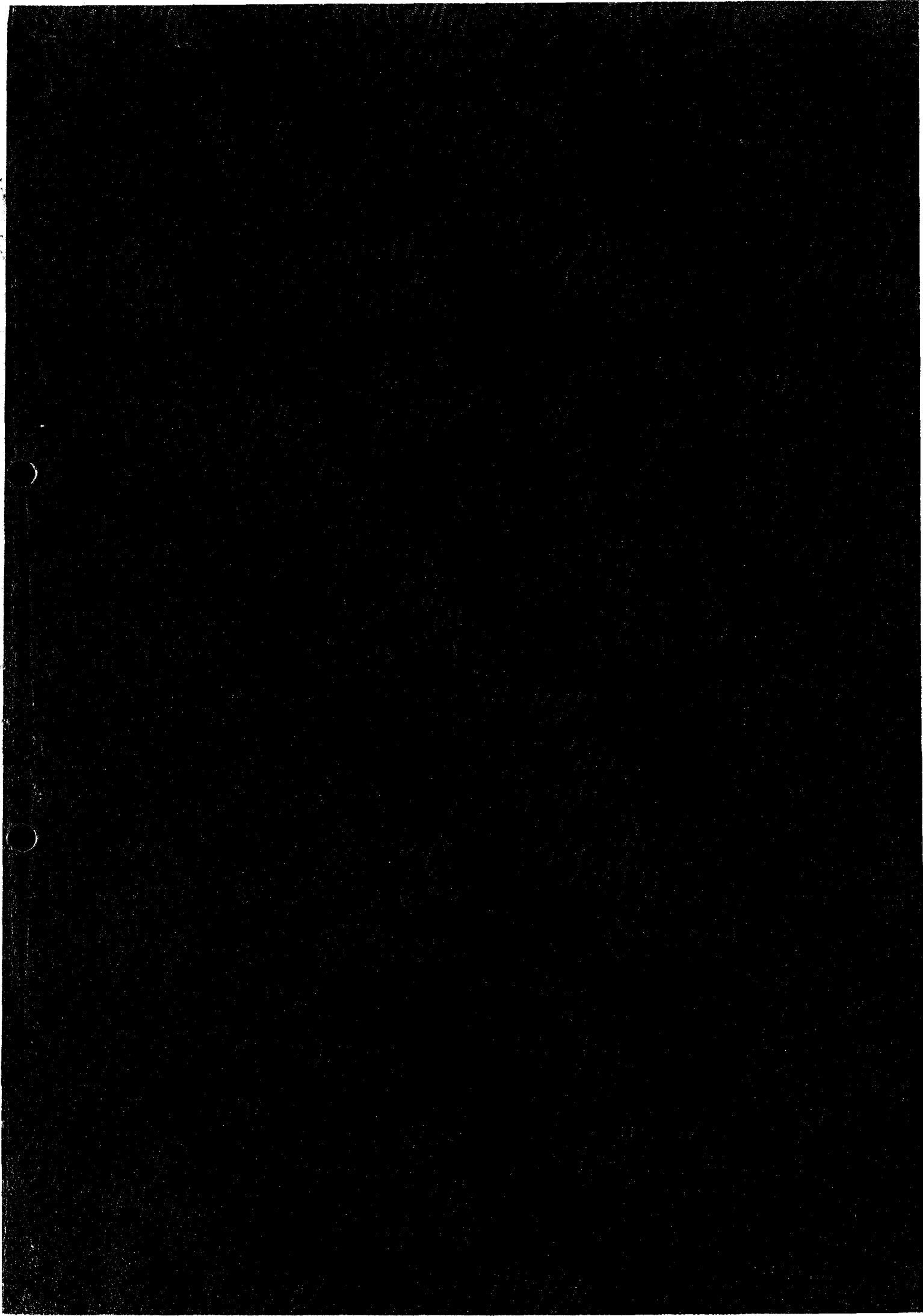


APPENDIX B

Memorandum and Articles of Association of the Press
Standards Board of Finance



THE COMPANIES ACTS 1985 and 1989

A COMPANY LIMITED BY GUARANTEE AND NOT
HAVING A SHARE CAPITAL

MEMORANDUM OF ASSOCIATION

of

THE PRESS STANDARDS BOARD OF FINANCE LIMITED

1. The name of the Company is "THE PRESS STANDARDS BOARD OF FINANCE LIMITED".
2. The registered office of the Company is to be situated in England and Wales.
3. The objects for which the Company is established are:-
 - (1) (i) To collect, whether by a levy on newspaper, periodical and magazine publishers' revenue, or by subscriptions, donations, fixed payments or otherwise, and to administer the application of, funds for the purpose of financing any self-regulatory control system for press standards in the United Kingdom and to promote and develop the same; to assist in the formation, financing and development of the Press Complaints Commission or of any similar self-regulatory systems which may be found to be necessary; to appoint the Chairman of the Press Complaints Commission for such period and upon such terms as may be thought fit and to vary or revoke such *appointment; and generally to support the maintenance and preservation of press standards, the periodic review of the Code of Practice for the Press or any similar code, the adjudication of complaints from the public, the promotion of the freedom of the British Press, the*

- 2 -

provision of information in connection with press standards either to individuals or generally by way of publicity campaigns or otherwise, and all necessary forms of liaison with central and local government departments, consumer organisations, educational bodies, trade associations and with any other relevant organisations to such an extent as may be required from time to time in pursuance of the objects of the Company.

- (ii) To promote the interests of any other company (including without limitation any company which is for the time being the subsidiary, holding company or subsidiary of any holding company of the Company) or person in any manner whatever and in particular by paying or discharging the liabilities thereof or giving any undertaking to do so, by giving any indemnity or guarantee in respect of such liabilities and by giving any security or charge for any such indemnity or guarantee or for the payment of money or performance of obligations by any such company as aforesaid, either with or without consideration and whether or not any benefit flows to the Company other than the promotion of such interests as aforesaid to the intent that the promotion of the interests of any such company as aforesaid shall be an object and not a power of the Company;

- (2) To purchase, take on lease, or in exchange, hire or otherwise acquire any lands, houses, buildings, offices, plant and machinery and other real or personal property and any rights or privileges necessary or convenient for the promotion of the objects of the Company and to erect, construct, lay down, enlarge, alter and maintain any heritable and/or freehold and/or leasehold property necessary or convenient for the purposes of the Company;

- (3) To sell, let, mortgage or otherwise dispose of or turn to account all or any of the property or assets of the Company either together or in portions for such consideration as the Company may think fit and in particular for shares, debentures, debenture stock or securities of any company purchasing the same;
- (4) To undertake and execute any trusts which may lawfully be undertaken by the Company and which may be conducive to its objects;
- (5) To borrow or raise money or secure the payment of money or the observance of obligations in such manner as the Directors shall think fit and for such purposes to mortgage or otherwise charge, by way of fixed security or floating charge or otherwise, the undertaking and all or any of the Company's property, both present and future, and to create, issue, make, draw, accept, endorse, discount and negotiate bills of exchange, cheques, promissory notes or other negotiable or transferable instruments and to operate bank accounts;
- (6) To lend or advance money or give credit with or without security to such persons and companies and on such terms as may be thought fit;
- (7) To invest and reinvest and deal with the funds of the Company not immediately required in such investments or upon such securities or property (whether real or personal) and in such manner as the Company shall think fit and from time to time to vary any such investments and to acquire and hold shares, stocks, debentures, debenture stocks, bonds, securities, obligations or other investments, rights or interests of or in any company or companies or public, local or regional authority or body in the United Kingdom or elsewhere;

- (8) To acquire all or any part of the undertaking, property, business or assets of any person or company possessed of property suitable for any of the purposes of the Company or carrying on or proposing to carry on any business which the Company is authorised to carry on and, as part of the consideration for such acquisition, to undertake all or any of the liabilities of such person or company;
- (9) To promote or establish or concur in promoting or establishing any other company for the purpose of purchasing or taking over all or any of the properties, rights and liabilities of the Company or carrying on any business or operations which the Company is authorised to carry on or for any other purpose which may, directly or indirectly, benefit or advance the objects or interests of the Company and to acquire and hold as investments of the Company or otherwise deal with as may be considered fit any shares, stock, debentures, debenture stock or securities of any such company;
- (10) To amalgamate with or affiliate to the Company or enter into partnership with any person or company carrying on any business or having any objects similar to any of the businesses or objects of the Company or which may, directly or indirectly, benefit or advance the objects or interests of the Company and that in such manner and on such terms and conditions as may be considered to be for the benefit of the Company provided always that any such person or company, shall prohibit payment of any dividend or profit to and the distributions of any of their assets among their Members at least to the same extent as such payments or distributions are prohibited in the case of members of the Company by this Memorandum of Association;

- (11) To promote, subscribe to and assist (whether by the making or granting of gifts, donations, covenants, grants or otherwise) associations, institutions, organisations, companies, societies, clubs, local and public bodies and authorities and other bodies and funds having for their object or which may be expected to result in the advancement, protection, or benefit of the objects of the Company or any of them or any similar object or the benefit or welfare of any persons who are or were at any time in the employment or service of the Company or any other persons in whose welfare the Company is or has been at any time interested and the wives, widows, families and dependants of any persons as aforesaid, to establish, maintain, promote, contribute to, assist and manage or procure or join in the establishment, maintenance and promotion of any contributory or non-contributory insurance, superannuation, pension, provident or other funds or schemes, to purchase annuities for the benefit of or to give or procure the giving of allowances, pensions, gratuities, donations and emoluments to such persons and to make payment for or towards the insurance of any such persons;
- (12) to raise and receive money for the purposes of the Company and, in particular but without limitation to receive and accept by way of gifts, donations, legacies, bequests, grants, subscriptions, levies or otherwise money and property, both real and personal for the purpose of furthering the objects of the Company;
- (13) to undertake and execute any charitable trusts, gratuitously or otherwise, the undertaking whereof may be incidental to the attainment of the objects of the Company or any of them and to establish and support or aid in the establishment and support of

- 6 -

any charitable associations or institutions and to subscribe or guarantee money for charitable purposes in any way connected with the purposes of the Company or calculated to further its objects;

- (14) to print, publish, buy and sell books, magazines and other publications relating to or for the purposes of the Company;
- (15) to receive guarantees from public bodies, corporations, firms or other persons, whether members of the Company or not, guaranteeing sums of money for the purposes of, or in connection with, the carrying out of the objects of the Company or promoting any event pursuant to the objects of the Company or any of them and defraying the expense incurred in promoting any such event or any loss resulting therefrom and that on such terms as the Directors may think fit, and which guarantee may be in favour of the Company or of any bank, corporation, firm or person who shall lend money to the Company;
- (16) to pay all or any expenses incurred in connection with the promotion, formation, incorporation, conduct and winding up of the Company or to contract with any person to pay the same;
- (17) to do all or any of the above things in any part of the world and either as principals, agents or contractors or by or through agencies or otherwise and either alone or in conjunction with another or others; and
- (18) to do all such other acts and things as may be incidental or conducive to the attainment of the objects of the Company or any of them.

Provided that -

- (i) in case the Company shall take or hold any property which may be subject to any trusts, the Company shall only deal with or invest the same in such manner as allowed by law, having regard to such trusts,
- (ii) the objects of the Company shall not extend to the regulation of relations between workers and employers or organisations of workers and organisations of employers,
- (iii) in case the Company shall take or hold any property subject to the jurisdiction of the Charity Commissioners for England and Wales the Company shall not sell, mortgage, charge or lease the same without such authority approval or consent as may be required by law, and as regards any such property the Directors of the Company shall be chargeable for any such property that may come into their hands and shall be answerable and accountable for their own acts, receipts, neglects and defaults, and for the due administration of such property in the same manner and to the same extent as they would as such Directors have been if no incorporation had been effected and the incorporation of the Company shall not diminish or impair any control or authority exercisable by the Chancery Division or the Charity Commissioners over such Directors but they shall as regards any such property be subject jointly and separately to such control or authority as if the Company were not incorporated.

In this Memorandum of Association, unless the context otherwise requires, references to persons shall include companies and other bodies corporate, firms, associations, societies, institutions, organisations, clubs, funds, trusts, district and regional councils and other statutory, local and public bodies and authorities and the

- 8 -

word "company" except where used in reference to the Company shall be deemed to include any partnership or other body or person incorporated or unincorporated and whether domiciled in Great Britain or elsewhere; any word or expression defined in the Companies Act 1985 and any statutory modification or re-enactment thereof shall, if not inconsistent with the subjects or context, bear the same meaning in this Memorandum; and the objects specified in each of the paragraphs of this clause shall be regarded as independent objects and accordingly shall be in no wise limited or restricted by reference to or inference from the terms of any other paragraph or the name of the Company.

4. The income and property of the Company shall be applied solely towards the promotion of its objects as set forth in this Memorandum of Association and no portion thereof shall be paid or transferred directly or indirectly by way of dividend, bonus or otherwise howsoever by way of profit, to members of the Company: Provided that nothing herein shall prevent any payment in good faith by the Company -
 - (a) of reasonable and proper remuneration to any member, agent, officer or servant of the Company for any services rendered to the Company;
 - (b) of interest (at such rate as shall be determined by the Directors of the Company) on money lent to the Company, or of reasonable and proper rent for premises let, by any member of the Company or of its Board of Directors;
 - (c) to a Director of the Company of our-of-pocket expenses.
5. The liability of the members is limited.

6. (a) Every member of the Company undertakes to contribute to the Company's assets if it should be wound up while he is a member or within one year after he ceases to be a member for payment of the Company's debts and liabilities contracted before he ceases to be a member, and of the costs, charges and expenses of winding up, and for the adjustment of the rights of the contributories among themselves, such amount as may be required not exceeding one pound (£1);
- (b) If upon the winding up or dissolution of the Company there remains after the satisfaction of all its debts and liabilities any property whatsoever the same shall not be paid to or distributed among the members of the Company but shall be given or transferred to some other institution or person or institutions or persons having objects similar to the objects of the Company and which prohibit the distribution of its or their income or property amongst its or their members, to an extent at least as great as is imposed on the Company under or by virtue of Clause 4 hereof, such company or institution or companies or institutions to be determined by the members of the Company at or before the time of dissolution. If and in so far as effect cannot be given to the foregoing provisions, the said property

- 10 -

shall be given or transferred to some other charitable object determined as aforesaid.

WE, subscribers to this Memorandum of Association, wish to be formed into a Company pursuant to this Memorandum;

NAMES, ADDRESSES AND DESCRIPTIONS OF SUBSCRIBERS

J.E. LePAGE, Sans Souci, Doddinghurst Road, Doddinghurst, Brentwood, Essex, Director, THE NEWSPAPER PUBLISHERS ASSOCIATION

D. NISBET-SMITH, 19 Highgate Close, Hampstead Lane, London, Director, THE NEWSPAPER SOCIETY

I.R. LOCKS, 2 Potters Close, Loughton, Essex, Director, PERIODICAL PUBLISHERS ASSOCIATION

A. GRAHAME THOMSON, 38 Fruin Court, Newton Mearns, Glasgow, Director, THE SCOTTISH DAILY NEWSPAPER SOCIETY

J.B. RAEBURN, 50 Ulster Crescent, Edinburgh, Director, SCOTTISH NEWSPAPER PUBLISHERS' ASSOCIATION

Dated the Eighth day of October, 1990

Witness to the above signatures:-

DAVID NEWELL
Solicitor,
Bloomsbury House,
Bloomsbury Square,
London.

THE COMPANIES ACTS 1985 and 1989
COMPANY LIMITED BY GUARANTEE AND NOT HAVING A SHARE CAPITAL

ARTICLES OF ASSOCIATION
of
THE PRESS STANDARDS BOARD OF FINANCE LIMITED

INTERPRETATION

1. In these Articles -
 - (a) "the Act" means the Companies Act 1985 including any statutory modification or re-enactment thereof for the time being in force;
 - (b) "clear days" in relation to the period of a notice means that period excluding the day when the notice is given or deemed to be given and the day for which it is given or on which it is to take effect;
 - (c) "the Company" means "The Press Standards Board of Finance Limited";
 - (d) "the Directors" means the directors of the Company from time to time;
 - (e) "Founding Organisations" means those organisations listed in Article 3 hereof, being the founding organisations of the Company;
 - (f) "the office" means the registered office of the Company from time to time;

- 2 -

- (g) "the Seal" means the Common Seal of the Company;
- (h) "member" means a member of the Company and "members" means the members of the Company from time to time;
- (i) "the Seal" means the Common Seal of the Company;
- (j) "the Secretary" means any person appointed to perform the duties of the Secretary of the Company including a joint, assistant or deputy secretary;
- (k) "the United Kingdom" means Great Britain and Northern Ireland;
- (l) words and expressions referring to writing shall, unless the contrary intention appears, be construed as including references to printing, lithography, photography, and other modes of representing or reproducing words in a visible form;
- (m) unless the context otherwise requires, words and expressions shall bear the same meaning as in the Act as in force at the date on which these Articles become binding on the Company;
- (n) words denoting persons shall include companies and other bodies corporate, firms, associations, societies, institutions, organisations, funds, trusts, district and regional councils and other statutory, local and public bodies and authorities;
- (o) words denoting any gender shall include all other genders;
- (p) words denoting the singular number only shall include the plural number, and vice versa;
- (q) headings are inserted for ease of reference and shall not affect interpretation.

PRELIMINARY

2. The regulations contained in Table C in the Schedule to the Companies (Tables A to F) Regulations 1985 shall not apply to the Company.

MEMBERS

3. A register of the members of the Company for the time being shall be kept by the Secretary and shall contain each member's name, address and date of admission as a member and shall, in so far as applicable, comply with the provisions of Section 352 of the Act.
4. The rights and privileges of membership shall be personal and incapable of transfer by the act of any member or by operation of law. The membership of any individual member shall cease upon the death of such member.
5. (a) The organisations listed below are the Founding Organisations of the Company and each such Founding Organisation shall be entitled at any time and from time to time to nominate and appoint any person or persons to be members of the Company provided that the number of persons so appointed by each such Founding Organisation shall not at any time exceed the number set opposite its name below:-

<u>FOUNDING ORGANISATION</u>	<u>NUMBER OF MEMBERS</u>
The Newspaper Publishers Association Limited	3
The Newspaper Society	3
Periodical Publishers Association	2
The Scottish Daily Newspaper Society	1
Scottish Newspaper Publishers' Association	1
Association of Free Newspapers Limited	1

- 4 -

In the event of the withdrawal or termination of membership of any member appointed pursuant to this Article 5 the Founding Organisation who appointed such member shall, in accordance with the provisions of this Article 5, be entitled to appoint a replacement therefor.

- (b) The subscribers to the Memorandum of Association, having each been duly nominated by a Founding Organisation, shall be the first members of the Company.
- (c) Every appointment of a member pursuant to the provisions of this Article 5 (other than the appointment of the subscribers to the Memorandum) shall be effected by the delivery to the Secretary at the address notified by the Secretary to the Company for this purpose of the following documents:-
 - (i) an instrument in writing signed under the hand of an official of, or other person duly authorised on behalf of, the Founding Organisation making such appointment, giving the name and address of the appointee and the name of the appointing Founding Organisation; and
 - (ii) a written application for membership signed by the said appointee in such form as shall be required by the Directors from time to time

and such appointment shall take effect as from the last time of delivery of such documents.

- 6. (a) Subject to paragraph (c) of this Article 6, the members of the Company shall have the right at any time and from time to time by ordinary resolution to admit additional persons to membership of the Company and to decide in their absolute discretion the manner in which such members shall be selected.

- (b) Subject to paragraph (c) of this Article 6, the Chairman of the Board of Directors of the Company from time to time shall be entitled to become a member. The membership of any such person shall, unless waived in writing by all the other members, terminate on date upon which such person ceases to be the Chairman of the Board of Directors.
 - (c) Every person who wishes to become a member shall deliver to the Secretary (at the address notified by the Secretary to the Company for this purpose) an application for membership in such form as shall be required by the Directors from time to time.
7. (a) Any member of the Company may withdraw from the Company by giving not less than six months prior notice in writing to that effect addressed and delivered to the Secretary at the office (or such other place as shall have been notified by the Secretary to the Company for this purpose) and, upon the expiry of 6 months from the date on which such notice is so delivered, he shall cease to be a member.
- (b) The directors shall be entitled in their absolute discretion without assigning any reason therefor to terminate the membership of any member at any time by giving written notice to that effect to the member.
8. Any person ceasing to be a member (for any reason) shall nevertheless remain subject to the liability imposed by Clause 6(a) of the Memorandum of Association of the Company.

GENERAL MEETINGS

9. The Company shall in each year hold a general meeting as its annual general meeting in addition to any other meetings in that year, and

- 6 -

shall specify the meeting as such in the notices calling it; and not more than fifteen months shall elapse between the date of one annual general meeting of the Company and that of the next. Provided that so long as the Company holds its first annual general meeting within eighteen months of its incorporation, it need not hold it in the year of its incorporation or in the following year. The annual general meeting shall be held at such time and place as the Directors shall appoint.

10. All general meetings other than annual general meetings shall be called extraordinary general meetings.
11. The Directors may, whenever they think fit, convene an extraordinary general meeting, and extraordinary general meetings shall also be convened by such requisition or, in default, may be convened by such requisitionists, as provided by Section 368 of the Act. If at any time there are not within the United Kingdom sufficient Directors capable of acting to form a quorum, any Director or any two members of the Company may convene an extraordinary general meeting in the same manner as nearly as possible as that in which meetings may be convened by the Directors.

NOTICE OF GENERAL MEETINGS

12. An annual general meeting and a meeting called for the passing of a special resolution shall be called by at least twenty one clear days' notice in writing, and a meeting of the Company other than an annual general meeting or a meeting for the passing of a special resolution shall be called by at least fourteen clear days' notice in writing. The notice shall specify the place, the day and the hour of the meeting and, in the case of special business the general nature of that business and shall be given, in manner hereinafter mentioned or in such other manner, if any, as may be prescribed by the Company in

general meeting, to such persons as are entitled to receive such notice under these Articles. Provided that a meeting of the Company shall, notwithstanding that it is called by shorter notice than that specified in this Article, be deemed to have been duly called if it is so agreed -

- (a) in the case of a meeting called as the annual general meeting, by all the members entitled to attend and vote thereat; and
- (b) in the case of any other meeting, by a majority in number of the members having a right to attend and vote at the meeting, being a majority together representing not less than ninety five per cent of the total voting rights at that meeting of all the members.

13. The accidental omission to give notice of a meeting to, or the non-receipt of notice of a meeting by, any person entitled to receive notice shall not invalidate the proceedings at that meeting.

PROCEEDINGS AT GENERAL MEETINGS

14. All business shall be deemed special that is transacted at an extraordinary general meeting, and also all that is transacted at an annual general meeting, with the exception of:- (i) the consideration of the accounts and balance sheet and the reports of the Directors and Auditors; (ii) the appointment of, and the fixing of the remuneration of, the Auditors; and (iii) the election of Directors in the place of those retiring.
15. No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business; save as herein otherwise provided, three members present in person or by proxy shall be a quorum.

- 8 -

16. If within half an hour from the time appointed for the meeting a quorum is not present, the meeting, if convened upon the requisition of members, shall be dissolved; in any other case it shall stand adjourned to the same day in the next week, at the same time and place, or to such other day and at such other time and place as the Directors may determine, and if at such adjourned meeting a quorum is not present within half an hour from the time appointed for holding the meeting the members present shall be a quorum.
17. The Chairman, if any, of the Board of Directors of the Company shall preside as Chairman at every general meeting of the Company or, if there is no such Chairman or if he shall not be present within fifteen minutes after the time appointed for the holding of the meeting or is unwilling to act the Directors present shall elect one of their number to chair the meeting.
18. If at any meeting no Director is willing to act as Chairman or if no Director is present within fifteen minutes after the time appointed for holding the meeting, the members present shall choose one of their number to be Chairman of the meeting.
19. The Chairman may, with the consent of any meeting at which a quorum is present (and shall if so directed by the meeting), adjourn the meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. Save as aforesaid it shall not be necessary to give any notice of an adjournment or of the business to be transacted at any adjourned meeting.

20. At any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands) demanded -

(a) by the Chairman; or

(b) by any member present in person or by proxy and entitled to vote at the meeting.

Unless a poll is so demanded a declaration by the Chairman that a resolution has on a show of hands been carried or carried unanimously, or by a particular majority or lost and an entry to that effect in the book containing the minutes of the proceedings of the Company shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution.

The demand for a poll may, before the poll is taken, be withdrawn and a demand so withdrawn shall not invalidate the result of a show of hands declared before the demand was made.

21. If a poll is duly demanded it shall be taken in such manner as the Chairman directs, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.

22. In the case of an equality of votes, whether on a show of hands or on a poll, the Chairman of the meeting at which the show of hands takes place or at which the poll is demanded, shall be entitled to a casting vote in addition to any other vote he may have.

23. A poll demanded on the election of a Chairman or on a question of adjournment, shall be taken forthwith. A poll demanded on any other question shall be taken at such time as the Chairman of the meeting directs, and any business other than that upon which a poll has been demanded may be proceeded with pending the taking of the poll. No

notice need be given of a poll not taken forthwith 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.

24. Subject to the provisions of the Act, a resolution in writing signed by or on behalf of all the members for the time being entitled to receive notice of and to attend and vote at general meetings shall be as valid and effective as if the same had been passed at a general meeting of the Company duly convened and held. Any such resolution in writing may consist of one or more documents in like form each signed by one or more members.

VOTES OF MEMBERS

25. At a general meeting of the Company every member who is present in person or by proxy or by a representative authorised pursuant to Article 26 shall have one vote on a show of hands or upon a poll.
26. Any person (not being an individual) who is a member of the Company may give written authority (under the hand of an official or other person duly authorised) to such person as it thinks fit to act as its representative at any meeting of the Company, and the person so authorised shall be entitled to exercise the same powers on behalf of the person which he represents as that person could exercise if it were an individual member of the Company.
27. On a poll votes may be given either personally or by proxy.
28. The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorised in writing or, if the appointer is not an individual, either under seal or under the hand of an official or of another person duly authorised. A proxy need not be a member of the Company.

29. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited at the office or at such other place within the United Kingdom as is specified for that purpose in the notice convening the meeting, not less than forty eight hours before the time appointed for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than twenty four hours before the time appointed for the taking of the poll, and in default the instrument of proxy shall not be treated as valid.

30. (a) An instrument appointing a proxy shall be in the following form or a form as near as thereto as circumstances admit:-

"The Press Standards Board of Finance Limited

I/WE, _____ of _____
 in the county of _____, being a
 member/members of the above named Company, hereby appoint
 _____ of _____ or failing
 him _____ of _____
 as my/our proxy to vote for me/us
 on my/our behalf at the [Annual or Extraordinary, as the case
 may be] General Meeting of the Company to be held on the
 _____ day of _____ 19 _____, and at any
 adjournment thereof.
 Signed this _____ day of _____ 19 _____."

(b) Where it is desired to afford members an opportunity of voting for or against a resolution the instrument appointing a proxy

- 12 -

shall be in the following form or a form as near thereto as circumstances admit:-

"The Press Standards Board of Finance Limited."

I/WE, _____ of _____ in
the county of _____, being a member/members of
the above named Company, hereby appoint
of _____ or failing him _____ of
_____ as my/our proxy to vote for me/us on
my/our behalf at the [Annual or Extraordinary, as the case may
be] General Meeting of the Company, to be held on the
_____ day of _____ 19 _____, and at
any adjournment thereof. Signed this _____ day of
19 _____.

This form is to be used *in favour of the resolution. Unless
against
otherwise instructed, the proxy will vote as he thinks fit.
*Strike out whichever is not desired."

31. An instrument appointing a proxy shall be in any common form or in such other form as the Directors shall approve.
32. The instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll.
33. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the principal or revocation of the proxy or of the authority under which the proxy was executed, provided that no intimation in writing of such death, insanity or revocation as aforesaid shall have been received by the Company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used.

34. No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is tendered, and every vote not disallowed at the meeting shall be valid. Any objection made in due time shall be referred to the chairman whose decision shall be final and conclusive.

DIRECTORS

35. Unless otherwise determined by ordinary resolution of the members, the number of Directors (other than alternate Directors) shall not be subject to any maximum and shall not be less than four. A Director need not be a member of the Company. The first Directors of the Company shall be appointed by the Founding Organisations each of which shall be entitled to appoint the number of Directors set opposite such Founding Organisation's name in Article 5(a) hereof.
36. Each Director shall be entitled to receive notice of and to attend and speak at every general meeting of the Company.
37. Any person of 18 years of age or greater age without limitation may be appointed a Director of the Company.
38. (a) The Directors may be paid all reasonable travelling, hotel and other expenses properly incurred by them in attending and returning from meetings of the Directors or any committee of the Directors or general meetings of the Company or in connection with the business of the Company.
- (b) The Directors shall be entitled to such remuneration as the Company may by ordinary resolution determine and, unless the resolution provides otherwise, the remuneration shall be deemed to accrue from day to day.

VACATION OF DIRECTORSHIPS

39. The office of a Director shall be vacated if -
- (a) he ceases to be a director by virtue of any provision of the Act or he becomes prohibited by law from being a director; or
 - (b) he becomes bankrupt or makes any arrangement or composition with his creditors generally; or
 - (c) he 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 1984, 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
 - (d) he resigns his office by notice in writing delivered to the registered office of the Company; or
 - (e) he shall for more than six consecutive months have been absent without permission of the Directors from meetings of the Directors held during that period and the Directors resolve that his office be vacated.

DIRECTORS' INTERESTS AND VOTING

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40. (a) No Director shall be disqualified by his office from contracting with the Company whether as vendor, purchaser or otherwise nor from holding any office (except that of Auditor) under or from being employed by the Company nor shall any such contract, office or employment or any contract or arrangement entered into by or on behalf of the Company or any other matter in which any Director shall be in any way interested be avoided or affected by reason of such Director holding that office or of the fiduciary relationship thereby established and any Director so contracting, holding office or being employed or being so interested shall be counted in the quorum present at any meeting of the Directors and shall not be liable to account to the Company for any profit realised by any such contract arrangement or matter but (a) the nature of his interest must be disclosed in the manner provided by Section 317 of the Act and (b) he shall not be entitled to vote in respect of any contract arrangement or matter in which he has, directly or indirectly an interest or duty which is material and which conflicts or may conflict with the interests of the Company and, if he does vote, his vote shall not be counted.
- (b) The Company may by ordinary resolution suspend or relax to any extent, either generally or in respect of any particular matter, any provision of these Articles prohibiting a Director from voting at a meeting of Directors or of a committee of Directors.
- (c) Where proposals are under consideration concerning the appointment of two or more Directors to offices or employments with the Company or any body corporate in which the Company is interested the proposals may be divided and considered in relation to each Director separately and (provided that he is not for another reason precluded from voting) each of the Directors concerned shall be entitled to vote and be counted in

- 16 -

a quorum in respect of each resolution except that concerning his own appointment.

- (d) If a question arises at a meeting of Directors or of a committee of Directors as to the right of a Director to vote, the question may, before the conclusion of the meeting, be referred to the Chairman of the meeting and his voting in relation to any Director other than himself shall be final and conclusive.

41. For the purposes of Article 40 -

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

ALTERNATE DIRECTORS

42. Any Director (other than an alternate Director) may appoint any person willing to act, to be an alternate Director and may remove from office an alternate Director so appointed by him.

43. An alternate Director shall be entitled to receive notice of all meetings of Directors and of all meetings of committees of Directors of which his appointor is a member, to attend and vote at any such meeting at which the Director appointing him is not personally present, and generally to perform all the functions of his appointor as a Director in his absence but shall not be entitled to receive any

remuneration from the company for his services as an alternate Director. But it shall not be necessary to give notice of such a meeting to an alternate Director who is absent from the United Kingdom.

44. An alternate Director shall cease to be an alternate Director if his appointor ceases to be a Director; but if a Director retires by rotation or otherwise but is reappointed or deemed to have been reappointed at the meeting at which he retires, any appointment of an alternate Director made by him which was in force immediately prior to his retirement shall continue after his reappointment.
45. Any appointment or removal of an alternate Director shall be by notice to the company signed by the Director making or revoking the appointment or in any other manner approved by the Directors.
46. Save as otherwise provided in the Articles, an alternate Director shall be deemed for all purposes to be a Director and shall alone be responsible for his own acts and defaults and he shall not be deemed to be the agent of the Director appointing him.

POWERS AND DUTIES OF DIRECTORS

47. The business and affairs of the Company shall be managed by the Directors, who may pay all expenses incurred in the formation of the Company, and may exercise all such powers of the Company (including, in particular, but without prejudice to the foregoing generality the power to borrow or raise or secure the payment of money) as are not, by the Act or by these Articles, required to be exercised by the Company in general meeting, subject nevertheless to the provisions of the Act and these Articles and to such regulations as may be prescribed by the Company in general meeting; but no regulation made by the Company in general meeting shall invalidate any prior act of the Directors which would have been valid if that regulation had not been made.

48. The Directors may, by power of attorney or otherwise, appoint any person to be the agent of the Company for such purposes and on such conditions as they determine, including authority for the agent to delegate all or any of its powers.
49. All cheques, promissory notes, drafts, bills of exchange and other negotiable instruments, and all receipts for moneys paid to the Company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, in such manner as the Directors shall from time to time determine.

DELEGATION OF DIRECTORS' POWERS

50. The Directors may delegate any of their powers to any committee consisting of one or more Directors as they think fit. They may also delegate to any managing director or any director holding any other executive office such of their powers as they consider desirable to be exercised by him. Any such delegation may be made subject to any conditions the Directors may impose, and either collaterally with or to the exclusion of their own powers and may be revoked or altered. Subject to any such regulations, the proceedings of a committee with two or more members shall be governed by the Articles regulating the proceedings of Directors so far as they are capable of applying.

DIRECTORS' APPOINTMENTS

51. Subject to the provisions of the Act, the Directors may appoint one or more of their number to the office of managing director or to any other executive office under the Company and may enter into an agreement or arrangement with any Director for his employment by the Company or the provision by him of any services outside the scope of the ordinary duties of a Director. Any such appointment, agreement or arrangement may be made upon such terms as the Directors may determine and they may remunerate any such Directors for his services

as they think fit.

DIRECTORS' GRATUITIES AND PENSIONS

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

APPOINTMENT AND RETIREMENT OF DIRECTORS

53. At the first annual general meeting of the Company and at every subsequent annual general meeting one-third of the Directors who are subject to retirement by rotation or, if their number is not three or a multiple of three, the number nearest to one-third shall retire from office; but, if there is only one director who is subject to retirement by rotation, he shall retire.
54. Subject to the provisions of the Act, the Directors to retire by rotation shall be those who have been longest in office since their last appointment or reappointment, but as between persons who became or were last reappointed Directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot. A retiring Director shall be eligible for reappointment.
55. If the Company, at the meeting at which a Director retires by rotation, does not fill the vacancy the retiring Director shall, if

- 20 -

willing to act, be deemed to have been reappointed unless at the meeting it is resolved not to fill the vacancy or unless a resolution for the reappointment of such Director is put to the meeting and lost.

56. No person other than a Director retiring by rotation shall be appointed or reappointed a Director at any general meeting unless -
- (a) he is recommended by the Directors; or
 - (b) not less than fourteen nor more than thirty five clear days before the date appointed for the meeting, notice signed by a member qualified to vote at the meeting has been given to the Company of the intention to propose that person for appointment or reappointment stating the particulars which would, if he were so appointed or reappointed, be required to be included in the Company's register of Directors together with notice executed by that person of his willingness to be appointed or reappointed.
57. Not less than seven nor more than twenty-eight clear days before the date appointed for holding a general meeting notice shall be given to all who are entitled to receive notice of the meeting of any person (other than a Director retiring by rotation at the meeting) who is recommended by the Directors for appointment or reappointment as a Director at the meeting or in respect of whom notice has been duly given to the Company of the intention to propose him at the meeting for appointment or reappointment as a Director. The notice shall give the particulars of that person which would, if he were so appointed or reappointed, be required to be included in the Company's register of Directors.
58. Subject as aforesaid, the Company may by ordinary resolution appoint a person who is willing to act to be a Director either to fill a vacancy or as an additional director and may also determine the

rotation in which any additional Directors are to retire.

9. 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. Any Director appointed under this Article shall hold office only until the annual general meeting following next after his appointment, when he shall retire, but shall be eligible for re-election. A Director so appointed shall not be taken into account in determining the Directors who are to retire by rotation at the meeting.

10. Subject as aforesaid, a Director who retires at an annual general meeting may, if willing to act, be reappointed. If he is not reappointed, he shall retain office until the meeting appoints someone in his place, or if it does not do so, until the end of the meeting.

The Company may from time to time by ordinary resolution increase or reduce the number of Directors, and determine in what rotation such increased or reduced number shall go out of office, and may make the appointments necessary for effecting any increase.

PROCEEDINGS OF DIRECTORS

The Directors may meet together for the despatch of business, adjourn, and (subject to the provisions of these Articles) otherwise regulate their meetings, as they think fit. Questions arising at any meeting shall be decided by a majority of votes and in the case of an equality of votes, the Chairman shall have a second or casting vote. A Director may, and the Secretary on the requisition of a Director shall, at any time summon a meeting of the Directors. It shall not be necessary to give notice of a meeting of the Directors to any Director for the time being absent from the United Kingdom. A Director who is also an alternate Director shall be entitled in the absence of his appointor to a separate vote on behalf of his appointor in addition to his own vote.

63. The quorum necessary for the transaction of the business of the Directors may be fixed by the Directors and unless so fixed at any other number shall be three. A person who holds office as an alternate Director shall, if his appointee is not present be counted in a quorum.
64. The continuing Directors may act notwithstanding any vacancy in their number, but, if and so long as their number is reduced below the number fixed by or pursuant to the Articles of the Company as the necessary quorum of Directors, the continuing Directors or Director may act for the purpose of increasing the number of Directors to that number, or of summoning a general meeting of the Company, but for no other purpose.
65. The Directors shall from time to time elect a Chairman of the Board of Directors and may at any time remove him from that office. Unless he is unwilling to do so, the Director appointed shall preside at every meeting of Directors at which he is present. But, if no such Chairman be elected, or if at any meeting the Chairman is not present within fifteen minutes after the time appointed for holding the same, the Directors present may choose one of their number to be Chairman of the meeting.
66. All acts bona fide done by any meeting of the Directors or of a committee of Directors or by any person acting as a Director, shall notwithstanding that it be afterwards discovered that there was some defect in the appointment of any such Director or person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such person had been duly appointed and was qualified to be a Director.
67. A resolution in writing signed by all the Directors for the time being entitled to receive notice of a meeting of the Directors, shall be as valid and effectual as if it had been passed at a meeting of

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the Directors duly convened and held and may consist of several documents in like form each signed by one or more Directors; but a resolution signed by his appointor and, if it is signed by a Director who has appointed an alternate Director, it need not be signed by the alternate Director in that capacity.

SECRETARY

68. Subject to the provisions of the Act, the Secretary shall be appointed by the Directors for such term, at such remuneration (if any) and upon such conditions as they may think fit and any Secretary so appointed may be removed by them.
69. A provision of the Act or these Articles requiring or authorising a thing to be done by or to a Director and the Secretary shall not be satisfied by its being done by or to the same person acting both as Director and as, or in place of, the Secretary.

MINUTES

70. The Directors shall cause Minutes to be made in books provided for the purpose -
- (a) of all appointments of officers made by the Directors;
 - (b) of the names of the Directors present at each meeting of the Directors and of any committee of the Directors;
 - (c) of all resolutions and proceedings at all meetings of the Company, and of the Directors, and of committees of Directors.

THE SEAL

71. The Directors shall provide for the safe custody of the Seal, which shall only be used by the authority of the Directors or of a

committee of the Directors authorised by the Directors in that behalf, and every instrument to which the Seal shall be affixed shall be signed by a Director and shall be countersigned by the Secretary or by a second Director.

ACCOUNTING

72. The Directors shall cause proper books of account to be kept with respect to -

- (a) all sums of money received and expended by the Company, and the matters in respect of which the receipt and expenditure takes place;
- (b) all sales and purchases of goods by the Company; and
- (c) the assets and liabilities of the Company.

Proper books shall not be deemed to be kept if there are not kept such books of account as are necessary to give a true and fair view of the state of the Company's affairs and to explain its transactions.

73. The books of account shall be kept at the office, or, subject to Section 222 of the Act at such other place or places as the Directors think fit, and shall always be open to the inspection of the Directors.

74. The Directors shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations the accounts and books of the Company or any of them shall be open to the inspection of members not being Directors, and no member (not being a Director) shall have any right of inspecting any account or book or document of the Company except as conferred by statute or authorised by the Directors or by the Company in general

meeting.

The Directors shall from time to time in accordance with the Act cause to be prepared and to be laid before the Company in general meeting such profit and loss accounts, balance sheets, group accounts (if any) and Reports as are referred to in the Act.

A copy of every balance sheet (including every document required by law to be annexed thereto) which is to be laid before the Company in general meeting together with a copy of the auditor's report thereon shall not less than twenty one days before the date of the meeting be sent to every member of, and every holder of debentures of, the Company. Provided that this Article shall not require a copy of these documents to be sent to any person of whose address the Company is not aware or to more than one of the joint holders of any debentures.

AUDIT

Auditors shall be appointed and their duties regulated in accordance with the Act.

WINDING UP

2. The provisions of Clause 6 of the Memorandum of Association of the Company relating to the winding up of the Company shall have effect as if the same were repeated in these Articles.

NOTICES

19. A notice may be given by the Company to any member either personally or by sending it by post to him or to his registered address, or (if he has no registered address within the United Kingdom) to the address, if any, within the United Kingdom supplied by him to the

- 26 -

Company for the giving of notices to him. Where a notice is given personally service of the notice shall be effected as at the time of delivery. Where a notice is sent by post, service of the notice shall be deemed to be effected by properly addressing, prepaying and posting an envelope containing the notice, and to have been effected at the expiration of twenty four hours after the envelope containing the same is posted.

80. Notice of every general meeting shall be given in any manner hereinbefore authorised to -

- (a) every member except those members who (having no registered address within the United Kingdom) have not supplied to the Company an address within the United Kingdom for the giving of notices to them;
- (b) every person being an executor, legal personal representative or a trustee in bankruptcy or sequestration of a member where the member but for his death or bankruptcy would be entitled to receive notice of the meeting;
- (c) every Director of the Company; and
- (d) the Auditors for the time being of the Company.

No other person shall be entitled to receive Notices of general meetings.

INDEMNITY

81. Subject to the provisions of the Act but without prejudice to any indemnity to which the aftermentioned persons may otherwise be entitled, every Director or other officer of the Company shall be indemnified out of the assets of the Company against liability incurred by him in defending any proceedings, whether civil or

criminal, for negligence, default or breach of duty or breach of trust in relation to the affairs of the Company and in which judgment is given in his favour or in which he is acquitted or in connection with any application under Section 144(3) or (4) or Section 727 of the Act in which relief is granted to him by the court and, in accordance with Section 310(3) of the Act, the Directors may procure and maintain indemnity insurance to enable the Company to so indemnify such other officer or Director.

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- 28 -

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Dated this 8th day of October, 1990.

Witness to the above signatures:-

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