

THE COMPANIES ACT 1985 to 1989

COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION
OF
VIRGIN RADIO HOLDINGS LIMITED

PRELIMINARY

1. The regulations contained in Table A in the Companies (Tables A-F) Regulations 1985 as amended (hereinafter called "**Table A**") shall apply to the above-named Company (hereinafter called "**the Company**") so far as the same are not excluded varied or modified by these Articles to the exclusion of any other regulations.
2. Regulations 5, 8, 9, 10, 11, 24, 35, 40, 41, 45, 49, 50, 53, 64, 65, 66, 67, 68, 69, 73, 74, 75, 76, 77, 78, 79, 80, 82, 83, 85, 87, 88, 89, 93, 94, 95, 96, 98, 100, 101 and 118, contained in Table A shall not apply to the Company.

INTERPRETATION

3. In these Articles unless there be something in the subject or if the context so admits, context inconsistent therewith:-

"the Act" means the Companies Act 1985 as amended or extended by any other enactment

"the Authority" means the Radio Authority or its successor under the Broadcasting Act

"The Broadcasting Act" means the Broadcasting Act 1990 and any statutory modification or re-enactment thereof

"Directors" means the Directors for the time being of the Company or, if the context so admits, a quorum of such Directors present at a meeting of the Directors

"Disqualified Person" means a person who is a disqualified person by virtue of Part II of Schedule 2 to the Broadcasting Act or upon whom restrictions are imposed under Parts III, IV or V of Schedule 2 to the Broadcasting Act

"Holding Company" shall have the meaning assigned to that term by Sections 736 and 736A of the Act whether or not such company is registered or incorporated in Great Britain

"Licence" means a licence to provide a second independent national radio (IRN) service and/or a licence to provide a regional radio FM service for the London area



pursuant to the Broadcasting Act which licences are held by the Company at the date of adoption of these Articles

"13.75% Loan Notes" means the £934,937.50 unsecured loan notes created by the Company by a Loan Note Instrument dated 30 April 1997-----

"Loan Notes" means the 13.75% Loan Notes and the Variable Loan Notes

"Member of the same Group" means as regards any company, a company which is for the time being a Holding Company or a Subsidiary of that company or of any such Holding Company

"Ordinary Shares" means ordinary shares of 1p each in the capital of the Company

"payment" and "repayment" and "redemption" shall each include the other words and "pays", "paid" and "payable", "repay", "repaid" and "repayable", and "redeems", "redeemed" and "redeemable" shall be construed accordingly

"Permitted Transfer" means a transfer of shares authorised by Article 9(b)

"Permitted Transferee" means a person, company, firm or unincorporated association to whom or which shares have been transferred pursuant to a Permitted Transfer

"Preference Shares" means 8% Redeemable Preference Shares

"8% Redeemable Preference Shares" means 8% Redeemable Preference Shares of £1 each in the capital of the Company having the rights and being subject to the restrictions set out in these Articles with respect to such shares

"Restricted Investor" means any person to whom the Authority has notified the Company that a transfer of shares to such person or the holding of any interest in shares by such person:

- (a) would result in the Company or any of its Subsidiaries becoming a Disqualified Person in relation to any Licence; or
- (b) would otherwise give cause to the Authority to refuse to award or grant, revoke, suspend, remove, refuse to renew or extend, vary materially the terms or conditions of or impose onerous conditions on the award, grant or holding of any Licence

"Subsidiary" shall have the meaning assigned to that term by sections 736 and 736A of the Act whether or not such company is registered or incorporated in Great Britain

"Trustees" means these persons whose name and addresses are set out in the appendix to these articles and their successors from time to time

"Trusts" means the trusts referred to in the appendix to these articles

"Variable Loan Notes" means the £7,772,335 unsecured loan notes created by the Company by a board resolution dated 30 April 1997

The provisions of the Broadcasting Act are to be applied to determine whether a person has control over a body corporate or is interested in its share capital or voting rights exercisable at a general meeting of such body corporate.

SHARE CAPITAL AND VARIATION OF RIGHTS

4. 4.1 The Share Capital of the Company on the date of the adoption of these Articles is £3,953,914.95 divided into 6,039,295 Ordinary Shares of 1p each and 3,893,522 8% Preference Shares having the respective rights and obligations set out herein.

4.2 Preference Shares

The rights, privileges, restrictions and limitations attaching to the Preference Shares are as follows:

(1) As regards Income

The Preference Shares shall entitle the holders thereof in priority to any dividend or distribution to the holders of Ordinary Shares to a fixed cumulative preferential dividend equal to 8% (including in any such case the amount of any associated tax credit) per annum of the amount paid up or credited as paid up on each share ("**Paid Up Amount**"), to be paid, subject to the Company having first paid in full all interest on the Loan Notes and the Company having first redeemed in full all the 13.75% Loan Notes), out of the profits available for distribution on the date occurring at six monthly intervals following the date of issue of such share (and commencing with the date that is six-months following such issue) Provided That each amount so payable by way of dividend on such shares at any such payment date may at the Company's option be accrued and rolled-up on each such payment date and thereafter be deemed for all purposes to form part of the Paid Up Amount of each such share with effect from the date of such roll-up.

(2) As regards Capital

Subject to the Company having first paid in full all interest on the Loan Notes and the Company having first redeemed in full all the Loan Notes), on a return of capital on a winding-up or otherwise the assets of the Company available for distribution among members shall be applied (in priority to other shares in the Company for the time being in issue) first in repaying to the holders of the Preference Shares the Paid Up Amount on each such share together with a sum equal to any arrears, deficiency or accruals of the fixed cumulative preferential dividends thereon to be calculated down to the date of the commencement of the winding-up (in the case of a winding-up) or the return of capital (in any other case) and to be payable irrespective of whether such dividend has been declared or earned.

(3) As regards Redemption

- (a) Unless previously redeemed, the Company shall (subject to the Act) on the last business day of July 1998 redeem 50 per cent

of the Preference Shares then in issue and on the last business day of July 1999 redeem all remaining Preference Shares then in issue in each case pro-rata between the respective holdings thereof.

- (b) In the event that at any relevant time it is required to do so but the Company is unable to redeem any Preference Shares it shall nevertheless redeem such shares as soon thereafter as it is able to do so.
- (c) There shall be paid on each Preference Share redeemed its Paid Up Amount together with a sum equal to any arrears, deficiency or accruals of the fixed cumulative preferential dividend thereon to be calculated down to the date of redemption and to be payable whether or not such dividend has been declared or earned.
- (d) Notice of redemption under this Article shall be given by the Company to each holder of Preference Shares at least 28 days before any required or proposed date of redemption and shall specify:
 - (i) the total number of Preference Shares to be redeemed on that occasion; and
 - (ii) the number of each holders' Preference Shares to be redeemed (if not all); and
 - (iii) the applicable redemption date and the time and place on such date at or before which the certificates for such Preference Shares are to be presented for redemption.
- (e) Upon such redemption date as may be specified in any notice given under paragraph (d) above, each of the holders of the Preference Shares to be redeemed shall be bound to deliver to the Company at such time and place, the certificates for such of the Preference Shares as are held by it. Upon such delivery the Company shall pay to (or to the order of) such holder the amount due to it in respect of such redemption. If any certificates so delivered to the Company include any Preference Shares not to be redeemed on the relevant redemption date a fresh certificate for those Preference Shares shall be issued free of charge and sent (at the risk of the holder) to the holder delivering such certificate to the Company. If any holder of Preference Shares whose shares are liable to be redeemed shall fail or refuse to deliver a certificate for his Preference Shares to the Company, the Company may retain the redemption monies until delivery of the certificate or an indemnity in respect thereof satisfactory to the Company and shall within seven days of receipt thereof pay the redemption monies to (or to the order of) such holder.

- (f) If a Preference Share is not redeemed by reason of any failure of the relevant member to comply with his obligations under this Article 4.2(3), or it is redeemed in accordance with the Act and the Articles then as from the date fixed for redemption of that Preference Share, such Preference Share shall be extinguished and shall cease to confer further rights of any nature upon its holder, except the right to receive the redemption monies in respect of that Preference Share. The Company shall not be liable to pay interest on any redemption monies which are not claimed on the date fixed for redemption of any Preference Share. The receipt of the registered holder for the time being of any Preference Shares, or in the case of joint registered holders, the receipt by any of them of the monies payable on redemption thereof, shall constitute an absolute discharge to the Company in respect thereof.

(4) As regards further participation

The Preference Shares do not entitle the holders thereof to participate in the profits or assets of the Company beyond such rights as are expressly set out in paragraphs (1) to (3) inclusive above.

(5) As regards Voting

A holder of the Preference Shares shall be entitled to receive notice of general meetings, but not to attend or vote thereat unless:-

- (i) the Company shall have defaulted in payment of redemption monies due in respect of its holding of Preference Shares or any part thereof and shall continue so to default at the date when the Notice convening such general meeting is sent out to members; or
- (ii) the business of the Meeting includes a resolution for winding-up the Company or affecting, altering or abrogating the rights or privileges or restrictions attached to the Preference Shares (in which event the Preference Shares shall entitle the holders thereof to vote on such resolution only).

At every general meeting of the Company at which the holders of the Preference Shares are entitled to vote the provisions of these Articles in respect of votes of Ordinary Shares shall apply mutatis mutandis.

4.3 Ordinary Shares

The rights, privileges, restrictions and limitations attaching to the Ordinary Shares are as follows:

(1) As regards Income

Subject to the Company having first paid in full all interest on the Loan Notes and having first redeemed in full all 13.75% Loan Notes and the Company having redeemed in full (including by way of payment of the

relevant arrears, deficiency or accruals of the fixed cumulative preferential dividend thereon) all the Preference Shares), the balance of the profits available for distribution shall be distributed by way of dividend among the holders of the Ordinary Shares rateably according to the amounts paid up on such shares held by them respectively

(2) As regards Capital

Subject to the Company having first paid in full all interest on and having first redeemed in full all Loan Notes and the Company having redeemed in full (including by way of payment of any relevant arrears, deficiency or accruals of the fixed cumulative preferential dividend thereon) all the Preference Shares), on a return of capital on a winding-up or otherwise (except on redemption or purchase of Preference Shares) thereafter the remaining assets of the Company available for distribution among the members shall belong to and be distributed among the holders of the Ordinary Shares rateably according to the amounts paid up on such shares held by them respectively.

(3) As regards Voting

The provisions of Table A which by virtue of these Articles apply to the Company and which relate to the votes of members shall apply in the case of the Company to the votes attaching to Ordinary Shares (and, accordingly, references to "shares" in such Articles of Table A shall be deemed for all purposes to be references to Ordinary Shares only except as provided by Article 4.2(5)).

5. 5.1 Any new shares from time to time to be created which are to be issued at any time after the date of adoption of these Articles (excluding the Preference Shares) shall be Ordinary Shares and shall be offered whether for cash or otherwise to the holders of the existing Ordinary Shares in proportion as nearly as may be to their existing holdings. Such offer shall be made by notice in writing specifying the number and class of shares offered and limiting a period (not less than 14 days) within which the offer if not accepted shall be deemed to be declined and after the expiration of such time or on the receipt of a written notice from the person to whom the offer is made that he declines to accept the shares offered, the Directors will offer the shares to the other member(s) of the same class who has/have accepted the first offer and, if more than one, in proportion as nearly as may be to their existing holdings. If any shares in such further offer are declined or deemed to be declined the Directors may dispose of the same to other members of the class in such proportions as may be resolved by special resolution passed at a meeting of that class or if the members of that class cannot so resolve the Directors may dispose of the same in such manner as they think fit. Section 89(1) and Section 90 of the Act shall be excluded from applying to allotments of equity securities (as defined in section 94 of the Act) by the Company.
- 5.2 Prior to any issue of shares to any member or prospective member who is a Disqualified Person, the Directors shall (unless they shall resolve otherwise by a majority of Directors excluding any Directors nominated by the member in question) make a request in writing to the Authority requesting the Authority

to determine whether the issue of shares to such member or prospective member would constitute such member or prospective member a Restricted Investor. If the Authority determines that this is the case, the Directors shall endeavour to agree to put forward proposals to the Authority for any offer of an issue of shares to such member or prospective member on terms different from, but to the extent possible not worse nor better than, those on which shares are to be offered to other members which would avoid constituting such member or prospective member a Restricted Investor. If the Authority accepts that such agreed proposed different terms would avoid constituting such member or prospective member a Restricted Investor, the Directors shall offer to issue shares to such member or prospective member on such terms in proportion as nearly as may be to their existing holdings. If no such proposed terms are accepted by the Authority, the Directors may decline to offer that number of shares the issue of which would constitute such member or prospective member a Restricted Investor to such member or prospective member but shall offer such shares to the other members of the same class (not being Restricted Investors) in proportion as nearly as may be to their existing holdings.

6. Subject to the provisions of the Act and to Article 5.1 above:-

- (a) and in particular subject to Chapter VII of Part V of the Act any shares may be issued on the terms that they are, or at the option of the Company are liable, to be redeemed on such terms and in such manner as the Company before the issue of the shares may by special resolution determine and regulation 3 of Table A shall be modified accordingly;
- (b) the Company may purchase its own shares; and
- (c) payment for any such purchase or redemption may (without limiting the generality of this Article) be made otherwise than out of the distributable profits of the Company or the proceeds of a fresh issue of shares.

7. In regulation 33 of Table A the words "any person (including, subject to the provisions of the Act, the company)" in the third line shall be deemed to be deleted and the words "any member of the company" inserted in their place.

TRANSFER OF SHARES

- 8. The Directors may, in their absolute discretion and without giving any reason, refuse to register the transfer of any share in the capital of the Company, whether fully or partly paid save that the Directors shall be obliged to register any transfer of shares where the proposed transferee is a mortgagee or chargee (or a trustee for a mortgagee or chargee) of the shares in question or a purchaser, transferee or other recipient of such shares from such mortgagee or chargee (or a trustee for such mortgagee or chargee).
- 9. The instrument of transfer of any share shall be executed in such form and with such formalities as may from time to time be authorised or required by law and the transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the register of members in respect thereof.

REGISTERS

10. The Directors shall cause the following registers to be kept at the Registered Office of the Company or at such other place as they may determine:-
 - (a) a Register of members;
 - (b) a Register of applications and allotments;
 - (c) a Register of transfers of shares;
 - (d) a Register of the interests of the Directors in shares in or debentures of the Company or its associated companies;
 - (e) a Register of charges and debentures;
 - (f) copies of contracts of service of the Directors of the Company or (if such contracts are not in writing) written memoranda thereof.
11. The Directors shall cause such Registers and copies (or memoranda) as are kept under the provisions of the preceding Article to be completed and made available for inspection in accordance with the provisions of the Act.

GENERAL MEETINGS

12. No business shall be transacted at any general meeting unless the requisite quorum be present. Such quorum shall comprise at least two members present in person or by corporate representative or by proxy or in any other manner provided in these Articles.

If within half an hour from the time appointed for the holding of any such meeting a quorum is not present the meeting shall stand adjourned to the same day two weeks later at the same time and place or to such other day and at such other time and place as all the Directors may determine and, provided that notice of such adjournment shall be given to all those entitled to attend the meeting within three days of the meeting being so adjourned, if at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting then any holder of shares then in issue present in person or by proxy shall be a quorum. A corporate representative present at any general meeting by proxy shall be entitled to vote on a show of hands or on a poll. In regulation 54 of Table A the words "or proxy" shall be added after the words "duly authorised representative".

13. The Chairman may with the consent of any meeting at which a quorum is present (and will if so directed by the meeting) adjourn the meeting from time to time and from place to place. No business shall be transacted at any adjourned meeting other than business unfinished at the meeting from which the adjournment took place.
14. A poll may be demanded by the Chairman or by any member present in person or by proxy and regulation 46 of Table A shall be modified accordingly. If a poll is demanded it shall be taken forthwith and in such manner as the Chairman may direct and regulation 51 of Table A shall be modified accordingly. The result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.

15. The Chairman of the meeting shall not be entitled to a casting vote and accordingly in the case of an equality of votes whether on a show of hands or on a poll the resolution in respect of which such show of hands or poll took place shall be deemed not to have been passed.
16. Subject to the provisions of the Act a resolution in writing signed by all the members of the Company or of any class of members (or their duly authorised attorneys) who at the date of such resolution were entitled to receive notice of and to attend and vote at general meetings or class meetings shall be as valid and effectual as if it had been passed at a general or class meeting of the Company duly convened and held. Any such resolution may consist of several documents in the like form each signed by one or more of the members or their attorneys and signature in the case of a corporate body which is a member shall be sufficient if made by a director thereof or its or his duly authorised attorney.

BORROWING POWERS

17. The Directors may exercise all the powers of the Company to borrow money, and to mortgage and charge all or any part of its undertaking, property and uncalled capital 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.

DIRECTORS

18. The Directors shall not unless otherwise determined by a special resolution of the Company be less than two nor more than nine in number.
19. The Directors may meet together for the despatch of business adjourn and otherwise regulate their meetings as the Directors think fit. A Director subject thereto may and the secretary on the requisition of a Director shall at any time summon a meeting of the Directors. A Director absent from the United Kingdom shall notwithstanding such absence be entitled to notice of any such meeting provided that he shall have left an address to which the notice can be properly sent and notice shall be deemed to have been given to that Director by despatch to the given address.
20. The quorum necessary for a meeting of the Directors shall be two Directors. If within half an hour from the time appointed for the holding of any meeting of Directors a quorum is not present the meeting shall stand adjourned to the same day two weeks later at the same time and place and provided that notice of such adjournment shall be given to all those entitled to attend the meeting within three days of the meeting being so adjourned. If at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting then any single Director shall be a quorum.
21. Questions arising at any meeting of the Directors or of any committee of Directors shall be decided by a majority of the votes of the Directors.
22. A Director need not hold any share qualification but shall be entitled to receive notice of and to attend all general meetings of the Company.
23. (a) A Director may appoint another person as his alternate and may at any time revoke any such appointment.

- (b) An alternate Director shall be entitled to notice of meetings of Directors, to attend and vote as a Director at any meeting at which his appointor is not personally present and generally in the absence of his appointor to exercise all the functions of his appointor as the case may be.
 - (c) An alternate Director shall be deemed not to be an officer of the Company but shall be deemed to be the agent of his appointor.
 - (d) An alternate Director shall cease to be an alternate Director if for any reason his appointment is revoked or his appointor ceases to be a Director.
 - (e) All appointments and revocations of appointment of alternate Directors shall be in writing under the hand of the appointor left at the Company's registered office.
24. Every instrument appointing an alternate Director shall as nearly as circumstances will admit be in the following form or to the effect following on paper bearing the name of the Company:-
- "I
 "a Director of this Company in pursuance
 "of the power in that behalf contained in
 "the Articles of Association of the Company
 "do hereby nominate and appoint
 "
 "of
 "to act as alternate Director in my place
 "at any meeting of the Directors which I
 "am unable to attend and to exercise all
 "my duties as a Director of the Company

 "AS WITNESS my hand this day
 of 19...."
25. The Directors shall be paid out of the funds of the Company all their travelling hotel and other expenses properly incurred by them in and about the business of the Company including their expenses of travelling to and from meetings of the Directors or committee meetings or general meetings. The Directors shall also be paid out of the funds of the Company by way of remuneration for their services as Directors such sum as the Company in general meeting shall from time to time determine.
26. Without otherwise restricting the generality of their powers the Directors may grant donations pensions annuities allowances gratuities benefits emoluments and bonuses or any share or interest in the profits of the Company's business or any part thereof to any directors or ex-directors employees or ex-employees of the Company or its predecessors in business or of any company which is a subsidiary company of or allied to or associated with the Company or any such subsidiary or the dependants of such persons set up establish support and maintain pension superannuation and other funds or schemes (whether contributory or non-contributory) and make payments towards insurance or other payments (either in connection with any such fund or scheme or otherwise) for the benefit of such persons or any of them or any class of them and any Director shall be entitled to receive for his own benefit any such

donation pension annuity allowance gratuity benefit emolument bonus or share or interest in profit (whether under such fund or scheme or otherwise) and shall be counted in any quorum of Directors and may vote as a Director in respect of any of the powers of this Article conferred on the Directors notwithstanding that he is or may be interested therein.

27. The Directors may grant special remuneration to any Director who being called on shall render or agree to render any special or extra service to the Company or go or reside abroad in connection with the conduct of any of the affairs of the Company. Such special remuneration may be made payable to such Director in addition to or in substitution for his ordinary remuneration (if any) as a Director and may be payable by way of a lump sum participation in profits or otherwise as the Directors shall determine.
28. (a) A Director who is in any way directly or indirectly interested in a contract or a proposed contract transaction or arrangement with the Company shall declare the nature of his interest at a meeting of the Directors in accordance with Section 317 of the Act and thereupon may be a party to, or otherwise interested in, any transaction or arrangement with the Company or in which the Company is otherwise interested.

(b) A Director may vote as a Director in respect of any contract or arrangement in which he is interested or upon any matter arising therefrom and if he shall so vote his vote shall be counted and he shall be counted in a quorum when any such contract or arrangement is under consideration.
29. Any Director may continue to be or become a director of or hold any other office or place of profit under any other company in which the Company may be interested and no such Director shall be accountable for any remuneration salary profit or other benefits received by him as a Director of or holder of any other office or place of profit under or member of any such other company. The Directors may exercise the voting power conferred by the shares in any company held or owned by the Company in such manner in all respects as they think fit (including the exercise thereof in favour of any resolution appointing themselves or any of them directors of such company or voting or providing for the payment of remuneration to the directors of such company) and any Director of the Company may vote in favour of the exercise of such voting rights in manner aforesaid notwithstanding that he may be or be about to be appointed a director of such other company and as such is or may become interested in the exercise of such voting rights in manner aforesaid.
30. The Directors shall cause minutes to be made in books provided for the purpose:-
 - (a) of the names of Directors present at each meeting of the Directors and
 - (b) of all resolutions and proceedings at all meetings of the Company and of the Directors.
31. No Director shall vacate his office or be ineligible for re-appointment as a Director nor shall any person be ineligible for appointment as a Director by reason only of his having attained any particular age.
32. A resolution in writing signed by the Directors for the time being and entitled to vote shall be as valid and effectual as if it had been passed at a duly convened board

meeting. Provided always that the resolution has been signed by at least the number of Directors required to constitute a quorum. Any such resolution may consist of several documents in the like form each signed by one or more Directors.

33. All or any of the members of the board of Directors or any committee of the board of Directors may participate in a meeting of the board of Directors or that committee by means of a conference telephone or any communication equipment which allows all persons participating in the meeting to hear each other. A person or persons so participating shall be deemed to be present in person at the meeting and shall be entitled to vote and to be counted in a quorum accordingly. Such a meeting shall be deemed to take place where the largest of the groups of those persons participating in the meeting is assembled or, if there is no such group, where the Chairman of the meeting then is;

EXECUTIVE APPOINTMENTS

34. The Directors may from time to time by unanimous resolution appoint any person to an office or employment having a designation or title including the word "Director" or attach to any existing office or employment with the Company such a designation or title.

The inclusion of the word "Director" in the designation or title of any office or employment with the Company shall not imply that the holder thereof is a Director of the Company nor shall such holder thereby be empowered in any respect to act as a Director of the Company or be deemed to be a Director for any of the purposes of these regulations.

ACCOUNTS AND DIRECTORS REPORT

35. The Directors shall cause proper books of account to be kept in accordance with the provisions of Schedule 9 of the Act with respect to:-
- (a) all sums of money received and expended by the Company and the matters in respect of which the receipt and expenditure takes place;
 - (b) all sales and purchases of goods by the Company;
 - (c) the assets and liabilities of the Company; and
 - (d) all those matters required by the Act to be shown in the Accounts of the Company.

Proper books shall not be deemed to be kept if there are not kept such books of account as are necessary to give a true and fair view of the state of the Company's affairs and to explain its transactions.

36. The Directors shall from time to time cause to be prepared and, if for the time being still required pursuant to the Act laid before the Company in general meeting, such profit and loss accounts balance sheets group accounts (if any) and directors' reports as are required by the Act.

CAPITALISATION

37. In any case where unissued shares in the Capital of the Company are proposed to be paid up and distributed amongst the members by way of capitalisation of profits or reserves the shares so to be paid up and distributed to the members shall consist exclusively of shares of the class which they are holding and regulation 110 of Table A shall be modified accordingly.

WINDING UP

38. In regulation 117 of Table A the words "with the like sanction" shall be inserted immediately before the words "determine how the division".

EXECUTION OF DOCUMENTS

39. The seal, if any, shall only be used with the authority of the Directors or of a committee of the Directors authorised by the Directors. The Directors may determine who shall sign any instrument to which the seal is affixed and unless otherwise determined it shall be signed by a Director and by the Secretary or by a second Director. Any document signed by a Director and the Secretary of the Company or by two Directors of the Company and expressed (in whatever form of words) to be executed by the Company has the same effect as if executed under the seal of the Company. A document shall only be so signed with the authority of a resolution of the Directors or a committee of the Directors.

INDEMNITY

40. (a) Every Director or other officer or auditor of the Company shall be indemnified out of the assets of the Company against all costs, charges, expenses, losses or liabilities which he may sustain or incur in or about the execution of the duties of his office or otherwise in relation thereto, including any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in connection with any application under Section 144 or Section 727 of the Act or in which relief is granted to him by the Court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the Company. No Director or other officer shall be liable for any loss, damage or misfortune which may happen to or be incurred by the Company in the proper execution of the duties of his office or in relation thereto. But this Article shall only have effect insofar as its provisions are not avoided by the Act.
- (b) The Directors shall have power to purchase and maintain for any Director, officer or auditor of the Company insurance against any such liability as is referred to in Section 310(1) of the Act.