

No: 3353454



V2 MUSIC (HOLDINGS) LIMITED
(the "Company")

**Written Resolution of the Company pursuant to
Section 381A of the Companies Act 1985**

WE, the undersigned, being all the members of the Company who, at the date of these Resolutions would be entitled to attend and vote at a general meeting of the Company HEREBY PASS the following Resolutions, in the case of Resolutions 1, 2 and 4 as Ordinary Resolutions and in the case of Resolution 3 as a Special Resolution:-

RESOLUTIONS

THAT:-

- 1 paragraph 3 of the written resolutions of the Company passed on 28 March 2002 in the form attached to this Resolution as Annex 1 (the "Written Resolutions") be amended to correct a clerical error by deleting the incorrect figure of "£147,379,274.23" for the increased share capital of the Company and replacing it with the correct figure of "£147,428,753.66";
- 2 a re-print of the Written Resolutions in the form attached to these Resolutions as Annex 2 and a corrected Form 123 be filed with Companies House by way of substitution for the original print and Form 123;
- 3 Article 3.1 of the Articles of Association of the Company approved and adopted by paragraph 1 of the Written Resolutions (the "Articles") be amended to correct a further clerical error by:
 - i) deleting the incorrect figure of "£147,409,617.18" for the total authorised share capital of the Company and replacing it with the correct figure of "£147,428,753.66"; and
 - ii) deleting the incorrect figure of "1,558,275" for the authorised number of Deferred Shares and replacing it with the correct figure of "9,212,868"; and
- 4 any actions taken in relation to or in reliance on the Written Resolutions and the Articles and the amendment thereof be and is hereby ratified.

For and on behalf of:
Virgin Group Investments Limited
Dated: 31 MARCH 2003

For and on behalf of:
Morgan Stanley & Co., Incorporated
Dated: 31 MARCH 2003

No: 3353454

V2 MUSIC (HOLDINGS) LIMITED
Written Resolution of the Company pursuant to
Section 381A of the Companies Act 1985

WE, the undersigned, being all the members of the Company who, at the date of this resolution would be entitled to attend and vote at a general meeting of the Company HEREBY PASS the following resolutions as, in the case of resolutions 2, 3 and 4, ordinary resolutions of the Company and in the case of resolutions 1 and 5 as special resolutions, subject to the holders of the A Convertible Ordinary Shares, the A Ordinary Shares and the Cumulative Redeemable Preference Shares having consented to the variation of their class rights in accordance with section 125 of the Companies Act 1985 (the "Act"):-

RESOLUTIONS

THAT:-

- 1 the Regulations contained in the printed document attached hereto marked "A" be and the same are hereby approved and adopted as the Articles of Association of the Company in substitution for the existing Articles of Association of the Company;
- 2 each of the 4,211,147 A Convertible Ordinary Shares of 0.25p each and 530,000 Cumulative Redeemable Preference Shares of 0.25p each be and are hereby redesignated into A Ordinary Shares of 0.25p each;
- 3 the authorised share capital of the Company be increased from £110,000 to £147,379,274.23 by the creation of 30,927,727,793 A Ordinary Shares of 0.25p each, and 27,999,673,673 B Ordinary Shares of 0.25p each and 100,000 deferred shares of 0.25p each having attached to them the respective rights set out in the new Articles of Association of the Company to be adopted pursuant to paragraph (4) of these Resolutions.
- 4 in accordance with Section 80 of the Act, the directors of the Company be and they are hereby generally and unconditionally authorised, for the period commencing on and with effect from the date of adoption of this Resolution and expiring on the fifth anniversary of such date, to allot up to 30,927,727,793 A Ordinary Shares of 0.25p each and 27,999,673,673 B Ordinary Shares of 0.25p each;
- 5 in accordance with section 95(1) of the Act the Directors be and are hereby given power to allot equity securities (as defined in section 95(2) of the Act) pursuant to the authority conferred by the Resolution numbered 4 above as if section 89(1) of the Act did not apply to such allotment, such power to expire on the fifth anniversary of the date of adoption of this Resolution.


For and on behalf of Virgin Group Investments Limited

Dated 28 Feb 2002

**FILED BY WAY OF SUBSTITUTION TO CORRECT A CLERICAL ERROR FOR THE
WRITTEN RESOLUTION OF THE COMPANY ORIGINALLY DATED 28 MARCH 2002
AND FILED WITH COMPANIES HOUSE ON 12 APRIL 2002**

No: 3353454

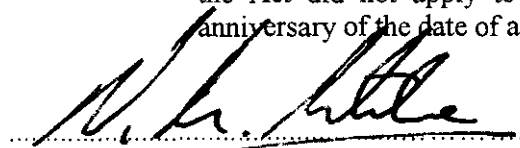
**V2 MUSIC (HOLDINGS) LIMITED
Written Resolution of the Company pursuant to
Section 381A of the Companies Act 1985**

WE, the undersigned, being all the members of the Company who, at the date of this resolution would be entitled to attend and vote at a general meeting of the Company HEREBY PASS the following resolutions as, in the case of resolutions 2, 3 and 4, ordinary resolutions of the Company and in the case of resolutions 1 and 5 as special resolutions, subject to the holders of the A Convertible Ordinary Shares, the A Ordinary Shares and the Cumulative Redeemable Preference Shares having consented to the variation of their class rights in accordance with section 125 of the Companies Act 1985 (the "Act"):-

RESOLUTIONS

THAT:-

- 1 the Regulations contained in the printed document attached hereto marked "A" be and the same are hereby approved and adopted as the Articles of Association of the Company in substitution for the existing Articles of Association of the Company;
- 2 each of the 4,211,147 A Convertible Ordinary Shares of 0.25p each and 530,000 Cumulative Redeemable Preference Shares of 0.25p each be and are hereby redesignated into A Ordinary Shares of 0.25p each;
- 3 the authorised share capital of the Company be increased from £110,000 to £147,428,753.66 by the creation of 30,927,727,793 A Ordinary Shares of 0.25p each, and 27,999,673,673 B Ordinary Shares of 0.25p each and 100,000 deferred shares of 0.25p each having attached to them the respective rights set out in the new Articles of Association of the Company to be adopted pursuant to paragraph (4) of these Resolutions.
- 4 in accordance with Section 80 of the Act, the directors of the Company be and they are hereby generally and unconditionally authorised, for the period commencing on and with effect from the date of adoption of this Resolution and expiring on the fifth anniversary of such date, to allot up to 30,927,727,793 A Ordinary Shares of 0.25p each and 27,999,673,673 B Ordinary Shares of 0.25p each;
- 5 in accordance with section 95(1) of the Act the Directors be and are hereby given power to allot equity securities (as defined in section 95(2) of the Act) pursuant to the authority conferred by the Resolution numbered 4 above as if section 89(1) of the Act did not apply to such allotment, such power to expire on the fifth anniversary of the date of adoption of this Resolution.


For and on behalf of Virgin Group Investments Limited
Dated 31 MARCH 2003 2002

No. 3353454

THE COMPANIES ACT 1985

COMPANY LIMITED BY SHARES

"A"

ARTICLES OF ASSOCIATION

of

V2 MUSIC (HOLDINGS) LIMITED

**(Adopted by Special Resolution passed
on 28 March 2002)**

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THE COMPANIES ACT 1985

COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

of

V2 MUSIC (HOLDINGS) LIMITED

(Adopted by Special Resolution passed on 28 March 2002)

1 Introduction

- 1.1 The Regulations contained or incorporated 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 and The Companies Act 1985 (Electronic Communications) Order 2000 (hereinafter called "Table A") shall apply to V2 Music (Holdings) Limited (the "Company"), save insofar as they are varied or excluded by, or are inconsistent with, the following Articles.
- 1.2 In Regulation 1 of Table A, the words "and in Articles of Association adopting the same" shall be inserted after the word "regulations" where it first appears in the last paragraph of that Regulation and the sentence "Any reference to any statutory provision shall be deemed to include a reference to each and every statutory amendment, modification, re-enactment and extension thereof for the time being in force" shall be inserted at the end of that Regulation.
- 1.3 Regulations 40, 41, 50, 53, 64 to 69 (inclusive), 73 to 80 (inclusive), 89 and 98 of Table A shall not apply to the Company.

2 Definitions

In these Articles the following words and expressions shall have the following meanings:-

A Director: as defined in Article 14.1;

A Shareholders: the holders for the time being of the issued A Shares (acting by majority in nominal value of such A Shares), for as long as such holders shall have the right to appoint A Directors pursuant to Article 14, VGIL being the sole A Shareholder initially;

A Shares: the A Ordinary Shares of 0.25p each in the capital of the Company;

Acceptance Deadline: as defined in Article 8.3.1;

Acceptors: as defined in Article 5.2.2;

Act: Companies Act 1985;

Alternate: as defined in Article 18.1;

B Director: as defined in Article 14.2;

B Shareholders: the holders for the time being of the issued B Shares (acting by majority in nominal value of such B Shares), for as long as such holders shall have the right to appoint B directors pursuant to Article 14, MS being the sole B Shareholder initially;

B Shares: the B Ordinary Shares of 0.25p each in the capital of the Company;

Board: the board of directors of the Company;

Business Day: any day other than a Saturday, a Sunday or any other day which is a public holiday in England or the United States;

Controlling Interest: with respect to any Undertaking, the legal or beneficial ownership by any Person and such Person's connected persons (as defined in Section 839 of the Taxes Act 1988) of securities in such Undertaking conferring the right to exercise more than 50 per cent (or, for purposes of Article 10.1 only, 75 per cent) of the votes at the general meeting (or equivalent thereof) of such Undertaking;

Deferred Shares: means the Deferred Shares of 0.25p each in the capital of the Company;

Director: any director for the time being of the Company including, where applicable, any Alternate;

Employee: any employee of the Company or of any other Group Company;

Excess Shares: as defined in Article 8.3.3.3;

Fixed Preference Dividend: the fixed cumulative dividend accruing on each Preference Share, referred to in Article 4.1.2;

Group Company: as regards any Undertaking, a company (or other Undertaking) which is for the time being a holding company or a subsidiary of that Undertaking or of any such holding company;

holding company: has the meaning given to it by section 736 of the Act;

MS: Morgan Stanley & Co., Incorporated;

Offer: as defined in Article 9.1;

Ordinary Shares: the A Shares and the B Shares;

Permitted Transferee: as defined in Article 7.1;

Person: a natural person, partnership, company, body corporate, association, organisation, government, state, foundation, trust or any other entity (in each case whether or not having separate legal personality);

Preference Shares: the cumulative redeemable preference shares of 0.25p each in the capital of the Company;

Preference Shareholders: the holders for the time being of the issued Preference Shares;

Prescribed Price: the price per Sale Share of the relevant class specified in the Transfer Notice or (if no price is specified) the price per Sale Share agreed or determined pursuant to Article 8.2;

Proposing Transferor: a Shareholder proposing to transfer Ordinary Shares or any interest therein;

Purchaser: any Person willing to purchase Sale Shares comprised in a Transfer Notice;

Sale Shares: all Ordinary Shares comprised in a Transfer Notice;

Shareholder: any Person registered in the books of the Company as a holder of a Share for the time being;

Shares: any Ordinary Shares, any Preference Shares and any other shares of any class in the Company;

Share Option Scheme(s): the scheme adopted by the Company on 1 April 1999 and named the V2 Music Group Share Option Scheme, whereby up to 1,874,925 A Shares may be issued to Employees and any new share option scheme adopted by the Company from time to time;

Specified Consideration: as defined in Article 9.1;

Specified Member: as defined in Article 9.1;

Specified Shares: as defined in Article 9.1;

Subscription Price: in respect of any Share, the amount paid up or credited as paid up on that share, including amounts paid, or credited as paid, by way of premium;

subsidiary: has the meaning given to it by section 736 of the Act;

Taxes Act 1988: Income and Corporation Taxes Act 1988;

transfer: as defined in Article 6.3;

Transfer Notice: a written notice served or deemed to be served by a Shareholder on the Company in accordance with Articles 8.1 or 8.7 and Article 8.6 respectively;

Undertaking: a body corporate, partnership or an unincorporated association situated in any jurisdiction;

Virgin Entity: any of the following:-

- (i) Sir Richard Branson together with the trustees of any settlement created by Sir Richard Branson;
- (ii) any spouse of Sir Richard Branson, or any child or remoter issue of his grandparents and any spouses of such child or remoter issue;
- (iii) the trustee or trustees for the time being of any settlement made by any person mentioned in (ii) above;
- (iv) any personal representative of Sir Richard Branson;
- (v) any person acting as bare nominee for any of the persons referred to in (i) to (iv) inclusive above; or
- (vi) any Undertaking in which any of the persons mentioned in (i) to (v) inclusive above has, or any combination of them have, a Controlling Interest;

Virgin Shareholder: any Shareholder who is a Virgin Entity;

VGIL: Virgin Group Investments Limited;

Warrants: means the warrants issued by V2 Overseas Limited on 7 May 1998 conferring the right to the allotment and issue of (originally) 1,781,246 A Ordinary Shares (as amended from time to time).

3 Share capital

- 3.1 The share capital of the Company at the date of adoption of these Articles is £147,428,753.66 which is divided into 3,470,000 Preference Shares, 58,958,818,598 Ordinary Shares (consisting of 30,959,144,925 A Shares and 27,999,673,673 B Shares) and 9,212,868 Deferred Shares.
- 3.2 The A Shares and the B Shares shall be deemed to constitute separate classes of Shares for such purposes as are specifically provided for in these Articles but otherwise shall rank pari passu in all respects as if they constituted one class of Shares.
- 3.3 No variation of the rights attaching to any class of Shares shall be effective except with:-

3.3.1 the consent in writing of the holders of not less than three quarters in nominal value of the issued Shares of the relevant class; or

3.3.2 the sanction of an extraordinary resolution passed at a separate general meeting of the holders of the issued Shares of the relevant class. To any such separate general meeting all the provisions of these Articles as to general meetings of the Company shall *mutatis mutandis* apply, but so that the necessary quorum shall be one holder of Shares of the relevant class present in person or by proxy and holding or representing not less than one-third in nominal value of the issued Shares of the relevant class, and so that every holder of Shares of the class shall be entitled on a poll to one vote for every such Share held by such holder and so that any holder of the Shares of the class present in person or by proxy or (being a company) by a duly authorised representative may demand a poll. For the purpose of this Article 3.3.2, one holder present in person or by proxy or (being a company) by a duly authorised representative may constitute a meeting and Regulation 40 of Table A should be amended accordingly.

3.4 The Company may in general meeting from time to time increase its share capital by such amount, to be divided into shares of such amount, as the resolution authorising such increase shall prescribe provided that all new Ordinary Shares shall be divided into A Shares and B Shares so that the number of the new A Shares (or B Shares) shall bear the same proportion to the total number of the issued A Shares (or B Shares) as the number of the new B Shares (or A Shares) bears to the total number of the issued B Shares (or A Shares). In its application to the Company Regulation 32(a) of Table A shall be modified accordingly.

4 Share rights

The Preference Shares, A Shares, B Shares and Deferred Shares shall have, and be subject to, the following rights and restrictions:-

4.1 Income

4.1.1 Sums distributed by the Company in or in respect of any financial year shall be applied in the following order of priority, as determined by the Board:-

4.1.1.1 first, where the Preference Shares have not been redeemed on their due date, in accordance with Article 4.3, in paying any arrears or accruals of the Fixed Preference Dividend;

4.1.1.2 second, in paying to the Preference Shareholders in accordance with Article 4.1.2 in respect of that year a fixed cash cumulative dividend in respect of each Preference Share held at the rate per annum of 6 per cent on the Subscription Price; and

4.1.1.3 third, any balance which the Board may resolve to distribute shall be apportioned amongst the holders of the A Shares and the holders of the B Shares in proportion to the numbers of Ordinary Shares held by them respectively.

- 4.1.2 The Fixed Preference Dividend:-
- 4.1.2.1 shall accrue daily and shall be payable on the date of redemption of the Preference Shares specified in Article 4.3;
- 4.1.2.2 shall be paid in the amounts or at the rates specified together with (and not inclusive of) any associated tax credit;
- 4.1.2.3 shall be due and payable on the redemption date stipulated in Article 4.3, it being understood that, notwithstanding the fact that it is expressed to be "cumulative", any amounts due and payable on such date in respect of the Fixed Preference Dividend shall without any resolution of the Board or the Company in general meeting (and notwithstanding anything contained in Regulations 102 to 105 (inclusive) of Table A) become a debt due from and immediately payable by the Company to the Preference Shareholders entitled thereto (subject only to there being profits out of which the dividends may lawfully be paid).
- 4.1.3 The Deferred Shares shall not be entitled to receive any dividends or other distributions of profit or income.
- 4.2 **Capital**
- On a return of capital on liquidation or otherwise, any surplus assets of the Company remaining after payment of its liabilities shall be applied:-
- 4.2.1 first, in repaying to the Preference Shareholders the Subscription Price of each Preference Share held;
- 4.2.2 second, in repaying to the Preference Shareholders any arrears or accruals of the Fixed Preference Dividend, calculated down to the date of the return of capital irrespective of whether such dividends have been earned or declared or not;
- 4.2.3 third, in repaying to the holders of the A Shares and the holders of the B Shares the Subscription Price of each Ordinary Share held; and
- 4.2.4 fourth, the balance (if any) shall be distributed amongst the holders of the A Shares and the holders of the B Shares in proportion to the numbers of Ordinary Shares held by them respectively.
- 4.2.5 On a return of capital on liquidation or otherwise, the holders of the Deferred Shares shall be entitled to be paid out of the surplus assets of the Company remaining after payment of its liabilities the par value of the Deferred Shares after (and only after) payment shall have been made to the holders of Ordinary Shares of the sum of £1,000,000 in respect of each Ordinary Share held by them. The holders of the Deferred Shares shall have no further right to participate in the assets of the Company.
- 4.3 **Redemption**
- 4.3.1 The Company shall have the right at any time subject to:-

4.3.1.1 the provisions of the Act; and

4.3.1.2 all arrears and accruals of the Fixed Preference Dividend having been paid or satisfied in full;

to redeem the whole or any number (being 100,000 or a whole number multiple thereof) of the Preference Shares for the time being in issue on giving to the Preference Shareholders whose Preference Shares are to be redeemed not less than one month's but not more than three months' notice in writing.

The Company shall in any event, subject to the provisions of the Act, redeem the Preference Shares (or so many as then remain unredeemed) on the day immediately following the earlier of (i) the last Repayment Date (as such term is defined in a facility agreement entered into by the Company on the date of adoption of these Articles) (or, if such date is not a Business Day, then on the Business Day immediately following that date) and (ii) 31 December 2008 provided that if the Company shall be unable, in compliance with the provisions of the Act, to redeem all or any of the Preference Shares in accordance with this Article 4.3.1, then the Company shall on the due date redeem as the many of such Preference Shares as it is able and shall redeem the balance as soon after such date as the Company shall be able to do so in compliance with the provisions of the Act.

4.3.2 In the case of any partial redemption under this Article 4.3, the Company shall redeem a proportion of the holding of each Preference Shareholder corresponding to the proportion which the number of Preference Shares proposed to be redeemed bears to the number of Preference Shares in issue immediately prior to the date of the proposed redemption.

4.3.3 There shall be paid on each Preference Share redeemed:-

4.3.3.1 the Subscription Price;

4.3.3.2 any arrears or accruals of the Fixed Preference Dividend, calculated down to the date of redemption irrespective of whether such dividends have been earned or declared or not.

4.3.4 If the Company shall, on any date fixed for redemption, fail to redeem any Preference Shares to be redeemed on that date (irrespective of whether there were available to the Company sufficient profits or other funds out of which redemption could have been made and whether or not redemption was prohibited or restricted by any provision of any financing documents to which the Company is a party), the Fixed Preference Dividend shall continue to accrue on those Shares. The Fixed Preference Dividend shall cease to accrue:-

4.3.4.1 as from the date of redemption on any Preference Shares redeemed;

4.3.4.2 as from the due date for redemption on any Preference Shares not redeemed due to a failure by the holder thereof to comply with Article 4.3.5.

- 4.3.5 Redemption shall take place at the registered office of the Company, or such other place in the United Kingdom, and at the time and date, as the Board may notify in writing to the Preference Shareholders. On the due date each of the holders of the Preference Shares to be redeemed shall deliver to the Company at such place the certificates for those of the Preference Shares to be redeemed which are held by such holder in order for them to be cancelled. Upon such delivery the Company shall pay to the holder the amount due to such holder in respect of such redemption. If any certificate delivered to the Company includes any Preference Shares which are not to be redeemed on that occasion a new certificate for those Shares shall be issued to the holder.

4.4 **Voting**

- 4.4.1 On a show of hands every holder of A Shares and B Shares who (being an individual) is present in person or (being a company) is present by a representative appointed in accordance with section 375 of the Act shall have one vote and on a poll every holder of A Shares or B Shares who is present in person or by a proxy or (being a company) by a representative shall have one vote for every Ordinary Share of which such Shareholder is the holder. Shareholder action by written consent shall be governed by the provisions of Article 11.3.

- 4.4.2 Whilst the Preference Shareholders shall be entitled to receive notice of, and attend, all general or other meetings of the Company they shall not be entitled to vote at (or be considered in establishing the quorum with respect to) any such meetings in respect of the Preference Shares held by them.

- 4.4.3 The holders of the Deferred Shares shall not be entitled to receive notice of nor to attend at, nor to speak or to vote (either in person or by proxy), at general meetings of the Company in respect of their holdings of Deferred Shares.

4.5 **Purchase of Deferred Shares**

The Company shall, subject to the provisions of the Act, have irrevocable authority at any time to purchase the Deferred Shares for a consideration of £1 (in aggregate) and to appoint any person to execute on behalf of the holders of Deferred Shares a transfer thereof and/or an agreement to purchase the same.

5 **Issue of new shares**

- 5.1 Subject to the provisions of this Article and to the provisions of Section 80 of the Act, the Shares shall be at the disposal of the Board who may allot, grant options over or otherwise dispose of them to such Persons at such times and generally on such terms and conditions as they think proper.

- 5.2 The provisions of sections 89(1) and 90(1) to (6) of the Act shall apply to the Company other than (i) upon exercise of Warrants (ii) on the exercise of options granted to Employees pursuant to the Share Option Scheme(s) and (iii) if so agreed to by the A Shareholders and the B Shareholders, on the issue of Shares pursuant to any further funding of the Company or pursuant to any new employee share option scheme, subject always to the provisions of Section 95 of the Act with the following modifications:-

- 5.2.1 the Preference Shares shall not be regarded as equity securities or relevant shares;
- 5.2.2 the holders of relevant shares and relevant employee shares (as defined in Section 94 of the Act) who accept all the equity securities offered to them ("Acceptors") shall be entitled to indicate whether they would accept shares not accepted by other offerees, and any such shares shall be allotted to such Acceptors in proportion to their respective holdings of relevant shares and relevant employee shares, but so that no Acceptor shall be required to accept more shares than such Acceptor applied for.

6 Transfer of shares

- 6.1 The Directors shall be required (subject only to Article 6.2 and to Regulation 24 of Table A) to register promptly any transfer of Shares made in accordance with the provisions of Articles 7, 8, 9 and 10 (to the extent applicable), but shall not register any transfer of Shares not so made.
- 6.2 In addition to the circumstances set out in Regulation 24 of Table A in which the Directors may refuse to register the transfer of a Share, the Directors may also refuse to register the transfer of a Share to a bankrupt, a minor or a person of unsound mind.
- 6.3 For the purposes of these Articles (including Articles 7, 8, 9 and 10) the term "transfer" and words of similar import shall, when used with respect to any Share, unless the context otherwise requires, include:-
- 6.3.1 a sale, transfer, assignment, pledge or other disposal of any legal or equitable interest in such Share, whether or not by the Shareholder registered as the holder of that Share; and
- 6.3.2 any renunciation or other direction by a Shareholder entitled to an allotment, issuance or transfer of such Shares that such Shares be allotted, issued or transferred to another Person.
- 6.4 Where Ordinary Shares of a particular class are transferred to a holder of Ordinary Shares of a different class, each Ordinary Share which is the subject of such transfer shall automatically be converted into and re-designated as Ordinary Shares of the same class as the Ordinary Shares already held by the transferee.
- 6.5 No Preference Shares shall be transferred without the consent of the B Shareholders save that Preference Shares may be transferred without such consent at any time in accordance with the provisions of Article 7.

7 Permitted transfers

7.1 Permitted transfers

Any Shares may at any time be transferred:-

- 7.1.1 by a Virgin Shareholder or any Entitled Person to a Virgin Entity;

- 7.1.2 by a Shareholder or any Entitled Person (other than a Virgin Shareholder) which is an Undertaking to a Group Company of such Shareholder; or
- 7.1.3 by the trustee(s) or nominees for the time being of an employee benefit trust or Entitled Person to any beneficiary of such employee benefit trust

provided that any transferee pursuant to this Article 7 shall transfer the Shares back to the transferor as soon as practicable upon ceasing to be a Virgin Entity, Group Company or beneficiary, as the case may be. An "Entitled Person" for the purposes of this Article 7 shall be any Person entitled to Shares in consequence of the death, bankruptcy, receivership or liquidation of a Shareholder.

8 Pre-emption

The right to transfer Ordinary Shares shall be subject to the restrictions set out in this Clause 8; provided that such restrictions shall not apply to bona fide transfers of Ordinary Shares otherwise made in compliance with the provisions of Articles 7, 9 or 10.

8.1 Transfer Notices

- 8.1.1 Before transferring any Ordinary Shares the Proposing Transferor shall serve a Transfer Notice on the Company specifying the number and class of Ordinary Shares in question, and the Transfer Notice shall constitute the Company the Proposing Transferor's agent for the sale of those Shares at the Prescribed Price to any Shareholder or Shareholders. Except as provided in Article 8.4, a Transfer Notice once given (or deemed to have been given) shall not be revocable except with the consent of the Board.

8.1.2 A Transfer Notice:-

- 8.1.2.1 may specify the Prescribed Price per Ordinary Share (or, where the Transfer Notice comprises Ordinary Shares of more than one class, the Prescribed Price per Share for each class);
- 8.1.2.2 shall, if the Proposing Transferor has received any offer (whether or not capable of becoming legally binding upon acceptance), to purchase Ordinary Shares of the same class or classes as the Sale Shares within the period of three calendar months prior to service of the Transfer Notice, give the name of the offeror, the number and class (or classes) of Ordinary Shares concerned and the price (or prices) per Share offered.

8.2 Prescribed Price

- 8.2.1 Immediately on receipt of a Transfer Notice comprising Ordinary Shares which does not specify a Prescribed Price for such Shares, the Board (other than any Directors appointed by the Proposing Transferor), shall seek to agree the Prescribed Price with the Proposing Transferor. In the event that the Prescribed Price is not agreed within 10 Business Days of receipt of the Transfer Notice by the Company the Board shall request the auditors of the Company (acting as experts and not as arbitrators) to certify the Prescribed Price.

- 8.2.2 The auditors shall within 10 Business Days of such a request certify to the Company the Prescribed Price, being the value of one share of the class of Ordinary Shares the subject of the Transfer Notice calculated on the following basis:-
- 8.2.2.1 by determining the sum which a willing purchaser would offer to a willing vendor for the whole of the issued share capital of the Company, other than the Preference Shares;
 - 8.2.2.2 by dividing the resultant figure among the classes of Ordinary Shares;
 - 8.2.2.3 by dividing the sum attributable to the Shares of the relevant class by the number of Shares of that class in issue.
- 8.2.3 The costs of the auditors in respect of the certification of the Prescribed Price shall be borne by the Company.
- 8.3 **Offer of Sale Shares**
- 8.3.1 The Sale Shares shall, within 10 Business Days following receipt of the Transfer Notice or (in a case falling within Article 8.2.1) agreement or certification of the Prescribed Price, be offered by the Company in accordance with Article 8.3.2 for purchase at the Prescribed Price. All offers shall be made by notice in writing stating that, unless an offer is accepted within 20 Business Days of such notice (the "**Acceptance Deadline**"), such offer shall be deemed to have been declined.
- 8.3.2 Sale Shares shall be offered to all holders of Ordinary Shares other than the Proposing Transferor.
- 8.3.3 An offer made under Article 8.3.2 shall be made on the following basis:-
- 8.3.3.1 if there is more than one Shareholder to whom an offer is to be made pursuant to Article 8.3.2, the Sale Shares shall be offered to such Shareholders in proportion as (nearly as may be) to their existing holdings of Ordinary Shares as determined by the Board, whose determination in the absence of manifest error shall be conclusive;
 - 8.3.3.2 any Shareholder may accept all or some only of the Sale Shares offered to such Shareholder;
 - 8.3.3.3 each Shareholder to whom the offer is made (if more than one) shall be invited to indicate whether, if such Shareholder otherwise accepts the offer, such Shareholder wishes to purchase any Sale Shares offered to other Shareholders in the same offer which they decline to accept (such Sale Shares being referred to as "**Excess Shares**") and if so the number which such Shareholder wishes to purchase;

8.3.3.4 if there are any Excess Shares they shall be allocated between the Shareholders who have indicated that they wish to purchase Excess Shares. If the number of Excess Shares available is insufficient the Excess Shares shall be allocated among the Shareholders seeking to purchase them in the same proportion as determined in accordance with Article 8.3.3.1;

8.3.3.5 the Purchasers shall be bound to purchase the Sale Shares allocated to them under and in accordance with the provisions of this Article 8.3 at the Prescribed Price.

8.4 Notice to Proposing Transferor

Not later than 5 Business Days following the Acceptance Deadline, the Company shall give written notice to the Proposing Transferor stating:-

8.4.1 if it is the case, that no Purchaser has been found for any of the Sale Shares; or, otherwise

8.4.2 the number of Sale Shares which the Shareholders have sought to purchase, giving for each Purchaser the name, address (which in the case of a company shall be the registered office of such company) and the number of Sale Shares to be purchased;

and so that if Purchasers have been found for less than all of the Sale Shares, the Proposing Transferor may within 5 Business Days of service on such Proposing Transferor of notice under this Article 8.4 revoke the Transfer Notice by written notice to the Company (other than where the Transfer Notice has been given or required to be given under Article 8.6 or Article 8.7).

8.5 Transfer by Proposing Transferor

8.5.1 In the event that the Proposing Transferor is given notice under Article 8.4.2 (and subject to the Proposing Transferor not revoking his Transfer Notice in accordance with Article 8.4) the Proposing Transferor shall be bound on payment of the Prescribed Price to transfer the Sale Shares in question to the respective Purchasers. The sale and purchase shall be completed at the registered office of the Company during normal business hours not later than the 10th Business Day from the date of service of notice under Article 8.4.

8.5.2 If a Proposing Transferor, having become bound to transfer any Sale Shares to a Purchaser, shall fail to do so the Directors may authorise any individual to execute on behalf of and as attorney for the Proposing Transferor (and the Proposing Transferor hereby appoints any such individual as such attorney) any necessary instruments of transfer and shall register the Purchaser as the holder of the Sale Shares. The Company's receipt of the purchase money shall be a good discharge to the Purchaser, and the Company shall thereafter hold the same on trust for the Proposing Transferor. After the name of the Purchaser has been entered in the register of Shareholders in purported exercise of these powers, the validity of the proceedings shall not be questioned by any Person.

8.5.3 The Proposing Transferor may transfer Sale Shares to any Person or Persons in the following circumstances:-

- 8.5.3.1 if the Company shall fail to find any Purchaser or Purchasers for any of the Sale Shares pursuant to Article 8.3, the Proposing Transferor may transfer all or any of the Sale Shares to any third party;
- 8.5.3.2 if the Company shall find a Purchaser or Purchasers for less than all of the Sale Shares and shall serve notice accordingly under Article 8.4, the Proposing Transferor may transfer to any third party (i) all or any of the Sale Shares for which no Purchaser has been found or (ii) if the Proposing Transferor has revoked his Transfer Notice under Article 8.4 he may transfer all (but not some only) of the Sale Shares

in each case, subject to the following restrictions:-

- 8.5.3.3 Sale Shares may not be transferred after the expiry of three calendar months after the date on which notice is given under Article 8.4;
- 8.5.3.4 the Sale Shares must be transferred in a bona fide transaction at a price not less than the Prescribed Price; the Directors may require to be satisfied that the Sale Shares are being transferred in pursuance of a bona fide transaction for the consideration stated in the instrument of transfer without any deduction, rebate or allowance or other consideration to the purchaser.

8.6 Administrative provisions

- 8.6.1 For the purpose of ensuring that a transfer of Ordinary Shares is authorised under these Articles or that no circumstances have arisen by reason of which a Transfer Notice may be required to be given, the Directors may from time to time require any Shareholder or past Shareholder or the personal representatives or trustee in bankruptcy, receiver or liquidator of any Shareholder or any Person named as transferee in any instrument of transfer lodged for registration to provide to the Company such information as the Directors reasonably think fit regarding any matter which they consider relevant. If such information is not provided to the reasonable satisfaction of the Directors within a reasonable time after request, the Directors shall be entitled to refuse to register the transfer in question or (in case no transfer is in question) to require by notice in writing that a Transfer Notice be given in respect of the Ordinary Shares concerned. If the information discloses (in the reasonable opinion of the Directors) that a Transfer Notice ought to have been given in respect of any Ordinary Shares the Directors may by notice in writing require that a Transfer Notice be given in respect of the Shares concerned.
- 8.6.2 In any case where the Directors may require a Transfer Notice to be given in respect of any Ordinary Shares under this Article 8.6, if a Transfer Notice is not duly given within a period of 10 Business Days of such demand being made, a Transfer Notice shall be deemed to have been given by the holder of such Shares at the expiration of that period, and such Shares shall be deemed Sale Shares. Any such deemed Transfer Notice shall not be capable of revocation under Article 8.4.

- 8.6.3 Any notice required to be given under Article 8 by the Company to a Shareholder or by a Shareholder to the Company or otherwise shall be given or served personally, via reputable courier service or by sending it by first class post to the office of the Company or to the registered address of the Shareholder or other recipient (as the case may be) or, if a Shareholder has no registered address within the United Kingdom and has supplied to the Company an address within the United Kingdom for the giving of notice, to the address so supplied. When a notice is sent by post, service of the notice shall be deemed to be effected 48 hours after properly addressing, prepaying and posting a letter containing the notice. In all other cases, a notice shall be deemed to be effected when received.

8.7 **Transmission of Shares**

Any Person entitled to an Ordinary Share in consequence of the death, bankruptcy, receivership or liquidation of a Shareholder shall, if such Person is not a Permitted Transferee, be bound to transfer such Ordinary Shares to a Permitted Transferee within 30 days of becoming entitled to the relevant Shares. If such Person fails to so transfer the relevant Shares to a Permitted Transferee, that Person shall be bound at any time, if called upon in writing to do so by the Directors not later than 10 days after the Directors serve such written notice, to give a Transfer Notice in respect of all the Ordinary Shares then registered in the name of the deceased or insolvent Shareholder. Regulations 29 to 31 of Table A shall take effect accordingly.

8.8 **Waiver of restrictions**

The restrictions imposed by this Article 8 may be waived in relation to any proposed transfer of Ordinary Shares with the consent of 75 per cent of the Shareholders of each class of Ordinary Shares who, but for such waiver, would have been entitled to have such Shares offered to them in accordance with Article 8.

9 **Tag Along**

- 9.1 No holders of A or B Shares (the "**Specified Member(s)**") may undertake any transfer (other than a transfer pursuant to and in accordance with Article 7) of any A Shares or B Shares (the "**Specified Shares**"), as the case may be, unless before the transfer is lodged for registration the proposed transferee or such transferee's nominee has made an offer (the "**Offer**") open for acceptance (in full or in part) for at least 15 Business Days to purchase an equivalent proportion of the issued A Shares, where the Specified Shares are B Shares, or an equivalent proportion of the issued B Shares, where the Specified Shares are A Shares, at the Specified Consideration; provided, however, that if the Specified Shares represent a Controlling Interest no Specified Member may undertake any transfer of Specified Shares unless either (i) the Specified Member makes an offer for all of the Ordinary Shares at the Specified Consideration or (ii) an A Director and a B Director consent in writing to the proposed transfer prior thereto. No Offer shall be required under this Article 9 if the Specified Members give notice to the Minority Shareholders pursuant to Article 10.

- 9.2 For the purposes of this Article 9 and Article 10 the "**Specified Consideration**" means a consideration (whether in cash, securities or otherwise or in any

combination) per A Share or B Share (as the case may be) equivalent to that offered by the proposed transferor or transferors for each share proposed to be transferred by the selling shareholder together with an amount equal to the relevant proportion of any other consideration (in cash or otherwise) received or receivable by the selling shareholder which having regard to the substance of the transaction as a whole can reasonably be regarded as an addition to the price paid or payable for such shares.

10 **Drag Along**

10.1 If the effect of a transfer of Ordinary Shares (other than a transfer pursuant to and in accordance with Article 7) would (if made and registered) result in any Person (or Persons) obtaining a Controlling Interest in the Company, the selling Shareholder(s) may give notice in writing to all other Shareholders (the "**Minority Shareholder(s)**") requiring them within 10 Business Days of the date of the notice, to transfer all (but not less than all) of their Ordinary Shares to the proposed transferee at the Specified Consideration. The transfer shall be on the same terms and conditions as those agreed between the selling Shareholder(s) and the proposed transferee, provided that a Minority Shareholder shall not be required to give any warranties or indemnities in the context of the transaction other than warranties as to title to the Ordinary Shares to be sold by such Minority Shareholder(s). Written notice given under this Article 10 shall be accompanied by all documents required to be executed by the Minority Shareholder(s) to give effect to the required transfer.

10.2 If any Minority Shareholder:-

10.2.1 shall fail to transfer Ordinary Shares as required by Article 10.1 the deemed transfer provisions of Article 8.6.2 shall apply to the transfer of such Shares *mutatis mutandis* but so that references to the purchase money, and the Proposing Transferor and the Purchaser shall respectively be construed as references to the consideration for such Shares, the Minority Shareholder and the proposed transferee;

10.2.2 shall fail to execute any other document required to be executed in order to give effect to the provisions of Article 10.1, the Directors may authorise any individual to execute such document(s) on behalf of and as attorney for the Minority Shareholder (and the Minority Shareholder hereby appoints any such individual as such attorney).

11 **General meetings**

11.1 No business shall be transacted at any general meeting unless a quorum is present. A quorum shall consist of two Shareholders provided that, for as long as there is an A Shareholder, one such Shareholder must be an A Shareholder and, for as long as there is a B Shareholder, one such Shareholder must be a B Shareholder each of whom is present in person or by proxy or (being a company) is present by a representative appointed in accordance with section 375 of the Act. If there shall be no quorum at any meeting of the Shareholders within one hour (except if those present shall have been notified reasonably in advance of a delay) after the time fixed for the meeting, the meeting shall be adjourned to such time (not being earlier than 7 days after the date of the original meeting) as the Board may determine. If

there shall be no quorum within one hour (except if those present shall have been notified reasonably in advance of a delay) after the time fixed for the adjourned meeting the Shareholder(s) present, whatever their number and the class or classes of Ordinary Shares held by them, shall constitute a quorum. Regulations 40 and 41 of Table A shall not apply.

- 11.2 In the case of an equality of votes at a general meeting (whether on a show of hands or on a poll) the Chairman shall have no second or casting vote. Regulation 50 of Table A shall not apply.
- 11.3 A resolution in writing signed by all the Shareholders entitled to receive notice of and attend and vote at a duly called and constituted general meeting or a meeting of any class of Shareholders (which resolution may consist of several documents in the like form each signed by one or more of the said Shareholders), as applicable, or a resolution to which each such Shareholder has otherwise signified such Shareholder's approval in writing, shall be as valid and effectual as if it had been passed at any such meeting. In the case of an Undertaking, the resolution may be signed or approved on its behalf by a duly authorised representative. Regulation 53 of Table A shall not apply.
- 11.4 In Regulation 37 of Table A there shall be substituted for the words "eight weeks" the words "twenty Business Days" and after the words "receipt of the requisition" there shall be added the words "and for the avoidance of doubt the requisitionists, or any of them representing more than one half of the total voting rights attached to shares held by all the requisitionists, may, if the Directors shall fail within seven days of receipt of the requisition to give notice of a general meeting for a date not later than twenty Business Days after receipt of the requisition, convene the meeting requisitioned for such date as they may select (subject to compliance with the provisions of the Act regarding the giving of notice of meetings requisitioned by the Shareholders, insofar as consistent with the provisions of this Article)".
- 11.5 In its application to the Company, the final sentence of Regulation 38 of Table A shall be modified by the insertion of the words "known to be" after the words "to all persons".
- 11.6 The appointment of a proxy and any authority under which it is executed or a copy of such authority certified notarially or in some other way approved by the Directors may:-
 - 11.6.1 in the case of an instrument in writing, be deposited at the office of the Company or at such other place within the United Kingdom as is specified in the notice convening the meeting or in any instrument of proxy sent out by the Company in relation to the meeting not less than 24 hours before the time for holding the meeting or adjourned meeting at which the Person named in the instrument proposes to vote; or
 - 11.6.2 in the case of an instrument in writing, be delivered at the meeting or adjourned meeting at which the Person named in the instrument proposes to vote to the Chairman or to the secretary or to any Director; or
 - 11.6.3 in the case of a poll, be delivered as an instrument in writing at the meeting at which the poll was demanded to the Chairman or to the secretary or to any

Director, or at the time and place at which the poll is held to the Chairman or to the secretary or to any Director or scrutineer; or

11.6.4 in the case of an appointment contained in an electronic communication, where an address has been specified for the purpose of receiving electronic communications:-

11.6.4.1 in the notice convening the meeting; or

11.6.4.2 in any instrument of proxy sent out by the Company in relation to the meeting; or

11.6.4.3 in any invitation contained in an electronic communication to appoint a proxy issued by the Company in relation to the meeting,

be received at such address not less than 24 hours before the time for holding the meeting or adjourned meeting at which the person named in the appointment proposes to vote

and an appointment of proxy which is not deposited, delivered or received in a manner permitted by this Article 11.6 shall be invalid.

11.7 In the event that more than one appointment of a proxy relating to the same Ordinary Share is deposited, delivered or received for the purposes of the same meeting, the appointment last delivered or received (whether in writing or contained in an electronic communication) shall prevail in conferring authority on the Person named therein to attend the meeting and vote. An appointment of proxy contained in an electronic communication found by the Company to contain a computer virus shall not be accepted by the Company and shall be invalid.

11.8 In their application to the Company, Regulations 60 and 61 of Table A shall be modified by the addition of the following sentence:-

“The appointment of a proxy may be contained in an electronic communication sent to such address (including any number) as may be notified by or on behalf of the Company for that purpose and may be in such form as the Directors may approve including requirements as to the use of a discrete identifier or the provision of other information by a Shareholder so as to verify the identity of such Shareholder and as to the authenticity of any electronic signature thereon.”

12 **Votes of Shareholders**

12.1 No A Share shall confer any right to vote either on a show of hands or on a poll upon a resolution for the removal from office or substitution of a B Director (as defined in Article 14.1).

12.2 No B Share shall confer any right to vote either on a show of hands or on a poll upon a resolution for the removal from office or substitution of an A Director (as defined in Article 14.2).

12.3 In its application to the Company, Regulation 54 of Table A shall be modified accordingly.

12.4 The provisions of Article 4.4 shall apply.

13 **Number of Directors**

13.1 Unless and until otherwise determined by ordinary resolution the Directors of the Company shall be subject to a maximum of six and a minimum of two, comprising:

13.1.1 up to three A Directors;

13.1.2 up to three B Directors.

13.2 Regulation 64 of Table A shall not apply.

14 **Appointment of directors**

14.1 The holders of a majority of the A Shares shall, for as long as they hold in the aggregate 15% of the issued Ordinary Shares, be entitled to appoint up to three Directors and at any time to effect the removal or substitution of any Director so appointed. Any Director appointed pursuant to this Article 14.1 is referred to in these Articles as an "**A Director**".

14.2 The holders of a majority of the B Shares shall, for as long as they hold in the aggregate 15% of the issued Ordinary Shares, be entitled to appoint up to three Directors and at any time to effect the removal or substitution of any Director so appointed. Any Director appointed pursuant to this Article 14.2 is referred to in these Articles as a "**B Director**".

14.3 Any appointment, removal or substitution of any A Director by the A Shareholders shall be effected by notice in writing to the Company. Any appointment, removal or substitution of any B Director by the B Shareholders shall be effected by notice in writing to the Company. Any such appointment, removal or substitution shall take effect when the notice effecting the same is delivered to the registered office of the Company (attention: secretary) or is produced at a Board meeting.

14.4 Regulations 73 to 80 of Table A shall not apply.

14.5 In its application to the Company, Regulation 84 of Table A shall be modified by the deletion of the third and final sentences.

15 **Chairman**

15.1 The first Chairman of the Board shall be Sir Richard Branson. Any subsequent Chairman shall be such Director as is so appointed jointly by notice in writing given to the Company by the A Directors and the B Directors.

15.2 Except as otherwise agreed by the A Shareholders and the B Shareholders, the Chairman of the Company shall have a second or casting vote on any Board matter, and in its application to the Company Regulation 88 of Table A shall be modified accordingly. Any Alternate appointed by the Chairman shall be entitled to exercise the Chairman's second or casting vote where the appointment of his

Alternate has been approved in writing by the A Shareholders and the B Shareholders, provided that Kenneth Ibbett and Stephen Murphy are hereby approved as Alternates of Sir Richard Branson.

- 15.3 If no Chairman has been appointed or if at any meeting the Chairman is not present within five minutes after the time appointed for holding the meeting the Directors present may choose one of their number to be Chairman of the meeting. A Chairman so appointed shall not have a second or casting vote on any matter.

- 15.4 Regulation 91 of Table A shall not apply.

16 **Disqualification of Directors**

In its application to the Company, Regulation 81 of Table A shall be modified by the deletion of paragraph (e) and the addition of the following paragraph:-

- “(e) he is removed from office under the provisions of Article 14.1 if he is an A Director and under the provisions of Article 14.2 if he is a B Director.”

17 **Proceedings of Directors**

- 17.1 All Directors shall be entitled to be given notice of meetings of the Board or any committee of the Board of which they are a member even if absent from the United Kingdom for the time being and in their application to the Company Regulations 72 and 88 of Table A shall be modified accordingly.

- 17.2 The quorum necessary for the transaction of business by the Board shall throughout the meeting be two, at least one of whom must, for as long as the A Shareholders shall have the right to appoint A Directors, be an A Director and at least one of whom must, for as long as the B Shareholders shall have the right to appoint B Directors, be a B Director. If there shall be no quorum at any meeting of the Board within one hour (except if those present shall have been notified reasonably in advance of a delay) after the time fixed for the meeting, the meeting shall be adjourned to such time (not being earlier than 3 days after the date of the original meeting) as the Director or Directors present at the meeting shall determine, or if none, as shall be determined by the secretary. If there shall be no quorum within one hour (except if those present shall have been notified reasonably in advance of a delay) after the time fixed for the adjourned meeting the Director or Directors present, whatever their number and their designations, shall constitute a quorum. Regulation 89 of Table A shall not apply.

- 17.3 A committee of the Board must include at least one A Director and one B Director and the quorum for a meeting of any such committee shall throughout the meeting be at least one A Director and one B Director. In its application to the Company, Regulation 72 of Table A shall be modified accordingly.

- 17.4 Notice of a meeting of the Board or of a committee of the Board given to the Directors of the committee shall specify the matters to be discussed at the meeting and unless one or more A Directors and one or more B Directors are present at or otherwise participating in such meeting and unanimously agree, no other matters shall be transacted at such meeting.

- 17.5 Not less than 5 Business Days' notice shall be given of a meeting of the Board or of a committee of the Board unless otherwise agreed or waived in writing by an A Director and a B Director.
- 17.6 Subject to Article 17.3, each class of Directors (being A Directors or B Directors) shall be collectively entitled to two votes irrespective of the number of A Directors or B Directors in attendance at the relevant meeting. Regulation 98 of Table A shall not apply.
- 17.7 Any Director who participates in the proceedings of a meeting of the Board or committee thereof by telephone, video-conference or other means of electronic communication by which all the other Directors present at such meeting (whether in person or by his Alternate or by means of electronic communication) may hear at all times such Director and such Director may hear at all times all other Directors present at such meeting (whether in person or by his Alternate or by means of electronic communication) shall be deemed to be present at such meeting and shall be counted when reckoning a quorum.
- 17.8 Save as otherwise specified in these Articles, a Director may vote at a Board or committee meeting, and form part of a quorum present at that meeting, in relation to any matter in which such Director has, directly or indirectly, an interest or duty which conflicts or which may conflict with the interests of the Company, provided that such Director has previously disclosed the nature of such duty or interest to the other Directors. The provisions of Regulations 86 and 94 of Table A shall be amended accordingly.

18 Alternate Directors

- 18.1 Each Director shall have the power to nominate any person to act as alternate Director in such Director's place (an "Alternate") at any meeting of the Board or a committee thereof at which the Director is unable to be present, and at such Director's discretion to remove such Alternate, provided that each A Director and B Director, as applicable, shall give the B Directors and the A Directors, respectively, reasonable advance notice of such Director's nomination and/or removal of an Alternate. Any Alternate so nominated shall have no power to, in turn, nominate alternate Directors.
- 18.2 On such appointment being made, an Alternate shall (except as regards the power to appoint an alternate) be subject in all respects to the provisions, terms and conditions of these Articles existing with reference to the Director of the Company for whom he or she is the alternate and each Alternate, whilst acting in the place of an absent Director, shall exercise and discharge all the duties of the Director he or she represents but shall look to the Director appointing him solely for his or her remuneration (if any) as an Alternate.
- 18.3 An Alternate shall be entitled to vote at a meeting of the Board or a committee thereof solely on behalf of the Director so appointing him or her, and shall not be entitled to vote in his or her own capacity as a Director.
- 18.4 Any Alternate shall vacate his or her office as such alternate Director if and when:-

- 18.4.1 the Director by whom he or she has been appointed vacates his or her office as Director; or
- 18.4.2 the Director by whom he or she has been appointed removes him or her by written notice to the Board; or
- 18.4.3 an event occurs which, if he or she were a Director, would have caused him or her to vacate his or her office as Director.

18.5 Regulations 65 to 69 (inclusive) of Table A shall not apply.

18.6 Every instrument appointing or removing an Alternate shall be in writing signed by the appointor and shall be effective upon delivery to the registered office of the Company or production at a meeting of the Board (subject to the proviso of Article 18.1).

19 **Borrowing powers**

The Directors may exercise all the powers of the Company to borrow or raise money and to mortgage or charge all or any part of the Company's undertaking, property and uncalled capital and to issue debentures and other securities whether outright or as security (principal or collateral) for any debt, liability or obligation of the Company or any third party.

20 **Execution of documents**

In its application to the Company Regulation 101 of Table A shall be modified by the addition of the following sentence:-

"Any instrument expressed to be executed by the Company and signed by two Directors, or by one Director and the secretary, by the authority of the Directors or of a committee authorised by the Directors shall (to the extent permitted by the Act) have effect as if executed by the seal."

21 **Dividends**

Regulations 102 to 105 (inclusive) of Table A shall be subject to Article 4.1 and in Regulation 103 of Table A the words from "If the share capital is divided..." to the end of the Regulation shall be deleted.

22 **Indemnities**

Subject to section 310 of the Act:-

- 22.1 every Director or his Alternate or other officer of the Company shall be entitled to be indemnified out of the assets of the Company against all losses or liabilities which such person may sustain or incur in or about the execution of the duties of such person's office or otherwise in relation to such office, including any liability incurred by such person in defending any proceedings, whether civil or criminal, in which judgement is given in such person's favour or in which such person is acquitted, or in connection with any application under Section 144 or 727 of the

Act in which relief is granted to such person by the court, and no Director or his Alternate or officer of the Company 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 such Director's or officer's office or otherwise in relation to such office;

- 22.2 the Company shall purchase and maintain insurance for any Director or his Alternate or other officer of the Company against any liability which by virtue of any rule of law would otherwise attach to such person in respect of any negligence, default, breach of duty or breach of trust of which such person may be guilty in relation to the Company.

23 **Notices**

In its application to the Company, Regulation 115 of Table A shall be modified by the addition of the following after the words "after the time it was sent" at the end of the third sentence:-

"notwithstanding that the Company is aware of the failure in delivery of such electronic communication. Without prejudice to such deemed delivery, if the Company is aware of the failure in delivery of an electronic communication and has sought to give notice by such means at least three times, it shall send the notice in writing by post within 48 hours of the original attempt".