

**From:** Long, Dominic:CO (LN)  
**Sent:** 10 May 2011 17:24  
**To:** 'Nicholas Scola'  
**Cc:** 'KAYE VICTORIA'; [REDACTED]; 'Sheldon Mills';  
'Stephen.Unger([REDACTED]); 'Ian Windle'; 'John Webster'; 'Marco Marini';  
'Jeff.Palker([REDACTED]); 'Andrea.Appella([REDACTED]);  
'Anil.Jhingan([REDACTED]); Bavasso, Antonio:CO (LN); Darbon, Cerry:CO (LN)  
**Subject:** Newco Articles of Association (0012561-0000367)

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**Categories:** Copied to Virtual File  
**Attachments:** CO-#14045988-v1-Newco\_Articles\_of\_Association.pdf; CO-#14045996-v1-Articles\_Table.pdf; CO-#14046957-v1-DV\_Newco\_-\_Sky\_Articles.pdf

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**FolderLibrary:** CO|CO  
**FolderNumber:** 12977136|12977143  
**MatterInformation:** MATTER\_ID:0000367|CLIENT\_ID:0012561  
**OriginalSubject:** Newco Articles of Association  
**ProfileOnSend:** YES

Nick,

Please also find attached draft Newco Articles of Association submitted for the Secretary of State's approval pursuant to section 3.1(ii) of the draft UIL attached to my email below. I have also attached a comparite of the Newco Articles as against the Articles of British Sky Broadcasting Group and, for ease of reference, a table mapping the individual Newco Articles to relevant undertakings given by News in the UIL.

Kind regards

Dominic

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**From:** Long, Dominic:CO (LN)  
**Sent:** 10 May 2011 13:43  
**To:** 'Nicholas Scola'  
**Cc:** clive.carter([REDACTED]); Sheldon Mills; Stephen.Unger([REDACTED]); Ian Windle; John Webster; Marco Marini; Jeff.Palker([REDACTED]); Andrea.Appella([REDACTED]); Anil.Jhingan([REDACTED]); Bavasso, Antonio:CO (LN); Darbon, Cerry:CO (LN)  
**Subject:** News' response to OFT/Ofcom RFI of 6 May 2011 (0012561-0000367)

Nick,

Please find attached News' response to the OFT/Ofcom questions of 6 May, including, as a separate Annex 1, a revised draft set of UILs. For ease of reference I have also attached a mark-up of the UILs showing changes to the version previously submitted to the OFT/Ofcom (on 28 April 2011) but please let me know if it would also be helpful to have a mark-up against the consultation version of the draft UIL.

Please note that News' response to question 2.4 will be provided separately. News will also shortly (hopefully later today) provide a full form draft of the Carriage Agreement and an amended draft of the Brand Licence Agreement.

Kind regards

Dominic

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**From:** Nicholas Scola [REDACTED]  
**Sent:** 06 May 2011 17:35  
**To:** Bavasso, Antonio:CO (LN)  
**Cc:** Jeff.Palker([REDACTED]); Andrea.Appella([REDACTED]); Darbon, Cerry:CO (LN); Long, Dominic:CO (LN); clive.carter@[REDACTED]; Anil.Jhingan([REDACTED]), Sheldon Mills; Stephen.Unger([REDACTED]); Ian Windle; John Webster; Marco Marini  
**Subject:** RE: Restricted - follow up meeting 5 May - MT (0012561-0000367)

Dear Antonio,

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Many thanks for your email below confirming certain issues discussed at yesterday's meeting.

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In relation to the full form carriage agreement, I would note for the sake of completeness that this will obviously be subject to review by OFT/OFCOM and by DCMS' lawyers when you send it through in due course.

As promised, we attach a short, further set of specific questions as discussed at yesterday's meeting. These are divided into questions on the carriage agreement and queries on the proposed UIL.

We have requested a response to these by 9am on 10 May.

Kind regards,

Nick

Nicholas Scola | Deputy Director, Mergers | Office of Fair Trading  
Fleetbank House | 2-6 Salisbury Square | London EC4Y 8JX | T: + [REDACTED]

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**From:** Antonio.Bavasso([REDACTED])  
**Sent:** 06 May 2011 15:04  
**To:** Sheldon Mills; Stephen.Unger([REDACTED])  
**Cc:** Nicholas Scola; Jeff.Palker([REDACTED]); Andrea.Appella([REDACTED]); Cerry.Darbon([REDACTED]); Dominic.Long@[REDACTED]; clive.carter@[REDACTED]; Anil.Jhingan([REDACTED])  
**Subject:** Restricted - follow up meeting 5 May - MT (0012561-0000367)

Dear Sheldon and Steve

Thanks for the meeting yesterday which we thought was productive.

I can confirm that News would be willing to undertake to appoint a trustee to monitor compliance with the undertakings in line with the UILs' purpose envisaged by the Secretary of State in his notice of 3 March. This offer would be made on the basis that this further undertaking would give the OFT and Ofcom sufficient comfort that the agreements that require approval post effective date can be monitored appropriately. I enclose a proposal in this respect which would be added to the final text of the UILs before you finalise your advice to the Secretary of State.

I can also confirm that News will submit to you early next week, possibly on Monday, Newco's proposed Articles of Association which incorporate the relevant undertakings (including the clarification on board quorum discussed yesterday).

Finally I can confirm that we will submit the more detailed and final form of the Carriage



Agreement as soon as possible. I understand that you will send us later today a list of issues to be clarified which also include points relating to the Carriage Agreement.

Best wishes

A.

ANTONIO BAVASSO  
PARTNER  
ALLEN & OVERY LLP

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[www.allenoverly.com/antitrust](http://www.allenoverly.com/antitrust)

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**From:** Sheldon Mills [REDACTED]  
**Sent:** Tuesday, April 19, 2011 9:48 PM  
**To:** Bavasso, Antonio:CO (LN)  
**Cc:** Jeff.Palker [REDACTED]; Andrea.Appella [REDACTED], Darbon, Cerry:CO (LN); Long, Dominic:CO (LN); Stephen.Unger [REDACTED] Nicholas Scola; clive.carter [REDACTED]  
**Subject:** RESTRICTED: Newscorp/BSkyB - OFT/Ofcom Additional questions re the draft brand licensing and carriage agreements and responses to the DCMS consultation on the UIL

Dear Antonio,

Many thanks for your responses to our earlier questions relating to the draft brand licensing agreements and carriage agreements. I attach a further set of questions which relate to the following specific areas:

- (1) further questions relating to the brand licensing and carriage agreements which take account of your responses dated 1 April and 12 April.
- (2) questions which arise from third party responses to the consultation launched by DCMS on the UIL. As you will appreciate, the responses to the consultation have been voluminous and have necessitated detailed review in order to ensure that we ask appropriate questions which will serve to enhance the UIL proposal or, in respect of which, it is appropriate to seek your view/comment.
- (3) detailed questions relating to the timing and mechanics of the UIL. I would urge you to respond in full to these questions since we wish to understand in some detail how, in practice, you understand the UIL will operate. We also include certain suggestions that we consider (following both responses to the third party consultation and further consideration)

will lead to improvements to the UIL and its effective operation.

I anticipate, dependent on your responses, that this should be the final round of detailed questions prior to us providing our advice to the Secretary of State. I will endeavour to discuss with your team tomorrow both the timing for responses to these questions, the background to them and next steps.

In addition, in the interests of time, I would suggest that we schedule a meeting to discuss both your responses to the questions (including those attached to this email) and any issues which are pertinent to our advice to the Secretary of State (or issues which require resolution following receipt of your responses to the attached questions) in the week commencing 2 May. If you are amenable to this, we can arrange a convenient date and time.

Kind regards,

Sheldon

**Sheldon Mills**

Director | Mergers Group | Office of Fair Trading | Fleetbank House | 2-6  
Salisbury Square | London | EC4Y 8JX |  
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\*\*\*\*\*  
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**ARTICLES OF ASSOCIATION**

of

[NEWCO]

**PUBLIC LIMITED COMPANY**

(effective as from [●])

**PRELIMINARY**

1. (1) In these articles the following words bear the following meanings:

“the Acts” the Companies Acts (as defined in section 2 of the Companies Act 2006), in so far as they apply to the Company;

“Audit Committee” the audit committee of the Company referred to in Article 141;

“these articles” the articles of association for the time being of the Company;

“Broadcasting Act 1990” the Broadcasting Act 1990 (as amended by the Communications Act) including any supplementary legislation, Orders or Statutory Instruments enacted pursuant thereto;

“Broadcasting Act 1996” the Broadcasting Act 1996 (as amended by the Communications Act) including any supplementary legislation, Orders or Statutory Instruments enacted pursuant thereto;

“Broadcasting Acts” the Broadcasting Act 1990 and the Broadcasting Act 1996;

“Chapter 11” Chapter 11 of the Listing Rules (*Related party transactions: Premium listing*) (as varied or amended from time to time) or any such other rules contained in the Listing Rules which relate to related party transactions from time to time;

“clear days” in relation to the period of a 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;

“the Code” the UK Corporate Governance Code published by the Financial Reporting Council (or any relevant successor body) (as amended from time to time);

“Communications Act” the Communications Act 2003 including any supplementary legislation, Orders or Statutory Instruments enacted pursuant thereto;

“the Company” [Newco] plc;

“connected person” (i) in relation to a person, his spouse, civil partner, child or remoter issue or the trustee of a family trust acting in that capacity and (ii) in relation to a body corporate, any holding company of which it is a wholly

owned subsidiary and any other wholly owned subsidiaries of that holding company (including any wholly owned subsidiary of the body corporate;

**"Daily Official List"** the daily official list of the London Stock Exchange;

**"director"** a director of the Company, from time to time, including an Independent Director;

**"electronic address"** any number or address used for the purposes of sending or receiving notices, documents or information by electronic means;

**"electronic form"** has the same meaning as in the Companies Act 2006;

**"electronic means"** has the same meaning as in the Companies Act 2006;

**"Excess Shares"** the Specified Shares (or any interest therein) which are required to be disposed of under a Mandated Disposal;

**"executed"** any mode of execution;

**"financial institution"** a recognised clearing house or a nominee of a recognised clearing house or of a recognised investment exchange who is designated within the meaning of section 778(2) of the Companies Act 2006;

**"FSA"** the Financial Services Authority;

**"FSMA"** the Financial Services and Markets Act 2000 (as amended from time to time);

**"Governance and Editorial Committee"** the corporate governance and editorial committee referred to in articles [137] to [140];

**"Governance and Editorial Committee Matters"** shall mean oversight of the Company's compliance with articles [89] to [91];

**"Group of Interconnected Bodies Corporate"** has the same meaning ascribed to it in section 129(2) of the Enterprise Act 2002; references to a Group of Interconnected Bodies Corporate shall be to the Group of Interconnected Bodies Corporate as constituted from time to time;

**"Head of Sky News"** the chief editor of Sky News from time to time;

**"holder"** in relation to shares, the member whose name is entered in the register of members as the holder of the shares;

**"Independent Director"** a member of the Company's board of directors who:

- (i) has not been an employee of the Company, News Corporation or any member of the same Group of Interconnected Bodies Corporate as News Corporation within the last five years;
- (ii) does not have, and has not had within the three years preceding the date of their first election to the Company's board of directors, a material business relationship with the Company or News Corporation either directly, or as a partner, shareholder, director or senior employee

of a body that has such a relationship, other than to the extent that such person has previously served as a director of Sky;

- (iii) has not received and does not receive additional remuneration from the Company or News Corporation apart from a director's fee, does not participate in the Company's or News Corporation's share option or performance-related pay scheme, and is not a member of the Company's or News Corporation's pension scheme;
- (iv) does not have close family ties with any of the Company's or News Corporation's advisers, directors or senior employees;
- (v) does not hold cross-directorships and does not have significant links with other directors of the Company through involvement in other companies or bodies;
- (vi) does not represent a significant shareholder of the Company or News Corporation; and
- (vii) has not served on the Company's board of directors or the board of directors of News Corporation within the nine years preceding the date of their first election to the Company's board of directors;

**"Independent IB"** the investment bank appointed by the Company and approved by a majority of the Independent Directors to advise the Company in respect of its compliance with Chapter 11 to the extent applicable to the Company;

**"Licence"** a licence to provide a television licensable content service, a digital television programme service or any other service under the Broadcasting Acts;

**"Licence Holder"** a person who has been:-

- (i) granted a Licence by Ofcom which Licence (including any renewal or extension thereof) has not been terminated or revoked; or
- (ii) awarded, but not yet granted a Licence by Ofcom and such award has not been revoked;

**"Listing Rules"** the Listing Rules of the FSA made under Part VI of FSMA (as amended from time to time);

**"London Stock Exchange"** the London Stock Exchange plc;

**"Main Principles"** the Main Principles of the Code;

**"Mandated Disposal"** the sale or other transfer of Specified Shares (or any interest therein) pursuant to article 43;

**"Nominated Advisor"** the Company's nominated advisor as required by the AIM Rules for Companies published by the London Stock Exchange (as amended from time to time);



**“Ofcom”** the Office of Communications established pursuant to section 1 of the Office of Communications Act 2002 or such other successor body as may be appointed from time to time to exercise all or any of the powers of such body under the Broadcasting Acts and/or Communications Act;

**“the Ofcom Broadcasting Code”** the broadcasting code published by Ofcom (as amended from time to time);

**“Office”** the registered office of the Company from time to time;

**“Official List”** the Official List maintained by the FSA;

**“Operational Agreements”** the carriage agreement, the brand licensing agreement, the site support service agreement, the lease agreement and the broadcast and technical services agreements, each dated ● 2011 and entered into between the Company and Sky;

**“Premium Listing”** a listing where the issuer is required to comply with those requirements in Listing Rule 6 (*Additional requirements for premium listing (commercial company)*) (as amended from time to time) and the other requirements in the Listing Rules that are expressed to apply to securities admitted to the Official List with a premium listing;

**“Relevant Interest”** any interest (which either alone or when taken with any other interest or interests) in shares in the Company (including any interest attributed by the directors pursuant to the definition of "Relevant Investor" below) as a result of which (a) the Company or any subsidiary would become a disqualified person in relation to any Licence held by it (or awarded, but not yet granted, to it) by virtue of Part II of Schedule 2 to the Broadcasting Act 1990, (b) there would be a breach of, or failure to comply with, any requirements or conditions imposed by or under section 5 of the Broadcasting Act 1990 and/or Schedule 14 of the Communications Act, in relation to any Licence of the Company or any subsidiary to which those requirements apply, by the Company or any subsidiary or any other person, (c) Ofcom may refuse to grant or may revoke a Licence to the Company or any subsidiary under the Broadcasting Acts or (d) the Company or any subsidiary would otherwise be materially affected in relation to any Licence held by (or awarded, but not yet granted, to) it;

**“Relevant Investor”** any person who, as a result of the transfer to him of any shares, (a) has a Relevant Interest unless, in any such case, Ofcom has given its consent in writing to the Company or any subsidiary to the existence or continuance of the circumstance or circumstances which cause (or would have caused if such consent had not been given) the person to be or to become a Relevant Investor and (i) such consent has not been withdrawn and (ii) there has not been any change in any circumstance which would be relevant to Ofcom in considering whether to withdraw its consent or (b) is determined by the directors, following consultation with Ofcom, to have an interest in shares in the Company which may cause Ofcom to vary, revoke, determine or refuse to award, grant, renew or extend a Licence to or of the Company or any subsidiary. Without prejudice to the generality of the foregoing, for the purpose of determining whether any person is a Relevant Investor as a result



of the transfer to him of any shares, the directors may attribute to such person and aggregate with the interests in issued shares of such person (a) any interest which the Company may require a person to disclose pursuant to section 793 of the Companies Act 2006 (b) any shares which are, in the opinion of the directors, the subject of an agreement or arrangement (whether legally enforceable or not) whereby such shares are to be voted in accordance with that person's instructions (whether given by him directly or through any other person) and (c) any interest of any associate of such person or any person controlled by or connected with such person;

**"seal"** the common seal (if any) of the Company and an official seal (if any) kept by the Company by virtue of section 50 of the Companies Act 2006 or either of them as the case may require;

**"secretary"** the secretary of the Company or any other person appointed to perform the duties of the secretary of the Company, including a joint, assistant or deputy secretary;

**"Sky"** British Sky Broadcasting Group plc;

**"Sky News"** the business of news gathering and production, and creating and offering (whether on a free to air or subscription basis) the broadcast news channels branded "Sky News" and "Sky News HD" and related services under the Sky News brand and/or news services provided to third parties, including the wholesale provision of news input to third party media enterprises;

**"Specified Shares"** shares in the issued capital of the Company which have been transferred to a member and which are comprised in the interest of a Relevant Investor;

**"Uncertificated Securities Regulations"** the Uncertificated Securities Regulations 2001; and

**"undertaking"** includes a body corporate or partnership or an unincorporated association carrying on a trade or business with or without a view to profit (and, in relation to an undertaking which is not a company, expressions in these articles appropriate to companies shall be construed as references to the corresponding persons, officers, documents or organs (as the case may be) appropriate to undertakings of that description).

- (2) In these articles references to a share being in uncertificated form are references to that share being an uncertificated unit of a security, and references to a share being in certificated form are references to that share being a certificated unit of a security, provided that any reference to a share in uncertificated form applies only to a share of a class which is, for the time being, a participating security, and only for so long as it remains a participating security.
- (3) Save as aforesaid and unless the context otherwise requires, words or expressions contained in these articles bear the same meanings as in the Companies Act 2006 or the Uncertificated Securities Regulations (as the case may be).

- (4) Except where otherwise expressly stated, a reference in these articles to any primary or delegated legislation or legislative provision includes a reference to any modification or re-enactment of it for the time being in force.
  - (5) In these articles, unless the context otherwise requires:
    - (a) words in the singular include the plural, and vice versa;
    - (b) words importing any gender include all genders; and
    - (c) a reference to a person includes a reference to a body corporate (wherever resident or domiciled) and to an unincorporated body of persons.
  - (6) In these articles:
    - (a) references to writing include references to typewriting, printing, lithography, photography and any other modes of representing or reproducing words in a legible and non-transitory form, whether sent or supplied in electronic form or made available on a website or otherwise;
    - (b) references to "other" and "otherwise" shall not be construed ejusdem generis where a wider construction is possible;
    - (c) references to a power are to a power of any kind, whether administrative, discretionary or otherwise; and
    - (d) references to a committee of the directors are to a committee established in accordance with these articles, whether or not comprised wholly of directors.
  - (7) The headings are inserted for convenience only and do not affect the construction of these articles.
2. Neither the regulations contained in Table A in the Companies (Tables A to F) Regulations 1985 nor the regulations contained in the Companies (Model Articles) Regulations 2008 apply to the Company.

#### **LIABILITY OF MEMBERS**

3. The liability of the members of the Company is limited to the amount, if any, unpaid on the shares held by them.

#### **SHARE CAPITAL**

4. Subject to the provisions of the Acts, and without prejudice to any rights attached to any existing shares, any share may be issued with such rights or restrictions as the Company may by ordinary resolution determine (or, if the Company has not so determined, as the directors may determine).
5. Subject to the provisions of the Acts, any share may be issued which is or is to be liable to be redeemed at the option of the Company or the holder, and the directors may determine the terms, conditions and manner of redemption of any such share.

6. The Company may exercise the powers of paying commissions or brokerage conferred or permitted by the Acts. Subject to the provisions of the Acts, any such commission may be satisfied by the payment of cash or by the allotment of fully or partly paid shares or partly in one way and partly in the other and may be in respect of a conditional or an absolute subscription.
7. Except as required by law, no person shall be recognised by the Company as holding any share upon any trust. Except as otherwise provided by these articles or by law, the Company shall not be bound by or recognise (even if having notice of it) any equitable, contingent, future, partial or other claim or any interest in any share other than the holder's absolute ownership of it and all the rights attaching to it.
8. Without prejudice to any powers which the Company or the directors may have to issue, allot, dispose of, convert, or otherwise deal with or make arrangements in relation to, shares and other securities in any form:
  - (a) the holding of shares in uncertificated form and the transfer of title to such shares by means of a relevant system shall be permitted; and
  - (b) the Company may issue shares in uncertificated form and may convert shares from certificated form to uncertificated form and vice versa.

If and to the extent that any provision of these articles is inconsistent with such holding or transfer as is referred to in paragraph (a) of this article above or with any provision of the Uncertificated Securities Regulations, it shall not apply to any share in uncertificated form.

9. Notwithstanding anything else contained in these articles, where any class of shares is, for the time being, a participating security, unless the directors otherwise determine, shares of any such class held by the same holder or joint holder in certificated form and uncertificated form shall be treated as separate holdings.

#### VARIATION OF RIGHTS

10. Subject to the provisions of the Acts, if at any time the capital of the Company is divided into different classes of shares, the rights attached to any class may be varied, either while the Company is a going concern or during or in contemplation of a winding up:
  - (a) in such manner (if any) as may be provided by those rights; or
  - (b) in the absence of any such provision, with the consent of the holders of three-quarters in nominal value of the issued shares of that class, (which consent shall be given in writing) or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of that class,

but not otherwise. To every such separate meeting the provisions of these articles relating to general meetings shall apply, except that a poll may be demanded by any one holder of shares of the class whether present in person or by proxy and the necessary quorum at any such meeting other than an adjourned meeting shall be at least two persons together holding or representing by proxy at least one-third in nominal value of the issued shares of the class in question and at an adjourned meeting shall be one person holding shares of the class in question or his proxy.

11. Unless otherwise expressly provided by the rights attached to any class of shares, those rights:
- (a) shall be deemed to be varied by the reduction of the capital paid up on those shares and by the issue of a further class of shares ranking in priority for payment of a dividend or in respect of capital;
  - (b) shall otherwise be deemed not to be varied by the issue of further shares ranking *pari passu* with or subsequent to the first-mentioned shares; and
  - (c) shall be deemed not to be varied by the purchase or redemption by the Company of any of its own shares.

#### SHARE CERTIFICATES

12. (1) On becoming the holder of any share other than a share in uncertificated form, every person (other than a financial institution in respect of whom the Company is not required by law to complete and have ready a certificate) shall be entitled, without payment, to have issued to him within two months after allotment or lodgement of a transfer (unless the terms of issue of the shares provide otherwise) one certificate for all the shares of each class held by him (and, upon transferring a part of his holding of shares of any class, to a certificate for the balance of that holding) or, upon payment for every certificate after the first of such reasonable sum as the directors may determine, to several certificates each for one or more of his shares.
- (2) Every certificate shall be issued under the seal, or under such other form of authentication as the directors may determine (which may include manual or facsimile signatures by one or more directors), and shall specify the number, class and distinguishing numbers (if any) of the shares to which it relates and the amount or respective amounts paid up on them.
- (3) The Company shall not be bound to issue more than one certificate for shares held jointly by several persons and delivery of a certificate to one joint holder shall be sufficient delivery to all of them, and seniority shall be determined in the manner described in article 77.
- (4) If a share certificate is damaged or defaced or said to be lost, stolen or destroyed, it may be renewed on such terms (if any) as to evidence and indemnity and payment of any exceptional expenses incurred by the Company in investigating evidence as the directors may determine but otherwise free of charge, and (in the case of damage or defacement) on delivery up of the old certificate.

#### LIEN

13. The Company shall have a first and paramount lien on every share (not being a fully paid share) for all amounts (whether presently payable or not) payable at a fixed time or called in respect of that share. The directors may declare any share to be wholly or in part exempt from the provisions of this article. The Company's lien on a share shall extend to all amounts (including dividends) payable in respect of it.

14. The Company may sell, in such manner as the directors determine, any share on which the Company has a lien if an amount in respect of which the lien exists is presently payable and is not paid within 14 clear days after notice has been given to the holder of the share, or the person entitled to it in consequence of the death or bankruptcy of the holder or otherwise by operation of law, demanding payment and stating that if the notice is not complied with the shares may be sold.
15. To give effect to the sale the directors may, in the case of a share in certificated form, authorise some person to execute an instrument of transfer of the share sold to, or in accordance with the directions of, the purchaser; and in the case of a share in uncertificated form, the directors may, to enable the Company to deal with the share in accordance with the provisions of this article, require the Operator of a relevant system to convert the share into certificated form and after such conversion may authorise any person to execute an instrument of transfer and/or take such other steps (including the giving of directions to or on behalf of the holder, who shall be bound by them) as they think fit to effect the transfer. The title of the transferee to the share shall not be affected by any irregularity in or invalidity of the proceedings in reference to the sale and the transferee shall not be bound to see to the application of the purchase money.
16. The net proceeds of the sale, after payment of the costs, shall be applied in payment of so much of the amount for which the lien exists as is presently payable, and any residue shall (upon surrender to the Company for cancellation of the certificate for the share sold, in the case of a share in certificated form, and subject to a like lien for any amount not presently payable as existed upon the share before the sale) be paid to the person entitled to the share at the date of the sale.

#### **CALLS ON SHARES, FORFEITURE AND SURRENDER**

17. Subject to the terms of allotment, the directors may make calls upon the members in respect of any amounts unpaid on their shares (whether in respect of nominal value or premium) and each member shall (subject to receiving at least 14 clear days' notice specifying when and where payment is to be made) pay to the Company as required by the notice the amount called on his shares. A call may be required to be paid by instalments. A call may, before receipt by the Company of an amount due under it, be revoked in whole or in part and payment of a call may be postponed in whole or part. A person upon whom a call is made shall remain liable for calls made upon him notwithstanding the subsequent transfer of the shares in respect of which the call was made.
18. A call shall be deemed to have been made at the time when the resolution of the directors authorising the call was passed.
19. The joint holders of a share shall be jointly and severally liable to pay all calls in respect of it.
20. If a call or an instalment of a call remains unpaid in whole or in part after it has become due and payable the person from whom it is due shall pay interest on the amount unpaid, from the day it became due and payable until it is paid at the rate fixed by the terms of allotment of the shares in question or in the notice of the call or, if no rate is fixed, at the appropriate rate (as defined by the Acts) but the directors may waive payment of the interest wholly or in part.

21. An amount payable in respect of a share on allotment or at any fixed date, whether in respect of nominal value or premium or as an instalment of a call, shall be deemed to be a call and if it is not paid these articles shall apply as if that sum had become due and payable by virtue of a call duly made and notified.
22. Subject to the terms of allotment, the directors may differentiate between the holders in the amounts and times of payment of calls on their shares.
23. The directors may receive from any member willing to advance it all or any part of the amount unpaid on the shares held by him (beyond the sums actually called up) as a payment in advance of calls, and such payment shall, to the extent of it, extinguish the liability on the shares in respect of which it is advanced. The Company may pay interest on the amount so received, or so much of it as exceeds the sums called up on the shares in respect of which it has been received, at such rate (if any) as the member and the directors agree.
24. If a call or an instalment of a call remains unpaid, in whole or in part, after it has become due and payable, the directors may give to the person from whom it is due not less than 14 clear days' notice requiring payment of the amount unpaid together with any interest which may have accrued and any costs, charges and expenses incurred by the Company by reason of such non-payment. The notice shall name the place where payment is to be made and shall state that if the notice is not complied with the shares in respect of which the call was made will be liable to be forfeited. If the notice is not complied with, any shares in respect of which it was given may, before the payment required by the notice has been made, be forfeited by a resolution of the directors and the forfeiture shall include all dividends and other amounts payable in respect of the forfeited shares and not paid before the forfeiture.
25. Subject to the provisions of the Acts, a forfeited share shall be deemed to belong to the Company and may be sold, re-allotted or otherwise disposed of on such terms and in such manner as the directors determine either to the person who was before the forfeiture the holder or to any other person and, at any time before the disposition, the forfeiture may be cancelled on such terms as the directors determine. Where for the purposes of its disposal a forfeited share is to be transferred to any person, the directors may, in the case of a share in certificated form, authorise someone to execute an instrument of transfer and, in the case of a share in uncertificated form, the directors may, to enable the Company to deal with the share in accordance with the provisions of this article, require the Operator of a relevant system to convert the share into certificated form and after such conversion may authorise any person to execute an instrument of transfer and/or take such other steps (including the giving of directions to or on behalf of the holder, who shall be bound by them) as they think fit to effect the transfer of the share to that person. The Company may receive the consideration given for the share on its disposal and register the transferee as the holder of the share.
26. A person any of whose shares have been forfeited shall cease to be a member in respect of them and shall surrender to the Company for cancellation the certificate for the shares forfeited but shall remain liable to the Company for all amounts which at the date of forfeiture were presently payable by him to the Company in respect of those shares with interest at the rate at which interest was payable on those amounts before the forfeiture or, if no interest was so payable, at the appropriate rate (as

defined in the Acts) from the date of forfeiture until payment, but the directors may waive payment wholly or in part or enforce payment without any allowance for the value of the shares at the time of forfeiture or for any consideration received on their disposal.

27. The board may accept the surrender of any share which it is in a position to forfeit upon such terms and conditions as may be agreed and, subject to any such terms and conditions, a surrendered share shall be treated as if it had been forfeited.
28. The forfeiture of a share shall involve the extinction at the time of forfeiture of all interest in and all claims and demands against the Company in respect of the share and all other rights and liabilities incidental to the share as between the person whose share is forfeited and the Company, except only such of those rights and liabilities as are by these articles expressly saved, or are by the Acts given or imposed in the case of past members.
29. A statutory declaration by a director or the secretary that a share has been forfeited on a specified date shall be conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the share and the declaration shall (subject to the execution of an instrument of transfer if necessary, in the case of a share in certificated form) constitute a good title to the share and the person to whom the share is disposed of shall not be bound to see to the application of the consideration, if any, nor shall his title to the share be affected by any irregularity in or invalidity of the proceedings relating to the forfeiture or disposal of the share.

#### **TRANSFER OF SHARES**

30. The instrument of transfer of a share in certificated form may be in any usual form or in any other form which the directors approve and shall be executed by or on behalf of the transferor and, where the share is not fully paid, by or on behalf of the transferee.
31. Where any class of shares is, for the time being, a participating security, title to shares of that class which are recorded on an Operator register of members as being held in uncertificated form may be transferred by means of the relevant system concerned. The transfer may not be in favour of more than four transferees.
32.
  - (1) The directors may refuse to register any transfer of a share in certificated form if it is their opinion that such transfer would or might (a) prejudice the right of the Company or any subsidiary to hold, be awarded or granted or have renewed or extended, any Licence or (b) give rise to or cause, directly or indirectly, a variation to be made to any such Licence (being a variation which would, in the opinion of the directors, have a material adverse effect on the ability of the Company or the relevant subsidiary to operate its broadcasting business as operated by it at the relevant time) or a revocation or determination of any such Licence by Ofcom provided that the provisions of articles 42 to 48 will apply in relation to the shares which are the subject of any such transfer.
  - (2) The directors may, in their absolute discretion, refuse to register the transfer of a share in certificated form which is not fully paid. They may also refuse to register a transfer of a share in certificated form (whether fully paid or not) unless the instrument of transfer:

- (a) is lodged, duly stamped, at the Office or at such other place as the directors may appoint and (except in the case of a transfer by a financial institution where a certificate has not been issued in respect of the share) is accompanied by the certificate for the share 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) is in respect of only one class of share; and
  - (c) is in favour of not more than four transferees jointly.
- (3) The directors may refuse to register a transfer of a share in uncertificated form to a person who is to hold it thereafter in certificated form in any case where the Company is entitled to refuse (or is excepted from the requirement) under the Uncertificated Securities Regulations to register the transfer.
33. If the directors refuse to register a transfer of a share, they shall as soon as practicable and in any event within two months after the date on which the transfer was lodged with the Company (in the case of a transfer of a share in certificated form) or the date on which the Operator-instruction was received by the Company (in the case of a transfer of a share in uncertificated form to a person who is to hold it thereafter in certificated form) send to the transferee notice of the refusal together with reasons for the refusal. The directors shall send to the transferee such further information about the reasons for the refusal as the transferee may reasonably request.
34. No fee shall be charged for the registration of any instrument of transfer or other document or instruction relating to or affecting the title to any share.
35. The Company shall be entitled to retain any instrument of transfer which is registered, but any instrument of transfer which the directors refuse to register shall (except in the case of fraud) be returned to the person lodging it when notice of the refusal is given.
36. Nothing in these articles shall preclude the directors from recognising a renunciation of the allotment of any share by the allottee in favour of some other person.

#### **TRANSMISSION OF SHARES**

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



39. A person becoming entitled to a share by reason of the death or bankruptcy of a member or otherwise by operation of law shall, upon such evidence being produced as the directors may reasonably require as to his entitlement, have the rights to which he would be entitled if he were the holder of the share, and may give discharge for all dividends and other moneys payable in respect of the share, except that he shall not, before being registered as the holder of the share, be entitled in respect of it to attend or vote at any general meeting or at any separate meeting of the holders of any class of shares.

#### SHARE WARRANTS

40. (1) The Company with respect to fully paid shares may issue share warrants stating that the bearer is entitled to the shares therein specified, and may provide by coupons or otherwise for the payment of future dividends or other moneys on or in respect of the shares included in such share warrants.
- (2) A share warrant shall entitle the bearer thereof to the shares included in it, and the shares may be transferred by the delivery of the share warrant, and the provisions of these articles with respect to share certificates, liens, calls on shares and forfeiture and surrender, disclosure of interest, transfer of shares and transmission of shares shall not apply in relation to share warrants or the holders thereof. Each share warrant shall be issued under the seal.
- (3) The directors shall be at liberty to accept a certificate (in such form and from such person as the directors may approve) to the effect that a specified person is shown in the records of the person issuing such certificate as being entitled to the shares comprised in a specified share warrant as sufficient evidence of the facts stated in such certificate, and may treat the deposit of such certificate at the Office (or any other place specified from time to time by the directors) as equivalent to the deposit there of the share warrant, and may (inter alia) allot to the person named in such certificate any shares to which the bearer of the share warrant referred to in such certificate may be entitled and the rights of the allottee to the allotment shall not, after allotment, be questioned by any person.
- (4) The directors may determine and from time to time vary the conditions upon which share warrants shall be issued, and in particular (but without limitation) upon which a new share warrant or coupon will be issued in the place of one worn out, defaced, lost or destroyed (provided that no new share warrant may be issued to replace one that has been lost unless the directors are satisfied beyond reasonable doubt that the original share warrant has been destroyed), upon which (subject as hereinafter provided) the bearer of a share warrant shall be entitled to attend and vote at general meetings, and upon which a share warrant may be surrendered and the name of the holder entered in the register of members in respect of the shares therein specified. Subject to such conditions and to these articles, the bearer of a share warrant shall be subject to the conditions for the time being in force relating to share warrants, whether made before or after the issue of such share warrant.
- (5) Subject to any conditions for the time being in force relating to share warrants and as otherwise expressly provided in these articles, the bearer of a share warrant may at any time deposit the share warrant at the Office (or at such

other place as the directors may from time to time appoint) and, so long as the share warrant remains so deposited, the depositor shall have the same right of signing a requisition for calling a meeting of the Company, of giving notice of intention to submit a resolution to a meeting and of attending and voting, giving a proxy and exercising the other privileges of a member at any meeting held after the expiration of 48 hours from the time of deposit, as if his name were inserted in the register of members as the holder of the shares included in the deposited share warrant. Not more than one person shall be recognised as a depositor of any share warrant. Every share warrant which shall have been so deposited as aforesaid shall remain so deposited until after the closing of the meeting at which the depositor desires to attend or to be represented.

- (6) Subject as otherwise expressly provided in these articles or in any conditions for the time being in force relating to share warrants, no person shall, as bearer of a share warrant, be entitled to sign a requisition for calling a meeting of the Company or give notice of intention to submit a resolution to a meeting or attend or vote or give a proxy or exercise any other privilege of a member at a meeting of the Company, or be entitled to receive any notices or any documents pursuant to these articles from the Company, but the bearer of a share warrant shall be entitled in all other respects to the same privileges and advantages as if he were named in the register of members as the holder of the shares included in the share warrant, and he shall be deemed to be a member of the Company.
- (7) Without prejudice to any powers which the Company or the directors may have to issue, dispose of, convert, or otherwise deal with or make arrangements in relation to, share warrants and other securities in any form:
- (a) the holding of share warrants in uncertificated form and the transfer of title to such share warrants by means of a relevant system shall be permitted; and
  - (b) the Company may issue share warrants in uncertificated form and may convert share warrants from certificated form to uncertificated form and vice versa.

If and to the extent that any provision of these articles is inconsistent with such holding or transfer as is referred to in sub-paragraph (7)(a) of this article above or with any provision of the Uncertificated Securities Regulations, it shall not apply to any share warrant in uncertificated form.

#### **DISCLOSURE OF INTERESTS**

41. (1) If a member, or any other person appearing to be interested in shares held by that member, has been given a notice under section 793 of the Companies Act 2006 and has failed in relation to any shares (the "default shares") to give the Company the information thereby required within 14 days from the date of giving the notice, the following sanctions shall apply, unless the directors otherwise determine:
- (a) the member shall not be entitled in respect of the default shares to be present or to vote (either in person or by representative or proxy) at

any general meeting or at any separate meeting of the holders of any class of shares or on any poll; and

- (b) where the default shares represent at least 0.25 per cent of their class:
- (i) any dividend payable in respect of the shares shall be withheld by the Company, which shall not have any obligation to pay interest on it, and the member shall not be entitled to elect, pursuant to these articles, to receive shares instead of that dividend; and
  - (ii) no transfer, other than an excepted transfer, of any shares held by the member in certificated form shall be registered unless:
    - (A) the member is not himself in default as regards supplying the information required; and
    - (B) the member proves to the satisfaction of the directors that no person in default as regards supplying such information is interested in any of the shares the subject of the transfer.
  - (iii) for the purposes of sub-paragraph (1)(b)(ii) of this article, in the case of shares held by the member in uncertificated form, the directors may, to enable the Company to deal with the shares in accordance with the provisions of this article, require the Operator of a relevant system to convert the shares into certificated form.

- (2) Where the sanctions under paragraph (1) of this article apply in relation to any shares, they shall cease to have effect at the end of the period of seven days (or such shorter period as the directors may determine) following the earlier of:
- (a) receipt by the Company of the information required by the notice mentioned in that paragraph; and
  - (b) receipt by the Company of notice that the shares have been transferred by means of an excepted transfer,

and the directors may suspend or cancel any of the sanctions at any time in relation to any shares.

- (3) Any new shares in the Company issued in right of default shares shall be subject to the same sanctions as apply to the default shares, and the directors may make any right to an allotment of the new shares subject to sanctions corresponding to those which will apply to those shares on issue: provided that any sanctions applying to, or to a right to, new shares by virtue of this paragraph shall cease to have effect when the sanctions applying to the related default shares cease to have effect (and shall be suspended or cancelled if and to the extent that the sanctions applying to the related default shares are suspended or cancelled); and provided further that paragraph (1) of this article shall apply to the exclusion of this paragraph if the Company gives a separate

notice under section 793 of the Companies Act 2006 in relation to the new shares.

- (4) Where, on the basis of information obtained from a member in respect of any share held by him, the Company gives a notice under section 793 of the Companies Act 2006 to any other person, it shall at the same time send a copy of the notice to the member, but the accidental omission to do so, or the non-receipt by the member of the copy, shall not invalidate or otherwise affect the application of paragraph (1) of this article.
- (5) For the purposes of this article:
  - (a) a person, other than the member holding a share, shall be treated as appearing to be interested in that share if the member has informed the Company that the person is, or may be, so interested, or if the Company (after taking account of any information obtained from the member or, pursuant to a notice under section 793 of the Companies Act 2006, from anyone else) knows or has reasonable cause to believe that the person is, or may be, so interested;
  - (b) "interested" shall be construed as it is for the purpose of section 793 of the Companies Act 2006;
  - (c) reference to a person having failed to give the Company the information required by a notice, or being in default as regards supplying such information, includes (i) reference to his having failed or refused to give all or any part of it and (ii) reference to his having given information which he knows to be false in a material respect or having recklessly given information which is false in a material respect;
  - (d) an "excepted transfer" means, in relation to any shares held by a member:
    - (i) a transfer pursuant to acceptance of a takeover offer (within the meaning in section 974 of the Companies Act 2006) in respect of shares in the Company; or
    - (ii) a transfer in consequence of a sale made through a recognised investment exchange (as defined in the Financial Services and Markets Act 2000) or any other stock exchange outside the United Kingdom on which the Company's shares are normally traded; or
    - (iii) a transfer which is shown to the satisfaction of the directors 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.
- (6) Nothing in this article shall limit the powers of the Company under section 794 of the Companies Act 2006 or any other powers of the Company whatsoever.

## RELEVANT INVESTORS

42. The directors may at any time serve a notice upon any member, who has had shares transferred to him pursuant to a share transfer, requiring him to furnish the directors with information (in the case of (2) below, to the extent that such paragraph applies to any person other than the member, so far as such information lies within the knowledge of or can be obtained by such member), supported by a declaration and by such other evidence (if any) in support thereof as the directors may require, for the purpose of determining:

- (1) whether such member is or is likely to be a party to an agreement or arrangement (whether legally enforceable or not) whereby any of the shares held by him are to be voted in accordance with some other person's instructions (whether given by that other person directly or through any other person); or
- (2) whether such member and/or any other person who has an interest in any shares held by such member is a Relevant Investor.

If such information and evidence is not furnished within a reasonable period (not being less than 14 days) from the date of service of such notice or the information and evidence provided is, in the opinion of the directors, unsatisfactory for the purposes of so determining, the directors may serve upon such member a further notice calling upon him, within 14 days after the service of such further notice, to furnish the directors with such information and evidence or further information or evidence as shall (in their opinion) enable them so to determine.

43. (1) If any person (to the knowledge of the directors) becomes or is deemed in accordance with article 44 to be a Relevant Investor by reason of the transfer of any shares to him, the directors may serve a written notice (a "Disposal Notice") on all those who (to the knowledge of the directors) have an interest in, and, if different, on the holder or holders of, the Specified Shares. The Disposal Notice shall refer to the voting restrictions as set out in article 46 and shall call for a Mandated Disposal to be made and shall state the number of Excess Shares in respect of which the Mandated Disposal is to be made and shall call for reasonable evidence that such Mandated Disposal has been effected to be supplied to the Company within 21 days from the date of such Notice or such other period as the directors may consider reasonable and which they may extend. The directors may withdraw a Disposal Notice (whether before or after the expiration of the period referred to) if it appears to them that there is no Relevant Investor in relation to such Excess Shares.
- (2) If a Disposal Notice served under this article is not complied with to the satisfaction of the directors and has not been withdrawn, the holder or holders on whom such notice shall have been served shall be deemed to have constituted the directors their agents and the directors may, so far as they are able, make a Mandated Disposal of the number of Excess Shares stated in the relevant Disposal Notice, at the best price reasonably obtainable and shall give written notice of such disposal to those persons on whom the Disposal Notice was served. Except as hereinafter provided, such a Mandated Disposal shall be completed as soon as reasonably practicable after expiry of the Disposal Notice as may in the opinion of the directors be consistent with obtaining the

best price reasonably obtainable and in any event within 30 days of expiry of such Disposal Notice provided that a Mandated Disposal may be suspended during the period when dealings by the directors in the shares are not permitted either by law or by regulations of the competent authority (designated as such for the purposes of Part VI of the Financial Services and Markets Act 2000), but any Mandated Disposal suspended as aforesaid shall be completed within 30 days after expiry of the period of such suspension and provided further that neither the Company nor the directors shall be liable to any holder for failing to obtain the best price so long as the directors act in good faith within the period specified above. If on a Mandated Disposal being made by the directors, Excess Shares are held by more than one holder (treating joint holders of any relevant shares as a single holder) the directors shall cause the same proportion of each holding as is known to them to be sold.

- (3) For the purpose of effecting any Mandated Disposal, the directors may authorise in writing any officer or employee of the Company to execute, complete and deliver any necessary transfer in the name and on behalf of any holder and may issue a new certificate to the purchaser. 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 any interest being payable thereon) to the former holder upon surrender by him of the certificate in respect of the shares sold and formerly held by him. After the name of the purchaser (or his nominee) has been entered in the register of members, the validity of the proceedings shall not be questioned by any person.
44.
  - (1) The directors may assume without enquiry that a person is not a Relevant Investor. The directors may determine that any person is a Relevant Investor if there are reasonable grounds for believing that that person is a Relevant Investor (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 Investor) until such time as they are satisfied that such is not the case.
  - (2) If in accordance with this article the directors shall have assumed that any person is not a Relevant Investor, the exercise by that person of any right attaching to any share in which he is interested shall not be challenged or invalidated by any subsequent determination by the directors that such person is a Relevant Investor.
45. The directors shall not be obliged to serve any Disposal Notice under article 43(1) upon any person if they do not know his identity or his address and the absence of service of such a notice in such circumstances as aforesaid and any accidental error in giving, or failure to give, any notice to any person upon whom notice is served under the foregoing articles shall not prevent the implementation of or invalidate any procedure thereunder. Any notice to be served under article 43(1) upon a person who is not a holder shall be deemed validly served if sent through the post to that person at the address, if any, at which the directors believe him to be resident or carrying on business. Any such notice shall be deemed served on the day following any 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. Any determination of the directors under the provisions of articles 42 to 44 shall be final and conclusive, but without prejudice to the power of the directors subsequently to vary or revoke such determination.

46. The holder or holders of the Excess Shares who has pursuant to article 43(1) been served with a Disposal Notice by the directors shall not, with effect from the expiration of such period as the directors shall specify in such notice (not being longer than 30 days from the date of service of the notice), 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 shares of the relevant class in respect of the shares referred to in that article as Excess Shares.
47. Any member who has pursuant to article 42 been served with a further notice by the directors requiring him to furnish the directors with information and evidence or further 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 information or evidence is furnished to the satisfaction of the directors, be entitled to receive notice of, or to attend or vote at, any general meeting of the Company or meeting of the holders of shares of any class other than in respect of such of the shares held by such member as are shares in respect of which it shall have been established to the satisfaction of the directors that they are not Excess Shares.
48.
  - (1) The provisions of articles 43 to 47 shall not apply to the Company during any Non-Licence Period.
  - (2) A Non-Licence Period shall be any period during which none of the following conditions are fulfilled:
    - (a) the Company or any of its subsidiaries shall be or shall have at any time during the three months previously been a Licence Holder;
    - (b) Ofcom shall have notified the Company or any of its subsidiaries of its intention to award or grant the Company or any of its subsidiaries a Licence (and shall not have yet awarded or granted a licence or given notice of withdrawal of such intention);
    - (c) the Company or any of its subsidiaries shall have made (and not withdrawn) an application to Ofcom for the award or grant or extension or renewal of a Licence and Ofcom shall not have notified the Company or such subsidiary that such application has been unsuccessful or rejected or refused; and
    - (d) the directors shall have passed a resolution that it is the intention of the Company or any of its subsidiaries to apply to Ofcom for the award or grant or extension or renewal of a Licence within one year of the date of such resolution provided that if such resolution has been passed more than six months prior to the relevant date the provisions of this paragraph (d) shall not apply unless a further resolution has been passed in terms mutatis mutandis nor if such an application has been made and has been unsuccessful or withdrawn or rejected or refused.

- (3) For the purposes of articles 42 to 47 the directors may, to enable the Company to deal with shares in uncertificated form in accordance with the provisions of such articles, require the Operator of a relevant system to convert the shares into certificated form.

#### **UNTRACED MEMBERS**

49. (1) The Company shall be entitled to sell at the best price reasonably obtainable any share held by a member, or any share to which a person is entitled by transmission, if:
- (a) for a period of 12 years no cheque or warrant or other method of payment for amounts payable in respect of the share sent and payable in a manner authorised by these articles has been cashed or been successful and no communication has been received by the Company from the member or person concerned;
  - (b) during that period at least three dividends in respect of the share have become payable;
  - (c) the Company has, after the expiration of that period, by advertisement in a leading national daily newspaper published in the United Kingdom and in a newspaper circulating in the area of the registered address or last known address of the member or person concerned, given notice of its intention to sell such share; and
  - (d) the Company has not during the further period of three months after the date of the advertisement and prior to the sale of the share received any communication from the member or person concerned.
- (2) The Company shall also be entitled to sell at the best price reasonably obtainable any additional share issued during the said period of 12 years in right of any share to which paragraph (1) of this article applies (or in right of any share so issued), if the criteria in sub-paragraphs (a), (c) and (d) of that paragraph are satisfied in relation to the additional share (but as if the words "for a period of 12 years" were omitted from sub-paragraph (a) and the words ", after the expiration of that period," were omitted from sub-paragraph (c)).
- (3) To give effect to the sale of any share pursuant to this article the Company may, in the case of a share in certificated form, appoint any person to execute an instrument of transfer of the share, and the instrument shall be as effective as if it had been executed by the registered holder of, or person entitled by transmission to, the share; and in the case of a share in uncertificated form, the directors may, to enable the Company to deal with the share in accordance with the provisions of this article, require the Operator of a relevant system to convert the share into certificated form and after such conversion may authorise any person to execute an instrument of transfer and/or take such other steps (including the giving of directions to or on behalf of the holder, who shall be bound by them) as it thinks fit to effect the transfer. The purchaser shall not be bound to see to the application of the proceeds of sale, nor shall his title to the share be affected by any irregularity in or invalidity of the proceedings relating to the sale. The Company shall be indebted to the



member or other person entitled to the share for an amount equal to the net proceeds of the sale, but no trust or duty to account shall arise and no interest shall be payable in respect of the proceeds of sale, which may be employed in the business of the Company or invested in such investments as the directors may think fit.

### STOCK

50. The Company may by ordinary resolution convert any paid up shares into stock and re-convert any stock into paid up shares of any denomination.
51. A holder of stock may transfer it or any part of it in the same manner, and subject to the same provisions of these articles as would have applied to the shares from which the stock arose if they had not been converted, or as near thereto as circumstances admit, but the directors may fix the minimum amount of stock transferable at an amount not exceeding the nominal amount of any of the shares from which the stock arose.
52. A holder of stock shall, according to the amount of the stock held by him, have the same rights as if he held the shares from which the stock arose provided that no such right (except participation in dividends and in the assets of the Company) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that right.
53. All the provisions of these articles applicable to paid up shares shall apply to stock, and the words "share" and "member" shall include "stock" and "stockholder" respectively.

### ALTERATION OF CAPITAL

54. The Company may by ordinary resolution:
  - (a) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
  - (b) sub-divide its shares, or any of them, into shares of smaller amount than its existing shares; and
  - (c) determine that, as between the shares resulting from such a sub-division, any of them may have any preference or advantage as compared with the others,

and where any difficulty arises in regard to any consolidation or division, the directors may settle such difficulty as they see fit. In particular, without limitation, whenever any members would become entitled to fractions of a share, the directors may sell to any person (including the Company) the shares representing the fractions for the best price reasonably obtainable and distribute the net proceeds of sale in due proportion among those members or retain such net proceeds for the benefit of the Company and:

- (i) in the case of shares in certificated form, authorise some person to execute an instrument of transfer of the shares to or in accordance with the directions of the purchaser; and
- (ii) in the case of shares in uncertificated form, the directors may, to enable the Company to deal with the share in accordance with the provisions of this

article, require the Operator of a relevant system to convert the share into certificated form; and after such conversion, authorise any person to execute an instrument of transfer and/or take such other steps (including the giving of directions to or on behalf of the holder, who shall be bound by them) as they think fit to effect the transfer. The transferee shall not be bound to see to the application of the purchase money nor shall his title to the shares be affected by any irregularity in or invalidity of the proceedings in reference to the sale.

#### **NOTICE OF GENERAL MEETINGS**

55. The directors may call general meetings whenever and at such time and places as they shall determine. If there are not sufficient directors to form a quorum in order to call a general meeting, any director or, if there is no director within the United Kingdom, any member of the Company may call a general meeting.
56. Subject to the provisions of the Acts, an annual general meeting and all other general meetings of the Company shall be called by at least such minimum period of notice as is prescribed or permitted under the Acts. The notice shall specify the place, the date and the time of meeting and the general nature of the business to be transacted, and in the case of an annual general meeting shall specify the meeting as such. Where the Company has given an electronic address in any notice of meeting, any document or information relating to proceedings at the meeting may be sent by electronic means to that address, subject to any conditions or limitations specified in the relevant notice of meeting. Subject to the provisions of these articles and to any rights or restrictions attached to any shares, notices shall be given to all members, to all persons entitled to a share in consequence of the death or bankruptcy of a member or operation of law and to the directors and auditors of the Company.
57. The accidental omission to give notice of a meeting to, or the failure to give notice due to circumstances beyond the Company's control 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**

58. No business shall be transacted at any meeting unless a quorum is present. Two persons entitled to vote upon the business to be transacted, each being a member or a proxy for a member or a duly authorised representative of a corporation which is a member (including for this purpose two persons who are proxies or corporate representatives of the same member), shall be a quorum.
59. If a quorum is not present within half an hour after the time appointed for holding the meeting, or if during a meeting a quorum ceases to be present, the meeting shall stand adjourned to such date, time and place as the directors may, subject to the provisions of the Acts, determine. If at the adjourned meeting a quorum is not present within 15 minutes after the time appointed for holding the meeting, the meeting shall be dissolved.
60. The chairman (if any) of the board of directors, or in his absence the vice-chairman, or in the absence of both of them some other director nominated prior to the meeting by the directors, shall preside as chairman of the meeting, but if neither the chairman nor the vice-chairman nor such other director (if any) is present within 15 minutes

after the time appointed for holding the meeting and willing to act, the directors present shall elect one of their number present and willing to act to be chairman of the meeting, and if there is only one director present, he shall be chairman of the meeting.

61. If no director is present within 15 minutes after the time appointed for holding the meeting, the members present and entitled to vote shall choose one of their number to be chairman of the meeting.
62. The directors or the chairman of the meeting may direct that any person wishing to attend any general meeting should submit to such searches or other security arrangements (including without limitation, requiring evidence of identity to be produced before entering the meeting and placing restrictions on the items of personal property which may be taken into the meeting) as they or he consider appropriate in the circumstances. The directors or the chairman of the meeting may in their or his absolute discretion refuse entry to, or eject from, any general meeting any person who refuses to submit to a search or otherwise comply with such security arrangements.
63. The directors or the chairman of the meeting may take such action, give such direction or put in place such arrangements as they or he consider appropriate to secure the safety of the people attending the meeting and to promote the orderly conduct of the business of the meeting. Any decision of the chairman of the meeting on matters of procedure or matters arising incidentally from the business of the meeting, and any determination by the chairman of the meeting as to whether a matter is of such a nature, shall be final.
64. Directors may attend and speak at general meetings and at any separate meeting of the holders of any class of shares, whether or not they are members. The chairman of the meeting may permit other persons who are not members of the Company or otherwise entitled to exercise the rights of members in relation to general meetings to attend and, at the chairman of the meeting's discretion, speak at a general meeting or at any separate class meeting.
65. In the case of any general meeting, the directors may, notwithstanding the specification in the notice convening the general meeting of the place at which the chairman of the meeting shall preside (the "Principal Place"), make arrangements for simultaneous attendance and participation at satellite meeting places, or by way of any other electronic means, allowing persons not present together at the same place to attend, speak and vote at the meeting. The arrangements for simultaneous attendance and participation at satellite meeting places, or other places at which persons are participating via electronic means, may include arrangements for controlling or regulating the level of attendance at any particular venue provided that such arrangements shall operate so that all members and proxies wishing to attend the meeting are able to attend at one or other of the venues. The members or proxies at the satellite meeting places, or other places at which persons are participating via electronic means, shall be counted in the quorum for, and be entitled to vote at, the general meeting in question, and that meeting shall be duly constituted and its proceedings valid if the chairman of the meeting is satisfied that adequate facilities are available throughout the meeting to ensure that the members or proxies attending at the satellite meeting places, or other places at which persons are participating via electronic means, are able to:-
  - (a) participate in the business for which the meeting has been convened; and

- (b) see and hear all persons who speak (whether through the use of microphones, loud speakers, audiovisual communication equipment or otherwise) in the Principal Place and any other such place.

For the purposes of all other provisions of these articles (unless the context requires otherwise), the members shall be treated as meeting at the Principal Place. If it appears to the chairman of the meeting that the facilities at the Principal Place or any satellite meeting place, or other places at which persons are participating via electronic means, have become inadequate for the purposes set out in sub-paragraphs (a) and (b) above, the chairman of the meeting may, without the consent of the meeting, interrupt or adjourn the general meeting. All business conducted at the general meeting up to the point of the adjournment shall be valid. The provisions of article 66(2) shall apply to that adjournment.

- 66. (1) Without prejudice to any other power of adjournment he may have under these articles or at common law:-
  - (a) the chairman of the meeting may, with the consent of a 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; and
  - (b) the chairman of the meeting may, without the consent of the meeting, adjourn the meeting before or after it has commenced, to another date, time or place which the chairman of the meeting may decide, if the chairman of the meeting considers that:-
    - (i) there is not enough room for the number of members and proxies who wish to attend the meeting;
    - (ii) the behaviour of anyone present prevents, or is likely to prevent, the orderly conduct of the business of the meeting;
    - (iii) an adjournment is necessary to protect the safety of any person attending the meeting; or
    - (iv) an adjournment is otherwise necessary in order for the business of the meeting to be properly carried out.
- (2) Subject to the provisions of the Acts, it shall not be necessary to give notice of an adjourned meeting, except that when a meeting is adjourned for 14 days or more, at least seven clear days' notice shall be given specifying the time and place of the adjourned meeting and the general nature of the business to be transacted. No business shall be transacted at an adjourned meeting other than business which might properly have been transacted at the meeting had the adjournment not taken place.

#### **AMENDMENTS TO RESOLUTIONS**

- 67. (1) A special resolution to be proposed at a general meeting may be amended by ordinary resolution if:-
  - (a) the chairman of the meeting proposes the amendment at the general meeting at which the resolution is to be proposed; and

- (b) the amendment does not go beyond what is necessary to correct a clear error in the resolution.
- (2) An ordinary resolution to be proposed at a general meeting may be amended by ordinary resolution if: -
- (a) written notice of the terms of the proposed amendment and of the intention to move the amendment have been delivered to the Company at the Office at least 48 hours before the time for holding the meeting or the adjourned meeting at which the ordinary resolution in question is proposed and the proposed amendment does not, in the reasonable opinion of the chairman of the meeting, materially alter the substance of the resolution; or
  - (b) the chairman of the meeting, in his absolute discretion, decides that the proposed amendment may be considered or voted on.
68. With the consent of the chairman of the meeting, an amendment may be withdrawn by its proposer before it is voted on. If an amendment proposed to any resolution under consideration is ruled out of order by the chairman of the meeting, the proceedings on the resolution shall not be invalidated by any error in the ruling.

#### POLLS

69. A poll on a resolution may be demanded at a general meeting either before a show of hands on that resolution or immediately after the result of a show of hands on that resolution is declared. A poll on a resolution may be demanded by:-
- (a) the chairman of the meeting; or
  - (b) a majority of the directors present at the meeting; or
  - (c) not less than five members having the right to vote at the meeting; or
  - (d) a member or members representing not less than one-tenth of the total voting rights of all the members having the right to vote at the meeting (excluding any voting rights attached to any shares in the Company held as treasury shares); or
  - (e) a member or members holding shares conferring a right to vote at the meeting on the resolution 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 (excluding any shares in the Company conferring a right to vote at the meeting which are held as treasury shares).
70. Unless a poll is duly demanded and the demand is not subsequently withdrawn, a declaration by the chairman of the meeting that a resolution has been carried or carried unanimously, or by a particular majority, or lost, or not carried by a particular majority, and an entry in respect of such declaration in the minutes of the meeting, shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against the resolution.
71. The demand for a poll may, before the poll is taken, be withdrawn but only with the consent of the chairman of the meeting, and a demand so withdrawn shall not be taken

to have invalidated the result of a show of hands declared before the demand was made. If the demand for a poll is withdrawn, the chairman or any other member entitled may demand a poll.

#### **PROCEDURE ON A POLL**

72. Polls at general meetings shall, subject to articles 73 and 74 below, be taken as and when the chairman of the meeting directs. The chairman of the meeting may appoint scrutineers (who need not be members) and decide how and when the result of the poll is to be declared. The result of a poll shall be the decision of the meeting in respect of the resolution on which the poll was demanded.

73. A poll on:-

- (a) the election of the chairman of the meeting; or
- (b) a question of adjournment,

must be taken immediately.

Other polls must be taken either immediately or within 30 days of their being demanded. A demand for a poll does not prevent a general meeting from continuing, except as regards the question on which the poll was demanded. If a poll is demanded before the declaration of the result of a show of hands and the demand is duly withdrawn, the meeting shall continue as if the demand had not been made.

74. 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 must be given specifying the time and place at which the poll is to be taken.

#### **VOTES OF MEMBERS**

75. Subject to any rights or restrictions attached to any shares:-

(a) on a show of hands:

- (i) every member who is present in person has one vote;
- (ii) every proxy present who has been duly appointed by one or more members entitled to vote on the resolution has one vote, except that if the proxy has been duly appointed by more than one member entitled to vote on the resolution and is instructed by one or more of those members to vote for the resolution and by one or more others to vote against it, or is instructed by one or more of those members to vote in one way and is given discretion as to how to vote by one or more others (and wishes to use that discretion to vote in the other way) he has one vote for and one vote against the resolution; and
- (iii) every corporate representative present who has been duly authorised by a corporation has the same voting rights as the corporation would be entitled to; and

- (b) on a poll every member present in person or by duly appointed proxy or corporate representative has one vote for every share of which he is the holder or in respect of which his appointment of proxy or corporate representative has been made.

A member, proxy or corporate representative entitled to more than one vote need not, if he votes, use all his votes or cast all the votes he uses the same way.

76. For the purposes of determining which persons are entitled to attend or vote at a general meeting and how many votes such person may cast, the Company may specify in the notice convening the meeting a time, being not more than 48 hours before the time fixed for the meeting (and for this purpose no account shall be taken of any part of a day that is not a working day), by which a person must be entered on the register in order to have the right to attend or vote at the meeting.
77. In the case of joint holders the vote of the senior who tenders a vote shall be accepted to the exclusion of the votes of the other joint holders, and seniority shall be determined by the order in which the names of the holders stand in the register of members.
78. A member in respect of whom an order has been made by any court having jurisdiction (whether in the United Kingdom or elsewhere) in matters concerning mental disorder may vote, on a show of hands or on a poll, by any person authorised in that behalf by that court. Evidence to the satisfaction of the directors of the authority of the person claiming the right to vote shall be delivered to the Office, or such other place as is specified in accordance with these articles for the delivery or receipt of appointments of proxy, not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the right to vote is to be exercised, and in default the right to vote shall not be exercisable.
79. No member shall have the right to vote at any general meeting or at any separate meeting of the holders of any class of shares, either in person or by representative or proxy, in respect of any share held by him unless all amounts presently payable by him in respect of that share have been paid.
80. (1) Any objection to the qualification of any person voting at a general meeting or on a poll or to the counting of, or failure to count, any vote, must be made at the meeting or adjourned meeting or at the time the poll is taken (if not taken at the meeting or adjourned meeting) at which the vote objected to is tendered. Any objection made in due time shall be referred to the chairman of the meeting whose decision shall be final and conclusive. If a vote is not disallowed by the chairman of the meeting it is valid for all purposes.
- (2) The Company shall not be bound to enquire whether any proxy or corporate representative votes in accordance with the instructions given to him by the member he represents and if a proxy or corporate representative does not vote in accordance with the instructions of the member he represents the vote or votes cast shall nevertheless be valid for all purposes.

### PROXIES AND CORPORATE REPRESENTATIVES

81. A member is entitled to appoint another person as his proxy to exercise all or any of his rights to attend and to speak and vote at a meeting of the Company. The

appointment of a proxy shall be deemed also to confer authority (in accordance with section 329 of the Companies Act 2006) to demand or join in demanding a poll. Delivery of an appointment of proxy shall not preclude a member from attending and voting at the meeting or at any adjournment of it. A proxy need not be a member. A member may appoint more than one proxy in relation to a meeting, provided that each proxy is appointed to exercise the rights attached to a different share or shares held by him. References in these articles to an appointment of proxy include references to an appointment of multiple proxies.

82. Where two or more valid appointments of proxy are received in respect of the same share in relation to the same meeting, the one which is last sent shall, unless otherwise specified in the notice convening the meeting, be treated as replacing and revoking the other or others. If the Company is unable to determine which is last sent, the one which is last received shall be so treated. If the Company is unable to determine either which is last sent or which is last received, none of such appointments shall be treated as valid in respect of that share.
83. (1) Subject to article 84 below, an appointment of a proxy shall be in writing in any usual form or in any other form which the directors may approve and shall be executed by or on behalf of the appointor which in the case of a corporation may be either under its common seal or under the hand of a duly authorised officer or other person duly authorised for that purpose.
- (2) Where the appointment of a proxy is expressed to have been or purports to have been executed by a duly authorised person on behalf of a member:
- (i) the Company may treat the appointment as sufficient evidence of that person's authority to execute the appointment of proxy on behalf of that member; and
  - (ii) the member shall, if requested by or on behalf of the Company, send or procure the sending of any authority under which the appointment of proxy has been executed, or a certified copy of any such authority, to such address and by such time as is required for the submission of appointments of proxy under article 85 and, if the request is not complied with in any respect, the appointment of proxy may be treated as invalid.
84. The directors may (and shall if and to the extent that the Company is required to do so by the Acts) allow an appointment of proxy to be sent or supplied in electronic form subject to any conditions or limitations as the directors may specify, and where the Company has given an electronic address in any instrument of proxy or invitation to appoint a proxy, any document or information relating to proxies for the meeting (including any document necessary to show the validity of, or otherwise relating to, an appointment of proxy, or notice of the termination of the authority of a proxy) may be sent by electronic means to that address, subject to any conditions or limitations specified in the relevant notice of meeting.
85. An appointment of proxy may:-
- (a) in the case of an appointment of proxy in hard copy form, be received at the Office or such other place in the United Kingdom as is specified in the notice



convening the meeting, or in any appointment of proxy or any invitation to appoint a proxy sent out or made available by the Company in relation to the meeting, not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the appointment of proxy proposes to vote; or

- (b) in the case of an appointment of proxy in electronic form, be received at the electronic address specified in the notice convening the meeting, or in any appointment of proxy or any invitation to appoint a proxy sent out or made available by the Company in relation to the meeting, not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the appointment of proxy proposes to vote; or
- (c) in the case of a poll taken subsequently to the date of the meeting or adjourned meeting, be received as aforesaid not less than 24 hours (or such shorter time as the directors may determine) before the time appointed for the taking of the poll.

An appointment of proxy which is not received or delivered in a manner so permitted shall be invalid. The directors may specify in the notice convening the meeting that, in determining the time for delivery of proxies pursuant to this article, no account shall be taken of any part of a day that is not a working day.

- 86. A vote given or poll demanded by proxy or by the duly authorised representative of a corporation shall be valid notwithstanding the previous termination of the authority of the person voting or demanding a poll, unless notice of the termination was delivered in writing to the Company at the Office, or at such other place or address at which an appointment of proxy may be duly received or delivered under article 85, not later than the last time at which an appointment of proxy should have been received under article 85 in order for it to be valid for use at the meeting at which the vote was given or the poll demanded or for use on the holding of the poll at which the vote was given.
- 87. The directors may at the expense of the Company send or make available appointments of proxy or invitations to appoint a proxy to the members by post or by electronic means or otherwise (with or without provision for their return prepaid) for use at any general meeting or at any separate meeting of the holders of any class of shares, either in blank or nominating in the alternative any one or more of the directors or any other person. If for the purpose of any meeting appointments of proxy or invitations to appoint as proxy a person or one of a number of persons specified in the invitations are issued at the Company's expense, they shall be issued to all (and not to some only) of the members entitled to be sent a notice of the meeting and to vote at it. The accidental omission or the failure due to circumstances beyond the Company's control, to send or make available such an appointment of proxy or give such an invitation to, or the non-receipt thereof by, any member entitled to attend and vote, at a meeting shall not invalidate the proceedings at that meeting.
- 88. Subject to the provisions of the Acts, any corporation (other than the Company itself) which is a member of the Company may, by resolution of its directors or other governing body, authorise a person or persons to act as its representative or representatives at any meeting of the Company, or at any separate meeting of the holders of any class of shares, and the corporation shall for the purposes of these articles be deemed to be present in person at any such meeting if a person or persons

so authorised is or are present at it. The Company may require such person or persons to produce a certified copy of the resolution before permitting such person or persons to exercise his or their powers.

#### **UK CORPORATE GOVERNANCE CODE**

89. The Company shall comply with the provisions of Listing Rules 9.8.6(5) and (6) (or such other provisions of the Listing Rules as may from time to time be applicable) in relation to the principles and provisions of the Code as if it is a company with a Premium Listing.

#### **EDITORIAL INDEPENDENCE AND INTEGRITY IN NEWS REPORTING**

90. The Company shall abide by the principle of editorial independence and integrity of news reporting by Sky News in respect of television, radio and any other closely related services (irrespective of the platform on which such news is distributed) and shall, where appropriate, comply with the Ofcom Broadcasting Code.
91. In relation to the Head of Sky News, the following matters must be approved by resolution of the directors of the Company:
- (1) his appointment and removal from office;
  - (2) any material changes to the terms and conditions of his employment which could give rise to a claim by him or her for constructive dismissal; and
  - (3) any material changes to his authority or reporting relationship.

#### **MATERIAL TRANSACTIONS WITH NEWS CORPORATION**

92. Transactions between the Company and News Corporation or Sky and/or any of their respective subsidiaries which involve or could reasonably involve the payment or receipt by the Company or its subsidiaries of amounts of £5,000,000 or more shall require the prior approval of the Audit Committee.
93. The following transactions will require the prior approval of the Audit Committee and the Company's board of directors:
- (1) transactions between the Company and News Corporation or Sky and/or any of their respective subsidiaries which involve the payment or receipt by the Company or its subsidiaries of amounts of £12,500,000 or more; and
  - (2) any renewal of or material amendment to any of the Operational Agreements.

#### **RELATED PARTY TRANSACTIONS**

94. Subject to articles 95 to 97 below, the Company will comply with the provisions of Chapter 11 as if it is a company which has a Premium Listing.
95. For the purposes of interpreting article 94 above:
- (1) if the Company is proposing to enter into a transaction that could be a related party transaction (as defined in Chapter 11) it is required to obtain the guidance of the Nominated Advisor and not a sponsor to assess the potential application of Listing Rule 11; and

- (2) a related party circular must include a statement by the board that the transaction or arrangement is fair and reasonable as far as the shareholders of the *company* are concerned and that the *directors* have been so advised by the Nominated Advisor and not a sponsor.
96. To the extent that there is any question of interpretation of the Company's compliance with or the application of the Listing Rules, including Chapter 11, the Independent IB shall act as independent arbiter as to whether any relevant Listing Rule has been complied with by the Company. Any decision of the Independent IB as to the Company's compliance with the Chapter 11 shall be final and binding on the Company.
97. All references to the FSA in Chapter 11 and annexes to Chapter 11 shall be deemed to be references to the Independent IB and the FSA shall not have jurisdiction to decide whether the Company has complied with, or approve any documentation required by, the Listing Rules for the purposes of Chapter 11.

### DIRECTORS

98. Unless otherwise determined by the Company by ordinary resolution the number of directors (other than alternate directors) shall not be subject to any maximum but shall not be less than three.
99. For so long as News Corporation in combination with any member(s) of the same Group of Interconnected Bodies Corporate as News Corporation does not control more than 50% of the votes capable of being cast at a general meeting of the Company, the majority of the Company's board of directors shall comprise Independent Directors.
100. The Company's board of directors and its committees shall have the appropriate balance of skills, experience, independence and knowledge of the Company and its business to enable the directors to discharge their respective duties and responsibilities effectively. At least one of the Independent Directors shall have senior editorial and/or journalistic experience.
101. (1) Until otherwise determined by the Company by ordinary resolution, there shall be paid to the directors (other than alternate directors and directors employed by the Company in an executive capacity) such fees for their services in the office of director as the directors may from time to time determine (not exceeding in the aggregate an annual sum of £[●] or such larger amount as the Company may by ordinary resolution decide) divided between the directors as they agree, or, failing agreement, equally except that any director who shall hold office for part only of the period in respect of which such fees are payable shall be entitled only to rank in such division for a proportion of such fees related to the period during which he has held office. The fees shall be deemed to accrue from day to day and shall be distinct from and additional to any remuneration or other benefits which may be paid or provided to any director pursuant to any other provision of these articles.
- (2) The directors may also be paid all travelling, hotel and other expenses properly incurred by them in connection with their attendance at meetings of the directors or of committees of the directors or general meetings or separate

meetings of the holders of any class of shares or otherwise in connection with the discharge of their duties as directors.

- (3) Any director who holds any executive office or who serves on any committee of the directors or who performs services which the directors consider go beyond the ordinary duties of a director may be paid such special remuneration (whether by way of bonus, commission, participation in profits or otherwise) as the directors may determine.

#### **ALTERNATE DIRECTORS**

102. (1) Subject to article 102(2), any director (other than an alternate director) may appoint any other director, or any other person approved by resolution of the directors and willing to act and permitted by law to do so, to be an alternate director and may remove an alternate director appointed by him from his appointment as alternate director. Subject to the foregoing, a director may appoint more than one alternate and a person may act as alternate for more than one director.
  - (2) An Independent Director may only appoint another director or other person to be his alternate director if the proposed alternate director would also qualify as an Independent Director if that person had been a director of the Company.
103. An alternate director shall be entitled to receive notices of meetings of the directors and of committees of the directors of which his appointor is a member, to attend and vote at any such meeting at which the director appointing him is not present but at which meeting such director would be entitled to vote, and generally to perform all the functions of his appointor as a director in his absence, but shall not (unless the Company by ordinary resolution otherwise determines) be entitled to any fees for his services as an alternate director.
104. 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.
105. An alternate director shall cease to be an alternate director on the occurrence in relation to the alternate director of any event which, if it occurred in relation to his appointor, would result in the termination of the appointor's appointment as director.
106. An appointment or removal of an alternate director shall be by notice in writing to the Company signed by the director making or revoking the appointment or in any other manner approved by the directors.
107. Save as otherwise provided in these articles, an alternate director
  - (i) shall be deemed for all purposes to be a director;
  - (ii) shall alone be responsible for his own acts and omissions;
  - (iii) shall, in addition to any restrictions which may apply to him personally, be subject to the same restrictions as his appointor; and

- (iv) shall not be deemed to be the agent of the director appointing him.

### POWERS OF DIRECTORS

108. Save as otherwise provided in these articles, the business of the Company shall be managed by the directors who, subject to the provisions of the Acts these articles and to any directions given by special resolution to take or refrain from taking, specified action, may exercise all the powers of the Company. No alteration of these articles and no such direction shall invalidate any prior act of the directors which would have been valid if that alteration had not been made or that direction had not been given. The powers given by this article shall not be limited by any special power given to the directors by these articles and a meeting of the directors at which a quorum is present may exercise all powers exercisable by the directors.
109. (1) The directors shall restrict the borrowings of the Company and exercise all powers of control exercisable by the Company in relation to its subsidiary undertakings so as to secure (as regards subsidiary undertakings so far as by such exercise they can secure) that, unless authorised by the Company in general meeting, no money shall be borrowed if the aggregate principal amount (including any premium payable on final repayment) outstanding of all money borrowed by the Group (excluding amounts borrowed by any member of the Group from any other member of the Group, other than amounts to be taken into account under paragraph (3)(c) and (d) of this article) then exceeds or would, as a result of such borrowing exceed an amount equal to the higher of, from time to time (i) £150,000,000; and (ii) an amount equal to four times the aggregate turnover of the Group as shown in the then latest audited consolidated profit and loss account of the Group.
- (2) In this article:
- (a) "the Group" means the Company and its subsidiary undertakings (if any); and
- (b) "subsidiary undertaking" has the same meaning as in the Acts.
- (3) For the purposes of this article, but without prejudice to the generality of the terms "borrowing" and "borrowed"
- (a) amounts borrowed for the purpose of repaying the whole or any part of any amounts previously borrowed and then outstanding (including any premium payable on final repayment) and to be applied for that purpose within six months of the borrowing shall not, pending such application, be taken into account as money borrowed;
- (b) the principal amount (including any premium payable on final repayment) of any debentures issued in whole or in part for a consideration other than cash shall be taken into account as money borrowed by the member of the Group issuing them;
- (c) money borrowed by a partly-owned subsidiary undertaking and not owing to another member of the Group shall (notwithstanding sub-paragraph (b) of this paragraph) be taken into account subject to the exclusion of a proportion of it equal to the minority proportion, and

money borrowed and owing to a partly-owned subsidiary undertaking by another member of the Group shall (subject to sub-paragraph (d) of this paragraph) be taken into account to the extent of a proportion of it equal to the minority proportion (and for the purpose of this sub-paragraph "minority proportion" means the proportion of the issued equity share capital of the partly-owned subsidiary undertaking which is not attributable, directly or indirectly, to the Company); and

- (d) in the case of money borrowed and owing to a partly-owned subsidiary undertaking by another partly-owned subsidiary undertaking the proportion which would otherwise be taken into account under sub-paragraph (c) of this paragraph shall be reduced by excluding such part of it as is equal to the proportion of the issued equity share capital of the borrowing subsidiary undertaking which is not attributable, directly or indirectly, to the Company.
- (4) In calculating the aggregate amount of borrowings for the purpose of this article, money borrowed by any member of the Group which is denominated or repayable in a currency other than sterling shall be treated as converted into sterling:
- (a) at the rate of exchange used for the conversion of that currency in the latest audited balance sheet of that member; or
  - (b) if no rate was so used, at the middle market rate of exchange prevailing in London at the close of business on the date of that balance sheet,

but if the amount in sterling resulting from conversion at that rate would be greater than that resulting from conversion at the middle market rate prevailing in London at the close of business on the business day immediately preceding the day on which the calculation falls to be made, the latter rate shall apply instead.

- (5) No debt incurred or security given in respect of money borrowed or to be taken into account as money borrowed in excess of the above limit shall be invalid or ineffectual except in the case of express notice to the lender or the recipient of the security at the time when the debt was incurred or security given that the limit hereby imposed had been or was thereby exceeded, but no lender or other person dealing with the Company shall be concerned to see or enquire whether such limit is observed.
- (6) In this article references to a consolidated profit and loss account of the Group is to be taken:
- (a) in a case where the Company had no subsidiary undertakings at the relevant time, as references to the profit and loss account of the Company;
  - (b) in a case where the Company had subsidiary undertakings at the relevant time but there are no consolidated accounts of the Group, as references to the respective profit and loss accounts of the companies comprising the Group; and

- (c) in a case where the Company had subsidiary undertakings at the relevant time, one or more of which has, in accordance with the Acts, been excluded from consolidation as references to the consolidated profit and loss account of the Company and those of its subsidiary undertakings included in the consolidation.
110. The directors may decide to make provision for the benefit of persons employed or formerly employed by the Company or any of its subsidiaries (other than a director or former director or shadow director) in connection with the cessation or transfer to any person of the whole or part of the undertaking of the Company or that subsidiary.

#### **DELEGATION OF DIRECTORS' POWERS**

111. (1) Subject to the provisions of these articles (including article 100), the directors may delegate any of the powers which are conferred on them under these articles:
- (a) to a committee consisting of one or more directors and (if thought fit) one or more other persons, provided that a majority of the members of the committee shall be directors and no resolution of the committee shall be effective unless a majority of those present when it is passed are directors; or
  - (b) to such person;
  - (c) by such means (including by power of attorney);
  - (d) to such an extent; and
  - (e) on such terms and conditions,
- as they think fit.
- (2) If the directors so specify, any such delegation may authorise further delegation of the directors' powers by any person to whom they are delegated.
- (3) Subject to the provisions of these articles, the directors may revoke any delegation in whole or part, or alter its terms and conditions, save that the delegation to the Committee may not be revoked.
- (4) The power to delegate under this article includes power to delegate the determination of any fee, remuneration or other benefit which may be paid or provided to any director.
- (5) Subject to paragraph (6) of this article, the proceedings of any committee appointed under paragraph (1)(a) of this article with two or more members shall be governed by such of these articles as regulate the proceedings of directors so far as they are capable of applying, and the quorum at a meeting of any such committee shall be two.
- (6) Subject to the provisions of these articles, the directors may make rules regulating the proceedings of such committees, which shall prevail over any rules derived from these articles pursuant to paragraph (5) of this article if, and

to the extent that, they are not consistent with them, save that the directors may not make rules which relate to the Committee.

112. Subject to the provisions of these articles (including article 100), the directors may, by power of attorney or otherwise, appoint any person, whether nominated directly or indirectly by the directors, to be the agent of the Company for such purposes and subject to such conditions as they think fit, and may delegate any of their powers to such an agent. Subject to the provisions of these articles, the directors may revoke or vary any such appointment or delegation and may also authorise the agent to sub-delegate all or any of the powers vested in him.

#### **APPOINTMENT AND RETIREMENT OF DIRECTORS**

113. (1) At the annual general meeting in every year there shall retire from office by rotation:
- (a) all directors who held office and were subject to retirement by rotation at the time of the two preceding annual general meetings and who did not retire by rotation at either of them; and
  - (b) such additional number of directors as shall, when aggregated with the number of directors retiring under paragraph (a) above, equal the Relevant Proportion, provided that:
    - (i) the provisions of this paragraph (b) shall only apply if the number of directors retiring under paragraph (a) above is less than the Relevant Proportion; and
    - (ii) subject to the provisions of the Acts and to the following provisions of these articles, the directors to retire under this paragraph (b) 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.
- (2) In this article 113 "Relevant Proportion" shall mean:
- (a) one-third of the number of directors, in circumstances where the number of directors is three or a multiple of three; or
  - (b) in all other circumstances, the whole number which is nearest to but does not exceed one-third of the number of directors.
114. Subject to the provisions of the Acts and subject to the following provisions of these articles, the directors to retire by rotation shall include (so far as is necessary to obtain the number required) any director who wishes to retire and not to offer himself for re-election and otherwise shall be those who, at the date of the notice of meeting, 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.



115. If the Company, at the meeting at which a director retires by rotation, does not fill the vacancy the retiring director shall, if willing to act, be deemed to have been reappointed unless at the meeting it is resolved not to fill the vacancy or a resolution for the reappointment of the director is put to the meeting and lost.
116. No person other than a director retiring at the meeting shall be appointed or reappointed a director at any general meeting unless:
- (a) he is recommended by the directors; or
  - (b) not less than seven nor more than 42 days before the date appointed for holding the meeting, notice executed by a member qualified to vote on the appointment or reappointment 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 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.
117. At a general meeting a motion for the appointment of two or more persons as directors by a single resolution shall not be made, unless a resolution that it shall be so made has been first agreed to by the meeting without any vote being given against it, and for the purposes of this article a motion for approving a person's appointment or for nominating a person for appointment shall be treated as a motion for his appointment.
118. Subject to the provisions of these articles, the Company may by ordinary resolution appoint a person who is willing to act as a director, and is permitted by law to do so, 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.
119. 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 as the maximum number of directors. A director so appointed shall retire at the next following annual general meeting and shall then be eligible for reappointment and shall not be taken into account in determining the directors who are to retire by rotation at the meeting.
120. A director who retires at an annual general meeting may be reappointed. If he is not reappointed or deemed to have been 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.

#### **DISQUALIFICATION AND REMOVAL OF DIRECTORS**

121. In addition to any power of removal under the Acts, the Company may, by special resolution, remove a director before the expiration of his period of office and, subject to these articles, may, by ordinary resolution, appoint another person who is willing to act as a director and is permitted by law to do so, to be a director instead of him. A person so appointed shall be subject to retirement at the same time as if he had become a director on the day on which the director in whose place he is appointed was last appointed or reappointed a director.
122. The office of a director shall be vacated if:

- (a) he ceases to be a director by virtue of any provision of the Acts 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) by reason of his mental health a court makes an order which wholly or partly prevents him from personally exercising any powers or rights he would otherwise have; or
- (d) he resigns his office by notice in writing to the Company; or
- (e) in the case of a director who holds any executive office, his appointment as such is terminated or expires and the directors resolve that he should cease to be a director; or
- (f) he is absent for more than six consecutive months without permission of the directors from meetings of the directors held during that period and the directors resolve that he should cease to be a director; or
- (g) he is requested in writing or using electronic communications by all the other directors to resign.

#### **DIRECTORS' APPOINTMENTS AND INTERESTS**

123. The directors may appoint one or more of their number to the office of chief executive or to any other executive office of the Company and, subject to the provisions of the Acts, any such appointment may be made for such term, at such remuneration and on such other conditions as the directors think fit. A chief executive shall be subject to retirement by rotation. Any appointment of a director to an executive office shall terminate if he ceases to be a director but without prejudice to any claim for damages for breach of any contract of service between the director and the Company.
124. (1) Subject to the provisions of the Acts, and provided that he has disclosed to the directors the nature and extent of any material interest of his, a director notwithstanding his office:
- (a) may be a party to, or otherwise interested in, any transaction or arrangement with the Company or in which the Company is otherwise interested;
  - (b) may (or any firm of which he is a member may) act in a professional capacity for the Company or any other body in which the Company is otherwise interested; and
  - (c) may be a director or other officer of, or employed by, or a party to any transaction or arrangement with, or otherwise interested in, any body corporate in which the Company is interested, and (i) he shall not by reason of his office, be accountable to the Company for any benefit which he derives from any such office or employment or from any such transaction or arrangement or from any interest in any such body corporate; (ii) he shall not infringe his duty to avoid a situation in which he has, or can have a direct or indirect interest that conflicts, or

possibly may conflict, with the interests of the Company as a result of any such office or employment or any such transaction or arrangement or any interest in any such body corporate; (iii) he shall not be required to disclose to the Company, or use in performing his duties as a director of the Company, any confidential information relating to such office, employment or interest if to make such a disclosure or use would result in a breach of duty or obligation of confidence owed by him in relation to or in connection with such office, employment or interest; (iv) he may absent himself from discussions, whether in meetings of the directors or otherwise, and exclude himself from information, which will or may relate to such office, employment, transaction, arrangement or interest; and (v) no such transaction or arrangement shall be liable to be avoided on the ground of any such interest or benefit.

(2) For the purposes of this article:

- (a) a general notice given to the directors that a director is to be regarded as having an interest of the nature and extent specified in the notice in any transaction or arrangement in which a specified person or class of persons is interested shall be deemed to be a disclosure that the director has an interest in any such transaction of the nature and extent so specified;
- (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; and
- (c) a director shall be deemed to have disclosed the nature and extent of an interest which consists of him being a director, officer or employee of any body corporate in which the Company is interested.

125. (1) The directors may (subject to such terms and conditions, if any, as they may think fit to impose from time to time, and subject always to their right to vary or terminate such authorisation) authorise, to the fullest extent permitted by law:

- (a) any matter which would otherwise result in a director infringing his duty to avoid a situation in which he has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Company and which may reasonably be regarded as likely to give rise to a conflict of interest (including a conflict of interest and duty or conflict of duties); and
- (b) a director to accept or continue in any office, employment or position in addition to his office as a director of the Company and without prejudice to the generality of paragraph (1)(a) of this article may authorise the manner in which a conflict of interest arising out of such office, employment or position may be dealt with, either before or at the time that such a conflict of interest arises,

provided that the authorisation is effective only if (i) any requirement as to the quorum at the meeting at which the matter is considered is met without counting the director in question or any other interested director; and (ii) the matter was agreed to without their voting or would have been agreed to if their votes had not been counted.

- (2) If a matter, or office, employment or position, has been authorised by the directors in accordance with this article then (subject to such terms and conditions, if any, as the directors may think fit to impose from time to time, and subject always to their right to vary or terminate such authorisation or the permissions set out below) -
- (a) the director shall not be required to disclose to the Company, or use in performing his duties as a director of the Company, any confidential information relating to such matter, or such office, employment or position if to make such a disclosure or use would result in a breach of a duty or obligation of confidence owed by him in relation to or in connection with that matter, or that office, employment or position;
  - (b) the director may absent himself from discussions, whether in meetings of the directors or otherwise, and exclude himself from information, which will or may relate to that matter, or that office, employment or position; and
  - (c) a director shall not, by reason of his office as a director of the Company, be accountable to the Company for any benefit which he derives from any such matter, or from any such office, employment or position.

#### **DIRECTORS' GRATUITIES AND BENEFITS**

126. The directors may (by the establishment of, or maintenance of, schemes or otherwise) provide benefits, whether by the payment of allowances, gratuities or pensions, or by insurance or death, sickness or disability benefits or otherwise, for any director or any former director of the Company or of 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 or civil partner and a former spouse or former civil partner) or any person who is or was dependent on him and may (before as well as after he ceases to hold such office or employment) contribute to any fund and pay premiums for the purchase or provision of any such benefit.

#### **PROCEEDINGS OF DIRECTORS**

127. (1) Subject to the provisions of these articles, the directors may regulate their proceedings as they think fit.
- (2) A director may, and the secretary at the request of a director shall, call a meeting of the directors by notice. A notice of a meeting of the directors shall be deemed to be properly given to a director if given to him personally or sent to him at his last known address or any other address given by him to the Company for this purpose.

- (3) Questions arising at a meeting shall be decided by a majority of votes. 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; and an alternate director who is appointed by two or more directors shall be entitled to a separate vote on behalf of each of his appointors in the appointor's absence.
128. No business shall be transacted at any meeting of the directors unless a quorum is present. The quorum at a meeting of the board of directors shall be three directors, which, to the extent that the business of a meeting involves the consideration of editorial or journalistic matters, must include an Independent Director with senior editorial and/or journalistic expertise. A director shall not be counted in the quorum present in relation to a matter or resolution on which he is not entitled to vote (or when his vote cannot be counted) but shall be counted in the quorum present in relation to all other matters or resolutions considered or voted on at the meeting. An alternate director who is not himself a director shall, if his appointor is not present but is entitled to be counted in the quorum, be counted in the quorum.
129. The continuing directors or a sole continuing director may act notwithstanding any vacancies in their number, but, if the number of directors is less than the number fixed as the quorum, the continuing directors or director may act only for the purpose of filling vacancies or of calling a general meeting.
130. The directors shall at any time elect from their number, and may remove, a chairman of the board of directors, who shall be an Independent Director. The chairman shall preside at all meetings of the directors, but if there is no chairman, or if at the meeting the chairman is not present within five minutes after the time appointed for the meeting, or if the chairman is not willing to act as chairman, the directors present may choose another Independent Director to be chairman of the meeting.
131. All acts done by a meeting of the directors, or of a committee of the directors, or by a person acting as a director, shall notwithstanding that it may afterwards be discovered that there was a defect in the appointment of any director or that any of them were disqualified from holding office, or had vacated office, or were not entitled to vote, or that the meeting was not quorate (provided that the directors present at the inquorate meeting believed, in good faith, that the meeting was quorate and made all such enquiries as were reasonable in the circumstances to establish that the meeting was quorate), be as valid as if every such person had been duly appointed and was qualified and had continued to be a director and had been entitled to vote and that the meeting was quorate.
132. A resolution in writing agreed to by all the directors entitled to receive notice of a meeting of the directors or of a committee of the directors and who would be entitled to vote (and whose vote would have been counted) on the resolution at a meeting of the directors shall (if that number is sufficient to constitute a quorum) be as valid and effectual as if it had been passed at a meeting of the directors or (as the case may be) of that committee, duly convened and held. A resolution in writing is adopted when all such directors have signed one or more copies of it or have otherwise indicated their agreement to it in writing. A resolution agreed to by an alternate director need not also be agreed to by his appointor and, if it is agreed to by a director who has

appointed an alternate director, it need not also be agreed to by the alternate director in that capacity.

133. Without prejudice to paragraph (1) of article 127, a meeting of the directors or of a committee of the directors may consist of a conference between directors who are not all in one place, but each of whom is able (whether directly or by conference telephone or by any other form of communication equipment) to hear each of the other participating directors, and to speak to and be heard by each of the others simultaneously. A director taking part in such a conference shall be deemed to be present in person at the meeting and shall be entitled to vote and be counted in the quorum accordingly and the word "meeting" in these articles shall be construed accordingly.
134. (1) Subject to any other provision of these articles, a director shall not vote at a meeting of the directors (or at a meeting of a committee consisting of one or more directors) on any resolution concerning a material matter in which he has, directly or indirectly, a material interest (other than an interest in shares, debentures or other securities of, or otherwise in or through, the Company), unless his interest arises only because the case falls within one or more of the following sub-paragraphs:
- (a) the resolution relates to the giving to him of a guarantee, security, or indemnity in respect of money lent to, or an obligation incurred by him at the request of, or for the benefit of, the Company or any of its subsidiaries;
  - (b) the resolution relates to 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 the director has assumed responsibility in whole or part and whether alone or jointly with others under a guarantee or indemnity or by the giving of security;
  - (c) the resolution relates to the giving to him of any other indemnity which is on substantially the same terms as indemnities given or to be given to all of the other directors and/or to the funding by the Company of his expenditure on defending proceedings or the doing by the Company of anything to enable him to avoid incurring such expenditure where all other directors have been given or are to be given substantially the same arrangements;
  - (d) his interest arises by virtue of his being, or intending to become, a participant in the underwriting or sub-underwriting of an offer of any shares in or debentures or other securities of the Company for subscription, purchase or exchange;
  - (e) the resolution relates to an arrangement for the benefit of the employees and directors and/or former employees and directors of the Company or any of its subsidiaries, and/or the members of their families (including a spouse or civil partner or a former spouse or former civil partner) or any person who is or was dependent on such persons, including but without being limited to a retirement benefits scheme and an employees' share scheme, which does not accord to any

director any privilege or advantage not generally accorded to the employees and/or former employees to whom the arrangement relates; and

- (f) the resolution relates to the purchase or maintenance for any director or directors of insurance against any liability.
- (2) For the purposes of paragraph (1) of this article,
- (a) an interest of any person who is a connected person of a director within the meaning of section 252 of the Companies Act 2006 shall be taken to be the interest of that director and, in relation to an alternate director, an interest of his appointor shall be treated as an interest of the alternate director without prejudice to any interest which the alternate director has otherwise; and
  - (b) without prejudice to the generality of paragraph (1) of this article, a director shall be considered to be interested in a matter if it relates to a transaction or arrangement with a person or body corporate of or in which he is an officer, employee, shareholder, consultant, adviser or representative or in which he is otherwise interested.
- (3) Where proposals are under consideration concerning the appointment (including the fixing or varying of terms of 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 he is not for any reason precluded from voting) each of the directors concerned shall be entitled to vote and be counted in the quorum in respect of each resolution except that concerning his own appointment.
135. 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 the directors or of a committee of the directors or ratify any transaction not duly authorised by reason of contravention of any such provision.
136. If a question arises at a meeting of the directors, or a meeting of a committee of the directors, as to the right of a director to vote, including whether a director has a material interest and/or whether a matter is material for the purposes of article 134, the question may, before the conclusion of the meeting, be decided by a resolution of a majority of directors present at the meeting (other than the director concerned and any other director having a like interest as such director) and such resolution shall be final and conclusive.

#### **GOVERNANCE AND EDITORIAL COMMITTEE**

137. For so long as News Corporation in combination with any member(s) of the same Group of Interconnected Bodies Corporate as News Corporation does not control more than 50% of the votes capable of being cast at a general meeting of the Company, the Company shall establish and maintain a Governance and Editorial Committee.

138. The Governance and Editorial Committee shall be chaired by an Independent Director and shall consist of directors of the Company provided that a majority of the Governance and Editorial Committee shall consist of Independent Directors. At least one of the Independent Directors sitting on the Governance and Editorial Committee shall be a person with senior editorial and/or journalistic experience.
139. The Governance and Editorial Committee shall:
- (1) oversee compliance by the Company with the Governance and Editorial Committee Matters;
  - (2) operate under terms of reference which shall stipulate that the Governance and Editorial Committee will:
    - (a) be adequately resourced and have powers to review and investigate all areas within the remit of the Governance and Editorial Committee;
    - (b) meet at least four times a year;
    - (c) report on a regular basis to the Company's board of directors;
    - (d) cause a statement to be included in the Company's annual report on its activities including its oversight functions relating to the Governance and Editorial Committee Matters;
    - (e) consider any representation made by the Head of Sky News as to the Company's compliance with articles 90 and 91 and report any such representations to the board of the Company; and
    - (f) advise the Company's board of directors on any issues within its remit, including any approvals specified in article 91; and
  - (3) be quorate in respect of the consideration of editorial or journalistic matters only if an Independent Director with senior editorial and/or journalistic experience is present.
140. Subject to the provisions of these articles, the terms of reference of the Governance and Editorial Committee shall be determined by the Company's board of directors.

#### **AUDIT COMMITTEE**

141. The Company shall establish and maintain an Audit Committee, which shall consist exclusively of Independent Directors and will have the power to approve the transactions referred to in articles 92 and 93.
142. Subject to the provisions of these articles, the terms of reference of the Audit Committee shall be determined by the Company's board of directors.

#### **MINUTES**

143. The directors shall cause minutes to be made in books kept for the purpose:
- (a) of all appointments of officers made by the directors; and



- (b) of all proceedings at meetings of the Company, of the holders of any class of shares in the Company, and of the directors, and of committees of the directors, including the names of the directors present at each such meeting.

Minutes shall be retained for at least ten years from the date of the appointment or meeting and shall be kept available for inspection in accordance with the Acts.

144. Any such minutes, if purporting to be signed by the chairman of the meeting to which they relate or of the meeting at which they are read, shall be sufficient evidence without any further proof of the facts therein stated.

#### **SECRETARY**

145. Subject to the provisions of the Acts, the secretary shall be appointed by the directors for such term, at such remuneration and on such other conditions as they think fit; and any secretary so appointed may be removed by them.

#### **THE SEAL**

146. The seal shall be used only by the authority of a resolution of the directors or of a committee of the directors. The directors may determine whether any instrument to which the seal is affixed, shall be signed and, if it is to be signed, who shall sign it. Unless otherwise determined by the directors:
- (a) share certificates and, subject to the provisions of any instrument constituting the same, certificates issued under the seal in respect of any debentures or other securities, need not be signed and any signature may be applied to any such certificate by any mechanical or other means or may be printed on it; and
  - (b) every other instrument to which the seal is affixed shall be signed by two authorised persons or by a director in the presence of a witness who attests the signature and for this purpose an authorised person is any director or the secretary of the Company.
147. Subject to the provisions of the Acts, the Company may have an official seal for use in any place.

#### **DIVIDENDS**

148. Subject to the provisions of the Acts, the Company may by ordinary resolution declare dividends in accordance with the respective rights of the members, but no dividend shall exceed the amount recommended by the directors.
149. Subject to the provisions of the Acts, the directors may pay interim dividends of such amounts and on such dates and in respect of such periods as they may think fit if it appears to them that they are justified by the profits of the Company available for distribution. If the share capital is divided into different classes, the directors may pay interim dividends on shares which confer deferred or non-preferred rights with regard to dividend as well as on shares which confer preferential rights with regard to dividend, but no interim dividend shall be paid on shares carrying deferred or non-preferred rights if at the time of payment, any preferential dividend is in arrear. The directors may also pay at intervals settled by them any dividend payable at a fixed rate if it appears to them that the profits available for distribution justify the

payment. If the directors act in good faith they shall not incur any liability to the holders of shares conferring preferred rights for any loss they may suffer by the lawful payment of an interim dividend on any shares having deferred or non-preferred rights.

150. Subject to the provisions of the Acts and except as otherwise provided by these articles or the rights attached to shares, all dividends shall be declared and paid according to the amounts paid up on the shares on which the dividend is paid. If any share is issued on terms that it ranks for dividend as from a particular date, it shall rank for dividend accordingly. In any other case (and except as aforesaid), 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. For the purpose of this article, an amount paid up on a share in advance of a call shall be treated, in relation to any dividend declared after the payment but before the call, as not paid up on the share.
151. A general meeting declaring a dividend may, upon the recommendation of the directors, by ordinary resolution direct that it shall be satisfied wholly or partly by the distribution of assets and, where any difficulty arises in regard to the distribution, the directors may settle the same as they think fit and in particular (but without limitation) may issue fractional certificates (or ignore fractions) and fix the value for distribution of any assets, and may determine that cash shall be paid to any member on the basis of the value so fixed in order to adjust the rights of members, and may vest any assets in trustees.
152. (1) Any dividend or other money payable in respect of a share may be paid by cheque or warrant sent by post to the registered address of the person entitled or, if two or more persons are the holders of the share or are jointly entitled to it by reason of the death or bankruptcy of the holder, to the registered address of that one of those persons who is first named in the register of members or to such person and to such address as the person or persons entitled may by notice direct. Every cheque or warrant shall be made payable to the order of or to the person or persons entitled or to such other person as the person or persons entitled may by notice direct and payment of the cheque or warrant shall be a good discharge to the Company. Any such dividend or other money may also be paid by any other method (including direct debit and bank transfer or, in respect of shares in uncertificated form, where the Company is authorised to do so by or on behalf of the holder or joint holders, in such manner as the directors may from time to time consider sufficient, by means of a relevant system) which the directors consider appropriate. Any joint holder or other person jointly entitled to a share as aforesaid may give receipts for any dividend or other money payable in respect of the share.
  - (2) The Company may cease to send any cheque or warrant (or to use any other method of payment) for any dividend payable in respect of a share if:
    - (a) in respect of at least two consecutive dividends payable on that share the cheque or warrant has been returned undelivered or remains uncashed (or that other method of payment has failed); or
    - (b) following one such occasion, reasonable enquiries have failed to establish any new address of the holder,

but, subject to the provisions of these articles, shall recommence sending cheques or warrants (or using another method of payment) for dividends payable on that share if the person or persons entitled so request and have supplied in writing a new address or account to be used for that purpose.

153. No dividend or other money payable in respect of a share shall bear interest against the Company, unless otherwise provided by the rights attached to the share.
154. Any dividend which has remained unclaimed for 12 years from the date when it became due for payment shall, if the directors so resolve, be forfeited and cease to remain owing by the Company.
155. The directors may, with the authority of an ordinary resolution of the Company, offer any holders of ordinary shares the right to elect to receive ordinary shares, credited as fully paid, instead of cash in respect of the whole (or some part, to be determined by the directors) of any dividend specified by the ordinary resolution. The following provisions shall apply:
  - (a) The said resolution may specify a particular dividend (whether or not declared), or may specify all or any dividends declared or payable within a specified period, but such period may not end later than the beginning of the fifth annual general meeting next following the date of the meeting at which the ordinary resolution is passed.
  - (b) The entitlement of each holder of ordinary shares to new ordinary shares shall be such that the relevant value of the entitlement shall be as nearly as possible equal to (but not greater than) the cash amount (disregarding any tax credit) that such holder would have received by way of dividend. For this purpose "relevant value" shall be calculated by reference to the average of the middle market quotations for the Company's ordinary shares on the London Stock Exchange as derived from the Daily Official List, for the day on which the ordinary shares are first quoted "ex" the relevant dividend and the four subsequent dealing days, or in such other manner as may be determined by or in accordance with the ordinary resolution. A certificate or report by the auditors as to the amount of the relevant value in respect of any dividend shall be conclusive evidence of that amount.
  - (c) No fraction of a share shall be allotted and the directors may deal with any fractions which arise as they think fit.
  - (d) The directors shall, after determining the basis of allotment, notify the holders of ordinary shares in writing of the right of election offered to them, and specify the procedure to be followed and place at which, and the latest time by which, elections must be received in order to be effective.
  - (e) The directors may exclude from any offer any holders of ordinary shares where the directors believe that the making of the offer to them would or might involve the contravention of the laws of any territory or that for any other reason the offer should not be made to them.
  - (f) The dividend (or that part of the dividend in respect of which a right of election has been given) shall not be payable on ordinary shares in respect of which an election has been duly made ("the elected ordinary shares") and

instead additional ordinary shares shall be allotted to the holders of the elected ordinary shares on the basis of allotment determined as aforesaid. For such purpose the directors shall capitalise out of any amount for the time being standing to the credit of any reserve or fund (including any share premium account or capital redemption reserve) or any of the profits which could otherwise have been applied in paying dividends in cash, as the directors may determine, a sum equal to the aggregate nominal amount of the additional ordinary shares to be allotted on that basis and apply it in paying up in full the appropriate number of unissued ordinary shares for allotment and distribution to the holders of the elected ordinary shares on that basis.

- (g) The directors shall not proceed with any election unless the Company has sufficient reserves or funds that may be capitalised to give effect to it after the basis of allotment is determined.
- (h) The additional ordinary shares when allotted shall rank *pari passu* in all respects with the fully paid ordinary shares then in issue except that they will not be entitled to participation in the dividend in lieu of which they were allotted.
- (i) The directors may do all acts and things which they consider necessary or expedient to give effect to any such capitalisation, and may authorise any person to enter on behalf of all the members interested into an agreement with the Company providing for such capitalisation and incidental matters and any agreement so made shall be binding on all concerned.

#### **CAPITALISATION OF PROFITS**

156. (1) The directors may with the authority of an ordinary resolution of the Company:
- (a) subject as hereinafter provided, resolve to capitalise any undivided profits of the Company not required for paying any preferential dividend (whether or not they are available for distribution) or any sum standing to the credit of any reserve or fund of the Company (including any share premium account or capital redemption reserve);
  - (b) appropriate the sum resolved to be capitalised to the members in proportion to the nominal amounts of the shares (whether or not fully paid) held by them respectively which would entitle them to participate in a distribution of that sum if the shares were fully paid and the sum were then distributable and were distributed by way of dividend and apply such sum on their behalf either in or towards paying up the amounts, if any, for the time being unpaid on any shares held by them respectively, or in paying up in full shares or debentures of the Company of a nominal amount equal to that sum, and allot such shares or debentures credited as fully paid to those members or as they may direct, in those proportions, or partly in one way and partly in the other, but the share premium account, the capital redemption reserve, and any profits which are not available for distribution may, for the purposes of this article, only be applied in paying up shares to be allotted to members credited as fully paid;

- (c) resolve that any shares so allotted to any member in respect of a holding by him of any partly paid shares shall so long as such shares remain partly paid rank for dividend only to the extent that the latter shares rank for dividend;
  - (d) make such provision by the issue of fractional certificates (or by ignoring fractions) or by payment in cash or otherwise as they determine in the case of shares or debentures becoming distributable in fractions;
  - (e) authorise any person to enter on behalf of all the members concerned into an agreement with the Company providing for the allotment to them respectively, credited as fully paid, of any further shares to which they are entitled upon such capitalisation, any agreement made under such authority being binding on all such members; and
  - (f) generally do all acts and things required to give effect to such resolution as aforesaid.
- (2) Where, pursuant to an employees' share scheme (within the meaning of section 1166 of the Companies Act 2006) the Company has granted options to subscribe for shares on terms which provide (inter alia) for adjustments to the subscription price payable on the exercise of such options or to the number of shares to be allotted upon such exercise in the event of any increase or reduction in or other reorganisation of the Company's issued share capital and an otherwise appropriate adjustment would result in the subscription price for any share being less than its nominal value, then, subject to the provisions of the Acts, the directors may, on the exercise of any of the options concerned and payment of the subscription price which would have applied had such adjustment been made, capitalise any such profits or other sum as is mentioned in paragraph (1)(a) above to the extent necessary to pay up the unpaid balance of the nominal value of the shares which fall to be allotted on the exercise of such options and apply such amount in paying up such balance and allot shares fully paid accordingly. The provisions of paragraphs (1)(a) to (f) above shall apply mutatis mutandis to this paragraph (but as if the authority of an ordinary resolution of the Company were not required).

#### RECORD DATES

157. Notwithstanding any other provision of these articles, but without prejudice to the rights attached to any shares, the Company or the directors may fix a date as the record date by reference to which a dividend will be declared or paid or a distribution, allotment or issue made, and that date may be before, on or after the date on which the dividend, distribution, allotment or issue is declared, paid or made (as the case may be). Where such a record date is fixed, references in these articles to a holder of shares or member to whom a dividend is to be paid or a distribution, allotment or issue is to be made shall be construed accordingly.

#### ACCOUNTS

158. No member (other than a director) shall have any right of inspecting any accounting record or other document of the Company, unless he is authorised to do so by statute, by order of the court, by the directors or by ordinary resolution of the Company.

### NOTICES AND OTHER COMMUNICATIONS

159. Any notice to be given to or by any person pursuant to these articles shall be in writing other than a notice calling a meeting of the directors which need not be in writing.
160. (1) Any notice, document or information may (without prejudice to articles 163 and 164) be given, sent or supplied by the Company to any member either:-
- (a) personally; or
  - (b) by sending it by post in a prepaid envelope addressed to the member at his registered address or postal address given pursuant to article 160(4), or by leaving it at that address; or
  - (c) by sending it in electronic form to a person who has agreed (generally or specifically) that the notice, document or information may be sent or supplied in that form (and has not revoked that agreement); or
  - (d) subject to the provisions of the Acts, by making it available on a website, provided that the requirements in article 160(2) are satisfied.
- (2) The requirements referred to in article 160(1)(d) are that: -
- (a) the member has agreed (generally or specifically) that the notice, document or information may be sent or supplied to him by being made available on a website (and has not revoked that agreement), or the member has been asked by the Company to agree that the Company may send or supply notices, documents and information generally, or the notice, document or information in question, to him by making it available on a website and the Company has not received a response within the period of 28 days beginning on the date on which the Company's request was sent and the member is therefore taken to have so agreed (and has not revoked that agreement);
  - (b) the member is sent a notification of the presence of the notice, document or information on a website, the address of that website, the place on that website where it may be accessed, and how it may be accessed ("notification of availability");
  - (c) in the case of a notice of meeting, the notification of availability states that it concerns a notice of a company meeting, specifies the place, time and date of the meeting, and states whether it will be an annual general meeting; and
  - (d) the notice, document or information continues to be published on that website, in the case of a notice of meeting, throughout the period beginning with the date of the notification of availability and ending

with the conclusion of the meeting and in all other cases throughout the period specified by any applicable provision of the Acts, or, if no such period is specified, throughout the period of 28 days beginning with the date on which the notification of availability is sent to the member, save that if the notice, document or information is made available for part only of that period then failure to make it available throughout that period shall be disregarded where such failure is wholly attributable to circumstances which it would not be reasonable to have expected the Company to prevent or avoid.

- (3) In the case of joint holders of a share:-
- (a) it shall be sufficient for all notices, documents and other information to be given, sent or supplied to the joint holder whose name stands first in the register of members in respect of the joint holding (the "first named holder") only; and
  - (b) the agreement of the first named holder that notices, documents and information may be given, sent or supplied in electronic form or by being made available on a website shall be binding on all the joint holders.
- (4) A member whose registered address is not within the United Kingdom shall not be entitled to receive any notice, document or information from the Company unless he gives to the Company an address (not being an electronic address) within the United Kingdom at which notices, documents or information may be given to him.
- (5) For the avoidance of doubt, the provisions of this article 160 are subject to article 57.
- (6) The Company may at any time and at its sole discretion choose to give, send or supply notices, documents and information only in hard copy form to some or all members.
161. A member present either in person or by proxy, or in the case of a corporate member by a duly authorised representative, at any meeting of the Company or of the holders of any class of shares shall be deemed to have received notice of the meeting and, where requisite, of the purposes for which it was called.
162. (1) Any notice to be given to a member may be given by reference to the register of members as it stands at any time within the period of 15 days before the notice is given; and no change in the register after that time shall invalidate the giving of the notice.
- (2) Every person who becomes entitled to a share shall be bound by any notice in respect of that share which, before his name is entered in the register of members, has been given to the person from whom he derives his title; but this paragraph does not apply to a notice given under section 793 of the Companies Act 2006.
163. Subject to the Acts, where by reason of the suspension or curtailment of postal services within the United Kingdom, the Company is unable effectively to give notice

of a general meeting, the general meeting may be convened by a notice advertised in two national daily newspapers published in the United Kingdom. The Company shall send a copy of the notice to members in the same manner as it sends notices under article 160 if at least seven clear days before the meeting the posting of notices to addresses throughout the United Kingdom again becomes practicable.

164. Subject to the Acts, any notice, document or information to be given, sent or supplied by the Company to the members or any of them, not being a notice to which article 163 applies, shall be sufficiently given, sent or supplied if given by advertisement in at least one leading national daily newspaper published in the United Kingdom.
165. Any notice, document or information given, sent or supplied by the Company to the members or any of them:-
- (a) by post, shall be deemed to have been received 24 hours after the time at which the envelope containing the notice, document or information was posted unless it was sent by second class post or there is only one class of post, or it was sent by air mail to an address outside the United Kingdom, in which case it shall be deemed to have been received 48 hours after it was posted. Proof that the envelope was properly addressed, prepaid and posted shall be conclusive evidence that the notice, document or information was sent;
  - (b) by advertisement, shall be deemed to have been received on the day on which the advertisement appears;
  - (c) by electronic means, shall be deemed to have been received 24 hours after it was sent. Proof that a notice, document or information in electronic form was addressed to the electronic address provided by the member for the purpose of receiving communications from the Company shall be conclusive evidence that the notice, document or information was sent;
  - (d) by making it available on a website, shall be deemed to have been received on the date on which notification of availability on the website is deemed to have been received in accordance with this article or, if later, the date on which it is first made available on the website;
  - (e) by means of a relevant system, shall be deemed to have been received 24 hours after the Company, or any sponsoring system participant acting on the Company's behalf, sends the issuer-instruction relating to the notice, document or information.
166. Any notice document or information may be given, sent or supplied by the Company to the person entitled to a share in consequence of the death or bankruptcy of a member by sending or delivering it in any manner authorised by these articles for the giving of notice to a member addressed to that person by name, or by the title of representative of the deceased or trustee of the bankrupt or by any like description, at the address, if any, within the United Kingdom supplied for that purpose by the person claiming to be so entitled. Until such an address has been supplied, a notice may be given in any manner in which it might have been given if the death or bankruptcy had not occurred.



167. If on three consecutive occasions notices, documents or information sent or supplied to a member have been returned undelivered, the member shall not be entitled to receive any subsequent notice, document or information until he has supplied to the Company (or its agent) a new registered address or a postal address within the United Kingdom, or (without prejudice to article 160(4)) shall have informed the Company, in such a manner as may be specified by the Company, of an electronic address. For the purposes of this article, references to notices, documents or information include references to a cheque or other instrument of payment; but nothing in this article shall entitle the Company to cease sending any cheque or other instrument of payment for any dividend, unless it is otherwise so entitled under these articles.
168. Where a document is required under these articles to be signed by a member or any other person, if the document is in electronic form, then in order to be valid the document must either:
- (a) incorporate the electronic signature, or personal identification details (which may be details previously allocated by the Company), of that member or other person, in such form as the directors may approve, or
  - (b) be accompanied by such other evidence as the directors may require in order to be satisfied that the document is genuine.

The Company may designate mechanisms for validating any such document and a document not validated by the use of any such mechanisms shall be deemed as having not been received by the Company. In the case of any document or information relating to a meeting, an instrument of proxy or invitation to appoint a proxy, any validation requirements shall be specified in the relevant notice of meeting in accordance with articles 56 and 84.

#### **DESTRUCTION OF DOCUMENTS**

169. (1) The Company may destroy:
- (a) any instrument of transfer, after six years from the date on which it is registered;
  - (b) any dividend mandate or notification of change of name or address, after two years from the date on which it is recorded;
  - (c) any share certificate, after one year from the date on which it is cancelled; and
  - (d) any other document on the basis of which an entry in the register of members is made, after six years from the date on which it is made.
- (2) Any document referred to in paragraph (1) of this article may be destroyed earlier than the relevant date authorised by that paragraph, provided that a permanent record of the document is made which is not destroyed before that date.
- (3) It shall be conclusively presumed in favour of the Company that every entry in the register of members purporting to have been made on the basis of a document destroyed in accordance with this article was duly and properly

made, that every instrument of transfer so destroyed was duly registered, that every share certificate so destroyed was duly cancelled, and that every other document so destroyed was valid and effective in accordance with the particulars in the records of the Company, provided that:

- (a) this article shall apply only to the destruction of a document in good faith and without notice of any claim (regardless of the parties to it) to which the document might be relevant;
- (b) nothing in this article shall be construed as imposing upon the Company any liability in respect of the destruction of any such document otherwise than in accordance with this article which would not attach to the Company in the absence of this article; and
- (c) references in this article to the destruction of any document include references to the disposal of it in any manner.

#### WINDING UP

170. If the Company commences liquidation, the liquidator may, with the sanction of a special resolution and any other sanction required by law, subject to the provisions of the Acts divide among the members in specie the whole or any part of the assets, whether they shall consist of property of the same kind or not, of the Company and may, for that purpose, value any assets as he deems fair and determine how the division shall be carried out as between the members or different classes of members. The liquidator may, with the like sanction, vest the whole or any part of the assets in trustees upon such trusts for the benefit of the members as he may with the like sanction determine, but no member shall be compelled to accept any assets upon which there is a liability.

#### INDEMNITY

171. Subject to the provisions of the Acts, the Company may:
- (a) indemnify to any extent any person who is or was a director, or a director of any associated company, directly or indirectly (including by funding any expenditure incurred or to be incurred by him) against any loss or liability, whether in connection with any proven or alleged negligence, default, breach of duty or breach of trust by him or otherwise, in relation to the Company or any associated company; and/or
  - (b) indemnify to any extent any person who is or was a director of an associated company that is a trustee of an occupational pension scheme, directly or indirectly (including by funding any expenditure incurred or to be incurred by him) against any liability incurred by him in connection with the company's activities as trustee of an occupational pension scheme; and/or
  - (c) purchase and maintain insurance for any person who is or was a director, or a director of any associated company, against any loss or liability or any expenditure he may incur, whether in connection with any proven or alleged negligence, default, breach of duty or breach of trust by him or otherwise, in relation to the Company or any associated company.



**PROPOSED ACQUISITION BY NEWS CORPORATION OF UP TO 60.9 PER CENT OF BRITISH SKY BROADCASTING GROUP PLC**

**Compliance of the Articles of Association of Newco with the Undertakings in Lieu**

**1. Introduction**

The table below sets out how the proposed articles of association of Newco (the **Newco Articles**) will comply with the Undertakings in Lieu (**UIL**) to be given by News Corporation pursuant to Paragraph 3 of Schedule 2 of Enterprise Act (Protection of Legitimate Interests) Order 2003. The **Newco Articles** are based on the existing articles of association of British Sky Broadcasting Group plc (the **Sky Articles**), amended as required to comply with the UIL and to reflect Newco's proposed status as a company whose shares are admitted to trading on the AIM market of the London Stock Exchange.

The table has been prepared based on the draft of the **Newco Articles** dated 10 May 2011 against the revised draft UIL submitted to the OFT/Ofcom on 10 May 2011.

**2. Compliance with the Articles of Association of Newco with the UIL**

Section of UIL	Relevant article(s) of the Newco Articles	Comments
2.1, spin-off of the Sky News business.	Formation of Newco as a public limited company.	The <b>Newco Articles</b> reflect that Newco will be an English public limited company.
2.2(ii), establishment of corporate governance arrangements.	See articles set out against section 3 of the Undertakings in Lieu below.	Further details of compliance with this requirement are set out below.
3.1, Newco corporate governance structure to substantially replicate the effects of the existing corporate governance structure of Sky.	<p>The majority of the <b>Sky Articles</b> have been included in the <b>Newco Articles</b> without amendment. These are certain definitions, Article 2 to Article 88 (inclusive), Article 98, Article 103 to Article 107 (inclusive), Article 110, Article 115 to Article 123 (inclusive), Article 125 to Article 127 (inclusive), Article 129, Article 131 to Article 136 (inclusive) and Article 143 to Article 171 (inclusive).</p> <p>See specific articles set out against section 3 of the Undertakings in Lieu below for details of additional articles which have been included to ensure that the corporate governance structure of Newco substantially replicates the effects of the existing corporate</p>	The <b>Newco Article's</b> are based on the current <b>Sky Articles</b> , amended as required to comply with the Undertakings in Lieu. This includes embedding in the <b>Newco Articles</b> provisions of the UK Listing Rules which would not otherwise apply to Newco as a company whose shares are admitted to trading on the AIM market of the London Stock Exchange but not admitted to the Official List maintained by the UK Listing Authority.

	governance structure of British Sky Broadcasting Group plc.	
3.1(ii), principle of editorial independence and integrity in news reporting and, where appropriate, compliance with the Ofcom Broadcasting Code.	Relevant definitions and Article 90.	This article reflects the relevant provision of the Undertakings in Lieu.
3.1(iii)(A) and (B), majority of the board of Newco to comprise Independent Directors and one of those Independent Directors to be chairman.	Relevant definitions and Article 99, Article 102 and Article 130.	These articles reflect the relevant provision of the Undertakings in Lieu.
3.1(iii)(C), quorum of board to include at least one Independent Director with senior editorial and/or journalistic expertise where editorial or journalistic matters are considered	Relevant definitions and Article 128.	These articles reflect the relevant provision of the Undertakings in Lieu.
3.1(iv), definition of Independent Director contained in the UIL to be included in the Newco articles of association.	Definition of Independent Director.	This definition tracks the definition in the Undertakings in Lieu as required by section 3.1(iii) of the Undertakings in Lieu, which in turn tracks the UK Corporate Governance Code criteria to assess the independence of a director.
3.1(v), first sentence, Material Transactions between Newco and News or Sky to require the approval of Newco's audit committee.	Definition of Audit Committee, Article 92 and Article 93(2).	These articles reflect the relevant provision of the Undertakings in Lieu.
3.1(v), second sentence, Material Transactions between Newco and News or Sky involving amounts of £12.5 million or more to also require the approval of the board of Newco.	Relevant definitions and Article 93(1).	This article reflects the relevant provision of the Undertakings in Lieu.
3.1(v), third sentence, transactions between Newco and News or Sky may, depending on materiality, require an independent fairness opinion or Newco	Relevant definitions, Articles 94 to 97 (inclusive), Article 141 and Article 142.	These articles reflect the relevant provision of the Undertakings in Lieu.

<p>independent shareholder approval (by virtue of Newco applying controls that have equivalent effect to those imposed by Chapter 11 of the Listing Rules).</p>		
<p>3.1(vi), board of Newco and its committees to have appropriate balance of skills, experience, independence and knowledge of Newco to enable them to discharge their respective duties and responsibilities effectively and at least one Independent Director to have senior editorial and/or journalistic experience.</p>	<p>Relevant definitions, Article 100, Article 111 and Article 112.</p>	<p>These articles reflect the relevant provision of the Undertakings in Lieu.</p>
<p>3.1(vii), appointment or removal (including any material changes in terms and conditions which could give rise to constructive dismissal) and any material changes to the authority or reporting relationship of the head of Sky News to be approved by the board of Newco.</p>	<p>Relevant definitions and Article 91.</p>	<p>This article reflects the relevant provision of the Undertakings in Lieu.</p>
<p>3.1(viii), Newco shall adhere to the obligations imposed by the Listing Rules as regards compliance with the principles set out in the UK Corporate Governance Code.</p>	<p>Relevant definitions, Article 89, Article 94, Article 95 to Article 97 and Articles 113 to 120 (inclusive).</p>	<p>These articles reflect the relevant provision of the Undertakings in Lieu.</p>
<p>3.1(ix), establishment of corporate governance and editorial committee (so long as News in combination with any member of the same Group of Interconnected Bodies Corporate as News does not own more than 50% of Newco's voting shares).</p>	<p>Relevant definitions, Article 137 and Article 140.</p>	<p>These articles reflect the relevant provision of the Undertakings in Lieu.</p>
<p>3.1(ix)(A), comprising a majority of members who are Independent Directors (including an Independent</p>	<p>Relevant definitions. Article 138.</p>	<p>This article reflects the relevant provision of the Undertakings in Lieu.</p>

Director with senior editorial and/or journalistic experience).		
3.1(ix)(B), chaired by an Independent Director.	Relevant definitions and Article 138.	This article reflects the relevant provision of the Undertakings in Lieu.
3.1(ix)(C), entrusted with oversight of Newco's compliance with the corporate governance provisions, the provisions relating to the principle of editorial independence and integrity in news reporting and compliance with the Ofcom Broadcasting Code.	Relevant definitions and Article 139(1).	This article reflects the relevant provision of the Undertakings in Lieu.
3.1(ix)(D), terms of reference.	Relevant definitions and Article 139(2).	This article reflects the relevant provision of the Undertakings in Lieu.
3.1(ix)(E), quorum.	Relevant definitions and Article 139(3).	This article reflects the relevant provision of the Undertakings in Lieu.

Allen & Overy LLP

10 May 2011







ARTICLES OF ASSOCIATION

of

~~BRITISH SKY BROADCASTING GROUP~~

NEWCOI

PUBLIC LIMITED COMPANY

(effective as from ~~23 October 2009~~ [●])

PRELIMINARY

1. (1) In these articles the following words bear the following meanings:
- “**the Acts**” the Companies Acts (as defined in section 2 of the Companies Act 2006), in so far as they apply to the Company;
- “**Audit Committee**” the audit committee of the Company referred to in Article 141;
- “**these articles**” the articles of association for the time being of the Company;
- “**Broadcasting Act 1990**” the Broadcasting Act 1990 (as amended by the Communications Act) including any supplementary legislation, Orders or Statutory Instruments enacted pursuant thereto;
- “**Broadcasting Act 1996**” the Broadcasting Act 1996 (as amended by the Communications Act) including any supplementary legislation, Orders or Statutory Instruments enacted pursuant thereto;
- “**Broadcasting Acts**” the Broadcasting Act 1990 and the Broadcasting Act 1996;
- “**Chapter 11**” Chapter 11 of the Listing Rules (*Related party transactions: Premium listing*) (as varied or amended from time to time) or any such other rules contained in the Listing Rules which relate to related party transactions from time to time;
- “**clear days**” in relation to the period of a 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;
- “**the Code**” the UK Corporate Governance Code published by the Financial Reporting Council (or any relevant successor body) (as amended from time to time);
- “**Communications Act**” the Communications Act 2003 including any supplementary legislation, Orders or Statutory Instruments enacted pursuant thereto;
- “**the Company**” [Newco] plc;

“connected person” (i) in relation to a person, his spouse, civil partner, child or remoter issue or the trustee of a family trust acting in that capacity and (ii) in relation to a body corporate, any holding company of which it is a wholly owned subsidiary and any other wholly owned subsidiaries of that holding company (including any wholly owned subsidiary of the body corporate;

“Daily Official List” the daily official list of the London Stock Exchange;

“director” a director of the Company, from time to time, including an Independent Director;

“electronic address” any number or address used for the purposes of sending or receiving notices, documents or information by electronic means;

“electronic form” has the same meaning as in the Companies Act 2006;

“electronic means” has the same meaning as in the Companies Act 2006;

“Excess Shares” the Specified Shares (or any interest therein) which are required to be disposed of under a Mandated Disposal;

“executed” any mode of execution;

“financial institution” a recognised clearing house or a nominee of a recognised clearing house or of a recognised investment exchange who is designated within the meaning of section 778(2) of the Companies Act 2006;

“FSA” the Financial Services Authority;

“FSMA” the Financial Services and Markets Act 2000 (as amended from time to time);

“Governance and Editorial Committee” the corporate governance and editorial committee referred to in articles [137] to [140];

“Governance and Editorial Committee Matters” shall mean oversight of the Company's compliance with articles [89] to [91];

“Group of Interconnected Bodies Corporate” has the same meaning ascribed to it in section 129(2) of the Enterprise Act 2002; references to a Group of Interconnected Bodies Corporate shall be to the Group of Interconnected Bodies Corporate as constituted from time to time;

“Head of Sky News” the chief editor of Sky News from time to time;

“holder” in relation to shares, the member whose name is entered in the register of members as the holder of the shares;

“Independent Director” a member of the Company's board of directors who:

(i) has not been an employee of the Company, News Corporation or any member of the same Group of Interconnected Bodies Corporate as News Corporation within the last five years;



- (ii) does not have, and has not had within the three years preceding the date of their first election to the Company's board of directors, a material business relationship with the Company or News Corporation either directly, or as a partner, shareholder, director or senior employee of a body that has such a relationship, other than to the extent that such person has previously served as a director of Sky;
- (iii) has not received and does not receive additional remuneration from the Company or News Corporation apart from a director's fee, does not participate in the Company's or News Corporation's share option or performance-related pay scheme, and is not a member of the Company's or News Corporation's pension scheme;
- (iv) does not have close family ties with any of the Company's or News Corporation's advisers, directors or senior employees;
- (v) does not hold cross-directorships and does not have significant links with other directors of the Company through involvement in other companies or bodies;
- (vi) does not represent a significant shareholder of the Company or News Corporation; and
- (vii) has not served on the Company's board of directors or the board of directors of News Corporation within the nine years preceding the date of their first election to the Company's board of directors;

“Independent IB” the investment bank appointed by the Company and approved by a majority of the Independent Directors to advise the Company in respect of its compliance with Chapter 11 to the extent applicable to the Company;

“Licence” a licence to provide a television licensable content service, a digital television programme service or any other service under the Broadcasting Acts;

“Licence Holder” a person who has been:-

- (i) granted a Licence by Ofcom which Licence (including any renewal or extension thereof) has not been terminated or revoked; or
- (ii) awarded, but not yet granted a Licence by Ofcom and such award has not been revoked;

“Listing Rules” the Listing Rules of the FSA made under Part VI of FSMA (as amended from time to time);

“London Stock Exchange” the London Stock Exchange plc;

“Main Principles” the Main Principles of the Code;

“Mandated Disposal” the sale or other transfer of Specified Shares (or any interest therein) pursuant to article 43;



“Nominated Advisor” the Company's nominated advisor as required by the AIM Rules for Companies published by the London Stock Exchange (as amended from time to time);

“Ofcom” the Office of Communications established pursuant to section 1 of the Office of Communications Act 2002 or such other successor body as may be appointed from time to time to exercise all or any of the powers of such body under the Broadcasting Acts and/or Communications Act;

“the Ofcom Broadcasting Code” the broadcasting code published by Ofcom (as amended from time to time);

“Office” the registered office of the Company from time to time;

“Official List” the Official List maintained by the FSA;

“Operational Agreements” the carriage agreement, the brand licensing agreement, the site support service agreement, the lease agreement and the broadcast and technical services agreements, each dated ● 2011 and entered into between the Company and Sky;

“Premium Listing” a listing where the issuer is required to comply with those requirements in Listing Rule 6 (Additional requirements for premium listing (commercial company)) (as amended from time to time) and the other requirements in the Listing Rules that are expressed to apply to securities admitted to the Official List with a premium listing;

“Relevant Interest” any interest (which either alone or when taken with any other interest or interests) in shares in the Company (including any interest attributed by the directors pursuant to the definition of “Relevant Investor” below) as a result of which (a) the Company or any subsidiary would become a disqualified person in relation to any Licence held by it (or awarded, but not yet granted, to it) by virtue of Part II of Schedule 2 to the Broadcasting Act 1990, (b) there would be a breach of, or failure to comply with, any requirements or conditions imposed by or under section 5 of the Broadcasting Act 1990 and/or Schedule 14 of the Communications Act, in relation to any Licence of the Company or any subsidiary to which those requirements apply, by the Company or any subsidiary or any other person, (c) Ofcom may refuse to grant or may revoke a Licence to the Company or any subsidiary under the Broadcasting Acts or (d) the Company or any subsidiary would otherwise be materially affected in relation to any Licence held by (or awarded, but not yet granted, to) it;

“Relevant Investor” any person who, as a result of the transfer to him of any shares, (a) has a Relevant Interest unless, in any such case, Ofcom has given its consent in writing to the Company or any subsidiary to the existence or continuance of the circumstance or circumstances which cause (or would have caused if such consent had not been given) the person to be or to become a Relevant Investor and (i) such consent has not been withdrawn and (ii) there has not been any change in any circumstance which would be relevant to Ofcom in considering whether to withdraw its consent or (b) is determined by the directors, following consultation with Ofcom, to have an interest in shares



in the Company which may cause Ofcom to vary, revoke, determine or refuse to award, grant, renew or extend a Licence to or of the Company or any subsidiary. Without prejudice to the generality of the foregoing, for the purpose of determining whether any person is a Relevant Investor as a result of the transfer to him of any shares, the directors may attribute to such person and aggregate with the interests in issued shares of such person (a) any interest which the Company may require a person to disclose pursuant to section 793 of the Companies Act 2006 (b) any shares which are, in the opinion of the directors, the subject of an agreement or arrangement (whether legally enforceable or not) whereby such shares are to be voted in accordance with that person's instructions (whether given by him directly or through any other person) and (c) any interest of any associate of such person or any person controlled by or connected with such person;

“**seal**” the common seal (if any) of the Company and an official seal (if any) kept by the Company by virtue of section 50 of the Companies Act 2006 or either of them as the case may require;

“**secretary**” the secretary of the Company or any other person appointed to perform the duties of the secretary of the Company, including a joint, assistant or deputy secretary;

“**Sky**” British Sky Broadcasting Group plc;

“**Sky News**” the business of news gathering and production, and creating and offering (whether on a free to air or subscription basis) the broadcast news channels branded “Sky News” and “Sky News HD” and related services under the Sky News brand and/or news services provided to third parties, including the wholesale provision of news input to third party media enterprises;

“**Specified Shares**” shares in the issued capital of the Company which have been transferred to a member and which are comprised in the interest of a Relevant Investor;

“**Uncertificated Securities Regulations**” the Uncertificated Securities Regulations 2001; and

“**undertaking**” includes a body corporate or partnership or an unincorporated association carrying on a trade or business with or without a view to profit (and, in relation to an undertaking which is not a company, expressions in these articles appropriate to companies shall be construed as references to the corresponding persons, officers, documents or organs (as the case may be) appropriate to undertakings of that description).

- (2) In these articles references to a share being in uncertificated form are references to that share being an uncertificated unit of a security, and references to a share being in certificated form are references to that share being a certificated unit of a security, provided that any reference to a share in uncertificated form applies only to a share of a class which is, for the time being, a participating security, and only for so long as it remains a participating security.

- (3) Save as aforesaid and unless the context otherwise requires, words or expressions contained in these articles bear the same meanings as in the Companies Act 2006 or the Uncertificated Securities Regulations (as the case may be).
  - (4) Except where otherwise expressly stated, a reference in these articles to any primary or delegated legislation or legislative provision includes a reference to any modification or re-enactment of it for the time being in force.
  - (5) In these articles, unless the context otherwise requires:
    - (a) words in the singular include the plural, and vice versa;
    - (b) words importing any gender include all genders; and
    - (c) a reference to a person includes a reference to a body corporate (wherever resident or domiciled) and to an unincorporated body of persons.
  - (6) In these articles:
    - (a) references to writing include references to typewriting, printing, lithography, photography and any other modes of representing or reproducing words in a legible and non-transitory form, whether sent or supplied in electronic form or made available on a website or otherwise;
    - (b) references to "other" and "otherwise" shall not be construed ejusdem generis where a wider construction is possible;
    - (c) references to a power are to a power of any kind, whether administrative, discretionary or otherwise; and
    - (d) references to a committee of the directors are to a committee established in accordance with these articles, whether or not comprised wholly of directors.
  - (7) The headings are inserted for convenience only and do not affect the construction of these articles.
2. Neither the regulations contained in Table A in the Companies (Tables A to F) Regulations 1985 nor the regulations contained in the Companies (Model Articles) Regulations 2008 apply to the Company.

#### **LIABILITY OF MEMBERS**

3. The liability of the members of the Company is limited to the amount, if any, unpaid on the shares held by them.

#### **SHARE CAPITAL**

4. Subject to the provisions of the Acts, and without prejudice to any rights attached to any existing shares, any share may be issued with such rights or restrictions as the



Company may by ordinary resolution determine (or, if the Company has not so determined, as the directors may determine).

5. Subject to the provisions of the Acts, any share may be issued which is or is to be liable to be redeemed at the option of the Company or the holder, and the directors may determine the terms, conditions and manner of redemption of any such share.
6. The Company may exercise the powers of paying commissions or brokerage conferred or permitted by the Acts. Subject to the provisions of the Acts, any such commission may be satisfied by the payment of cash or by the allotment of fully or partly paid shares or partly in one way and partly in the other and may be in respect of a conditional or an absolute subscription.
7. Except as required by law, no person shall be recognised by the Company as holding any share upon any trust. Except as otherwise provided by these articles or by law, the Company shall not be bound by or recognise (even if having notice of it) any equitable, contingent, future, partial or other claim or any interest in any share other than the holder's absolute ownership of it and all the rights attaching to it.
8. Without prejudice to any powers which the Company or the directors may have to issue, allot, dispose of, convert, or otherwise deal with or make arrangements in relation to, shares and other securities in any form:
  - (a) the holding of shares in uncertificated form and the transfer of title to such shares by means of a relevant system shall be permitted; and
  - (b) the Company may issue shares in uncertificated form and may convert shares from certificated form to uncertificated form and vice versa.

If and to the extent that any provision of these articles is inconsistent with such holding or transfer as is referred to in paragraph (a) of this article above or with any provision of the Uncertificated Securities Regulations, it shall not apply to any share in uncertificated form.

9. Notwithstanding anything else contained in these articles, where any class of shares is, for the time being, a participating security, unless the directors otherwise determine, shares of any such class held by the same holder or joint holder in certificated form and uncertificated form shall be treated as separate holdings.

#### VARIATION OF RIGHTS

10. Subject to the provisions of the Acts, if at any time the capital of the Company is divided into different classes of shares, the rights attached to any class may be varied, either while the Company is a going concern or during or in contemplation of a winding up:
  - (a) in such manner (if any) as may be provided by those rights; or
  - (b) in the absence of any such provision, with the consent of the holders of three-quarters in nominal value of the issued shares of that class, (which consent shall be given in writing) or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of that class,

but not otherwise. To every such separate meeting the provisions of these articles relating to general meetings shall apply, except that a poll may be demanded by any one holder of shares of the class whether present in person or by proxy and the necessary quorum at any such meeting other than an adjourned meeting shall be at least two persons together holding or representing by proxy at least one-third in nominal value of the issued shares of the class in question and at an adjourned meeting shall be one person holding shares of the class in question or his proxy.

11. Unless otherwise expressly provided by the rights attached to any class of shares, those rights:
  - (a) shall be deemed to be varied by the reduction of the capital paid up on those shares and by the issue of a further class of shares ranking in priority for payment of a dividend or in respect of capital;
  - (b) shall otherwise be deemed not to be varied by the issue of further shares ranking *pari passu* with or subsequent to the first-mentioned shares; and
  - (c) shall be deemed not to be varied by the purchase or redemption by the Company of any of its own shares.

#### SHARE CERTIFICATES

12. (1) On becoming the holder of any share other than a share in uncertificated form, every person (other than a financial institution in respect of whom the Company is not required by law to complete and have ready a certificate) shall be entitled, without payment, to have issued to him within two months after allotment or lodgement of a transfer (unless the terms of issue of the shares provide otherwise) one certificate for all the shares of each class held by him (and, upon transferring a part of his holding of shares of any class, to a certificate for the balance of that holding) or, upon payment for every certificate after the first of such reasonable sum as the directors may determine, to several certificates each for one or more of his shares.
- (2) Every certificate shall be issued under the seal, or under such other form of authentication as the directors may determine (which may include manual or facsimile signatures by one or more directors), and shall specify the number, class and distinguishing numbers (if any) of the shares to which it relates and the amount or respective amounts paid up on them.
- (3) The Company shall not be bound to issue more than one certificate for shares held jointly by several persons and delivery of a certificate to one joint holder shall be sufficient delivery to all of them, and seniority shall be determined in the manner described in article 77.
- (4) If a share certificate is damaged or defaced or said to be lost, stolen or destroyed, it may be renewed on such terms (if any) as to evidence and indemnity and payment of any exceptional expenses incurred by the Company in investigating evidence as the directors may determine but otherwise free of charge, and (in the case of damage or defacement) on delivery up of the old certificate.

#### LIEN



13. The Company shall have a first and paramount lien on every share (not being a fully paid share) for all amounts (whether presently payable or not) payable at a fixed time or called in respect of that share. The directors may declare any share to be wholly or in part exempt from the provisions of this article. The Company's lien on a share shall extend to all amounts (including dividends) payable in respect of it.
14. The Company may sell, in such manner as the directors determine, any share on which the Company has a lien if an amount in respect of which the lien exists is presently payable and is not paid within 14 clear days after notice has been given to the holder of the share, or the person entitled to it in consequence of the death or bankruptcy of the holder or otherwise by operation of law, demanding payment and stating that if the notice is not complied with the shares may be sold.
15. To give effect to the sale the directors may, in the case of a share in certificated form, authorise some person to execute an instrument of transfer of the share sold to, or in accordance with the directions of, the purchaser; and in the case of a share in uncertificated form, the directors may, to enable the Company to deal with the share in accordance with the provisions of this article, require the Operator of a relevant system to convert the share into certificated form and after such conversion may authorise any person to execute an instrument of transfer and/or take such other steps (including the giving of directions to or on behalf of the holder, who shall be bound by them) as they think fit to effect the transfer. The title of the transferee to the share shall not be affected by any irregularity in or invalidity of the proceedings in reference to the sale and the transferee shall not be bound to see to the application of the purchase money.
16. The net proceeds of the sale, after payment of the costs, shall be applied in payment of so much of the amount for which the lien exists as is presently payable, and any residue shall (upon surrender to the Company for cancellation of the certificate for the share sold, in the case of a share in certificated form, and subject to a like lien for any amount not presently payable as existed upon the share before the sale) be paid to the person entitled to the share at the date of the sale.

#### **CALLS ON SHARES, FORFEITURE AND SURRENDER**

17. Subject to the terms of allotment, the directors may make calls upon the members in respect of any amounts unpaid on their shares (whether in respect of nominal value or premium) and each member shall (subject to receiving at least 14 clear days' notice specifying when and where payment is to be made) pay to the Company as required by the notice the amount called on his shares. A call may be required to be paid by instalments. A call may, before receipt by the Company of an amount due under it, be revoked in whole or in part and payment of a call may be postponed in whole or part. A person upon whom a call is made shall remain liable for calls made upon him notwithstanding the subsequent transfer of the shares in respect of which the call was made.
18. A call shall be deemed to have been made at the time when the resolution of the directors authorising the call was passed.
19. The joint holders of a share shall be jointly and severally liable to pay all calls in respect of it.



20. If a call or an instalment of a call remains unpaid in whole or in part after it has become due and payable the person from whom it is due shall pay interest on the amount unpaid, from the day it became due and payable until it is paid at the rate fixed by the terms of allotment of the shares in question or in the notice of the call or, if no rate is fixed, at the appropriate rate (as defined by the Acts) but the directors may waive payment of the interest wholly or in part.
21. An amount payable in respect of a share on allotment or at any fixed date, whether in respect of nominal value or premium or as an instalment of a call, shall be deemed to be a call and if it is not paid these articles shall apply as if that sum had become due and payable by virtue of a call duly made and notified.
22. Subject to the terms of allotment, the directors may differentiate between the holders in the amounts and times of payment of calls on their shares.
23. The directors may receive from any member willing to advance it all or any part of the amount unpaid on the shares held by him (beyond the sums actually called up) as a payment in advance of calls, and such payment shall, to the extent of it, extinguish the liability on the shares in respect of which it is advanced. The Company may pay interest on the amount so received, or so much of it as exceeds the sums called up on the shares in respect of which it has been received, at such rate (if any) as the member and the directors agree.
24. If a call or an instalment of a call remains unpaid, in whole or in part, after it has become due and payable, the directors may give to the person from whom it is due not less than 14 clear days' notice requiring payment of the amount unpaid together with any interest which may have accrued and any costs, charges and expenses incurred by the Company by reason of such non-payment. The notice shall name the place where payment is to be made and shall state that if the notice is not complied with the shares in respect of which the call was made will be liable to be forfeited. If the notice is not complied with, any shares in respect of which it was given may, before the payment required by the notice has been made, be forfeited by a resolution of the directors and the forfeiture shall include all dividends and other amounts payable in respect of the forfeited shares and not paid before the forfeiture.
25. Subject to the provisions of the Acts, a forfeited share shall be deemed to belong to the Company and may be sold, re-allotted or otherwise disposed of on such terms and in such manner as the directors determine either to the person who was before the forfeiture the holder or to any other person and, at any time before the disposition, the forfeiture may be cancelled on such terms as the directors determine. Where for the purposes of its disposal a forfeited share is to be transferred to any person, the directors may, in the case of a share in certificated form, authorise someone to execute an instrument of transfer and, in the case of a share in uncertificated form, the directors may, to enable the Company to deal with the share in accordance with the provisions of this article, require the Operator of a relevant system to convert the share into certificated form and after such conversion may authorise any person to execute an instrument of transfer and/or take such other steps (including the giving of directions to or on behalf of the holder, who shall be bound by them) as they think fit to effect the transfer of the share to that person. The Company may receive the consideration given for the share on its disposal and register the transferee as the holder of the share.



26. A person any of whose shares have been forfeited shall cease to be a member in respect of them and shall surrender to the Company for cancellation the certificate for the shares forfeited but shall remain liable to the Company for all amounts which at the date of forfeiture were presently payable by him to the Company in respect of those shares with interest at the rate at which interest was payable on those amounts before the forfeiture or, if no interest was so payable, at the appropriate rate (as defined in the Acts) from the date of forfeiture until payment, but the directors may waive payment wholly or in part or enforce payment without any allowance for the value of the shares at the time of forfeiture or for any consideration received on their disposal.
27. The board may accept the surrender of any share which it is in a position to forfeit upon such terms and conditions as may be agreed and, subject to any such terms and conditions, a surrendered share shall be treated as if it had been forfeited.
28. The forfeiture of a share shall involve the extinction at the time of forfeiture of all interest in and all claims and demands against the Company in respect of the share and all other rights and liabilities incidental to the share as between the person whose share is forfeited and the Company, except only such of those rights and liabilities as are by these articles expressly saved, or are by the Acts given or imposed in the case of past members.
29. A statutory declaration by a director or the secretary that a share has been forfeited on a specified date shall be conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the share and the declaration shall (subject to the execution of an instrument of transfer if necessary, in the case of a share in certificated form) constitute a good title to the share and the person to whom the share is disposed of shall not be bound to see to the application of the consideration, if any, nor shall his title to the share be affected by any irregularity in or invalidity of the proceedings relating to the forfeiture or disposal of the share.

#### **TRANSFER OF SHARES**

30. The instrument of transfer of a share in certificated form may be in any usual form or in any other form which the directors approve and shall be executed by or on behalf of the transferor and, where the share is not fully paid, by or on behalf of the transferee.
31. Where any class of shares is, for the time being, a participating security, title to shares of that class which are recorded on an Operator register of members as being held in uncertificated form may be transferred by means of the relevant system concerned. The transfer may not be in favour of more than four transferees.
32. (1) The directors may refuse to register any transfer of a share in certificated form if it is their opinion that such transfer would or might (a) prejudice the right of the Company or any subsidiary to hold, be awarded or granted or have renewed or extended, any Licence or (b) give rise to or cause, directly or indirectly, a variation to be made to any such Licence (being a variation which would, in the opinion of the directors, have a material adverse effect on the ability of the Company or the relevant subsidiary to operate its broadcasting business as operated by it at the relevant time) or a revocation or determination of any such Licence by Ofcom provided that the provisions of



articles 42 to 48 will apply in relation to the shares which are the subject of any such transfer.

- (2) The directors may, in their absolute discretion, refuse to register the transfer of a share in certificated form which is not fully paid. They may also refuse to register a transfer of a share in certificated form (whether fully paid or not) unless the instrument of transfer:
- (a) is lodged, duly stamped, at the Office or at such other place as the directors may appoint and (except in the case of a transfer by a financial institution where a certificate has not been issued in respect of the share) is accompanied by the certificate for the share 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) is in respect of only one class of share; and
  - (c) is in favour of not more than four transferees jointly.
- (3) The directors may refuse to register a transfer of a share in uncertificated form to a person who is to hold it thereafter in certificated form in any case where the Company is entitled to refuse (or is excepted from the requirement) under the Uncertificated Securities Regulations to register the transfer.

33. If the directors refuse to register a transfer of a share, they shall as soon as practicable and in any event within two months after the date on which the transfer was lodged with the Company (in the case of a transfer of a share in certificated form) or the date on which the Operator-instruction was received by the Company (in the case of a transfer of a share in uncertificated form to a person who is to hold it thereafter in certificated form) send to the transferee notice of the refusal together with reasons for the refusal. The directors shall send to the transferee such further information about the reasons for the refusal as the transferee may reasonably request.
34. No fee shall be charged for the registration of any instrument of transfer or other document or instruction relating to or affecting the title to any share.
35. The Company shall be entitled to retain any instrument of transfer which is registered, but any instrument of transfer which the directors refuse to register shall (except in the case of fraud) be returned to the person lodging it when notice of the refusal is given.
36. Nothing in these articles shall preclude the directors from recognising a renunciation of the allotment of any share by the allottee in favour of some other person.

#### TRANSMISSION OF SHARES

37. If a member dies the survivor or survivors where he was a joint holder, or his personal representatives where he was a sole holder or the only survivor of joint holders, shall be the only persons recognised by the Company as having any title to his interest; but nothing in this article shall release the estate of a deceased member from any liability in respect of any share which had been solely or jointly held by him.
38. A person becoming entitled to a share in consequence of the death or bankruptcy of a member may, upon such evidence being produced as the directors may properly



require, elect either to become the holder of the share or to have some person nominated by him registered as the transferee. If he elects to become the holder he shall give notice to the Company to that effect. If he elects to have another person registered he shall execute an instrument of transfer of the share to that person. All the provisions of these articles relating to the transfer of shares shall apply to the notice or instrument of transfer as if it were an instrument of transfer signed by the member and the death or bankruptcy of the member had not occurred.

39. A person becoming entitled to a share by reason of the death or bankruptcy of a member or otherwise by operation of law shall, upon such evidence being produced as the directors may reasonably require as to his entitlement, have the rights to which he would be entitled if he were the holder of the share, and may give discharge for all dividends and other moneys payable in respect of the share, except that he shall not, before being registered as the holder of the share, be entitled in respect of it to attend or vote at any general meeting or at any separate meeting of the holders of any class of shares.

#### SHARE WARRANTS

40. (1) The Company with respect to fully paid shares may issue share warrants stating that the bearer is entitled to the shares therein specified, and may provide by coupons or otherwise for the payment of future dividends or other moneys on or in respect of the shares included in such share warrants.
- (2) A share warrant shall entitle the bearer thereof to the shares included in it, and the shares may be transferred by the delivery of the share warrant, and the provisions of these articles with respect to share certificates, liens, calls on shares and forfeiture and surrender, disclosure of interest, transfer of shares and transmission of shares shall not apply in relation to share warrants or the holders thereof. Each share warrant shall be issued under the seal.
- (3) The directors shall be at liberty to accept a certificate (in such form and from such person as the directors may approve) to the effect that a specified person is shown in the records of the person issuing such certificate as being entitled to the shares comprised in a specified share warrant as sufficient evidence of the facts stated in such certificate, and may treat the deposit of such certificate at the Office (or any other place specified from time to time by the directors) as equivalent to the deposit there of the share warrant, and may (inter alia) allot to the person named in such certificate any shares to which the bearer of the share warrant referred to in such certificate may be entitled and the rights of the allottee to the allotment shall not, after allotment, be questioned by any person.
- (4) The directors may determine and from time to time vary the conditions upon which share warrants shall be issued, and in particular (but without limitation) upon which a new share warrant or coupon will be issued in the place of one worn out, defaced, lost or destroyed (provided that no new share warrant may be issued to replace one that has been lost unless the directors are satisfied beyond reasonable doubt that the original share warrant has been destroyed), upon which (subject as hereinafter provided) the bearer of a share warrant shall be entitled to attend and vote at general meetings, and upon which a share warrant may be surrendered and the name of the holder entered in the



register of members in respect of the shares therein specified. Subject to such conditions and to these articles, the bearer of a share warrant shall be subject to the conditions for the time being in force relating to share warrants, whether made before or after the issue of such share warrant.

- (5) Subject to any conditions for the time being in force relating to share warrants and as otherwise expressly provided in these articles, the bearer of a share warrant may at any time deposit the share warrant at the Office (or at such other place as the directors may from time to time appoint) and, so long as the share warrant remains so deposited, the depositor shall have the same right of signing a requisition for calling a meeting of the Company, of giving notice of intention to submit a resolution to a meeting and of attending and voting, giving a proxy and exercising the other privileges of a member at any meeting held after the expiration of 48 hours from the time of deposit, as if his name were inserted in the register of members as the holder of the shares included in the deposited share warrant. Not more than one person shall be recognised as a depositor of any share warrant. Every share warrant which shall have been so deposited as aforesaid shall remain so deposited until after the closing of the meeting at which the depositor desires to attend or to be represented.
- (6) Subject as otherwise expressly provided in these articles or in any conditions for the time being in force relating to share warrants, no person shall, as bearer of a share warrant, be entitled to sign a requisition for calling a meeting of the Company or give notice of intention to submit a resolution to a meeting or attend or vote or give a proxy or exercise any other privilege of a member at a meeting of the Company, or be entitled to receive any notices or any documents pursuant to these articles from the Company, but the bearer of a share warrant shall be entitled in all other respects to the same privileges and advantages as if he were named in the register of members as the holder of the shares included in the share warrant, and he shall be deemed to be a member of the Company.
- (7) Without prejudice to any powers which the Company or the directors may have to issue, dispose of, convert, or otherwise deal with or make arrangements in relation to, share warrants and other securities in any form:
  - (a) the holding of share warrants in uncertificated form and the transfer of title to such share warrants by means of a relevant system shall be permitted; and
  - (b) the Company may issue share warrants in uncertificated form and may convert share warrants from certificated form to uncertificated form and vice versa.

If and to the extent that any provision of these articles is inconsistent with such holding or transfer as is referred to in sub-paragraph (7)(a) of this article above or with any provision of the Uncertificated Securities Regulations, it shall not apply to any share warrant in uncertificated form.

#### **DISCLOSURE OF INTERESTS**

41. (1) If a member, or any other person appearing to be interested in shares held by that member, has been given a notice under section 793 of the Companies Act 2006 and has failed in relation to any shares (the "default shares") to give the Company the information thereby required within 14 days from the date of giving the notice, the following sanctions shall apply, unless the directors otherwise determine:
- (a) the member shall not be entitled in respect of the default shares to be present or to vote (either in person or by representative or proxy) at any general meeting or at any separate meeting of the holders of any class of shares or on any poll; and
  - (b) where the default shares represent at least 0.25 per cent of their class:
    - (i) any dividend payable in respect of the shares shall be withheld by the Company, which shall not have any obligation to pay interest on it, and the member shall not be entitled to elect, pursuant to these articles, to receive shares instead of that dividend; and
    - (ii) no transfer, other than an excepted transfer, of any shares held by the member in certificated form shall be registered unless:
      - (A) the member is not himself in default as regards supplying the information required; and
      - (B) the member proves to the satisfaction of the directors that no person in default as regards supplying such information is interested in any of the shares the subject of the transfer.
    - (iii) for the purposes of sub-paragraph (1)(b)(ii) of this article, in the case of shares held by the member in uncertificated form, the directors may, to enable the Company to deal with the shares in accordance with the provisions of this article, require the Operator of a relevant system to convert the shares into certificated form.
- (2) Where the sanctions under paragraph (1) of this article apply in relation to any shares, they shall cease to have effect at the end of the period of seven days (or such shorter period as the directors may determine) following the earlier of:
- (a) receipt by the Company of the information required by the notice mentioned in that paragraph; and
  - (b) receipt by the Company of notice that the shares have been transferred by means of an excepted transfer,
- and the directors may suspend or cancel any of the sanctions at any time in relation to any shares.
- (3) Any new shares in the Company issued in right of default shares shall be subject to the same sanctions as apply to the default shares, and the directors

may make any right to an allotment of the new shares subject to sanctions corresponding to those which will apply to those shares on issue: provided that any sanctions applying to, or to a right to, new shares by virtue of this paragraph shall cease to have effect when the sanctions applying to the related default shares cease to have effect (and shall be suspended or cancelled if and to the extent that the sanctions applying to the related default shares are suspended or cancelled); and provided further that paragraph (1) of this article shall apply to the exclusion of this paragraph if the Company gives a separate notice under section 793 of the Companies Act 2006 in relation to the new shares.

- (4) Where, on the basis of information obtained from a member in respect of any share held by him, the Company gives a notice under section 793 of the Companies Act 2006 to any other person, it shall at the same time send a copy of the notice to the member, but the accidental omission to do so, or the non-receipt by the member of the copy, shall not invalidate or otherwise affect the application of paragraph (1) of this article.
- (5) For the purposes of this article:
  - (a) a person, other than the member holding a share, shall be treated as appearing to be interested in that share if the member has informed the Company that the person is, or may be, so interested, or if the Company (after taking account of any information obtained from the member or, pursuant to a notice under section 793 of the Companies Act 2006, from anyone else) knows or has reasonable cause to believe that the person is, or may be, so interested;
  - (b) “interested” shall be construed as it is for the purpose of section 793 of the Companies Act 2006;
  - (c) reference to a person having failed to give the Company the information required by a notice, or being in default as regards supplying such information, includes (i) reference to his having failed or refused to give all or any part of it and (ii) reference to his having given information which he knows to be false in a material respect or having recklessly given information which is false in a material respect;
  - (d) an “excepted transfer” means, in relation to any shares held by a member:
    - (i) a transfer pursuant to acceptance of a takeover offer (within the meaning in section 974 of the Companies Act 2006) in respect of shares in the Company; or
    - (ii) a transfer in consequence of a sale made through a recognised investment exchange (as defined in the Financial Services and Markets Act 2000) or any other stock exchange outside the United Kingdom on which the Company's shares are normally traded; or



- (iii) a transfer which is shown to the satisfaction of the directors 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.
- (6) Nothing in this article shall limit the powers of the Company under section 794 of the Companies Act 2006 or any other powers of the Company whatsoever.

#### RELEVANT INVESTORS

42. The directors may at any time serve a notice upon any member, who has had shares transferred to him pursuant to a share transfer, requiring him to furnish the directors with information (in the case of (2) below, to the extent that such paragraph applies to any person other than the member, so far as such information lies within the knowledge of or can be obtained by such member), supported by a declaration and by such other evidence (if any) in support thereof as the directors may require, for the purpose of determining:

- (1) whether such member is or is likely to be a party to an agreement or arrangement (whether legally enforceable or not) whereby any of the shares held by him are to be voted in accordance with some other person's instructions (whether given by that other person directly or through any other person); or
- (2) whether such member and/or any other person who has an interest in any shares held by such member is a Relevant Investor.

If such information and evidence is not furnished within a reasonable period (not being less than 14 days) from the date of service of such notice or the information and evidence provided is, in the opinion of the directors, unsatisfactory for the purposes of so determining, the directors may serve upon such member a further notice calling upon him, within 14 days after the service of such further notice, to furnish the directors with such information and evidence or further information or evidence as shall (in their opinion) enable them so to determine.

43. (1) If any person (to the knowledge of the directors) becomes or is deemed in accordance with article 44 to be a Relevant Investor by reason of the transfer of any shares to him, the directors may serve a written notice (a "Disposal Notice") on all those who (to the knowledge of the directors) have an interest in, and, if different, on the holder or holders of, the Specified Shares. The Disposal Notice shall refer to the voting restrictions as set out in article 46 and shall call for a Mandated Disposal to be made and shall state the number of Excess Shares in respect of which the Mandated Disposal is to be made and shall call for reasonable evidence that such Mandated Disposal has been effected to be supplied to the Company within 21 days from the date of such Notice or such other period as the directors may consider reasonable and which they may extend. The directors may withdraw a Disposal Notice (whether before or after the expiration of the period referred to) if it appears to them that there is no Relevant Investor in relation to such Excess Shares.



- (2) If a Disposal Notice served under this article is not complied with to the satisfaction of the directors and has not been withdrawn, the holder or holders on whom such notice shall have been served shall be deemed to have constituted the directors their agents and the directors may, so far as they are able, make a Mandated Disposal of the number of Excess Shares stated in the relevant Disposal Notice, at the best price reasonably obtainable and shall give written notice of such disposal to those persons on whom the Disposal Notice was served. Except as hereinafter provided, such a Mandated Disposal shall be completed as soon as reasonably practicable after expiry of the Disposal Notice as may in the opinion of the directors be consistent with obtaining the best price reasonably obtainable and in any event within 30 days of expiry of such Disposal Notice provided that a Mandated Disposal may be suspended during the period when dealings by the directors in the shares are not permitted either by law or by regulations of the competent authority (designated as such for the purposes of Part VI of the Financial Services and Markets Act 2000) ~~or the New York Stock Exchange~~, but any Mandated Disposal suspended as aforesaid shall be completed within 30 days after expiry of the period of such suspension and provided further that neither the Company nor the directors shall be liable to any holder for failing to obtain the best price so long as the directors act in good faith within the period specified above. If on a Mandated Disposal being made by the directors, Excess Shares are held by more than one holder (treating joint holders of any relevant shares as a single holder) the directors shall cause the same proportion of each holding as is known to them to be sold.
- (3) For the purpose of effecting any Mandated Disposal, the directors may authorise in writing any officer or employee of the Company to execute, complete and deliver any necessary transfer in the name and on behalf of any holder and may issue a new certificate to the purchaser. 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 any interest being payable thereon) to the former holder upon surrender by him of the certificate in respect of the shares sold and formerly held by him. After the name of the purchaser (or his nominee) has been entered in the register of members, the validity of the proceedings shall not be questioned by any person.
44. (1) The directors may assume without enquiry that a person is not a Relevant Investor. The directors may determine that any person is a Relevant Investor if there are reasonable grounds for believing that that person is a Relevant Investor (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 Investor) until such time as they are satisfied that such is not the case.
- (2) If in accordance with this article the directors shall have assumed that any person is not a Relevant Investor, the exercise by that person of any right attaching to any share in which he is interested shall not be challenged or invalidated by any subsequent determination by the directors that such person is a Relevant Investor.



45. The directors shall not be obliged to serve any Disposal Notice under article 43(1) upon any person if they do not know his identity or his address and the absence of service of such a notice in such circumstances as aforesaid and any accidental error in giving, or failure to give, any notice to any person upon whom notice is served under the foregoing articles shall not prevent the implementation of or invalidate any procedure thereunder. Any notice to be served under article 43(1) upon a person who is not a holder shall be deemed validly served if sent through the post to that person at the address, if any, at which the directors believe him to be resident or carrying on business. Any such notice shall be deemed served on the day following any 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. Any determination of the directors under the provisions of articles 42 to 44 shall be final and conclusive, but without prejudice to the power of the directors subsequently to vary or revoke such determination.
46. The holder or holders of the Excess Shares who has pursuant to article 43(1) been served with a Disposal Notice by the directors shall not, with effect from the expiration of such period as the directors shall specify in such notice (not being longer than 30 days from the date of service of the notice), 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 shares of the relevant class in respect of the shares referred to in that article as Excess Shares.
47. Any member who has pursuant to article 42 been served with a further notice by the directors requiring him to furnish the directors with information and evidence or further 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 information or evidence is furnished to the satisfaction of the directors, be entitled to receive notice of, or to attend or vote at, any general meeting of the Company or meeting of the holders of shares of any class other than in respect of such of the shares held by such member as are shares in respect of which it shall have been established to the satisfaction of the directors that they are not Excess Shares.
48. (1) The provisions of articles 43 to 47 shall not apply to the Company during any Non-Licence Period.
- (2) A Non-Licence Period shall be any period during which none of the following conditions are fulfilled:
- (a) the Company or any of its subsidiaries shall be or shall have at any time during the three months previously been a Licence Holder;
  - (b) Ofcom shall have notified the Company or any of its subsidiaries of its intention to award or grant the Company or any of its subsidiaries a Licence (and shall not have yet awarded or granted a licence or given notice of withdrawal of such intention);
  - (c) the Company or any of its subsidiaries shall have made (and not withdrawn) an application to Ofcom for the award or grant or extension or renewal of a Licence and Ofcom shall not have notified the Company or such subsidiary that such application has been unsuccessful or rejected or refused; and



- (d) the directors shall have passed a resolution that it is the intention of the Company or any of its subsidiaries to apply to Ofcom for the award or grant or extension or renewal of a Licence within one year of the date of such resolution provided that if such resolution has been passed more than six months prior to the relevant date the provisions of this paragraph (d) shall not apply unless a further resolution has been passed in terms mutatis mutandis nor if such an application has been made and has been unsuccessful or withdrawn or rejected or refused.
- (3) For the purposes of articles 42 to 47 the directors may, to enable the Company to deal with shares in uncertificated form in accordance with the provisions of such articles, require the Operator of a relevant system to convert the shares into certificated form.

#### UNTRACED MEMBERS

49. (1) The Company shall be entitled to sell at the best price reasonably obtainable any share held by a member, or any share to which a person is entitled by transmission, if:
- (a) for a period of 12 years no cheque or warrant or other method of payment for amounts payable in respect of the share sent and payable in a manner authorised by these articles has been cashed or been successful and no communication has been received by the Company from the member or person concerned;
  - (b) during that period at least three dividends in respect of the share have become payable;
  - (c) the Company has, after the expiration of that period, by advertisement in a leading national daily newspaper published in the United Kingdom and in a newspaper circulating in the area of the registered address or last known address of the member or person concerned, given notice of its intention to sell such share; and
  - (d) the Company has not during the further period of three months after the date of the advertisement and prior to the sale of the share received any communication from the member or person concerned.
- (2) The Company shall also be entitled to sell at the best price reasonably obtainable any additional share issued during the said period of 12 years in right of any share to which paragraph (1) of this article applies (or in right of any share so issued), if the criteria in sub-paragraphs (a), (c) and (d) of that paragraph are satisfied in relation to the additional share (but as if the words "for a period of 12 years" were omitted from sub-paragraph (a) and the words ", after the expiration of that period," were omitted from sub-paragraph (c)).
- (3) To give effect to the sale of any share pursuant to this article the Company may, in the case of a share in certificated form, appoint any person to execute an instrument of transfer of the share, and the instrument shall be as effective as if it had been executed by the registered holder of, or person entitled by transmission to, the share; and in the case of a share in uncertificated form, the directors may, to enable the Company to deal with the share in accordance



with the provisions of this article, require the Operator of a relevant system to convert the share into certificated form and after such conversion may authorise any person to execute an instrument of transfer and/or take such other steps (including the giving of directions to or on behalf of the holder, who shall be bound by them) as it thinks fit to effect the transfer. The purchaser shall not be bound to see to the application of the proceeds of sale, nor shall his title to the share be affected by any irregularity in or invalidity of the proceedings relating to the sale. The Company shall be indebted to the member or other person entitled to the share for an amount equal to the net proceeds of the sale, but no trust or duty to account shall arise and no interest shall be payable in respect of the proceeds of sale, which may be employed in the business of the Company or invested in such investments as the directors may think fit.

### STOCK

50. The Company may by ordinary resolution convert any paid up shares into stock and re-convert any stock into paid up shares of any denomination.
51. A holder of stock may transfer it or any part of it in the same manner, and subject to the same provisions of these articles as would have applied to the shares from which the stock arose if they had not been converted, or as near thereto as circumstances admit, but the directors may fix the minimum amount of stock transferable at an amount not exceeding the nominal amount of any of the shares from which the stock arose.
52. A holder of stock shall, according to the amount of the stock held by him, have the same rights as if he held the shares from which the stock arose provided that no such right (except participation in dividends and in the assets of the Company) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that right.
53. All the provisions of these articles applicable to paid up shares shall apply to stock, and the words "share" and "member" shall include "stock" and "stockholder" respectively.

### ALTERATION OF CAPITAL

54. The Company may by ordinary resolution:
  - (a) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
  - (b) sub-divide its shares, or any of them, into shares of smaller amount than its existing shares; and
  - (c) determine that, as between the shares resulting from such a sub-division, any of them may have any preference or advantage as compared with the others,

and where any difficulty arises in regard to any consolidation or division, the directors may settle such difficulty as they see fit. In particular, without limitation, whenever any members would become entitled to fractions of a share, the directors may sell to any person (including the Company) the shares representing the fractions for the best



price reasonably obtainable and distribute the net proceeds of sale in due proportion among those members or retain such net proceeds for the benefit of the Company and:

- (i) in the case of shares in certificated form, authorise some person to execute an instrument of transfer of the shares to or in accordance with the directions of the purchaser; and
- (ii) in the case of shares in uncertificated form, the directors may, to enable the Company to deal with the share in accordance with the provisions of this article, require the Operator of a relevant system to convert the share into certificated form; and after such conversion, authorise any person to execute an instrument of transfer and/or take such other steps (including the giving of directions to or on behalf of the holder, who shall be bound by them) as they think fit to effect the transfer. The transferee shall not be bound to see to the application of the purchase money nor shall his title to the shares be affected by any irregularity in or invalidity of the proceedings in reference to the sale.

#### NOTICE OF GENERAL MEETINGS

55. The directors may call general meetings whenever and at such time and places as they shall determine. If there are not sufficient directors to form a quorum in order to call a general meeting, any director or, if there is no director within the United Kingdom, any member of the Company may call a general meeting.
56. Subject to the provisions of the Acts, an annual general meeting and all other general meetings of the Company shall be called by at least such minimum period of notice as is prescribed or permitted under the Acts. The notice shall specify the place, the date and the time of meeting and the general nature of the business to be transacted, and in the case of an annual general meeting shall specify the meeting as such. Where the Company has given an electronic address in any notice of meeting, any document or information relating to proceedings at the meeting may be sent by electronic means to that address, subject to any conditions or limitations specified in the relevant notice of meeting. Subject to the provisions of these articles and to any rights or restrictions attached to any shares, notices shall be given to all members, to all persons entitled to a share in consequence of the death or bankruptcy of a member or operation of law and to the directors and auditors of the Company.
57. The accidental omission to give notice of a meeting to, or the failure to give notice due to circumstances beyond the Company's control 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

58. No business shall be transacted at any meeting unless a quorum is present. Two persons entitled to vote upon the business to be transacted, each being a member or a proxy for a member or a duly authorised representative of a corporation which is a member (including for this purpose two persons who are proxies or corporate representatives of the same member), shall be a quorum.
59. If a quorum is not present within half an hour after the time appointed for holding the meeting, or if during a meeting a quorum ceases to be present, the meeting shall stand adjourned to such date, time and place as the directors may, subject to the provisions



of the Acts, determine. If at the adjourned meeting a quorum is not present within 15 minutes after the time appointed for holding the meeting, the meeting shall be dissolved.

60. The chairman (if any) of the board of directors, or in his absence the vice-chairman, or in the absence of both of them some other director nominated prior to the meeting by the directors, shall preside as chairman of the meeting, but if neither the chairman nor the vice-chairman nor such other director (if any) is present within 15 minutes after the time appointed for holding the meeting and willing to act, the directors present shall elect one of their number present and willing to act to be chairman of the meeting, and if there is only one director present, he shall be chairman of the meeting.
61. If no director is present within 15 minutes after the time appointed for holding the meeting, the members present and entitled to vote shall choose one of their number to be chairman of the meeting.
62. The directors or the chairman of the meeting may direct that any person wishing to attend any general meeting should submit to such searches or other security arrangements (including without limitation, requiring evidence of identity to be produced before entering the meeting and placing restrictions on the items of personal property which may be taken into the meeting) as they or he consider appropriate in the circumstances. The directors or the chairman of the meeting may in their or his absolute discretion refuse entry to, or eject from, any general meeting any person who refuses to submit to a search or otherwise comply with such security arrangements.
63. The directors or the chairman of the meeting may take such action, give such direction or put in place such arrangements as they or he consider appropriate to secure the safety of the people attending the meeting and to promote the orderly conduct of the business of the meeting. Any decision of the chairman of the meeting on matters of procedure or matters arising incidentally from the business of the meeting, and any determination by the chairman of the meeting as to whether a matter is of such a nature, shall be final.
64. Directors may attend and speak at general meetings and at any separate meeting of the holders of any class of shares, whether or not they are members. The chairman of the meeting may permit other persons who are not members of the Company or otherwise entitled to exercise the rights of members in relation to general meetings to attend and, at the chairman of the meeting's discretion, speak at a general meeting or at any separate class meeting.
65. In the case of any general meeting, the directors may, notwithstanding the specification in the notice convening the general meeting of the place at which the chairman of the meeting shall preside (the "Principal Place"), make arrangements for simultaneous attendance and participation at satellite meeting places, or by way of any other electronic means, allowing persons not present together at the same place to attend, speak and vote at the meeting. The arrangements for simultaneous attendance and participation at satellite meeting places, or other places at which persons are participating via electronic means, may include arrangements for controlling or regulating the level of attendance at any particular venue provided that such arrangements shall operate so that all members and proxies wishing to attend the meeting are able to attend at one or other of the venues. The members or proxies at the satellite meeting places, or other places at which persons are participating via



electronic means, shall be counted in the quorum for, and be entitled to vote at, the general meeting in question, and that meeting shall be duly constituted and its proceedings valid if the chairman of the meeting is satisfied that adequate facilities are available throughout the meeting to ensure that the members or proxies attending at the satellite meeting places, or other places at which persons are participating via electronic means, are able to:-

- (a) participate in the business for which the meeting has been convened; and
- (b) see and hear all persons who speak (whether through the use of microphones, loud speakers, audiovisual communication equipment or otherwise) in the Principal Place and any other such place.

For the purposes of all other provisions of these articles (unless the context requires otherwise), the members shall be treated as meeting at the Principal Place. If it appears to the chairman of the meeting that the facilities at the Principal Place or any satellite meeting place, or other places at which persons are participating via electronic means, have become inadequate for the purposes set out in sub-paragraphs (a) and (b) above, the chairman of the meeting may, without the consent of the meeting, interrupt or adjourn the general meeting. All business conducted at the general meeting up to the point of the adjournment shall be valid. The provisions of article 66(2) shall apply to that adjournment.

66. (1) Without prejudice to any other power of adjournment he may have under these articles or at common law:-
- (a) the chairman of the meeting may, with the consent of a 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; and
  - (b) the chairman of the meeting may, without the consent of the meeting, adjourn the meeting before or after it has commenced, to another date, time or place which the chairman of the meeting may decide, if the chairman of the meeting considers that:-
    - (i) there is not enough room for the number of members and proxies who wish to attend the meeting;
    - (ii) the behaviour of anyone present prevents, or is likely to prevent, the orderly conduct of the business of the meeting;
    - (iii) an adjournment is necessary to protect the safety of any person attending the meeting; or
    - (iv) an adjournment is otherwise necessary in order for the business of the meeting to be properly carried out.
- (2) Subject to the provisions of the Acts, it shall not be necessary to give notice of an adjourned meeting, except that when a meeting is adjourned for 14 days or more, at least seven clear days' notice shall be given specifying the time and place of the adjourned meeting and the general nature of the business to be transacted. No business shall be transacted at an adjourned meeting other than



business which might properly have been transacted at the meeting had the adjournment not taken place.

### AMENDMENTS TO RESOLUTIONS

67. (1) A special resolution to be proposed at a general meeting may be amended by ordinary resolution if: -
- (a) the chairman of the meeting proposes the amendment at the general meeting at which the resolution is to be proposed; and
  - (b) the amendment does not go beyond what is necessary to correct a clear error in the resolution.
- (2) An ordinary resolution to be proposed at a general meeting may be amended by ordinary resolution if: -
- (a) written notice of the terms of the proposed amendment and of the intention to move the amendment have been delivered to the Company at the Office at least 48 hours before the time for holding the meeting or the adjourned meeting at which the ordinary resolution in question is proposed and the proposed amendment does not, in the reasonable opinion of the chairman of the meeting, materially alter the substance of the resolution; or
  - (b) the chairman of the meeting, in his absolute discretion, decides that the proposed amendment may be considered or voted on.
68. With the consent of the chairman of the meeting, an amendment may be withdrawn by its proposer before it is voted on. If an amendment proposed to any resolution under consideration is ruled out of order by the chairman of the meeting, the proceedings on the resolution shall not be invalidated by any error in the ruling.

### POLLS

69. A poll on a resolution may be demanded at a general meeting either before a show of hands on that resolution or immediately after the result of a show of hands on that resolution is declared. A poll on a resolution may be demanded by:-
- (a) the chairman of the meeting; or
  - (b) a majority of the directors present at the meeting; or
  - (c) not less than five members having the right to vote at the meeting; or
  - (d) a member or members representing not less than one-tenth of the total voting rights of all the members having the right to vote at the meeting (excluding any voting rights attached to any shares in the Company held as treasury shares); or
  - (e) a member or members holding shares conferring a right to vote at the meeting on the resolution 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

(excluding any shares in the Company conferring a right to vote at the meeting which are held as treasury shares).

70. Unless a poll is duly demanded and the demand is not subsequently withdrawn, a declaration by the chairman of the meeting that a resolution has been carried or carried unanimously, or by a particular majority, or lost, or not carried by a particular majority, and an entry in respect of such declaration in the minutes of the meeting, shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against the resolution.
71. The demand for a poll may, before the poll is taken, be withdrawn but only with the consent of the chairman of the meeting, and a demand so withdrawn shall not be taken to have invalidated the result of a show of hands declared before the demand was made. If the demand for a poll is withdrawn, the chairman or any other member entitled may demand a poll.

#### PROCEDURE ON A POLL

72. Polls at general meetings shall, subject to articles 73 and 74 below, be taken as and when the chairman of the meeting directs. The chairman of the meeting may appoint scrutineers (who need not be members) and decide how and when the result of the poll is to be declared. The result of a poll shall be the decision of the meeting in respect of the resolution on which the poll was demanded.
73. A poll on:-
- (a) the election of the chairman of the meeting; or
  - (b) a question of adjournment,
- must be taken immediately.

Other polls must be taken either immediately or within 30 days of their being demanded. A demand for a poll does not prevent a general meeting from continuing, except as regards the question on which the poll was demanded. If a poll is demanded before the declaration of the result of a show of hands and the demand is duly withdrawn, the meeting shall continue as if the demand had not been made.

74. 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 must be given specifying the time and place at which the poll is to be taken.

#### VOTES OF MEMBERS

75. Subject to any rights or restrictions attached to any shares:-
- (a) on a show of hands:
    - (i) every member who is present in person has one vote;
    - (ii) every proxy present who has been duly appointed by one or more members entitled to vote on the resolution has one vote, except that if the proxy has been duly appointed by more than one member entitled



to vote on the resolution and is instructed by one or more of those members to vote for the resolution and by one or more others to vote against it, or is instructed by one or more of those members to vote in one way and is given discretion as to how to vote by one or more others (and wishes to use that discretion to vote in the other way) he has one vote for and one vote against the resolution; and

- (iii) every corporate representative present who has been duly authorised by a corporation has the same voting rights as the corporation would be entitled to; and
- (b) on a poll every member present in person or by duly appointed proxy or corporate representative has one vote for every share of which he is the holder or in respect of which his appointment of proxy or corporate representative has been made.

A member, proxy or corporate representative entitled to more than one vote need not, if he votes, use all his votes or cast all the votes he uses the same way.

- 76. For the purposes of determining which persons are entitled to attend or vote at a general meeting and how many votes such person may cast, the Company may specify in the notice convening the meeting a time, being not more than 48 hours before the time fixed for the meeting (and for this purpose no account shall be taken of any part of a day that is not a working day), by which a person must be entered on the register in order to have the right to attend or vote at the meeting.
- 77. In the case of joint holders the vote of the senior who tenders a vote shall be accepted to the exclusion of the votes of the other joint holders, and seniority shall be determined by the order in which the names of the holders stand in the register of members.
- 78. A member in respect of whom an order has been made by any court having jurisdiction (whether in the United Kingdom or elsewhere) in matters concerning mental disorder may vote, on a show of hands or on a poll, by any person authorised in that behalf by that court. Evidence to the satisfaction of the directors of the authority of the person claiming the right to vote shall be delivered to the Office, or such other place as is specified in accordance with these articles for the delivery or receipt of appointments of proxy, not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the right to vote is to be exercised, and in default the right to vote shall not be exercisable.
- 79. No member shall have the right to vote at any general meeting or at any separate meeting of the holders of any class of shares, either in person or by representative or proxy, in respect of any share held by him unless all amounts presently payable by him in respect of that share have been paid.
- 80. (1) Any objection to the qualification of any person voting at a general meeting or on a poll or to the counting of, or failure to count, any vote, must be made at the meeting or adjourned meeting or at the time the poll is taken (if not taken at the meeting or adjourned meeting) at which the vote objected to is tendered. Any objection made in due time shall be referred to the chairman of the



meeting whose decision shall be final and conclusive. If a vote is not disallowed by the chairman of the meeting it is valid for all purposes.

- (2) The Company shall not be bound to enquire whether any proxy or corporate representative votes in accordance with the instructions given to him by the member he represents and if a proxy or corporate representative does not vote in accordance with the instructions of the member he represents the vote or votes cast shall nevertheless be valid for all purposes.

### **PROXIES AND CORPORATE REPRESENTATIVES**

81. A member is entitled to appoint another person as his proxy to exercise all or any of his rights to attend and to speak and vote at a meeting of the Company. The appointment of a proxy shall be deemed also to confer authority (in accordance with section 329 of the Companies Act 2006) to demand or join in demanding a poll. Delivery of an appointment of proxy shall not preclude a member from attending and voting at the meeting or at any adjournment of it. A proxy need not be a member. A member may appoint more than one proxy in relation to a meeting, provided that each proxy is appointed to exercise the rights attached to a different share or shares held by him. References in these articles to an appointment of proxy include references to an appointment of multiple proxies.
82. Where two or more valid appointments of proxy are received in respect of the same share in relation to the same meeting, the one which is last sent shall, unless otherwise specified in the notice convening the meeting, be treated as replacing and revoking the other or others. If the Company is unable to determine which is last sent, the one which is last received shall be so treated. If the Company is unable to determine either which is last sent or which is last received, none of such appointments shall be treated as valid in respect of that share.
83.
  - (1) Subject to article 84 below, an appointment of a proxy shall be in writing in any usual form or in any other form which the directors may approve and shall be executed by or on behalf of the appointor which in the case of a corporation may be either under its common seal or under the hand of a duly authorised officer or other person duly authorised for that purpose.
  - (2) Where the appointment of a proxy is expressed to have been or purports to have been executed by a duly authorised person on behalf of a member:
    - (i) the Company may treat the appointment as sufficient evidence of that person's authority to execute the appointment of proxy on behalf of that member; and
    - (ii) the member shall, if requested by or on behalf of the Company, send or procure the sending of any authority under which the appointment of proxy has been executed, or a certified copy of any such authority, to such address and by such time as is required for the submission of appointments of proxy under article 85 and, if the request is not complied with in any respect, the appointment of proxy may be treated as invalid.
84. The directors may (and shall if and to the extent that the Company is required to do so by the Acts) allow an appointment of proxy to be sent or supplied in electronic form



subject to any conditions or limitations as the directors may specify, and where the Company has given an electronic address in any instrument of proxy or invitation to appoint a proxy, any document or information relating to proxies for the meeting (including any document necessary to show the validity of, or otherwise relating to, an appointment of proxy, or notice of the termination of the authority of a proxy) may be sent by electronic means to that address, subject to any conditions or limitations specified in the relevant notice of meeting.

85. An appointment of proxy may:-

- (a) in the case of an appointment of proxy in hard copy form, be received at the Office or such other place in the United Kingdom as is specified in the notice convening the meeting, or in any appointment of proxy or any invitation to appoint a proxy sent out or made available by the Company in relation to the meeting, not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the appointment of proxy proposes to vote; or
- (b) in the case of an appointment of proxy in electronic form, be received at the electronic address specified in the notice convening the meeting, or in any appointment of proxy or any invitation to appoint a proxy sent out or made available by the Company in relation to the meeting, not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the appointment of proxy proposes to vote; or
- (c) in the case of a poll taken subsequently to the date of the meeting or adjourned meeting, be received as aforesaid not less than 24 hours (or such shorter time as the directors may determine) before the time appointed for the taking of the poll.

An appointment of proxy which is not received or delivered in a manner so permitted shall be invalid. The directors may specify in the notice convening the meeting that, in determining the time for delivery of proxies pursuant to this article, no account shall be taken of any part of a day that is not a working day.

86. A vote given or poll demanded by proxy or by the duly authorised representative of a corporation shall be valid notwithstanding the previous termination of the authority of the person voting or demanding a poll, unless notice of the termination was delivered in writing to the Company at the Office, or at such other place or address at which an appointment of proxy may be duly received or delivered under article 85, not later than the last time at which an appointment of proxy should have been received under article 85 in order for it to be valid for use at the meeting at which the vote was given or the poll demanded or for use on the holding of the poll at which the vote was given.
87. The directors may at the expense of the Company send or make available appointments of proxy or invitations to appoint a proxy to the members by post or by electronic means or otherwise (with or without provision for their return prepaid) for use at any general meeting or at any separate meeting of the holders of any class of shares, either in blank or nominating in the alternative any one or more of the directors or any other person. If for the purpose of any meeting appointments of proxy or invitations to appoint as proxy a person or one of a number of persons specified in the invitations are issued at the Company's expense, they shall be issued to all (and



not to some only) of the members entitled to be sent a notice of the meeting and to vote at it. The accidental omission or the failure due to circumstances beyond the Company's control, to send or make available such an appointment of proxy or give such an invitation to, or the non-receipt thereof by, any member entitled to attend and vote, at a meeting shall not invalidate the proceedings at that meeting.

88. Subject to the provisions of the Acts, any corporation (other than the Company itself) which is a member of the Company may, by resolution of its directors or other governing body, authorise a person or persons to act as its representative or representatives at any meeting of the Company, or at any separate meeting of the holders of any class of shares, and the corporation shall for the purposes of these articles be deemed to be present in person at any such meeting if a person or persons so authorised is or are present at it. The Company may require such person or persons to produce a certified copy of the resolution before permitting such person or persons to exercise his or their powers.

#### UK CORPORATE GOVERNANCE CODE

89. The Company shall comply with the provisions of Listing Rules 9.8.6(5) and (6) (or such other provisions of the Listing Rules as may from time to time be applicable) in relation to the principles and provisions of the Code as if it is a company with a Premium Listing.

#### EDITORIAL INDEPENDENCE AND INTEGRITY IN NEWS REPORTING

90. The Company shall abide by the principle of editorial independence and integrity of news reporting by Sky News in respect of television, radio and any other closely related services (irrespective of the platform on which such news is distributed) and shall, where appropriate, comply with the Ofcom Broadcasting Code.
91. In relation to the Head of Sky News, the following matters must be approved by resolution of the directors of the Company:
- (1) his appointment and removal from office;
  - (2) any material changes to the terms and conditions of his employment which could give rise to a claim by him or her for constructive dismissal; and
  - (3) any material changes to his authority or reporting relationship.

#### MATERIAL TRANSACTIONS WITH NEWS CORPORATION

92. Transactions between the Company and News Corporation or Sky and/or any of their respective subsidiaries which involve or could reasonably involve the payment or receipt by the Company or its subsidiaries of amounts of £5,000,000 or more shall require the prior approval of the Audit Committee.
93. The following transactions will require the prior approval of the Audit Committee and the Company's board of directors:
- (1) transactions between the Company and News Corporation or Sky and/or any of their respective subsidiaries which involve the payment or receipt by the Company or its subsidiaries of amounts of £12,500,000 or more; and



- (2) any renewal of or material amendment to any of the Operational Agreements.

### RELATED PARTY TRANSACTIONS

94. Subject to articles 95 to 97 below, the Company will comply with the provisions of Chapter 11 as if it is a company which has a Premium Listing.
95. For the purposes of interpreting article 94 above:
- (1) if the Company is proposing to enter into a transaction that could be a related party transaction (as defined in Chapter 11) it is required to obtain the guidance of the Nominated Advisor and not a sponsor to assess the potential application of Listing Rule 11; and
- (2) a related party circular must include a statement by the board that the transaction or arrangement is fair and reasonable as far as the shareholders of the company are concerned and that the directors have been so advised by the Nominated Advisor and not a sponsor.
96. To the extent that there is any question of interpretation of the Company's compliance with or the application of the Listing Rules, including Chapter 11, the Independent IB shall act as independent arbiter as to whether any relevant Listing Rule has been complied with by the Company. Any decision of the Independent IB as to the Company's compliance with the Chapter 11 shall be final and binding on the Company.
97. All references to the FSA in Chapter 11 and annexes to Chapter 11 shall be deemed to be references to the Independent IB and the FSA shall not have jurisdiction to decide whether the Company has complied with, or approve any documentation required by, the Listing Rules for the purposes of Chapter 11.

### DIRECTORS

98. ~~89.~~ Unless otherwise determined by the Company by ordinary resolution the number of directors (other than alternate directors) shall not be subject to any maximum but shall not be less than three.
99. For so long as News Corporation in combination with any member(s) of the same Group of Interconnected Bodies Corporate as News Corporation does not control more than 50% of the votes capable of being cast at a general meeting of the Company, the majority of the Company's board of directors shall comprise Independent Directors.
100. The Company's board of directors and its committees shall have the appropriate balance of skills, experience, independence and knowledge of the Company and its business to enable the directors to discharge their respective duties and responsibilities effectively. At least one of the Independent Directors shall have senior editorial and/or journalistic experience.
101. ~~90.~~ (1) Until otherwise determined by the Company by ordinary resolution, there shall be paid to the directors (other than alternate directors and directors employed by the Company in an executive capacity) such fees for their services in the office of director as the directors may from time to time determine (not



exceeding in the aggregate an annual sum of £~~1,500,000~~<sup>[●]</sup> or such larger amount as the Company may by ordinary resolution decide) divided between the directors as they agree, or, failing agreement, equally except that any director who shall hold office for part only of the period in respect of which such fees are payable shall be entitled only to rank in such division for a proportion of such fees related to the period during which he has held office. The fees shall be deemed to accrue from day to day and shall be distinct from and additional to any remuneration or other benefits which may be paid or provided to any director pursuant to any other provision of these articles.

- (2) The directors may also be paid all travelling, hotel and other expenses properly incurred by them in connection with their attendance at meetings of the directors or of committees of the directors or general meetings or separate meetings of the holders of any class of shares or otherwise in connection with the discharge of their duties as directors.
- (3) Any director who holds any executive office or who serves on any committee of the directors or who performs services which the directors consider go beyond the ordinary duties of a director may be paid such special remuneration (whether by way of bonus, commission, participation in profits or otherwise) as the directors may determine.

#### ALTERNATE DIRECTORS

102. ~~91.~~ Any (1) Subject to article 102(2), any director (other than an alternate director) may appoint any other director, or any other person approved by resolution of the directors and willing to act and permitted by law to do so, to be an alternate director and may remove an alternate director appointed by him from his appointment as alternate director. Subject to the foregoing, a director may appoint more than one alternate and a person may act as alternate for more than one director.

(2) An Independent Director may only appoint another director or other person to be his alternate director if the proposed alternate director would also qualify as an Independent Director if that person had been a director of the Company.

103. ~~92.~~ An alternate director shall be entitled to receive notices of meetings of the directors and of committees of the directors of which his appointor is a member, to attend and vote at any such meeting at which the director appointing him is not present but at which meeting such director would be entitled to vote, and generally to perform all the functions of his appointor as a director in his absence, but shall not (unless the Company by ordinary resolution otherwise determines) be entitled to any fees for his services as an alternate director.

104. ~~93.~~ 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.

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<sup>\*</sup> By ordinary resolution passed on 26 September 2008 the limit was increased to £1,500,000.



105. ~~94.~~—An alternate director shall cease to be an alternate director on the occurrence in relation to the alternate director of any event which, if it occurred in relation to his appointor, would result in the termination of the appointor's appointment as director.
106. ~~95.~~—An appointment or removal of an alternate director shall be by notice in writing to the Company signed by the director making or revoking the appointment or in any other manner approved by the directors.
107. ~~96.~~—Save as otherwise provided in these articles, an alternate director
- (i) shall be deemed for all purposes to be a director;
  - (ii) shall alone be responsible for his own acts and omissions;
  - (iii) shall, in addition to any restrictions which may apply to him personally, be subject to the same restrictions as his appointor; and
  - (iv) shall not be deemed to be the agent of the director appointing him.

### POWERS OF DIRECTORS

108. ~~97.~~ ~~The~~ Save as otherwise provided in these articles, the business of the Company shall be managed by the directors who, subject to the provisions of the Acts these articles and to any directions given by special resolution to take or refrain from taking, specified action, may exercise all the powers of the Company. No alteration of these articles and no such direction shall invalidate any prior act of the directors which would have been valid if that alteration had not been made or that direction had not been given. The powers given by this article shall not be limited by any special power given to the directors by these articles and a meeting of the directors at which a quorum is present may exercise all powers exercisable by the directors.
109. ~~98.~~ (1) The directors shall restrict the borrowings of the Company and exercise all powers of control exercisable by the Company in relation to its subsidiary undertakings so as to secure (as regards subsidiary undertakings so far as by such exercise they can secure) that, unless authorised by the Company in general meeting, no money shall be borrowed if the aggregate principal amount (including any premium payable on final repayment) outstanding of all money borrowed by the Group (excluding amounts borrowed by any member of the Group from any other member of the Group, other than amounts to be taken into account under paragraph (3)(c) and (d) of this article) ~~shall not at any time, save with the previous sanction of an ordinary resolution of the Company, then exceeds or would, as a result of such borrowing~~ exceed an amount equal to the higher of, from time to time (i) ~~£1,500,000,000~~ 150,000,000; and (ii) an amount equal to four times the aggregate turnover of the Group as shown in the then latest audited consolidated profit and loss account of the Group.
- (2) In this article:
- (a) “the Group” means the Company and its subsidiary undertakings (if any); and
  - (b) “subsidiary undertaking” has the same meaning as in the Acts.



- (3) For the purposes of this article, but without prejudice to the generality of the terms "borrowing" and "borrowed"
- (a) amounts borrowed for the purpose of repaying the whole or any part of any amounts previously borrowed and then outstanding (including any premium payable on final repayment) and to be applied for that purpose within six months of the borrowing shall not, pending such application, be taken into account as money borrowed;
  - (b) the principal amount (including any premium payable on final repayment) of any debentures issued in whole or in part for a consideration other than cash shall be taken into account as money borrowed by the member of the Group issuing them;
  - (c) money borrowed by a partly-owned subsidiary undertaking and not owing to another member of the Group shall (notwithstanding sub-paragraph (b) of this paragraph) be taken into account subject to the exclusion of a proportion of it equal to the minority proportion, and money borrowed and owing to a partly-owned subsidiary undertaking by another member of the Group shall (subject to sub-paragraph (d) of this paragraph) be taken into account to the extent of a proportion of it equal to the minority proportion (and for the purpose of this sub-paragraph "minority proportion" means the proportion of the issued equity share capital of the partly-owned subsidiary undertaking which is not attributable, directly or indirectly, to the Company); and
  - (d) in the case of money borrowed and owing to a partly-owned subsidiary undertaking by another partly-owned subsidiary undertaking the proportion which would otherwise be taken into account under sub-paragraph (c) of this paragraph shall be reduced by excluding such part of it as is equal to the proportion of the issued equity share capital of the borrowing subsidiary undertaking which is not attributable, directly or indirectly, to the Company.
- (4) In calculating the aggregate amount of borrowings for the purpose of this article, money borrowed by any member of the Group which is denominated or repayable in a currency other than sterling shall be treated as converted into sterling:
- (a) at the rate of exchange used for the conversion of that currency in the latest audited balance sheet of that member; or
  - (b) if no rate was so used, at the middle market rate of exchange prevailing in London at the close of business on the date of that balance sheet,

but if the amount in sterling resulting from conversion at that rate would be greater than that resulting from conversion at the middle market rate prevailing in London at the close of business on the business day immediately preceding the day on which the calculation falls to be made, the latter rate shall apply instead.

- (5) No debt incurred or security given in respect of money borrowed or to be taken into account as money borrowed in excess of the above limit shall be

invalid or ineffectual except in the case of express notice to the lender or the recipient of the security at the time when the debt was incurred or security given that the limit hereby imposed had been or was thereby exceeded, but no lender or other person dealing with the Company shall be concerned to see or enquire whether such limit is observed.

- (6) In this article references to a consolidated profit and loss account of the Group is to be taken:
- (a) in a case where the Company had no subsidiary undertakings at the relevant time, as references to the profit and loss account of the Company;
  - (b) in a case where the Company had subsidiary undertakings at the relevant time but there are no consolidated accounts of the Group, as references to the respective profit and loss accounts of the companies comprising the Group; and
  - (c) in a case where the Company had subsidiary undertakings at the relevant time, one or more of which has, in accordance with the Acts, been excluded from consolidation as references to the consolidated profit and loss account of the Company and those of its subsidiary undertakings included in the consolidation.

110. ~~99.~~ The directors may decide to make provision for the benefit of persons employed or formerly employed by the Company or any of its subsidiaries (other than a director or former director or shadow director) in connection with the cessation or transfer to any person of the whole or part of the undertaking of the Company or that subsidiary.

#### DELEGATION OF DIRECTORS' POWERS

111. ~~100.~~(1) Subject to the provisions of these articles (including article 100), the directors may delegate any of the powers which are conferred on them under these articles:

- (a) ~~to~~ to a committee consisting of one or more directors and (if thought fit) one or more other persons, provided that a majority of the members of the committee shall be directors and no resolution of the committee shall be effective unless a majority of those present when it is passed are directors; or
- (b) ~~(ii)~~ to such person;
- (c) ~~(b)~~ by such means (including by power of attorney);
- (d) ~~(e)~~ to such an extent; and
- (e) ~~(d)~~ on such terms and conditions,

as they think fit.

- (2) If the directors so specify, any such delegation may authorise further delegation of the directors' powers by any person to whom they are delegated.



- (3) ~~The Subject to the provisions of these articles, the~~ directors may revoke any delegation in whole or part, or alter its terms and conditions, save that the delegation to the Committee may not be revoked.
- (4) The power to delegate under this article includes power to delegate the determination of any fee, remuneration or other benefit which may be paid or provided to any director.
- (5) Subject to paragraph (6) of this article, the proceedings of any committee appointed under paragraph (1)(a) of this article with two or more members shall be governed by such of these articles as regulate the proceedings of directors so far as they are capable of applying, and the quorum at a meeting of any such committee shall be two.
- (6) ~~The Subject to the provisions of these articles, the~~ directors may make rules regulating the proceedings of such committees, which shall prevail over any rules derived from these articles pursuant to paragraph (5) of this article if, and to the extent that, they are not consistent with them, save that the directors may not make rules which relate to the Committee.

112. ~~101. The Subject to the provisions of these articles (including article 100), the~~ directors may, by power of attorney or otherwise, appoint any person, whether nominated directly or indirectly by the directors, to be the agent of the Company for such purposes and subject to such conditions as they think fit, and may delegate any of their powers to such an agent. ~~The Subject to the provisions of these articles, the~~ directors may revoke or vary any such appointment or delegation and may also authorise the agent to sub-delegate all or any of the powers vested in him.

#### APPOINTMENT AND RETIREMENT OF DIRECTORS

113. ~~102.~~(1) At the annual general meeting in every year there shall retire from office by rotation:
- (a) all directors who held office and were subject to retirement by rotation at the time of the two preceding annual general meetings and who did not retire by rotation at either of them; and
  - (b) such additional number of directors as shall, when aggregated with the number of directors retiring under paragraph (a) above, equal the Relevant Proportion, provided that:
    - (i) the provisions of this paragraph (b) shall only apply if the number of directors retiring under paragraph (a) above is less than the Relevant Proportion; and
    - (ii) subject to the provisions of the Acts and to the following provisions of these articles, the directors to retire under this paragraph (b) 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.



(2) In this article ~~102~~113 "Relevant Proportion" shall mean:

- (a) one-third of the number of directors, in circumstances where the number of directors is three or a multiple of three; or
- (b) in all other circumstances, the whole number which is nearest to but does not exceed one-third of the number of directors.

114. ~~103.~~ Subject to the provisions of the Acts and subject to the following provisions of these articles, the directors to retire by rotation shall include (so far as is necessary to obtain the number required) any director who wishes to retire and not to offer himself for re-election and otherwise shall be those who, at the date of the notice of meeting, 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.

115. ~~104.~~ If the Company, at the meeting at which a director retires by rotation, does not fill the vacancy the retiring director shall, if willing to act, be deemed to have been reappointed unless at the meeting it is resolved not to fill the vacancy or a resolution for the reappointment of the director is put to the meeting and lost.

116. ~~105.~~ No person other than a director retiring at the meeting shall be appointed or reappointed a director at any general meeting unless:

- (a) he is recommended by the directors; or
- (b) not less than seven nor more than 42 days before the date appointed for holding the meeting, notice executed by a member qualified to vote on the appointment or reappointment 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 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.

117. ~~106.~~ At a general meeting a motion for the appointment of two or more persons as directors by a single resolution shall not be made, unless a resolution that it shall be so made has been first agreed to by the meeting without any vote being given against it, and for the purposes of this article a motion for approving a person's appointment or for nominating a person for appointment shall be treated as a motion for his appointment.

118. ~~107.~~ Subject to the provisions of these articles, the Company may by ordinary resolution appoint a person who is willing to act as a director, and is permitted by law to do so, 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.

119. ~~108.~~ 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 as the maximum number of directors. A director so appointed shall retire at the next following annual general

meeting and shall then be eligible for reappointment and shall not be taken into account in determining the directors who are to retire by rotation at the meeting.

120. ~~109.~~ A director who retires at an annual general meeting may be reappointed. If he is not reappointed or deemed to have been 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.

#### DISQUALIFICATION AND REMOVAL OF DIRECTORS

121. ~~110.~~ In addition to any power of removal under the Acts, the Company may, by special resolution, remove a director before the expiration of his period of office and, subject to these articles, may, by ordinary resolution, appoint another person who is willing to act as a director and is permitted by law to do so, to be a director instead of him. A person so appointed shall be subject to retirement at the same time as if he had become a director on the day on which the director in whose place he is appointed was last appointed or reappointed a director.

122. ~~111.~~ The office of a director shall be vacated if:

- (a) he ceases to be a director by virtue of any provision of the Acts 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) by reason of his mental health a court makes an order which wholly or partly prevents him from personally exercising any powers or rights he would otherwise have; or
- (d) he resigns his office by notice in writing to the Company; or
- (e) in the case of a director who holds any executive office, his appointment as such is terminated or expires and the directors resolve that he should cease to be a director; or
- (f) he is absent for more than six consecutive months without permission of the directors from meetings of the directors held during that period and the directors resolve that he should cease to be a director; or
- (g) he is requested in writing or using electronic communications by all the other directors to resign.

#### DIRECTORS' APPOINTMENTS AND INTERESTS

123. ~~112.~~ The directors may appoint one or more of their number to the office of chief executive or to any other executive office of the Company and, subject to the provisions of the Acts, any such appointment may be made for such term, at such remuneration and on such other conditions as the directors think fit. A chief executive shall be subject to retirement by rotation. Any appointment of a director to an executive office shall terminate if he ceases to be a director but without prejudice to any claim for damages for breach of any contract of service between the director and the Company.



124. ~~113.~~(1) Subject to the provisions of the Acts, and provided that he has disclosed to the directors the nature and extent of any material interest of his, a director notwithstanding his office:

(a) may be a party to, or otherwise interested in, any transaction or arrangement with the Company or in which the Company is otherwise interested;

(b) may (or any firm of which he is a member may) act in a professional capacity for the Company or any other body in which the Company is otherwise interested; and

~~(c) may be a director or other officer of, or employed by, or a party to any transaction or arrangement with, or otherwise interested in, any body corporate in which the Company is interested.~~

(c) may be a director or other officer of, or employed by, or a party to any transaction or arrangement with, or otherwise interested in, any body corporate in which the Company is interested, and (i) he shall not by reason of his office, be accountable to the Company for any benefit which he derives from any such office or employment or from any such transaction or arrangement or from any interest in any such body corporate; (ii) he shall not infringe his duty to avoid a situation in which he has, or can have a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Company as a result of any such office or employment or any such transaction or arrangement or any interest in any such body corporate; (iii) he shall not be required to disclose to the Company, or use in performing his duties as a director of the Company, any confidential information relating to such office, employment or interest if to make such a disclosure or use would result in a breach of duty or obligation of confidence owed by him in relation to or in connection with such office, employment or interest; (iv) he may absent himself from discussions, whether in meetings of the directors or otherwise, and exclude himself from information, which will or may relate to such office, employment, transaction, arrangement or interest; and (v) no such transaction or arrangement shall be liable to be avoided on the ground of any such interest or benefit.

(2) For the purposes of this article:

(a) a general notice given to the directors that a director is to be regarded as having an interest of the nature and extent specified in the notice in any transaction or arrangement in which a specified person or class of persons is interested shall be deemed to be a disclosure that the director has an interest in any such transaction of the nature and extent so specified;

(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; and

- (c) a director shall be deemed to have disclosed the nature and extent of an interest which consists of him being a director, officer or employee of any body corporate in which the Company is interested.

125. ~~114.~~(1) The directors may (subject to such terms and conditions, if any, as they may think fit to impose from time to time, and subject always to their right to vary or terminate such authorisation) authorise, to the fullest extent permitted by law:

- (a) any matter which would otherwise result in a director infringing his duty to avoid a situation in which he has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Company and which may reasonably be regarded as likely to give rise to a conflict of interest (including a conflict of interest and duty or conflict of duties); and
- (b) a director to accept or continue in any office, employment or position in addition to his office as a director of the Company and without prejudice to the generality of paragraph (1)(a) of this article may authorise the manner in which a conflict of interest arising out of such office, employment or position may be dealt with, either before or at the time that such a conflict of interest arises,

provided that the authorisation is effective only if (i) any requirement as to the quorum at the meeting at which the matter is considered is met without counting the director in question or any other interested director; and (ii) the matter was agreed to without their voting or would have been agreed to if their votes had not been counted.

- (2) If a matter, or office, employment or position, has been authorised by the directors in accordance with this article then (subject to such terms and conditions, if any, as the directors may think fit to impose from time to time, and subject always to their right to vary or terminate such authorisation or the permissions set out below) -

- (a) the director shall not be required to disclose to the Company, or use in performing his duties as a director of the Company, any confidential information relating to such matter, or such office, employment or position if to make such a disclosure or use would result in a breach of a duty or obligation of confidence owed by him in relation to or in connection with that matter, or that office, employment or position;
- (b) the director may absent himself from discussions, whether in meetings of the directors or otherwise, and exclude himself from information, which will or may relate to that matter, or that office, employment or position; and
- (c) a director shall not, by reason of his office as a director of the Company, be accountable to the Company for any benefit which he derives from any such matter, or from any such office, employment or position.

#### **DIRECTORS' GRATUITIES AND BENEFITS**



126. ~~115.~~—The directors may (by the establishment of, or maintenance of, schemes or otherwise) provide benefits, whether by the payment of allowances, gratuities or pensions, or by insurance or death, sickness or disability benefits or otherwise, for any director or any former director of the Company or of 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 or civil partner and a former spouse or former civil partner) or any person who is or was dependent on him and may (before as well as after he ceases to hold such office or employment) contribute to any fund and pay premiums for the purchase or provision of any such benefit.

### PROCEEDINGS OF DIRECTORS

127. ~~116.~~(1) Subject to the provisions of these articles, the directors may regulate their proceedings as they think fit.

(2) A director may, and the secretary at the request of a director shall, call a meeting of the directors by notice. A notice of a meeting of the directors shall be deemed to be properly given to a director if given to him personally or sent to him at his last known address or any other address given by him to the Company for this purpose.

(3) Questions arising at a meeting shall be decided by a majority of votes. 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; and an alternate director who is appointed by two or more directors shall be entitled to a separate vote on behalf of each of his appointors in the appointor's absence.

128. ~~117.~~—No business shall be transacted at any meeting of the directors unless a quorum is present. The quorum at a meeting of the board of directors shall be three directors, which, to the extent that the business of a meeting involves the consideration of editorial or journalistic matters, must include an Independent Director with senior editorial and/or journalistic expertise. A director shall not be counted in the quorum present in relation to a matter or resolution on which he is not entitled to vote (or when his vote cannot be counted) but shall be counted in the quorum present in relation to all other matters or resolutions considered or voted on at the meeting. An alternate director who is not himself a director shall, if his appointor is not present but is entitled to be counted in the quorum, be counted in the quorum.

129. ~~118.~~—The continuing directors or a sole continuing director may act notwithstanding any vacancies in their number, but, if the number of directors is less than the number fixed as the quorum, the continuing directors or director may act only for the purpose of filling vacancies or of calling a general meeting.

130. ~~119.~~—The directors ~~may~~shall at any time elect from their number, and may remove, a chairman of the board of directors, who shall be an Independent Director. The chairman shall preside at all meetings of the directors, but if there is no chairman, or if at the meeting the chairman is not present within five minutes after the time appointed for the meeting, or if the chairman is not willing to act as chairman, the directors present may choose ~~one of their number~~another Independent Director to be chairman of the meeting.



131. ~~120.~~ All acts done by a meeting of the directors, or of a committee of the directors, or by a person acting as a director, shall notwithstanding that it may afterwards be discovered that there was a defect in the appointment of any director or that any of them were disqualified from holding office, or had vacated office, or were not entitled to vote, or that the meeting was not quorate (provided that the directors present at the inquorate meeting believed, in good faith, that the meeting was quorate and made all such enquiries as were reasonable in the circumstances to establish that the meeting was quorate), be as valid as if every such person had been duly appointed and was qualified and had continued to be a director and had been entitled to vote and that the meeting was quorate.

132. ~~121.~~ A resolution in writing agreed to by all the directors entitled to receive notice of a meeting of the directors or of a committee of the directors and who would be entitled to vote (and whose vote would have been counted) on the resolution at a meeting of the directors shall (if that number is sufficient to constitute a quorum) be as valid and effectual as if it had been passed at a meeting of the directors or (as the case may be) of that committee, duly convened and held. A resolution in writing is adopted when all such directors have signed one or more copies of it or have otherwise indicated their agreement to it in writing. A resolution agreed to by an alternate director need not also be agreed to by his appointor and, if it is agreed to by a director who has appointed an alternate director, it need not also be agreed to by the alternate director in that capacity.

133. ~~122.~~ Without prejudice to paragraph (1) of article ~~116,~~ 127, a meeting of the directors or of a committee of the directors may consist of a conference between directors who are not all in one place, but each of whom is able (whether directly or by conference telephone or by any other form of communication equipment) to hear each of the other participating directors, and to speak to and be heard by each of the others simultaneously. A director taking part in such a conference shall be deemed to be present in person at the meeting and shall be entitled to vote and be counted in the quorum accordingly and the word "meeting" in these articles shall be construed accordingly.

134. ~~123.~~(1) Subject to any other provision of these articles, a director shall not vote at a meeting of the directors (or at a meeting of a committee consisting of one or more directors) on any resolution concerning a material matter in which he has, directly or indirectly, a material interest (other than an interest in shares, debentures or other securities of, or otherwise in or through, the Company), unless his interest arises only because the case falls within one or more of the following sub-paragraphs:

- (a) the resolution relates to the giving to him of a guarantee, security, or indemnity in respect of money lent to, or an obligation incurred by him at the request of, or for the benefit of, the Company or any of its subsidiaries;
- (b) the resolution relates to 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 the director has assumed responsibility in whole or part and whether alone or jointly with others under a guarantee or indemnity or by the giving of security;



- (c) the resolution relates to the giving to him of any other indemnity which is on substantially the same terms as indemnities given or to be given to all of the other directors and/or to the funding by the Company of his expenditure on defending proceedings or the doing by the Company of anything to enable him to avoid incurring such expenditure where all other directors have been given or are to be given substantially the same arrangements;
  - (d) his interest arises by virtue of his being, or intending to become, a participant in the underwriting or sub-underwriting of an offer of any shares in or debentures or other securities of the Company for subscription, purchase or exchange;
  - (e) the resolution relates to an arrangement for the benefit of the employees and directors and/or former employees and directors of the Company or any of its subsidiaries, and/or the members of their families (including a spouse or civil partner or a former spouse or former civil partner) or any person who is or was dependent on such persons, including but without being limited to a retirement benefits scheme and an employees' share scheme, which does not accord to any director any privilege or advantage not generally accorded to the employees and/or former employees to whom the arrangement relates; and
  - (f) the resolution relates to the purchase or maintenance for any director or directors of insurance against any liability.
- (2) For the purposes of paragraph (1) of this article,
- (a) an interest of any person who is a connected person of a director within the meaning of section 252 of the Companies Act 2006 shall be taken to be the interest of that director and, in relation to an alternate director, an interest of his appointor shall be treated as an interest of the alternate director without prejudice to any interest which the alternate director has otherwise; and
  - (b) without prejudice to the generality of paragraph (1) of this article, a director shall be considered to be interested in a matter if it relates to a transaction or arrangement with a person or body corporate of or in which he is an officer, employee, shareholder, consultant, adviser or representative or in which he is otherwise interested.
- (3) Where proposals are under consideration concerning the appointment (including the fixing or varying of terms of 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 he is not for any reason precluded from voting) each of the directors concerned shall be entitled to vote and be counted in the quorum in respect of each resolution except that concerning his own appointment.



135. ~~124.~~ 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 the directors or of a committee of the directors or ratify any transaction not duly authorised by reason of contravention of any such provision.

136. ~~125.~~ If a question arises at a meeting of the directors, or a meeting of a committee of the directors, as to the right of a director to vote, including whether a director has a material interest and/or whether a matter is material for the purposes of article ~~123, 134,~~ the question may, before the conclusion of the meeting, be decided by a resolution of a majority of directors present at the meeting (other than the director concerned and any other director having a like interest as such director) and such resolution shall be final and conclusive.

### GOVERNANCE AND EDITORIAL COMMITTEE

137. For so long as News Corporation in combination with any member(s) of the same Group of Interconnected Bodies Corporate as News Corporation does not control more than 50% of the votes capable of being cast at a general meeting of the Company, the Company shall establish and maintain a Governance and Editorial Committee.

138. The Governance and Editorial Committee shall be chaired by an Independent Director and shall consist of directors of the Company provided that a majority of the Governance and Editorial Committee shall consist of Independent Directors. At least one of the Independent Directors sitting on the Governance and Editorial Committee shall be a person with senior editorial and/or journalistic experience.

139. The Governance and Editorial Committee shall:

- (1) oversee compliance by the Company with the Governance and Editorial Committee Matters;
- (2) operate under terms of reference which shall stipulate that the Governance and Editorial Committee will:
  - (a) be adequately resourced and have powers to review and investigate all areas within the remit of the Governance and Editorial Committee;
  - (b) meet at least four times a year;
  - (c) report on a regular basis to the Company's board of directors;
  - (d) cause a statement to be included in the Company's annual report on its activities including its oversight functions relating to the Governance and Editorial Committee Matters;
  - (e) consider any representation made by the Head of Sky News as to the Company's compliance with articles 90 and 91 and report any such representations to the board of the Company; and
  - (f) advise the Company's board of directors on any issues within its remit, including any approvals specified in article 91; and

- (3) be quorate in respect of the consideration of editorial or journalistic matters only if an Independent Director with senior editorial and/or journalistic experience is present.

140. Subject to the provisions of these articles, the terms of reference of the Governance and Editorial Committee shall be determined by the Company's board of directors.

#### AUDIT COMMITTEE

141. The Company shall establish and maintain an Audit Committee, which shall consist exclusively of Independent Directors and will have the power to approve the transactions referred to in articles 92 and 93.

142. Subject to the provisions of these articles, the terms of reference of the Audit Committee shall be determined by the Company's board of directors.

#### MINUTES

143. ~~126.~~ The directors shall cause minutes to be made in books kept for the purpose:

- (a) of all appointments of officers made by the directors; and
- (b) of all proceedings at meetings of the Company, of the holders of any class of shares in the Company, and of the directors, and of committees of the directors, including the names of the directors present at each such meeting.

Minutes shall be retained for at least ten years from the date of the appointment or meeting and shall be kept available for inspection in accordance with the Acts.

144. ~~127.~~ Any such minutes, if purporting to be signed by the chairman of the meeting to which they relate or of the meeting at which they are read, shall be sufficient evidence without any further proof of the facts therein stated.

#### SECRETARY

145. ~~128.~~ Subject to the provisions of the Acts, the secretary shall be appointed by the directors for such term, at such remuneration and on such other conditions as they think fit; and any secretary so appointed may be removed by them.

#### THE SEAL

146. ~~129.~~ The seal shall be used only by the authority of a resolution of the directors or of a committee of the directors. The directors may determine whether any instrument to which the seal is affixed, shall be signed and, if it is to be signed, who shall sign it. Unless otherwise determined by the directors:

- (a) share certificates and, subject to the provisions of any instrument constituting the same, certificates issued under the seal in respect of any debentures or other securities, need not be signed and any signature may be applied to any such certificate by any mechanical or other means or may be printed on it; and
- (b) every other instrument to which the seal is affixed shall be signed by two authorised persons or by a director in the presence of a witness who attests the



signature and for this purpose an authorised person is any director or the secretary of the Company.

147. ~~130.~~ Subject to the provisions of the Acts, the Company may have an official seal for use in any place.

## DIVIDENDS

148. ~~131.~~ Subject to the provisions of the Acts, the Company may by ordinary resolution declare dividends in accordance with the respective rights of the members, but no dividend shall exceed the amount recommended by the directors.

149. ~~132.~~ Subject to the provisions of the Acts, the directors may pay interim dividends of such amounts and on such dates and in respect of such periods as they may think fit if it appears to them that they are justified by the profits of the Company available for distribution. If the share capital is divided into different classes, the directors may pay interim dividends on shares which confer deferred or non-preferred rights with regard to dividend as well as on shares which confer preferential rights with regard to dividend, but no interim dividend shall be paid on shares carrying deferred or non-preferred rights if at the time of payment, any preferential dividend is in arrear. The directors may also pay at intervals settled by them any dividend payable at a fixed rate if it appears to them that the profits available for distribution justify the payment. If the directors act in good faith they shall not incur any liability to the holders of shares conferring preferred rights for any loss they may suffer by the lawful payment of an interim dividend on any shares having deferred or non-preferred rights.

150. ~~133.~~ Subject to the provisions of the Acts and except as otherwise provided by these articles or the rights attached to shares, all dividends shall be declared and paid according to the amounts paid up on the shares on which the dividend is paid. If any share is issued on terms that it ranks for dividend as from a particular date, it shall rank for dividend accordingly. In any other case (and except as aforesaid), 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. For the purpose of this article, an amount paid up on a share in advance of a call shall be treated, in relation to any dividend declared after the payment but before the call, as not paid up on the share.

151. ~~134.~~ A general meeting declaring a dividend may, upon the recommendation of the directors, by ordinary resolution direct that it shall be satisfied wholly or partly by the distribution of assets and, where any difficulty arises in regard to the distribution, the directors may settle the same as they think fit and in particular (but without limitation) may issue fractional certificates (or ignore fractions) and fix the value for distribution of any assets, and may determine that cash shall be paid to any member on the basis of the value so fixed in order to adjust the rights of members, and may vest any assets in trustees.

152. ~~135.~~ (1) Any dividend or other money payable in respect of a share may be paid by cheque or warrant sent by post to the registered address of the person entitled or, if two or more persons are the holders of the share or are jointly entitled to it by reason of the death or bankruptcy of the holder, to the registered address of that one of those persons who is first named in the register of members or to such person and to such address as the person or



persons entitled may by notice direct. Every cheque or warrant shall be made payable to the order of or to the person or persons entitled or to such other person as the person or persons entitled may by notice direct and payment of the cheque or warrant shall be a good discharge to the Company. Any such dividend or other money may also be paid by any other method (including direct debit and bank transfer or, in respect of shares in uncertificated form, where the Company is authorised to do so by or on behalf of the holder or joint holders, in such manner as the directors may from time to time consider sufficient, by means of a relevant system) which the directors consider appropriate. Any joint holder or other person jointly entitled to a share as aforesaid may give receipts for any dividend or other money payable in respect of the share.

- (2) The Company may cease to send any cheque or warrant (or to use any other method of payment) for any dividend payable in respect of a share if:
- (a) in respect of at least two consecutive dividends payable on that share the cheque or warrant has been returned undelivered or remains uncashed (or that other method of payment has failed); or
  - (b) following one such occasion, reasonable enquiries have failed to establish any new address of the holder,

but, subject to the provisions of these articles, shall recommence sending cheques or warrants (or using another method of payment) for dividends payable on that share if the person or persons entitled so request and have supplied in writing a new address or account to be used for that purpose.

153. ~~136.~~ No dividend or other money payable in respect of a share shall bear interest against the Company, unless otherwise provided by the rights attached to the share.

154. ~~137.~~ Any dividend which has remained unclaimed for 12 years from the date when it became due for payment shall, if the directors so resolve, be forfeited and cease to remain owing by the Company.

155. ~~138.~~ The directors may, with the authority of an ordinary resolution of the Company, offer any holders of ordinary shares the right to elect to receive ordinary shares, credited as fully paid, instead of cash in respect of the whole (or some part, to be determined by the directors) of any dividend specified by the ordinary resolution. The following provisions shall apply:

- (a) The said resolution may specify a particular dividend (whether or not declared), or may specify all or any dividends declared or payable within a specified period, but such period may not end later than the beginning of the fifth annual general meeting next following the date of the meeting at which the ordinary resolution is passed.
- (b) The entitlement of each holder of ordinary shares to new ordinary shares shall be such that the relevant value of the entitlement shall be as nearly as possible equal to (but not greater than) the cash amount (disregarding any tax credit) that such holder would have received by way of dividend. For this purpose "relevant value" shall be calculated by reference to the average of the middle market quotations for the Company's ordinary shares on the London Stock



Exchange as derived from the Daily Official List, for the day on which the ordinary shares are first quoted "ex" the relevant dividend and the four subsequent dealing days, or in such other manner as may be determined by or in accordance with the ordinary resolution. A certificate or report by the auditors as to the amount of the relevant value in respect of any dividend shall be conclusive evidence of that amount.

- (c) No fraction of a share shall be allotted and the directors may deal with any fractions which arise as they think fit.
- (d) The directors shall, after determining the basis of allotment, notify the holders of ordinary shares in writing of the right of election offered to them, and specify the procedure to be followed and place at which, and the latest time by which, elections must be received in order to be effective.
- (e) The directors may exclude from any offer any holders of ordinary shares where the directors believe that the making of the offer to them would or might involve the contravention of the laws of any territory or that for any other reason the offer should not be made to them.
- (f) The dividend (or that part of the dividend in respect of which a right of election has been given) shall not be payable on ordinary shares in respect of which an election has been duly made ("the elected ordinary shares") and instead additional ordinary shares shall be allotted to the holders of the elected ordinary shares on the basis of allotment determined as aforesaid. For such purpose the directors shall capitalise out of any amount for the time being standing to the credit of any reserve or fund (including any share premium account or capital redemption reserve) or any of the profits which could otherwise have been applied in paying dividends in cash, as the directors may determine, a sum equal to the aggregate nominal amount of the additional ordinary shares to be allotted on that basis and apply it in paying up in full the appropriate number of unissued ordinary shares for allotment and distribution to the holders of the elected ordinary shares on that basis.
- (g) The directors shall not proceed with any election unless the Company has sufficient reserves or funds that may be capitalised to give effect to it after the basis of allotment is determined.
- (h) The additional ordinary shares when allotted shall rank pari passu in all respects with the fully paid ordinary shares then in issue except that they will not be entitled to participation in the dividend in lieu of which they were allotted.
- (i) The directors may do all acts and things which they consider necessary or expedient to give effect to any such capitalisation, and may authorise any person to enter on behalf of all the members interested into an agreement with the Company providing for such capitalisation and incidental matters and any agreement so made shall be binding on all concerned.

#### CAPITALISATION OF PROFITS

156. ~~139.~~(1) The directors may with the authority of an ordinary resolution of the Company:



- (a) subject as hereinafter provided, resolve to capitalise any undivided profits of the Company not required for paying any preferential dividend (whether or not they are available for distribution) or any sum standing to the credit of any reserve or fund of the Company (including any share premium account or capital redemption reserve);
  - (b) appropriate the sum resolved to be capitalised to the members in proportion to the nominal amounts of the shares (whether or not fully paid) held by them respectively which would entitle them to participate in a distribution of that sum if the shares were fully paid and the sum were then distributable and were distributed by way of dividend and apply such sum on their behalf either in or towards paying up the amounts, if any, for the time being unpaid on any shares held by them respectively, or in paying up in full shares or debentures of the Company of a nominal amount equal to that sum, and allot such shares or debentures credited as fully paid to those members or as they may direct, in those proportions, or partly in one way and partly in the other, but the share premium account, the capital redemption reserve, and any profits which are not available for distribution may, for the purposes of this article, only be applied in paying up shares to be allotted to members credited as fully paid;
  - (c) resolve that any shares so allotted to any member in respect of a holding by him of any partly paid shares shall so long as such shares remain partly paid rank for dividend only to the extent that the latter shares rank for dividend;
  - (d) make such provision by the issue of fractional certificates (or by ignoring fractions) or by payment in cash or otherwise as they determine in the case of shares or debentures becoming distributable in fractions;
  - (e) authorise any person to enter on behalf of all the members concerned into an agreement with the Company providing for the allotment to them respectively, credited as fully paid, of any further shares to which they are entitled upon such capitalisation, any agreement made under such authority being binding on all such members; and
  - (f) generally do all acts and things required to give effect to such resolution as aforesaid.
- (2) Where, pursuant to an employees' share scheme (within the meaning of section 1166 of the Companies Act 2006) the Company has granted options to subscribe for shares on terms which provide (inter alia) for adjustments to the subscription price payable on the exercise of such options or to the number of shares to be allotted upon such exercise in the event of any increase or reduction in or other reorganisation of the Company's issued share capital and an otherwise appropriate adjustment would result in the subscription price for any share being less than its nominal value, then, subject to the provisions of the Acts, the directors may, on the exercise of any of the options concerned and payment of the subscription price which would have applied had such adjustment been made, capitalise any such profits or other sum as is



mentioned in paragraph (1)(a) above to the extent necessary to pay up the unpaid balance of the nominal value of the shares which fall to be allotted on the exercise of such options and apply such amount in paying up such balance and allot shares fully paid accordingly. The provisions of paragraphs (1)(a) to (f) above shall apply mutatis mutandis to this paragraph (but as if the authority of an ordinary resolution of the Company were not required).

#### RECORD DATES

157. ~~140.~~ Notwithstanding any other provision of these articles, but without prejudice to the rights attached to any shares, the Company or the directors may fix a date as the record date by reference to which a dividend will be declared or paid or a distribution, allotment or issue made, and that date may be before, on or after the date on which the dividend, distribution, allotment or issue is declared, paid or made (as the case may be). Where such a record date is fixed, references in these articles to a holder of shares or member to whom a dividend is to be paid or a distribution, allotment or issue is to be made shall be construed accordingly.

#### ACCOUNTS

158. ~~141.~~ No member (other than a director) shall have any right of inspecting any accounting record or other document of the Company, unless he is authorised to do so by statute, by order of the court, by the directors or by ordinary resolution of the Company.

#### NOTICES AND OTHER COMMUNICATIONS

159. ~~142.~~ Any notice to be given to or by any person pursuant to these articles shall be in writing other than a notice calling a meeting of the directors which need not be in writing.

160. ~~143.~~(1) Any notice, document or information may (without prejudice to articles ~~146-163~~ and ~~147-164~~) be given, sent or supplied by the Company to any member either:-

- (a) personally; or
- (b) by sending it by post in a prepaid envelope addressed to the member at his registered address or postal address given pursuant to article ~~143-160~~(4), or by leaving it at that address; or
- (c) by sending it in electronic form to a person who has agreed (generally or specifically) that the notice, document or information may be sent or supplied in that form (and has not revoked that agreement); or
- (d) subject to the provisions of the Acts, by making it available on a website, provided that the requirements in article ~~143-160~~(2) are satisfied.

- (2) The requirements referred to in article ~~143-160~~(1)(d) are that: -

- (a) the member has agreed (generally or specifically) that the notice, document or information may be sent or supplied to him by being made available on a website (and has not revoked that agreement), or

the member has been asked by the Company to agree that the Company may send or supply notices, documents and information generally, or the notice, document or information in question, to him by making it available on a website and the Company has not received a response within the period of 28 days beginning on the date on which the Company's request was sent and the member is therefore taken to have so agreed (and has not revoked that agreement);

- (b) the member is sent a notification of the presence of the notice, document or information on a website, the address of that website, the place on that website where it may be accessed, and how it may be accessed ("notification of availability");
  - (c) in the case of a notice of meeting, the notification of availability states that it concerns a notice of a company meeting, specifies the place, time and date of the meeting, and states whether it will be an annual general meeting; and
  - (d) the notice, document or information continues to be published on that website, in the case of a notice of meeting, throughout the period beginning with the date of the notification of availability and ending with the conclusion of the meeting and in all other cases throughout the period specified by any applicable provision of the Acts, or, if no such period is specified, throughout the period of 28 days beginning with the date on which the notification of availability is sent to the member, save that if the notice, document or information is made available for part only of that period then failure to make it available throughout that period shall be disregarded where such failure is wholly attributable to circumstances which it would not be reasonable to have expected the Company to prevent or avoid.
- (3) In the case of joint holders of a share:-
- (a) it shall be sufficient for all notices, documents and other information to be given, sent or supplied to the joint holder whose name stands first in the register of members in respect of the joint holding (the "first named holder") only; and
  - (b) the agreement of the first named holder that notices, documents and information may be given, sent or supplied in electronic form or by being made available on a website shall be binding on all the joint holders.
- (4) A member whose registered address is not within the United Kingdom shall not be entitled to receive any notice, document or information from the Company unless he gives to the Company an address (not being an electronic address) within the United Kingdom at which notices, documents or information may be given to him.
- (5) For the avoidance of doubt, the provisions of this article ~~143~~160 are subject to article 57.



(6) The Company may at any time and at its sole discretion choose to give, send or supply notices, documents and information only in hard copy form to some or all members.

161. ~~144.~~—A member present either in person or by proxy, or in the case of a corporate member by a duly authorised representative, at any meeting of the Company or of the holders of any class of shares shall be deemed to have received notice of the meeting and, where requisite, of the purposes for which it was called.

162. ~~145.~~(1) Any notice to be given to a member may be given by reference to the register of members as it stands at any time within the period of 15 days before the notice is given; and no change in the register after that time shall invalidate the giving of the notice.

(2) Every person who becomes entitled to a share shall be bound by any notice in respect of that share which, before his name is entered in the register of members, has been given to the person from whom he derives his title; but this paragraph does not apply to a notice given under section 793 of the Companies Act 2006.

163. ~~146.~~—Subject to the Acts, where by reason of the suspension or curtailment of postal services within the United Kingdom, the Company is unable effectively to give notice of a general meeting, the general meeting may be convened by a notice advertised in two national daily newspapers published in the United Kingdom. The Company shall send a copy of the notice to members in the same manner as it sends notices under article ~~143~~160 if at least seven clear days before the meeting the posting of notices to addresses throughout the United Kingdom again becomes practicable.

164. ~~147.~~—Subject to the Acts, any notice, document or information to be given, sent or supplied by the Company to the members or any of them, not being a notice to which article ~~146~~163 applies, shall be sufficiently given, sent or supplied if given by advertisement in at least one leading national daily newspaper published in the United Kingdom.

165. ~~148.~~—Any notice, document or information given, sent or supplied by the Company to the members or any of them:-

(a) by post, shall be deemed to have been received 24 hours after the time at which the envelope containing the notice, document or information was posted unless it was sent by second class post or there is only one class of post, or it was sent by air mail to an address outside the United Kingdom, in which case it shall be deemed to have been received 48 hours after it was posted. Proof that the envelope was properly addressed, prepaid and posted shall be conclusive evidence that the notice, document or information was sent;

(b) by advertisement, shall be deemed to have been received on the day on which the advertisement appears;

(c) by electronic means, shall be deemed to have been received 24 hours after it was sent. Proof that a notice, document or information in electronic form was addressed to the electronic address provided by the member for the purpose of receiving communications from the Company shall be conclusive evidence that the notice, document or information was sent;



- (d) by making it available on a website, shall be deemed to have been received on the date on which notification of availability on the website is deemed to have been received in accordance with this article or, if later, the date on which it is first made available on the website;
- (e) by means of a relevant system, shall be deemed to have been received 24 hours after the Company, or any sponsoring system participant acting on the Company's behalf, sends the issuer-instruction relating to the notice, document or information.

166. ~~149.~~ Any notice document or information may be given, sent or supplied by the Company to the person entitled to a share in consequence of the death or bankruptcy of a member by sending or delivering it in any manner authorised by these articles for the giving of notice to a member addressed to that person by name, or by the title of representative of the deceased or trustee of the bankrupt or by any like description, at the address, if any, within the United Kingdom supplied for that purpose by the person claiming to be so entitled. Until such an address has been supplied, a notice may be given in any manner in which it might have been given if the death or bankruptcy had not occurred.

167. ~~150.~~ If on three consecutive occasions notices, documents or information sent or supplied to a member have been returned undelivered, the member shall not be entitled to receive any subsequent notice, document or information until he has supplied to the Company (or its agent) a new registered address or a postal address within the United Kingdom, or (without prejudice to article ~~143~~160(4)) shall have informed the Company, in such a manner as may be specified by the Company, of an electronic address. For the purposes of this article, references to notices, documents or information include references to a cheque or other instrument of payment; but nothing in this article shall entitle the Company to cease sending any cheque or other instrument of payment for any dividend, unless it is otherwise so entitled under these articles.

168. ~~151.~~ Where a document is required under these articles to be signed by a member or any other person, if the document is in electronic form, then in order to be valid the document must either:

- (a) incorporate the electronic signature, or personal identification details (which may be details previously allocated by the Company), of that member or other person, in such form as the directors may approve, or
- (b) be accompanied by such other evidence as the directors may require in order to be satisfied that the document is genuine.

The Company may designate mechanisms for validating any such document and a document not validated by the use of any such mechanisms shall be deemed as having not been received by the Company. In the case of any document or information relating to a meeting, an instrument of proxy or invitation to appoint a proxy, any validation requirements shall be specified in the relevant notice of meeting in accordance with articles 56 and 84.

## DESTRUCTION OF DOCUMENTS

169. ~~152.~~(1) The Company may destroy:

- (a) any instrument of transfer, after six years from the date on which it is registered;
  - (b) any dividend mandate or notification of change of name or address, after two years from the date on which it is recorded;
  - (c) any share certificate, after one year from the date on which it is cancelled; and
  - (d) any other document on the basis of which an entry in the register of members is made, after six years from the date on which it is made.
- (2) Any document referred to in paragraph (1) of this article may be destroyed earlier than the relevant date authorised by that paragraph, provided that a permanent record of the document is made which is not destroyed before that date.
- (3) It shall be conclusively presumed in favour of the Company that every entry in the register of members purporting to have been made on the basis of a document destroyed in accordance with this article was duly and properly made, that every instrument of transfer so destroyed was duly registered, that every share certificate so destroyed was duly cancelled, and that every other document so destroyed was valid and effective in accordance with the particulars in the records of the Company, provided that:
- (a) this article shall apply only to the destruction of a document in good faith and without notice of any claim (regardless of the parties to it) to which the document might be relevant;
  - (b) nothing in this article shall be construed as imposing upon the Company any liability in respect of the destruction of any such document otherwise than in accordance with this article which would not attach to the Company in the absence of this article; and
  - (c) references in this article to the destruction of any document include references to the disposal of it in any manner.

#### WINDING UP

170. ~~153.~~ If the Company commences liquidation, the liquidator may, with the sanction of a special resolution and any other sanction required by law, subject to the provisions of the Acts divide among the members in specie the whole or any part of the assets, whether they shall consist of property of the same kind or not, of the Company and may, for that purpose, value any assets as he deems fair and determine how the division shall be carried out as between the members or different classes of members. The liquidator may, with the like sanction, vest the whole or any part of the assets in trustees upon such trusts for the benefit of the members as he may with the like sanction determine, but no member shall be compelled to accept any assets upon which there is a liability.

#### INDEMNITY

171. ~~154.~~ Subject to the provisions of the Acts, the Company may:



- (a) indemnify to any extent any person who is or was a director, or a director of any associated company, directly or indirectly (including by funding any expenditure incurred or to be incurred by him) against any loss or liability, whether in connection with any proven or alleged negligence, default, breach of duty or breach of trust by him or otherwise, in relation to the Company or any associated company; and/or
- (b) indemnify to any extent any person who is or was a director of an associated company that is a trustee of an occupational pension scheme, directly or indirectly (including by funding any expenditure incurred or to be incurred by him) against any liability incurred by him in connection with the company's activities as trustee of an occupational pension scheme; and/or
- (c) purchase and maintain insurance for any person who is or was a director, or a director of any associated company, against any loss or liability or any expenditure he may incur, whether in connection with any proven or alleged negligence, default, breach of duty or breach of trust by him or otherwise, in relation to the Company or any associated company.



Document comparison by Workshare Professional on 10 May 2011 16:16:48

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Rendering set	Standard

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Format change	
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Deleted cell	
Moved cell	
Split/Merged cell	
Padding cell	

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Moved to	1
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Format changed	0
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