the like form each signed by or on behalf of one or more holders and shall be left at or sent by post or facsimile transmission to the office or such other place designated by the directors for the purpose. The removal or appointment takes effect immediately on deposit of the notice in accordance with the articles or on such later date (if any) specified in the notice.

DISQUALIFICATION AND REMOVAL OF DIRECTORS

70. The office of a director shall be vacated if:
- (a) he ceases to be a director by virtue of any provision of the Act or he becomes prohibited by law from being a director; or
 - (b) he becomes bankrupt or makes any arrangement or composition with his creditors generally; or
 - (c) he becomes, in the opinion of all his co-directors, incapable by reason of mental disorder of discharging his duties as director; or
 - (d) he resigns his office by notice to the Company; or
 - (e) he shall for more than six consecutive months have been absent without permission of the directors from meetings of directors held during that period and his alternate director (if any) shall not during such period have attended any such meetings instead of him, and the directors resolve that his office be vacated; or
 - (f) he is removed from office by notice addressed to him at his last-known address and signed by all his co-directors; or
 - (g) he is removed from office by notice given under article 74.

REMUNERATION OF DIRECTORS

71. The directors shall be entitled to such remuneration as the Company may by ordinary resolution determine and, unless the resolution provides otherwise, the remuneration shall be deemed to accrue from day to day.
72. A director who, at the request of the directors, goes or resides abroad, makes a special journey or performs a special service on behalf of the Company may be paid such reasonable additional remuneration (whether by way of salary, percentage of profits or otherwise) and expenses as the directors may decide.

DIRECTORS' EXPENSES

73. The directors may be paid all travelling, hotel and other expenses properly incurred by them in connection with their attendance at meetings of directors or committees of directors or general meetings or separate meetings of the holders of any class of shares or of debentures of the Company or otherwise in connection with the discharge of their duties.

DIRECTORS' APPOINTMENTS AND INTERESTS

74. Subject to the provisions of the Act, the directors may appoint one or more of their body to the office of managing director or to any other executive office under the Company, and may enter into an agreement or arrangement with any director for his employment by the

Company or for the provision by him of any services outside the scope of the ordinary duties of a director. Any such appointment, agreement or arrangement may be made upon such terms as the directors determine and they may remunerate any such director for his services as they think fit. Any appointment of a director to an executive office shall determine if he ceases to be a director but without prejudice to any claim to damages for breach of the contract of service between the director and the Company.

75. Subject to the provisions of the Act, and provided that he has disclosed to the directors the nature and extent of any material interest of his, a director notwithstanding his office:

- (a) may be a party to, or otherwise interested in, any transaction or arrangement with the Company or in which the Company is otherwise interested;
- (b) may be a director or other officer of, or employed by, or a party to any transaction or arrangement with, or otherwise interested in, any body corporate promoted by the Company or in which the Company is otherwise interested; and
- (c) shall not, by reason of his office, be accountable to the Company for any benefit which he derives from any such office or employment or from any such transaction or arrangement or from any interest in any such body corporate and no such transaction or arrangement shall be liable to be avoided on the ground of any such interest or benefit.

76. For the purposes of article 75:

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

DIRECTORS' GRATUITIES AND PENSIONS

77. The directors may provide benefits, whether by the payment of gratuities or pensions or by insurance or otherwise, for any director who has held but no longer holds any executive office or employment with the Company or with any body corporate which is or has been a subsidiary of the Company or a predecessor in business of the Company or of any such subsidiary, and for any member of his family (including a spouse and a former spouse) or any person who is or was dependent on him, and may (as well before as after he ceases to hold such office or employment) contribute to any fund and pay premiums for the purchase or provision of any such benefit.

PROCEEDINGS OF DIRECTORS

78. Subject to the provisions of the articles, the directors may regulate their proceedings as they think fit. A director may, and the secretary at the request of a director shall, call a meeting of the directors. Every director shall receive notice of a meeting, whether or not he is absent from the United Kingdom. A director may waive the requirement that notice be given to him of a board meeting, either prospectively or retrospectively. Questions arising at a meeting shall be decided by a majority of votes. In the case of an equality of votes, the chairman shall not have a second or casting vote. A director who is also an alternate director shall be entitled in the absence of his appointor to a separate vote on behalf of his appointor in addition to his own vote.
79. A director or his alternate director may participate in a meeting of directors or a committee of directors through the medium of conference telephone or similar form of communication equipment if all persons participating in the meeting are able to hear and speak to each other throughout the meeting. A person participating in this way is deemed to be present in person at the meeting and is counted in a quorum and entitled to vote. Subject to the Act, all business transacted in this way by the directors or a committee of directors is for the purposes of the articles deemed to be validly and effectively transacted at a meeting of the directors or of a committee of directors although fewer than two directors or alternate directors are physically present at the same place. The meeting is deemed to take place where the largest group of those participating is assembled or, if there is no such group, where the chairman of the meeting then is.
80. The quorum for the transaction of the business of the directors may be fixed by the directors and unless so fixed at any other number shall be two. A person who holds office only as an alternate director shall, if his appointor is not present, be counted in the quorum.
81. The directors may appoint one of their number to be the chairman of the board of directors and may at any time remove him from that office. Unless he is unwilling to do so, the director so appointed shall preside at every meeting of directors at which he is present. But if there is no director holding that office, or if the director holding it is unwilling to preside or is not present within five minutes after the time appointed for the meeting, the directors present may appoint one of their number to be chairman of the meeting.
82. All acts done by a meeting of directors, or of a committee of directors, or by any person acting as a director shall, notwithstanding that it be afterwards discovered that there was a defect in the appointment of any director or that any of them were disqualified from holding office, or had vacated office, or were not entitled to vote, be as valid as if every such person had been duly appointed and was qualified and had continued to be a director and had been entitled to vote.
83. A resolution in writing signed by all the directors entitled to receive notice of a meeting of directors or of a committee of directors shall be as valid and effectual as if it has been passed at a meeting of directors or (as the case may be) a committee of directors duly convened and held and may consist of several documents in the like form each signed by one or more directors; but a resolution signed by an alternate director need not also be signed by his

appointor and, if it is signed by a director who has appointed an alternate director it need not be signed by the alternate director in that capacity.

84. If and for so long as there is a sole director, he may exercise all the powers conferred on the directors by the articles by resolution in writing signed by him, and articles 78 to 83 (inclusive) do not apply.
85. Without prejudice to the obligation of a director to disclose his interest in accordance with section 317 of the Act, a director may vote at any meeting of directors or of a committee of directors on any resolution concerning a matter in which he has, directly or indirectly, an interest or duty. The director shall be counted in the quorum present at a meeting when any such resolution is under consideration and if he votes his vote shall be counted.

SECRETARY

86. Subject to the provisions of the Act, the secretary shall be appointed by the directors for such term, at such remuneration and upon such conditions as they think fit; and any secretary so appointed may be removed by the directors.

MINUTES

87. The directors shall cause minutes to be made in books kept for the purpose:
- (a) of all appointments of officers made by the directors; and
 - (b) of all proceedings of meetings of the Company, of the holders of any class of shares in the Company, and of the directors, and of committees of directors, including the names of the directors present at each such meeting.

THE SEAL

88. The seal shall only be used by the authority of the directors or of a committee of directors authorised by the directors. The directors may determine who shall sign any instrument to which the seal is affixed, and unless otherwise so determined every such instrument shall be signed by a director and by the secretary or by a second director.

DIVIDENDS

89. Subject to the provisions of the Act, the Company may by ordinary resolution declare dividends in accordance with the respective rights of the members, but no dividend shall exceed the amount recommended by the directors.
90. Subject to the provisions of the Act, the directors may pay interim dividends if it appears to them that they are justified by the profits of the Company available for distribution. If the share capital is divided into different classes, the directors may pay interim dividends on shares which confer deferred or non-preferred rights with regard to dividend as well as on shares which confer preferential rights with regard to dividend, but no interim dividend shall be paid on shares carrying deferred or non-preferred rights if, at the time of payment, any

preferential dividend is in arrear. The directors may also pay at intervals settled by them any dividend payable at a fixed rate if it appears to them that the profits available for distribution justify the payment. Provided the directors act in good faith they shall not incur any liability to the holders of shares conferring preferred rights for any loss they may suffer by the lawful payment of an interim dividend on any shares having deferred or non-preferred rights.

91. Except as otherwise provided by the rights attached to shares, all dividends shall be declared and paid according to the amounts paid up on the shares on which the dividend is paid. 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; but, if any share is issued on terms providing that it shall rank for dividend as from a particular date, that share shall rank for dividend accordingly.
92. The directors may deduct from a dividend or other amounts payable to a person in respect of a share any amounts due from him to the Company on account of a call or otherwise in relation to a share.
93. A general meeting declaring a dividend may, upon the recommendation of the directors, direct that it shall be satisfied wholly or partly by the distribution of assets and, where any difficulty arises in regard to such distribution, the directors may settle the same and in particular may issue fractional certificates and fix the value for distribution of any assets and may determine that cash shall be paid to any member upon the footing of the value so fixed in order to adjust the rights of members and may vest any assets in trustees.
94. Any dividend or other moneys payable on or in respect of a share may be paid by cheque sent by post to the registered address of the person entitled or, if two or more persons are the holders of the share or are jointly entitled to it by reason of the death or bankruptcy of the holder, to the registered address of that one of those persons who is first named in the register of members or to such person and to such address as the person or persons entitled may in writing direct. Every cheque shall be made payable to the order of the person or persons entitled or to such other person as the person or persons entitled may in writing direct and payment of the cheque shall be a good discharge to the Company. Any joint holder or other person jointly entitled to a share as aforesaid may give receipts for any dividend or other moneys payable in respect of the share.
95. No dividend or other moneys payable in respect of a share shall bear interest against the Company unless otherwise provided by the rights attached to the share.
96. Any dividend which has remained unclaimed for 12 years from the date when it became due for payment shall, if the directors so resolve, be forfeited and cease to remain owing by the Company.

ACCOUNTS

97. No member shall (as such) have any right of inspecting any accounting records or other book or document of the Company except as conferred by statute or authorised by the directors or by ordinary resolution of the Company.

CAPITALISATION OF PROFITS

98. The directors may with the authority of an ordinary resolution of the Company:
- (a) subject as hereinafter provided, resolve to capitalise any undivided profits of the Company not required for paying any preferential dividend (whether or not they are available for distribution) or any sum standing to the credit of the Company's share premium account or capital redemption reserve;
 - (b) appropriate the sum resolved to be capitalised to the members who would have been entitled to it if it were distributed by way of dividend and in the same proportions and apply such sum on their behalf either in or towards paying up the amounts, if any, for the time being unpaid on any shares held by them respectively, or in paying up in full unissued shares or debentures of the Company of a nominal amount equal to such sum, and allot the shares or debentures credited as fully paid to those members, or as they may direct, in those proportions, or partly in one way and partly in the other: but the share premium account, the capital redemption reserve, and any profits which are not available for distribution may, for the purposes of this article, only be applied in paying up unissued shares to be allotted to members credited as fully paid;
 - (c) resolve that any shares so allotted to any member in respect of a holding by him of any partly-paid shares rank for dividend, so long as such shares remain partly paid, only to the extent that such partly-paid shares rank for dividend;
 - (d) make such provision by the issue of fractional certificates or by payment in cash or otherwise as they determine in the case of shares or debentures becoming distributable under this article in fractions; and
 - (e) authorise any person to enter on behalf of all the members concerned into an agreement with the Company providing for the allotment to them respectively, credited as fully paid, of any shares or debentures to which they may be entitled upon such capitalisation, any agreement made under such authority being binding on all such members.

NOTICES

99. Any notice to be given to or by any person pursuant to the articles shall be in writing except that a notice calling a meeting of the directors need not be in writing.
100. The Company may give any notice to a member either personally or by sending it by post in a prepaid envelope addressed to the member at his registered address or by leaving it at that address. In the case of joint holders of a share, all notices shall be given to the joint holder whose name stands first in the register of members in respect of the joint holding and notice so given shall be sufficient notice to all the joint holders. Any member whose registered address is not within the United Kingdom shall be entitled to have notices given to him at that address.

101. 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 of the meeting, and, where requisite, of the purposes for which it was called.
102. Every person who becomes entitled to any share shall be bound by any notice in respect of that share which, before his name is entered in the register of members, has been given to the person from whom he derives his title.
103. A notice sent to a member (or other person entitled to receive notices under the articles) by post to an address within the United Kingdom is deemed to be given:

- (a) 24 hours after posting, if pre-paid as first class, or
- (b) 48 hours after posting, if pre-paid as second class.

A notice sent to a member (or other person entitled to receive notice under the articles) by post to an address outside the United Kingdom is deemed to be given 72 hours after posting, if pre-paid as airmail. Proof that an envelope containing the notice was properly addressed, pre-paid and posted is conclusive evidence that the notice was given. A notice not sent by post but left at a member's registered address is deemed to have been given on the day it was left.

104. 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 or delivering it, in any manner authorised by the articles for the giving of notice to a member, addressed to them by name, or by the title of representatives of the deceased, or trustee of the bankrupt or by any like description, at the address, if any, supplied for that purpose by the persons claiming to be so entitled. Until such an address has been supplied, a notice may be given in any manner in which it might have been given if the death or bankruptcy had not occurred.

WINDING UP

105. If the Company is wound up, the liquidator may, with the sanction of an extraordinary resolution of the Company and any other sanction required by the Act, divide among the members in specie the whole or any part of the assets of the Company and may, for that purpose, value any assets and determine how the division shall be carried out as between the members or different classes of members. The liquidator may, with the like sanction, vest the whole or any part of the assets in trustees upon such trusts for the benefit of the members as he with the like sanction determines, but no member shall be compelled to accept any assets upon which there is a liability.

INDEMNITY

106. Subject to the provisions of the Act, but without prejudice to an indemnity to which he may otherwise be entitled, every officer of the Company shall be indemnified out of the assets of the Company against all costs, charges, losses and liabilities incurred by him in the execution of his duties or the exercise of his powers, authorities and discretions including (without prejudice to the generality of the foregoing) a liability incurred:

- (a) defending proceedings (whether civil or criminal) in which judgment is given in his favour or in which he is acquitted, or which are otherwise disposed of without a finding or admission of material breach of duty on his part, or
 - (b) 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.
107. The directors may exercise all the powers of the Company to purchase and maintain insurance for the benefit of a person who is an officer or employee, or former officer or employee, of the Company or of a company which is a subsidiary of the Company or in which the Company has an interest (whether direct or indirect), or who is or was trustee of a retirement benefits scheme or another trust in which an officer or employee or former officer or employee is or has been interested, indemnifying him against liability for negligence, default, breach of duty or breach of trust or another liability which may lawfully be insured against by the Company.

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