

ANNEX - AMENDMENTS TO ARTICLES OF ASSOCIATION OF QONNECTIS PLC

In the New Articles, but not specifically set out individually in this Annex, there are the following changes:

- certain defined terms have been added and capitalisations removed where there is no defined term;
- typographical errors have been amended.
- Articles 9.10, 34, 49, 53, 54, 55, 82, 84, 121 and 167 all contained references to 'Extraordinary' General Meetings or 'Extraordinary' Resolutions. The concept of an Extraordinary General Meeting and an Extraordinary Resolution were abolished by the Companies Act 2006. For the purposes of the Articles, all references to 'Extraordinary General Meetings' are changed to 'General Meetings' and all references to 'Extraordinary Resolutions' are changed to 'Special Resolutions';
- references to Board have been updated in the new Articles to read "Board of Directors"
- some definitions from the main body of the Articles have been moved to the definitions section; and
- cross referencing has been changed where articles have been added or deleted.

Part I – Preliminary

1. Deleted definition **"The Act"** from the original Articles and added definition **"Acts" means the 1985 Act and the 2006 Act;**
2. ;Added definition **"1985 Act" means the Companies Act 1985 including any statutory modification, amendment or re-enactment thereof being in force from time to time and "2006 Act" means the Companies Act 2006;**
3. Added definition **"Chairman" means the chairman of the Company as appointed from time to time;**
4. Added definition **"Common Seal" means any common or official seal that the Company may be permitted to have under the Statutes;**
5. Added definition **"Deferred Shares" means the shares of £0.01 each in the capital of the Company, more specifically defined at Article 3.1 of these Articles, having the attached rights set out at Article 3.2 of these Articles;**
6. Added definition **"Deputy Chairman" means the deputy chairman of the Company appointed in accordance with Article 125;**
7. Added definition **"Group" means the Company, its subsidiaries, any holding company of the Company, any subsidiary of any such holding company and any other company in which the company is for the time being directly or indirectly interested;**
8. Added definition **"hard copy form" and "hard copy" has the meaning given to it in Section 1168 of the 2006 Act;**
9. Added definition **"Joint Chairman" means the joint chairman of the Company appointed in accordance with Article 125;**
10. Added definition **"Ordinary Shares" means the ordinary shares of £0.001p each in the capital of the Company, more specifically described in Article 3.1 of these Articles;**
11. Added definition **"parent undertaking" means parent undertaking as defined in Section 1162 of the 2006 Act;**
12. Definition **"the Register"** the words **"Section 352 of the Act;"** replaced with the words **the register of members required to be kept by the Statutes;**
13. Added definition **"Register of Charges" means the register of charges set out in the statutory books of the Company;**
14. Definition **"Statutes" means the 1985 Act, the Companies Act 1989, the 2006 Act, the Uncertificated Securities Regulations and every other act, statute, statutory instrument, regulation or order being in force from time to time concerning companies and affecting the Company;**

15. Definition "Stock Exchange Member" the words **"Section 185 of the Act..."** replaced with **"Section 778 of the 2006 Act..."**;
16. Added definition **"Uncertificated Securities Regulations"** means the **Uncertificated Securities Regulations 2001** as amended from time to time and any Statutes which supplement or replace such Regulations;
17. Added definition **"UK Listing Authority"** means the **Financial Services Authority** acting in its capacity as the competent authority for the purposes of Part VI of the Financial Services and Markets Act 2000;
18. Added definition **"year"** means calendar year;

Part II- Share Capital

19. Article 3.1 the words **"£10,303,500 divided into 221,889,240 Ordinary Shares of 1p each and 808,450,760 Deferred Shares of 1p each"** replaced with **"£15,000,000 divided into 6,915,492,000 Ordinary Shares of £0.001p each and 808,450,800 Deferred shares of £0.01 each"**;
20. Article 3.2 the words **1p** replaced with **£0.01** for consistency. The figure **£1,000,000** has been replaced with **£100,000** because the Ordinary Share nominal value has been reduced;
21. Article 10. the words **"in accordance with Section 36A of the Act"** replaced with **"in accordance with s.44 of the 2006 Act"**;
22. Article 51.2.1 the words **within the meaning of Section 163 of the Act** replaced with **"within the meaning of Section 693 of the 2006 Act"**;
23. Article 51.2.1 the words **"within the meaning of Section 162A of the Act"** be replaced with **"within the meaning of Section 724 of the 2006 Act"**;
24. Article 69 amended so the Chairman does not have a casting vote at General Meetings including Annual General Meetings.

Voting

25. Article 78.1 the words **"under Section 212 of the Act"** replaced with **"under Section 793 of the 2006 Act"**;
26. Article 78.3.1 the words **"under the said Section 212 "** replaced with **"under the said Section 793"**;
27. Article 78.3.1 the words **"any other relevant Section 212 notification"** replaced with **"any other relevant Section 793 notification"**;
28. Article 78.3.2 the words **"under Section 212 "** replaced with **"under Section 793"**;
29. Article 78.4 the words **"under Section 216 of the Companies Act 1985"** replaced with **"The provisions of Article 78 are without prejudice to the provisions of Section 794 of the 2006 Act and in particular the Company may apply to Court under Section 794(1) whether or not these provisions apply or have been applied"** this gives statutory rights to the Company;
30. Article 78.5 the words **"under the said Section 212 "** be replaced with **"under the said Section 793"**;

Powers and Duties of Directors

31. Article 96 Amended to read **" The business and affairs of the Company shall be managed by the Board of Directors which, subject to the Statutes, the memorandum of association of the Company and these Articles and any directions (not being inconsistent with the Statutes, memorandum or these Articles) given by special resolution, may exercise all the powers of the Company. No alteration of the memorandum or these Articles and no such resolution shall invalidate any prior act of the Board of Directors which would have been valid if that alteration had not been made or that resolution had not been passed. The general powers given by this Article shall not be limited by any special authority or power given to the Board of Directors by these Articles or any Resolution of the Company"**;

32. Articles 98.2- 98.7 added. These provisions are added to take into account the provisions regarding directors' duties contained in the Companies Act 2006. These are as follows:

98.2 For the purposes of Section 175 of the 2006 Act, the Directors shall have the power to authorise any matter which would or might otherwise constitute or give rise to a breach of the duty of a Director under that Section 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.

98.3 Authorisation of a matter under this Article shall be effective only if:

98.3.1 the matter in question shall have been proposed in writing for consideration at a meeting of the Directors, in accordance with the Board of Directors' normal procedures or in such other manner as the Directors may determine:

98.3.2 any requirement as to the quorum at the meeting of the Board of Directors at which the matter is considered is met without counting the Director in question and any other interested Director (together the "Interested Directors"), and

98.3.3 the matter was agreed to without the Interested Directors voting or would have been agreed to if the votes of the Interested Directors had not been counted.

98.4 Any authorisation of a matter under this Article shall extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter so authorised.

98.5 Any authorisation of a matter under this Article shall be subject to such conditions or limitations as the Directors may determine, whether at the time such authorisation is given or subsequently, and may be terminated by the Directors at any time. A Director shall comply with any obligations imposed on him by the Directors pursuant to any such authorisation.

98.6 A Director shall not, save as otherwise agreed by him, be accountable to the Company for any benefit which he (or a person connected with him) derives from any matter authorised by the Directors under this Article and any contract, transaction or arrangement relating thereto shall not be liable to be avoided on the grounds of any such benefit.

98.7 Save as herein provided, a Director shall not vote in respect of any contract, arrangement, transaction or any other proposal whatsoever in which he has any material interest otherwise than by virtue of his interests in shares or debentures or other securities of or otherwise in or through the Company. A Director shall not be counted in the quorum at a meeting in relation to any resolution on which he is debarred from voting;

33. Old Article 98 deleted in its entirety New Article 99 added. Broadly this covers the new provisions in the 2006 Companies Act regarding conflicts of interest of Directors. New Article 99 reads as follows:

99. Subject to compliance with Article 98.2, a Director, notwithstanding his office, may have an interest of the following kind:

99.1.1 where a Director (or a person connected with him) is a director or other officer of, or employed by, or otherwise interested (including by the holding of shares) in any Relevant Company (as defined in Article 99.5);

99.1.2 where a Director (or a person connected with him) is a party to, or otherwise interested in, any contract, transaction or arrangement with a Relevant Company, or in which the Company is otherwise interested;

99.1.3 where the Director (or a person connected with him) acts (or any firm of which he is a partner, employee or member acts) in a professional capacity for any Relevant Company (other than as Auditor) whether or not he or it is remunerated therefore;

- 99.1.4 an interest which cannot reasonably be regarded as likely to give rise to a conflict of interest;
- 99.1.5 an interest, or a transaction or arrangement giving rise to an interest, of which the Director is not aware;
- 99.1.6 any matter authorised under Article 98.2; or
- 99.1.7 any other interest authorised by ordinary resolution.

99.2 No authorisation under Article 98 shall be necessary in respect of any such interest.

99.3 The Director shall declare the nature and extent of any interest permitted under Article 99.1 and not falling within Article 98.3, at a meeting of the Board of Directors or in the manner set out in Section 184 or 185 of the 2006 Act.

99.3.1 No declaration of an interest shall be required by a Director in relation to an interest:

99.3.2 falling within Articles 99.1.4, 99.1.6 or 99.1.7;

99.3.3 if, or to the extent that, the other Directors are already aware of such interest (and for this purpose the other Directors are treated as aware of anything of which they ought reasonably to be aware); or

99.4 if, or to the extent that, it concerns the terms of his service contract (as defined in Section 227 of the 2006 Act) that have been or are to be considered by a meeting of the Directors, or by a committee of Directors appointed for the purpose under these Articles.

99.5 A Director shall not, save as otherwise agreed by him, be accountable to the Company for any benefit which he (or a person connected with him) derives from any such contract, transaction or arrangement or from any such office or employment or from any interest in any Relevant Company or for such remuneration, each as referred to in Article 99.1, and no such contract, transaction or arrangement shall be liable to be avoided on the grounds of any such interest or benefit.

99.5 For the purposes of this Article, "Relevant Company" shall mean:

99.5.1 the Company;

99.5.2 a subsidiary undertaking of the Company;

99.5.3 any holding company of the Company or a subsidiary undertaking of any such holding company;

99.5.4 any body corporate promoted by the Company; or

99.5.5 any body corporate in which the Company is otherwise interested.

34. Article 100 inserted. This deals with Directors not disclosing confidential information about the Company. The new clause reads as follows:

100 Subject to Article 100.2, if a Director, otherwise than by virtue of his position as Director, receives information in respect of which he owes a duty of confidentiality to a person other than the Company, he shall not be required:

100.1.1 to disclose such information to the Company or to the Directors, or to any Director, officer or employee of the Company; or

100.1.2 otherwise use or apply such confidential information for the purpose of or in connection with the performance of his duties as a Director.

100.2 Where such duty of confidentiality arises out of a situation in which the Director has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Company, Article 100.1 shall apply only if the

conflict arises out of a matter which has been authorised under Article 98.2 or falls within Article 99.

- 100.3** This Article is without prejudice to any equitable principle or rule of law which may excuse or release the Director from disclosing information, in circumstances where disclosure may otherwise be required under this Article.

35. Article 103 "**Section 362 of the Act**" replaced with "**Section 129 of the 2006 Act**";

Retirement, Election and Appointment of Directors

36. Deleted Old Article 120 (Directors retirement) this fell foul of Employment (Equality) Age Regulations 2006 because it required Directors to retire at 75;

Accounts

37. Article 150 the words "**with Section 251 of the Act**" be replaced with "**with Section 426-429 of the 2006 Act**";

Seals

38. Article 153.2 the words "**Directors or one Director and a witness**" added to take into account the provisions of the Companies Act 2006 . These allow one director to sign a company document in the presence of a witness as opposed to two directors or one director and the company secretary;

39. Article 154 the words "**by Section 39 of the Act**" be replaced with "**with Section 49 of the 2006 Act**";

Notices

40. Old Articles 155 and 156 deleted. New Articles 156-164 added in their place. The new Articles take into account the electronic notices provided for in the Companies Act 2006. Companies may now communicate with their shareholders via email and vice versa. The new Articles 156-164 are as follows:

156. Any notice, document or information to be given, sent or supplied to or by any person under these Articles may be given, sent or supplied to any Member by the Company either:-

156.1.1 personally;

156.1.2 by sending it by post in a prepaid envelop addressed to the member at his registered address, or by leaving it at that address;

156.1.3 by using electronic means or in electronic form to a person who has agreed (generally or specifically) that the notice, document or information may be given, sent or delivered in that form (and has not revoked that agreement);

156.1.4 subject to the provisions of the 2006 Act, by making it available on a website provided that the requirements in Article 156.4 are satisfied;

156.1.5 in accordance with Article 156.2; or

156.1.6 by any other method approved by the Board of Directors.

156.2 Where the notice, document or information is given, sent or supplied in electronic form by hand or by post, it must be handed to the intended recipient, or sent to an address to which it could validly be sent if it were in hard copy form in accordance with Article 156.1.2.

156.3 A Member whose registered address is not within the United Kingdom and who gives to the Company an address within the United Kingdom at which notices may be given to him or an address to which notices may be sent by electronic means shall be entitled to receive notices and other documents from the Company at that address, but, unless he does so, shall not be entitled to receive any notice from the Company.

- 156.4 Any notice, document or information may be given, sent or supplied by the Company to any Member by making it available on a website provided that:-
- 156.4.1 the Member has agreed (generally or specifically) that the notice, document or information may be given, sent or delivered 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 give, 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);
- 156.4.2 the Member is sent a written notification in accordance with the 2006 Act of the presence of the document or information on a website, the address of that website, the place on the website where the document or information may be accessed, and how to access the document or information. Such notification will be made by post unless the recipient has agreed to receive the notification by electronic means and has supplied the Company with an appropriate address;
- 156.4.3 the notice, document or information is available on the website throughout the period specified by any applicable provisions of the Statutes, or, if no such period is specified, the period of 28 days beginning with the date on which the notification required by Article 156.4.2 is sent to the person in question, provided that, if the notice, document or information is published on that website for a part, but not all, such period, the notice, document or information shall be treated as being published throughout that period if the failure to publish that notice, document or information throughout that period is wholly attributable to circumstances that it would not be reasonable to have expected the Company to prevent or avoid.
- 156.5 Where the document posted on the website of the Company is a notice of a meeting of the Company, the notification must state that the document concerns a notice of a company meeting, specify the place, date and time of the meeting, and state whether it will be an Annual General Meeting.
- 156.6 Any notice, document or information given, sent or supplied by the Company to the Members or any of them:-
- 156.6.1 by post shall be deemed to have been given, sent, supplied or delivered 48 hours after posting and, in proving such service or delivery, it shall be sufficient to prove that the notice or document was properly addressed, stamped and put in the post;
- 156.6.2 by leaving it at a registered address otherwise than by post shall be deemed to have been given, sent or supplied 48 hours after having been left;
- 156.6.3 by electronic means shall be deemed to have been received 48 hours after it was sent;
- 156.6.4 by making it available on a website shall be deemed to have been delivered when it was first made available on the website if the shareholder was notified in advance of the availability on the website, or if later, when the shareholder received notice of the fact that the material was available on the website in accordance with the 2006 Act.
- 156.7 The Board of Directors may from time to time issue, endorse or adopt terms and conditions relating to the use of electronic means for the giving of notices, other documents and proxy appointments by the Company to members or persons entitled by transmission and by Members or persons entitled by transmission to the Company.
- 156.8 If the Company gives, sends or supplies any notice, document or information to a Member by electronic means and subsequently becomes aware that the Member has failed to receive the relevant notice or other document for any reason, the Company shall send a hard copy of the relevant notice or other document by post to the Member's last known postal address within 48 hours of the original attempt of sending the notice or other document.

157 Notice by Members

Unless otherwise provided by these Articles, a Member or a person entitled by transmission to a share shall give, send or supply any notice, information or document under these Articles to the Company either:-

- 157.1 by posting the notice or other document in a prepaid envelope addressed to the Office; or
- 157.2 by leaving the notice or other document at the Office; or
- 157.3 by using electronic means to an address specified (generally or specifically) for that purpose by the Company or deemed by a provision of the 2006 Act to have been so specified.
- 157.4 A notice, document or information may be given, sent or supplied by a Member to the Company in electronic form if the Company has notified the Members that the notice, document or information may be given, sent or supplied in that form (and not revoked that agreement).
- 157.5 Subject to Article 157.4 above, where a notice, document or information is given, sent or supplied in electronic form by hand or by post, it must be given, sent or supplied to an address to which it could validly be sent if it were in hard copy form in accordance with Article 157.1.

158 Notice to joint holders

In the case of joint holdings, all notices and other documents shall be given or sent to the joint holder whose name appears first in the Register and this shall be sufficient delivery to all the joint holders in their capacity as such. For such purpose a joint holder having no registered address in the United Kingdom and not having given an address within the United Kingdom at which notices may be given to him or an address to which notices may be sent using electronic communications shall be disregarded.

159 Notice to persons entitled by transmission

A notice may be given by the Company to the persons 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 them by name, or by the title of representatives 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 persons 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 whether or not the Company has notice of the transmission event.

- 160. A Member present in person 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.

- 161. Every person who becomes entitled to a share shall be bound by any notice (other than a notice given under Section 793 of the 2006 Act) in respect of that share which, before his name is entered in the Register, was given to the person from whom he derives his title.

- 162. Except when the subject or context otherwise requires, in these Articles references to a notice include, without limitation, references to any notification required by the Statutes or these Articles in relation to the publication of any notices or other documents on a website.

- 163. Nothing in these Articles shall affect any requirement of the Statutes that any particular offer, notice or other document be served in any particular manner.

164. Record date for delivery

- 164.1 For the purposes of giving notices of meetings or other documents, whether under these Articles or under Section 310(1) of the 2006 Act, any other Statute or any other statutory instrument, the Company may determine that persons entitled to receive such notices or other documents are those persons entered on the Register at the close of business on a day determined by it, being a day not be more that 15 days before the day that the notice of the meeting or other document is sent.

- 164.2 For the purposes of determining which persons are entitled to attend and/or vote at a meeting, and how many votes such persons may cast, the Company may specify in the notice of the meeting a time, not more than 48 hours before the time fixed for the meeting, by which a person must be entered on the Register in order to have the right to attend and/or vote at the meeting.

Provision for Employees

41. Article 168 the words "**by Section 719(1) of the Act**" be replaced with "**with Section 247 of the 2006 Act**";