

16-05-97

Company Number: 3359692

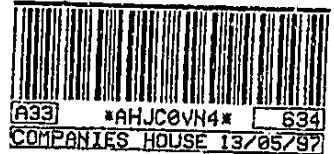
THE COMPANIES ACT 1985

PRIVATE COMPANY LIMITED BY SHARES

WRITTEN RESOLUTION OF

VIRGIN RADIO HOLDINGS LIMITED

Dated 30 April 1997



WRITTEN RESOLUTION

We, the undersigned, being for the time being all of the members of the Company who, at the date of this Resolution would be entitled to attend and vote at General Meetings of the Company HEREBY PASS the following Resolutions as Ordinary Resolutions and agree that the said Resolutions shall, for all purposes be as valid and effective as if the same had been passed by us all at a General Meeting of the Company duly convened and held:-

ORDINARY RESOLUTIONS

1. THAT a Share and Loan Note Exchange Agreement in the form circulated to the members relating to the proposed acquisition by the Company from the Vendors (as defined in the Agreement) of in aggregate 74,795 Ordinary Shares of 1p each in the capital of Virgin Radio Limited be approved notwithstanding that such acquisition is a substantial property transaction involving directors within the meaning of s.320 of the Companies Act 1985.
2. That the regulations contained in the document produced to the Meeting signed by the Chairman for the purpose of identification be and they are hereby adopted as the Articles of Association of the Company in substitution for the existing Articles of the Company and all regulations incorporated therein.

Signature

Name: Richard Branson

Signature

Name: Duly authorised, for and on behalf of
Abacus (C.I.) Limited

Signature

Name: Duly authorised, for and on behalf of
Morgan Grenfell Trustee Services
(Guernsey) Limited

16-05-97

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PAGE 02

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Signature 
Authorised Signatory Authorised Signatory

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Morgan Grenfell Trustee Services
(Guernsey) Limited

NO 17723/97/0000

16-05-97

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The Companies Acts 1985 and 1989

PRIVATE COMPANY LIMITED BY SHARES

MEMORANDUM AND ARTICLES
OF ASSOCIATION
OF

VIRGIN RADIO HOLDINGS LIMITED

16 - 05 - 97

The Companies Acts 1985 and 1989

COMPANY LIMITED BY SHARES

MEMORANDUM OF ASSOCIATION
OF

VIRGIN RADIO HOLDINGS LIMITED

1. The name of the Company is VIRGIN RADIO HOLDINGS LIMITED.
2. The Company's Registered Office is to be situated in ENGLAND AND WALES.
3. The Company's objects are:-
 - (i) To carry on business as a general commercial company.
 - (ii) To carry on any other business which may in the opinion of the directors be advantageously carried on by the Company.
 - (a) to apply for, purchase or otherwise acquire and hold or use any patents, licences, concessions, copyrights and the like, conferring any right to use or publish any secret or other information and to use, exercise, develop or grant licences in respect of the property, rights or information so acquired.
 - (b) To purchase, take on lease or in exchange, hire or otherwise acquire and hold for any estate or interest any lands, buildings, easements, rights, privileges, concessions, patents, patent rights, licences, secret processes, machinery, plant, stock-in-trade, and any real or personal property of any kind for such consideration and on such terms as may be considered expedient.
 - (c) To erect, construct, lay down, enlarge, alter and maintain any roads, railways, tramways, sidings, bridges, reservoirs, shops, stores, factories, buildings, works, plant and machinery necessary or convenient for the Company's business, and to contribute to or subsidise the erection, construction and maintenance of any of the above.
 - (d) To borrow or raise or secure the payment of money for the purposes of or in connection with the Company's business, and for the purposes of or in connection with the borrowing or raising of money by the Company to become a member of any building society.
 - (e) To mortgage and charge the undertaking and all or any of the real and personal property and assets, present or future, and all or any of the uncalled capital for the

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time being of the Company, and to issue at par or at a premium or discount, and for such consideration and with and subject to such rights, powers, privileges and conditions as may be thought fit, debentures or debenture stock, either permanent or redeemable or repayable, and collaterally or further to secure any securities of the Company by a trust deed or other assurance.

- (f) To issue and deposit any securities which the Company has power to issue by way of mortgage to secure any sum less than the nominal amount of such securities, and also by way of security for the performance of any contracts or any obligations of the Company or of its customers or other persons or corporations having dealings with the Company, or in whose businesses or undertakings the Company is interested, whether directly or indirectly.
- (g) To receive money on deposit or loan upon such terms as the Company may approve, and to guarantee the obligations and contracts of any person or corporation.
- (h) To lend and advance money or give credit on any terms and with or without security to any person, firm or company (including without prejudice to the generality of the foregoing any holding company, subsidiary or fellow subsidiary of, or any other company associated in any way with, the Company). to enter into guarantees, contracts of indemnity and suretyships of all kinds, to receive money on deposit or loan upon any terms, and to secure or guarantee in any manner and upon any terms the payment of any sum of money or the performance of any obligation by any person, firm or company (including without prejudice to the generality of the foregoing any such holding company, subsidiary, fellow subsidiary or associated company as aforesaid).
- (i) To grant pensions, allowances, gratuities and bonuses to officers, ex-officers, employees or ex-employees of the Company or its predecessors in business or the dependants or connections of such persons, to establish and maintain or concur in establishing and maintaining trusts, funds or schemes (whether contributory or non-contributory) with a view to providing pensions or other benefits for any such persons as aforesaid, their dependants or connections, and to support or subscribe to any charitable funds or institutions, the support of which may, in the opinion of the directors, be calculated directly or indirectly to benefit the Company or its employees, and to institute or maintain any club or other establishment or profit sharing scheme calculated to advance the interests of the Company or its officers or employees.
- (j) To draw, make, accept, endorse, negotiate, discount and execute promissory notes, bills of exchange and other negotiable instruments.
- (k) To invest and deal with the moneys of the Company not immediately required for the purposes of its business in or upon such investments or securities and in such manner as may from time to time be determined.
- (l) To pay for any property or rights acquired by the Company, either in cash or fully or partly paid-up shares, with or without preferred or deferred or special rights or restrictions in respect of dividend, repayment of capital, voting or otherwise, or by any securities which the Company has power to issue, or partly in one mode and partly in another, and generally on such terms as the Company may determine.

- (m) To accept payment for any property or rights sold or otherwise disposed of or dealt with by the Company, either in cash, by instalments or otherwise, or in fully or partly paid-up shares of any company or corporation, with or without deferred or preferred or special rights or restrictions in respect of dividend, repayment of capital, voting or otherwise, or in debentures or mortgage debentures or debenture stock, mortgages or other securities of any company or corporation, or partly in one mode and partly in another, and generally on such terms as the Company may determine, and to hold, dispose of or otherwise deal with any shares, stock or securities so acquired.
- (n) To enter into any partnership or joint-purse arrangement or arrangement for sharing profits, union of interests or co-operation with any company, firm or person carrying on or proposing to carry on any business within the objects of this Company, and to acquire and hold, sell, deal with or dispose of shares, stock or securities of any such company, and to guarantee the contracts or liabilities of, or the payment of the dividends, interest or capital of any shares, stock or securities of and to subsidise or otherwise assist any such company.
- (o) To establish or promote or concur in establishing or promoting any other company whose objects shall include the acquisition and taking over of all or any of the assets and liabilities of this Company or the promotion of which shall be in any manner calculated to advance directly or indirectly the objects or interests of the Company and to acquire and hold or dispose of shares, stock or securities of and guarantee the payment of the dividends, interest or capital of any shares, stock or securities issued by or any other obligations of any such company.
- (p) To purchase or otherwise acquire and undertake all or any part of the business, property, assets, liabilities and transactions of any person, firm or company carrying on any business which the Company is authorised to carry on.
- (q) To sell, improve, manage, develop, turn to account, exchange, let on rent, royalty, share of profits or otherwise, grant licences, easements and other rights in or over, and in any other manner deal with or dispose of the undertaking and all or any of the property and assets for the time being of the Company for such consideration as the Company may think fit.
- (r) To amalgamate with any other company whose objects are to include objects similar to those of the Company, whether by sale or purchase (for fully or partly paid-up shares or otherwise) of the undertaking, subject to the liabilities of the Company or any such other company as aforesaid with or without winding up, or by sale or purchase (for fully or partly paid-up shares or otherwise) of all or a controlling interest in the shares or stock of the Company or any such company as aforesaid, or by partnership, or any arrangement of the nature of partnership, or in any other manner.
- (s) To distribute among the members in specie any property of the Company, or any proceeds of sale or disposal of any property of the Company, but so that no distribution amounting to a reduction of capital be made except with the sanction (if any) for the time being required by law.
- (t) To do all or any of the above things in any part of the world, and either as principals, agents, trustees, contractors or otherwise, and either alone or in conjunction with others, and either by or through agents, trustees, sub-contractors

or otherwise.

- (ii) To do all such things as are incidental or conducive to the above objects or any of them.

And it is hereby declared that in the construction of this clause the word "company" except where used in reference to the Company shall be deemed to include any person or partnership or other body of persons, whether incorporated or not incorporated, and whether domiciled in Great Britain or elsewhere, and that the objects specified in the different paragraphs of this clause shall not, except where otherwise expressed therein, be in any way limited by reference to any other paragraph or the name of the Company, but may be carried out in as full and ample a manner and shall be construed in as wide a sense as if each of the said paragraphs defined the objects of a separate, distinct and independent company.

- 4. The liability of the members is limited.
- 5. The Company's share capital is: £3,953,914.95 divided into 6,039,295 Ordinary Shares of 1p each and 3,893,522 Preference Shares of £1 each. *

The shares in the original or any increased capital may be divided into several classes, and there may be attached thereto respectively any preferential, deferred or other special rights, privileges, conditions or restrictions as to dividend, capital, voting or otherwise.

* The capital of the Company was increased from £1,000 by Ordinary Resolution passed on 29th April 1997.

16-05-97

I, the person whose name and address is subscribed is desirous of being formed into a Company in pursuance of this Memorandum of Association and I respectively agree to take the number of shares in the capital of the Company set opposite my name.

Name and Address of Subscribers

Number of Shares taken by Each Subscriber

KIM STEVEN CHATTERLEY
74 THE HALL
BLACKHEATH
LONDON
SE3 9BG

Authorised Signatory:



1 ORDINARY share

Total number of shares:

1 ORDINARY share

Dated: 18 April 1997

Witness to the above signatures:

ALAN JAMES CUNNINGHAM
318 KENILWORTH ROAD
LONDON
NW6 7HL



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 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 those 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 claims 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.
- (f) 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.

- (g) 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 8 of Table A the words and brackets "(not being a fully paid share)" shall be deemed to be deleted.
8. 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

9. (a) Notwithstanding any other provisions of these Articles the Directors may refuse to register the transfer of any share
 - (i) on which the Company has a lien; or
 - (ii) if the transfer is not presented in accordance with the circumstances referred to in sub-paragraphs (a) (b) and (c) of regulation 24 of Table A; or
 - (iii) where such transfer is to a person who the Authority has notified to the Company is a Restricted Investor; or

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(iv) unless the provisions of this Article 9 have been duly complied with,

The Directors shall not register any transfer without a resolution of the board of Directors to do so having been passed.

(b) Subject to the provisions of Article 9(a) any shares may at any time be transferred by Virgin Communications Limited, the Trustees, Richard Branson Robert Devereux, Trevor Abbott and any Associated Person (a "Permitted Transferor") to:

- (i) each other
- (ii) the trustees of any settlement created by such individuals or Simon Draper
- (iii) any spouse of the individuals mentioned in (ii) above, or any child or remoter issue of the individuals' grandparents
- (iv) the trustee or trustees for the time being of any settlement made by any person mentioned in (iii) above
- (v) any personal representative of any of the individuals specified above
- (vi) any person acting as bare nominee for any of the persons referred to in (i) to (iii) inclusive above
- (vii) any undertaking which is majority or wholly owned directly or indirectly by a person named or described above as a Permitted Transferor by himself or together with any person mentioned in (i) to (vi) above (persons described in (i) to (vii) are "Associated persons") and
- (viii) Kenneth Ibbett

(c) In this Article 9:-

"Transfer Notice" shall mean notice in writing given to the Company by a Proposing Transferor that he desires to transfer shares specifying the numbers and the class of shares and the intended Transferee (if any) ("Proposed Transferee") of such shares and the price at which he desires to sell or transfer such shares and whether or not it is conditional upon all the shares comprised in the Transfer Notice being sold and in the absence of such stipulation it shall be deemed not to be so conditional;

"Proposing Transferor" shall mean in relation to any proposed transfer of shares the person who gives or is deemed to give a Transfer Notice;

"the Sale Shares" shall mean the shares to be sold or transferred as specified in a Transfer Notice,

"the Prescribed Period" shall mean a period of three months from the date on which a Transfer Notice is given or deemed to be given or, if later the date on which the pre-emption procedure provided under this Article has been exhausted;

"the Prescribed Price" shall (as applicable) mean:-

- (i) in relation to Preference Shares, such price as may be specified in the Transfer Notice or, if no price is specified, the sum of £1 per Preference Share; and
- (ii) in relation to Ordinary Shares such price as may be specified in the Transfer Notice or, if no price is specified, or the Proposing Transferor so requests in his Transfer Notice, at the fair value as determined and certified by the Auditors for the time being of the Company on the application of the Directors (such application to be made within seven days of the Transfer Notice). The Directors will use all reasonable endeavours to assist the Auditors to reach their opinion as quickly as possible. Such Auditors shall in so determining and certifying act as experts and not as arbitrators, and shall determine the fair value as an amount which in their opinion represents a fair value for such Ordinary Shares the subject of the Transfer Notice as between a willing vendor and a willing purchaser calculated on the basis of a fair value for the Company as a going concern after making such adjustment (if any) as the Auditors consider appropriate to take account of the value of the Preference Shares and Loan Notes and bank borrowings then outstanding divided by the number of Ordinary Shares in issue multiplied by the number of Ordinary Shares constituting the Sale Shares (appropriate adjustments being made if in addition to the Ordinary Shares and Preference Shares, more than one class of shares is in issue at the time of valuation). If the Auditors are asked to determine the fair value in accordance with this paragraph then within seven days of receipt of the said valuation the board of Directors will notify the Proposing Transferor of the Prescribed Price thus determined. Unless the Proposing Transferor then confirms his desire to proceed with the sale or transfer of the Ordinary Shares within 14 days of being notified of the Auditors' determination of the fair value then the Transfer Notice served by the Proposing Transferor shall be deemed to have been withdrawn and the board of Directors shall be deemed to have consented to that withdrawal, the Proposing Transferor being responsible upon such withdrawal for the costs of the Auditors in determining the Prescribed Price.
- (d) In addition to the restrictions and provisions of Article 9(a) the right to transfer shares or any interest in such shares in the Company (except in the case of Permitted Transferees) shall be subject to the restrictions and provisions set out in the Articles 9 (e) to (s).
- (e) Save in respect of a transfer pursuant to Article 9(b), before transferring any shares the person proposing to transfer such shares shall give a Transfer Notice which shall constitute the Company his agent for the sale of the Sale Shares at the Prescribed Price to any member or to the Company. Save as otherwise expressly provided a Transfer Notice once given or deemed to have been given shall not be revocable except with the consent of all of the Directors in writing unless the Authority shall determine that the Proposed Transferee is a Restricted Investor in which case the Proposing Transferor shall be deemed to have withdrawn its Transfer Notice. Shares of different classes shall not be included in the same Transfer Notice.

(f) On receipt of a Transfer Notice the Directors shall immediately make a request in writing to the Authority for the Authority to determine if possible within the Prescribed Period:

- (i) where there is a Proposed Transferee, whether or not such Proposed Transferee is a Restricted Investor (and if so determined by the Authority immediate notice of such determination shall be given to the Proposed Transferor); and
- (ii) whether a transfer of any of the Sale Shares pursuant to any of Articles 9 (g) (i) (j) (k), (q), (r) and (s) below to any member who is a Disqualified Person would constitute that member a Restricted Investor,

provided that if the Directors shall fail to make such request the Proposing Transferor may do so.

(g) Whenever a Transfer Notice is given, the Company shall forthwith upon receipt thereof, or where the Auditors valuation is required upon receipt of such valuation and confirmation that the Proposing Transferor still wishes to sell its shares at the value certified by the Auditors, offer the Sale Shares (such offer to be accepted within such period being not less than one month or more than six weeks as the Directors shall think fit) in the first place to all the holders other than the Proposing Transferor of shares in the capital of the Company of the same class as the Sale Shares (other than Restricted Investors) pro rata as nearly as may be to the number of shares of that class in the capital of the Company registered in the names of such holders each such member being entitled to apply also for Sale Shares refused by other members of the same class entitled thereto and in the event of competition for the Sale Shares so refused they will be allocated amongst those interested pro-rata as nearly as may be to the number of shares of that class in the capital of the company registered in the names of such holders. If the Company shall not find prospective purchasers for all the Sale Shares from shareholders of that class (other than Restricted Investors) then the Company shall in the second place offer the number of Sale Shares for which it has not found prospective purchasers to the holders of Preference Shares (where the Sale Shares are Ordinary Shares) or to the holders of Ordinary Shares (where the Sale Shares are Preference Shares) pro rata as nearly as may be to the number of shares of those other classes registered in the name of such holders. The offer shall specify the total number of shares to be sold and shall invite each such holder to notify the Directors of the maximum number of shares which he would wish to purchase if available. Any offer made by the Directors pursuant to this paragraph shall be made by notice in writing and where more than one offer is to be made, for example to the holders of different classes of shares there will be conducted by separate notices, the second (or subsequent notices) not being made until the first (or other immediately preceding notice) has expired without all the Sale Shares being taken up.

(h) If the Company does not find prospective purchasers for all the Sale Shares then the Directors may if they think fit and subject to the provisions of the Act cause the Company to purchase some or all of the Sale Shares at the Prescribed Price.

- (i) (i) If the Company shall within the Prescribed Period find prospective purchasers for all of the Sale Shares or resolve to purchase any such shares for which a purchaser or purchasers have not been found itself it shall so notify the Proposing Transferor and the prospective purchasers (if any) in writing and the Proposing Transferor shall be bound upon payment of the Prescribed Price to transfer the Sale Shares to the purchaser or purchasers. Any such notice to the Proposing Transferor and prospective purchasers ("the Allocation Notice") shall specify the name and address of each purchaser and the number of Sale Shares to be purchased by him and the time and place being not less than seven days after the date of such notice at which the sale and purchase of the Sale Shares shall be completed Provided that if the Directors have made a request to the Authority in accordance with Article 9 (f) in relation to a prospective purchaser and no determination has been made by the Authority prior to such time, such completion shall be delayed in relation to such purchaser until the Authority has confirmed that such purchaser would not be a Restricted Investor. If the Authority should indicate in response to such requests that the transfer of all or any part of the Sale Shares to any prospective purchaser would constitute such prospective purchaser a Restricted Investor the relevant Sale Shares shall not be transferred to such prospective purchaser but shall be allocated if possible to any members who have indicated that they desire to purchase excess shares in accordance with the provisions of Article 9(g) and a revised Allocation Notice shall be served (provided all such relevant Sale Shares can be so allocated) and the provisions of this Article shall mutatis mutandis apply to such transfer.
- (ii) If in any case the Proposing Transferor after having become bound to transfer any shares to a purchaser shall make default in transferring the relevant Sale Shares the Directors may authorise any one Director or the secretary of the Company to execute on behalf of and as attorney for the Proposing Transferor any necessary transfers or other documents. Such Director or secretary shall then be deemed to be the duly appointed agent and attorney of such Proposing Transferor for such purpose and the Company may receive the purchase money from the purchaser and shall upon production of the share transfer (subject to the same being duly stamped) and any other necessary documents cause the name of the purchaser to be entered in the register as the holder of the shares and shall hold the purchase money in trust for the Proposing Transferor until he shall deliver to the Company a certificate or certificates for the Sale Shares and ratification (in a form reasonably satisfactory to the Directors) of the said transfer of the Sale Shares whereupon he shall be paid the purchase monies. The receipt of the Company for the purchase money shall be a good discharge to the purchaser who shall not be bound to see the application thereof and after the name of the purchaser has been properly entered in the register in exercise of the aforesaid powers the validity of the proceedings shall not be questioned by any person.
- (j) If the Company shall not within the Prescribed Period either find purchasers willing to purchase all the Sale Shares or resolve to purchase all of the Sale Shares for which it has not found purchasers the Proposing Transferor at

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any time within one month after the date on which such notice is given shall identify and be at liberty (subject only to the provisions of paragraph (a)) to identify and transfer the Sale Shares to the Proposed Transferee (if any) or, if not, any third party on a bona fide sale at any price not being less than the Prescribed Price such price being "the Third Party Price" Provided that in such case the Sale Shares shall be offered to other members of the Company once again pursuant to the provisions of this Article as if there had been a new Transfer Notice served specifying the identified proposed transferee as the Proposed Transferee and that the Prescribed Price is the Third Party Price and Provided that the Directors may require to be reasonably satisfied in such a manner as they may reasonably specify and supported by such reasonable evidence including statutory declarations from the Proposing Transferor and transferee as they shall request that the Sale Shares are being transferred in pursuance of a bona fide sale for the consideration stated in the transfer without any deduction rebate or allowance whatsoever to the transferee and that the transferee is not a Restricted Investor and if not so satisfied the Directors may refuse to register the instrument of transfer.

- (k) If the Proposing Transferor shall have included in the Transfer Notice a provision that unless all the Sale Shares comprised therein are sold none shall be sold then if the total number of shares applied for is less than the number of Sale Shares the Allocation Notice shall refer to such provision and shall contain a further invitation open for at least 28 days but no more than 42 days to those persons to whom Sale Shares have been allocated to apply for further Sale Shares and completion of the sales in accordance with the provision of this Article shall be delayed until such a provision as aforesaid has been applied with in full. In addition if the above provision is included in the Transfer Notice and members of the Company or the Company itself shall not accept all the Sale Shares under the procedures outlined above then, unless the Proposing Transferor specifically agrees otherwise the Proposing Transferor shall not be bound to transfer any of the Sale Shares to such member and/or the Company but shall be entitled to sell or transfer all its Sale Shares to a third party in accordance with the provisions of sub-paragraph (j).
- (l) A person entitled to a share in consequence of the bankruptcy or liquidation of a member shall be bound at any time if and when called upon by the Directors so to do to give a Transfer Notice of all the shares then registered in the name of the member who is bankrupt or in liquidation.
- (m) A person entitled to a share in consequence of the death of a member or the personal representatives of a deceased member as the case may be must before the expiration of six months from the date of such death give a Transfer Notice in respect of all the shares registered in the name of the deceased member at the date of his death.
- (n) Where pursuant to any of sub-paragraphs (l) (m) (o) (p) (q) (r) and (s) or any other obligation binding on the members of the Company a Transfer Notice shall be required to be given in respect of any shares and such Transfer Notice is not duly given within a period of 14 days such Transfer Notice shall be deemed to have been given at the expiration of the said period or at the expiry of 14 days after the Directors first become aware of the default and the provisions of this Article 9 shall take effect accordingly Provided That:

- (i) the Transfer Notice shall be deemed to relate to all the shares held by the member; and
 - (ii) the Transfer Notice shall be deemed to contain a proviso requiring all the shares comprised therein to be sold and in so far as it may then relate to more than one class of shares, shall for the purposes of compliance with the pre-emption provisions of this Article be deemed to be separate Transfer Notices, one for each class of shares held by the relevant member; and
 - (iii) the price shall be determined by the Auditors in accordance with the provisions of this Article and the Transfer Notice shall not require confirmation by the Proposing Transferor following receipt of a notification of the Prescribed Price as set out in paragraph (c) above.
- (o) For the purpose of determining:
- (i) that a transfer of shares is a Permitted Transfer; or
 - (ii) that no circumstances have arisen whereby a Transfer Notice is required to be given hereunder; or
 - (iii) whether any member or any person who has an interest in shares held by such member is a Disqualified Person or a Restricted Investor; or
 - (iv) whether there are reasonable grounds for apprehending that the Authority may revoke, suspend, remove, refuse to extend or renew, vary the terms or conditions of or impose onerous conditions on the holding of any Licence by reason of the interest of any person in shares of the Company or the influence exerted by any person over any member of the Company; or
 - (v) that an issue of shares is duly authorised hereunder or that a proposed allottee of shares is not or will not thereby become a Disqualified Person or a Restricted Investor,

the Directors may from time to time serve a notice on any member or the legal personal representatives of any deceased member or any person named as transferee in any transfer lodged for registration or any person whom they have reasonable grounds for believing to have information concerning dealings with or interests in shares of the Company requiring such person to furnish to the Company such information and evidence as the Directors may reasonably think fit regarding any matter which they may reasonably deem relevant to such purpose and may reasonably further require such reasonable information and evidence to be in the form of a statutory declaration. Such Notice shall:

- (aa) refer the member concerned to the consequences of a failure to comply with the request as set out in Article 9(p);
- (bb) state for which purpose under this Article the information is required;

- (cc) in the case of information or evidence required pursuant to paragraphs (iii) or (iv) members shall only be required to supply such information or evidence as is requested in writing by the Authority.

If such information or evidence discloses that a Transfer Notice ought to have been given in respect of any shares the Directors may by notice in writing require that a Transfer Notice be given in respect of the shares concerned.

- (p) If a member is or becomes a Restricted Investor or fails to comply with a request for information or evidence pursuant to Article 9(o) to the reasonable satisfaction of the Directors within a period of ten business days after such request being made, the Directors shall be entitled to (but shall not be obliged to) do any or all of the following:
 - (i) serve a further notice on the member calling upon him within a specified period to furnish the Directors with such further information or evidence as they may require (and the provisions of this Article 9(o) shall mutatis mutandis apply to a failure to comply with such notice);
 - (ii) refuse to register any transfer in question;
 - (iii) if no transfer is in question require that all the shares owned by such member be transferred to a Permitted Transferee of such member within ten business days or failing which require a Transfer Notice to be given in respect of all of the shares held by the member in default.
- (q) If a member (not for the avoidance of doubt being Virgin Communications Limited, the Trustees, Richard Branson, Robert Devereux, Trevor Abbott, any Associated Person of any such person for the purposes of Article 9 or any person who is a successor in title to any shares previously held by such person) who has contracted directly or indirectly to render services to the Company or any Member of the same Group as the Company shall cease to render services under that contract for any reason, he, and any successor(s) in title to any shares (or any interest in shares) previously held by him (not for the avoidance of doubt being Virgin Communications Limited, the Trustees, Richard Branson, Robert Devereux, Trevor Abbott, any Associated Person of any such person for the purposes of Article 9 or any person who is a successor in title to any shares previously held by such person) shall be bound at any time if and when called upon by the Directors so to do to give (a) Transfer Notice(s) in respect of all the shares then registered in the name of such member and in respect of all the shares in which such member is then interested and all such shares then held by each such successor in title, or in which each such successor in title is interested as the case may be.
- (r) Upon any member (not for the avoidance of doubt being Virgin Communications Limited, the Trustees, Richard Branson, Robert Devereux, Trevor Abbott, any Associated Person of any such person for the purposes of Article 9 or any person who is a successor in title to any shares previously held by such person) who is at any time an employee or a director of the Company or any Member of the same Group as the Company

ceasing to be such an employee or director, he and any successor(s) in title to any shares (or any interest in shares) previously held by him(not for the avoidance of doubt being Virgin Communications Limited, the Trustees, Richard Branson, Robert Devereux, Trevor Abbott, any Associated Person of any such person for the purposes of Article 9 or any person who is a successor in title to any shares previously held by such person) shall be bound at any time if and when called upon by the Directors so to do to give (a) Transfer Notice(s) in respect of all the shares then registered in the name of such member and in respect of all the shares in which such member is then interested and all such shares then held by each such successor in title or in which each such successor in title is interested as the case may be. A member shall not be treated for this purpose as ceasing to be a director or employee of the Company or any Member of the same Group as the Company until such time as he is no longer required as such an employee or director (or has been requested by the board of the relevant company to resign as a director of any such company).

- (s) Following any person (not for the avoidance of doubt being Virgin Communications Limited, the Trustees, Richard Branson, Robert Devereux, Trevor Abbott, any Associated Person of any such person for the purposes of Article 9 or any person who is a successor in title to any shares previously held by such person) who is not (or who has ceased to be) an employee or director of the Company or any Member of the same Group as the Company acquiring shares which were issued pursuant to or in respect of rights or interests obtained by any such an employee or director, he and any successor(s) in title to any shares (or any interest in shares) previously held by him (not for the avoidance of doubt being Virgin Communications Limited, the Trustees, Richard Branson, Robert Devereux, Trevor Abbott, any Associated Person of any such person for the purposes of Article 9 or any person who is a successor in title to any shares previously held by such person) shall be bound at any time if and when called upon by the directors so to do to give (a) Transfer Notice(s) in respect of all the shares then registered in the name of such member and in respect of all the shares in which such member is then interested and all such shares then held by each such successor in title or in which each such successor in title is interested as the case may be.

- 10. The instrument of transfer of any share shall be executed in such form and with such formalities as may from time to time be authorized 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

- 11. 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.
12. 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

13. 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".

14. 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.
15. 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.
16. 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.
17. 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

18. 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

19. The Directors shall not unless otherwise determined by a special resolution of the Company be less than two nor more than nine in number.
20. 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.
21. 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.
22. 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.
23. 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.
24. (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.

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- (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.
25. 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...."
26. 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.
27. 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.
28. 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

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payable by way of a lump sum participation in profits or otherwise as the Directors shall determine.

29. (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.
30. 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.
31. 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.
32. 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.
33. 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.
34. 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

35. 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

36. 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.

37. 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

38. 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

39. 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

40. 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

41. (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.

16-05-97

APPENDIX THE TRUSTEES

Abacus (C.I.) Limited of La Motte Chambers, St Helier, Jersey, Channel Islands JE1 1BJ (fax number 01534 602002) in its capacity as trustees of the Aquarius Trust dated 25 January 1986

Abacus (C.I.) Limited of La Motte Chambers aforesaid in its capacity as trustees of the Aries Trust dated 27 January 1985

Abacus (C.I.) Limited, of La Motte Chambers aforesaid in its capacity as trustees of the Capricorn Trust dated 24 January 1985

Abacus (C.I.) Limited, of La Motte Chambers aforesaid in its capacity as trustees of the Pisces Trust dated 26 January 1985

Abacus (C.I.) Limited, of La Motte Chambers aforesaid in its capacity as trustees of the Saturn Trust dated 29 January 1986

Morgan Grenfell Trustee Services (Guernsey) Limited of Morgan Grenfell House, PO Box 96, St Peter Port, Guernsey, Channel Islands (fax number 01481 727841), in its capacity as trustees of the Libra Trust dated 30 January 1985

Morgan Grenfell Trustee Services (Guernsey) Limited, of Morgan Grenfell House aforesaid in its capacity as trustees of the Virgo Trust dated 29 January 1985

Morgan Grenfell Trustee Services (Guernsey) Limited, of Morgan Grenfell House aforesaid in its capacity as trustees of the Jupiter Trust dated 28 January 1986

Morgan Grenfell Trustee Services (Guernsey) Limited, of Morgan Grenfell House aforesaid in its capacity as trustees of the Mars Trust dated 28 January 1986

Morgan Grenfell Trustee Services (Guernsey) Limited of Morgan Grenfell House aforesaid in their capacity as trustees of the Venus Trust dated 29 January 1986

Morgan Grenfell Trustee Services (Guernsey) Limited, of Morgan Grenfell House aforesaid in its capacity as trustees of the Gemini Trust dated 31 January 1985

Morgan Grenfell Trustee Services (Guernsey) Limited, of Morgan Grenfell House aforesaid in its capacity as trustees of the Leo Trust dated 31 January 1985

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