



[Signature]
Secretary 5/6/96

Company Number 2591237

COMPANIES HOUSE 2/6/96

WRITTEN RESOLUTIONS

NTL GROUP LIMITED

The undersigned, being all of the A Ordinary Shareholders of the Company and accordingly being the only members who (at the date of this Written Resolution) would be regarded for the purposes of Section 381A of the Companies Act 1985 (the "Act") as entitled to attend and vote at a General Meeting of the Company, hereby agree pursuant to such Section and conditional upon the consent of the Special Shareholders to the matters referred to herein being obtained to the following Resolutions (which would otherwise be required to be passed, in the case of Resolution 1 and 5 as Special Resolutions and in the case of Resolutions 2, 3 and 4 as Ordinary Resolutions):-

New Articles of Association

1. That the Articles of Association of the Company contained in the document attached hereto and for the purpose of identification signed by the Company Secretary, be and the same are hereby approved and adopted as the Articles of Association of the Company in substitution for and to the exclusion of the existing Articles of Association.

Creation and Issue of new Ordinary Shares

2. That the authorised share capital be increased from £53,783.87 to £53,783.87 and US\$1,048,631 by the creation of new ordinary shares as set out below:-

- (a) 439,600,000 New A Ordinary Shares of 0.1 US cent each;
- (b) 57,985,000 New B Ordinary Shares of 0.1 US cent each; and
- (c) 551,045,600 New C Ordinary Shares of 0.1 US cent each;

in each case having the rights and being subject to the restrictions set out in the Articles of Association of the Company adopted pursuant to Resolution 1 above.

3. That the Directors be and they are hereby authorised to appropriate the Sterling equivalent of US\$995,170 (such Sterling equivalent to be by reference to such financial index as the Directors may choose) standing to the credit of the Company's share premium account and the such sum be appropriated to the members of the Company holding A, B and C Ordinary Shares of 1p each in the capital of the Company on the register of members immediately prior to the effective date of these written resolutions in proportion to the number of such shares held by them and applied on their behalf in paying up in full New A, B and C Ordinary Shares of 0.1 US cent each in the capital of the Company such shares to be allotted and issued, credited as fully paid up, to such shareholders as follows:-

- (i) two hundred New A Ordinary Shares of 0.1 US cent each for each of the existing 2,198,000 A Ordinary Shares of 1p each;
- (ii) two hundred New B Ordinary Shares of 0.1 US cent each for each of the existing 289,925 B Ordinary Shares of 1p each; and
- (iii) two hundred New C Ordinary Shares of 0.1 US cent each for each of the existing 2,487,925 C Ordinary Shares of 1p each;

L. J. Jacob
Secretary 5/6/96

provided that this authority shall be conditional upon the passing of the following resolution and shall expire on the date being twelve months from the date of these written resolution.

4. That the Directors be and they are hereby generally and unconditionally authorised, in accordance with Section 80 of the Act to exercise all the powers of the Company to allot relevant securities (as defined in sub-section (2) of the said Section 80) of the Company up to an aggregate nominal amount of US\$1,048,631 and £3961 provided that this authority shall expire on the date being twelve months from the date hereof save that the Company may before such expiry make an offer or agreement which would or might require relevant securities to be allotted after such expiry and the Directors may allot relevant securities in pursuance of such an offer or agreement as if the authority conferred hereby had not expired. This authority shall be in addition to all previous authorities conferred upon the Directors pursuant to the said Section 80.

5. Pre-emption Rights

That the Directors be and they are hereby, empowered in accordance with Section 95 of the Act to allot equity securities (as defined in Section 94 of the Act) for cash pursuant to the authority conferred on them to allot relevant securities (as defined in Section 80 of the Act) pursuant to paragraph 4 of these written resolutions, as if Section 89(1) of the Act did not apply to the allotment, provided that the power conferred by this resolution 5 shall be limited to the allotment of C Ordinary Shares of 1 penny each up to an aggregate nominal value not exceeding £3961 and so that this power, unless renewed or revoked, shall expire on the date being twelve months from the date hereof save that the Company may before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of such an offer or agreement as if the authority conferred hereby had not expired. This authority shall be in addition to all previous authorities conferred upon the Directors pursuant to Section 95.

25 March 1996

James Jacob
ROWAN MONTAGU

James Jacob
Mamco Nominees (Jersey) Ltd.

James Jacob

MARK SHERWOOD - PROXY

MONTAGU PRIVATE EQUITY INV. LTD

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Secretary 5/6/96

Company Number 2591237

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NTL GROUP LIMITED

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L.H. Stevens
Secretary
5/6/96

- (i) two hundred New A Ordinary Shares of 0.1 US cent each for each of the existing 2,198,000 A Ordinary Shares of 1p each;
- (ii) two hundred New B Ordinary Shares of 0.1 US cent each for each of the existing 289,925 B Ordinary Shares of 1p each; and
- (iii) two hundred New C Ordinary Shares of 0.1 US cent each for each of the existing 2,487,925 C Ordinary Shares of 1p each;

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Certified as a true
copy of the original

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LSH Baku
Secretary 5/6/96

Note: The above written resolutions were delivered to and the attached letter under Section 381B of the Act was received from the Company's auditors, *Ernst and Young* on 25 March.....1996. Accordingly, the written resolutions took effect on the above date being the date of signature of the written resolutions.

X.....*A. S. Nalanda*
Director

LSH B. H. C.
Secretary 24/6/96

THE COMPANIES ACT 1985

COMPANY LIMITED BY SHARES

NEW
ARTICLES OF ASSOCIATION

‘adopted by Special Resolution
passed on 25/3 1996)

OF
NTL GROUP LIMITED

REGULATIONS OF THE COMPANY

1. The articles comprise these Articles and, save insofar as it is modified by these Articles, Table A (which expression means that Table as prescribed by regulations made pursuant to the Companies Act 1985 and in force on the date of adoption of these Articles).
2.
 - (1) Regulations 8, 24, 25, 50, 53, 54, 60-62 (inclusive), 65-69 (inclusive), 73-78 (inclusive), 80, 82, 87, 89, 100, 109, 110 and 118 in Table A do not apply to the Company.
 - (2) Unless the context otherwise requires:-
 - (a) words denoting the singular number shall include the plural number and vice-versa;
 - (b) words denoting the masculine gender shall include the feminine and neuter genders and vice-versa; and

- (c) references to persons shall include bodies corporate, unincorporated associations and partnerships.

DEFINITIONS

3. In these Articles unless the context otherwise requires the words standing in the first column of the following table bear the meanings set opposite them respectively in the second column:-

<u>Expression</u>	<u>Meaning</u>
"Act"	the Company Act 1985 (as amended from time to time);
"‘A’ Ordinary Shareholders"	the holders for the time being of ‘A’ Ordinary Shares and New ‘A’ Ordinary Shares;
"‘A’ Ordinary Shares"	the ‘A’ Ordinary Shares of one penny each in the capital of the Company;
"Annual Business Plan"	the annual business plan of the Company and of each of its subsidiaries from time to time as approved by the Board (including a majority of the Special Directors);
"Auditors"	the auditors for the time being of the Company;
"Board"	the board of directors for the time being of the Company;
"‘B’ Ordinary Shareholders"	the holders for the time being of ‘B’ Ordinary Shares and New ‘B’ Ordinary Shares;
"‘B’ Ordinary Shares"	the ‘B’ Ordinary Shares of one penny each in

the capital of the Company;

"Consolidated Post-Tax
Profit"

the consolidated profit of the Company and its Subsidiaries (if any) as shown by the audited profit and loss account of the Company (or, as the case may be, the audited consolidated profit and loss account of the Company and its Subsidiaries) which shall be drawn up in accordance with generally accepted accounting principles in the United Kingdom and on a basis and in accordance with accounting policies approved from time to time by the Board (and approved by a majority of the Non-Executive Directors in accordance with Article 29) and:-

- (a) before any provision is made for the payment of any dividend on any share in the capital of the Company or for any share distribution by the Company or for the transfer of any sum to any reserves of the Company forming part of shareholders' funds;
- (b) before deducting the amount of any dividend declared and paid in respect of any share by the Company in the year or period to which the audited profit and loss account (or audited consolidated profit and loss account) related;
- (c) after there has been deducted any corporation tax (or any other tax levied upon or measured by reference to

profits of or gains realised by the Company and its Subsidiaries (if any)) calculated at the rates then prevailing for which the Company or any of its Subsidiaries is liable and after making provision for deferred tax as contained in the relevant accounts but excluding any taxation relating to extraordinary items;

- (d) after exceptional but before extraordinary items (as defined in Statement of Standard Accounting Practice No. 6 or any revision or replacement thereof);
- (e) before allowing for minority interests;
- (f) after there have been deducted any interest charges paid or payable by the Company and its Subsidiaries;
- (g) before any amortisation of any goodwill arising on the acquisition by the Company or a Subsidiary of any Company or business; and
- (h) before any amortisation or depreciation of any other intangible assets;

all as certified by the Auditors;

"'C' Ordinary Shareholders"

the holders for the time being of 'C' Ordinary Shares and New 'C' Ordinary Shares;

"C' Ordinary Share"	the 'C' Ordinary Shares of one penny each in the capital of the Company;
"GAAP"	generally accepted accounting principles in England and Wales;
"Group"	the Company and its subsidiaries from time to time;
"Licences"	the licences granted to National Transcommunications Limited ("NTL") from time to time under the Wireless Telegraphy Act 1949 and/or the Telecommunications Act 1984 and any other licences granted to NTL for the purposes of its business;
"Listing"	<p>(i) the listing of the Company's Ordinary Shares on The International Stock Exchange of the United Kingdom and the Republic of Ireland Limited ("The Stock Exchange") becoming effective; or</p> <p>(ii) the granting of an application by the Company for the dealing in any of the Company's Ordinary Shares on any other public securities market (including the Unlisted Securities Market of The Stock Exchange) whereby such Shares can be freely traded and the approval for such dealing becoming effective;</p>

whether such listing is effected by way of an

offer for sale, a new issue of shares, an introduction, a placing or otherwise;

"Loan Agreements"

the Facilities Agreement dated 24 October 1991 between the Company, S.G. Warburg and Co. Limited and The Governor and Company of the Bank of Scotland (and others) as from time to time amended or restated relating to the provision of various facilities to the Company together with the Security Documents referred to therein;

"MAM"

Mercury Asset Management plc;

"NTL"

National Transcommunications Limited;

"New 'A' Ordinary Shares"

the A ordinary shares of 0.1 US cent each in the capital of the Company;

"New 'B' Ordinary Shares"

the B ordinary shares of 0.1 US cent each in the capital of the Company;

"New 'C' Ordinary Shares"

the C ordinary shares of 0.1 US cent each in the capital of the Company;

"Qualifying Institution"

MAM and any other person who manages a collective investment scheme (as defined in Section 75 Financial Services Act 1986) or any person who manages funds on its own behalf or for clients on a discretionary basis;

"Sale"

the sale of any part of the equity share capital of the Company to any person or group resulting in that person or group (whether alone or in

conjunction with persons acting in concert with such person or group, as defined by the City Code on Take-Overs and Mergers) holding at least 50 per cent of the equity share capital and for the purposes of these Articles none of the Special Shareholders, the 'A' Ordinary Shareholders (while they are Qualifying Institutions) and/or the 'B' Ordinary Shareholders and/or the 'C' Ordinary Shareholders shall be deemed to be acting in concert with one another;

"Securities Seal"	the official seal of the Company permitted to be used by Section 40 of the Companies Act 1985;
"Special Directors"	the Special Directors appointed pursuant to Article 28(1) and/or (2);
"Special Shares"	the Redeemable Special Shares of one penny each in the capital of the Company;
"Special Shareholders"	the holders for the time being of the Special Shares;
"Specified Majority"	75% of the Special Shares in issue.

SHARE CAPITAL

4. The share capital of the Company at the date of the adoption of these Articles is £53,783.87 and US \$1,048,631 divided into:-

(a)	2,198,000	'A' Ordinary Shares of one penny each;
(b)	296,375	'B' Ordinary Shares of one penny each;
(c)	2,884,000	'C' Ordinary Shares of one penny each;

- (d) 12 Redeemable Special Shares of one penny each;
- (e) 439,600,000 New 'A' Ordinary Shares of 0.1 US cent each;
- (f) 57,985,000 New 'B' Ordinary Shares of 0.1 US cent each; and
- (g) 551,045,600 New 'C' Ordinary Shares of 0.1 US cent each;

The Special Shares shall constitute a separate class of shares. The 'A' Ordinary Shares, the 'B' Ordinary Shares, the 'C' Ordinary Shares, the New 'A' Ordinary Shares, the New 'B' Ordinary Shares and the New 'C' Ordinary Shares shall constitute one class of shares and shall rank pari passu in all respects save as set out in Article 5.

5. The rights of 'A', 'B', 'C' Ordinary Shares and the New A, B and C Ordinary Shares shall be as follows:-

(1) Income

The profits which are available for distribution (including retained distributable profits) shall be applied as follows:-

- (a) Subject to sub-clause (b)(i) the profits shall be distributed amongst the 'A' Ordinary Shareholders, the 'B' Ordinary Shareholders and the 'C' Ordinary Shareholders pari passu according to the amounts paid up or credited as paid up on the 'A' Ordinary Shares, the 'B' Ordinary Shares, the 'C' Ordinary Shares, the New 'A' Ordinary Shares, the New 'B' Ordinary Shares and the New 'C' Ordinary Shares held by them respectively and so that each New 'A', 'B' or 'C' Ordinary Share shall be entitled to the same distribution as an 'A', 'B' or 'C' Ordinary Share PROVIDED THAT, save as set out in paragraph (b)(i) of this Article, no such dividends shall be payable without the consent of the Specified Majority.
- (b) In respect of the financial year of the Company commencing 1st January 1994 and thereafter:-

- (i) the 'A' Ordinary Shareholders as a class shall be entitled (in priority to any application of profit for the benefit of any other class of shares and before any setting aside or appropriation of profit for any other purpose) in accordance with their entitlement hereinafter appearing to a cumulative participating ordinary dividend (the "Participating 'A' Ordinary Dividend") which, net of any associated tax credit, shall be equal to one third of the Consolidated Post Tax Profit for the relevant financial year (or financial period, as the case may be). The Participating 'A' Ordinary Dividend shall be distributed among the 'A' Ordinary Shareholders in proportion to the amounts paid up or credited as paid up on the 'A' Ordinary Shares held by them and so that there shall be distributed to each New 'A' Ordinary Share the same amount as for each 'A' Ordinary Share. The Participating 'A' Ordinary Dividend shall accrue from day to day and shall be payable in full within 14 days of the production of the Auditors' certificate referred to in paragraph (e) and in any event not later than two months after the end of the financial year or period in question ("the Due Date") unless a later date is agreed by the Specified Majority. If by the Due Date the Participating 'A' Ordinary Dividend has not been paid, it shall be paid as soon as practicable thereafter together with interest at the rate of 2% over the base rate of Bank of Scotland calculated from the Due Date to the date of actual payment. The Participating 'A' Ordinary Dividend shall be payable to 'A' Ordinary Shareholders on the register of members at the end of the relevant financial year or period.
- (ii) Subject to the proviso in paragraph (a), the balance of any profits which the Company may determine to

distribute in respect of any financial year after payment of the Participating 'A' Ordinary Dividend shall be distributed amongst the 'A' Ordinary Shares, the New 'A' Ordinary Shares, the 'B' Ordinary Shares, the New 'B' Ordinary Shares, the 'C' Ordinary Shares and the New 'C' Ordinary Shares pari passu according to the amounts paid up or credited as paid up on the 'A' Ordinary Shares, the 'B' Ordinary Shares and the 'C' Ordinary Shares held by them respectively and so that there shall be distributed to each New 'A', 'B' and 'C' Ordinary Share the same amount as for the A, B and C Ordinary Shares.

- (c) The Participating 'A' Ordinary Dividend shall be due and payable on the dates or at the times herein stipulated and notwithstanding the fact that the same are expressed to be, and shall in the event of their not being paid be, 'cumulative', the amounts due and payable on such dates or at such times shall, unless the Specified Majority decides to the contrary, ipso facto and without any resolution of the directors or the Company in general meeting (and notwithstanding anything contained in Regulations 102 to 105 (inclusive) of Table A) become a debt due from and immediately payable by the Company to the 'A' Ordinary Shareholders entitled to such dividends (subject to there being profits out of which the same may lawfully be paid).
- (d) If in any financial year of the Company there shall not be sufficient profits of the Company available for distribution and resolved to be distributed in respect of such financial year for which the Company's accounts are made up or to the extent that payment of a dividend would constitute a breach of the Loan Agreement, then any amount unpaid in respect of the Participating 'A' Ordinary Dividend shall be paid (together with interest at the rate set out in sub-paragraph (b)(i) above from the Due Date to the

date of actual payment) as soon as the profits available for distribution are sufficient to cover such payment and such payment is not prohibited by the Loan Agreement and no dividend shall be proposed, declared, or paid on any other class of share in the capital of the Company, nor any other return of capital made other than in respect of redemption of a Special Share, unless and until all arrears of the Participating 'A' Ordinary Dividend have been paid. The Company and the Board shall take all steps in its power to procure that, subject to the Act, its subsidiaries pay to the Company sufficient distributions or otherwise provide funds to the Company to enable it to pay the Participating 'A' Ordinary Dividend.

- (e) For so long as there are 'A' Ordinary Shares and New 'A' Ordinary Shares in issue the Company shall require the Auditors to prepare a certificate as to the Consolidated Post Tax Profit for each financial year or period of the Company either before or at the same time as the consolidated accounts of the Company and its subsidiary undertakings for that year or period are being audited and the Company shall cause a copy of the certificate prepared for such financial year or period to be delivered to every member as soon as possible and in any case not later than the date of signing of the audited consolidated accounts of the Company and its subsidiary undertakings for such financial year or period, together with a statement of the adjustments (if any) and the reasons therefor made to the consolidated profits of the Company and its subsidiary undertakings (as shown in the audited consolidated accounts) in order to arrive at the figures contained in such certificate.

(2) As regards capital

In the event of a winding up of the Company or upon a reduction or return of capital other than as a result of redemption of a Special Share, the assets of the Company remaining after payment of its debts and liabilities and of the costs, charges and expenses of such winding up or reduction or return of capital shall be applied in the following manner and order of priority:-

- (i) firstly, in paying to the 'A' Ordinary Shareholders a sum equal to all unpaid arrears or accruals of any Participating 'A' Ordinary Dividend (whether declared or not) plus interest thereon at the rate set out in sub-paragraph (b)(ii) above calculated down to and including the date of repayment;
- (ii) secondly, in distributing the balance amongst the 'A' Ordinary Shareholders, the 'B' Ordinary Shareholders and the 'C' Ordinary Shareholders in proportion to the number of the shares held by them.

(3) As regards Voting

- (i) Subject to any special rights or restrictions as to voting attached by or in accordance with these Articles to any class of shares, on a show of hands every member who is present in person shall have one vote and on a poll every member who is present in person or by proxy shall have one vote for every 'A' Ordinary share and New 'A' Ordinary Share of which he is the holder.
- (ii) The 'B' Ordinary Shareholders and the 'C' Ordinary Shareholders shall have no right to receive notice of, or to attend or to vote at, any general meeting of the Company but notwithstanding this the 'B' Ordinary Shareholders and the 'C' Ordinary Shareholders shall have the same common law and statutory rights for protection of minorities as if the 'B' Ordinary Shares, the New 'B' Ordinary


Shares, the 'C' Ordinary Shares and the New 'C' Ordinary Shares carried the right to receive notice of, attend and vote at general meetings of the Company.

SPECIAL SHARES

6. (1) The Special Shares shall not be entitled to any votes at any general meeting of the Company or to participate in the capital or profits of the Company at any time but a Special Shareholder shall be entitled to receive notice of and to attend general meetings of the Company.
- (2) In the event of:
- (a) either a Listing or a Sale, in each case if such Listing or Sale is approved by the Specified Majority, all the rights attaching to each of the Special Shares shall forthwith determine upon such Sale or Listing becoming effective; or
 - (b) any holder of a Special Share ceasing to hold any 'A' Ordinary Shares, in which case all the rights attaching to any Special Share held by that holder shall forthwith determine,
- and in each of the cases above,
- (i) any Special Share the rights attaching to which have so determined shall unless redemption can be effected under the Act be automatically converted into one Deferred Share (having no rights to income or capital) and the Company shall give notice thereof forthwith to the holder of any such share;
 - (ii) if redemption within seven days of such determination would be permitted under the Act the Company shall give notice to the holder of any Special Share, the rights attaching to which have so determined, redeeming such share for cash at par.

The provisions of paragraphs (3) and (4) respectively shall apply to any such redemption or conversion.

- (3) (a) Forthwith on receipt of the notice referred to in paragraph (2)(ii) each holder of a Special Share in respect of which the rights have determined pursuant to Article 6(2) shall deliver to the Office a certificate in respect of such share;
 - (b) upon the redemption date (being the date upon which the Company gives notice pursuant to paragraph (2)(ii)) the nominal value of such share shall become a debt due and payable by the Company and upon receipt of the relevant share certificate (or an indemnity in respect thereof in a form reasonably satisfactory to the Company) the Company shall forthwith pay such amount to the Shareholder; and
 - (c) if the holder of any Special Share which is liable to be redeemed shall fail or refuse to deliver up the certificate for his share the Special Share shall be automatically converted into a Deferred Share having no rights to income or capital.
- (4) Each holder of a Special Share in respect of which the rights have determined pursuant to paragraph (2) above shall, unless redemption is effected in accordance with paragraph (3) above, be bound to send to the Company upon receipt of the notice referred to in paragraph (2) above the certificate in respect of such Special Share and the Company shall in exchange issue to such holder a certificate for the Deferred Share resulting from the conversion.
- (5) For so long as it or its nominee(s) hold 'A' Ordinary Shares, MAM shall be entitled to hold not less than 7 Special Shares.
- (6) Notwithstanding any other provisions of these Articles to the contrary, so long as any Special Shares shall remain outstanding:

- (i) the modification or variation of the rights attaching to the 'A' Ordinary Shares, the New 'A' Ordinary Shares, the 'B' Ordinary Shares, the New 'B' Ordinary Shares, the 'C' Ordinary, the New 'C' Ordinary Shares or Special Shares;
- (ii) the proposing of any resolution for reducing any share capital or the amount (if any) for the time being standing to the credit of the Company's share premium account or capital redemption reserve in any manner for which the consent of the Court would be required pursuant to the Act, or for reducing any uncalled liability in respect of partly paid shares;
- (iii) the payment of any dividend (other than the dividend on the 'A' Ordinary Shares and New 'A' Ordinary Shares pursuant to Article 5(1)(b));
- (iv) the making of any distribution to Shareholders of a capital nature including any distribution out of capital profits or capital reserves or out of profits or reserves arising from a distribution of capital profits or capital reserves by a subsidiary of the Company;
- (v) the issue by any subsidiary (other than to the Company or another wholly owned subsidiary) of any shares in the capital of such subsidiary or the disposal by the Company or by any subsidiary of any such shares (otherwise than as aforesaid);
- (vi) the capitalisation of any of the distributable profits of the Company (whether or not the same are available for distribution and including profits standing to any reserve) or of any sum standing to the credit of the Company's share premium account or capital redemption reserve;
-  (vii) the creation or the granting of any options or other rights to subscribe for shares or to convert into shares in the capital of the

Company or any subsidiary or any variation in the authorised or issued share or convertible loan capital other than pursuant to the exercise of any option or other right to subscribe previously consented to under these Articles;

- (viii) any increase in the authorised or issued share capital of the Company or any subsidiary (save for the issue of:- (a) not more than 289,235 'B' Ordinary Shares directly or indirectly to employees of the Group and (b) not more than 396,420 'C' Ordinary Shares), pursuant to options granted to employees of the Group;
- (ix) any alteration to the Memorandum or Articles of the Company or any of its subsidiaries;
- (x) the redemption or repurchase or variation of rights of any shares of the Company or any subsidiary other than as specifically required by their terms (other than redemptions or repurchases of shares in a subsidiary involving payment to the Company or another wholly owned subsidiary);
- (xi) any sale, lease, transfer or other disposal of the whole or any significant part of the undertaking of the Company or of any of its subsidiaries or of assets (including shares in subsidiaries) having a value (a "Value") (taking into account liabilities (other than future or contingent liabilities not requiring provision under GAAP) to be assumed by the purchaser, lessee or transferee) of £5,000,000 or more PROVIDED THAT for the purposes of arriving at the Value a series of connected transactions shall be treated as one transaction. Once a transaction has been approved by the Specified Majority under this sub-paragraph the Value of such relevant transaction shall be disregarded for the purposes of determining whether any subsequent transaction requires approval under this sub-paragraph;

- (xii) any material change in the nature of the business of the Company and its Subsidiaries taken as a whole;
- (xiii)
 - (a) the incurring after the date of adoption of these Articles of any indebtedness of the Company or any subsidiary (for borrowed money or otherwise except for normal trade credit in the ordinary course of business), other than borrowings under the Loan Agreements;
 - (b) the modification, refinancing or amendment of the terms of any outstanding indebtedness (including under the Loan Agreements) of the Company or any subsidiary;
 - (c) the repayment or redemption of any indebtedness in respect of borrowed moneys (as defined in Article 30(3)) other than as and when required by the Annual Business Plan for the time being or in accordance with the terms of the Loan Agreements (excluding for this purpose prepayment of the Term Loan);
- (xiv) amalgamation or merger of the Company with or into any other entity, or amalgamation or merger of any subsidiary of the Company with or into any other entity (except the Company or another wholly owned subsidiary of the Company);
- (xv) any liquidation, winding up receivership or administration (or any analogous proceedings under the laws of any jurisdiction) of the Company or of any subsidiary of the Company;
- (xvi) any Listing or Sale; or
- (xvii) any item of capital expenditure by the Company or any of its subsidiaries of an amount in excess of £5,000,000 in any one transaction or any series of connected transactions;

(xviii) the entering into any contract or arrangement or a series of connected contracts or arrangements by the Company or any of its subsidiaries involving payments of £5,000,000 or more over the term of such contract or arrangement (or such connected contracts or arrangements as the case may be);

(xix) the acquisition of assets, (including shares and securities) in one or a series of transactions, for consideration in excess of £5,000,000 (including assumed liabilities);

(xx) the Company or any subsidiary entering into any legally binding agreement undertaking or commitment to do any of the foregoing;

shall require the consent of the Specified Majority given in accordance with this Article, in addition to any other approvals required by law or these Articles.

(7) The Company shall seek the consent referred to in paragraph (6) in respect of any matter therein referred to after such matter has been considered at a duly convened meeting of the Board by giving to each Special Shareholder notice that a decision in respect of such matter is required. Such notice shall be accompanied by:

- (i) the papers submitted to the Board as a body in connection with such matter; and
- (ii) the recommendation of the Board with regard to the decision to be made.

(8) The Company shall send copies of the following documents to each of the Special Shareholders:-

- (a) the monthly management accounts of the Company and its Subsidiaries, to be sent within 5 working days after the date of the

first meeting of the Board held after they have been prepared;

- (b) a quarterly report by the chief executive of the Company, indicating significant developments and trends in relation to the business of the Company and its Subsidiaries during the last quarter, comments on trading relative to the equivalent period in the prior year and the current year's budget, and future trading prospects. Such report shall be sent to Special Shareholders within 7 days after the Board Meeting at which the Management accounts and the chief executive's report for the quarter were considered. Such report may be amended by the Board, prior to its dissemination, with the consent of the Board (including a majority of the Special Directors) and to exclude from the report, as disseminated, any confidential information.
- (c) copies of all documents sent to the agent pursuant to the Loan Agreements at the same time as they are despatched to the agent.

CLASS RIGHTS

- 7. (1) Whenever the capital of the Company is divided into different classes of shares the special rights attached to any class of shares may be varied or abrogated, either whilst the Company is a going concern or during or in contemplation of a winding-up, with the consent in writing of the holders of 75% of the issued shares of that class, or with the sanction of an extraordinary resolution passed at a separate meeting of the holders of the shares of that class. To every such separate meeting all the provisions of these Articles relating to general meetings of the Company or to the proceedings thereat shall, mutatis mutandis, apply, save that the necessary quorum shall be two persons at least holding or representing by proxy one third in nominal amount of the issued shares of the class (but so that if at any adjourned meeting of such holders a quorum as above defined is not present those members who are present shall be a quorum and where there is only one person holding shares of that class that sole shareholder shall

be a quorum), and that the holders of shares of the class shall, on a poll, have one vote in respect of every share of the class held by them respectively.

- (2) The rights conferred upon the holders of shares of any class shall not, unless otherwise expressly provided by the terms of the shares of that class, be deemed varied by the creation or issue of further shares ranking in priority to or *pari passu* therewith.

ALLOTMENT OF SHARES

8. (1) Subject to paragraph (4) of this Article the directors shall not without the authority of the Company in General Meeting and of any consents required pursuant to Article 6(6) allot any of the shares in the capital of the Company.
- (2) Where authority has been given to the directors as referred to in paragraph (1) of this Article to allot shares the directors may subject to the terms of such authority and subject to any terms on which any shares are created or issued and in accordance with this Article allot shares provided that no shares shall be issued at a discount contrary to the Act.
- (3) In the foregoing paragraphs of this Article references to allotment of shares shall include references to the grant of any right to subscribe for, or to convert any security into, shares.
- (4) Where authority has been given to the directors as referred to in this Article to grant a right to subscribe for, or to convert any security into, shares the directors shall allot such shares as may require to be allotted pursuant to the exercise of such right.
- (5) Unless the Company in General Meeting by special resolution shall otherwise determine, no shares in the Company shall be allotted on terms that the right to the same may be renounced by the allottees.

- (6) Sections 89(1) and 90 of the Act shall not apply to the Company.
9. In Regulation 3 in Table A there shall be inserted after the words "provided by the articles" the following words, namely: "or by special resolution".
10. Subject to the provisions of Part V of the Act and subject to any other rights attaching to any class of share of the Company the Company may:
- (a) issue shares which are to be redeemed or are liable to be redeemed at the option of the Company or the shareholders concerned;
 - (b) purchase its own shares (including any redeemable shares);
 - (c) make payment in respect of the redemption or purchase under Sections 159 and 160 or (as the case may be) Section 162 of the Act, together with the relevant consent, of any of its own shares, otherwise than out of distributable profits of the Company or the proceeds of a fresh issue of shares to the extent permitted by Sections 171 and 172 of the Act.

SHARE CERTIFICATES

11. In Regulation 6 in Table A there shall be inserted after the word "seal" the following words, namely: "or the official seal of the company or the securities seal of the company".

SHARE WARRANTS TO BEARER

12. (1) Subject to the provisions hereinafter contained, the Company may issue Share Warrants with respect to any shares which are fully paid or credited as fully paid up and registered, whether or not a share certificate has been issued in respect of those shares.
- (2) Before the issue of a Share Warrant, the certificate (if any) (or, if required by the Directors, an indemnity in a form acceptable to the Directors) for

the shares intended to be included in it shall be delivered up to the Directors. Share Warrants shall represent the shares specified therein and the entry in respect of such shares in the register of members of the Company shall be deleted on the issue of the Share Warrant.

- (3) Share Warrants shall be issued under the Securities Seal and shall state that the bearer is entitled to the shares therein specified.
- (4) The Company shall deliver the issued Share Warrants to the Company Secretary or as the Company Secretary may direct for safekeeping and the Company Secretary shall hold such Share Warrants to the order of the 'A' Ordinary Shareholders, 'B' Ordinary Shareholders and 'C' Ordinary Shareholders respectively. In the event that any member wishes the Company Secretary to deliver up to him a Share Warrant to which he is beneficially entitled he shall, subject to Article 12(10), make a request in writing to that effect to the Company Secretary who shall send such Share Warrant to that member by registered post at that member's risk.
- (5) The bearer for the time being of a Share Warrant shall, subject to these Articles, be deemed to be a member of the Company and shall be entitled to the same rights and privileges and subject to the same obligations, including without prejudice to the generality of the foregoing those under Article 15(7) hereof, as he would have had if his name had been included in the register of members as the holder of the shares specified in such Share Warrant.
- (6) The shares included in any Share Warrant shall be transferred by delivery of the Share Warrant without any written transfer and without registration, and the provisions in these Articles with respect to the transfer and transmission of and to the lien of the Company on shares shall not apply to shares so included.
- (7) No person shall as bearer of a Share Warrant be entitled to attend or vote or exercise in respect thereof the rights of a member at any General

Meeting of the Company or to sign any requisition for or give notice of intention to submit a resolution to a Meeting or to sign any written resolution of the Company unless three days at least (or such lesser period as the Directors may specify) before the day appointed for the Meeting in the first case, and unless before the requisition or notice is left at the registered office in the second case, or unless before he signs the written resolution in the third case, he shall have deposited the Share Warrant in respect of which he claims to act, attend or vote as aforesaid at the registered office for the time being of the Company or such other place as the Directors appoint, together with a statement in writing of his name and address, and unless the Share Warrant shall remain so deposited until after the Meeting or any adjournment thereof shall have been held, or in the case of a written resolution, the same shall have been signed. Not more than one name shall be received as that of the holder of a Share Warrant.

- (8) Unless the Directors otherwise resolve, there shall be delivered to the person so depositing a Share Warrant a form of receipt stating his name and address and describing the shares represented by the Share Warrant so deposited by him, and such certificate shall entitle him, or his proxy duly appointed, to attend and vote at any General Meeting or to sign any written resolution in the same way as if he were the registered holder of the shares specified in the certificate. Upon delivery up of the said form of receipt to the Company, the Share Warrant in respect whereof it shall have been given shall be returned subject to Article 12(10).
- (9) If any Share Warrant be worn out or defaced, the Directors may, upon the surrender thereof for cancellation, issue a new one in its stead, and if any Share Warrant be lost or destroyed, the Directors may, upon the loss or destruction being established to their satisfaction, and upon such indemnity being given to the Company as they shall think adequate, issue a new one in its stead. In case of loss or destruction the bearer to whom such new Share Warrant is issued shall also bear and pay to the Company all expenses incidental to the investigation by the Company of evidence of such loss or destruction and to such indemnity.

- (10) The Board may from time to time determine that all or any of the Share Warrants should be returned to the Company for cancellation and that the bearers of the relevant Share Warrants be registered as a member in respect of the shares specified in such Share Warrant. In the event of any such determination, all Share Warrants held pursuant to Article 12(4), shall be deemed to have been surrendered for cancellation and the Company shall register as members in respect of the Shares specified in such Share Warrant, the persons on whose behalf such Share Warrants were originally deposited. Unless and until the Board determines otherwise, any member beneficially entitled to a Share Warrant shall not be permitted actual possession of it other than in circumstances where that member is entitled to transfer its shares and gives notice to the Board pursuant to Article 15(4). In such event, the member so entitled shall be given possession of the Share Warrant solely for the purpose of delivery to the permitted transferee and on condition that the permitted transferee upon receipt deposits such Share Warrant with the person holding Share Warrants under Article 12(4). In any case where the Board has determined to cancel the Share Warrants as set out above, each bearer of a Share Warrant having actual possession of the same shall surrender it for cancellation and shall lodge therewith at the registered office for the time being of the Company a declaration in writing, signed by him, in such form and authenticated in such manner as the Directors may from time to time direct, requesting to be registered as a member in respect of the shares specified in such Share Warrant, and stating in such declaration his name and address. The Company shall not be responsible for any loss incurred by any person by reason of the Company entering in the register of members upon the surrender or deemed surrender of a Share Warrant the name of any person not the true and lawful owner of the Share Warrant surrendered.
- (11) Regulation 29 of Table A shall be read and construed as if the word "registered" appeared before the word "member" in the first line of such Clause.
- (12) Regulation 30 of Table A shall be read and construed as if the word

"registered" appeared before the word "share" in the first line of such Clause.

- (13) A notice may be given by the Company to the holder of a Share Warrant to the address supplied by him by notice in writing to the Company from time to time for the giving of notice to him. Any notice to the Company supplying a new address for the giving of notices by the Company shall be accompanied by the Share Warrant which shall be cancelled and a new Share Warrant shall be issued having endorsed thereon the address to which future notices by the Company to the holder of the Share Warrant may be given.
- (14) The Directors may from time to time require any holder of a Share Warrant who gives, or has given, an address at which notices may be served on him, to produce his Share Warrant and to satisfy them that he is, or is still, the holder of the Share Warrant in respect of which he gives or gave the address.
- (15) Any notice required to be given by the Company to the members, or any of them, and not expressly provided for by these Articles, or any notice which cannot be served in the manner so provided, shall be sufficiently given by advertising the same once in the London Gazette.

LIEN

- 13. The Company shall have a first and paramount lien on all the shares registered in the name of any member (whether solely or jointly with others) for all moneys due to the Company from him or his estate, whether solely or jointly with any other person (whether a member or not) and whether such moneys are presently payable or not. The Company's lien on a share shall extend to all dividends or other moneys payable thereon or in respect thereof. The directors may at any time resolve that any share shall be exempt, wholly or partly, from the provisions of this Article.

CALLS ON SHARES

14. The directors may accept from any member the whole or any part of the amount remaining unpaid on any share held by him notwithstanding that no Part of that amount has been called up.

TRANSFER OF SHARES

15. (1) The directors may refuse to register a transfer if either the share is not fully paid up or the Company has a lien thereon or the transfer is prohibited by these Articles or by the terms of the allotment of the shares in question.
- (2) No sale or transfer of any shares to any person whomsoever shall be made or registered (other than pursuant to a Listing or an Offer (as that term is defined in Article 15(7)) if it would give the Secretary of State power to revoke any of the Licences or if, in the reasonable opinion of the Board, it might otherwise jeopardise any of the Licences or give the Secretary of State the ability to vary any of the Licences.
- (3) The provisions of paragraphs (1) and (2) shall apply mutatis mutandis to the sale or other disposal of any shares allotted to a member by means of a renounceable letter of allotment or other renounceable document of title.
- (4) The Board shall within 30 days of any request from a shareholder wishing to transfer shares inform such shareholder whether any person named by such shareholder as a proposed transferee might, in the Board's opinion, jeopardise any of the Licences or give the Secretary of State the ability to vary any of the Licences.
- (5) No share shall be issued or transferred to any bankrupt or person of unsound mind.
- (6) Notwithstanding any other provision of these Articles no member may

transfer or agree to transfer any interest in any 'A' Ordinary Shares or New 'A' Ordinary Shares to any person who is not a Qualifying Institution ("the transferee") if, as a result of the transfer or a series of transfers the transferee would, either alone or in conjunction with persons acting in concert, directly or indirectly own 90% or more of the 'A' Ordinary Shares or New 'A' Ordinary Shares in issue (or any other shares into which such shares may have been converted) unless the transferee makes an irrevocable offer open for acceptance for not less than 30 days to acquire the remaining 'A' Ordinary Shares and New 'A' Ordinary Shares and all of the 'B' Ordinary Shares and New 'B' Ordinary Shares and the 'C' Ordinary Shares and the New 'C' Ordinary Shares in issue at a price per share and on terms no less favourable than the most favourable terms provided by the transferee during the twelve months preceding the proposed date of such transfer (including the terms proposed in relation to the transfer itself), after deducting such part of the price paid (if any) as represented the value of any arrears or accrual of dividend in respect of such shares. For these purposes the expression "acting in concert" has the meaning set out in the City Code on Take-Overs and Mergers.

- (7) In the event that (i) a person ("the Offeror") makes an irrevocable bona fide offer ("the Offer") open for acceptance for not less than 30 days ("the Offer Period") to acquire all the 'A' Ordinary Shares, New 'A' Ordinary Shares, 'B' Ordinary Shares, New 'B' Ordinary Shares, 'C' Ordinary Shares and New 'C' Ordinary Shares held by all members of the Company (other than any already held by the Offeror) and (ii) the Offer is accepted by shareholder(s) holding in aggregate more than 90% of the 'A' Ordinary Shares and New 'A' Ordinary Shares in issue excluding any shares held by the Offeror or a person connected (within the meaning of Section 839 Income and Corporation Taxes Act 1988) with the Offeror then each member:

- (i) shall be bound to accept the Offer in the Offer Period and to execute all such documents and to do all such other acts or things which are necessary to transfer its shares to the Offeror in

accordance with the terms of the Offer; and

- (ii) hereby appoints the Company as his Attorney in his name and on his behalf to accept the Offer and execute all such documents and to do all such other acts or things which the Company as his Attorney deems necessary to transfer its shares to the Offeror in accordance with the terms of the Offer;

and the aggregate price paid by the Offeror to the holders of shares accepting the Offer shall be allocated first in payment of any arrears or accrual of Participating 'A' Ordinary Dividend for which the Due Date fell prior to the date of the Offer and the balance shall be distributed pro rata among the holders of the 'A', 'B' and 'C' Ordinary shares and New A, B and C Ordinary Shares accordingly. Any member which receives from such Offeror a greater payment than that to which he is entitled shall hold the amount of the overpayment in trust for the other members in proportion to their respective entitlements.

- 16. (1) Transfers of 'A' Ordinary Shares and New 'A' Ordinary Shares shall only be effected in accordance with paragraphs (6) and (7) of Article 15 or this Article 16.
- (2) Subject to paragraph (3) a transfer of 'A' Ordinary Shares and New 'A' Ordinary Shares shall only be made to a Qualifying Institution whose identity has been approved by the Specified Majority and only if the transferee complies with paragraph (3) of this Article.
- (3) Before disposing, directly or indirectly, of the beneficial interest in any 'A' Ordinary Shares or New 'A' Ordinary Shares the member who is proposing to make the disposal shall procure that the transferee, having decided how many 'A' Ordinary Shares or New 'A' Ordinary Shares in aggregate it wishes to acquire interests in ("the Aggregate Amount") offers to buy the requisite number of shares at the same price and on the same terms from each of the 'A' Ordinary Shareholders pro rata to his total holdings of 'A'

Ordinary Shares or New 'A' Ordinary Shares. Each 'A' Ordinary Shareholder shall have 10 business days in which to decide to accept or reject such opportunity and, if it does not reply within such period, shall be deemed to have rejected it, in which case the other parties shall be free (on a pro rata basis) to dispose of 'A' Ordinary Shares and New 'A' Ordinary Shares in excess of their pro rata entitlement up to the Aggregate Amount. The provisions of this paragraph (3) may be waived by the Specified Majority.

- (4) The following transfers by Qualifying Institutions shall not be subject to paragraphs (2) and (3) of this Article. Transfers to:-
- (a) its nominee or from one nominee to another nominee of the Qualifying Institution;
 - (b) the beneficial owner for the time being of the shares or any other person who becomes a manager or trustee of such shares for the same beneficial owner;
 - (c) any other company (in this Article called "Associated Company") which is a holding company of that member or which is another subsidiary of such a holding company (the expression "holding company" and "subsidiary" having the meanings respectively given to them in section 736 of the Act);
 - (d) a fund or a nominee of a fund managed by a Qualifying Institution or any other person who becomes a manager or trustee of such a fund;
 - (e) a limited partnership in which each of the limited partners is at the time of the transfer a beneficial owner of some or some part of the shares the subject of the transfer ("a qualifying partnership") or the general partner or a nominee of the qualifying partnership or any transfer thereafter by a qualifying partnership or the

general partner or a nominee of such qualifying partnership to the beneficial owner of the shares;

- (f) a nominee formed for the purposes of administering a co-investment scheme of a Qualifying Investor.

- (5) Where a Qualifying Institution has transferred any shares to an Associated Company (the "transferee company") pursuant to the exception contained in paragraph (4)(c) and thereafter at any time the transferee company ceases to be an Associated Company with the transferor company, the transferee company shall promptly give notice thereof to the Company and shall transfer the relevant shares to the transferor company or an Associated Company of the transferor company within 14 days of the transferor company and the transferee company ceasing to be Associated Companies.

- 17. (1) Transfers of 'B' Ordinary shares and New 'B' Ordinary Shares shall only be effected in accordance with paragraphs (6) and (7) of Article 15 or this Article 17.

- (2) The following transfers by 'B' Ordinary Shareholders shall be permitted:-

- (a) in the case of shares beneficially owned by a member, any transfer to the parents, sisters, spouse, child or remoter issue of such member or to the trustees of any trust the sole beneficiaries of which are one or more of that member, such parent, brother, sister, spouse, child or remoter issue PROVIDED THAT if and whenever any such persons cease to be the sole beneficiaries of such trust the trustee or trustees shall forthwith give a Transfer Notice (as defined in paragraph (3) of this Article) in respect of the shares in question and, if they fail to give a Transfer Notice within 14 days of such cessation, they shall be deemed to have given a Transfer Notice at the end of such period of 14 days;

- (b) if the Board does not allocate the shares in accordance with paragraph (6), any transfer by the personal representative of a deceased member to the widow, widower, parents, brother, sister, child or remoter issue of such deceased member or to another personal representative of the same estate;
- (c) in the case of a trustee of a trust any transfer to the beneficiaries or to another trustee of that trust or to the trustee of another trust for the benefit of any one or more of the same beneficiaries only subject to the same proviso as is stated in sub-paragraph (a).

PROVIDED THAT if the person from whom 'B' Ordinary Shares and New 'B' Ordinary Shares were transferred pursuant to the provisions of this paragraph whether directly or through a series of transfers ceases to be a 'B' Ordinary Shareholder the person to whom such shares have been transferred in accordance with the provisions of this paragraph shall be bound to offer all of the shares then registered in his name to the Board at a price to be determined by the Board in accordance with paragraph (5). The offer is referred to in this Article as the Transfer Notice and, once given or deemed to be given, may not be withdrawn.

- (3) If any director or employee of the Company or any of its subsidiaries ceases (other than by reason of disability or ill-health, retirement at normal retirement date or at an earlier date at the request of the employer or dismissal which is wrongful or unfair within the meaning of the provisions of the Employment Protection (Consolidation) Act 1978) to be such a director or employee or dies he or his personal representatives (in the case of death) shall be bound to offer all of the shares then registered in his or their names or any shares which the Board determines shall be registered in his or their names pursuant to Article 12 ("the Shares for Sale") to the Board at a price to be determined by the Board in accordance with paragraph (5). The offer is referred to in this Article as the Transfer Notice and, once given or deemed to be given, may not be withdrawn.

- (4) If a 'B' Ordinary Shareholder ceases to be an employee (from any cause other than as specified in paragraph (3)) of the Company or any of its subsidiaries or at any time wishes to transfer shares to any person other than those listed in paragraph (2), he may (but shall not be obliged to) issue a Transfer Notice in respect of all of the Shares for Sale to the Board at a price to be determined by the Board in accordance with paragraph (5). Except when served after a 'B' Ordinary Shareholder has ceased to be an employee the Transfer Notice shall be accompanied by an explanation to the Board as to why he wishes to transfer shares.
- (5) (a) The price for the Shares for Sale ("the Price") shall equal the fair value of the Shares for Sale based on the most recent annual valuation and computed in accordance with sub-paragraph (b), unless the Board believes that there has been a material change in the value of the Shares for Sale in which case the price shall be the fair value (computed in accordance with sub-paragraph (b)), but based on the next annual valuation. In this case, the Transfer Notice shall be held over and the Shares for Sale shall not be transferred until the next annual valuation has been made.
- (b) The Board shall arrange that each year the Auditors shall certify in writing the sum which in their opinion is the fair value of a 'B' Ordinary Share and a New B Ordinary Share (on the basis that the transferor is a willing seller). In certifying such sum the Auditors shall take into account generally accepted valuation methods and shall also take into account the fact that the Shares for Sale constitute a minority interest and that the Shares for Sale are unlisted but otherwise the Auditors shall have regard to such criteria as they shall regard as appropriate for the purpose. In so certifying, the auditors shall be considered to be acting as experts and not as arbitrators and, accordingly, the Arbitration Acts 1950 and 1979 or any statutory re-enactment or modification thereof for the time being in force shall not apply. The cost of obtaining the Auditors' certificate shall be borne by the Company.

(6) On receipt by the Company of a Transfer Notice or a deemed Transfer Notice the Board shall be entitled to determine, subject to the prior written approval of the Special Directors, to allocate the Shares for Sale:-

- (a) to a person or persons replacing (directly or indirectly) the transferor as an employee or director of the Company;
- (b) to a trust for the benefit of employees or directors;
- (c) directly or indirectly to such other employees as the Board shall consider appropriate.

The Board shall use all reasonable endeavours to allocate the Shares for Sale as provided in this paragraph, if a Transfer Notice is served or deemed served after the death of a 'B' Ordinary Shareholder or after such holder (or the person from whom such shares were transferred pursuant to the provision of paragraph (2) hereof whether directly or through a series of transfers) has ceased to be a director or employee of the Company or any of its subsidiaries. In these circumstances, the Board will use all reasonable endeavours to make such allocation as soon as practicable, having regard to the provisions in paragraph 5(a) of this Article relating to the holding over of Transfer Notices until the next annual valuation. In any other circumstances the Board shall have no obligation to seek to allocate the Shares for Sale. In any case where the Board fails to allocate the Shares for Sale, such Shares may not be transferred to any other party (except as provided in paragraph (2)) without the consent of the Board (including the Special Directors).

(7) Within 14 days of the issue or deemed issue of a Transfer Notice the transferor shall be bound to deliver to the Board a Stock Transfer Form ("the Transfer Form") in respect of all the Shares for Sale duly executed by him with the name of the transferee in blank. The transferor shall be deemed to have given the Board irrevocable instructions to fill in the name of the transferee in accordance with the determination in accordance with

paragraph (6) as soon as this has been done and the Price has been determined pursuant to paragraph (5). If, after becoming so bound, the transferor makes default in delivering the Transfer Form, the Company may receive the purchase money and the transferor shall be deemed to have appointed any one director or the secretary of the Company as his agent to execute a transfer form to the purchaser and upon execution of such transfer, the Company shall hold the purchase money in trust for the transferor. The receipt of the Company for the purchase money shall be a good discharge to each purchaser and, after his name has been entered in the register of members of the Company, the validity of the proceedings shall not be questioned by any person.

- (8) The provisions of this Article shall apply mutatis mutandis to the sale or other disposal of any shares allotted to a member by means of a renounceable letter of allotment or other renounceable document or title. No 'B' Ordinary Shareholder shall transfer or agree to transfer the legal or beneficial ownership of any share registered in his name or allotted to him except by means of a transfer and subject to the provisions of this Article.
- (9) Any member of the Company who (being an individual) shall have made in respect of him a petition for a bankruptcy order or an application for a Voluntary Arrangement (as that expression is defined in Section 1(1) of the Insolvency Act 1986) or (being a body corporate) shall have any action, application or proceeding taken in respect of it for a Voluntary Arrangement or composition or reconstruction of its debts, the presentation of an administration petition, its winding up or dissolution or the appointment of a receiver, liquidator, trustee or administrative receiver or similar officer, shall be deemed to have given a Transfer Notice at the Price in respect of all of his or its Shares for Sale immediately before the happening of such event unless any person entitled to a share in consequence of any of such events is, or within thirty days of becoming so entitled transfer such shares to, a person to whom shares may be transferred pursuant to paragraph (2). Regulations 29-31 of Table A shall be construed accordingly.

- (10) Regulation 29-31 of Table A shall be construed subject to this Article.
- (11) If, in any case where under the provisions of these Articles a person has become bound to give a Transfer Notice in respect of any shares and such a Transfer Notice is not duly given within a period of two weeks of demand being made a Transfer Notice shall be deemed to have been given at the expiration of the said period. In any such case as aforesaid the provisions of this Article shall take effect.
- (12) The provisions of this Article shall cease and determine (except in relation to shares which are then the subject of a Transfer Notice) on a Sale or Listing.
18. (1) Transfers of 'C' Ordinary Shares or New 'C' Ordinary Shares shall only be effected in accordance with this Article 18.
- (2) With regard to transfers of 'C' Ordinary Shares or New 'C' Ordinary Shares held by a Qualifying Institution the provisions of Article 16(1), (2), (3), and (4) shall apply mutatis mutandis save that all references to 'A' Ordinary Shares and New 'A' Ordinary Shares shall be construed as references to 'C' Ordinary Shares and New 'C' Ordinary Shares.
- (3) With regard to transfers of 'C' Ordinary Shares and New 'C' Ordinary Shares held by anyone other than a Qualifying Institution the provisions of Article 17(1), (2), (5), (6), (7), (8), (9), (10), (11) and (12) shall apply mutatis mutandis save that all references to 'B' Ordinary Shares and New 'B' Ordinary Shares shall be construed as references to 'C' Ordinary Shares and New 'C' Ordinary Shares. In addition the following provisions shall apply.
- (a) If any director or employee of the Company or any of its subsidiaries ceases for any reason to be such a director or employee or dies he or his personal representatives (in the case of death) shall be bound to offer all of the 'C' Ordinary Shares or

New 'C' Ordinary Shares then registered in his or their names or any shares which the Board determines shall be registered in his or their names pursuant to Article 12 ("the 'C' Shares for Sale") to the Board at a price to be determined by the Board in accordance with Article 17(5). The offer is referred to in this Article 18 as the 'C' Transfer Notice and, once given or deemed to be given, may not be withdrawn.

- (b) If at any time any person (whether or not a 'C' Ordinary Shareholder) ceases for whatever reason to be a director or employee of the Company or any of its subsidiaries and at any time thereafter he or his personal representatives (in the case of death) becomes or become the holder of any 'C' Ordinary Shares or New 'C' Ordinary Shares in the Company by virtue of any rights or interests acquired by him whilst he was such director or employee, he or his personal representatives shall thereupon be bound to issue a Transfer Notice in respect of all the 'C' Ordinary Shares or New 'C' Ordinary Shares held by him to the Board at a price to be determined by the Board in accordance with Article 17(5) (as applied to 'C' Ordinary shares by Article 18(3)). In any such case as aforesaid the provisions of this Article shall take effect.

19. Special Shares shall only be transferable, other than in the event of an offer being made in accordance with Article 15, to a Qualifying Institution holding not less than 8.33% of the aggregate issued 'A' Ordinary Shares and issued New 'A' Ordinary Shares (or such lesser percentage as is approved by the Specified Majority) which has been approved as the holder of Special Shares by the Specified Majority.

20. (1) The directors may also refuse to register a transfer unless:-

- (a) it is lodged duly stamped at the office or at such other place as the directors may appoint and is accompanied by the certificate for the shares to which it relates and such other evidence as the directors

may reasonably require to show the right of the transferor to make the transfer;

(b) it is in respect of only one class of share; and

(c) it is in favour of not more than four transferees.

(2) If the directors refuse to register a transfer of a share, they shall within fourteen days after the date on which the transfer was lodged with the Company send to the transferor notice of the refusal.

(3) All instruments of transfer which are registered shall be retained by the Company, 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.

ALTERATION OF SHARE CAPITAL

21. The provisions of regulations 32, 33, 34 and 36 of Table A shall take effect subject to the provisions of Article 7.

GENERAL MEETINGS

22. Every notice convening a general meeting shall comply with the provisions of Section 372(3) of the Act as to giving information to members in regard to their right to appoint proxies; and notices of and other communications relating to any general meeting which any member is entitled to receive shall be sent to the Auditors.

23. A poll may be demanded by any member present in person or by proxy or (being a corporation) by its duly authorised representative. Regulation 46 in Table A shall be construed accordingly.

VOTES OF MEMBERS

24. The instrument appointing a proxy shall be in writing in any usual or common form and shall (except in the case of an appointment by telex or a facsimile copy of an appointment otherwise complying with the requirements of this Article) be executed by the appointor or his attorney duly authorised in writing or in such other form as the directors may approve. A proxy need not be a member of the Company.
25. The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is executed, or a notarially certified copy of such power or authority, shall be deposited or received at the registered office (or at such other place in the United Kingdom as is specified for that purpose in any instrument of proxy sent by the Company in relation to the meeting) not less than forty-eight hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or handed to the chairman of the meeting or adjourned meeting, and, in default, the instrument of proxy shall be invalid.
26. Subject to the provisions of the Act, a resolution in writing signed by all the members of the Company who would be entitled to receive notice of and to attend and vote at a General Meeting, or by their duly appointed proxies or attorneys, shall be as valid and effectual as if it had been passed at a General Meeting of the Company duly convened and held. Any such resolution may be contained in one document or in several documents in the same terms each signed by one or more of the members or the proxies or attorneys, and signature in the case of a body corporate which is a member shall be sufficient if made by a director or the secretary thereof or by its duly authorised representative.

DIRECTORS

27. (1) Unless and until otherwise determined by the Specified Majority the number of directors shall not be subject to any maximum but shall be not less than two. Regulation 64 in Table A shall not apply to the Company.

- (2) A director shall not require a share qualification but shall be entitled to attend and speak at any General Meeting of the Company and at any separate meeting of the holders of any class of shares in the capital of the Company.

SPECIAL DIRECTORS

28. (1) MAM, for so long as it or its nominees hold not less than 7 Special Shares, shall be entitled by notice in writing addressed to the Company from time to time to appoint as directors any two persons and may remove from office any person so appointed and appoint another person in his place. If at any time it has only appointed one director he shall have two votes.
- (2) The holders for the time being of the remaining Special Shares (other than those held by MAM) shall, acting by majority, be entitled by notice in writing addressed to the Company from time to time to appoint as a director any one person and may remove from office any person so appointed and appoint another person in his place.
- (3) Each of the Directors appointed pursuant to paragraphs (1) and/or (2) of this Article ("the Special Directors") shall at the request of his appointer be appointed to any committee of the Directors.
- (4) Each of the Special Directors may by notice in writing to the Company appoint any other person (whether a Director or member of the Company or not) to act as his alternate at any meeting of the Directors, to remove at any time such appointee and to appoint any other person in his place. The alternate shall be entitled to sit on any committee of which his appointor is a member when his appointor is absent.
- (5) For so long as MAM or the other Special Shareholders have not exercised their respective right to appoint Special Directors they shall each be entitled, by notice in writing addressed to the Company and served at the registered office, from time to time to appoint any one person ("the

Observer"), to remove any person so appointed and to appoint another person in his place. The Observer shall have the right to attend all meetings of the Board and of such of the Company's subsidiaries and any committees of the Board and of the relevant subsidiaries as are specified by the appointor. The Observer shall be given all notices, agenda, minutes and other papers relating to such meetings and to meetings of any committee of any such board of directors and such other information as a director would be entitled to receive and at the same time as such information is provided to directors and shall as regards confidentiality have the same obligations to the Company and any subsidiary to which he is appointed as if he were a director and shall undertake to the Company and any relevant subsidiary accordingly. The Observer shall be entitled to attend and speak at any such meetings of the Board but shall not in any circumstances be entitled to vote.

- (6) The Company and the Board shall take all such steps as lie within their respective powers to procure that, at the request of the person(s) which appointed him, any Special Director shall be appointed as a director of any of the Company's subsidiaries and to any committee of the board of any such subsidiary, and such Special Director so appointed shall be entitled to appoint one alternate in respect of the subsidiaries (who shall be the same person as the alternate director of the Company appointed pursuant to Article 46(4)). The Company shall further take all steps as lie within its power to procure that its subsidiaries conduct their affairs so as to comply with all relevant provisions of these Articles.
- (7) Each of the Special Directors or the Observers appointed pursuant to this Article 28 shall be entitled to report back to his appointor on the affairs of the Company and its subsidiaries and to disclose to his appointor such information as he shall reasonably consider appropriate, provided that such appointor shall have entered into an undertaking of confidentiality on terms reasonably satisfactory to the appointor and the Company.
- (8) Any Special Director shall be entitled to all notices and voting rights and

in all other respects be treated as the other directors of the Company, save that the remuneration of the non-executive shall be at such fee (being not less than £15,000 per annum, subject to annual adjustment in accordance with the Index of Retail Prices) as is agreed between the Board and his appointor.

- (9) In addition to the powers under paragraphs (1) and (2) of this Article, the holders of the Specified Majority shall be entitled by notice in writing addressed to the Company to appoint any number of additional directors (whether executive or non-executive) of the Company and/or any of its subsidiaries.
- (10) On any resolution pursuant to section 303 of the Act or Article 32 hereof for the removal of a Special Director his appointor present at such meeting shall together have twice as many votes as all other Shareholders voting on such resolution.

MATTERS REQUIRING APPROVAL OF THE SPECIAL DIRECTORS

- 29. (1) In addition to any other authority required by law or by these Articles:-
 - (a) the appointment of any additional executive directors or non-executive directors (other than in accordance with Article 27);
 - (b) the approval of the Annual Business Plan or any material modification thereto;
 - ~~X~~ (c) the issue of shares directly and indirectly to employees of the Group;
 - (d) the alteration of the accounting reference date of the Company or any subsidiary, the adoption of the accounting policies for the Company and any material change in the accounting policies of the Company or any subsidiary unless the Board or the directors

of that subsidiary are advised in writing by the Auditors of the Company that not to make such a change will lead them to qualify the accounts to the effect that they do not give a true and fair view;

- (e) any item of capital expenditure by the Company or any of its subsidiaries of an amount in excess of £2,000,000 in any one transaction or any series of connected transactions;
- (f) the making by the Company or any of its subsidiaries of any material contract outside the ordinary course of their respective businesses or otherwise than at arm's length commercial terms;
- (g) the entering into any contract or arrangement or a series of connected contracts or arrangements by the Company or any of its Subsidiaries involving payments of £2,000,000 or more over the term of such contract or arrangement (or such connected contracts or arrangements as the case may be);
- (h) the acquisition of assets, (including shares and securities) in one or a series of transactions, for consideration in excess of £2,000,000 (including assumed liabilities);
- (i) any sale, lease, transfer or other disposal of the whole or any significant part of the undertaking of the Company or of any of its subsidiaries or of assets (including shares in subsidiaries) having a value (a "Value") (taking into account liabilities (other than future or contingent liabilities not requiring provision under GAAP) to be assumed by the purchaser, lessee or transferee) of £2,000,000 or more PROVIDED THAT for the purposes of arriving at the Value a series of connected transactions shall be treated as one transaction. Once a transaction has been approved by the Special Director under this sub-paragraph the Value of such relevant transaction shall be disregarded for the purposes of

determining whether any subsequent transaction requires approval under this sub-paragraph;

- (j) the dismissal, or any recommendation for the appointment, of any auditors and legal advisers to the Company or its Subsidiaries;
- (k) any change in the service agreements for directors (other than a determination of remuneration made by the Remuneration Committee in accordance with the provisions of Article 43) of the Company or NTL or of any employee of the Company or NTL earning £150,000 or more per annum;
- (l) the Company or any subsidiary entering into any legally binding agreement undertaking or commitment to do any of the foregoing;

shall, whether or not any such matter requires the consent of the Specified Majority in accordance with Article 6(6), require, in addition to the approval of the Board, the consent of a majority of the Special Directors given in accordance with this Article. If there are two or less Special Directors the required consent shall be unanimous. If there are no Special Directors but there is an Observer, his consent will be required.

- (2) The Company shall seek the consents referred to in this Article in respect of any matter therein referred to after such matter has been considered at a duly convened meeting of the directors. The notice convening such a Board Meeting shall contain provision that a decision in respect of such matter is required. Such notice shall be accompanied by documentation (comprising papers submitted to the other directors) of reasonable length which is in the possession of the Company and is relevant to the matter requiring a decision.
- (3) Within 5 working days of the later of (i) a Special Director having actually received the papers referred to in paragraph (2) and having actually received such responses as he may reasonably request to any points,

queries or reservations he may have, and (ii) the Board Meeting referred to in paragraph (2) having actually happened, such Special Director shall notify the Company as to whether he consents to the proposal or otherwise. Any failure to notify the Company within such period shall be deemed to be consent. If at the Board Meeting referred to in paragraph (2), the Special Director gives a formal affirmative vote (minuted as such) in favour of the proposal, that shall be regarded as consent.

- (4) The consents referred to in this Article may be given either specifically or generally in respect of the matters comprised therein.

BORROWING POWERS

30. (1) Subject as hereinafter provided the directors may exercise all the powers of the Company to borrow money, and to mortgage or charge its undertaking, property and uncalled capital, and to issue debentures and other securities, whether outright or as collateral security, for any debt, liability or obligation of the Company or of any third party.
- (2) The directors shall restrict the borrowings of the Company and exercise all voting and other rights or powers of control exercisable by the Company in relation to its Subsidiaries and subsidiary undertakings (if any) so as to secure (as regards subsidiaries and subsidiary undertakings so far as by such exercise they can secure) that the aggregate amount for the time being remaining undischarged of all moneys borrowed by the Company and its Subsidiaries and subsidiary undertakings for the time being shall not at any time without the consent of the Company in General Meeting exceed the greater of £70 million or twice the aggregate of:-
- (a) the amount paid up on the issued share capital of the Company;
 - (b) the amount standing to the credit of the consolidated capital and revenue reserves of the Company and its Subsidiaries and subsidiary undertakings (including retained earnings);

all as shown in the latest audited and consolidated balance sheet of the Company and its Subsidiaries and subsidiary undertakings but adjusted as may be necessary:

- (a) to take account of:
 - (i) any variation in the amount paid up on the issued share capital of the Company and in the share premium account since the date of such balance sheet;
 - (ii) any distribution from such reserves (otherwise than to the Company or to a Subsidiary) not provided for therein;
- (b) by deducting any debit balance on profit and loss account as shown in such balance sheet; and
- (c) by the addition of any previous amortisation of goodwill

but until such time as the first audited and consolidated balance sheet of the Company and its Subsidiaries and subsidiary undertakings shall be presented to an Annual General Meeting of the Company such borrowings shall not exceed £70 million.

- (3) For the purpose of these Articles (but without prejudice to the generality of the expression "moneys borrowed"):

- (a) the amount outstanding in respect of acceptances by the Company or any of its subsidiaries or by any bank or accepting house under any acceptance credit opened on behalf of the Company or any subsidiaries or subsidiary undertakings (not being acceptances in relation to the purchase of goods in the normal course of trading) shall be taken into accounts as money borrowed;
- (b) moneys borrowed for the purpose of repaying the whole or any

part of the moneys previously borrowed and then outstanding (including any premium payable on final repayment) and applied for that purpose within three months of such borrowing shall not, pending such application, be taken into account as moneys borrowed);

- (c) the following shall be deemed to be money borrowed:
- (i) the principal amount for the time being owing in respect of any debenture within the meaning of part XXVI of the Act whether issued for cash or otherwise;
 - (ii) the nominal amount of any share capital and the principal amount of any borrowings or other indebtedness the redemption or repayment of which is guaranteed or secured or is the subject of an indemnity given by the Company or any of its subsidiaries or subsidiary undertakings and the beneficial interest in which is not owned by the Company or any of its subsidiaries or subsidiary undertakings;
 - (iii) any amount raised by bills of exchange;
 - (iv) the principal amount for the time being owing in respect of any arrangements for hire, hire-purchase or purchase on credit sale or conditional sale terms and including sums due under finance leases;
 - (v) the aggregate amount of any book debts sold by the Company or any of its subsidiaries or subsidiary undertakings in respect of which the purchase price is outstanding;
 - (vi) the aggregate amount for the time being of any unpaid

taxation in respect of which the Company or any of its subsidiaries or subsidiary undertakings is or may be required to pay interest;

- (vii) the amount of any borrowings subordinated in the event of the liquidation of the Company to the unsecured creditors of the Company;
 - (viii) factoring or like agreements or trade finance or other arrangements entered into primarily as a method of raising finance but not shown as borrowings on the balance sheet of the Company receiving credit and liabilities incurred primarily in connection with the raising of finance but which are off-balance-sheet by reason of being contingent, conditional, limited recourse or netted-out against an asset or otherwise;
- (d) moneys borrowed shall not include:-
- (i) any borrowings between the Company and any wholly-owned subsidiary or between any wholly-owned subsidiary and another; and
 - (ii) accrued dividends and interest thereon;
- (e) moneys borrowed and outstanding in a currency other than sterling shall be converted into sterling at the market rate of exchange prevailing for the relevant currency in London on the date on which the borrowing limit falls to be applied;
- (f) where moneys borrowed by a member of the Group are guaranteed by another member of the Group only the principal indebtedness shall be included.

- (4) A certificate by the Auditors as to the aggregate amount of moneys borrowed which may at any one time in accordance with this Article be owing by the Company and its Subsidiaries and subsidiary undertakings shall be conclusive and shall be binding upon the Company, its members and all persons dealing with the Company.
- (5) No liability or security given in respect of moneys borrowed in excess of the limit imposed by paragraph (2) of this Article shall be invalid or ineffectual except in the case of express notice at the time when the liability was incurred or security given that the limit thereby imposed had been or was thereby exceeded.

QUALIFICATION OF DIRECTORS

31. In addition to the provisions of Regulation 81, the office of a director shall also be vacated if:-
- (a) he becomes of unsound mind;
 - (b) he is removed under Article 27, being a non-executive director or
 - (c) he is removed pursuant to Section 303 of the Act or Article 32.
32. Any person may be appointed or elected as a director, whatever his age, and no director shall be required to vacate his office by reason of his attaining or having attained the age of seventy years or any other age.

REMOVAL OF DIRECTORS

33. In addition and without prejudice to the provisions of Section 303 of the Act and without prejudice to the rights of any directors under his service contract in respect of such removal but subject to Article 27:-
- (a) the Company may by extraordinary resolution remove any director other

than a Special Director before the expiration of his period of office;

- (b) the holders of the Specified Majority may, by notice in writing given to the Company at its registered office remove any director other than a Special Director from his office as director and from any executive position he may have with the Company or any of its subsidiaries.

ALTERNATE DIRECTORS

34. A director may at any time appoint any other person (whether a director or member of the Company or not) to act as alternate director at any meeting of the directors at which the director is not present, and may at any time revoke such appointment. An alternate director so appointed shall not be entitled as such to receive any remuneration from the Company but shall otherwise be subject to the provisions of Table A and of these Articles with regard to directors. An alternate director shall be entitled to receive notice of all meetings of the directors and to attend and vote as a director at any such meeting at which the director appointing him is not personally present, and generally to perform all the functions, rights, powers and duties of the director by whom he was appointed. An alternate director shall as regards confidentiality have the same obligations to the Company and any subsidiary to which he is appointed as if he were a director and shall undertake to the Company and any relevant subsidiary accordingly. An alternate director shall ipso facto cease to be an alternate director if his appointor ceases for any reason to be a director. Where a director who has been appointed to be an alternate director is present at a meeting of the directors in the absence of his appointor such alternate director shall have one vote in addition to his vote as director. Every appointment and revocation of an alternate director shall be made by instrument in writing under the hand of the director making or revoking such appointment and such instrument shall only take effect on the service thereof at the registered office of the Company.

DIVIDENDS

35. Regulations 102 to 105 (inclusive) of Table A shall be subject to Article 5.

REMUNERATION OF DIRECTORS

36. The directors shall be entitled to the remuneration determined by the Remuneration Committee. Any director who serves on any committee, or who devotes special attention to the business of the Company, or who otherwise performs services which in the opinion of the Board are in addition to or outside the scope of the ordinary duties of a director (which services shall include, without limitation, visiting or residing abroad in connection with the Company's affairs), may be paid such extra remuneration by way of salary, percentage of profits or otherwise as the directors shall approve.

DIRECTORS' AND EMPLOYEES' GRATUITIES AND PENSIONS

37. Subject to the prior consent of the Specified Majority, the directors may:-
- (a) establish and maintain, or procure the establishment and maintenance of any share option or share incentive or profit sharing schemes or trusts or any non-contributory or contributory pension or superannuation schemes or funds for the benefit of, and may make or give or procure the making or giving of loans, donations, gratuities, pensions, allowances or emoluments (whether in money or money's worth) to, or to trustees on behalf of, any persons who are or were at any time in the employment of the Company, or of any company which is the subsidiary of the Company, or is allied to or associated with the Company or with any such subsidiary, or who are or were at any time directors or officers of the Company or of any such other company as aforesaid, and to the wives, husbands, widows, widowers, families and dependants of any such persons;
 - (b) establish and subsidise or subscribe to any institutions, associations, clubs or funds calculated to be for the benefit of, or to advance the interests and

well-being of the Company, or of any such other company as aforesaid or of any such persons as aforesaid;

- (c) make payments for or towards policies of assurance on the lives of any such persons and policies of insurance of or in respect of any such persons (including insurance against their negligence) as aforesaid;
- (d) pay, subscribe or guarantee money to or for any charitable or benevolent objects, or for any exhibition, or for any political, public, general, or useful object; and
- (e) do any of the above things either alone or in conjunction with any such other company as aforesaid.

Subject always if the Act shall so require to particulars with respect to the proposed payment being disclosed to the members of the Company and to the payment being approved by the Company in General Meeting, any director shall be entitled to participate in and retain for his own benefit with any such loan, donation, gratuity, pension, allowance or emolument.

PROCEEDINGS OF DIRECTORS

- 38. In Regulation 88 in Table A there shall be substituted for the third sentence the following sentences namely: "All directors shall be given notice of every meeting of the directors. Any director or alternate director may by notice to the Company waive his right to receive notice of the meeting and the presence of any director or alternate director at the commencement of a meeting shall constitute such waiver by him".
- 39.
 - (1) The quorum for meetings of the directors shall be three including at least two Special Directors (or, if there is only one, that Special Director.)
 - (2) Save for emergencies, not less than seven days' notice shall be given of meetings of the directors and meetings of the directors shall be held

monthly.

- (3) For the purpose of determining whether a quorum exists for the transaction of the business of the Board:-
- (a) in the case of a resolution agreed by directors in telephonic communication with one another, all such directors shall be counted in the quorum and any resolution so agreed shall be as valid and effective as if passed at a meeting of the Board duly convened and held;
 - (b) in the case of a meeting of the Board, in addition to the directors present at the meeting, any director in telephonic communication with such meeting shall be counted in the quorum and entitled to vote; and
 - (c) any person attending a meeting of the Board, or in telephonic communications with such a meeting, who is both a director and is acting as an alternate director for two or more of the directors shall, for the purposes of the quorum, be counted as one for each such person for whom he is acting as an alternate director and, if applicable, also counted as a director, but not less than two individuals shall constitute a quorum.
40. A resolution in writing of all the directors or all the members of a committee of directors shall be as effectual as if it had been passed at a meeting of directors or (as the case may be) a committee of directors duly convened and held either:
- (a) if it consists of an instrument executed by or on behalf of each such director or committee member; or
 - (b) if it consists of several instruments in the like form each either;
 - (i) executed by or on behalf of one or more of such directors or

committee members; or

- (ii) sent by or on behalf of one or more of such directors or committee members by telex or facsimile transmission and deposited or received at the office or received by the secretary,

and any such instrument executed or sent by or on behalf of an alternate director shall be deemed to have been duly executed or sent (as the case may be) by or on behalf of his appointor.

- 41. Subject to any requisite declaration of interest in accordance with the provisions of the Act and (if applicable) Regulation 85 in Table A having been made by him, a director may vote as a director in regard to any transaction or arrangement in which he is interested, or upon any matter arising therefrom and Regulations 94 and 95 in Table A shall be construed subject to this provision.

- 42. In Regulation 97 in Table A:-

- (a) there shall be inserted after the words "the appointment" the following words, namely: "or the terms of appointment", and
- (b) the following words shall be deleted, namely: "and be counted in the quorum" and there shall be inserted after the words "his own appointment" the following words, namely: "and shall be counted in the quorum in respect of each resolution including that concerning his own appointment".

- 43. There shall be a Remuneration Committee of the Directors consisting of the Special Directors, the Chairman and the Chief Executive. No meeting of the Remuneration Committee shall be quorate without the presence of at least one Special Director. The Special Directors present at the meeting shall have one more vote than the combined votes of the other members of the Remuneration Committee. In addition to determining the remuneration of directors the Remuneration Committee will be solely responsible for the granting of options under the Approved Option Scheme.

MINUTES

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

THE SEAL

45. The Company is authorised pursuant to Section 39 of the Act for so long as its objects require or comprise the transaction of business in foreign countries to have an official seal for use in any territory, district, or place elsewhere than in the United Kingdom.
46. The Company is authorised pursuant to Section 40 of the Companies Act 1985 to have an additional form of official seal which is a facsimile of its common seal with the addition on its face of the word "securities". Such seal is only to be used for the sealing of certificates relating to shares or debentures (including loan stock) comprising the capital of the Company or creating or otherwise evidencing securities so issued.

INDEMNITY

47. (1) Every director or other officer of the Company shall be entitled to be indemnified out of the assets of the Company against all losses or liabilities which he may sustain or incur in or about the execution of the duties of his office or otherwise in relation thereto including any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in connection with any application under Section 727 of the Act in which relief is granted

to him by the Court and no director or other officer shall be liable for any loss, damage or misfortune which may happen to or be incurred by the Company in the execution of the duties of his office or in relation thereto. But this Article shall only have effect insofar as its provisions are not avoided by Section 310 of the Act.

- (2) Without prejudice to the provisions of paragraph (1) the directors shall have power to purchase and maintain insurance for or for the benefit of any persons who are or were at any time directors, officers or employees or auditors of the Company, or of any other company which is its holding company or in which the Company or such holding company or any of the predecessors of the Company has any interest whether direct or indirect or which is in any way allied to or associated with the Company, or of any subsidiary undertaking of the Company or of any such other company, or who are or were at any time trustees of any pension fund in which employees of the Company or of any such other company or subsidiary undertaking are interested, including (without prejudice to the generality of the foregoing) insurance against any liability incurred by such persons in respect of any act or omission in the actual or purported execution and/or discharge of their duties and/or in the exercise or purported exercise of their powers and/or otherwise in relation to their duties, powers or offices in relation to the Company or any such other company, subsidiary undertaking or pension fund.

CAPITALISATION OF PROFITS

48. 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 holding 'A',

'B' and 'C' Ordinary Shares in proportion to the number of such shares held 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 that 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 regulation, only be applied in paying up unissued shares to be allotted to members credited as fully paid:

- (c) 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 regulation in fractions: and
- (d) 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 are entitled upon such capitalisation, any agreement made under such authority being binding on all such members.