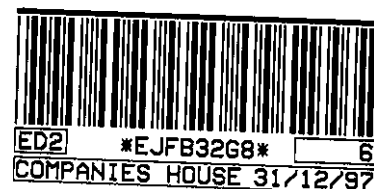


**VIRGIN DIRECT (2) LIMITED**

**WRITTEN RESOLUTIONS**



We, the undersigned, being all the members of the Company who (at the date hereof) would have been entitled to vote upon the resolutions set out below if they had been proposed at a general meeting or at a class meeting at which we were present, hereby agree:-

- (a) pursuant to regulation 53 of Table A (adopted by the Company's articles of association) to the resolutions set out below (of which resolutions (1), (2) and (3) would otherwise be required to be passed as ordinary resolutions and resolutions (4), (5), (6) and (7) as special resolutions); and
- (b) to every variation or abrogation of the rights attaching to any class of shares of which we are a holder involved in or requisite to give effect to such resolutions.

**ORDINARY RESOLUTIONS**

**THAT:-**

- (1) the authorised share capital of the Company be increased from £16,000 to £183,500 by the creation of:
  - (a) 64,969,232 AMP A ordinary shares of 0.1p each (having the rights as set out in the articles of association attached to these resolutions and to be adopted as the new articles of association of the Company);
  - (b) 50,000,000 Virgin B ordinary shares of 0.1p each (having the rights as set out in the articles of association attached to these resolutions and to be adopted as the new articles of association of the Company);
  - (c) 50,000,000 AMP B ordinary shares of 0.1p each (having the rights as set out in the articles of association attached to these resolutions and to be adopted as the new articles of association of the Company); and
  - (d) 2,530,768 Deferred Shares of 0.1p each (having the rights as set out in the articles of association attached to these resolutions and to be adopted as the new articles of association of the Company).
- (2)
  - (a) all of the issued Virgin ordinary shares (being 14,030,768) be redesignated as Virgin A ordinary shares and their rights amended in accordance with the articles of association attached to these resolutions and to be adopted as the new articles of association of the Company;
  - (b) the 30,768 unissued Virgin ordinary shares be redesignated as AMP A ordinary shares and their rights amended in accordance with the articles of association attached to these

resolutions and to be adopted as the new articles of association of the Company;

- (c) the rights attaching to the existing Virgin convertible shares (being 969,232) and Executive convertible shares (being 969,232) be amended in accordance with the articles of association attached to these resolutions and to be adopted as the new articles of association of the Company.

- (3) the directors be and are hereby generally and unconditionally authorised for the purposes of section 80 of the Companies Act 1985, to exercise all the powers of the Company to allot relevant securities (within the meaning of section 80(2) of the said Act) up to an aggregate nominal amount of £167,500 authority to expire on 31 October 2002 save that the Company may before such expiry make any offer or agreement which would or might require relevant securities to be allotted after such expiry and the directors may allot relevant securities in pursuance of any such offer or agreement as if the authority conferred hereby had not expired. This authority shall be in substitution for and shall replace any existing authority pursuant to the said section 80 to the extent not utilised at the date this resolution is passed.


### SPECIAL RESOLUTIONS

#### THAT:-

- (4) subject to the passing of resolution 3 above, the directors be and are hereby empowered to allot equity securities (as defined in section 94(2) of the Companies Act 1985) for cash pursuant to the authority conferred by resolution 3 above as if section 89(1) of the said Act did not apply to any such allotment and this power shall expire on 31 October 2002, save that the Company may before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry and the directors may allot equity securities in pursuance of such offer or agreement as if the power had not expired.
- (5) the memorandum of association of the Company be amended by:-
  - (a) the replacement of clause 5 with the wording attached to these resolutions and marked "A" for the purposes of identification; and
  - (b) the insertion of a footnote explaining the increase of authorised share capital pursuant to resolution 1 above and the reclassification of share capital pursuant to resolution 2 above.
- (6) The articles of association attached to these resolutions and marked "B" for the purposes of identification be adopted as the new articles of association of the Company.
- (7) All documents tabled to and business conducted and resolutions passed at the meeting of the directors of the Company as set out in the board minutes attached to these resolutions and marked "C" for the purposes of identification be confirmed, approved, authorised and ratified in all respects.

.....  
duly authorised for and on behalf of Sterling  
Securities Limited

.....  
Stephen Murphy

  
.....  
As attorney for

Richard Branson

.....  
Gordon McCallum

.....  
duly authorised for and on behalf of Abacus  
Trustees (Jersey) Limited in its capacity as trustee  
of the R Gormley Trust

.....  
duly authorised for and on behalf of Abacus (CI)  
Limited in its capacity as trustee of the Capricorn,  
Aquarius, Pisces, Aries and Saturn Trust

.....  
duly authorised for and on behalf of  
Morgan Grenfell Trustee Services  
(Guernsey) Limited in its capacity as  
trustee of the Virgo, Libra, Jupiter, Mars,  
Venus, Leo and Gemini Trust

Date: 21 November 1997

Company Number: 3427512

THE COMPANIES ACT 1985

COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

OF

VIRGIN DIRECT (2) LIMITED

(Adopted by Special Resolution passed on 21 November 1997)

1. PRELIMINARY

1.1 In these Articles:

*A Fraction* means: (a) 1, if no B Shares are in issue, or (b) if B Shares are in issue, the fraction which is given by treating (i) a number equal to twice the number of AMP A ordinary shares in issue as the numerator and (ii) a number equal to the aggregate of twice the number of AMP A ordinary shares in issue and the total number of B Shares in issue as the denominator;

*A Shares* means together the Virgin A ordinary shares, the Virgin convertible shares and the AMP A ordinary shares;

*AMP Shares* means together the AMP A ordinary shares and the AMP B ordinary shares;

*the Act* means the Companies Act 1985 including any modification or re-enactment thereof for the time being in force;

*B Fraction* means: (a) 0, if no B Shares are in issue or, (b) if B Shares are in issue, the fraction which is given by treating (i) a number equal to the number of B Shares in issue as the numerator and (ii) a number equal to the aggregate of twice the number of AMP A ordinary shares in issue and the number of B Shares in issue as the denominator;

*B Shares* means together the Virgin B ordinary shares and the AMP B ordinary shares;

*the Board* means the board of Directors from time to time;

**Business sale** means the sale of the whole or substantially the whole of the business and undertaking of the Company which is to be followed by a distribution to members of all the sale proceeds net of expenses;

**Conversion Event** means the earliest to occur of: (a) a Listing, and (b) a Business sale;

**Deferred shares** means deferred shares of 0.1 pence each in the Company having the rights and being subject to the restrictions and obligations set out in the articles;

**Directors** means the directors of the Company from time to time;

**Listing** means the admission by the council of the London Stock Exchange Limited of all or any part of the issued share capital of the Company to the official list of the London Stock Exchange first becoming effective;

**Sale** means a sale or other disposal of Virgin A ordinary shares other than a sale or disposal:

- (a) to any holder of Virgin A ordinary shares or Virgin convertible shares or Executive convertible shares;
- (b) to a Virgin Shareholders' Associate; or
- (c) which is for the purposes of or in connection with the creation or enforcement (other than enforcement by way of exercise of power of sale to a third party) of any security given to secure indebtedness;

**Shareholders Agreement** means a subscription and shareholders agreement dated 21 November 1997 between (1) Richard Branson, (2) the Trustees (as defined therein), (3) Australian Mutual Provident Society, (4) AMP(UK) PLC, (5) AMP Virgin Holdings Limited, (6) Virgin Direct Limited, and (7) the Company;

**Shares** means the Virgin Shares and the AMP Shares (and excluding, for the avoidance of doubt, the Executive convertible shares and the Deferred Shares);

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

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

*Table A* means Table A in the Companies (Tables A to F) Regulations 1985 as amended by the Companies (Tables A to F) (Amendment) Regulations 1985. References to Regulations are to regulations in Table A; and

*Virgin Shares* means together the Virgin A ordinary shares, the Virgin convertible shares and the Virgin B ordinary shares.

1.2 Subject as hereinafter provided, the regulations contained in Table A shall apply to the Company.

1.3 Regulations 24, 26, 38, 40, 50, 65, 66, 67, 68, 72 to 81 (inclusive), 84, 88, 89, 91, 101 and 118 of Table A shall not apply to the Company but the Articles hereinafter contained and the remaining Regulations of Table A, subject to the modifications hereinafter expressed, shall constitute the Articles of Association of the Company.

## 2. SHARES

2.1 The share capital of the Company at the date of the adoption of these articles is £183,500 divided into:

- (i) 14,030,768 Virgin A ordinary shares of 0.1p each (*Virgin A ordinary shares*);
- (ii) 969,232 Virgin convertible shares of 0.1p each (*Virgin convertible shares*);
- (iii) 65,000,000 AMP A ordinary shares of 0.1p each (*AMP A ordinary shares*);
- (iv) 969,232 Executive convertible shares of 0.1p each (*Executive convertible shares*);
- (v) 50,000,000 Virgin B ordinary shares of 0.1p each (*Virgin B ordinary shares*);
- (vi) 50,000,000 AMP B ordinary shares of 0.1p each (*AMP B ordinary shares*); and
- (vii) 2,530,768 Deferred Shares.

2.2 The Virgin A ordinary shares, Virgin convertible shares, Executive convertible shares, AMP A ordinary shares, Virgin B ordinary shares, AMP B ordinary shares and Deferred Shares shall be separate classes of shares and shall carry the following rights and privileges:

2.2.1 As regards income:

- (a) **The Deferred Shares:** the Deferred Shares shall be entitled to a dividend of 0.0001% of any profits which the Company may determine to distribute.
- (b) **As between the A Shares and B Shares:** the A Shares shall confer on the holders thereof (in the proportions specified in paragraphs (c) and (d) below) the right to receive, in aggregate, the A Fraction of any profits which the Company may determine to distribute (after taking into account the dividend entitlement under paragraph (a) above); and the B Shares shall confer on the holders thereof (in the proportion specified in paragraph (e) below) the right to receive, in aggregate, the B Fraction of any profits which the Company may determine to distribute (after taking into account the dividend entitlement under paragraph (a) above).
- (c) **The Virgin A ordinary shares and Virgin convertible shares:** the Virgin A ordinary shares and Virgin convertible shares shall confer on the holders thereof the right to receive, in aggregate, 50 per cent. of the A Fraction of any profits which the Company may determine to distribute (after taking into account the dividend entitlement under paragraph (a) above) as between them in proportion to the number of Virgin A ordinary shares and Virgin convertible shares held by each of them (treating these shares as if they were shares of the same class for this purpose).
- (d) **The AMP A ordinary shares:** the AMP A ordinary shares shall confer on the holders thereof the right to receive, in aggregate, 50 per cent. of the A Fraction of any profits which the Company may determine to distribute (after taking into account the dividend entitlement under paragraph (a) above) as between them in proportion to the number of AMP A ordinary shares held by each of them.
- (e) **The B Shares:** the B Shares shall confer on the holders thereof the right to receive, in aggregate, the B Fraction of any profits which the Company may determine to distribute (after taking into account the dividend entitlement under paragraph (a) above) *pari passu* as if the Virgin B ordinary shares and AMP B ordinary shares were of the same class and as between them in proportion to the number of B Shares held by each of them.

- (f) **The Executive convertible shares:** the Executive convertible shares shall not confer on the holders thereof any rights whatsoever to any profits which the Company may determine to distribute.

2.2.2 As regards capital:

- (a) On a return of capital on liquidation or otherwise the surplus assets of the Company remaining after payment of its liabilities shall be applied first in paying to the holders of the Deferred Shares (if any) the amounts paid up on the Deferred Shares (rateably amongst them). The balance of such assets shall be applied first in paying rateably amongst the holders of the Deferred Shares 0.0001% of such balance, next in paying to the holders of the Executive convertible shares the amounts paid up on those shares (in each case rateably amongst them) and the A Fraction of the remainder shall belong to and be distributed amongst the holders of the A Shares (in the proportions specified in paragraph (b) below) and the B Fraction of the remainder shall belong to and be distributed amongst the holders of the B Shares *pari passu* as if the shares were of the same class and as between them in proportion to the number of B Shares held by each of them.
- (b) The holders of the Virgin A ordinary shares and Virgin convertible shares shall be entitled, in aggregate, to 50 per cent. of any capital or surplus assets attributable to A Shares *pari passu* as if the shares were of the same class, such amount to be divided as between them in proportion to the number of such shares held by each of them; and the holders of the AMP A ordinary shares shall be entitled to 50 per cent. of any capital or surplus assets attributable to A Shares, such amount to be divided as between them in proportion to the number of AMP A ordinary shares held by each of them.

2.2.3 As regards voting:

- (a) The A Shares and the B Shares shall entitle the holders thereof to receive notice of and to attend and vote at all general meetings of the Company. None of the Executive convertible shares or the Deferred Shares shall entitle the holders thereof to receive notice of or to attend general meetings of the Company nor shall any of them confer any right to vote thereat.
- (b) On a show of hands every member who is the holder of an A Share or a B Share shall be entitled to one vote and on a poll every member who is the holder of a B Share or an AMP A ordinary share shall be entitled to one vote for each such share held by him and members holding Virgin A ordinary shares and Virgin convertible shares shall be entitled in aggregate to the number of votes as is equal to the number of AMP A ordinary shares in issue (such votes being apportioned rateably amongst the holders



of the Virgin A ordinary shares and Virgin convertible shares in proportion to the number of those shares held by each of them, the shares being treated as one class for this purpose).

#### 2.2.4 As regards conversion

- (a) On the occurrence of a Conversion Event, the number of the Executive convertible shares then in issue shall convert into an equal number of Virgin A ordinary shares, and the same number of the Virgin convertible shares then in issue shall convert into an equal number of Deferred Shares.
- (b) On a Sale, that proportion of the Executive convertible shares in issue which is equal to the proportion of Virgin A ordinary shares in issue being sold shall convert into Virgin A ordinary shares and the same number of Virgin convertible shares shall convert into Deferred Shares.
- (c) Subject to paragraph (d) below, at any time when, as a result of conversion pursuant to paragraph (b) above, the number of Executive convertible shares held by any shareholder falls to 10% or less than the number of Executive convertible shares originally held by that shareholder, then the balance of the shareholder's holding of Executive convertible shares shall convert into Virgin A ordinary shares and the same number of Virgin convertible shares shall convert into Deferred Shares.
- (d) Paragraph (c) above shall only apply to a member if the value of the Virgin A ordinary shares which would be held by that member following conversion would be less than £150,000.
- (e) Any conversion pursuant to these articles shall take place on the following terms:
  - (i) conversion shall take effect immediately on the relevant occasion at no cost to the holders of the relevant shares and the shares to be converted shall be apportioned rateably (and where necessary as near thereto as may be practicable to avoid the apportionment of a fraction of a share) among the holders of shares of that class and the certificate of the auditors as to the number of shares to be converted, the shares into which they convert and the apportionment of such shares among the holders thereof shall (save in the case of manifest error) be conclusive and binding on the Company and its members;
  - (ii) forthwith after conversion the Company shall issue to the persons entitled thereto certificates for the shares resulting from the conversion and the existing certificates for the shares falling to be

converted shall be deemed invalid for all purposes and the holders thereof shall be bound to deliver the same to the company for cancellation.

2.3 Any Shares issued to a Virgin Shareholder, or in respect of Virgin Shares, shall be designated as Virgin Shares (or the appropriate class) and any Shares issued to an AMP Shareholder, or in respect of AMP Shares, shall be designated as AMP Shares (or the appropriate class).

2.4 Whenever the capital of the Company is divided into different classes of shares the special rights attached to any class may be varied or abrogated either whilst the Company is a going concern or during or in contemplation of a winding-up with the consent in writing of the holders of more than one-half of the issued shares of that class, or with the sanction of an Extraordinary Resolution passed at a separate meeting of the holders of that class, but not otherwise. To every such separate general meeting all the provisions of these Articles relating to general meetings of the Company or to the proceedings thereat shall, mutatis mutandis, apply, except that the necessary quorum shall be two persons at least holding or representing by proxy one-third in nominal value of the issued shares of the class unless all the shares of any class are registered in the name of a single shareholder in which case the quorum shall be that person his proxy or duly authorised representative of such shareholder (but so that if, at any adjourned meeting of such holders, a quorum as above defined is not present those members who are present shall be a quorum) and that any holder of shares of the class present in person or by proxy may demand a poll and that the holders of shares of the class shall, on a poll, have one vote in respect of every share of the class held by them respectively.

2.5 The Company shall have the right, by notice in writing at any time, to redeem all of the Deferred Shares in issue at that time upon payment by the Company of the nominal amount of such Deferred Shares to the holder(s) thereof.

### 3. LIEN

If any shares are to be sold in the enforcement of the Company's lien or rights of forfeiture those shares shall be offered first to the holders of Virgin Shares and AMP Shares treated as a single class and thereafter shall be offered to such persons as the holders of a majority of the Virgin Shares and AMP Shares shall agree. Regulation 9 shall be modified accordingly.

### 4. TRANSFER OF SHARES - DEFINITIONS

4.1 For the purposes of this Article, Article 5 and Article 7:

4.2.1 *Virgin Shareholder's Associate* has the meaning set out in the Shareholders' Agreement.

4.2.2 *AMP Shareholder's Associate* has the meaning set out in the Shareholders' Agreement.

4.2.3 *Permitted Transfer* means a transfer of Shares to a Permitted Transferee;

4.2.4 *Permitted Transferee* has the meaning set out in the Shareholders' Agreement.

4.2.5 *Undertaking* has the meaning set out in the Shareholders' Agreement.

4.3 For the purposes of Article 5 the following shall be deemed (but without limitation) to be a transfer by a member of Shares in the Company:

- (a) any direction (by way of renunciation or otherwise) by a member entitled to an allotment or transfer of shares that a share be allotted or issued or transferred to some person other than himself; and
- (b) any sale or any other disposition of any legal or equitable interest in a share (including any voting right attached thereto) and whether or not by the registered holder thereof and whether or not for consideration or otherwise and whether or not effected by an instrument in writing.

## 5. TRANSFERS OF SHARES

5.1 No member may transfer any Shares or dispose of any interest in any Shares other than in accordance with the Shareholders Agreement.

5.2 An obligation to transfer a share under the provisions of this Article 5 or under the Shareholders Agreement shall be deemed to be an obligation to transfer the entire legal and beneficial interest in such share free from any lien, charge or other encumbrance.

5.3 No share and no interest in any share shall be held by any member as a bare nominee for or sold or disposed of to any person unless a transfer of such share to such person would rank as a Permitted Transfer or is otherwise in accordance with this Article 5.

5.4 For the purpose of ensuring that a transfer of shares is a Permitted Transfer the Directors may from time to time require any member or any person named as transferee in any transfer lodged for registration to furnish to the Company such information and evidence as the Directors may think fit regarding any matter which they may deem relevant to such purpose. Failing such information or evidence being furnished to the satisfaction of the Directors within a reasonable time after request the Directors shall be entitled to refuse to register the transfer in question.

5.5 If in any case a shareholder becomes bound to transfer shares (whether pursuant to an obligation in the Shareholders Agreement or otherwise) and

makes default in transferring shares the Company may receive the purchase money on his behalf and may authorise some person to execute a transfer of such shares in favour of the purchasing shareholders. The receipt of the Company for the purchase money shall be a good discharge to the purchasing shareholders. The Company shall pay the purchase money into a separate bank account.

## 6. PROCEEDINGS AT GENERAL MEETINGS

6.1 The words *four weeks* shall be substituted for the words *eight weeks* in regulation 37.

6.2 Save with the consent of the holders of the Virgin Shares and the AMP Shares given in accordance with Article 2.4 and subject to the Act:

- (a) an annual general meeting and an extraordinary general meeting called for the passing of a special resolution or an elective resolution or a resolution appointing a person as a Director shall be called by at least 21 clear days' notice;
- (b) all other extraordinary general meetings shall be called by at least 14 days' notice but a general meeting, other than one called for the passing of an elective resolution, may be called by shorter notice if it is so agreed:
  - (i) in the case of an annual general meeting, by all the members entitled to attend and vote thereat; and
  - (ii) in the case of any other meeting by a majority in number of the holders of AMP Shares and of Virgin Shares.

The notice shall specify the time and place of the meeting, the general nature of the business to be transacted and the terms of any resolution to be proposed at it and, in the case of an annual general meeting, shall specify the meeting as such.

Subject to the provisions of these Articles and to any restrictions imposed on any shares, the notice shall be given to all members, to all persons entitled to a share in consequence of the death or bankruptcy of a member and to the Directors and the auditors.

6.3 Regulation 41 shall be modified by the insertion at the end of that regulation of the following sentence: "If at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting, the meeting shall be adjourned until such later time as the Board may determine".

6.4 No business shall be transacted at any general meeting unless the requisite quorum is present at the commencement of the business and also when such business is voted upon. Two members present in person or by proxy shall form a quorum provided that, for so long as the Virgin Shares give the right to

exercise not less than 40% of the votes capable of being exercised at a general meeting of the Company, no general meeting shall be quorate unless those present include one holder or representative of a holder of one or more Virgin Shares, and for so long as the AMP Shares give the right to exercise not less than 40% of the votes capable of being exercised at a general meeting of the Company, no general meeting shall be quorate unless those present include one holder or representative of a holder of one or more AMP Shares. A corporation being a member shall be deemed to be personally present if represented in accordance with the provisions of section 375 of the Act.

6.5 The Chairman at every general meeting of the Company shall be the Chairman of the Board of Directors or failing him such other Director as the Directors may nominate. The Chairman shall not have a second or casting vote at general meetings.

6.6 A poll may be demanded at any general meeting by the Chairman or by any member present in person or by proxy and entitled to vote. Regulation 46 shall be modified accordingly.

6.7 A resolution in writing in accordance with regulation 53 shall be deemed to have been duly executed on behalf of a corporation if signed by one of its directors or its secretary. In the case of a share held by joint holders the signature of any one of them on behalf of all such joint holders shall be sufficient for the purposes of that regulation. The Directors shall cause a record of each resolution in writing, and of the signatures to it, to be entered in a book in the same way as minutes of a general meeting of the Company and to be signed by a Director or the secretary of the Company.

6.8 Before a resolution in writing is executed, the Company, if it is required by section 381B of the Act to do so:

- (a) shall send a copy of the proposed resolution to the auditors; and
- (b) shall ensure that the resolution is not passed unless either it has received the auditors' notification in the terms of section 381B(3)(a) of the Act or the period for giving a notice under section 381(B)(2) has expired without any notice having been given to the Company by the auditors in accordance with that sub-section.

6.9 An instrument appointing a proxy may be in any usual or common form or in any other form which the Directors may approve.

6.10 The instrument appointing a proxy may be deposited at the Registered Office of the Company at any time before any general meeting of the Company for which it is to be used unless otherwise specified in the notice convening such meeting. Regulation 62 shall be modified accordingly.

## **7. DIRECTORS**

7.1 For so long as the Virgin Shares carry the right to exercise not less than 40% of the votes capable of being exercised at a general meeting of the Company, the registered holder or holders of a majority in nominal value of the Virgin Shares (deemed for these purposes to be a single class) shall be entitled to appoint not more than two directors of the Company (the Virgin Directors) and to remove any such directors and to make all necessary appointments to fill any vacancy arising. For so long as the Virgin Shares carry the right to less than 40% of the votes capable of being exercised at a general meeting of the Company, the registered holder or holders of a majority in nominal value of the Virgin Shares (deemed for these purposes to be a single class) shall be entitled to appoint one director of the Company (a "Virgin Director") and to remove any such director and to make all necessary appointments to fill any vacancy arising. Every such appointment or removal shall be effected by notice in writing deposited at the Registered Office of the Company signed by the holder or holders of a majority in nominal value of the Virgin Shares.

7.2 For so long as the AMP Shares carry the right to exercise not less than 40% of the votes capable of being exercised at a general meeting of the Company, the registered holder or holders of a majority in nominal value of the AMP Shares as a class shall be entitled to appoint not more than two directors of the Company (the AMP Directors) and to remove any such directors and to make all necessary appointments to fill any vacancy arising. For so long as the AMP Shares carry the right to less than 40% of the votes capable of being exercised at a general meeting of the Company, the registered holder or holders of a majority in nominal value of the AMP Shares as a class shall be entitled to appoint one director of the Company (an "AMP Director") and to remove any such director and to make all necessary appointments to fill any vacancy arising. Every such appointment or removal shall be effected by notice in writing deposited at the Registered Office of the Company signed by the holder or holders of a majority in nominal value of the AMP Shares.

7.3 Any memorandum of appointment or removal of a Director which is required to be signed by a corporate shareholder may be signed on its behalf by any one of its directors or its secretary.

7.4 On any resolution to vary, amend or remove this Article 7 the Virgin Shares and the AMP Shares shall each in the aggregate be entitled to 50% of all votes capable of being cast in respect of such resolution.

## **8. POWERS AND DUTIES OF DIRECTORS**

8.1 Subject to the provisions of the Statutes, a Director may be interested directly or indirectly in any contract or arrangement or in any proposed contract or arrangement with the Company or with any other company in which the Company may be interested and he may hold and be remunerated in respect of

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

8.2 Notwithstanding his interest a Virgin Director or an AMP Director may vote on any matter in which he or his appointor(s) is interested and be included for the purpose of a quorum at any meeting at which the same is considered and he and/or his appointor(s) may retain for his own benefit all profits and advantages accruing to him. Regulation 94 shall be modified accordingly.

## **9. DISQUALIFICATION OF DIRECTORS**

9.1 The office of a Director shall be vacated if:

- (i) he is removed from office under Article 7;
- (ii) he is while in office convicted of a criminal offence involving fraud or dishonesty and the other Directors acting reasonably resolve that such conviction is such as to prejudice the Company if he should continue in office he shall, for that reason, cease to be a Director;
- (iii) he becomes incapable of performing his duties as a Director as a result of illness or injury for a period of six consecutive months or 180 days in any period of twelve consecutive months;
- (iv) he resigns his office by notice in writing to the Company;
- (v) he becomes bankrupt or makes any arrangement or composition with his creditors generally;
- (vi) he becomes prohibited by law from being a Director; and
- (vii) he is absent from meetings of the Board for twelve successive months without leave and his alternate Director (if any) shall not during such period have attended in his stead, and the Directors resolve that his office be vacated.

9.2 Unless and until otherwise determined by the Company by Ordinary Resolution, either generally or in any particular case, no Director shall vacate or be required to vacate his office as a Director on or by reason of his attaining or having attained the age of 70, and any person proposed to be appointed a Director shall be capable of being appointed as a Director notwithstanding that he has attained the age of 70, and no special notice need be given of any resolution for the appointment as a Director of a person who shall have attained the age of 70, and it shall not be necessary to give to the members notice of the age of any Director or person proposed to be appointed as such.

## 10. ALTERNATE DIRECTORS

10.1 Any of the Virgin Directors or the AMP Directors (other than an alternate) may appoint any other person willing to act to be his alternate director and may remove from office any alternate director so appointed by him. Any appointment or removal of an alternate director shall be delivered at the registered office of the Company and shall take effect from the date of such delivery. An alternate director shall cease to be an alternate director if his appointor ceases to be a Director.

10.2 If his appointor is for the time being absent from the United Kingdom or otherwise not available the signature of an alternate director to any resolution in writing of the Directors shall be as effective as the signature of his appointor. An alternate director shall be deemed to be a Director for the purpose of signing instruments pursuant to Article 12.

10.3 An alternate director shall be entitled to contract and be interested in and benefit from contracts or arrangements with the Company and to be repaid expenses and to be indemnified to the same extent *mutatis mutandis* as if he were a Director, but he shall not be entitled to receive from the Company in respect of his appointment as alternate director any remuneration, except only such part (if any) of the remuneration otherwise payable to his appointor as such appointor may by notice in writing to the Company from time to time direct. An alternate shall not be entitled to vote on any resolution that his appointor would not have been entitled to vote on.

10.4 To the extent that any consent or approval is required to the appointment of a Director such consent or approval shall also be required to the appointment of an alternate.

## 11. PROCEEDINGS OF DIRECTORS

11.1 Subject to these Articles the Directors may meet together for the dispatch of business, adjourn and otherwise regulate their meetings and manner of dispatching business as they think fit. The quorum necessary for the transaction of the business of the Directors shall be two, provided that for so long as the Virgin Shares carry the right to exercise not less than 40% of the votes capable of being exercised at a general meeting of the Company, no meeting of the Board shall be quorate unless one of the Directors present is a Virgin Director (or his alternate) and for so long as the AMP Shares carry the right to exercise not less than 40% of the votes capable of being exercised at a general meeting of the Company, no meeting of the Board shall be quorate unless one of the Directors present is an AMP Director (or his alternate).

11.2 The Directors may from time to time appoint committees consisting of one or more Directors appointed by the holders of the Virgin Shares and one or more Directors appointed by the holders of the AMP Shares and may delegate



any of their powers to any such committee and from time to time revoke any such delegation and discharge any such committee wholly or in part. Any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may from time to time be imposed upon it by the Directors but may meet and adjourn as it thinks proper. Any committee shall have power unless the Directors direct otherwise to co-opt as a member or members of the committee for any specific purpose any person or persons although not being a Director of the Company.

11.3 The Chairman shall not have a second or casting vote.

11.4 Any Virgin Director present at any meeting of the Board or any committee of the Board shall automatically hold the proxy to vote on behalf of any other Virgin Director not present or present but not voting at that meeting as will any AMP Director for any other AMP Director. Any other director (not being a Virgin Director or an AMP Director) shall not be entitled to vote at any meeting of the Board.

11.5 Any Director or member of a committee of the Directors may participate in a meeting of the Directors or such committee by means of conference telephone, video conference or similar communications equipment whereby all persons participating in the meeting can hear each other and participation in the meeting in this manner shall be deemed to constitute presence in person at such meeting and shall entitle any Virgin Director or AMP Director so present to vote and count in the quorum accordingly. Such a Meeting shall be deemed to take place in England unless none of those participating are in England in which case it will be where the largest of the group of those participating is assembled, or if there is no such group, where the Chairman then is.

11.6 The continuing Directors (provided that there is a quorum as defined above) may act notwithstanding any vacancies, and regulation 90 shall be modified accordingly.

11.7 For a signed resolution under regulation 93 to be effective it shall not be necessary for it to be signed by a Director who is prohibited by the Articles or by law from voting thereon. Regulation 93 shall be modified accordingly.

## 12. THE SEAL

12.1 If the Company has a seal, it shall only be used with the authority of the Directors or a committee of the Directors. The Directors may determine who shall sign any instrument to which the seal is affixed and unless otherwise so determined it shall be signed by a Director and by the secretary or second Director. The obligation under Regulation 6 relating to the sealing of share certificates shall apply only if the Company has a seal.

12.2 If the Company has a common seal, the Company may also have an official seal for use abroad under the provisions of the Act, where and as the Directors shall determine, and the Company may by writing under the common seal appoint any agents or agent, committees or committee abroad to be the duly authorised agents of the Company, for the purpose of affixing and using such official seal, and may impose such restrictions on the use thereof as may be thought fit. Wherever in these Articles reference is made to the common seal of the Company, the reference shall, when and so far as may be applicable, be deemed to include any such official seal as aforesaid.

### **13. CAPITALISATION OF PROFITS AND RESERVES**

On any occasion when shares are allotted and distributed credited as fully paid up in accordance with regulation 110 the shares allotted to holders of Virgin Shares shall on allotment automatically stand converted into Virgin Shares and the shares allotted to holders of AMP Shares shall forthwith on allotment automatically stand converted into AMP Shares. Regulation 110 shall be modified accordingly.

### **14. NOTICES**

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

### **15. INDEMNITY**

15.1 Subject to the provisions of and so far as may be consistent with the Statutes, but without prejudice to any indemnity to which a Director may otherwise be entitled, every Director, auditor, secretary or other officer of the Company shall be entitled to be indemnified by the Company against all costs charges losses expenses and liabilities incurred by him in the execution and/or discharge of his duties and/or the exercise of his powers and/or otherwise in relation to or in connection with his duties powers or office including (without prejudice to the generality of the foregoing) any liability incurred by him in defending any proceedings, civil or criminal, which relate to anything done or omitted or alleged to have been done or omitted by him as a director, officer or employee of the Company and in which judgment is given in his favour (or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on his part) or in which he is acquitted or in connection with any application under any statute for relief from liability in respect of any such act or omission in which relief is granted to him by the Court.

15.2 The Directors may exercise all the powers of the Company to purchase and maintain insurance for or for the benefit of any persons who are or were at any time directors, officers or employees of the Company including, without

prejudice to the generality of the foregoing, insurance against all costs, charges, losses or liabilities suffered or incurred by such person in respect of any act or omission in the actual or purported execution and/or discharge of their duties and/or the exercise or purported exercise of their powers and discretions and/or otherwise in relation to or in connection with their duties, powers or offices in relation to the Company.