

No. 3353454



THE COMPANIES ACT 1985

COMPANY LIMITED BY SHARES

SPECIAL RESOLUTION

- of -

V2 MUSIC (HOLDINGS) LIMITED

("the Company")

On 7 April 1998 all the members of the Company who at that date were entitled to attend and vote at a General Meeting of the Company signed, pursuant to Section 381A of the Companies Act 1985 and in accordance with the provisions of paragraph 5 of Part II of Schedule 15A of the Companies Act 1985, the following Resolution as a Written Resolution.

SPECIAL RESOLUTION

THAT:

- 1 The Company be re-registered as a public company under the Companies Act 1985.
- 2.1 The name of the Company be altered by deleting therefrom the word "Limited" and substituting therefor the letters "PLC".
- 2.2 The provisions of the Memorandum of Association of the Company be altered:
  - 2.2.1 by replacing the existing Clause 1 with the following:

"1. The Company's name is V2 MUSIC (HOLDINGS) PLC"
  - 2.2.2 by the insertion of a new Clause 2 as follows:

"2. The Company is to be a public company.";
  - 2.2.3 by renumbering existing Clauses 2 to 5 as 3 to 6 accordingly;

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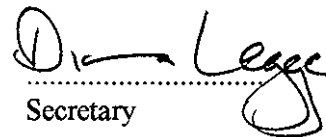
2.2.4

by replacing the existing Clause 6 with the following:

“6. The Company's share capital is £83,333 divided into divided into  
15,000,000 A Ordinary Shares of 0.5 pence each and 1,666,600  
C Ordinary Shares of 0.5 pence each.”

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The regulations contained in the document attached to this written resolution be  
and are hereby adopted as the new Articles of Association of the Company in  
substitution for the existing Articles of Association of the Company.

  
Secretary

**THE COMPANIES ACT 1985**  
**COMPANY LIMITED BY SHARES**  
**ARTICLES OF ASSOCIATION**  
**of**

**V2 MUSIC (HOLDINGS) PLC**

(Adopted by Special Resolution passed on 1998)

**PRELIMINARY**

- 1.1 The Regulations contained in Table A in the Schedule to the Companies (Tables A to F) Regulations 1985 (SI 1985 No. 805) as amended by the Companies (Tables A to F) (Amendment) Regulations 1985 (SI 1985 No. 1052) (such Table being hereinafter called "Table A") shall apply to the Company save insofar as they are excluded or varied hereby and such Regulations (save as so excluded or varied) and the Articles hereinafter contained shall be the regulations of the Company. References in these Articles to a "Regulation" are references to the relevant Regulation in Table A.
- 1.2 In these Articles:-
- the Act:** means the Companies Act 1985, but so that any reference in these Articles to any provision of the Act shall be deemed to include a reference to any statutory modification or re-enactment of that provision for the time being in force;
- the Board:** means the board of Directors from time to time;
- Directors:** means the directors of the Company from time to time;
- Employee:** means any employee or director of the Company or of any other Group Company;
- equity shares:** means those shares in the capital of the Company which fall within the definition of equity share capital contained in Section 744 of the Act;
- Fully Paid Shares:** means issued shares in the Company in respect of which the nominal value (and any premium) has been fully paid or credited as fully paid;
- Group Company:** means each of the Company and its subsidiaries from time to time;

**the Share Option Scheme:** means the V2 Music Group Share Option Scheme that is in force and any other scheme adopted by the Company whereby equity shares are or may be issued to Employees;

**the Statutes:** means the Act and any statutory modification or re-enactment thereof for the time being in force and every other statute concerning companies and affecting the Company;

**subsidiary and holding company:** have the meanings respectively ascribed thereto by Section 736 of the Act; and

- 1.3 References in these Articles to persons shall include any form of body corporate, unincorporated association, firm, partnership, individual, joint venture, consortium, association, organisation or trust (in each case whether or not having separate legal personality).

## **SHARES**

- 2.1 The share capital of the Company at the date of the adoption of these Articles is £83,333 divided into 15,000,000 A Ordinary Shares of 0.5 pence each and 1,666,600 C Ordinary Shares of 0.5 pence each.
- 2.2 In these Articles, unless the context requires otherwise, references to A Ordinary Shares and C Ordinary Shares shall include shares of those respective classes created and/or issued after the date of adoption of these Articles and ranking pari passu in all respects (or in all respects save only as to the date from which such shares rank for dividend) with the shares of the relevant class then in issue.
- 3 The A Ordinary Shares and C Ordinary Shares shall rank pari passu in all respects.

## **ISSUES OF FURTHER SHARES**

- 4.1 Shares which are comprised in the authorised but unissued share capital of the Company shall be under the control of the Directors who may allot, grant options over or otherwise dispose of the same, to such persons, on such terms and in such manner as they think fit.
- 4.2 The provision of sections 89(1) and 90(1) to (6) of the Act shall not apply to the Company.

## **CALLS ON SHARES**

- 5 The liability of any Member in default of a call shall be increased by the addition at the end of the first sentence of Regulation 18 of Table A of the words "and all expenses that may have been incurred by the Company by reason of such non-payment".

## **TRANSFERS OF SHARES**

- 6.1 No shares or any interest therein may be sold transferred or otherwise disposed of without the prior approval of the Board.

6.2

The Board may refuse to register a transfer unless:

- (a) it is lodged at the office or such other place as the Board may appoint and is accompanied by the certificate for the shares to which it relates and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer;
- (b) it is in respect of only one class of share; and
- (c) it is in favour of not more than four transferees

and may also refuse to register

- (i) the transfer of a share which is not fully paid to a person of whom they do not approve;
- (ii) the transfer of a share on which the Company has a lien; and
- (iii) the transfer of a share to a bankrupt, a minor or a person of unsound mind.

7.1

Whenever any member of the Company who is an Employee ("the Departing Shareholder") shall for any reason whatsoever cease to be an Employee then the Board may require such Departing Shareholder to sell all or any of his Ordinary Shares to one or more Employees or other persons (as the Board may decide) at a price per share equal to:-

7.1.1

the Employee Fair Value, in circumstances where the Departing Shareholder has ceased to be an Employee due to his death, ill health or permanent disability (evidenced to the satisfaction of the Board), redundancy (within the meaning of section 139 of the Employment Rights Act 1996), retirement (on reaching the age of 65 years or any other age at which he is bound to retire in accordance with the terms of his contract of employment) or dismissal without cause (as determined at the absolute discretion of the Board);

7.1.2

the lower of Employee Fair Value and the Departing Shareholder's cost of acquisition of the Shares in question, in any other case.

For the avoidance of doubt, the provisions of this Article 7 shall apply to any Ordinary Shares issued to an Employee (or his personal representatives ) on the exercise of an option, including Ordinary Shares issued after he ceases to be an Employee.

7.2

In determining the Employee Fair Value the Company may propose to the Departing Shareholder a price which, if accepted by the Departing Shareholder, shall be deemed to be the Employee Fair Value. In the absence of agreement Employee Fair Value shall be determined in accordance with Article 7.3.

7.3

Subject to Article 7.2, Employee Fair Value shall be the value per Ordinary Share as between a willing buyer and a willing seller determined and certified by the Auditors acting at the cost and expense of the Company as experts and not as arbitrators and whose determination shall be final. For the purposes of this sub-

Article the Auditors shall be instructed to value the Company as a whole and in particular:

- 7.3.1 to have regard to the rights and restrictions attached to such shares in respect of income, capital and conversion; and
- 7.3.2 to disregard the fact that such shares represent a minority interest.
- 7.4 Regulations 29, 30 and 31 of Table A shall be applied subject to the provision of this Article.
- 7.5 If a Departing Shareholder shall fail to comply with a requirement to sell or transfer Ordinary Shares pursuant to this Article 7 the Directors may direct the shares belonging to the Employee concerned to be transferred to any one or more Employees or other persons that they deem fit. In addition they may authorise any person to execute the transfer of any Ordinary Shares held by a Departing Shareholder in favour of the transferee and the Company may give a good receipt for the consideration for such Ordinary Shares and may register the transferee as holder thereof and issue to it certificates for the same. The member in question shall in such case be bound to deliver up its certificate for its Ordinary Shares to the Company whereupon the member shall be entitled to receive the consideration for such Ordinary Shares which shall in the meantime be held by the Company on trust for the member, 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.
- 8.1 In the event that any of the A Ordinary Shareholders ("the Vendor(s)") propose to sell the legal or beneficial interest in at least 66.66% of the A Ordinary Shares and an offer is procured to be made for the entirety of the issued A Ordinary Shares and C Ordinary Shares the Vendor or Vendors (as the case may be) shall have the right ("the Come Along Right") to require all of the other holders of A Ordinary Shares and the holders of C Ordinary Shares in the Company ("the Called Shareholders") to accept in full the offer procured to be made to them provided that such offer is at a price per share equal to the highest price paid or payable by the proposed purchaser to the Vendor(s).
- 8.2 The Come Along Right may be exercised by the Vendor or Vendors serving notice to that effect ("the Come Along Notice") on the Called Shareholders at the same time as, or within 7 days following, the making of the offer.
- 8.3 A Come Along Notice once given shall be irrevocable but shall lapse (and the obligations thereunder shall lapse) in the event that for any reason the Vendor or Vendors (as the case may be) do not transfer the Ordinary Shares in the Company which are the subject of the relevant transaction in question to the person making the offer ("the Offeror") or the Offeror's nominee not later than the date specified as the date for completion of the sale and purchase of the A Ordinary Shares pursuant to acceptances of the offer.
- 8.4 Upon the exercise of the Come Along Right in accordance with this Article each of the Called Shareholders shall be bound to accept the offer made to it in respect of their entire holding of A Ordinary Shares and C Ordinary Shares in the Company and to comply with the obligations assumed by virtue of such acceptance

PROVIDED THAT for the avoidance of doubt this Article shall not require the Called Shareholders to give any warranties, representations, indemnities or covenants other than covenants as to title to the C Ordinary Shares owned by them respectively and any relating to their status as employees.

- 8.5 In the event that any Called Shareholder fails to accept the Offer made to him or, having accepted such offer, fails to complete the sale of any of its A Ordinary Shares and C Ordinary Shares pursuant to the offer or otherwise fails to take any action required of it under the terms of the offer the Directors (or any of them) may authorise any person to accept the offer on behalf of the Called Shareholder in question or undertake any action required under the terms of the offer on the part of a Called Shareholder who has accepted the offer. The Directors may in particular authorise any person to execute a transfer of any A Ordinary Shares and C Ordinary Shares held by a Called Shareholder in favour of the Offeror (or its nominee) and the Company may give a good receipt for the purchase price of such A Ordinary Shares and C Ordinary Shares and may register the Offeror (or its nominee) as holder thereof and issue to it certificates for the same. The Called Shareholder shall in such case be bound to deliver up its certificate for its A Ordinary Shares and C Ordinary Shares to the Company whereupon the Called Shareholder shall be entitled to receive the purchase price for such A Ordinary Shares and C Ordinary Shares which shall in the meantime be held by the Company on trust for the Called Shareholder, but without interest. After the name of the Offeror (or its nominee) has been entered in the Register in purported exercise of these powers, the validity of the proceedings shall not be questioned by any person.

#### **GENERAL MEETINGS AND RESOLUTIONS**

- 9.1 The words "four weeks" shall be substituted for the words "eight weeks" in Regulation 37.
- 9.2 Regulation 41 shall be modified by the insertion at the end of that Regulation of the following sentence: "If at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting, the meeting shall be adjourned until such later time as the Board may determine".
- 9.3 No business shall be transacted at any general meeting unless the requisite quorum is present at the commencement of the business and also when such business is voted upon. One or more members present in person or by proxy shall form a quorum provided that they hold in aggregate not less than one half of the issued Fully Paid Shares. For the avoidance of doubt, if one member is capable of forming a quorum he shall be capable of forming a meeting for the purposes of these Articles.
- 9.4 The Chairman at every general meeting of the Company shall be the Chairman of the Board of Directors.
- 9.5 A poll may be demanded at any general meeting by the Chairman or by any member present in person or by proxy and entitled to vote. Regulation 46 shall be modified accordingly.

- 9.6 A resolution in writing in accordance with Regulation 53 shall be deemed to have been duly executed on behalf of a corporation if signed by one of its directors or its secretary. In the case of a share held by joint holders the signature of any one of them on behalf of all such joint holders shall be sufficient for the purposes of that Regulation. The Directors shall cause a record of each resolution in writing, and of the signatures to it, to be entered in a book in the same way as minutes of a general meeting of the Company and to be signed by a Director or the secretary of the Company.
- 9.7 An instrument appointing a proxy may be in any usual or common form or in any other form which the Directors may approve.
- 9.8 The instrument appointing a proxy may be deposited at the registered office of the Company at any time before any general meeting of the Company for which it is to be used unless otherwise specified in the notice convening such meeting. Regulation 62 shall be modified accordingly.

#### **APPOINTMENT OF DIRECTORS**

- 10.1 The maximum number and minimum number respectively of the Directors may be determined from time to time by Ordinary Resolution in General Meeting of the Company. Subject to and in default of any such determination there shall be no maximum number of Directors and the minimum number of Directors shall be two.
- 10.2 In its application to the Company, Regulation 78 of Table A shall be modified by the deletion of the words "... and may also determine the rotation in which any additional Directors are to retire"
- 10.3 In its application to the Company, Regulation 79 of Table A shall be modified by the deletion of the second and third sentences.
- 10.4 The Company may by Ordinary Resolution in General Meeting appoint any person who is willing to act to be a Director, either to fill a vacancy or as an additional Director.

#### **BORROWING POWERS**

- 11 The Directors may exercise the powers of the Company to borrow money upon such terms and in such manner as they think fit, to grant any mortgage, charge or standard security over its undertaking, property and uncalled capital, or any part thereof, and to issue debentures, debenture stock, and other securities whether outright or as security for any debt, liability or obligation of the Company or of any third party.

#### **POWERS, DUTIES AND PROCEEDINGS OF DIRECTORS**

- 12.1 Subject to the provisions of the Statutes, a Director may be interested directly or indirectly in any contract or arrangement or in any proposed contract or arrangement with the Company or with any other company in which the Company may be interested and he may hold and be remunerated in respect of any office or place of profit (other than the office of auditor of the Company or any subsidiary



thereof) under the Company or any such other company and he or any firm of which he is a member may act in a professional capacity for the Company or any such other company and be remunerated therefor.

- 12.2 Notwithstanding his interest a Director may vote on any matter in which he or his appointor(s) is interested and be included for the purpose of a quorum at any meeting at which the same is considered and he and/or his appointor(s) may retain for his own benefit all profits and advantages accruing to him. Regulations 94 and 95 shall be modified accordingly.
- 12.3 Subject to these Articles the Directors may meet together for the dispatch of business, adjourn and otherwise regulate their meetings and manner of dispatching business as they think fit. All decisions of the Board shall be by a majority vote of the Directors.
- 12.4 Any Director may participate in a meeting of the Directors by means of conference telephone, video conference or similar communications equipment whereby all persons participating in the meeting can hear each other and participation in the meeting in this manner shall be deemed to constitute presence in person at such meeting and shall entitle any Director so present to vote and count in the quorum. Such a Meeting shall be deemed to take place in England unless none of those participating are in England in which case it will be where the largest of the group of those participating is assembled, or if there is no such group, where the Chairman then is.
- 12.5 The continuing Directors (provided that there is a quorum as defined above) may act notwithstanding any vacancies, and Regulation 90 shall be modified accordingly.
- 12.6 For a signed resolution under Regulation 93 to be effective it shall not be necessary for it to be signed by a Director who is prohibited by the Articles or by law from voting thereon. Regulation 93 shall be modified accordingly.

#### NOTICES

- 13 Every Director of the Company and every alternate Director shall be entitled to receive notices of general meetings (at his usual address or at such other address as he may notify to the Company) in addition to the person so entitled under the Acts. The third sentence of Regulation 112 shall be deleted.

#### INDEMNITY

- 14.1 Subject to the provisions of and so far as may be consistent with the Statutes, but without prejudice to any indemnity to which a Director may otherwise be entitled, a Director, or secretary of the Company may (if so resolved by the Board) be indemnified by the Company against all costs charges losses expenses and liabilities incurred by him in the execution and/or discharge of his duties and/or the exercise of his powers and/or otherwise in relation to or in connection with his duties powers or office including (without prejudice to the generality of the foregoing) any liability incurred by him in defending any proceedings, civil or criminal, which relate to anything done or omitted or alleged to have been done or omitted by him as a director, officer or employee of the Company and in which

judgment is given in his favour (or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on his part) or in which he is acquitted or in connection with any application under any statute for relief from liability in respect of any such act or omission in which relief is granted to him by the Court. This Article shall only have effect insofar as its provisions are not avoided by Section 310 of the Act.

- 14.2 The Directors may exercise all the powers of the Company to purchase and maintain insurance for or for the benefit of any persons who are or were at any time directors, officers or employees of the Company including, without prejudice to the generality of the foregoing, insurance against all costs, charges, losses or liabilities suffered or incurred by such person in respect of any act or omission in the actual or purported execution and/or discharge of their duties and/or the exercise or purported exercise of their powers and discretions and/or otherwise in relation to or in connection with their duties, powers or offices in relation to the Company.