

COMPANY NUMBER 2794823
THE COMPANIES ACT 1985
MEMORANDUM AND
ARTICLES OF ASSOCIATION
of

The Telecottage Association
(Incorporated on 1st March 1993)

THE COMPANIES ACT 1985
COMPANY LIMITED BY GUARANTEE
AND NOT HAVING A SHARE CAPITAL
MEMORANDUM OF ASSOCIATION
of
The Telecottage Association

1. The name of the Company (hereinafter called "the Company") is The Telecottage Association
2. The registered office of the Company will be situate in England.
3. The objects of the Company are the improvement in employment, training and services for people living in rural areas and the development of local economies through the use of information technology and telecommunications including shared facilities in local centres and the doing of all such other things which, in the opinion of the Directors, are incidental or conducive to the attainment of these objects.
4. The income and property of the Company, whencesoever derived, shall be applied solely towards the promotion of the objects of the Company as set forth in this Memorandum of Association and no portion thereof shall be paid or transferred, directly or indirectly, by way of dividend, bonus or otherwise howsoever by way of profit, to the members of the Company. Provided that nothing herein contained shall prevent the payment in good faith of reasonable and proper remuneration to any officer or servant of the Company or to any member of the Company in return for any services actually rendered to the Company nor prevent the payment of interest at a rate not exceeding a reasonable and proper commercial rate of interest on 'money lent or reasonable and proper rent for premises demised or let by any member to the Company.
5. The liability of the members is limited.
6. Every member of the Company undertakes to contribute to the assets of the Company in the event of the same being wound up while he is a member, or within one year after he ceases to be a Member, for payment of the debts and liabilities of the Company contracted before he ceases to be a member, and of the costs, charges and expenses of winding up and for the adjustment of the rights of the contributories amongst themselves such amount as may be required not exceeding £1.
7. If upon winding up or dissolution of the company there remains, after the satisfaction of all its debts and liabilities, any Property whatsoever, the same shall not be paid to or distributed amongst the members of the Company but shall be given or transferred to some other institution or institutions, having objects similar to the objects of the Company, and which shall prohibit the distribution of its or their income and property amongst its or their members to an extent at least as great as is imposed on the Company under or by virtue of Clause 4 hereof, such institution or institutions to be determined by the members of the Company at or before the time of dissolution, and if and so far as effect cannot be given to the aforesaid provision then to some charitable object.
8. True accounts shall be kept of the sums of money received and expended by the Company, and the matters in respect of which such receipts and expenditure take place, and of the property, credits and liabilities of the Company; and, subject to any reasonable restrictions as to the time and manner of inspecting the same that may be imposed in accordance with the regulations of the Company for the time being, such accounts shall be open to the inspection of the members. once at least in every year the accounts of the Company shall be examined and the correctness of the balance sheet ascertained by one or more properly qualified Auditor or Auditors.

We the several persons whose names and addresses are subscribed, are desirous of being formed into a company, in pursuance of this Memorandum of Association

John Francis Lakeman, Simon Berry, Ashley Dobbs, Godfrey Claff, Paddy Moindrot, V.C. Bendelow, Margaret Ann Waltho

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PRELIMINARY

1. (a) The Regulations contained in Table A in the Schedule to the Companies (Tables A to F) Regulations 1985 as amended by the Companies (Tables A to F) (Amendment) Regulations 1985 (such Table being hereinafter called "Table A") shall apply to the Company save in so far as they are excluded or varied hereby and such Regulations (save as so excluded or varied) and the Articles hereinafter contained shall be the regulations of the Company.

(b) Clauses 2 to 35 (inclusive), 57, 59, 102 to 108 (inclusive) 110, 114, 116 and 117 in Table A shall not apply to the Company.

(c) In these Articles the expression "the Act" means the Companies Act 1985, but so that- any reference in these Articles to any provision of the Act shall be deemed to include a reference to any statutory modification or re-enactment of that provision for the time being in force.

INTERPRETATION

2. Clause 1 in Table A shall be read and construed as if the definition of "the holder" were omitted therefrom.

MEMBERS

3. The subscribers to the Memorandum of Association of the Company and such other persons as are admitted to membership in accordance with these Articles shall be Members of the Company. No person shall be admitted as a Member of the Company unless he or she is approved by the Directors. Every person who wishes to become a Member shall deliver to the Company an application for membership, in such form as the Directors require, executed by him or her. .

4. (a) A Member may at any time withdraw from the Company by giving at least forty eight hours notice to the Company. Membership shall not be transferable and shall cease on death. In the case of a Member other than an individual Member membership shall cease on the winding up or dissolution of the Member.

(b) The Directors shall have an absolute right to return any subscription or to refuse to allow any subscription to be renewed without being required to give any explanation and the member whose subscription is return or refused shall cease to be a Member. The Directors shall also have an absolute discretion to cancel the membership of any Member.

MEMBERSHIP CLASSES

5. (a) There shall be three classes of member:-

- (i) Telecottage Members;
- (ii) Corporate Members;
- (iii) Individual Members.

(b) Unless otherwise stated in these Articles the expression "Member" shall include Members of all three classes.

(c) Telecottage Membership shall be open to individual Telecottages subject in each case to the approval of applications by the Board in accordance with Article 3 and the Board shall have the right at its sole discretion to decide which category of membership shall be granted to any applicant.

(d) Corporate Membership shall be open to any corporate or unincorporated bodies other than Telecottages including firms, companies, statutory bodies and unincorporated associations, subject in each case to the approval of applications by the Board in accordance with Article 3 and the Board shall have the right at its sole discretion to decide which category of membership shall be granted to any applicant.

(e) Individual Membership shall be open to any individual person subject in each case to the approval of applications by the Board in accordance with Article 3 and the Board shall have the right at its sole discretion to decide which category of membership shall be granted to any applicant.

(f) The Directors may with the consent of the Members by ordinary resolution alter any category of Membership or create additional categories of Membership.

(g) Each class of Member shall pay an annual subscription of such amount as the Directors shall determine. The subscription may be different for different classes of Member.

The initial subscription rates shall be:-

- Telecottage Members £ 20
- Corporate Members £100
- Individual Members £ 15

VOTES OF MEMBERS

6. (a) All Members shall be entitled to notice of and to attend general meetings of the Company but only Telecottage Members and Individual Members shall be entitled to vote at such meetings. Each such voting Member present in person or by proxy shall have one vote both on a show of hands and on a poll.

(b) At any meeting confined to the Members of an individual class, each member present in person or by proxy shall have one vote both on a show of hands and on a poll.

NOTICE OF GENERAL MEETINGS

7. (a) An Annual General Meeting and an Extraordinary General Meeting called for the passing of a special resolution or a resolution appointing a person as a Director shall be called by at least twenty one clear days' notice. All other Extraordinary General Meetings shall be called by at least fourteen clear days, notice but a General Meeting may be called by shorter notice if it is so agreed:-

- (i) (i) in the case of an Annual General Meeting, by all the Members entitled both to attend and to vote thereat; and
- (ii) (ii) in the case of any other General Meeting by a majority in number of the Members having a right both to attend and to vote being a majority together holding not less than ninety five per cent of the total voting rights at the Meeting of all Members entitled to vote.

(b) The notice shall specify the time and place of the Meeting and, in the case of special business, the general nature of the business to be transacted and, in the case of an Annual General Meeting, shall specify the Meeting as such.

(c) The notice shall be given to all Members and to the Directors and Auditors.

(d) Clause 38 in Table A shall not apply to the Company

PROCEEDINGS AT GENERAL MEETINGS

8. All business shall be deemed special that is transacted at an Extraordinary General Meeting, and also all that is transacted at an Annual General meeting, with the exception of the consideration of the accounts, balance sheets', and the reports of the Directors and Auditors, and the appointment of, and the fixing of the remuneration of, the Auditors.

9. (a) Any Member of the Company entitled to attend and vote at a General Meeting shall be entitled to appoint another person (whether a Member or not) as his or her proxy to attend and vote instead of him or her and any proxy so appointed shall have the same right as the Member to speak at the Meeting. Every notice convening a General Meeting shall comply with the provisions of Section 373(3) of the Act as to giving information to Members in regard to their right to appoint proxies.

(b) Clause 40 in Table A shall be read and construed as if the words "at the time when the Meeting proceeds to business" were added at the end of the first sentence and the quorum shall be five persons entitled to vote.

(c) If a quorum is not present within half an hour from the time appointed for a General Meeting the General Meeting shall stand adjourned to the same day in the next week at the same time and place or to such other day and at such other time and place as the Directors may determine; and if at the adjourned General Meeting a quorum is not present within half an hour from the time appointed therefore such adjourned General Meeting shall be dissolved.

(d) Clause 41 in Table A shall not apply to the Company.

10. Clause 44 in Table A shall be read and construed as if the words "and at any separate meeting of the holders of any class of shares in the Company" were omitted therefrom.

11. Clause 46 in Table A shall be read and construed as if paragraph (d) was omitted therefrom.

12. The rules relating to the conduct of meeting stated in Article 5 shall apply to the meetings of each individual class, save that notice of such a class meeting shall only be given to the members of the class concerned, the Directors and the Auditors.

13. Clauses 54 and 55 in Table A shall not apply to the Company.

APPOINTMENT AND RETIREMENT OF DIRECTORS

14. (a) Clause 64 in Table A shall not apply to the Company.

(b) There shall be two classes of Directors. Any Director who is at the time of his appointment a Telecottage Member or who is at that time an officer trustee or Director of the or a representative appointed in writing by any Telecottage Member, any Telecottage Member shall be a Telecottage Director. All other directors shall be ordinary directors.

(c) The maximum number and minimum number respectively of each class of the Directors may be determined from time to time by Ordinary Resolution in General Meeting of the Company. Subject to and in default of any such determination the maximum number of each class of Directors shall be the number of Directors who take office on the incorporation of the Company and the minimum number of each class of Directors shall be three Telecottages Directors and two ordinary directors.

(d) There must at all times be more Telecottage Directors than ordinary Directors.

(e) The office of a Telecottage Director shall be vacated if he or she ceases to qualify as a Telecottage Director and he or she shall cease to be a Director

15. (a) At the first and every subsequent subsequent Annual General Meeting one third of the Directors who are subject to retirement by rotation, or if their number is not three or a multiple of three, the number nearest to one third, shall retire from office; but, if there is only one Director who is subject to retirement by rotation, he or she shall retire.

(b) Clause 73 in Table A shall not apply to the Company

DIRECTORS' EXPENSES

16. Clause 83 in Table A shall be read and construed as the words "of any class of shares or" were omitted therefrom.

PROCEEDINGS OF DIRECTORS

17. (a) The Continuing Directors may act notwithstanding any vacancies in their number, but, if:-

- (1) the number of directors is less than the minimum number fixed at any time; or
- (2) the number of Telecottages Directors does not exceed the number of ordinary directors the continuing directors may act only for the purpose of filling vacancies or calling a general meeting

(b) Clause 90 in Table A shall not apply to the Company

18. (a) The Directors shall elect a Chairman from among their number and he or she shall hold office for three years from the date of his or her election as Chairman. The Chairman may be re-elected but shall not serve a term of more than three consecutive years. The Chairman shall not- retire as a director by rotation during his period of office.

(b) Clause 91 Table A shall be modified accordingly.

19. (a) A Director may vote, at any meeting of the Director or of any committee of the Directors, on any resolution, notwithstanding that it in any way concerns or relates to a matter in which he or she has, directly or indirectly, any kind of interest whatsoever, and if he or she shall vote on any such resolution as aforesaid his or her vote shall be counted; and in relation to such resolution as aforesaid he or she shall (whether or not he or she shall vote on the same) be taken into account in calculating the quorum present at the meeting.

(b) Clauses 94 to 97 (inclusive) in Table A shall not Apply to the Company.

BORROWING POWERS

20. The Directors may exercise all the powers of the Company to borrow money without limit as to amount and upon such terms and in such manner as they think fit, and to grant any mortgage, charge or standard security over its undertaking and property or any part thereof, and to issue debentures, whether outright or as security for any debt, liability or obligation of the Company or of any third party.

ALTERNATE DIRECTORS

21. (a) An alternate Director shall not be entitled as such to receive any remuneration from the Company, save that he or she may be paid by the Company such part (if any) of the remuneration otherwise payable to his or her appointor as such appointor may by notice in writing to the Company from time to time direct, and the first sentence of Clause 66 in Table A shall be modified accordingly.

(b) A Director, or any such other person as is mentioned in Clause 65 in Table A, may act as an alternate Director to represent more than one Director, and an alternate Director shall be entitled at any meeting of the Directors or of any committee of the Directors to one vote for every Director whom he or she represents in addition to his or her own vote (if any) as a Director, but they shall count as only one for the purpose of determining whether a quorum is present.

DISQUALIFICATION OF DIRECTORS

22. The office of a Director shall be vacated if he or she becomes incapable by reason of illness or injury of managing and administering his or her property and affairs, and Clause 81 in Table A shall be modified accordingly.

MINUTES

23. Clause 100 in Table A shall be read and construed as if the words "of the holders of any class of shares in the Company" were omitted therefrom.

NOTICES

24. Clause 112 in Table A shall be read and construed as if the words "or of the holders of any class of shares in the Company" were omitted therefrom.

25. Clause 113 in Table A shall be read and construed as the words "or of the holders of any class of shares in the Company" were omitted therefrom.

INDEMNITY

26. (a) Every Director or other officer of the Company shall be indemnified out of the assets of the Company against all losses or liabilities which he or she may sustain or incur in or about the execution of the duties of his or her office or otherwise in relation thereto, including any liability incurred by him or her in defending any proceedings, whether civil or criminal, in which judgment is given in his or her favour or in which he or she is acquitted or in connection with any application under Section 727 of the Act in which relief is granted to him or her by the court, and no Director or other officer shall be liable for any loss, damage or misfortune which may happen to or be incurred by the Company in the execution of the duties of his or her office or in relation thereto. But this Article shall only have effect insofar as its provisions are not avoided by Section 310 of the Act.

(b) Clause 118 in Table A shall not apply to the Company.