

Company No. 3282548

VIRGIN RAIL GROUP LIMITED
("the Company")

Written resolution of the holders of the warrants to subscribe for Non Voting Ordinary Shares of 10p each in the capital of the Company ("the Warrants") constituted by an Instrument dated 7 March 1997 ("the Warrant Instrument") pursuant to paragraph 19 of Schedule 3 to the Warrant Instrument

We, being the holders of all the Warrants of the Company HEREBY RESOLVE to pass the following resolution as an Extraordinary Resolution.

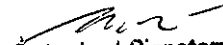
EXTRAORDINARY RESOLUTION

THAT:

- 1 the amendments to the Articles of Association of the Company contained in the draft new Article of Association of the Company ("the New Articles") contained in Annexure A hereto be and are hereby approved.
- 2 the variations to the rights of the shareholders contained in the New Articles and the redesignation of certain of the Non Voting Ordinary Shares as B Ordinary Shares contained in the written resolution of the Company dated 7 October 1998 contained in Annexure B hereto be and are hereby approved.
- 3 the variations to the Warrant Instrument contained in the Instrument of Amendment contained in Annexure C hereto be and are hereby approved.

Dated: 7 October 1998





Authorised Signatory

For and on behalf of
MORGAN GRENFELL TRUST CORPORATION (C.L.) LIMITED
Company Secretary

For and on behalf of
Cougar Investments Limited

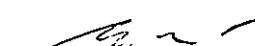

Authorised Signatory


Authorised Signatory

For and on behalf of
MORGAN GRENFELL TRUST CORPORATION (C.L.) LIMITED
Company Secretary

For and on behalf of
Plough Investments Limited


Authorised Signatory


Authorised Signatory

For and on behalf of
Morgan Grenfell Trustee Services
(Guernsey) Limited (in the accounts of
the Mars, Jupiter, Venus, Virgo and
Libra)


Authorised Signatory

For and on behalf of
Bankers Trust International PLC

For and on behalf of
Continental Casualty Company

For and on behalf of
J P Morgan International Capital
Corporation

For and on behalf of
Sixty Wall Street Fund, LP

For and on behalf of
TPG Partners, L.P.

For and on behalf of
Kingsway Nominees Ltd

For and on behalf of
TPG Parallel I, L.P.

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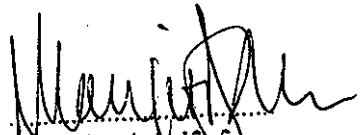
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Form Approved
by Law Dept.

P.H.
8/17/98

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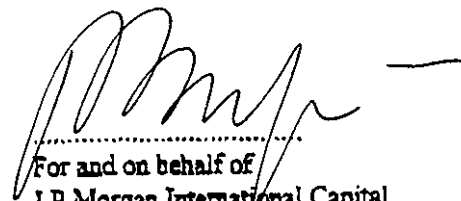
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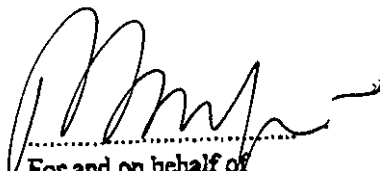
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DATE 7 October **1998**

VIRGIN RAIL GROUP LIMITED

INSTRUMENT OF AMENDMENT

**relating to an instrument by way of Deed Poll constituting Warrants to subscribe for Non
Voting Ordinary Shares of 10p each in the capital of the Company dated 7 March 1997
(as amended by deed dated 6 March 1998)**

MACFARLANES

THIS INSTRUMENT is made on

7 October

1998

BY **VIRGIN RAIL GROUP LIMITED** (Registered No. 3282548) whose registered office is at 120 Campden Hill Road, London W8 7AR ("the Company")

RECITALS

- (A) The Company has constituted warrants to subscribe in cash for up to 25,000,000 Non Voting Ordinary Shares of 10p each in the capital of the Company ("Warrants") by an instrument by way of Deed Poll dated 7 March 1997, as amended by deed dated 6 March 1998 ("the Warrant Instrument").
- (B) The holders of the Warrants have agreed by an Extraordinary Resolution dated 1998 to the amendment to the Warrant Instrument contained herein.

NOW THIS INSTRUMENT WITNESSES and it is hereby agreed as follows:-

- 1 That the Warrant Instrument be amended as follows:-
- 1.1 by the insertion of the words "...replaced or..." before the words "...amended from time to time..." in the definition of **Articles** in Clause 1.1 thereof;
- 1.2 by the deletion of the definition of the term **Subscription and Shareholders Agreement** from Clause 1.1 thereof and the substitution therefor of the following:-
- "Shareholders Agreement: the same meaning as in the Articles"**
- 1.3 by the substitution of a reference to the Shareholders Agreement for each reference to the Subscription and Shareholders Agreement in the Warrant Instrument.
- 1.4 by the deletion of paragraph 5 of Schedule 2 thereof and the substitution therefor of the following:-
- "5.1 Subject to compliance with the formal requirements set out in the remainder of this Schedule and to paragraphs 5.2 and 5.3, Warrants shall**

be transferable in whole or in part.

- 5.2 Warrants (and interests in Warrants) may only be transferred subject to, and in accordance with, like restrictions to those applying to the Non Voting Ordinary Shares (and interests in such shares) under the Articles, and may not otherwise be transferred or disposed of. Provided always that:-
 - 5.2.1 in the event that any of the Warrants have been transferred (on one or more occasions) pursuant to Clause 11.2.1 of the Shareholders Agreement, and the person holding the Warrant as a result of such transfer or transfers ceases to be a Virgin Shareholders' Affiliate (as such term is defined in the Shareholders Agreement) the holder of the Warrant shall be required immediately to transfer the Warrant concerned back to a Virgin Shareholders' Affiliate;
 - 5.2.2 If there is a breach of paragraph 5.2.1 above in respect of any Warrant or Warrants, or a transfer or disposal of any Warrant or Warrants (or of any interest therein) in breach of the Shareholders Agreement or this paragraph 5.2, until such breach is remedied such Warrant or Warrants shall not be capable of exercise.
- 5.3 The provisions of Articles 9 and 10 of the Articles shall be binding upon the Warrantholders as if incorporated herein.
- 5.4 In the event that any Warrantholder fails to complete the sale of any of its Warrants pursuant to a requirement under Article 10.2 of the Articles or an offer thereunder (an "Offer") which such holder has accepted, or otherwise fails to take any action required of it under the terms of such Article or such Offer, the Directors (or any of them) may authorise any person to undertake any action required under the terms of that Article or such Offer on the part of such Warrantholder. The Directors may in particular authorise any person to execute the transfer of any Warrants held by a Warrantholder in favour of the offeror/purchaser (or its nominees) and the Company may give a good receipt for the consideration for such Warrants and may register the transferee as holder

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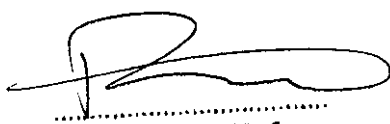
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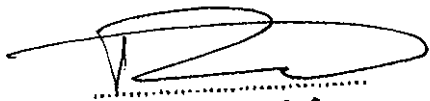
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thereof and issue to it certificates for the same. The Warrantholder in question shall in such case be bound to deliver up its certificate for its Warrants to the Company whereupon the Warrantholder shall be entitled to receive the consideration for such Warrants which shall in the meantime be held by the Company on trust for the Warrantholder, but without interest. After the name of the transferee has been entered in the Register in purported exercise of these powers, the validity of the proceedings shall not be questioned by any person.

- 2 Save as amended by Clause 1 above, the Warrant Instrument shall continue in full force and effect.
- 3 This Instrument shall be governed by and construed in accordance with the Laws of England and Wales.
- 4 The definitions contained in the Warrant Instrument shall bear the same meaning in this Instrument

In Witness whereof this Instrument has been executed as a deed by the Company the day and year first before written.

This instrument was executed as a Deed on the date first above written

SIGNED AS A DEED by)
VIRGIN RAIL GROUP LIMITED)
acting by)
and)

Director

Director/Secretary

A handwritten signature in black ink, appearing to be 'A. Jones', written over a horizontal line.