

THE COMPANIES ACTS 1985 AND 1989

A PUBLIC COMPANY LIMITED BY SHARES

MEMORANDUM OF ASSOCIATION

of

PINNACLE TELECOM GROUP PLC

**(Amended by Special Resolutions on 24 November 2004 and 13 February 2006 and by
Ordinary Resolution on 26th February 2007)**

1. The name of the Company is "PINNACLE TELECOM GROUP PLC".
 2. The Company is to be a public company.
 3. The registered office of the Company will be situated in England and Wales.
 4.
 - 4.1 The object of the Company is to carry on business as a general commercial company.
 - 4.2 Without prejudice to the generality of the object and the powers of the Company derived from Section 3A of the Act the Company has power to do all or any of the following things:
 - (A) to carry on the business of a holding company for the provision of information technology, telecommunications and related services, to carry on the business of providing information technology, telecommunications and other related services, and to acquire by purchase, lease, concession, grant, licence or otherwise such businesses, options, rights, privileges, lands, buildings, leases, underleases, stocks, shares, debentures, debenture stock, bonds, obligations, securities, reversionary interests, annuities, policies of assurance and other property and rights and interests in property as the Company shall deem fit and
-

generally to hold, manage, develop, lease, sell or dispose of the same; and to vary any of the investments of the Company, to act as trustees of any deeds constituting or securing any debentures, debenture stock or other securities or obligations; to enter into, assist, or participate in financial, commercial, mercantile, industrial and other transactions, undertakings and businesses of every description, and to establish, carry on, develop and extend the same or sell, dispose of or otherwise turn the same to account, and to co-ordinate the policy and administration of any companies of which the Company is a member or which are in any manner controlled by, or connected with the Company, and to carry on all or any of the businesses of trustees, financiers, financial agents, company promoters, bill discounters, insurance brokers and agents, mortgage brokers, rent and debt collectors, stock and share brokers and dealers and commission and general agents, merchants and traders; and to manufacture, buy, sell, maintain, repair and deal in plant, machinery, tools, articles and things of all kinds capable of being used for the purposes of the above-mentioned businesses of any of them, or likely to be required by customers of or persons having dealings with the Company.

- (B) To carry on all or any of the following businesses: general merchants, exporters, importers, manufacturers, factors, hirers, mail order dealers, brokers and dealers both wholesale and retail in all articles of commercial, industrial, scientific, surgical, manufacturing, personal and household use and consumption, ornament, recreation and amusement, proprietors of shops, warehouses, workshops, garages and factories of all kinds, hotels, cafes, restaurants, houses, launderettes, flats, furnished and unfurnished rooms, holiday camps and chalets, financial agents and brokers.

 - (C) To carry on any other trade or business whatsoever which can in the opinion of the Directors be advantageously carried on by the Company in connection with or as auxiliary to the general business of the Company.
-

- (D) To buy, sell, manufacture, repair, alter, improve, prepare for market, let on hire, and generally deal in all kinds of plant, machinery, apparatus, tools, utensils, materials, produce, substances, articles and things for the purpose of any of the businesses specified herein, or likely to be required by customers or other persons having, or about to have, dealings with the Company.
 - (E) To build, construct, maintain, alter, enlarge, pull down and remove or replace any buildings, shops, factories, offices, works, machinery, engines and to clear sites for the same or to join with any person, firm or company in doing any of the things aforesaid and to work, manage and control the same or join with others in so doing.
 - (F) To enter into contracts, agreements and arrangements with any other company for the carrying out by such other company on behalf of the Company of any of the objects for which the Company is formed.
 - (G) To acquire, undertake and carry on the whole or any part of the business, property and liabilities of any person or company carrying on any business which the Company is authorised to carry on or possess, or which may seem to the Company capable of being conveniently carried on or calculated directly or indirectly to enhance the value of or render profitable any of the Company's property or rights, or any property suitable for the purposes of the Company.
 - (H) To enter into any arrangements with any Government or authorities, supreme, municipal, local or otherwise, that may seem conducive to the Company's objects or any of them, and to obtain from any such Government or authority any rights, privileges, and concessions which the Company may think it desirable to obtain, and to carry out, exercise and comply with any such arrangements, rights, privileges and concessions.
-

- (I) To comply for, or join in applying for, purchase or by other means acquire and protect, prolong and renew, whether in the United Kingdom or elsewhere any patents, patent rights, brevet d'invention, licences, registered designs, protections and concessions, which may appear likely to be advantageously or useful to the Company, and to use and turn to account and to manufacture under or grant licences or privileges in respect of the same, and to expend money in experimenting and testing and making researches, and in improving or seeking to improve any patents, inventions or rights which the Company may acquire or propose to acquire.

 - (J) To enter into partnership or into any arrangement for sharing profits, union of interest, co-operation, joint adventure, reciprocal concession, or otherwise with any company, or with any employees of the Company, including in such case if thought fit the conferring of a participation in the management or its directorate, or with any company carrying on or engaged in any business or transaction capable of being conducted so as directly or indirectly to benefit the Company, and to give to any company special rights or privileges in connection with or control over this Company, and in particular the right to nominate one or more Directors of this Company; and to lend money to, guarantee the contracts of, or otherwise assist any such company, and to take or otherwise acquire shares or securities of any such company, and to sell, hold, re-issue, with or without guarantee, or otherwise deal with the same.

 - (K) To subsidise, and assist any persons or companies and to act as agents for the collection, receipt or payment of money and generally to act as agents for and render services to customers and others.

 - (L) To purchase, take on lease , or in exchange, hire or otherwise acquire, hold, sell, hire out, grant leases or licences, borrow upon the security of, or otherwise
-

dispose of, or deal with real and personal or heritable and moveable property of all kinds, and any rights, privileges or interests, therein or thereon for such consideration and on such terms as may be considered expedient; and to develop, exploit and turn the same to account.

- (M) To borrow or raise money for the purposes of the Company in such manner as may be thought fit, and for that purpose and without prejudice to this generality to pledge, sell or issue debentures, debenture stock, bonds, obligations, and securities of all kinds; and to frame, constitute, and secure the same, as may seem expedient, and without prejudice to this generality, with full power to make the same transferable by delivery, or by deed of transfer or otherwise, and either perpetual or terminable and either redeemable or otherwise, and to secure or discharge the same by trust deed, or otherwise, by depositing or pledging securities or properties of the Company, or in any other manner, and/or for any such purposes to mortgage, pledge, assign and convey absolutely or in security all or any of the Company's property assets, estate, and effects or rights or interest therein present and future (including, if thought fit, uncalled capital), or otherwise howsoever; and to grant to creditors, or trustees for their behoof, power of sale and all other usual and necessary powers. To draw, accept, grant, endorse, discount, negotiate, and issue bills of exchange and promissory notes.
 - (N) To facilitate and encourage the creation, issue or conversion of debentures, debenture stock, bonds, obligations, shares, stocks and other securities and to act as trustees in connection with any such securities, and to take part in the conversion of business concerns and undertakings into public or private companies.
 - (O) To lend and advance money and assets of all kinds or give credit to any company, persons or any company in the same group as the Company and on such terms as may be thought fit, and in particular to persons and companies dealing with the
-

Company, and to give guarantees or grant security for any such companies or persons; and without prejudice to this generality to lend money upon the security of any lands, or real or heritable property of any description or tenure, or of any right or interest therein or on any movables thereon or therein, situated in any part of the world.

- (P) To act as trustee, executor, administrator, manager, agent, attorney, treasurer, or liquidator, and any other offices or situations of trust or confidence, and to perform and discharge the duties incident thereto, and generally to transact all kinds of trust and agency business, in particular in relation to the investment of money.
 - (Q) To promote any company or companies for the purpose of its or their acquiring all or any of the property, rights, and liabilities of the Company, or for any other purpose which may seem directly or indirectly calculated to benefit the Company.
 - (R) To raise money by share capital, and to invest the same either in the name of the Company or in the name of any trustee for, or nominee of the Company, and in such manner as the Directors may deem expedient, and to act as an investment company.
 - (S) To receive money on loan or on deposit, or in advance of calls at interest or otherwise and on any security, and to invest the amount so obtained in such manner as the Directors may deem expedient, either in the name of the Company or in the name of any Trustee for, or nominee of the Company, or to use or apply it for any of the purposes for which the Company is established.
 - (T) To distribute as dividend or otherwise among the members of the Company in kind any property or profits of the Company, and in particular any shares,
-

debentures, or securities of other companies belonging to the Company or of which the Company may have the power of disposal, but so that no distribution amounting to a reduction of capital be made except with the sanction (if any) for the time being required by law.

- (U) To effect all such insurances in relation to the carrying on of the Company's business and any risks incidental thereto as may seem expedient, and without prejudice to this generality, to purchase, sell, lend, and borrow upon, and deal in reversionary, contingent and life interests, and life assurance policies and annuities: and, if thought fit, to join or become a member of any mutual insurance company.
 - (V) To enter into partnership, amalgamate with, or enter into any arrangement for sharing profits, union of interest, joint adventure, reciprocal concessions, or for co-operation or for limiting competition with any company carrying on, engaged in, or about to carry on or engage in, any business or transaction which the Company is authorised to carry on or engage in, or any business or transaction capable of being conducted so as directly or indirectly to benefit the Company, and to subsidise and otherwise assist any such company, or to acquire and undertake the whole or any part of the undertaking, businesses or goodwill of such company and to give or pay for or accept or issue by way of consideration for any of the acts or things aforesaid or for any property acquired cash and/or shares, debentures, or securities that may be agreed upon, and to hold and retain or sell, reissue, with or without guarantee, mortgage, or otherwise deal with any shares, debentures, or securities so received.
 - (W) To apply for, promote, and obtain any legislative, municipal, or other Acts, Provisional Orders, or licences of the Department of Trade and Industry, or other authorisations for enabling the Company to carry any of its objects into effect, or for effecting any modification of the Company's constitution, or for conferring on
-

the Company any additional powers, or for any other purpose which may seem expedient, and to oppose any Bills, proceedings, or applications which may seem calculated directly or indirectly to prejudice the Company's interests.

- (X) To acquire or obtain from any government or authority, supreme, municipal, local or otherwise, or any corporation, company, or person any charters, rights, privileges, and concessions which may be conducive to any of the objects of the Company and to accept, make payments under, carry out, exercise, and comply with any such charters, rights, privileges, and concessions.
 - (Y) To remunerate any person, association, firm, or company rendering services to the Company, either by cash payment or by the allotment to him or them of shares or securities of the Company credited as paid up in full, or in part, or otherwise.
 - (Z) To establish and support or aid in the establishment and support of associations, institutions, funds, trusts, and other bodies calculated to benefit employees or ex-employees of the Company or its predecessors in business, or the dependants or persons connected with such persons, and to grant pensions and allowances and to make payments towards insurance, for the benefit of directors, past directors and employees of the Company and to make arrangements and pay for all insurance over for such directors, past directors or employees and to subscribe or guarantee money for charitable or benevolent objects or for any exhibition, or for any public, general, or useful object.
 - (AA) To pay out of the funds of the Company all expenses which the Company may lawfully pay, of or incident to the formation, registration, and advertising of or raising money for the Company and the issue of its capital, or for contributing or assisting any issuing house or firm or persons either issuing or purchasing with a view to issue all or any part of the Company's capital in connection with the
-

advertising or offering the same for subscription or sale, including brokerage and commissions for obtaining applications for or taking, placing, or underwriting shares, debentures, or debenture stock.

- (BB) To establish and contribute to any scheme for the purchase or subscription by trustees of shares in the Company to be held for the benefit of employees of the Company or its subsidiary and associated companies, and to lend money to such employees to enable them to purchase or subscribe for shares in the Company and to formulate and carry into effect any scheme for sharing the profits of the Company with such employees or any of them or for granting to such employees or any of them options to purchase and/or rights to subscribe for Shares in the Company.
- (CC) To distribute any of the property of the Company in specie among the shareholders.
- (DD) To amalgamate with any other company having objects altogether or in part similar to those of this Company.
- (EE) To do all such other things as are incidental or conducive to the attainment of the above objects, or any of them.

And it is hereby declared that in the construction of this clause the word "Company" except where used in reference to the Company, shall be deemed to include any person or partnership or other body of persons, whether incorporated or not incorporated, and whether domiciled in the United Kingdom or elsewhere; and words denoting the singular number only, shall include the plural number and vice versa; and the intention is that the objects specified in each paragraph of the clause shall, except where otherwise explained in such paragraph, be in no way restricted by reference to or inference from the terms of any other paragraph or the name of the Company, and shall be construed in as wide a

sense as if each of the said paragraphs defined the objects of a separate and distinct company. In this Clause the expression “the Act” means the Companies Act 1985, but so that any reference to this Clause 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.

5. The liability of the members is limited.

6. The share capital of the Company is £6,000,000 divided into 2,386,419,948 Ordinary Shares of 0.10p each and 401,508,895 Deferred Shares of 0.90p each¹ with power to increase and with power from time to time to issue any shares of the original or new capital with any preference or priority in the payment of dividends or the distribution of assets, or both, or otherwise, over any other shares, whether ordinary or preference, and whether issued or not, or subject to such postponement in the payment of dividends or the distribution of assets, or both, or otherwise; and to vary the regulations of the company as far as necessary to give effect to any such preference or priority; and upon the sub-division of a share to apportion the right to participate in profits or surplus assets with special rights, priorities and privileges to any of the sub-divided shares, or the right to vote in any manner as between the shares resulting from such sub-division. The rights for the time being attached to any shares having preferential, deferred, qualified or special rights, privileges or conditions attached thereto may be modified or dealt with in the manner prescribed by the Articles of Association and Regulations of the Company for the time being.

¹ Increased from £650,000, divided into 65,000,000 ordinary shares of £0.01 each, to £800,000, divided into 80,000,000 ordinary shares of £0.01 each, by special resolution dated 24 November 2004; increased to £6,000,000, divided into 600,000,000 ordinary shares of £0.01 each, by special resolution dated 13 February 2006; and sub-divided by ordinary resolution dated 26 February 2007.

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, and we respectively agree to take the number of shares in the Capital of the Company set opposite our respective names.

NAMES, ADDRESSES and DESCRIPTIONS of SUBSCRIBERS	Number of Shares taken by each Subscriber
..... <i>director/secretary</i> Peterkins Services Limited 100 Union Street Aberdeen AB10 1QR Corporate Director	One
..... <i>director/secretary</i> King Street Nominees Limited 100 Union Street Aberdeen AB10 1QR Corporate Shareholder	One

Dated this Eighth day of October Two thousand and Four

Witness to the above signatures on behalf of Peterkins Services Limited and King Street Nominees Limited:

.....

ELLEN CATHERINE POLSON
100 Union Street
Aberdeen
AB10 1QR

Solicitor
