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**KINGSTON NETWORK HOLDINGS LIMITED**

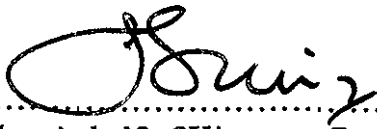
**Written Resolution of the Shareholder of the Company pursuant to section 381A of the Companies Act 1985 (as amended by the Companies Act 1989).**

I, being the sole Member of the above Company who at the date of the Special Resolution set out below is to be regarded as being entitled to attend and vote on such Resolution if it had been proposed in General Meeting of the Company, **HEREBY PASS** the following Special Resolution:-

**SPECIAL RESOLUTION**

That the regulations contained in the printed document now produced to me and signed by me for the purpose of identification be and are hereby adopted as the Articles of Association of the Company in substitution for and to the exclusion of all existing Articles of Association.

Dated this 3rd day of November 1998

 Company Secretary.

For and on behalf of Kingston Communications (Hull) PLC



Company Number: 3510105

*This is the document referred to in  
the written resolution of Kingston  
Network Holdings Limited dated  
3rd November 1998.*

THE COMPANIES ACTS 1985 to 1989

*J. Smith  
Secretary.*

PRIVATE COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

of

KINGSTON NETWORK HOLDINGS LIMITED

(Adopted by Special Resolution  
passed on the 3rd day of ~~October~~ 1998) *Jeb.*  
~~November~~

## PRELIMINARY

1. In these articles "Parent Company" means the holder or holders of a majority in nominal value of the shares in the capital of the Company for the time being in issue.
2. The regulations contained in Table A in the Companies (Tables A to F) Regulations 1985 as amended by the Companies (Tables A to F) Amendment Regulations 1985 (such Table being hereinafter called "Table A") shall apply to the Company save in so far as they are excluded or varied hereby; that is to say Regulations 24, 64, 73 to 81 (inclusive), 87, 94, 95, 97 and 118 in Table A shall not apply to the Company; and in addition to the remaining Regulations in Table A as varied by these Articles, the following shall be the regulations of the Company.
3. Words and expressions defined in Table A shall have the same meanings when used in these Articles.

## SHARE CAPITAL

4. The share capital of the Company at the date of the adoption of these Articles is £1,000 divided into 1,000 Ordinary shares of £1 each.

## TRANSFER OF SHARES

5. No share may be transferred or registered in the name of any person not already a member of the Company unless such transfer or registration has been previously sanctioned by the written consent of the Parent Company.
6. Every transfer of a share shall:-

- (a) be lodged at the Registered Office or at such other place as the Directors may appoint and be accompanied by the certificate for the shares to which it relates and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer;
- (b) be in respect of only one class of shares; and
- (c) be in favour of not more than four transferees

7. Notwithstanding anything contained in these Articles:-

- (a) any pre-emption rights conferred on existing members by these Articles or otherwise shall not apply to, and
- (b) the directors shall not decline to register, nor suspend registration of,

any transfer of shares where such transfer is:-

- (i) in favour of any bank or institution (or any nominee or nominees of such a bank or institution) to whom such shares are being transferred by way of security, or
- (ii) duly executed by any such bank or institution (or any such nominee or nominees) to whom such shares (including any further shares in the Company acquired by reason of its holding of such shares) shall have been transferred as aforesaid, pursuant to the power of sale under such security

and a certificate by any official of such bank or institution that the shares are or are to be subject to such a security and the transfer is executed in accordance with the provisions of this Article shall be conclusive evidence of such facts

Any lien on shares which the Company has shall not apply in respect of any shares which have been charged by way of security to a bank or financial institution or a subsidiary of a bank or financial institution

## GENERAL MEETINGS

- 8. (a) Regulation 40 of Table A shall apply to the Company as if there were added at the end thereof the words "provided that in the case of a separate meeting of the holders of any class of shares all of which are registered in the name of one person that person present in person or by proxy shall constitute a quorum".
- (b) A member holding more than one share in the Company may appoint different proxies in respect of different shares held by him to attend on any occasion or to do any act which a proxy may attend or do on his

behalf but not more than one proxy shall be appointed in respect of each share.

Where a member appoints more than one proxy he shall state in each instrument of appointment the number of shares in respect of which the proxy thereby appointed is appointed. Regulation 59 of Table A shall be modified accordingly.

9. Any Director (whether alone or together with any other Director) may whenever he thinks fit call general meetings of the Company. Such Director shall have full power and authority to prepare a notice of such meetings and to give such notice to members (in accordance with the provisions of these Articles relating to the giving of notices).

Regulation 38 of Table A shall be construed accordingly and (without limitation to the provisions of Regulation 38 relating to meetings called by short notice) any such meeting may be called by shorter notice (than that specified in Regulation 38) if it is so agreed:-

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

The Directors and the members shall, if required by the members or any Director who has called such a meeting, ratify the calling of such meeting and the giving of such notice.

## **DIRECTORS**

10. The minimum number of directors is one and, unless otherwise determined by ordinary resolution, the number of directors is not subject to a maximum. A sole director may exercise all the powers and discretions given to the directors by these Articles.
11. (a) The Directors may appoint a person who is willing to act to be a director, either to fill a vacancy or as an additional Director, provided that the appointment does not cause the number of directors to exceed any number fixed by or in accordance with these Articles as the maximum number of Directors. If the appointment of any such Director is not sanctioned at the next Annual General Meeting pursuant to Article 11 (b), he shall vacate office at the conclusion thereof.
- (b) At each Annual General Meeting the appointment of each Director who has been appointed by the Directors in the period since the last Annual General Meeting must be put before the Members for approval.

12. The Directors may also be appointed in writing by the Parent Company which may at any time and from time to time (subject to any maximum and minimum number of Directors permitted by or pursuant to these Articles) by notice in writing appoint any person to be a director or remove any director (whether or not in office at the time when these Articles were adopted and whether or not appointed pursuant to Article 11 (a), this Article or otherwise) with or without appointing another director in his place. Every such appointment and removal shall be in writing signed by the person or persons making the same (or where any such person is a corporation by any officer duly authorised on behalf of such corporation) and left at the registered office of the Company or produced at a Meeting of the Directors of the Company and shall take effect upon being so left or produced.

13. (a) The Directors may procure the establishment and maintenance of any non-contributory or contributory pension or superannuation funds or life insurance schemes for the benefit of, and the grant of donations, gratuities, pensions, allowances, emoluments or benefits to any persons who are or shall have been at any time Directors or officers of or in the employment or service in any capacity of the Company, or of any subsidiary undertaking of the Company or of the predecessors in business of the Company or any subsidiary undertaking of the Company and the wives, widows, widowers, families or dependants of any such persons.

(b) Without prejudice to the provisions of Article 25 the Directors shall have power to purchase and maintain insurance for or for the benefit of any persons who are or were at any time directors, officers or employees of the Company, or of any other company which is its holding company or in which the Company or such holding company or any of the predecessors of the Company or of such holding company has any interest whether direct or indirect or which is in any way allied to or associated with the Company, or of any subsidiary undertaking of the Company or of any such other company, or who are or were at any time trustees of any retirement benefits scheme or employee benefits trust in which employees of the Company or of any such other company or subsidiary undertaking are interested, including (without prejudice to the generality of the foregoing) insurance against any liability incurred by such persons in respect of any act or omission in the actual or purported execution and/or discharge of their duties and/or in the exercise or purported exercise of their powers and/or otherwise in relation to their duties, powers or offices in relation to the Company or any such other company, subsidiary, undertaking, retirement benefits scheme or employee benefits trust.

(c) The Directors may procure any of the matters aforesaid to be done by the Company either alone or in conjunction with any such company as aforesaid.

14. Any director may continue to be or become a director of, or hold any other

office or place of profit under any other company in which the Company may be interested, and no such director shall be accountable for any remuneration, salary, profit or other benefits received by him as a director of, or holder of any other office or place of profit under, or member of, any such other company. The Directors may exercise the voting power conferred by the shares in any company held or owned by the Company in such manner in all respects as they think fit (including the exercise thereof in favour of any resolution appointing themselves or any of them as directors of such company, or voting or providing for the payment of remuneration to the directors of such company) and any directors of the Company may vote in favour of the exercise of such voting rights in manner aforesaid notwithstanding that he may be, or be about to be appointed, a director of such other company, and as such is or may become interested in the exercise of such voting rights in manner aforesaid.

15. A director is not required to hold qualification shares.

#### **ALTERNATE DIRECTORS**

16. Every instrument appointing an alternate director within Regulations 65 to 69 of Table A shall, as nearly as circumstances will admit, be in the following form or to the effect following:-

"I                      a director of                      Limited in pursuance of the power in that behalf contained in Table A as incorporated into the Articles of Association of the Company, do hereby nominate and appoint                      of                      to act as alternate director in my place at any meeting of the Directors which I am unable to attend, and to exercise all my duties as a director of the Company.

As witness my hand this                      day of                      19    ".

#### **DIRECTORS' EXPENSES**

17. Regulation 83 of Table A shall apply to the Company as if the word "shall" was substituted for the word "may" therein.

#### **POWERS AND DUTIES OF DIRECTORS**

18. The Directors shall ensure that, save with the prior consent in writing of the Parent Company, the Company does not:-
- (a) dispose of the whole of its undertaking;
  - (b) dispose of any shares in or other securities of a body corporate which is its subsidiary;
  - (c) dispose of any part of its undertaking or any of its assets (other than

shares or securities within (b) above) where such disposal would or might affect materially the structure of its business or any part of such business, or is otherwise of significance for such business or any part thereof.

19. Regulation 85 of Table A shall apply to the Company as if there were added at the end thereof the following:-

“(d) may vote as a director on any resolution concerning any such transaction or arrangement and if he shall so vote his vote shall be counted; and

(e) shall be counted in the quorum present at a meeting when any such transaction or arrangement is under consideration””.

## **DISQUALIFICATION OF DIRECTORS**

20. The Office of a Director shall be vacated:-

- (a) if by notice in writing to the Company he resigns the office of director;
- (b) if he becomes bankrupt or enters into any arrangement with his creditors;
- (c) if he ceases to be a director by virtue of any provision of the Act or he becomes prohibited by law from being a director;
- (d) if he is, or may be, suffering from mental disorder and either:-
  - (i) he is admitted to hospital in pursuance of an application for admission for treatment under the Mental Health Act 1983 or, in Scotland, an application for admission under the Mental Health (Scotland) Act 1960; or
  - (ii) an order is made by a court having jurisdiction (whether in the United Kingdom or elsewhere) in matters concerning mental disorder for his detention or for the appointment of a receiver, curator bonis or other person to exercise powers with respect to his property or affairs; or
- (e) if he is removed from office by notice pursuant to Article 12; or
- (f) if his appointment is not sanctioned in accordance with Article 11 (b)

## **MEETINGS**

21. Subject always to the provisions of these Articles all or any of the members may participate in any general meeting by means of a conference telephone or

any communication equipment which allows all persons participating in the meeting to hear each other or by a succession of telephone calls from the chairman of the meeting. Any person so participating shall be deemed to be present in person at the meeting and shall be entitled to vote and be counted in a quorum accordingly. Such a meeting shall be deemed to take place where the largest group of those participating is assembled, or, if there is no such group, where the chairman of the meeting is then present.

22. Subject always to the provisions of these Articles all or any of the Directors or any committee thereof may participate in a meeting of the Directors or that committee by means of a conference telephone or any communication equipment which allows all persons participating in the meeting to hear each other or by a succession of telephone calls from the chairman of the meeting. Any person so participating shall be deemed to be present in person at the meeting and shall be entitled to vote and be counted in a quorum accordingly. Such a meeting shall be deemed to take place where the largest group of those participating is assembled, or, if there is no such group, where the chairman of the meeting is then present.

## **MINUTES**

23. Regulation 100 is amended by replacing paragraphs (a) and (b) with "of all proceedings of general meetings and meetings of the directors and of committees of directors".

## **POWERS OF PARENT COMPANY**

24. If the Parent Company shall deliver to the Company a notice in writing signed by a director of the Parent Company or by some other person duly authorised in that behalf and stating that any share of the Company is held by the registered holder thereof as the nominee of the Parent Company (or, in the case of a share registered in the name of a deceased or bankrupt holder, was so held at the time of his death or bankruptcy) and naming some other person as having been authorised by the Parent Company to sign transfers in the place of the holder or the deceased or bankrupt holder, the Directors shall be entitled and bound to give effect to any instrument of transfer of that share signed by the person so named as transferor in all respects as if the instrument were signed by the registered holder of the share or by his personal representatives or trustee in bankruptcy and Article 6 shall not apply to any such transfer.

## **INDEMNITY**

25. Subject to the provisions of and so far as may be consistent with the Act, every Director, Auditor, Secretary or other officer of the Company shall be entitled to be indemnified by the Company out of its own funds against all costs, charges, losses, expenses and liabilities incurred by him in the actual or purported execution and/or discharge of his duties and/or the exercise or



purported exercise of his powers and/or otherwise in relation to or in connection with his duties, powers or office including (without prejudice to the generality of the foregoing) any liability incurred by him in defending any proceedings, civil or criminal, which relate to anything done or omitted or alleged to have been done or omitted by him as an officer or employee of the Company and in which judgment is given in his favour (or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on his part) or in which he is acquitted or in connection with any application under any statute for relief from liability in respect of any such act or omission in which relief is granted to him by the Court.

- (ii) The Directors shall have power to purchase and maintain for Directors, officers or auditor of the Company insurance against any such liability as is referred to in Section 310(1) of the Act.

## ACCOUNTS

- 26. Regulation 109 is amended by replacing "No member shall (as such) have any right of inspecting any accounting records" with "No member, other than the Parent Company (if there is one), shall (as such) have any right of inspecting any accounting records".

## NOTICES

- 27. A notice required by these articles to be given by the Company may be given by any visible form on paper, including facsimile. A notice given by immediate transmission is deemed to have been given at the time that it is transmitted to the person to whom it is addressed. Regulations 111 and 113 are amended accordingly.