

COMPANY NUMBER: 2766909

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THE COMPANIES ACTS 1985 AND 1989

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A PRIVATE COMPANY LIMITED BY SHARES

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MEMORANDUM

(Amended by a Special Resolution passed on 14th December 1994)

-and-

ARTICLES OF ASSOCIATION

(Adopted by a Special Resolution passed on 3rd August 1993)

-of-

JONES CABLE GROUP OF LEEDS HOLDINGS LIMITED

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INCORPORATED THE 23RD DAY OF NOVEMBER 1992

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**THE COMPANIES ACT 1985 and 1989**

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**A PRIVATE COMPANY LIMITED BY SHARES**

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**MEMORANDUM OF ASSOCIATION**  
(Amended by a Special Resolution passed on 14th December 1994)

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-of-

**JONES CABLE GROUP OF LEEDS HOLDINGS LIMITED**

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1. The Company's name is "JONES CABLE GROUP OF LEEDS HOLDINGS LIMITED" <sup>1</sup>
2. The Company's registered office is to be situated in England and Wales.
3. The Company's objects are:
  - (A) (i) To act as an investment holding company and to co-ordinate the business of any companies in which the Company is for the time being interested, and to acquire (whether by original subscription, tender, purchase, exchange or otherwise) the whole of or any part of the stock, shares, debentures, debenture stocks, bonds and other securities issued or guaranteed by a body corporate constituted or carrying on business in any part of the world or by a government sovereign ruler, commissioners, public body or authority and to hold the same as investments, and to sell, exchange, carry and dispose of the same.
  - (ii) To carry on the business of managing cable and telecommunications franchises and for such purpose to make applications and offers, whether by competitive tender or otherwise for such franchises and for all requisite licences, consents and permissions appertaining thereto and to carry on the business of providing, operating or supporting cable and telecommunications services of all kinds and to acquire (by purchase, lease, exchange, hire or otherwise), supply, install, erect, alter, upgrade or maintain all plants, machinery or equipment of any kind relating thereto.

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<sup>1</sup> By Special Resolution passed on 14th December 1994 the Company changed its name from Jones Cable Group of Leeds Holdings PLC to Jones Cable Group of Leeds Limited

(iii) To carry on business as producers, directors and technicians of every description; to carry on business as a television company and for these purposes to construct or acquire studios, offices, locations, properties, apparatus, scenery, sound-recording apparatus, lighting apparatus and all other apparatus and machinery for the production of television programmes to produce, arrange, direct and otherwise deal in and with television films, video films, cine films, cartoons, documentaries and films of every description to act as agents and managers of film actors and actresses, and to enter into contracts and other arrangements with persons having dealings with the Company on such terms and for such lengths of time as the Company may deem fit to provide programmes or other works in audio, radio, television, video, film, take-slide, teletext, the printed word and other audio or visual means for entertainment, education, information, journalism, exhibition, demonstration, advertising, promotion or other purpose and for distribution by means of live performance, broadcasting, publication, cable or satellite services, teletext systems, disc, tape or any other means of recording or dissemination of information, to carry on the business of selling, leasing or hiring the services of producers, directors, actors, actresses, artists, script writers, studio and technical staff, to carry on the business of selling, leasing or hiring completely manufactured programmes, recordings, technical and other equipment.

(iv) To carry on the business of providing, supporting and operating franchises for all types of business and to provide capital licenses, stock machinery and any other requisite necessary or convenient for this purpose.

- (B) To carry on business as manufacturers, builders and suppliers of and dealers in goods of all kinds, and as mechanical, general, electrical, marine, radio, electronic, aeronautical, chemical, petroleum, gas, civil and constructional engineers, and manufacturers, importers and exporters of, dealers in machinery, plant and equipment of all descriptions and component parts thereof, forgings, castings, tools, implements, apparatus and all other articles and things.
- (C) To carry on the businesses in any part of the world as importers, exporters, buyers, sellers, distributors and dealers and to win, process and work produce of all kinds.
- (D) To carry on the following businesses, namely, contractors, garage proprietors, filling station proprietors, owners and charterers of road vehicles, aircraft and ships and boats of every description, lightermen and carriers of goods and passengers by road, rail, water or air, forwarding transport and commission agents, customs agents, stevedores, wharfingers, cargo superintendents, packers, warehouse storekeepers, cold store keepers, hotel proprietors, caterers, publicans, consultants, advisers, financiers, bankers, advertising agents, insurance brokers, travel agents and agency business of all kinds and generally to provide entertainment for and render services of all kinds to others and to carry on any other trade or business whatsoever which can in the opinion of the Directors be advantageously carried on by the Company in connection with or as auxiliary to the general business of the Company.
- (E) To buy, sell, manufacture, repair, alter, improve, manipulate, prepare for market, let on hire, and generally deal in all kinds of plant, machinery, apparatus, tools, utensils, materials, produce, substances, articles and things for the purpose of any of the businesses specified herein, or which are likely to be required by customers or other persons having, or about to have, dealings with the Company.

- (F) To build, construct, maintain, alter, enlarge, pull down and remove or replace any buildings, shops, factories, offices, works, machinery, engines and to clear sites for the same or to join with any person, firm or company in doing any of the things aforesaid and to work, manage and control the same or join with others in so doing.
- (G) To enter into contracts, agreements and arrangements with any other company for the carrying out by such other company on behalf of the Company of any of the objects for which the Company is formed.
- (H) To acquire, undertake and carry on the whole or any part of the business, property and liabilities of any person or company carrying on any business which may in the opinion of the directors be capable of being conveniently carried on or calculated directly or indirectly to enhance the value of or render profitable any of the Company's property or rights, or any property suitable for the purposes of the Company.
- (I) To enter into any arrangements with any government or authority national, international, supreme, municipal, local or otherwise, that may in the opinion of the directors be conducive to the Company's objects or any of them, and to obtain from any such government or authority any rights, privileges, and concessions which in the opinion of the directors is desirable, and to carry out, exercise and comply with any such arrangements, rights, privileges and concessions.
- (J) To apply for, or join in applying for, purchase or by other means acquire and protect, prolong and renew, whether in the United Kingdom or elsewhere any patents, patent rights, brevets d'invention, licences, secret processes, trade marks, registered designs, protections, concessions and the like, and to use and turn to account and to manufacture under or grant licences or privileges in respect of the same, and to expend money in experimenting and testing and making researches, and in improving or seeking to improve any patents, inventions or rights which the Company may acquire or propose to acquire.
- (K) To acquire an interest in, amalgamate with or enter into partnership or into any arrangement for the sharing of profits, union of interests, co-operation, joint adventure, reciprocal concession, or otherwise with any company, or with any employees of the Company. And to lend money to, guarantee the contracts of, or otherwise assist any such company, and to take or otherwise acquire shares or securities of any such company, and to sell, hold, re-issue, with or without guarantee, or otherwise deal with the same.
- (L) To lend money to, to subsidise and assist any persons or companies and to act as agents for the collection, receipt or payment of money and generally to act as agents or brokers for and render services to any company, and to undertake and perform sub-contracts.
- (M) To enter into any guarantee, contract of indemnity or suretyship and in particular (without prejudice to the generality of the foregoing) to guarantee or otherwise provide security for, with or without the Company receiving any consideration therefor or advantage therefrom, directly or indirectly, by personal covenant or by mortgage, charge or lien over all or any part of the undertaking, property and assets present and future and uncalled capital of the Company or by any other means whatsoever, the performance of the obligations and the payment of any moneys (including but not limited to capital or principal, premiums, dividends

or interest, commissions, charges, discount and any costs or expenses relating thereto whether on any stocks, shares or securities or in any other manner whatsoever) by any company, firm or person including but not limited to any company which is for the time being the Company's holding company or a subsidiary of the Company each as defined by Section 736 of the Companies Act 1985 or of the Company's holding company as so defined or any company, firm or person who is for the time being a member or otherwise has any interest in the Company or is associated with the Company in any business or venture, or any other person firm or company whatsoever. For the purposes of this paragraph (M) "guarantee" shall be construed so as to include any other obligation howsoever described to pay, satisfy, provide funds (whether by advance of money the purchase of or the subscription of shares or other securities, the purchase of assets or services, or otherwise) for the payment or satisfaction of, or to indemnify against the consequences of default in the payment of or otherwise be responsible for any indebtedness of any other company firm or person.

- (N) To promote, finance or assist any company for the purpose of acquiring all or any of the property, rights or undertaking or assuming the liabilities of the Company, or for any other purpose which may be in the opinion of the directors directly or indirectly calculated to benefit the Company, and to place or guarantee the placing of, underwrite, subscribe for, or otherwise acquire all or any part of the shares or securities of such company as aforesaid.
- (O) To pay out of the funds of the Company all or any expenses which the Company may lawfully pay of or incidental to the formation, registration, promotion and advertising of or raising money for the Company, and the issue of its capital including those incurred in connection with the advertising or offering the same for sale or subscription, including brokerage and commissions for obtaining applications for or taking, placing or underwriting or procuring the underwriting of shares or other securities.
- (P) To remunerate any person, firm or company rendering service to the Company whether by cash payment or by the allotment to him or them of shares or securities of the Company credited as fully paid up in full or in part or otherwise.
- (Q) Generally to purchase, take on lease or exchange, hire, or otherwise acquire any real or personal property and any rights or privileges over or in respect thereof.
- (R) To receive money on deposit upon such terms as the directors of the Company may approve.
- (S) To invest and deal with the moneys of the Company in such manner as may from time to time be determined by the directors.
- (T) To lend money or give credit with or without security, but not to carry on the business of a registered money lender.
- (U) To borrow or raise or secure the payment of money in such manner as the directors shall approve and in particular by the issue of debentures or debenture stock, perpetual or otherwise charged upon all or any of the Company's property (both present and future), including its uncalled capital, and to purchase, redeem or pay off any such securities.

- (V) To remunerate any company for services rendered or to be rendered, in placing, or assisting to place, or guaranteeing the placing or procuring the underwriting of any of the shares or debentures, or other securities of the Company or of any company in which this Company may be interested or propose to be interested, or in or about the conduct of the business of the Company, whether by cash payment or by the allotment of shares, or securities of the Company credited as paid up in full or in part, or otherwise.
- (W) To subscribe for either absolutely or conditionally or otherwise acquire and hold shares, stocks, debentures, debenture stock or other obligations of any other company and to co-ordinate, finance and manage the business and operation of any company in which the Company holds any such interest.
- (X) To draw, make, accept, endorse, discount, execute and issue promissory notes, bills of exchange, bills of lading, warrants, debentures and other negotiable or transferable instruments.
- (Y) To sell, lease, exchange, let on hire, or dispose of any real or personal property or the undertaking of the Company, or any part or parts thereof, for such consideration as the directors shall approve, and, in particular, for shares whether fully or partly paid up, debentures or securities of any other company, whether or not having objects altogether, or in part, similar to those of the Company, and to hold and retain any shares, debentures or securities so acquired, and to improve, manage, develop, sell, exchange, lease, mortgage, dispose of, grant options over or turn to account or otherwise deal with all or any part of the property or rights of the Company.
- (Z) To adopt such means of making known the businesses and products of the Company as may in the opinion of the directors seem expedient, and in particular by advertising in the press, by circulars, by purchase and exhibition of works of art or interest, by publication of books and periodicals, and by granting prizes, rewards and donations.
- (AA) To support, subscribe or contribute to any charitable or public object or any institution, society or club which may be for the benefit of the Company or its directors, officers or employees, or the directors, officers and employees of its predecessors in business or of any subsidiary, allied or associated company, or which may be connected with any town or place where the Company carries on business and to subsidise or assist any association of employers or employees or any trade association. To grant pensions, gratuities, annuities or charitable aid and generally to provide advantages, facilities and services to any person (including any directors or former directors) who may have served the Company or its predecessors in business or any subsidiary, allied or associated company or to the wives, children or other dependants or relatives of such persons, to make advance provision for the payment of such pensions, gratuities or annuities as aforesaid by establishing or acceding to such trusts schemes or arrangements (whether or not capable of approval by the Commissioners of Inland Revenue under any relevant legislation for the time being in force) as may seem expedient, to appoint trustees or to act as trustee of any such schemes or arrangements, and to make payments towards insurance for the benefit of such persons or to their wives, children, or other dependants or relatives.

- (BB) To establish and contribute to any scheme for the purchase or subscription by trustees of shares in the Company to be held for the benefit of the employees of the Company or any subsidiary, allied or associated company, and to lend money to such employees or to trustees on their behalf to enable them to purchase or subscribe for shares in the Company and to formulate and carry into effect any scheme for sharing the profits of the Company with employees or any of them.
- (CC) To apply for, promote and obtain any Act of Parliament order or licence of the Department of Trade and Industry or other authority for enabling the Company to carry any of its objects into effect or for effecting any modifications of the Company's constitution or for any other purposes which may in the opinion of the directors seem expedient, and to oppose any proceedings or applications which may in the opinion of the Directors seem calculated directly or indirectly to prejudice the Company's interests.
- (DD) To establish, grant and take up agencies in any part of the world, and to do all such other things as the Company may deem conducive to the carrying on of the Company's business, either as principals, or agents, and to remunerate any persons in connection with the establishment or granting of such agencies upon such terms and conditions as the Company may think fit.
- (EE) To distribute among the shareholders in specie any of the property of the Company or any proceeds of sale or disposal of any property of the Company and for such purpose to distinguish and separate capital from profits, but so that no distribution amounting to a reduction of capital shall be made except with the sanction (if any) for the time being required by law.
- (FF) To purchase and maintain insurance for the benefit of any person who is an officer or employee, or former officer or employee, of the Company or of any other company which is a subsidiary of the Company or in which the Company has an interest whether direct or indirect or who is or was at any time trustee of any retirement benefits scheme or any other trust in which any such officer or employee or former officer or employee is or has been interested indemnifying such person against liability for negligence, default, breach of duty or breach of trust or any other liabilities which may lawfully be insured against.
- (GG) To amalgamate with any other company.
- (HH) To do all or any of the above things in any part of the world and as principals, agents, contractors, trustees or otherwise, and by or through trustees, agents, subcontractors or otherwise, and either alone or in conjunction with others and to procure the Company to be registered or recognised in any foreign country or place.
- (II) To do all such other things as are in the opinion of the directors incidental or conducive to the attainment of all or any of the Company's objects, or the exercise of all or any of its powers.

The objects specified in each paragraph of this Clause shall, except where otherwise expressed in such paragraph, be regarded as independent objects, and shall not be limited or restricted by reference to or inference from the terms of any other paragraph or the name of

the Company. None of the paragraphs of this clause or the objects or powers therein specified or conferred shall be deemed subsidiary or ancillary to the objects or powers mentioned in any other paragraph, but the Company shall have as full as power to exercise all or any of the objects and powers provided in each paragraph as if each paragraph contained the objects of a separate company.

The word "company" in this Clause (except where used in reference to the Company) shall be deemed to include any person or partnership or other body of persons whether domiciled in the United Kingdom or elsewhere and whether incorporated or unincorporated, and words denoting the singular number only shall include the plural number and vice versa. The expression "the Act" in this Clause means the Companies Act 1985, but so that any reference in this Clause to any provision of the Act shall be deemed to include a reference to any modification or re-enactment of that provision for the time being in force.

5.4 The liability of the members is limited.

5.5 The Company's share capital is £50,000 divided into 50,000 shares of £1 each.

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<sup>3</sup> By a special resolution passed on 3 August, 1993 the 50,000 shares of £1 each were consolidated and sub-divided into shares of 1p each of which 2,525 shares for each 5,000p nominal amount were designated ordinary shares and the balance of the shares were designated special rights convertible shares. By an ordinary resolution passed on the same date the Company's share capital was increased to £750,000 by the creation of 70,000,000 ordinary shares of 1p each.



WE, the subscribers to this Memorandum of Association wish to be formed into a Company pursuant to this Memorandum and we agree to take the number of shares in the capital of the Company shown opposite our respective names.

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**NAMES AND ADDRESSES  
OF SUBSCRIBERS**

**Number of Shares  
taken by each  
Subscriber**

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ANGELA ORBAN  
For and on behalf of  
Legibus Secretaries Limited  
200 Aldersgate Street  
London EC1A 4JJ

ONE

CHRISTINE ANNE LEE  
For and on behalf of  
Legibus Nominees Limited  
200 Aldersgate Street  
London EC1A 4JJ

ONE

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DATED this 9th day of November, 1992.

WITNESS to the above Signatures:-

DENISE WEST  
200 Aldersgate Street  
London EC1A 4JJ

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**THE COMPANIES ACT 1985 AND 1989**

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**A PRIVATE COMPANY LIMITED BY SHARES**

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**ARTICLES OF ASSOCIATION**

(Adopted by a Special Resolution passed on 3rd August 1993)

-of-

**JONES CABLE GROUP OF LEEDS HOLDINGS LIMITED**

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**1. Interpretation**

**(A) In the articles, unless indicated to the contrary:**

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

"Acts" means the Companies Acts 1985 and 1989 and all statutes and subordinate legislation for the time being in force concerning companies so far as they apply to the Company;

"affiliate" has the meaning given to that expression in the Securities Act of 1993 as in force in the United States of America at the date of adoption of these articles of association;

"articles" means these articles of association as amended from time to time;

"auditors" means the auditors of the Company;

"board" means the board of directors of the Company;

"Carried Interest Agreement" means the agreement to be entered into between Jones Global Group, Inc. and the Company under which Jones Global Group, Inc. may earn a carried interest in the Company (as varied from time to time);

"Chairman" has the meaning given to it in articles 105;

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

"company" includes any body corporate (not being a corporation sole) or association of persons, whether or not a company within the meaning of the Act;

"Convertible Loan Stock" means the £77,500,000 nominal Zero Coupon Unsecured Convertible Loan Stock 1993-1998 of the Company, created by the Loan Stock Instrument;

"Deed Poll" means the instrument to be made by National Westminster Bank Plc, constituting a voting trust in relation to the Special Shares, or any deed poll replacing the same;

"director" means a director of the Company;

"dividend" includes bonus;

"entitled by transmission" means, in relation to a share, entitled as a consequence of the death or bankruptcy of a member or of another event giving rise to a transmission of entitlement by operation of law;

"executed" includes, in relation to a document, execution under hand or under seal or by another method permitted by law;

"Float" means the admission to listing of all or part of the ordinary share capital of the Company and the Convertible Loan Stock (if any) on The International Stock Exchange of the United Kingdom and the Republic of Ireland Limited, the New York Stock Exchange or the American Stock Exchange or its quotation on NASDAQ in connection with a flotation or placing which results in twenty five per cent. (25%) or more of the Issued Ordinary Shares being held by persons other than those who are holders of Ordinary Shares and/or Convertible Loan Stock immediately prior to such flotation or placing;

"holder" means, in relation to a share, the member whose name is entered in the register as the holder of that share;

"Issued Ordinary Shares" means the Ordinary Shares in issue for the time being and for these purposes the Convertible Loan Stock (if any) in issue for the time being shall be deemed to have been fully paid and converted into Ordinary Shares in accordance with the Loan Stock Instrument and such Ordinary Shares shall be deemed to be in issue and to be held by the Stockholders whose Convertible Loan Stock is deemed to have been converted.

"Jones Cable Group, Ltd." means Jones Cable Group, Ltd., an affiliate of Jones International Ltd., duly organised and validly existing under the laws of the state of Colorado in the United States of America;

"Jones Director" means a director appointed pursuant to article 71;

"Jones Global Group, Inc." means Jones Global Group, Inc., an affiliate of Jones International, Ltd., duly organised and validly existing under the laws of the state of Colorado in the United States of America;

**"Jones International, Ltd."** means Jones International, Ltd., a company duly organised and validly existing under the laws of the state of Colorado in the United States of America;

**"Jones Organisation"** means Jones International, Ltd. and its subsidiaries and affiliates from time to time and limited partnerships managed by any of them from time to time;

**"Loan Stock Instrument"** means the instrument to be executed as a deed poll by the Company, creating the Convertible Loan Stock (as varied from time to time);

**"Management Agreement"** means the agreement to be entered into between Jones Cable Group of Leeds Limited, the Company, Jones Cable Group, Ltd. and Jones Global Group, Inc. relating to the provision by Jones Cable Group, Ltd. of certain consultancy and management services to Jones Cable Group of Leeds Limited and the Company (as varied from time to time);

**"member"** means a member of the Company;

**"Non-voting Deferred Shares"** means the non-voting deferred shares of 1p each that may be created upon conversion of the Special Shares in accordance with article 6(C);

**"Offer"** means an offer by any person or persons to acquire Ordinary Shares and/or Convertible Loan Stock which becomes unconditional and pursuant to which acceptances are received by the offeror in respect of Ordinary Shares and/or Convertible Loan Stock which, together with Ordinary Shares and/or Convertible Loan Stock acquired or agreed to be acquired before or during the offer, result in the offeror and any person acting in concert with it (construed in accordance with The City Code on Takeovers and Mergers) holding more than fifty per cent. (calculated by number) of the Issued Ordinary Shares;

**"office"** means the registered office of the Company;

**"Ordinary Shares"** means the ordinary shares of 1p each in the capital of the Company;

**"Ordinary Shareholders"** means the holders of Ordinary Shares for the time being;

**"paid", "paid up" and "paid-up"** include credited as paid or paid up;

**"register"** means, unless indicated to the contrary, the register of members kept pursuant to section 352 of the Act;

**"seal"** means, unless indicated to the contrary, the common seal of the Company or any official or securities seal that the Company may have or may be permitted to have under the Acts;

**"secretary"** means the secretary of the Company and includes any assistant or deputy secretary and a person appointed by the board to perform the duties of the secretary;

**"Special Shares"** means the special rights convertible shares of 1p each in the capital of the Company;

"Special Shareholders" means the holders of Special Shares for the time being;

"Stockholders" means the holders of Convertible Loan Stock for the time being registered in the register of such holders maintained by the Company in accordance with the Loan Stock Instrument and the terms attached to the Convertible Loan Stock;

"Subscription Agreement" means the agreement to be entered into by, among others, the Company, the Subsidiary and the initial subscribers for the Convertible Loan Stock (as varied from time to time);

"Subsidiary" means Jones Cable Group of Leeds Limited (registered no. 2400103).

- (B) Words and expressions contained in these articles which are not defined in paragraph (A) have, unless the contrary is indicated, the same meaning as in the Act, but excluding any statutory modification to the Act not in force at the date of adoption of these articles.
- (C) Where an ordinary resolution of the Company is expressed to be required for any purpose, a special or extraordinary resolution shall also be effective for that purpose, and where an extraordinary resolution is expressed to be required for any purpose, a special resolution shall also be effective for that purpose.
- (D) The headings in the articles shall not affect the interpretation of the articles.

2. Table A not to apply

No regulations contained in any statute or subordinate legislation, including the regulations contained in Table A in the schedule to the Companies (Tables A to F) Regulations 1985 (as amended), apply as the regulations or articles of association of the Company.

## SHARE CAPITAL

3. Authorised capital

The authorised share capital of the Company at the date of adoption of these articles is £750,000 divided into 72,525,000 ordinary shares of 1p each ("Ordinary Shares") and 2,475,000 special rights convertible shares of 1p each ("Special Shares").

4. Allotment

- (A) Subject to the Acts and relevant authority of the Company in general meeting required by the articles and the Acts, the board has general and unconditional authority to allot (with or without conferring rights of renunciation), grant options over, offer or otherwise deal with or dispose of unissued shares (whether forming part of the original or any increased capital), or rights to subscribe for or convert any security into shares, to such persons, at such times and on such terms and conditions as the board may decide but no share may be issued at a discount.

- (B) The board has general and unconditional authority, pursuant to section 80 of the Act, to exercise all powers of the Company to allot relevant securities up to an aggregate nominal amount equal to the section 80 amount, for each prescribed period.
- (C) The board has general power, pursuant to section 95 of the Act, to allot equity securities pursuant to the authority conferred by paragraph (B), as if section 89(1) of the Act does not apply to such allotment, for each prescribed period. This power is limited to:
- (i) allotments of Ordinary Shares to existing holders of Ordinary Shares or Convertible Loan Stock where they have first been offered or an invitation to subscribe or purchase has been extended, in each case whether by way of rights issue, open offer or otherwise, to them in proportion (as nearly as may be) to their existing holdings of Issued Ordinary Shares but subject to the board having a right to make such exclusions or other arrangements in connection with such offering as it deems necessary or expedient to deal with equity securities representing fractional entitlements;
  - (ii) allotments of Ordinary Shares for cash other than pursuant to paragraph (i) in accordance with the Carried Interest Agreement and/or the Management Agreement;
  - (iii) allotments of Ordinary Shares upon conversion of the Convertible Loan Stock in accordance with the Loan Stock Instrument; and
  - (iv) allotments of Ordinary Shares pursuant to a share option scheme approved by an ordinary resolution of the Company in general meeting.
- (D) By the authority and power conferred by paragraphs (B) and (C), the board may during a prescribed period make an offer or agreement which would or might require equity securities or other relevant securities to be allotted after the prescribed period and may allot securities in pursuance of that offer or agreement.
- (E) In this article 4:
- (i) "prescribed period" means, first, the period of five years from the date of adoption of these articles and, after expiry of that prescribed period, any subsequent period for which the authority conferred by paragraph (B) is renewed by ordinary or special resolution stating the section 80 amount, and the power conferred by paragraph (C) is renewed by special resolution;
  - (ii) "section 80 amount" means, for the first prescribed period, £700,000 and, for a subsequent prescribed period, the amount stated in the relevant ordinary or special resolution or, in either case, another amount fixed by resolution of the Company;
  - (iii) the nominal amount of securities is, in the case of rights to subscribe for or convert any securities into shares of the Company, the nominal amount of shares which may be allotted pursuant to those rights.

- (F) The board may at any time after the allotment of a share but before a person has been entered in the register as the holder of the share recognise a renunciation of the share by the allottee in favour of another person and may grant to an allottee a right to effect a renunciation on the terms and conditions the board thinks fit.

- (G) Subject to the Acts and to the rights attached to existing shares, new shares may be allotted or issued with or have attached to them such special rights or restrictions as the Company may by ordinary resolution decide, or, if no resolution is passed, as the board may decide.

## 5. Redeemable shares

Subject to the Acts and to the rights attached to existing shares, shares may be issued on terms that they are to be redeemed or, at the option of the Company or the holder, are liable to be redeemed.

## 6. Special Shares

The special rights, privileges and restrictions attaching to the Special Shares are as follows:

### (A) Voting

At a general meeting every Special Shareholder present in person has on a show of hands one vote or, if present by one or more proxies, has on a show of hand, one vote per proxy and every Special Shareholder present in person or by proxy has on a poll twenty votes for every Special Share of which he is the holder.

### (B) Income

Special Shareholders are not entitled to receive any dividend or other distribution whatsoever.

### (C) Conversion

- (i) Immediately after all Convertible Loan Stock has been converted into Ordinary Shares in accordance with the Loan Stock Instrument, all the Special Shares then in issue shall be converted into fully-paid Ordinary Shares at the rate of 1p in nominal amount of Ordinary Shares (subject to adjustment in accordance with paragraph (vi) below) for each 99p in nominal amount of Special Shares (the "conversion rate") by means of consolidation and subdivision in accordance with the provisions of this paragraph (C);

- (ii) All Special Shares in issue held by any holder or joint holders at time of conversion (the "conversion date") shall be consolidated into one share, pursuant to the authority granted by the adoption of this article. The consolidated share shall then be sub-divided into shares of such amount as is equal to the nominal amount of the Special Shares in the Company at the conversion date of which:

- (a) one share for each 99p in nominal amount of the consolidated share (or such other amount as may be appropriate as a result of an adjustment of the

conversion rate) shall be designated an Ordinary Share (ignoring fractions); and

- (b) the balance of the shares (including fractions) shall be designated non-voting deferred shares of 1p each, having the rights set out in paragraph (iii) (Non-voting Deferred Shares).
- (iii) The Non-voting Deferred Shares confer the right on a return of capital on a winding-up or otherwise only to the repayment of the amounts paid-up on the Non-voting Deferred Shares after repayment of the capital paid-up on the Ordinary Shares and the payment of a further amount of £1,000,000 in respect of each Ordinary Share. The Non-voting Deferred Shares do not confer the right to be paid a dividend or to receive notice of or to attend or vote at a general meeting. Conversion of a Special Share is deemed to confer irrevocable authority on the board at any time after the conversion date:
  - (a) to appoint a person to execute on behalf of each holder of Non-voting Deferred Shares an instrument of transfer for and/or an agreement to transfer all or some of the Non-voting Deferred Shares, without making any payment to the holder, to such person as the board may decide, as custodian; and
  - (b) to purchase all or some of the Non-voting Deferred Shares (subject to the provisions of the Acts) for a price of 1p for all the Non-voting Deferred Shares purchased, without obtaining the sanction of the holders thereof.

Pending such transfer and/or purchase the Company is entitled to retain the certificates for the Non-voting Deferred Shares.

- (iv) The Ordinary Shares to which a holder is entitled on conversion of the Special Shares ("new ordinary shares") shall:
  - (a) rank pari passu in all respects and form one class with the Ordinary Shares then in issue; and
  - (b) entitle the holder to be paid an appropriate proportion of all dividends and other distributions declared, made or paid on Ordinary Shares by reference to a record date falling on or after the conversion date.
- (v) Whenever as a result of conversion holders become entitled to fractions of a Non-Voting Deferred Share, the fraction shall be rounded up.
- (vi) If Special Shares remain capable of being converted into Ordinary Shares and there is a consolidation and/or sub-division of Ordinary Shares, the conversion rate shall be adjusted by an amount which in the opinion of the board is fair and reasonable to maintain the right to convert and to ensure that the holders of Special Shares are in no better or worse position as a result of any such consolidation and/or sub-division than if they had never taken place.



- (vii) If a doubt or dispute arises concerning an adjustment of the conversion rate in accordance with paragraph (vi) the board shall refer the matter to the auditors and their certificate as to the amount of the adjustment shall be conclusive and binding on all concerned.

**(D) Capital**

On a return of capital on winding up or otherwise, the Special Shareholders are entitled in priority to the holders of any other class of share to the repayment of the amount paid-up on their Special Shares. The Special Shares do not confer any further right to participate in the assets of the Company available for distribution among the members.

**7. Variation of rights**

- (A) Subject to the Acts, the rights attached to a class of shares may be varied whether or not the Company is being wound up (i) in such manner (if any) as may be provided by those rights, or (ii) in the absence of provision, either with the consent in writing of the holders of at least three-fourths of the nominal amount 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 issued shares of that class validly held in accordance with the articles, but not otherwise.
- (B) The rights attached to a class of shares are not, unless otherwise expressly provided in the rights attaching to those shares, deemed to be varied by the creation or issue of further shares ranking pari passu with or subsequent to them or by the purchase or redemption by the Company of its own shares in accordance with the Acts and article 38.
- (C) Ordinary Shares whenever issued are subject to the restriction that the rights attached to any class of Ordinary Shares may be varied or abrogated by a special resolution passed by the Company in general meeting without the separate consent or sanction of the holders of issued Ordinary Shares of that class in accordance with paragraph (A)(ii) or otherwise provided that, save in the case of the rights set out in article 71, the rights attached to all the Ordinary Shares are thereby varied or abrogated in the like manner and to like extent.

**8. Commission**

The Company may exercise all powers conferred or permitted by the Acts of paying commission or brokerage. Subject to the Acts, commission or brokerage may be satisfied by the payment of cash or the allotment of fully- or partly-paid shares or the grant of an option to call for an allotment of shares or by any combination of these methods.

**9. Trusts not recognised**

Except as otherwise recognised in relation to the Special Shares in these articles or otherwise as ordered by a court of competent jurisdiction or as required by law, the Company shall not recognise a person as holding a share on trust and is not bound by or otherwise compelled to recognise (even if it has notice of it) an equitable, contingent, future, partial or other claim to or interest in a share other than an absolute right in the holder to the whole of the share.

## SHARE CERTIFICATES

### 10. Right to certificate

- (A) Subject to the Acts, a person on becoming the holder of a share is entitled, unless the terms of issue of the shares provide otherwise, without charge, to one certificate for all the shares of a class registered in his name or, in the case of shares of more than one class being registered in his name, to a separate certificate for each class of shares.
- (B) Where a member transfers part of his shares comprised in a certificate he is entitled, without charge, to one certificate for the balance of shares retained by him.
- (C) The Company is not bound to issue more than one certificate for shares held jointly by two or more persons and delivery of a certificate to one joint holder is sufficient delivery to all joint holders.
- (D) A certificate shall specify the number and class and the distinguishing numbers (if any) of the shares in respect of which it is issued and the amount paid up on the shares. It shall be issued under a seal, which may be affixed to or printed on it, or in such other manner having the same effect as if issued under a seal as the board may approve. Each certificate issued by the Company shall bear a legend setting out restrictions on offering or selling the shares in the United States of America.

### 11. Replacement certificates

- (A) Where a member holds two or more certificates for shares of one class, the board may at his request, on surrender of the original certificates and without charge, cancel the certificates and issue a single replacement certificate.
- (B) At the request of a member, the board may cancel a certificate and issue two or more in its place (representing shares in such proportions as the member may specify), on surrender of the original certificate and on payment of such reasonable sum as the board may decide.
- (C) Where a certificate is worn out, defaced, lost or destroyed, the board may cancel it and issue a replacement certificate on such terms as to provision of evidence and indemnity (with or without security) and to payment of any exceptional out-of-pocket expenses incurred by the Company in the investigation of that evidence and the preparation of that indemnity and security as the board may decide, and on surrender of the original certificate (where it is worn out or defaced).

## LIEN

### 12. Company's lien on shares not fully paid

- (A) The Company has a first and paramount lien on every share (other than a fully-paid share) registered in the name of a member (whether solely or jointly with another person) for an amount payable in respect of the share, whether the due date for payment has arrived or not.

The lien applies to all dividends from time to time declared or other amounts payable in respect of the share.

- (B) The board may either generally or in a particular case declare a share to be wholly or partly exempt from the provisions of this article. Unless otherwise agreed with the transferee, the registration of a transfer of a share operates as a waiver of the Company's lien (if any) on that share.

### 13. Enforcement of lien by sale

- (A) For the purpose of enforcing the lien, the board may sell shares subject to the lien in such manner as it may decide, if the due date for payment of the relevant amounts has arrived and payment is not made within 14 clear days after the service of a notice in writing (stating, and demanding payment of, the amounts and giving notice of the intention to sell in default of payment) on the member concerned (or to a person entitled by transmission to the shares).
- (B) To give effect to a sale, the board may authorise a person to execute an instrument of transfer of shares in the name and on behalf of the holder of or the person entitled by transmission to the shares to the purchaser or his nominee. The purchaser is not bound to see to the application of the purchase money and the title of the transferee is not affected by an irregularity in or invalidity of the proceedings connected with the sale.

### 14. Application of proceeds of sale

The net proceeds of a sale effected under the previous article, after payment of the costs of the sale, shall be applied by the Company in or towards satisfaction of the amount in respect of which the lien exists. Any residue shall (on surrender to the Company for cancellation of the certificate for the shares sold, or the provision of any indemnity (with or without security) as to any lost or destroyed certificate required by the board and subject to a like lien for amounts not presently payable as existed on the shares before the sale) be paid to the member or a person entitled by transmission to the shares immediately before the sale.

## CALLS ON SHARES

### 15. Calls

Subject to the terms of allotment of shares, the board may make calls on members in respect of amounts unpaid on the shares or a class of shares held by them respectively (whether in respect of nominal value or a premium) and not payable on a date fixed by or in accordance with the terms of issue. Each member shall (on receiving at least 14 clear days' notice specifying when and where payment is to be made) pay to the Company the amount called as required by the notice. A call may be made payable by instalments and may, at any time before receipt by the Company of an amount due, be revoked or postponed in whole or in part as the board may decide. A call is deemed made at the time when the resolution of the board authorising it is passed. A person on whom a call is made remains liable to pay the amount called despite the subsequent transfer of the share in respect of which the call is made. The joint holders of a share are jointly and severally liable for payment of a call in respect of that share.

16. Power to differentiate

The board may make arrangements on the allotment or issue of shares for a difference between the allottees or holders in the amounts and times of payment of a call on their shares.

17. Interest on calls

If the whole of the amount called is not paid on or before the date fixed for payment, the person by whom it is payable shall pay interest on the unpaid amount at such rate as may be fixed by the terms of allotment of the share or, if no rate is fixed, at such rate (not exceeding, without the sanction of the Company given by ordinary resolution, 20 per cent. per annum) as the board may decide, from and including the date fixed for payment until but excluding the date of actual payment and all costs, charges and expenses incurred by the Company by reason of the non-payment. The board may waive payment of the interest in whole or in part.

18. Payment in advance

The board may, if it thinks fit, receive from a member all or part of the amounts uncalled and unpaid on shares held by him. A payment in advance of calls extinguishes to the extent of the payment the liability of the member on the shares in respect of which it is made. The Company may pay interest on the amount paid in advance, or on so much of it as from time to time exceeds the amount called on the shares in respect of which the payment in advance has been made, at such rate (not exceeding, without the sanction of the Company given by ordinary resolution, 20 per cent. per annum) as the board may decide.

19. Amounts due on allotment treated as calls

An amount which becomes payable in respect of a share on allotment or on a date fixed pursuant to the terms of allotment (whether in respect of nominal value or a premium) or as an instalment of a call, is deemed to be a call. In case of non-payment, the provisions of the articles as to payment of interest and costs, charges and expenses, forfeiture or otherwise apply as if that amount has become payable by virtue of a call.

### FORFEITURE

20. Notice if call not paid

If a member fails to pay the whole of a call or an instalment of a call on or before the date fixed for payment, the board may serve notice on the member or on a person entitled by transmission to the share in respect of which the call was made demanding payment, on a date not less than 14 clear days from the date of the notice, of the amount of the call outstanding and any interest that may have accrued on it and all costs, charges and expenses incurred by the Company by reason of the non-payment. The notice shall state (i) the place where payment is to be made, and (ii) that if the notice is not complied with the share in respect of which the call was made will be liable to be forfeited.

21. Forfeiture for non-compliance

If the notice referred to in the previous article is not complied with, a share in respect of which it is given may, at any time before payment required by the notice has been made, be forfeited by a resolution of the board. The forfeiture includes all dividends declared or other amounts payable in respect of the forfeited share and not paid before the forfeiture.

22. Notice after forfeiture

When a share has been forfeited, the Company shall serve notice of the forfeiture on the person who was before forfeiture the holder of the share or the person entitled by transmission to the share but no forfeiture is invalidated by an omission to give notice. An entry of the fact and date of forfeiture shall be made in the register.

23. Disposal of forfeited shares

- (A) Until cancelled in accordance with the Acts, a forfeited share and all rights attaching to it are deemed to be the property of the Company and may be sold, re-allotted or otherwise disposed of either to the person who was before the forfeiture the holder or to another person, on such terms and in such manner as the board may decide. Where for this purpose a forfeited share is to be transferred, the board may authorise a person to execute an instrument of transfer of the share to the transferee. The Company may receive the consideration (if any) for the share on its disposal and may register the transferee as the holder of the share.
- (B) The board may before a forfeited share has been cancelled, sold, re-allotted or otherwise disposed of annul the forfeiture on such conditions as it thinks fit.
- (C) A statutory declaration by a director or the secretary that a share has been forfeited on the date stated in the declaration is conclusive evidence of the facts stated in the declaration against all persons claiming to be entitled to the share. The declaration (subject if necessary to the execution of an instrument of transfer) constitutes good title to the share and the person to whom the share is disposed of is not bound to see to the application of the consideration (if any). His title to the share is not affected by an irregularity in or invalidity of the proceedings connected with the forfeiture or disposal.

24. Arrears to be paid notwithstanding forfeiture

A person whose share has been forfeited ceases on forfeiture to be a member in respect of it and shall surrender to the Company for cancellation the certificate for the forfeited shares or shares. He remains liable to pay, and shall immediately pay to the Company, all calls, interest, costs, charges and expenses owing in respect of the share at the time of forfeiture, with interest, from the time of forfeiture until payment, at such rate as may be fixed by the terms of allotment of the share or, if no rate is fixed, at the rate (not exceeding, without the sanction of the Company given by ordinary resolution, 20 per cent. per annum) as the board may decide. The board may if it thinks fit enforce payment without allowance for the value of the share at the time of forfeiture or for consideration received on disposal.

25. Surrender

The board may accept the surrender of a share liable to be forfeited and in that case references in the articles to forfeiture include surrender.

UNTRACED SHAREHOLDERS

26. Power of sale

(A) The Company is entitled to sell a share if:

(i) for a period of not less than 12 years before the date of publication of the advertisements referred to in paragraph (A)(ii) (or, if published on two different dates, the first date) (the "relevant period"), and during the relevant period the Company has paid at least three cash dividends (whether interim or final), (a) no cheque, order or warrant sent by the Company by post in a pre-paid envelope addressed to the holder of the share, or to the person entitled by transmission to the share, at his address on the register or other last-known address given by the member or other person has been cashed, and (b) no communication has been received by the Company from the member or person entitled by transmission (in his capacity as member or person entitled by transmission);

(ii) on expiry of the relevant period the Company has given notice of its intention to sell the share by advertisement in a leading daily newspaper and in a newspaper circulating in the area of the address referred to in paragraph (A)(i);

(iii) the Company has not during a further period of three months after the date of the advertisements referred to in paragraph (A)(ii) (or the later advertisement if the advertisements are published on different dates) and before the exercise of the power of sale received a communication from the member or person entitled by transmission (in his capacity as member or person entitled by transmission).

(B) In addition to the power of sale conferred by paragraph (A), if during the relevant period or a further period ending on the date when all the requirements of paragraphs (A)(i) to (iii) have been satisfied an additional share has been issued in right of that held at the beginning of, or previously so issued during, those periods and all the requirements of paragraphs (A)(i) to (iii) have been satisfied in respect of the additional share, the Company is entitled to sell the additional share.

(C) To give effect to a sale pursuant to paragraphs (A) or (B), the board may authorise a person to execute an instrument of transfer of the share in the name and on behalf of the holder of, or the person entitled by transmission to, the share to the purchaser or his nominee. The purchaser is not bound to see to the application of the purchase money and the title of the transferee is not affected by an irregularity or invalidity in the proceedings connected with the sale of the share.

27. Application of proceeds of sale

The Company shall account to the member or other person entitled by transmission to the share for the net proceeds of sale by carrying all amounts received on sale to a separate account. The Company is deemed to be a debtor and not a trustee in respect of those amounts for the member or other person. Amounts carried to the separate account may either be employed in the business of the Company or invested as the board may think fit. No interest is payable on those amounts and the Company is not required to account for money earned on them.

TRANSFER OF SHARES

28. Form of transfer

Subject to articles 29 and 30 below, a member may transfer all or any of his shares by instrument of transfer in writing in any usual form or in another form approved by the board, and the instrument shall be executed by or on behalf of the transferor and (in the case of a transfer of a share which is not fully paid) by or on behalf of the transferee. The transferor is deemed to remain the holder of the share until the name of the transferee is entered in the register in respect of it.

29. Registration of transfers

(A) Subject to article 66, the board may in its absolute discretion and without giving a reason, refuse to register the transfer of a share or renunciation of a renounceable letter of allotment unless all of the following conditions are satisfied:

- (i) It is in respect of a share which is fully paid;
- (ii) It is in respect of a share on which the Company has no lien;
- (iii) It is in respect of only one class of shares;
- (iv) It is in favour of a single transferee or renounee or not more than four joint transferees or renounees;
- (v) It is duly stamped (if required); and
- (vi) It is delivered for registration to the office or such other place as the board may decide, accompanied, except in the case of a renunciation, by the certificate for the shares to which it relates and such other evidence as the board may reasonably require to prove the title of the transferor or person renouncing and the due execution by him of the transfer or renunciation or, if the transfer or renunciation is executed by some other person on his behalf, the authority of that person to do so.

(B) Further the board may, in its absolute discretion, refuse to register:

(i) until the date of an Offer, (if any), any transfer of a share or renunciation of a renounceable letter of allotment (other than a Permitted Transfer in accordance with article 30(C)) to any person(s) (other than any member of the Jones Organisation):

(a) who is actively engaged, directly or indirectly, in the establishment or operation of any form of:

(aa) facilities based public switched telephone network, or

(bb) facilities based business which provides national public voice and/or national public voice and data transmission services; or

(b) where a material part of the business of that person, or its group undertakings taken as a whole, is the operation (or preparation for operation) of a cable television business;

(ii) any transfer of a share or renunciation of a renounceable letter of allotment to any Relevant Person (as defined in article 31) or to any person who will be a Relevant Person as a result of the transfer,

and the directors may require any person named as transferee in any transfer lodged for registration to furnish to the Company such information and evidence as the directors may reasonably think fit regarding any matter which they may deem relevant for the purposes of this article.

(C) The board shall refuse to register a transfer unless it is reasonably satisfied that such transfer complies with the provisions of the articles.

(D) No Ordinary Share shall be transferred, at the time when the Subscription Agreement remains in force, unless the transferee duly enters into an appropriate deed of adherence (as provided in the Subscription Agreement) and the board shall refuse to register any such transfer unless an appropriate duly executed deed of adherence is produced to the Company.

(E) If the board refuses to register the transfer of a share it shall, within two months after the date on which the transfer was lodged with the Company, send notice of the refusal to the transferee. An instrument of transfer which the board refuses to register shall (except in the case of suspected fraud) be returned to the person depositing it. All instruments of transfer which are registered may, subject to article 137, be retained by the Company.

(F) No fee may be charged by the Company for registering the transfer of a share or the renunciation of a renounceable letter of allotment or other document relating to or affecting the title to a share or the right to transfer it or for making any other entry in the register.

(G) The registration of transfers may be suspended at such times and for such period (not exceeding 30 days in any year) as the board may decide and either generally or in respect of a particular class of shares.



## RESTRICTIONS ON TRANSFER OF SHARES

### 30. Restrictions on Transfer of Shares

#### (A) For the purposes of this article:-

- (i) "company" includes any body corporate, any limited partnership and any member of the Jones Organisation;
- (ii) "Interested" is construed as it is for the purpose of Section 212 of the Act;
- (iii) "a Member of the Same Group" means, in relation to a company, a company which is for the time being a parent undertaking of that company or a direct or indirect subsidiary undertaking of that company or a subsidiary undertaking of any such parent undertaking and, in relation to any member of the Jones Organisation, any other member of the Jones Organisation;
- (iv) "Transferor" means a company which has transferred or proposes to transfer shares to a Member of the Same Group;
- (v) "Transferee" means a company for the time being holding shares in consequence (directly or indirectly) of a transfer or series of transfers of shares between Members of the Same Group (the relevant Transferor in the case of a series of such transfers being the first Transferor in such series); and
- (vi) "Transferred Shares" means and includes (so far as the same remain for the time being held by any member(s) in consequence of a transfer or series of transfers of shares to such person(s) pursuant to paragraph (C) below) the shares originally held by or transferred to such member(s) and any additional shares acquired by such person(s) in right of, or in exercise of any right or option granted or arising by virtue of the holding of, such shares or any shares so derived therefrom.

- (B) Until the date of an Offer or a Float (whereupon the provisions of this article shall cease to apply) and subject always to the over-riding provisions of articles 29, 30(L), 31 and 66 and except in the case of a transfer expressly authorised by paragraphs (C) or (D) below (a "Permitted Transfer"), the right to transfer shares or to dispose of any shares or any interest in shares shall be subject either to the restrictions and provisions contained in paragraph (E) below or to the restrictions and provisions contained in paragraph (F) below and (where applicable) the restrictions and provisions in paragraphs (G) to (M), below.

#### *Permitted Transfers*

- (C) Subject to the over-riding provisions of articles 29, 31 and 66, shares may at any time be transferred:-
- (i) by any person to a company which is a Member of the Same Group; or
  - (ii) to any person with the consent in writing of all the members; or

- (iii) by any member of the Jones Organisation to any person in accordance with the provisions of the Carried Interest Agreement;

and any member may:

- (i) give an irrevocable or other undertaking to accept, or an acceptance of, a takeover offer for the Company made or proposed to be made provided that such irrevocable undertaking or acceptance is conditional upon such offer becoming an Offer; or
- (ii) enter into agreements or arrangements in connection with, and conditional upon, a Float.

- (D) If, while it holds shares in the Company, a Transferee ceases to be a Member of the Same Group as the Transferor from which (whether directly or by a series of transfers under paragraph (C)) the Transferred Shares were derived, it shall be the duty of the Transferee to notify the Company in writing that such event has occurred and the Transferee shall be bound (except as the board may otherwise determine) to transfer the Transferred Shares to the Transferor or a Member of the Same Group as the Transferor, any such transfer being deemed to be authorised under the foregoing provisions of this article.

#### *Pre-emption Transfers*

- (E) (i) Except for a Permitted Transfer or where the procedure in paragraph (F) is followed, before transferring or disposing of any shares or any interest in shares the person proposing to transfer or dispose of the same (the "Proposing Transferor") shall give a notice in writing (a "Pre-emption Transfer Notice") to the Company:
- (a) stating the number of shares of which the Proposing Transferor wishes to dispose or in which the Proposing Transferor wishes to dispose of an interest;
- (b) stating the identity of the person to whom he wishes to transfer the same (the "Purchaser") and the identity of all persons other than the Purchaser who, to the best of the Proposing Transferor's information and belief, if such disposal is completed, will be interested in the same;
- (c) certifying to the Company (a) the total cash consideration (if any) ("Cash Consideration") which the Purchaser is prepared to give in connection with the purchase of such shares or interest, (b) a reasonable description of any non-cash consideration (if any) ("Non-cash Consideration") which the Purchaser is prepared to give in connection with the purchase of such shares or interest, and (c) a fair market value of the Non-cash Consideration as at the date of the Pre-emption Transfer Notice or a date not more than 30 days prior to such date and an explanation of the basis of such valuation,

provided that such Pre-emption Transfer Notice shall not be effective unless the Proposing Transferor shall deliver to the Company sufficient evidence as the board may reasonably require to be satisfied that the Purchaser has agreed to purchase the shares or the interest in shares in pursuance of a bona fide sale for the consideration

stated in the certification without any deduction, rebate or allowance whatsoever. The Pre-emption Transfer Notice shall constitute the Company as the agent of the Proposing Transferor for the sale of the shares therein mentioned (together with all rights then attached thereto) at the Prescribed Price during the Prescribed Period to any member or Stockholder and shall be irrevocable except with the consent of the board.

- (ii) Subject to paragraphs (E)(v)(b) and (J) the "Prescribed Price" shall be the price per share equal to the product of the following formula:  $A \text{ divided by } B$ , where "A" is the aggregate of the Cash Consideration and the fair market value of the Non-cash Consideration which the Proposing Transferor shall have certified in the Pre-emption Transfer Notice and "B" is the number of shares of which the Proposing Transferor wishes to dispose or in which the Proposing Transferor wishes to dispose of an interest.
- (iii) Subject to paragraphs (E)(v)(c) and (J) the "Prescribed Period" shall commence on the date on which the Pre-emption Transfer Notice was given and expire two months thereafter.
- (iv) All shares included in any Pre-emption Transfer Notice shall by notice in writing ("Offer Notice") be offered by the Company to all Ordinary Shareholders and Stockholders (other than any Proposing Transferor) for purchase at the Prescribed Price on terms that in case of competition the shares so offered shall (in accordance with but subject to the provisions of paragraph (E)(vi)) be sold to each acceptor pro rata (as nearly as may be without involving fractions of shares or increasing the number sold to any Ordinary Shareholder or Stockholder beyond that applied for by him) to the proportion that such acceptor's holding of Issued Ordinary Shares (calculated by number) bears to the aggregate number of Issued Ordinary Shares. Provided that if then any shares so offered remain unallocated and there remain unsatisfied acceptances, the unallocated shares shall be sold to the acceptors whose acceptances remain unsatisfied pro rata (as nearly as may be without involving fractions of shares or increasing the number sold to any Ordinary Shareholder or Stockholder beyond that applied for by him) to the proportion that such acceptor's holding of Issued Ordinary Shares (calculated by number) bears to the aggregate number of Issued Ordinary Shares and this process shall be repeated until all of the shares concerned have been allocated or all the acceptances are satisfied in full. Such offer shall limit a time (not being less than 14 days) within which it must be accepted or in default will lapse. The Offer Notice shall set out all the information required to be contained in the Pre-emption Transfer Notice.
- (v) (a) If the Prescribed Price comprises in whole or in part any value attributed by the Proposing Transferor to the Non-cash Consideration, the holders and/or deemed holders of not less than one-tenth of the Issued Ordinary Shares may within 14 days of the date of the Offer Notice by notice in writing ("Objection Notice") to the Company object to the value attributed to the Non-cash Consideration.

- (b) If an Objection Notice is given to the Company under paragraph (a) above, the Proposing Transferor and the other Ordinary Shareholders and other Stockholders shall attempt to agree the market value of the Non-cash Consideration as at the date of the Pre-emption Transfer Notice and shall give notice in writing to the Company of any value so agreed and such agreed value shall be used to determine the Prescribed Price in accordance with paragraph (E)(ii). If no value is agreed and notified to the Company within 14 days of the Objection Notice, the board shall refer the matter to an independent Chartered Accountant of not less than five years' standing of its choice who shall be instructed to determine the fair market value at the date of the Pre-emption Transfer Notice of the Non-cash Consideration and the fair market value determined by such Accountant shall be used to determine the Prescribed Price in accordance with paragraph (E)(ii).
- (c) Where an Objection Notice is duly given to the Company under paragraph (a) above, the Prescribed Period shall commence on the earlier of the date on which the value of the Non-cash Consideration is agreed between the Proposing Transferor and the other Stockholders and Ordinary Shareholders or determined by the Accountant in accordance with sub-paragraph (b) above and shall expire two months thereafter and the relevant shares shall be re-offered to the Ordinary Shareholders and Stockholders other than any Proposing Transferor in accordance with paragraph (E)(iv) at the Prescribed Price determined in accordance with paragraph (E)(ii) and this paragraph (E)(v).
- (vi) If the Company shall within the Prescribed Period find Ordinary Shareholders or Stockholders ("Acceptors") to purchase all or part of the shares concerned and give notice in writing thereof to the Proposing Transferor, he shall be bound, upon payment of the Prescribed Price, to transfer such shares to the respective Acceptors. Every such notice shall state the name and address of the Acceptor and the number of shares agreed to be purchased by him and the purchase shall be completed at a place and time to be appointed by the Company not being less than three days nor more than ten days after the date of such notice Provided that if the Pre-emption Transfer Notice shall state that the Proposing Transferor is not willing to transfer part only of the shares concerned this paragraph shall not apply unless the Company shall have found Acceptors for the whole of such shares.
- (vii) If a Proposing Transferor shall fail or refuse to transfer any shares to an Acceptor under this paragraph (E), the Company may authorise some person to execute and deliver on his behalf the necessary transfer and the Company may receive the purchase money in trust for the Proposing Transferor and cause the Acceptor to be registered as the holder of such shares. The receipt of the Company for the purchase money shall be a good discharge to the Acceptor (who shall not be bound to see to the application thereof) and after the Acceptor has been registered in purported exercise of the aforesaid powers the validity of the proceedings shall not be questioned by any person.

- (viii) If the Company shall not within the Prescribed Period find Acceptors willing to purchase all of the shares or if the directors of the Company consider that the Company has no prospect of finding Acceptors of the shares, the Company shall within the Prescribed Period give to the Proposing Transferor notice in writing accordingly and the Proposing Transferor at any time thereafter up to the expiration of ten days after the Prescribed Period shall be at liberty to transfer the shares for which the Company has not within the Prescribed Period given notice that it has found (or has given notice that it has no prospect of finding) Acceptors or, if the Pre-emption Transfer Notice shall state that the Proposing Transferor is not willing to transfer part only of the shares concerned, all (and not part only) of such shares to the Purchaser pursuant to a bona fide sale at any price not being less than the Prescribed Price Provided that the board may require to be satisfied that such shares are being transferred in pursuance of a bona fide sale for the cash consideration stated in the transfer without any deduction, rebate or allowance whatsoever to the transferee and if not so satisfied (acting reasonably) may refuse to register the transfer.

#### *Auction Transfers*

- (F) (i) Except for a Permitted Transfer or where the procedure in paragraph (E) is followed, before transferring or disposing of any shares or any interest in shares the person proposing to transfer or dispose of the same (the "Proposing Transferor") shall give a notice in writing (an "Auction Transfer Notice") to the Company comprising:
- (a) a statement of the number of shares of which the Proposing Transferor wishes to dispose or in which the Proposing Transferor wishes to dispose of an interest (the "Sale Shares");
  - (b) a statement setting out the identity of the person to whom he wishes to transfer the same (the "Purchaser") and the identity of all persons other than the Purchaser who, to the best of the Proposing Transferor's information and belief, if such disposal is completed, will be interested in the same;
  - (c) a statement of the cash consideration which the Proposing Transferor is prepared to accept in connection with the purchase of such shares or interest (the "Minimum Price"); and
  - (d) a declaration that the Proposing Transferor has a bona fide intention to offer the Sale Shares to the Purchaser for cash at or above the Minimum Price without any deduction, rebate or allowance whatsoever in accordance with subparagraph (vi) below
- (ii) The Auction Transfer Notice shall constitute the Company as the agent of the Proposing Transferor to invite offers for, and to sell the Sale Shares (together with all rights then attached thereto) in accordance with this paragraph (F) and shall be irrevocable except with the consent of the board.

(iii) The "Sale Period" shall commence on the date on which the Auction Transfer Notice was given and expire 14 days thereafter.

(iv) The Company shall upon receipt of an Auction Transfer Notice by notice in writing ("Auction Offer Notice") invite each Ordinary Shareholder and Stockholder (other than any Proposing Transferor) by notice in writing to the Company irrevocably to offer to purchase all or part of the Sale Shares at a price bid by such Ordinary Shareholder or Stockholder (being not less than the Minimum Price). Such invitation shall limit a time (being no later than the end of the Sale Period) within which offers must be made. The Auction Offer Notice shall set out all the information required to be contained in the Auction Transfer Notice.

(v) If the Company shall within the Sale Period find Ordinary Shareholders or Stockholders ("Offerors") offering to purchase all of the shares concerned at at least the Minimum Price it shall give notice in writing thereof to the Proposing Transferor, which notice shall state the name and address of each Offeror, the number of shares offered to be purchased by each Offeror, the price per share each Offeror is prepared to pay, and the Acceptance Price, which shall be the price per share equal to the product of the formula  $X$  divided by  $Y$  where:

(i)  $X$  equals the highest price offered by any Offeror multiplied by the number of shares that Offeror wishes to purchase plus, if that Offeror has not indicated a willingness to purchase all of the shares which are the subject of the Auction Sale Notice, the next highest price offered by another Offeror multiplied by the number of shares that Offeror wishes to buy, and so on until all the Sale Shares have been accounted for; and

(ii)  $Y$  equals the number of Sale Shares.

(vi) The Proposing Transferor at any time thereafter up to five days after notice is given under sub-paragraph (v) above shall be at liberty to transfer all (but not part only) of the Sale Shares to the Purchaser pursuant to a bona fide sale for cash at a price not being less than the Acceptance Price Provided that the board may require to be satisfied that such shares are being transferred in pursuance of a bona fide sale for the cash consideration stated in the Auction Transfer Notice without any deduction, rebate or allowance whatsoever to the transferee and if not so satisfied (acting reasonably) may refuse to register the transfer. If the Proposing Transferor fails to effect such a transfer, it shall be bound to transfer the Sale Shares to the Offerors in accordance with the offers taken into account for the purpose of calculating  $X$ , upon payment of the price per share offered by each such Offeror. The purchase shall be completed at a place and time to be appointed by the Company not being less than three days nor more than ten days after the expiry of the five day period referred to above.

(vii) If a Proposing Transferor shall fail or refuse to transfer any shares to an Offeror

hereunder, the Company may authorize some person to execute and deliver on his behalf the necessary transfer and the Company may receive the purchase money in trust for the Proposing Transferor and cause the Offeror to be registered as the holder of such shares. The receipt of the Company for the purchase money shall be a good discharge to the Offeror (who shall not be bound to see to the application thereof) and after the Offeror has been registered in purported exercise of the aforesaid powers the validity of the proceedings shall not be questioned by any person.

- (viii) If the Company shall not within the Sale Period find Offerors willing to purchase all of the shares at at least the Minimum Price or if the directors of the Company consider that the Company has no prospect of finding Offerors for the Sale Shares at or above the Minimum Price, the Company shall within the Sale Period give to the Proposing Transferor notice in writing accordingly and the Proposing Transferor at any time thereafter up to the expiration of five days after the Sale Period shall be at liberty to transfer all (but not part only) the Sale Shares to the Purchaser pursuant to a bona fide sale for cash at any price not being less than the Minimum Price Provided that the Company may require to be satisfied that such shares are being transferred in pursuance of a bona fide sale for the cash consideration stated in the Auction Transfer Notice without any deduction, rebate or allowance whatsoever to the transferee and if not so satisfied may refuse to register the transfer;

#### *General Restrictions*

- (G) No shares or interest in shares shall be held by any member as a bare nominee for or sold or disposed of to any person unless a transfer of such shares to such person would be in accordance with this article. If the foregoing provision shall be infringed the relevant member shall be bound to give a Pre-emption Transfer Notice under paragraph (E) in respect thereof.
- (H) No Pre-emption Transfer Notice or Auction Transfer Notice may be given if the number of shares comprised in such notice when added to the number of shares and units of Convertible Loan Stock transferred or disposed of by the Proposing Transferor and its group undertakings pursuant to paragraph (E) and paragraph (F) of this article and the equivalent provisions of the Loan Stock Instrument during the 12 months prior to the date of the Pre-emption Transfer Notice or Auction Transfer Notice exceeds 10 per cent. (calculated by number) of the Issued Ordinary Shares.
- (I) For the purpose of ensuring that a transfer of shares is a Permitted Transfer or that no circumstances have arisen whereby either a Pre-emption Transfer Notice is required to be given hereunder or a Transferee is bound to give notice to the Company under paragraph (E), the directors may from time to time require any member or any person named as transferee in any transfer lodged for registration to furnish to the Company such information and evidence as the board may reasonably think fit regarding any matter which they may reasonably deem relevant to such purpose.

- (J) In any case where a member is bound pursuant to this article 30 to give a Pre-emption Transfer Notice in respect of any shares or a Transferee is bound to transfer the Transferred Shares in accordance with paragraph (D) above, and such notice is not duly given or the Transferred Shares are not duly transferred, as the case may be, within a period of one month, or such longer period as the board may allow for the purpose, a Pre-emption Transfer Notice shall (except and to the extent that a Permitted Transfer of any such shares shall have been lodged) be deemed to have been given in respect of such shares on such date after the expiration of the said period as the board may determine and shall be deemed not to include a statement that the Proposing Transferor is not willing to transfer part only of such shares and the provisions of paragraph (E) relating to Pre-emption Transfer Notices shall take effect accordingly provided that:
- (i) the board shall instruct an independent Chartered Accountant of not less than five years' standing of its choice to determine the fair market value of such shares on the basis of a sale between a willing buyer and a willing seller as at such date and taking no account of whether such shares represent a majority or minority interest in the Company and such value divided by the number of such shares shall be the Prescribed Price;
  - (ii) the Prescribed Period shall commence on the date on which the value of such shares is determined in accordance with paragraph (i) above and shall expire two months thereafter; and
  - (iii) paragraph (E)(viii) shall not apply and if the Company shall not within the Prescribed Period find Acceptors willing to purchase all such shares or the board considers that the Company has no prospect of finding Acceptors of such shares, the Company shall within the Prescribed Period give to the member notice in writing accordingly and then the shares for which the Company has not within the Prescribed Period given notice that it has found (or has given notice that it has no prospect of finding) Acceptors, in the case where the member was bound to transfer the Transferred Shares in accordance with paragraph (D), may be retained by the Transferee or, where the member was bound to give a Pre-emption Transfer Notice under paragraph (G), may be held by the member as nominee for or sold or disposed of to the person for or to whom the member has purported to hold, sell or dispose of the shares the subject of the deemed Pre-emption Transfer Notice.
- (K) Any Accountant instructed in accordance with paragraph (E)(v)(b) or paragraph (J) shall act hereunder at the cost and expense of the Company as an expert and not as an arbitrator and his determination shall be final and binding on all persons concerned and in the absence of fraud the Accountant shall be under no liability to any such person by reason of his determination or certificate or anything done or permitted to be done by him for the purpose thereof or in connection therewith.
- (L) This article 30 shall not apply to Special Shares or Non-voting Deferred Shares or the holders of Special Shares or Non-voting Deferred Shares in their capacity as such.
- (M) The Company shall offer and procure the sale of all the Stock included in any Transfer Notice (as defined in the Loan Stock Instrument) given or deemed to be given in accordance with



the Loan Stock Instrument (as varied from time to time) to the Stockholders and Ordinary Shareholders to the extent required by and in accordance with the provisions of the Loan Stock Instrument.

#### REQUIRED DISPOSALS BY RELEVANT PERSONS

##### 31. Required disposals by relevant persons

###### (A) For the purposes of this article:

- (i) "Broadcasting Act" means the Broadcasting Act 1990 and any statutory modification or re-enactment thereof together with all orders made thereunder for the time being in force;
- (ii) "Commission" means the Independent Television Commission established under the Broadcasting Act and any successor thereto;
- (iii) "Disposal Notice" has the meaning given in paragraph (C) below;
- (iv) "Group Company" means the Company or any holding company of the Company or any direct or indirect subsidiary of the Company or of such holding company;
- (v) "Licence" means any licence under the Broadcasting Act awarded or granted to any Group Company by the Commission and any other licence or permit used or intended to be used by any Group Company which in any case is material to its business, granted by any other authority or body or any governmental department under any other legislation or regulations in force for the time being in any jurisdiction;
- (vi) "Participant" means a person who holds, is beneficially entitled to or has an interest of any kind whatsoever in shares in the Company or who possesses voting power in the Company whether alone or jointly with one or more other persons and whether directly or through one or more nominees and "participation" in the Company shall be construed accordingly;
- (vii) "person" means an individual, partnership, combination or association of persons (whether or not incorporated), corporation, or company;
- (viii) "Relevant Person" means any Participant whose participation when either taken alone or when taken together with the participation of one or more other Participants (i) shall under the terms of the Broadcasting Act or any other legislation disqualify any Group Company from holding any Licence which it holds, or (ii) is otherwise reasonably likely to have the effect that the Commission or any governmental department or any licensing or regulatory authority or body would (a) determine or notify its intention to determine any Licence, or (b) revoke any Licence or the award of any Licence, prior to its grant, or (c) reduce the period of, or suspend, any Licence, or (d) decline to renew, extend, award or approve the assignment of, any Licence, or (e) vary the terms of any Licence (without the consent of any Group Company), or (f) impose a material financial penalty on any Group Company;

- (ix) "Relevant Shares" means shares in the issued capital of the Company in which a Relevant Person has an interest;
  - (x) "Required Disposal" means the sale or transfer of such number of Relevant Shares as will cause a Relevant Person to cease to be a Relevant Person and will not cause any other person to be a Relevant Person.
- (B) (i) Subject to paragraph (I) below, the board may at any time serve a notice upon any member requiring him within a reasonable time (not being less than 14 days) to furnish the Company with any information, supported by a declaration and by such other evidence (if any) in support as the board may require, for the purpose of determining whether such member or any other person is a Relevant Person. If such information and evidence is not furnished within the time prescribed in such notice or the information and evidence provided is in the reasonable opinion of the board unsatisfactory for the purpose of making such determination, the board may serve upon such member a further notice calling upon him within 14 days after the service of such further notice, to furnish the board with such information and evidence or further information and further evidence as shall (in their reasonable opinion) enable them to make such determination. The further notice shall refer to the restrictions referred to in paragraph (E)(i) below.
- (ii) If any member fails to comply with such further notice within the Prescribed Period, the board may serve a written notice ("Default Notice") on such member requiring him within 21 days of service of such notice to give a Pre-emption Transfer Notice to the Company under article 30(E) in respect of all the shares registered in his name, failing which a Pre-emption Transfer Notice shall be deemed to have been given in respect of such shares on such date after the expiration of the said period as the board may determine and shall be deemed not to include a statement that the Proposing Transferor is not willing to transfer part only of such shares and the provisions of article 30(E) (other than sub-paragraph (viii)) shall take effect accordingly subject to paragraph (C)(ii) and the provisos set out in article 30(I)(i) and (ii). The recipient of a Default Notice shall not be entitled to make a Permitted Transfer pursuant to article 30(C)(i) unless the Default Notice is withdrawn by the directors.
- (C) (i) Subject to paragraphs (E)(iii) and (I) below, if any person is or becomes a Relevant Person, the board may serve a written notice ("Disposal Notice") on such person and, if the Relevant Person is not the registered holder of all or part of the Relevant Shares, on the registered holders of the Relevant Shares. Where two or more persons become Relevant Persons as a result of the acquisition of shares by any one or more of them, any Disposal Notice shall be served on the person so acquiring the shares. A Disposal Notice shall set out the restrictions referred to in paragraph (E) below and call for a Required Disposal to be made. A member upon whom a Disposal Notice has been served shall, within 21 days thereof, give a Pre-emption Transfer Notice to the Company under article 30(E) in respect of at least the number of shares which the member must transfer in order to effect a Required Disposal (unless and to the extent that the Required Disposal has been effected by way of a Permitted Transfer which has been lodged at the office) and the provisions of article 30(E) shall take effect accordingly subject to paragraph (D)(i), failing which a Pre-emption Transfer Notice

shall be deemed to have been given in respect of such shares on such date after the expiration of the said period as the board may determine and shall be deemed not to include a statement that the Proposing Transferor is not willing to transfer part only of such shares and the provisions of article 30(E) (other than sub-paragraph (viii)) shall take effect accordingly subject to sub-paragraph (ii) below, paragraph (D)(i) and the provisos set out in article 30(I)(i) and (ii).

- (ii) The board may extend the period in which a Disposal Notice or a Default Notice is required to be complied with and may withdraw any such notice (whether before or after the expiration of the period referred to) in their absolute discretion. All the periods specified in article 30(E) shall be halved for the purposes of a disposal required by this article and the board may by notice to the recipient of a Disposal Notice or a Default Notice further reduce all or any of the periods specified in article 30(E) in order to expedite the proceedings described therein to the extent that the board determines in their absolute discretion necessary or desirable in order to protect the best interests of the Company.

(D) (i) Where a Disposal Notice has been served on any member (and has not been withdrawn) if:

- (a) the Company shall not pursuant to article 30(E) within the Prescribed Period find Acceptors willing to purchase all the shares the subject of a Pre-emption Transfer Notice given or deemed to have been given under paragraph (C) or if the board of the Company considers that the Company has no prospect of finding Acceptors of all such shares and, where the member served a Pre-emption Transfer Notice in accordance with paragraph (C), the member has not transferred all such shares for which the Company has not within the Prescribed Period given notice that it has found (or has given notice that it has no prospect of finding) Acceptors to the Purchaser in accordance with article 30(E)(viii); or
- (b) the board reasonably determines that the Commission or any governmental department or any licensing or regulatory authority or body, by reason of the participation in the Company by the Relevant Person, will (a) determine any Licence, or (b) revoke any Licence or the award of any Licence, prior to its grant, or (c) reduce the period of, or suspend, any Licence, or (d) decline to renew, extend, award, or approve the assignment of, any Licence, or (e) vary the terms of any Licence (without the consent of any Group Company), or (f) impose a material financial penalty on any Group Company unless a Required Disposal is effected or attempted, or the Company is notified by any such body of its wish that a Required Disposal be effected or attempted, in a shorter period of time than the board (in its absolute discretion) considers practicable if the shares concerned are first offered to the Ordinary Shareholders and the Stockholders in accordance with article 30(E) or continue to be so offered,

then the Company may, so far as it is able, make a Required Disposal and shall give written notice of such disposal to those persons on whom such notice was served.

Article 30 shall not apply to and is subject to any Required Disposal made by the Company pursuant to this article. The manner, timing and terms of any such Required Disposal made or sought to be made by the directors (including, but not limited to, the price or prices at which the same is made) shall be such as the directors determine, based upon advice from such bankers, brokers or other persons (if any) as the directors consider it appropriate to consult for the purpose, to be reasonably practicable having regard to all the circumstances including, but not limited to, the amount of shares to be disposed of and the requirement that the disposal be made without delay; and the directors shall not be liable to any person for any of the consequences of reliance on such advice. If in relation to a Required Disposal being made by the Company, the shares the subject of the Disposal Notice are held by more than one registered holder (joint holders of any Relevant Shares being treated for such purposes as a single holder), the directors shall cause as near as is practicable the same proportion of each holding (as is known to them) of such shares to be sold.

- (ii) For the purpose of effecting any Required Disposal, the board may authorise in writing any officer or employee of the Company to execute any necessary transfer on behalf of any registered holder and an instrument of transfer executed by such person shall be as effective as if it had been executed by the registered holder of the shares, may enter the name of the transferee in respect of the transferred shares in the register (notwithstanding the absence of any certificate being lodged in respect thereof) and may issue a new certificate to the transferee and the title of the transferee shall not be affected by any irregularity or invalidity in proceedings relating thereto. The net proceeds of such disposal shall be received by the Company, whose receipt shall be a good discharge for the purchase money, and shall be paid (without interest and after deduction of any expenses incurred by the Company in connection with the sale) to the former registered holder (or, in the case of joint holders, the first named joint holder thereof in the register) upon surrender by him of any certificate in respect of the shares sold and formerly held by him.

- (E) (i) Any member who pursuant to paragraph (B)(i) has been served with a further notice by the directors requiring him to furnish the directors with information and evidence or further information and further evidence and who does not furnish such information or evidence within 14 days after the service of such further notice shall not, with effect from the expiration of such period and until such information or evidence is furnished to the satisfaction of the directors or such notice is withdrawn, be entitled to receive notice of, or to attend or vote at, any general meeting of the Company or any meeting of the holders of any class of shares in the Company other than in respect of such of the shares held by such member as it shall have been established to the satisfaction of the board are not shares in respect of which the board may require a disposal pursuant to the provisions of this article.
- (ii) A registered holder of a Relevant Share that has, by service of a Disposal Notice, been made the subject of a Required Disposal shall not in respect of such share be entitled to receive notice of or to attend or vote at any general meeting of the Company or meeting of the holders of any class of shares in the Company until such

time as the relevant Disposal Notice is complied with to the satisfaction of the directors or such notice is withdrawn.

- (iii) Where a person would not be a Relevant Person if it were not for the fact that one or more members are not entitled to vote at any general meeting of the Company or meeting of the holders of any class of shares in the Company by reason of the application of paragraphs (E)(i) and/or (ii), the board shall not serve a Disposal Notice on such person unless it reasonably determines that the Commission or any governmental department or any licensing or regulatory authority or body will, unless a Required Disposal is made, by reason of the participation in the Company by such person, (a) determine any Licence, or (b) revoke any Licence or the award of any Licence, prior to its grant, or (c) reduce the period of, or suspend, any Licence, or (d) decline to renew, extend, award, or approve the assignment of, any Licence, or (e) vary the terms of any Licence (without the consent of any Group Company), or (f) impose a material financial penalty on any Group Company.
- (F) The board may determine that any person is or may become a Relevant Person if there are reasonable grounds for believing that that person has or has agreed to acquire an interest in shares in the Company the acquisition of which would cause him to be a Relevant Person (notwithstanding that the Company has not been supplied with a declaration or other evidence establishing to its satisfaction that such person is or may become a Relevant Person) until such time as they are satisfied that such is not the case.
- (G) The board need not serve a Disposal Notice upon any person, if they do not know his identity or his address. The absence of service of a Disposal Notice in such circumstances and any accidental error in or failure to give a Disposal Notice or a notice under paragraph (B) or (C) to any person upon whom any such notice is required to be or may be served, shall not prevent the implementation of or invalidate any procedure or act under this article. Any Disposal Notice to be served upon a person who is not a member or a person who is a member who has not given to the Company an address within the United Kingdom for service of notice, shall be deemed validly served if sent through the post to that person at the address (or if more than one, at one of the addresses), if any, at which the directors believe him to be resident or carrying on business or his last known address as shown on the register. Any such notice shall be deemed served on the day following the day on which it was put in the post and, in proving service, it shall be sufficient to prove that the notice was properly addressed, stamped and put in the post.
- (H) Any resolution, determination or decision of the board under the provisions of this article shall be final and conclusive and any disposal or transfer made, or other thing done, by or on behalf of, or on the authority of, the directors or any of them pursuant to the provisions of this article shall be conclusive and binding on all persons concerned and shall not be open to challenge, whether as to validity or otherwise, on any ground whatsoever, but without prejudice to the power of the directors subsequently to vary or revoke such determination. The board shall not be required to give any reasons for any determination made in accordance with this article.
- (I) This article 31 shall not apply to the Special Shares or the holders of Special Shares in their capacity as such.

## TRANSMISSION OF SHARES

### 32. On death

- (A) The Company may recognise only the personal representatives of a deceased member as having title to a share held by that member alone or to which he alone was entitled. In the case of a share held jointly by more than one person, the Company may recognise only the survivor or survivors as being entitled to it.
- (B) Nothing in the articles releases the estate of a deceased member from liability in respect of a share which has been solely or jointly held by him.

### 33. Election of person entitled by transmission

- (A) A person becoming entitled by transmission to a share may, on production of any evidence the board may require, elect either to be registered as a member or to have a person nominated by him registered as a member.
- (B) If he elects to be registered himself, he shall give notice to the Company to that effect. If he elects to have another person registered, he shall execute an instrument of transfer of the share to that person. All the provisions of the articles relating to the transfer of shares apply to the notice or instrument of transfer (as the case may be) as if it were an instrument of transfer executed by the member and his death, bankruptcy or other event giving rise to a transmission of entitlement had not occurred.
- (C) The board may give notice requiring a person to make the election referred to in paragraph (A) above. If that notice is not complied with within 60 days the board may withhold payment of all dividends and other amounts payable in respect of the share until notice of election has been made.

### 34. Rights on transmission

Where a person becomes entitled by transmission to a share, the rights of the holder in relation to that share cease. The person entitled by transmission may, however, give a good discharge for dividends and other amounts payable in respect of the share and, subject to articles 33 and 120, has the rights to which he would be entitled if he were the holder of the share. The person entitled by transmission is not, however, before he is registered as the holder of the share, entitled in respect of it to receive notice of or exercise rights conferred by membership in relation to meetings of the Company or a separate meeting of the holders of a class of shares.

## ALTERATION OF SHARE CAPITAL

### 35. Increase, consolidation, sub-division and cancellation

The Company may by ordinary resolution:

- (i) increase its share capital by a sum to be divided into shares of an amount prescribed by the resolution;
- (ii) consolidate and divide all or any of its share capital into shares of a larger amount than its existing shares;
- (iii) subject to the Acts, sub-divide all or any of its shares into shares of a smaller amount and may by the resolution decide that the shares resulting from the sub-division have amongst themselves a preference or other advantage or be subject to a restriction; and
- (iv) cancel shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by a person and diminish the amount of its share capital by the amount of the shares so cancelled.

### 36. Fractions

Whenever as the result of consolidation and division or sub-division of shares members become entitled to fractions of a share, the board may on behalf of the members deal with the fractions as it thinks fit. In particular, the board may:

- (i) sell fractions of a share to a person (including, subject to the Acts, to the Company) for the best price reasonably obtainable and distribute the net proceeds of sale in due proportion amongst the persons entitled (except that if the amount due to a person is less than £3, or such other sum as the board may decide, the sum may be retained for the benefit of the Company). To give effect to a sale the board may authorise a person to execute an instrument of transfer of shares to the purchaser or his nominee and may cause the name of the purchaser or his nominee to be entered in the register as the holder of the shares. The purchaser is not bound to see to the application of the purchase money and the title of the transferee to the shares is not affected by an irregularity or invalidity in the proceedings connected with the sale; or
- (ii) subject to the Acts, issue to a member credited as fully paid by way of capitalisation the minimum number of shares required to round up his holding of shares to a number which, following consolidation and division or sub-division, leaves a whole number of shares (such issue being deemed to have been effected immediately before consolidation or sub-division, as the case may be). The amount required to pay up those shares may be capitalised as the board thinks fit out of amounts standing to the credit of reserves (including a share premium account, capital redemption reserve and profit and loss account), whether or not available for distribution, and applied in paying up in full the appropriate number of shares. A resolution of the board capitalising part of the reserves has the same effect as if the capitalisation had been declared by ordinary resolution of the Company pursuant to article 127. In relation to the capitalisation the board may exercise all the powers conferred on it by article 127 without an ordinary resolution of the Company.

37. Reduction of capital

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

38. Purchase of own shares

Subject to the Acts, the Company may purchase shares of any class (including redeemable shares) in any way. If at the date proposed for approval of the proposed purchase there are in issue shares of a class entitling the holders to convert into shares of another class, no purchase may take place unless it has been sanctioned by an extraordinary resolution passed at a separate meeting (or meetings if there are two or more classes) of the holders of that class of convertible shares.

### GENERAL MEETINGS

39. Annual general meeting

The Company shall hold annual general meetings, which shall be convened by the board, in accordance with the Acts.

40. Extraordinary general meeting

All general meetings of the Company other than annual general meetings are called extraordinary general meetings.

41. Convening of extraordinary general meetings

The board may convene an extraordinary general meeting whenever it thinks fit. The board must convene an extraordinary general meeting immediately in the following circumstances:

- (i) in the event of deadlock in a board meeting;
- (ii) on notification by the board of the Subsidiary that a deadlock has occurred in a meeting of the board of that company; and
- (iii) on receipt of a requisition from members in accordance with the Acts, in default of which a meeting may be convened by requisitionists as provided in the Acts.

At a meeting convened on a requisition or by requisitionists no business may be transacted except that stated by the requisition or proposed by the board.

42. Length and form of notice

- (A) An annual general meeting and an extraordinary general meeting called for the passing of a special resolution shall be called by not less than 21 clear days' notice. All other extraordinary general meetings shall be called by not less than 14 clear days' notice.



Subject to the Acts, and although called by shorter notice than that specified in paragraph (A), a general meeting is deemed to have been duly called if it is so agreed:

- (i) in the case of an annual general meeting, by all the members entitled to attend and vote at the meeting; and
- (ii) in the case of another meeting, by a majority in number of the members having a right to attend and vote at the meeting, being a majority together holding not less than 95 per cent. in nominal value of the shares giving that right.

Any notice convening a meeting pursuant to article 41(i) or (ii) shall state that the matter which is the subject of deadlock in a meeting of the board of the relevant company shall be proposed as an ordinary resolution at an extraordinary general meeting of the Company and shall give brief details of the matter and state the fact of the deadlock.

(C) The notice of meeting shall specify:

- (i) whether the meeting is an annual general meeting or an extraordinary general meeting;
- (ii) the place, the date and the time of the meeting;
- (iii) in the case of special business, the general nature of that business;
- (iv) if the meeting is convened to consider a special or an extraordinary resolution, the intention to propose the resolution as such; and
- (v) with reasonable prominence, that a member entitled to attend and vote is entitled to appoint one or more proxies to attend and, on a poll, vote instead of him and that a proxy need not also be a member.

(D) The notice of meeting shall be given to the members (other than any who, under the provisions of the articles or restrictions imposed on shares, are not entitled to receive notice), to the directors and to the auditors.

#### 43. Omission to send notice

The accidental omission to send a notice of meeting or, in cases where it is sent out with the notice, an instrument of proxy to, or the non-receipt of either by, a person entitled to receive it does not invalidate the proceedings at a general meeting.

#### 44. Special business

All business transacted at a general meeting is deemed special except the following business at an annual general meeting:

- (i) the receipt and consideration of the annual accounts, the directors' report and auditors' report on those accounts;

- (ii) the appointment of directors and other officers in place of those retiring by rotation or otherwise ceasing to hold office;
- (iii) the declaration of dividends;
- (iv) the appointment of the auditors (when special notice of the resolution for appointment is not required by the Acts) and the fixing, or determination of the manner of the fixing, of their remuneration; and
- (v) the renewal of the authorities of the Company in general meeting required by the Acts and the articles in relation to the allotment of shares.

#### PROCEEDINGS AT GENERAL MEETINGS

##### 45. Quorum

- (A) No business may be transacted at a general meeting unless a quorum is present. The absence of a quorum does not prevent the appointment of a chairman in accordance with the articles, which is not treated as part of the business of the meeting.
- (B) The quorum for a general meeting is for all purposes two members present in person or by proxy and entitled to vote.

##### 46. Procedure if quorum not present

- (A) If a quorum is not present within five minutes (or such longer period as the chairman in his absolute discretion thinks fit) from the time fixed for the start of the meeting or if during the meeting a quorum ceases to be present, the meeting, if convened by or on the requisition of members, is dissolved. In any other case it stands adjourned to such time (being not less than 14 days nor more than 28 days later) and place as the chairman (or, in default, the board) decides.
- (B) At an adjourned meeting the quorum is two members present in person or by proxy and entitled to vote. If a quorum is not present within five minutes (or such longer period as the chairman in his absolute discretion thinks fit) from the time fixed for the start of the meeting or if during the meeting a quorum ceases to be present, the adjourned meeting is dissolved.
- (C) The Company shall give not less than seven clear days' notice of any meeting adjourned for the lack of a quorum and the notice shall state the quorum requirement.

##### 47. Chairman

The Chairman shall preside as chairman at a general meeting. If there is no Chairman or if he is not present at the meeting within five minutes after the time fixed for the start of the meeting, or is not willing to act, the directors present shall select one of their number to be chairman, and if only one director is present and willing to act, he shall be chairman. In default, the members present in person and entitled to vote shall choose one of their number to be chairman.

**48. Director's right to attend and speak**

A director is entitled to attend and speak at a general meeting and at a separate meeting of the holders of a class of shares or debentures whether or not he is a member. x .

**49. Power to adjourn**

(A) The chairman may, with the consent of a meeting at which a quorum is present (and shall, if so directed by the meeting) adjourn a meeting from time to time and from place to place or for an indefinite period.

(B) Without prejudice to any other power which he may have under the provisions of the articles or at common law, the chairman may, without the consent of the meeting, interrupt or adjourn a meeting from time to time and from place to place or for an indefinite period if he is of the opinion that it has become necessary to do so in order (i) to secure the proper and orderly conduct of the meeting, or (ii) to give all persons entitled to do so a reasonable opportunity of speaking and voting at the meeting, or (iii) to ensure that the business of the meeting is properly disposed of.

**50. Notice of adjourned meeting**

Without prejudice to article 46(C), whenever a meeting is adjourned for 28 days or more or for an indefinite period, at least seven clear days' notice specifying the place, the date and time of the adjourned meeting and the general nature of the business to be transacted shall be given to the members (other than any who, under the provisions of the articles or restrictions imposed on any shares, are not entitled to receive notice), the directors and the auditors. Except in these circumstances, and subject to article 46(C), it is not necessary to give notice of an adjourned meeting or of the business to be transacted at the adjourned meeting.

**51. Business at adjourned meeting**

No business may be transacted at an adjourned meeting other than the business which might properly have been transacted at the meeting from which the adjournment took place.

**52. Accommodation of members at meeting**

If it appears to the chairman that the meeting place specified in the notice convening the meeting is inadequate to accommodate all persons entitled and wishing to attend, the meeting is duly constituted and its proceedings valid if the chairman is satisfied that adequate facilities are available to ensure that a member who is unable to be accommodated is able (i) to participate in the business for which the meeting has been convened, and (ii) to hear and see all persons present who speak (whether by the use of microphones, loud-speakers, audio-visual communications equipment or otherwise), whether in the meeting place or elsewhere, and (iii) to be heard and seen by all other persons present in the same way.

## VOTING

### 53. Method of voting

- (A) At a general meeting, a resolution put to the vote of the meeting is decided by a show of hands unless (before or on the declaration of the result of the show of hands) a poll is duly demanded.
- (B) Subject to the Acts, a poll may be demanded on any question by:
  - (i) the chairman of the meeting; or
  - (ii) not less than five members present in person or by proxy and entitled to vote; or
  - (iii) a member or members present in person or by proxy representing in aggregate not less than one-tenth of the total voting rights of all the members having the right to vote at the meeting;
  - (iv) a member or members present in person or by proxy holding shares conferring a right to vote at the meeting, being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the shares conferring that right; or
  - (v) any holder of Special Shares or of any proxy for any holder of Special Shares.

A demand by a proxy is deemed to be a demand by the member appointing the proxy.

- (C) Unless a poll is demanded and the demand is not withdrawn, a declaration by the chairman that the resolution has been carried, or carried by a particular majority, or lost or not carried by a particular majority, and an entry to that effect in the book containing the minutes of proceedings, is conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against the resolution.

### 54. Procedure on a poll

- (A) If a poll is properly demanded, it shall be taken in such manner as the chairman of the meeting directs. He may appoint scrutineers, who need not be members, and may fix a time and place for declaring the result of the poll. The result of the poll is deemed to be the resolution of the meeting at which the poll is demanded.
- (B) A poll demanded on the election of a chairman or on any question of adjournment shall be taken at the meeting and without adjournment. A poll demanded on another question shall be taken at such time and place as the chairman decides, either at once or after an interval or adjournment (but not more than 30 clear days after the date of the demand).

- (C) No notice need be given of a poll not taken immediately if the time and place at which it is to be taken are announced at the meeting at which it is demanded. In any other case at least seven clear days' notice shall be given specifying the time and place at which the poll is to be taken.
- (D) The demand for a poll may be withdrawn but only with the consent of the chairman. A demand withdrawn in this way validates the result of a show of hands declared before the demand is made. In the case of a poll demanded before the declaration of the result of a show of hands, the meeting shall continue as if the demand has not been made.
- (E) The demand for a poll (other than on the election of the chairman of the meeting or on a question of adjournment) does not prevent the meeting continuing for the transaction of business other than the question on which a poll has been demanded.
- (F) On a poll, votes may be given in person or by proxy and a member entitled to more than one vote need not, if he votes, use all his votes or cast all the votes he uses in the same way.

#### 55. Votes of members

- (A) Subject to article 6 and to special terms as to voting on which shares have been issued, or a suspension or abrogation of voting rights pursuant to the articles, at a general meeting every member present in person or by proxy has on a show of hands one vote and every member present in person or by proxy has on a poll one vote for every share of which he is the holder.
- (B) In the case of joint holders of a share, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and seniority is determined by the order in which the names of the holders stand in the register.
- (C) A member in respect of whom an order has been made by a court or official having jurisdiction (whether in the United Kingdom or elsewhere) that he is or may be suffering from mental disorder or is otherwise incapable of running his affairs may vote, whether on a show of hands or on a poll, by his guardian, receiver, curator bonis or other person authorised for that purpose and appointed by the court. A guardian, receiver, curator bonis or other person may, on a poll, vote by proxy if evidence (to the satisfaction of the board) of the authority of the person claiming to exercise the right to vote is deposited at the office (or at another place specified in accordance with the articles for the deposit of instruments of proxy) within the time limits prescribed by the articles for the deposit of instruments of proxy for use at the meeting, adjourned meeting or poll at which the right to vote is to be exercised.

#### 56. Casting vote

The Chairman has no casting vote in the case of an equality of votes.

57. Restriction on voting rights for unpaid calls etc.

Unless the board otherwise decides, no member is entitled in respect of a share held by him to be present or to vote, either in person or by proxy, at a general meeting or at a separate meeting of the holders of class of shares or on a poll, or to exercise other rights conferred by membership in relation to the meeting or poll, if a call or other amount due and payable in respect of the share is unpaid. This restriction ceases on payment of the amount outstanding and all costs, charges and expenses incurred by the Company by reason of the non-payment.

58. Voting by proxy

- (A) An instrument appointing a proxy shall be in writing in the following form or a form as near thereto as circumstances allow or in any other form approved by the board:

PLC/LIMITED

I/We, \_\_\_\_\_, of \_\_\_\_\_ being a  
member/members of the above-named Company hereby appoint  
of \_\_\_\_\_ or, failing him/her,  
of \_\_\_\_\_ or, failing him/her,  
of \_\_\_\_\_ or, failing him/her,  
of \_\_\_\_\_ as my/our proxy to exercise the voting rights  
attaching to (Note 1) \_\_\_\_\_ of the [Ordinary]/[Special] Shares held by me/us in  
my/our name/names and on my/our behalf at the [annual]/[extraordinary] general  
meeting of the Company to be held on \_\_\_\_\_, and at any adjournment  
thereof.

This form is to be used in respect of the resolutions mentioned below as follows:

Resolution 1 \_\_\_\_\_ for/against (Note 2)  
Resolution 2 \_\_\_\_\_ for/against (Note 2)

Unless otherwise instructed, the proxy may vote as he thinks fit or abstain from voting.

Dated: .....

Signed: .....

Notes

1. Please enter the number of [Ordinary]/[Special] Shares in respect of which the proxy is to be appointed. If no number is inserted or a number exceeding the total number of [Ordinary]/[Special] Shares held by you is inserted, this proxy form shall be deemed to apply to your entire holding of [Ordinary]/[Special] Shares.
2. Please strike out whichever is not desired.

- (B) An instrument appointing a proxy shall be executed by the appointor or his duly constituted attorney or, if the appointor is a company, under its seal or under the hand of its duly authorised officer or attorney or other person authorised to sign.
- (C) An instrument of proxy is deemed (unless the contrary is stated in it) to confer authority to vote on a show of hands, to demand or join in demanding a poll and to vote on a resolution or amendment of a resolution put to, or other business which may properly come before, the meeting or meetings for which it is given, as the proxy thinks fit.
- (D) A proxy need not be a member.
- (E) A member may appoint more than one proxy to attend on the same occasion. When two or more valid but differing instruments of proxy are delivered for the same share for use at the same meeting, the one which is last validly delivered (regardless of its date or the date of its execution) shall be treated as replacing and revoking the other or others as regards that share.
- (F) Deposit of an instrument of proxy does not prevent a member attending and voting in person at the meeting or an adjournment of the meeting or on a poll.
- (G) An instrument of proxy is (unless the contrary is stated in it) valid for an adjournment of the meeting as well as for the meeting or meetings to which it relates. An instrument of proxy is valid for 12 months from the date of execution.
- (H) Subject to the Acts:
  - (i) pending conversion of the Convertible Loan Stock, the Company shall send to each member entitled to receive notice of and to vote at a meeting an instrument of proxy in respect of each class of shares held by that member; and
  - (ii) thereafter, the Company may send instruments of proxy to all or none of the persons entitled to receive notice of and to vote at a meeting.

If sent the instrument shall provide for two-way voting (without prejudice to a right to abstain) on all resolutions set out in the notice of meeting.

#### 59. Deposit of proxy

An instrument of proxy, and (if required by the board) a power of attorney or other authority under which it is executed or a copy of it notarially certified or certified in some other way approved by the board, shall be:

- (i) deposited at the office, or another place in the United Kingdom specified in the notice convening the meeting or in an instrument of proxy or other accompanying document sent by the Company in relation to the meeting, not less than 48 hours before the time for holding the meeting or adjourned meeting or the taking of a poll at which the person named in the instrument proposes to vote; or

- (ii) in the case of a meeting adjourned for less than 28 days but more than 48 hours or in the case of a poll taken more than 48 hours after it is demanded, deposited as required by paragraph (i) not less than 24 hours before the time appointed for the holding of the adjourned meeting or the taking of the poll; or
- (iii) in the case of a meeting adjourned for less than 48 hours or in the case of a poll not taken immediately but taken not more than 48 hours after it was demanded, delivered at the adjourned meeting or at the meeting at which the poll was demanded to the chairman or to the secretary or to a director.

An instrument of proxy not deposited or delivered in accordance with this article is invalid.

60. When votes by proxy valid though authority revoked

A vote given or poll demanded by a proxy or authorised representative of a company is valid despite termination of his authority unless notice of termination is received by the Company at the office (or other place specified for depositing the instrument of proxy) at least one hour before the time for holding the meeting or adjourned meeting at which the vote is given or (in the case of a poll taken otherwise than at or on the same day as the meeting or adjourned meeting) the time appointed for the taking of the poll at which the vote is cast.

### CORPORATE REPRESENTATIVE

61. Corporate representative

A company which is a member may, by resolution of its directors or other governing body, authorise a person to act as its representative at a meeting or at a separate meeting of the holders of a class of shares (the "representative"). The representative is entitled to exercise on behalf of the company (in respect of that part of the company's holding of shares to which the authorisation relates) those powers that the company could exercise if it were an individual member. The company is for the purposes of the articles deemed to be present in person at a meeting if the representative is present. All references to attendance and voting in person shall be construed accordingly. A director, the secretary or other person authorised for the purpose by the secretary may require the representative to produce a certified copy of the resolution of authorisation before permitting him to exercise his powers.

### OBJECTIONS TO AND ERROR IN VOTING

62. Objections to and error in voting

No objection may be made to the qualification of a voter or to the counting of, or failure to count, a vote, except at the meeting or adjourned meeting at which the vote objected to is tendered or at which the error occurs. An objection properly made shall be referred to the chairman of the meeting and only invalidates the result of the voting if, in the opinion of the chairman, it is of sufficient magnitude to affect the decision of the meeting. The decision of the chairman is conclusive and binding on all concerned.



## AMENDMENTS TO RESOLUTIONS

### 63. Amendments to resolutions

If an amendment proposed to a resolution under consideration is ruled out of order by the chairman of the meeting the proceedings on the substantive resolution are not invalidated by an error in his ruling.

## MEMBERS' WRITTEN RESOLUTIONS

### 64. Members written resolutions

A resolution in writing executed by or on behalf of each member who would have been entitled to vote upon it if it had been proposed at a general meeting at which he was present is as effective as if it had been passed at a general meeting duly convened and held. The resolution in writing may consist of several instruments in the same form each duly executed by or on behalf of one or more members. If the resolution in writing is described as a special resolution or as an extraordinary resolution, it has effect accordingly.

## CLASS MEETINGS

### 65. Class meetings

A separate meeting for the holders of a class of shares shall be convened and conducted as nearly as possible in the same way as an extraordinary general meeting, except that:

- (i) no member, other than a director, is entitled to notice of it or to attend unless he is a holder of shares of that class;
- (ii) no vote may be given except in respect of a share of that class;
- (iii) the quorum at the meeting is two persons present in person holding or representing by proxy at least one-third in nominal value of the issued shares of that class;
- (iv) the quorum at an adjourned meeting is two persons holding shares of that class who are present in person or by proxy; and
- (v) a poll may be demanded in writing by a member present in person or by proxy and entitled to vote at the meeting and on a poll each member has one vote for every share of that class of which he is the holder.

## FAILURE TO DISCLOSE INTERESTS IN SHARES

### 66. Failure to disclose interests in shares

- (A) Subject to paragraph (F), where notice is served by the Company under section 212 of the Act (a "section 212 notice") on a member, or another person appearing to be interested in shares held by that member and the member or other person has failed in relation to any

shares (the "default shares", which expression includes any shares issued after the date of the section 212 notice in right of those shares) to give the Company the information required within the prescribed period from the date of the section 212 notice, the board may impose the following sanctions:

- (i) the member is not entitled in respect of the default shares to be present or to vote (either in person or by proxy) at a general meeting or at a separate meeting of the holders of a class of shares or on a poll, or to exercise other rights conferred by membership in relation to the meeting or poll; and
  - (ii) where the default shares represent at least 0.25 per cent. in nominal value of the issued shares of their class:
    - (a) a dividend (or any part of a dividend) or other amount payable in respect of the default shares shall be withheld by the Company, which has no obligation to pay interest on it, and the member is not entitled to elect, pursuant to article 127, to receive shares instead of a dividend; and
    - (b) no transfer of any share held by the member shall be registered unless the transfer is an excepted transfer or:
      - (1) the member is not himself in default in supplying the information required; and
      - (2) the member proves to the satisfaction of the board that no person in default in supplying the information required is interested in any of the shares the subject of the transfer.
- (B) The sanctions under paragraph (A) cease to apply:
- (i) on registration of an excepted transfer, but only in relation to the shares transfer; and
  - (ii) in relation to other shares, seven days after receipt by the Company, in a form satisfactory to the board, of all the information required by the section 212 notice.
- (C) Where, on the basis of information obtained from a member in respect of a share held by him, the Company issues a section 212 notice to another person, it shall at the same time send a copy of the section 212 notice to the member, but the accidental omission to do so, or the non-receipt by the member of the copy, does not invalidate or otherwise affect the application of paragraph (A).
- (D) For the purposes of this article 66:
- (i) a person, other than the member holding a share, is treated as appearing to be interested in that share if the member has informed the Company that the person is or may be interested, or if the Company (after taking account of information obtained

from the member or, pursuant to a section 212 notice, from anyone else) knows or has reasonable cause to believe that the person is or may be so interested;

- (ii) "interested" is construed as it is for the purpose of section 212 of the Act;
- (iii) reference to a person having failed to give the Company the information required by a section 212 notice, or being in default in supplying such information, includes (a) reference to his having failed or refused to give all or any part of it and (b) reference to his having given information which he knows to be false in a material particular or having recklessly given information which is false in a material particular;
- (iv) the "prescribed period" means:
  - (a) in a case where the default shares represent at least 0.25 per cent. of their class, 14 days; and
  - (b) in any other case, 28 days;
- (v) an "excepted transfer" means, in relation to shares held by a member:
  - (a) a transfer pursuant to acceptance of an Offer;
  - (b) a transfer in consequence of a sale made through a recognised investment exchange (as defined in the Financial Services Act 1986) or another stock exchange outside the United Kingdom on which shares in the capital of the Company are normally traded; or
  - (c) a transfer which is shown to the satisfaction of the board to be made in consequence of a sale of the whole of the beneficial interest in the shares to a person who is unconnected with the member and with any other person appearing to be interested in the shares.
- (E) The provisions of this article are in addition and without prejudice to the provisions of the Acts.
- (F) This article 66 shall not apply to Special Shares or the holders of Special Shares in their capacity as such.

#### APPOINTMENT, RETIREMENT AND REMOVAL OF DIRECTORS

##### 67. Number of directors

Unless and until otherwise decided by the Company by ordinary resolution the number of directors is not subject to a maximum but must not be less than two.

68. **Power of the Company to appoint or remove directors**

- (A) Subject to the articles, the Company may by ordinary resolution appoint a person who is willing to act to be a director, either to fill a vacancy or as an addition to the board, but the total number of directors may not exceed a maximum number fixed in accordance with the articles.
- (B) In addition to any power of removal conferred by the Acts, the Company may by ordinary resolution remove a director before the expiration of his period of office (without prejudice to a claim for damages for breach of contract) and may (subject to the articles) by ordinary resolution appoint another person who is willing to act to be a director in his place.

69. **Power of the board to appoint directors**

Without prejudice to the power of the Company to appoint a person to be a director pursuant to the articles, the board may appoint a person who is willing to act as a director, either to fill a vacancy or as an addition to the board, but the total number of directors may not exceed a maximum number fixed in accordance with the articles.

70. **Appointment of executive directors**

Subject to the Acts, the board may appoint one or more of its body to hold employment or executive office (including that of managing director) with the Company for such term (subject to the Acts) and on any other conditions the board thinks fit. The board may revoke or terminate an appointment, without prejudice to a claim for damages for breach of contract.

71. **Power of Jones Organisation to appoint or remove directors**

- (A) Until the date on which the Management Agreement terminates, while Jones Global Group, Inc. or any member of the Jones Organisation is a member, any such member at any time and from time to time may appoint any person who is willing to act to be a director, provided that any such appointment does not cause the number of directors so appointed to exceed the Prescribed Number. For the purpose of this article "Prescribed Number" means a number equal to the largest whole number which is less than one half of the total number of directors for the time being.
- (B) If, seven days prior to a meeting of the board of the Company or of the Subsidiary or a meeting of a committee of either board, the number of Jones Directors exceeds the Prescribed Number, such number of the youngest Jones Director(s) shall automatically cease to be directors immediately prior to that meeting as results in the number of Jones Directors then being the Prescribed Number.
- (C) Any appointment or removal of a director pursuant to sub-paragraph (A) above shall be effected by written notice to the Company signed by or on behalf of any member entitled to make such appointment or removal and left at or sent by post or facsimile transmission to the office and shall take effect immediately upon deposit of the notice or on such later date (if any) as may be specified in the notice.

- (D) For so long as the Subsidiary is a subsidiary of the Company, the board shall exercise or cause to be exercised the voting powers conferred by shares in the capital of the Subsidiary held or owned by the Company, and any power of appointment to be exercised by the Company, in such manner as to procure that the Jones-Directors for the time being are at the same time directors of the Subsidiary.
- (E) (i) Notwithstanding articles 53 and 55, until 31 December 1998, on a resolution put to any general meeting of the Company or any meeting of a class of members to vary this article (an "amending resolution"), if the number of votes which members of the Jones Organisation may cast in their capacity as Stockholders (pending conversion of the Convertible Loan Stock) and Ordinary Shareholders amounts in aggregate to less than one third of all the votes that may be cast by other Stockholders (pending conversion) and other Ordinary Shareholders, the voting rights attaching to the Ordinary Shares held by members of the Jones Organisation will be increased so that the votes that may be cast by the members of the Jones Organisation in their capacity as Stockholders and Ordinary Shareholders will in aggregate equal one third of all the votes that may be cast by other Stockholders and Ordinary Shareholders, such additional votes to be divided as determined by the board as near as practicable (without creating fractions of votes) equally between the Ordinary Shares held by members of the Jones Organisation.
- (ii) References in sub-paragraph (i) above to votes which Stockholders may cast at a general meeting of the Company or a meeting of any class of members are to such votes attaching to the Special Shares as that Stockholder by virtue of his holding of Convertible Loan Stock is entitled to cast or direct or control the casting of on the relevant amending resolution through the voting trust arrangements under the Deed Poll.

## 72. Power of major shareholders to appoint or remove directors

- (A) Until the date of a Float or an Offer, an Ordinary Shareholder or Stockholder holding, or a group of Ordinary Shareholders and Stockholders which are in relation to each other group undertakings holding in aggregate, fifteen per cent. (15%) or more of the Issued Ordinary Shares in issue for the time being may appoint any person who is willing to act to be a director provided that any such appointment does not cause the number of directors appointed by that holder or those holders under this article 72 to exceed one, and may remove any director so appointed by that holder or any member of that group Provided that this sub-paragraph (A) shall not apply to any member of the Jones Organisation unless article 71(A) has been varied in any manner which adversely affects the rights or members of the Jones Organisation under that article.
- (B) Any appointment or removal of a director pursuant to sub-paragraph (A) above shall be effected by notice to the Company signed by or on behalf of the holder or each of the holders, as the case may be. The notice may consist of several documents in like form each signed by or on behalf of one or more holders and shall be left at or sent by post or facsimile transmission to the office and shall take effect immediately upon deposit of the notice in accordance with the articles or on such later date (if any) specified in the notice.

- (C) Any director appointed pursuant to sub-paragraph (A) above shall automatically cease to be a director immediately upon the Ordinary Shareholder or Stockholder or group of Ordinary Shareholders and Stockholders that appointed him ceasing to hold fifteen per cent. (15%) or more of the Issued Ordinary Shares for the time being.

73. Eligibility of new directors

A director need not be a member.

74. Voting on resolution for appointment

A resolution for the appointment of two or more persons as directors by a single resolution is void unless an ordinary resolution that the resolution for appointment is proposed in this way has first been agreed to by the meeting without a vote being given against it.

75. No retirement on account of age

No person is incapable of being appointed a director by reason of his having reached the age of 70 or another age. Special notice is not required in connection with the appointment or the approval of the appointment of such person. No director is required to vacate his office because he has reached the age of 70 or another age and section 293 of the Act does not apply to the Company. Where a general meeting is convened at which, to the knowledge of the board, a director is to be proposed for appointment or reappointment who is at the date of the meeting 70 or more, the board shall give notice of his age in the notice convening the meeting or in a document accompanying the notice, but the accidental omission to do so does not invalidate proceedings or an appointment or reappointment of that director at that meeting.

76. Vacation of office by director

- (A) Without prejudice to the provisions for retirement (by rotation or otherwise) contained in the articles, the office of a director is vacated if:

- (i) he resigns by notice delivered to the secretary at the office or tendered at a board meeting;
- (ii) he ceases to be a director by virtue of a provision of the Acts, is removed from office pursuant to the articles or becomes prohibited by law from being a director;
- (iii) he becomes bankrupt, has an interim receiving order made against him, makes an arrangement or compounds with his creditors generally or applies to the court for an interim order under section 253 of the Insolvency Act 1986 in connection with a voluntary arrangement under that Act;

- (iv) an order is made by a court of competent jurisdiction on the ground (however formulated) of mental disorder for his detention or for the appointment of a guardian, receiver, curator bonis or other person to exercise powers with respect to his affairs or he is admitted to hospital in pursuance of an application for admission for treatment under the Mental Health Act 1983 or, in Scotland, under the Mental Health (Scotland) Act 1984 and the board resolves that his office be vacated;
  - (v) both he and his alternate director appointed pursuant to the provisions of the articles (if any) are absent, without the permission of the board, from board meetings for six consecutive months and the board resolves that his office be vacated;
  - (vi) in the case of a director who is not a Jones Director, he is removed from office by notice addressed to him at his last-known address and signed by all his co-directors (without prejudice to a claim for damages for breach of contract);
  - (vii) in the case of a Jones Director, he is removed from office by notice given to the Company in accordance with article 71(B); or
  - (viii) in the case of directors appointed pursuant to article 72(A), he is removed from office by notice given to the Company in accordance with article 72(B) or he ceases to be a director pursuant to article 72(C).
- (B) A resolution of the board declaring a director to have vacated office under the terms of this article is conclusive as to the fact and grounds of vacation stated in the resolution.

#### ALTERNATE DIRECTORS

##### 77. Appointment and revocation of appointment

- (A) A director (other than an alternate director) may by notice delivered to the secretary at the office, or in any other manner approved by the board, appoint another person willing to act as his alternate director. No appointment of an alternate director who is not already a director is effective until his consent to act as a director in the form prescribed by the Acts has been received at the office.
- (B) An alternate director need not be a member and is not counted in reckoning the number of directors for the purpose of article 67.
- (C) A director may by notice delivered to the secretary at the office revoke the appointment of his alternate director and, subject to the provisions of the preceding article, appoint another person in his place. If a director ceases to hold the office of director or if he dies, the appointment of his alternate director automatically ceases. If a director retires but is reappointed at the meeting at which his retirement takes effect, a valid appointment of an alternate director which was in force immediately before his retirement continues to operate after his reappointment as if he has not retired. The appointment of an alternate director ceases on the happening of an event which, if he were a director otherwise appointed, would cause him to vacate office.

**78. Participation in board meetings**

An alternate director is, if he gives the Company an address in the United Kingdom at which notices may be served on him, entitled to receive notice of all meetings of the board and all committees of the board of which his appointor is a member and, in the absence from those meetings of his appointor, to attend and vote at the meetings and to exercise all the powers, rights, duties and authorities of his appointor. A director acting as alternate director has a separate vote at meetings of the board and committees of the board for each director for whom he acts as alternate director but he counts as only one for the purpose of determining whether a quorum is present.

**79. Responsibility**

A person acting as an alternate director is an officer of the Company, is alone responsible to the Company for his acts and defaults, and is not deemed to be the agent of his appointor.

**OBSERVERS**

**80. Observers**

(A) The Company shall have the right to appoint and the right to confer on any person the right to appoint, one or more persons to have the rights set out in paragraph (B) (an "Observer") and the Company may remove an Observer appointed by it and may confer on any person entitled for the time being to appoint an Observer the right to remove any Observer appointed by him.

(B) An Observer:

- (i) shall have the right (a) to receive notice of, to attend and speak, but not to vote, at all meetings of the board and of any committee of the board, and (b) to nominate from time to time an alternate to attend and speak at such meetings in his place;
- (ii) shall, to the same extent as directors in their capacity as such, have the right (a) to receive all documents and other information passed to the directors and (b) to have access to the records of the Company;
- (iii) shall be subject to the restrictions and have the rights conferred by article 99 as if the Observer were a director of the Company; but
- (iv) shall have no authority to bind the Company in any way.



## REMUNERATION, EXPENSES AND PENSIONS

### 81. Directors' fees

Unless otherwise decided by the Company by ordinary resolution, the Company shall pay to the Chairman (but not any other director and not any alternate director of the Chairman) for his services such fees as the board may determine.

### 82. Additional remuneration

A director who, at the request of the board, goes or resides abroad, makes a special journey or performs a special service on behalf of the Company may be paid such reasonable additional remuneration (whether by way of salary, percentage of profits or otherwise) and expenses as the board may decide.

### 83. Expenses

A director is entitled to be repaid all reasonable travelling, hotel and other expenses properly incurred by him in the performance of his duties as director, including expenses incurred in attending meetings of the board or of committees of the board or general meetings or separate meetings of the holders of a class of shares or debentures.

### 84. Remuneration and expenses of alternate directors

An alternate director is not entitled to a fee from the Company for his services as an alternate director. The fee payable to an alternate director is payable out of the fee payable to his appointor and consists of such portion (if any) of the fee as he agrees with his appointor. The Company shall, however, repay to an alternate director expenses incurred by him in the performance of his duties if the Company would have been required to repay the expenses to him under the preceding article had he been a director.

### 85. Directors' pensions and other benefits

- (A) The board may exercise all the powers of the Company to provide pensions or other retirement or superannuation benefits and to provide death or disability benefits or other allowances or gratuities (by insurance or otherwise) for a person who is or has at any time been a director of (i) the Company, or (ii) a company which is or was a subsidiary of the Company, or (iii) a company which is or was allied to or associated with the Company or a subsidiary of the Company, or (iv) a predecessor in business of the Company or of a subsidiary of the Company (and for any member of his family, including a spouse or former spouse, or a person who is or was dependent on him). For this purpose the board may establish, maintain, subscribe and contribute to any scheme, trust or fund and pay premiums. The board may arrange for this to be done by the Company alone or in conjunction with another person.
- (B) A director or former director is entitled to receive and retain for his own benefit a pension or other benefit provided under paragraph (A) and is not obliged to account for it to the Company.

86. Remuneration of executive director

The salary or remuneration of a director appointed to hold employment or executive office in accordance with the articles may be a fixed sum of money, or wholly or in part governed by business done or profits made, or as otherwise decided by the board, and may be in addition to or instead of a fee payable to him for his services as director pursuant to the articles.

POWERS AND DUTIES OF THE BOARD

87. Powers of the board

Subject to the Acts, the memorandum of association of the Company and the articles and to directions given by special resolution of the Company, the business of the Company is managed by the board which may exercise all the powers of the Company whether relating to the management of the business or not. No alteration of the memorandum of association or of the articles and no direction given by the Company invalidate a prior act of the board which would have been valid if the alteration had not been made or the direction had not been given. The provisions of the articles giving specific powers to the board do not limit the general powers given by this article.

88. Powers of directors being less than minimum required number

If the number of directors is less than the minimum prescribed by the articles or decided by the Company by ordinary resolution, the remaining director or directors may act only for the purposes of appointing an additional director or directors to make up that minimum or convening a general meeting of the Company for the purpose of making such appointment. If no director or directors is or are able or willing to act, two members may convene a general meeting for the purpose of appointing directors. An additional director appointed in this way holds office (subject to the articles) only until the dissolution of the next annual general meeting after his appointment unless he is reappointed during the meeting.

89. Powers of executive directors

The board may delegate to a director holding executive office (including a managing director) any of its powers, authorities and discretions for such time and on such terms and conditions as it thinks fit. In particular, the board may grant the power to sub-delegate, and may retain or exclude the right of the board to exercise the delegated powers, authorities or discretions collaterally with the director. The board may at any time revoke the delegation or alter its terms and conditions.

90. Delegation to committees

The board may delegate any of its powers, authorities and discretions for such time and on such terms and conditions as it thinks fit to a committee consisting of one or more directors and (if thought fit) one or more other persons, but only if a majority of the members of the committee are directors or alternate directors. No resolution of a committee is effective unless a majority of those present when it is passed are directors or alternate directors. In

particular, the board may grant the power to sub-delegate, and may retain or exclude the right of the board to exercise the delegated powers, authorities or discretions collaterally with the committee. The board may at any time revoke the delegation or alter its terms and conditions or discharge the committee in whole or in part. Where a provision of the articles refers to the exercise of a power, authority or discretion by the board and that power, authority or discretion has been delegated by the board to a committee, the provision shall be construed as permitting the exercise of the power, authority or discretion by the committee.

91. Local management

The board may establish local or divisional boards or agencies for managing the affairs of the Company in a specified locality, either in the United Kingdom or elsewhere, and may appoint persons to be members of a local or divisional board or agency, and may fix their remuneration. The board may delegate to a local or divisional board or agency any of its powers, authorities and discretions for such time and on such terms and conditions as it thinks fit. In particular, the board may grant the power to sub-delegate, may retain or exclude the right of the board to exercise the delegated powers, authorities or discretions collaterally with the local or divisional board or agency and may authorise the members of a local or divisional board or agency (or any of them) to fill a vacancy or to act despite a vacancy. The board may at any time revoke or alter the terms and conditions of the appointment or delegation. Subject to terms and conditions imposed by the board, the proceedings of a local or divisional board or agency with two or more members are governed by those articles that regulate the proceedings of the board, so far as applicable.

92. Power of attorney

The board may by power of attorney or otherwise appoint a person to be the agent of the Company and may delegate to that person any of its powers, authorities and discretions for such purposes (including under or pursuant to the Management Agreement), for such time and on such terms and conditions (including as to remuneration) as it thinks fit. In particular, the board may grant the power to sub-delegate and may retain or exclude the right of the board to exercise the delegated powers, authorities or discretions collaterally with the agent. The board may at any time revoke or alter the terms and conditions of the appointment or delegation.

93. Associate directors

The board may appoint a person (not being a director) to an office or employment having a designation or title including the word "director" or attach to an existing office or employment that designation or title and may terminate the appointment or use of that designation or title. The inclusion of the word "director" in the designation or title of an office or employment does not imply that the person is, or is deemed to be, or is empowered to act as, a director for any of the purposes of the Acts or the articles.

94. Exercise of voting powers

- (A) Subject to paragraphs (B) and (C) below, article 71(D) and article 100, the board may exercise or cause to be exercised the voting powers conferred by shares in the capital of

another company held or owned by the Company, or a power of appointment to be exercised by the Company, in such manner as it thinks fit (including the exercise of the voting power or power of appointment in favour of the appointment of a director as an officer or employee of that company or in favour of the payment of remuneration to the officers or employees of that company)).

- (B) For so long as the Subsidiary is a subsidiary of the Company, the board shall exercise or cause to be exercised the voting powers conferred by shares in the capital of the Subsidiary held or owned by the Company, and any power of appointment to be exercised by the Company, in such manner as to procure that the directors of the Company for the time being are at the same time directors of, and the only directors of, the Subsidiary.
- (C) For so long as the Subsidiary is a subsidiary of the Company, the board shall exercise or cause to be exercised the voting powers conferred by shares in the capital of the Subsidiary held or owned by the Company, and any power of appointment to be exercised by the Company, in such manner as to procure that the Chairman for the time being is the chairman of the board of the Subsidiary.

**95. Provision for employees**

The board may exercise the powers conferred upon the Company by the Acts to make provision for the benefit of a person employed or formerly employed by the Company or any of its subsidiaries (or any member of his family, including a spouse or former spouse, or any person who is or was dependent on him) in connection with the cessation or the transfer to a person of the whole or part of the undertaking of the Company or the subsidiary.

**96. Overseas register**

Subject to the Acts, the board may exercise the powers conferred on the Company with regard to the keeping of an overseas or local or other register and may make and vary regulations as it thinks fit concerning the keeping of a register.

**97. Borrowing powers**

The board may exercise all the powers of the Company to borrow money and to mortgage or charge all or part of the undertaking, property and assets (present and future) and uncalled capital of the Company and, subject to the Acts, to issue debentures and other securities, whether outright or as collateral security for a debt, liability or obligation of the Company or of a third party.

**98. Register of charges**

The Company shall keep a register of charges in accordance with the Acts and the fee to be paid by a person other than a creditor or member for each inspection of the register of charges is the maximum sum prescribed by the Acts or, failing which, decided by the board.

99. Confidential Information .

A director may communicate to the Ordinary Shareholder or Stockholder which appointed him as a director or nominated him for appointment or any parent undertaking of such person or to any director or officer of such person or of any such parent undertaking, any information which the director would, but for the provisions of this article, be precluded because of his fiduciary relationship with the Company or the Subsidiary from using for the benefit of, or communicating to, any person other than the Company or the Subsidiary as the case may be (except for the purpose of the proper performance of his duties). Such Ordinary Shareholder(s) or Stockholder(s) shall ensure that any person receiving such information understands that the information belongs to the Company or the Subsidiary, as the case may be, and does not publish or use it in circumstances when the director is not authorised to do so, but the director may nevertheless authorise the publication of any such information which such Ordinary Shareholder, Stockholder or parent undertaking is required to publish by law or by the regulations of any stock exchange on which shares in that member or parent undertaking are from time to time listed, quoted or traded.

DIRECTORS' INTERESTS

100. Directors' Interests

(A) Subject to the Acts and paragraph (B), a director, notwithstanding his office:

- (i) may enter into or otherwise be interested in a contract, arrangement, transaction or proposal with the Company or in which the Company is otherwise interested either in connection with his tenure of an office or place of profit or as vendor, purchaser or otherwise;
- (ii) may hold another office or place of profit with the Company (except that of auditor or auditor of a subsidiary of the Company) in conjunction with the office of director and may act by himself or through his firm in a professional capacity to the Company, and in that case on such terms as to remuneration and otherwise as the board may decide either in addition to or instead of remuneration provided for by another article;
- (iii) may be a director or other officer of, or employed by, or a party to a contract, transaction, arrangement or proposal with or otherwise interested in, a company promoted by the Company or in which the Company is otherwise interested or as regards which the Company has a power of appointment; and
- (iv) is not liable to account to the Company for a profit, remuneration or other benefit realised by such office, employment, contract, arrangement, transaction or proposal and no such contract, arrangement, transaction or proposal is avoided on the grounds of any such interest or benefit.

(B) A director who, to his knowledge, is in any way (directly or indirectly) materially interested in a contract, arrangement, transaction or proposal with the Company shall declare the nature of his interest at the meeting of the board at which the question of entering into the contract,

arrangement, transaction or proposal is first considered, if he knows his interest then exists or, in any other case, at the first meeting of the board after he knows that he is or has become interested. For the purposes of this article:

- (i) a general notice given to the board by a director that he is to be regarded as having an interest (of the nature and extent specified in the notice) in a contract, transaction, arrangement or proposal in which a specified person or class of persons is interested is a sufficient disclosure under this article in relation to that contract, transaction, arrangement or proposal; and
  - (ii) an interest of which a director has no knowledge and of which it is unreasonable to expect him to have knowledge is not treated as his interest.
- (C) Except as provided in this article, a director may not vote on, or be counted in the quorum in relation to, a resolution of the board or of a committee of the board concerning a contract, arrangement, transaction or proposal to which the Company is or is to be a party and in which he is, to his knowledge, materially interested directly or indirectly (otherwise than by virtue of his interest in shares or debentures or other securities of or otherwise in or through the Company), but this prohibition does not apply to a resolution concerning any of the following matters:
- (i) a contract, arrangement, transaction or proposal to which the Company is or is to be a party concerning another company in which he is interested (directly or indirectly) solely by virtue of being the holder of or interested in less than three per cent. of the capital of that company. For these purposes a director is deemed to have an interest in three per cent. or more of the capital of a company if (directly or indirectly) he is the holder of or interested in three per cent. or more of a class of equity share capital of that company or of any parent undertaking of that company or of the voting rights available to members of that company or of the voting rights available to members of that company or of any parent undertaking of that company or if he can cause three per cent. or more of those voting rights to be cast at his direction;
  - (ii) the giving to him of a guarantee, security or indemnity in respect of money lent or obligations incurred by him at the request of or for the benefit of the Company or any of its subsidiaries;
  - (iii) the giving to a third party of a guarantee, security or indemnity in respect of a debt or obligation of the Company or any of its subsidiaries for which he himself has assumed responsibility in whole or in part, either alone or jointly with others, under a guarantee or indemnity or by the giving of security;
  - (iv) a contract, arrangement, transaction or proposal concerning an offer of shares, debentures or other securities of the Company or any of its subsidiaries for subscription or purchase, in which offer he is or is to be interested as a participant in the underwriting or sub-underwriting;

- (v) a contract, arrangement, transaction or proposal concerning the adoption, modification or operation of a pension fund, retirement, death or disability benefits scheme or personal pension plan under which he may benefit and which either (a) has been approved by or is subject to and conditional upon approval by the Board of Inland Revenue for taxation purposes, or (b) relates to both employees and directors of the Company (or any of its subsidiaries) and does not accord to a director as such a privilege or advantage not accorded to the employees to whom the scheme or fund relates;
  - (vi) a contract, arrangement, transaction or proposal for the benefit of employees of the Company or any of its subsidiaries under which the director benefits in a similar manner to employees and which does not accord to a director as such a privilege or advantage not accorded to the employees to whom it relates; and
  - (vii) a contract, arrangement, transaction or proposal concerning the purchase or maintenance of any insurance policy under which he may benefit.
- (D) A director may not vote or be counted in the quorum on a resolution of the board or any committee of the board concerning any contract, arrangement, transaction or proposal to which the Company is or is to be a party which, to the knowledge of the director, concerns another company or a group undertaking of another company which alone or together with others appointed him or nominated him for appointment as a director of a further company or a group undertaking of a further company, in which, to the knowledge of the director, such appointing company or a group undertaking of the appointing company is materially interested (directly or indirectly) and whether as an officer, employee, shareholder, creditor or otherwise except solely by virtue of being the holder of or interested in less than ten per cent. of the capital of that company and for these purposes a company is deemed to have an interest in ten per cent. or more of the capital of a further company if (directly or indirectly) it is the holder of or interested in ten per cent. or more of a class of equity share capital of that further company or any of its group undertakings or of the voting rights available to members of that further company or any of its group undertakings or if he can cause ten per cent. or more of those voting rights to be cast at his direction. This prohibition does not apply in relation to the Jones Directors to a resolution concerning the approval of any Long-Term Business Plan or Annual Business Plan as defined in and for the purposes of the Management Agreement (as amended from time to time).
- (E) A director may not vote or be counted in the quorum on a resolution of the board or committee of the board concerning his own appointment (including fixing or varying the terms of his appointment or its termination) as the holder of an office or place of profit with the Company or any company in which the Company is interested.
- (F) If a question arises at a meeting as to the materiality of a director's interest (other than the interest of the chairman of the meeting) or as to the entitlement of a director (other than the chairman) to vote or be counted in a quorum and the question is not resolved by his voluntarily agreeing to abstain from voting or being counted in the quorum, the question shall be referred to the chairman and his ruling in relation to the director concerned is conclusive and binding on all concerned.

- (G) If a question arises at a meeting as to the materiality of the interest of the chairman of the meeting or as to the entitlement of the chairman to vote or be counted in a quorum and the question is not resolved by his voluntarily agreeing to abstain from voting or being counted in the quorum, the question shall be decided by resolution of the directors or committee members present at the meeting (excluding the chairman) whose majority vote is conclusive and binding on all concerned.
- (H) Subject to the Acts, the Company may by special resolution suspend or relax the provisions of this article either generally or in respect of a particular matter or ratify any transaction not authorised by reason of a contravention of this article.
- (I) For the purposes of this article, the interest of a person who is for the purposes of the Acts connected with (within the meaning of section 346 of the Act) a director is treated as the interest of the director and, in relation to an alternate director, the interest of his appointor shall be treated as the interest of the alternate director in addition to an interest which the alternate director otherwise has. This article applies to an alternate director as if he were a director otherwise appointed.

## PROCEEDINGS OF DIRECTORS AND COMMITTEES

### 101. Board meetings

Subject to the articles, the board may meet for the despatch of business, adjourn and otherwise regulate its proceedings as it thinks fit. Without prejudice to the generality of the foregoing, the board may determine by resolution (a "determining resolution") that resolutions on certain matters shall not be passed unless an increased majority of the directors present at the meeting vote in favour of those resolutions. A resolution which proposes to revoke a determining resolution will not be validly passed unless the revocation is resolved upon by the same increased majority of directors as is required in order to pass the resolutions which are the subject of the determining resolution.

### 102. Notice of board meetings

#### (A) *Method of giving notice*

A director may, and the secretary at the request of a director shall, summon a board meeting at any time. Notice shall be given to all directors, whether in or outside the United Kingdom. Notice of a board meeting is deemed to be duly given to a director if it is given to him personally or by word of mouth or by telephone or sent in writing to him at his last-known address or another address given by him to the Company for that purpose (whether in or outside the United Kingdom). A director may waive the requirement that notice be given to him of a board meeting, either prospectively or retrospectively.

#### (B) *Period of Notice*

Board meetings must be convened by at least 10 clear days' notice which must specify brief details of the matters to be discussed. A board meeting may be convened on shorter notice if all the directors entitled to attend and vote on the business of that meeting agree or in the



reasonable opinion of the Chairman the circumstances demand it, provided that in such a case notice must be given at least 24 hours before the time the meeting is due to commence unless all the directors agree.

#### 103. Quorum

The quorum necessary for the consideration of any resolution is one half of the directors entitled to vote on such resolution (rounded up to the nearest whole number, if necessary) subject to a minimum of two directors, present in person or by alternate director. A duly convened meeting of the board at which a quorum is present is competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the board.

#### 104. Procedure if quorum not present

- (A) If a quorum for a board meeting is not present within five minutes (or such longer period as the chairman of the meeting in his absolute discretion thinks fit) from the time fixed for the start of the meeting or if during the meeting a quorum ceases to be present, the meeting stands adjourned to such time (being not less than 10 days later) and place as the chairman (or, in default, the board) decides.
- (B) At an adjourned meeting the quorum is two directors present in person or by alternate director. If a quorum is not present within five minutes (or such longer period as the chairman of the meeting in his absolute discretion thinks fit) from the time fixed for the start of the meeting or if during the meeting a quorum ceases to be present, the adjourned meeting is dissolved.
- (C) The Company shall give notice of any meeting adjourned for the lack of a quorum and the notice shall state the quorum requirement.

#### 105. Chairman of board

The Company by ordinary resolution may appoint a director as chairman (the "Chairman") to preside at every board meeting at which he is present and decide the period for which he is to hold office (and may at any time remove him from office). If no Chairman is elected, or if at a meeting the Chairman is not present within five minutes of the time fixed for the start of the meeting, the directors and alternate directors (in the absence of their appointors) present shall choose one of their number to chair the meeting.

#### 106. Voting

- (A) Subject to article 101, questions arising at a meeting of the board are determined by a majority of votes. In the event that there is an equality of votes on any question arising at a meeting of the board, a deadlock shall be deemed to have occurred in relation to the matter. In such case, the meeting shall be adjourned to the same time 10 days after the date of the deadlocked meeting and if, in the opinion of the chairman of the meeting, there is no reasonable prospect of the deadlock being resolved at the adjourned meeting of the board, the chairman shall forthwith convene an extraordinary general meeting of the Company pursuant to article 41 and in accordance with article 42 to consider the matter.

- (B) In the event of a deadlock, the chairman shall instruct a director or the secretary to give notice of the adjourned meeting of the board to all directors, whether in or outside the United Kingdom in accordance with the methods set out in article 102(A). A director may waive the requirement that notice be given to him of the adjourned meeting, either prospectively or retrospectively. The notice must specify details of the deadlocked matter and state the fact of the deadlock. The adjourned meeting may be held on a date earlier than 10 days after the date of the deadlocked meeting if all the directors entitled to attend and vote on the business of that meeting agree. At the adjourned meeting the quorum is two directors present in person or by alternate director. If a quorum is not present within five minutes (or such longer period as the chairman of the meeting in his absolute discretion thinks fit) from the time fixed for the start of the meeting or if during the meeting a quorum ceases to be present, the adjourned meeting is dissolved. In the event that the deadlock is not resolved at the adjourned meeting, the chairman shall forthwith convene an extraordinary general meeting of the Company pursuant to article 41 and in accordance with article 42 to consider the matter.

107. Participation by telephone

A director or his alternate director may participate in a meeting of the board or a committee of the board through the medium of conference telephone or similar form of communication equipment if all persons participating in the meeting are able to hear and speak to each other throughout the meeting. A person participating in this way is deemed to be present in person at the meeting and is counted in a quorum and entitled to vote. Subject to the Acts, all business transacted in this way by the board or a committee of the board is for the purposes of the articles deemed to be validly and effectively transacted at a meeting of the board or a committee of the board although fewer than two directors or alternate directors are physically present at the same place. The meeting is deemed to take place where the largest group of those participating is assembled or, if there is no such group, where the chairman of the meeting then is. If a director has indicated to the director or secretary who has given notice of the meeting his willingness to participate in the meeting through the medium of conference telephone or similar form of communication equipment, the chairman of the meeting shall take all reasonable steps to include that director in the meeting in the manner indicated.

108. Resolution in writing

A resolution in writing executed by all directors for the time being entitled to receive notice of a board meeting and not being less than a quorum or by all members of a committee of the board is as valid and effective for all purposes as a resolution passed at a meeting of the board (or committee, as the case may be). The resolution in writing may consist of several documents in the same form each executed by one or more of the directors or members of the relevant committee. The resolution in writing need not be signed by an alternate director if it is signed by his appointor and a resolution signed by an alternate director need not be signed by his appointor.

109. *Proceedings of committees*

- (A) *Proceedings of committees of the board shall be conducted in accordance with regulations prescribed by the board (if any). Subject to those regulations and article 110(B); proceedings shall be conducted in accordance with applicable provisions of the articles regulating the proceedings of the board.*
- (B) *Where the board resolves to delegate any of its powers, authorities and discretions to a committee and that resolution states that the committee shall consist of any one or more unnamed directors, it is not necessary to give notice of a meeting of that committee to directors other than the director or directors who form the committee.*

110. *Minutes of proceedings*

- (A) *The board shall cause minutes to be made in books kept for the purpose of:*
- (i) *all appointments of officers and committees made by the board and of any remuneration fixed by the board; and*
  - (ii) *the names of directors present at every meeting of the board, committees of the board, the Company or the holders of a class of shares or debentures, and all orders, resolutions and proceedings of such meetings.*
- (B) *If purporting to be signed by the chairman of the meeting at which the proceedings were held or by the chairman of the next succeeding meeting, minutes are receivable as prima facie evidence of the matters stated in them.*

111. *Validity of proceedings of board or committee*

*All acts done by a meeting of the board, or of a committee of the board, or by a person acting as a director, alternate director or member of a committee are, notwithstanding that it is afterwards discovered that there was a defect in the appointment of a person or persons acting, or that they or any of them were or was disqualified from holding office or not entitled to vote, or had in any way vacated their or his office, as valid as if every such person had been duly appointed, and was duly qualified and had continued to be a director, alternate director or member of a committee and entitled to vote.*

**SECRETARY AND AUTHENTICATION OF DOCUMENTS**

112. *Secretary*

- (A) *Subject to the Acts, the board shall appoint a secretary or joint secretaries and may appoint one or more persons to be an assistant or deputy secretary on such terms and conditions (including remuneration) as it thinks fit. The board may remove a person appointed pursuant to this article from office and appoint another or others in his place.*

- (B) Any provision of the Acts or of the articles requiring or authorising a thing to be done by or to a director and the secretary is not satisfied by its being done by or to the same person acting both as director and as, or in the place of, the secretary.

113. Authentication of documents

A director or the secretary or another person appointed by the board for the purpose may authenticate documents affecting the constitution of the Company (including the memorandum of association and the articles) and resolutions passed by the Company or holders of a class of shares or the board or a committee of the board and books, records, documents and accounts relating to the business of the Company, and to certify copies or extracts as true copies or extracts.

SEALS

114. Safe custody

The board shall provide for the safe custody of every seal.

115. Application of seals

A seal may be used only by the authority of a resolution of the board or of a committee of the board. The board may decide who will sign an instrument to which a seal is affixed (or, in the case of a share certificate, on which the seal is printed) either generally or in relation to a particular instrument or type of instrument. The board may also decide, either generally or in a particular case, that a signature may be dispensed with or affixed by mechanical means. Unless otherwise decided by the board:

- (i) share certificates and certificates issued in respect of debentures or other securities (subject to the provisions of the relevant instrument) need not be signed or, if signed, a signature may be applied by mechanical or other means or may be printed; and
- (ii) every other instrument to which a seal is affixed shall be signed by one director and by the secretary or a second director.

116. Official seal for use abroad

The Company may exercise the powers conferred by the Acts with regard to having an official seal for use abroad, and those powers shall be vested in the board.

DIVIDENDS AND OTHER PAYMENTS

117. Declaration of dividends

Subject to the Acts and the articles, the Company may by ordinary resolution declare a dividend to be paid to the members according to their respective rights and interests, but no dividend may exceed the amount recommended by the board.

**118. Interim dividends**

Subject to the Acts, the board may declare and pay such interim dividends (including a dividend payable at a fixed rate) as appear to it to be justified by the profits of the Company available for distribution. If the share capital is divided into different classes, the board may pay interim dividends on shares which rank after shares conferring preferred rights with regard to dividend as well as on shares with preferred rights, unless at the time of payment a preferential dividend is in arrear. If the board acts in good faith, it does not incur any liability to the holders of shares conferring preferred rights for a loss they may suffer by the lawful payment of an interim dividend on shares ranking after those with preferred rights.

**119. Entitlement to dividends**

Except as otherwise provided by the rights attached to shares, a dividend shall be declared and paid according to the amounts paid up on the shares in respect of which the dividend is declared and paid, but no amount paid up on a share in advance of a call may be treated for the purpose of this article as paid up on the share. Dividends shall be apportioned and paid proportionately to the amounts paid up on the shares during any portion or portions of the period in respect of which the dividend is paid.

**120. Method of payment**

- (A) The Company may pay a dividend, interest or another amount payable in respect of a share in cash or by cheque, dividend warrant or money order, or by a bank or other funds transfer system, or by such other method as the holder or joint holders of the share in respect of which the payment is made (or the person or persons entitled by transmission to the share) may in writing direct. Any joint holder or other person jointly entitled to a share may give an effective receipt for a dividend, interest or other amount paid in respect of the share.
- (B) The Company may send a cheque, warrant or order by post (i) in the case of a sole holder, to his registered address, or (ii) in the case of joint holders, to the registered address of the person whose name stands first in the register, or (iii) in the case of a person or persons entitled by transmission to a share, as if it were a notice given in accordance with article 137, or (iv) in any case, to a person and address that the person or persons entitled to the payment may in writing direct.
- (C) Every cheque, warrant or order is sent at the risk of the person entitled to the payment and shall be made payable to the order of the person or persons entitled. The payment of the cheque, warrant or order is a good discharge to the Company. If payment is made by a bank or other funds transfer, or by another method at the direction of the holder or holders or other person or persons entitled, the Company is not responsible for amounts lost or delayed in the course of the transfer or in carrying out such directions.
- (D) Without prejudice to article 66, the board may withhold payment of a dividend (or part of a dividend) payable to a person entitled by transmission to a share until he has provided any evidence of his right that the board may reasonably require.

**121. Dividends not to bear interest**

No dividend or other amount payable by the Company in respect of a share bears interest as against the Company unless otherwise provided by the rights attached to the share.

**122. Calls or debts may be deducted from dividends etc.**

The board may deduct from a dividend or other amounts payable to a person in respect of a share amounts due from him to the Company on account of a call or otherwise in relation to a share.

**123. Unclaimed dividends etc.**

All unclaimed dividends, interest or other amounts payable by the Company in respect of a share may be invested or otherwise made use of by the board for the benefit of the Company until claimed. Dividends unclaimed for a period of 12 years after having been declared are forfeited and cease to remain owing by the Company. The payment of an unclaimed dividend, interest or other amount payable by the Company in respect of a share into a separate account does not constitute the Company a trustee in respect of it.

**124. Uncashed dividends**

If, in respect of a dividend or other amount payable in respect of a share, on two consecutive occasions:

- (i) a cheque, warrant or order is returned undelivered or left uncashed, or
- (ii) a transfer made by a bank or other funds transfer system is not accepted,

the Company is not obliged to send or transfer a dividend or other amount payable in respect of that share to the person entitled to it until he notifies the Company of an address or account to be used for that purpose.

**125. Payment of dividends in specie**

Without prejudice to article 66, the board may, with the prior authority of an ordinary resolution of the Company, direct that payment of a dividend may be satisfied wholly or in part by the distribution of specific assets and in particular of paid-up shares or debentures of another company. Where a difficulty arises in connection with the distribution, the board may settle it as it thinks fit and in particular may issue fractional certificates (or ignore fractions), may fix the value for distribution of the specific assets (or any part of them), may decide that a cash payment be made to a member on the basis of the value so fixed, in order to secure equality of distribution, and may vest assets in trustees on trust for the persons entitled to the dividend as may seem expedient to the board.

126. Payment of scrip dividends

- (A) Subject to the Acts, but without prejudice to article 66, the board may, with the prior authority of an ordinary resolution of the Company, allot to those holders of a particular class of shares who have elected to receive them further shares of that class or another class of shares, in either case credited as fully paid, ("new shares") instead of cash in respect of all or part of a dividend or dividends specified by the resolution, subject to any exclusions, restrictions or other arrangements the board may in its absolute discretion deem necessary or expedient to deal with legal or practical problems under the laws of, or the requirements of a recognised regulatory body or a stock exchange in, any territory.
- (B) Where a resolution under paragraph (A) is to be proposed at a general meeting and the resolution relates in whole or in part to a dividend to be declared at that meeting, then the resolution declaring the dividend is deemed to take effect at the end of that meeting.
- (C) A resolution under paragraph (A) may relate to a particular dividend or to all or any dividends declared or paid within a specified period, but that period may not end later than the beginning of the fifth annual general meeting following the date of the meeting at which the resolution is passed.
- (D) The board shall determine the basis of allotment of, and the value of, new shares so that, as nearly as may be considered convenient without involving rounding up of fractions, the value of the new shares (including a fractional entitlement) to be allotted equals (disregarding an associated tax credit) the amount of the dividend which would otherwise have been received by the holder.
- (E) The board may make any provision it considers appropriate in relation to an allotment made pursuant to this article, including but not limited to:
- (i) the giving of notice to holders of the right of election offered to them;
  - (ii) the provision of forms of election (whether in respect of a particular dividend or dividends generally);
  - (iii) determination of the procedure for making and revoking elections;
  - (iv) the place at which, and the latest time by which, forms of election and other relevant documents must be lodged in order to be effective; and
  - (v) the disregarding or rounding up or down or carrying forward of fractional entitlements, in whole or in part, or the accrual of the benefit of fractional entitlements to the Company (rather than to the holders concerned).
- (F) The dividend (or that part of the dividend in respect of which a right of election has been offered) is not declared or payable on shares in respect of which an election has been duly made (the "elected shares"); instead new shares are allotted to the holders of the elected shares on the basis of allotment calculated as in paragraph (D). For that purpose, the board may resolve to capitalise out of amounts standing to the credit of reserves (including a share

premium account, capital redemption reserve and profit and loss account), whether or not available for distribution, a sum equal to the aggregate nominal amount of the new shares to be allotted and apply it in paying up in full the appropriate number of new shares for allotment and distribution to the holders of the elected shares. A resolution of the board capitalising part of the reserves has the same effect as if the capitalisation had been declared by ordinary resolution of the Company pursuant to article 127. In relation to the capitalisation the board may exercise all the powers conferred on it by article 127 without an ordinary resolution of the Company.

- (G) The new shares rank *pari passu* in all respects with each other and with the fully-paid shares of the same class in issue on the record date for the dividend in respect of which the right of election has been offered, but they will not rank for a dividend or other distribution or entitlement which has been declared or paid by reference to that record date.

### CAPITALISATION OF PROFITS

#### 127. Capitalisation of profits

Subject to the Acts, the board may, with the authority of an ordinary resolution of the Company:

- (i) resolve to capitalise an amount standing to the credit of reserves (including a share premium account, capital redemption reserve and profit and loss account), whether or not available for distribution;
- (ii) appropriate the sum resolved to be capitalised to the members in proportion to the nominal amount of shares (whether or not fully paid) held by them respectively and apply that sum on their behalf in or towards:
  - (a) paying up the amounts (if any) for the time being unpaid on shares held by them respectively, or
  - (b) paying up in full unissued shares or debentures of a nominal amount equal to that sum,

and allot the shares or debentures, credited as fully paid, to the 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 profits which are not available for distribution may, for the purposes of this article, only be applied in paying up unissued shares to be allotted to members credited as fully paid;

- (iii) make any arrangements it thinks fit to resolve a difficulty arising in the distribution of a capitalised reserve and in particular, where shares or debentures become distributable in fractions, the board may deal with the fractions as it thinks fit, including issuing fractional certificates, disregarding fractions or selling shares or debentures representing the fractions to a person for the best price reasonably obtainable and distributing the net proceeds of the sale in due proportion amongst the members (except that if the amount due to a member is less than £3, or such other



- sum as the board may decide, the sum may be retained for the benefit of the Company);
- (iv) authorise a person to enter (on behalf of all the members concerned) an agreement with the Company providing for either:
- (a) the allotment to the members respectively, credited as fully paid, of shares or debentures to which they may be entitled on the capitalisation, or
  - (b) the payment by the Company on behalf of the members (by the application of their respective proportions of the reserves resolved to be capitalised) of the amounts or part of the amounts remaining unpaid on their existing shares,
- an agreement made under the authority being effective and binding on all those members; and
- (v) generally do all acts and things required to give effect to the resolution.

#### RECORD DATES

##### 128. Record dates

Notwithstanding any other provision of the articles, but without prejudice to the rights attached to shares, the Company or the board may fix any date as the record date for a dividend, distribution, allotment or issue. The record date may be on or at any time before or after a date on which the dividend, distribution, allotment or issue is declared, made or paid.

#### ACCOUNTS

##### 129. Inspection of accounts

(A) The board shall cause accounting records to be kept in accordance with the Acts.

(B) The accounting records shall be kept at the office or, subject to the Acts, at another place decided by the board and shall be available during business hours for the inspection of the directors and other officers. No member (other than a director or other officer) has the right to inspect an accounting record or other document except if a right is conferred by statute or he is authorised by the board.

##### 130. Accounts to be sent to members etc.

(A) In respect of each financial year, a copy of the Company's annual accounts, directors' report and auditors' report on those accounts shall be sent by post or delivered to:

- (i) every member (whether or not entitled to receive notices of general meetings),

(ii) every holder of debentures (whether or not entitled to receive notices of general meetings), and

(iii) every other person who is entitled to receive notices of general meetings,

not less than 21 clear days before the date of the meeting at which copies of those documents are to be laid in accordance with the Acts. This article does not require copies of the documents to which it applies to be sent or delivered to:

(a) a member or holder of debentures of whose address the Company is unaware, or

(b) more than one of the joint holders of shares or debentures.

(B) Where permitted by the Acts, a summary financial statement derived from the Company's annual accounts and the directors' report in the form and containing the information prescribed by the Acts may be sent or delivered to a member in place of the documents required to be sent or delivered by the preceding article.

## NOTICES

### 131. Notices to be in writing

A notice to be given to or by a person pursuant to the articles shall be in writing except that a notice convening a meeting of the board or of a committee of the board need not be in writing.

### 132. Service of notices and other documents on members

(A) A notice or other document may be given to a member by the Company either personally or by sending it by post in a pre-paid envelope addressed to the member at his registered address, or by leaving it at that address (or at another address notified for the purpose) in an envelope addressed to the member.

(B) In the case of joint holders of a share, a notice or other document shall be given to whichever of them is named first in the register in respect of the joint holding and notice given in this way is sufficient notice to all joint holders.

(C) If a member (or, in the case of joint holders, the person first named in the register) has a registered address outside the United Kingdom but has notified the Company of an address in the United Kingdom at which notices or other documents may be given to him, he is entitled to have notices given to him at that address, but otherwise no such member or person is entitled to receive a notice or other document from the Company.

### 133. Notice by advertisement

If by reason of the suspension or curtailment of postal services in the United Kingdom the Company is unable effectively to convene a general meeting by notices sent by post, the board may, in its absolute discretion and as an alternative to any other method of service

permitted by the articles, resolve to convene a general meeting by a notice advertised in at least two leading United Kingdom national daily newspapers. In this case the Company shall send confirmatory copies of the notice by post if at least seven clear days before the meeting the posting of notices to addresses throughout the United Kingdom again becomes practicable.

**134. Evidence of service**

- (A) A notice or other document addressed to a member at his registered address or address for service in the United Kingdom is, if sent by post, deemed to be given within 24 hours if pre-paid as first class post and within 48 hours if pre-paid as second class post after it has been posted, and in proving service it is sufficient to prove that the envelope containing the notice or document was properly addressed, pre-paid and posted.
- (B) A notice or document not sent by post but left at a registered address or address for service in the United Kingdom is deemed to be given on the day it is left.
- (C) Where notice is given by newspaper advertisements, the notice is deemed to be given to all members and other persons entitled to receive it at noon on the day when the advertisements appear or, if they appear on different days, at noon on the last of the days when the advertisements appear.
- (D) A member present in person or by proxy at a meeting or of the holders of a class of shares is deemed to have received due notice of the meeting and, where required, of the purposes for which it was called.

**135. Notice binding on transferees etc.**

A person who becomes entitled to a share by transmission, transfer or otherwise is bound by a notice in respect of that share (other than a notice served by the Company under section 212 of the Act) which, before his name is entered in the register, has been properly served on a person from whom he derives his title.

**136. Notice in case of entitlement by transmission**

Where a person is entitled by transmission to a share, the Company may give a notice or other document to that person as if he were the holder of a share by addressing it to him by name or by the title of representative of the deceased or trustee of the bankrupt member (or by similar designation) at an address in the United Kingdom supplied for that purpose by the person claiming to be entitled by transmission. Until an address has been supplied, a notice or other document may be given in any manner in which this it might have been given if the death or bankruptcy or other event had not occurred. The giving of notice in accordance with this article is sufficient notice to all other persons interested in the share.

**DESTRUCTION OF DOCUMENTS**

**137. Destruction of documents**

- (A) The Company may destroy:

- (i) a share certificate which has been cancelled at any time after one year from the date of cancellation;
  - (ii) a mandate for the payment of dividends or other amounts or a variation or cancellation of a mandate or a notification of change of name or address at any time after two years from the date the mandate, variation, cancellation or notification was recorded by the Company;
  - (iii) an instrument of transfer of shares (including a document constituting the renunciation of an allotment of shares) which has been registered at any time after six years from the date of registration; and
  - (iv) any other document on the basis of which any entry in the register is made at any time after six years from the date an entry in the register was first made in respect of it.
- (B) It is presumed conclusively in favour of the Company that every share certificate destroyed was a valid certificate validly cancelled, that every instrument of transfer destroyed was a valid and effective instrument duly and properly registered and that every other document destroyed was a valid and effective document in accordance with the recorded particulars in the books or records of the Company, but:
- (i) the provisions of this article apply only to the destruction of a document in good faith and without express notice to the Company that the preservation of the document is relevant to a claim;
  - (ii) nothing contained in this article imposes on the Company liability in respect of the destruction of a document earlier than provided for in this article or in any case where the conditions of this article are not fulfilled; and
  - (iii) references in this article to the destruction of a document include reference to its disposal in any manner.

## WINDING UP

### 138. Winding up

On a voluntary winding up of the Company the liquidator may, on obtaining any sanction required by law, divide among the members in kind the whole or any part of the assets of the Company, whether or not the assets consist of property of one kind or of different kinds. For this purpose the liquidator may set the value he deems fair on a class or classes of property, and may determine on the basis of that valuation and in accordance with the then existing rights of members how the division is to be carried out between members or classes of members. The liquidator may not, however, distribute to a member without his consent an asset to which there is attached a liability or potential liability for the owner.

## INDEMNITY

139. Indemnity

- (A) Subject to the Acts, but without prejudice to an indemnity to which he may otherwise be entitled, every officer of the Company shall be indemnified out of the assets of the Company against all costs, charges, losses and liabilities incurred by him in the execution of his duties or the exercise of his powers, authorities and discretions including (without prejudice to the generality of the foregoing) a liability incurred:
- (a) defending proceedings (whether civil or criminal) in which judgment is given in his favour or in which he is acquitted, or which are otherwise disposed of without a finding or admission of material breach of duty on his part, or
  - (b) in connection with any application in which relief is granted to him by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the Company.
- (B) The board may exercise all the powers of the Company to purchase and maintain insurance for the benefit of a person who is an officer or employee, or former officer or employee, of the Company or of a company which is a subsidiary of the Company or in which the Company has an interest (whether direct or indirect), or who is or was trustee of a retirement benefits scheme or another trust in which an officer or employee or former officer or employee is or has been interested, indemnifying him against liability for negligence, default, breach of duty or breach of trust or another liability which may lawfully be insured against by the Company.

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**NAMES AND ADDRESSES OF SUBSCRIBERS**

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**DATED this 9th day of November, 1992.**

**WITNESS to the above signatures:**

**DENISE WEST**  
200 Aldersgate Street  
London EC1A 4JJ

**RMP\$02C3.30**