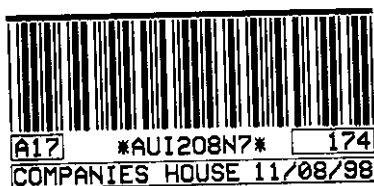


(No. 3427512)



THE COMPANIES ACTS 1985 to 1989

PRIVATE COMPANY LIMITED BY SHARES

MEMORANDUM OF ASSOCIATION

- of -

VIRGIN DIRECT (2) LIMITED (formerly EXTRAPOLL LIMITED)

1. The Company's name is **VIRGIN DIRECT (2) LIMITED**¹
2. The Company's registered office is to be situated in England and Wales.
3. The object of the Company is to carry on business as a general commercial company.
4. Without prejudice to the generality of the object and the powers of the Company derived from Section 3A of the Act the Company has power to do all or any of the following things:-
 - 4.1 to purchase or by any other means acquire and take options over any property whatever, and any rights or privileges of any kind over or in respect of any property.
 - 4.2 to apply for, register, purchase, or by other means acquire and protect, prolong and renew, whether in the United Kingdom or elsewhere any patents, patent rights, brevets d'invention, licences, secret processes, trade marks, designs, protections and concessions and to disclaim, alter, modify, use and turn to account and to manufacture under or grant licences or privileges in respect of the same, and to expend money in experimenting upon, testing and improving any patents, inventions or rights which the Company may acquire or propose to acquire;

¹ Changed from "Extrapoll Limited" by special resolution passed on 15 October 1997.

- 4.3 to acquire or undertake the whole or any part of the business, goodwill, and assets of any person, firm, or company carrying on or proposing to carry on any of the businesses which the Company is authorised to carry on and as part of the consideration for such acquisition to undertake all or any of the liabilities of such person, firm or company, or to acquire an interest in, amalgamate with, or enter into partnership or into any arrangement for sharing profits, or for co-operation, or for mutual assistance with any such person, firm or company, and to give or accept, by way of consideration for any of the acts or things aforesaid or property acquired, any shares, debentures, debenture stock or securities that may be agreed upon, and to hold and retain, or sell, mortgage and deal with any shares, debentures, debenture stock or securities so received;
- 4.4 to improve, manage, construct, repair, develop, exchange, let on lease or otherwise, mortgage, charge, sell, dispose of, turn to account, grant licences, options, rights and
- 4.5 to control, manage, finance, subsidise, co-ordinate or otherwise assist any company or companies in which the Company has a direct or indirect financial interest, to provide secretarial, administrative, technical, commercial and other services and facilities of all kinds for any such company or companies and to make payments by way of subvention or otherwise and any other arrangements which may seem desirable with respect to any business or operations of or generally with respect to any such company or companies;
- 4.6 to promote any other company for the purpose of acquiring the whole or any part of the business or property or undertaking or any of the liabilities of the Company, or of undertaking any business or operations which may appear likely to assist or benefit the Company or to enhance the value of any property or business of the Company, and to place or guarantee the placing of, underwrite, subscribe for, or otherwise acquire all or any part of the shares or securities of any such company as aforesaid;
- 4.7 to sell or otherwise dispose of the whole or any part of the business or property of the Company, either together or in portions, for such consideration as the Company may think fit, and in particular for shares, debentures, or securities or any company purchasing the same;
- 4.8 to act as agents or brokers and as trustees for any person, firm or company, and to undertake and perform sub-contracts;
- 4.9 to remunerate any person, firm or company rendering services to the Company either by cash payment or by the allotment to him or them of shares or other securities of the Company credited as paid up in full or in part or otherwise as may be thought expedient;
- 4.10 to distribute among the Members of the Company in kind any property of the Company of whatever nature;
- 4.11 to pay all or any expenses incurred in connection with the promotion, formation and incorporation of the Company, or to contract with any person, firm or company to pay the same, and to pay commissions to brokers and others for underwriting, placing, selling, or guaranteeing the subscription of any shares or other securities of the Company;

4.12 to support and subscribe to any charitable or public object and to support and subscribe to any institution, society, or club which may be for the benefit of the Company or its Directors or employees, or may be connected with any town or place where the Company carries on business; to give or award pensions, annuities, gratuities, and superannuation or other allowances or benefits or charitable aid and generally to provide advantages, facilities and services for any persons who are or have been Directors of, or who are or have been employed by, or who are serving or have served the Company, or any company which is a subsidiary of the Company or the holding company of the Company or a fellow subsidiary of the Company or the predecessors in business of the Company or of any such subsidiary, holding or fellow subsidiary company and to the wives, widows, children and other relatives and dependants of such persons: to make payments towards insurance including insurance for any Director, officer or Auditor against any liability as is referred to in section 310(1) of the Act; and to set up, establish, support and maintain.

5. The Company's share capital is £183,500² divided into:-

- 5.1 14,030,768 Virgin A ordinary shares of 0.1 pence each;
- 5.2 969,232 Virgin convertible shares of 0.1 pence each;
- 5.3 969,232 Executive convertible shares of 0.1 pence each;
- 5.4 50,000,000 Virgin B ordinary shares of 0.1 pence each;
- 5.5 65,000,000 AMP A ordinary shares of 0.1 pence each;
- 5.6 50,000,000 AMP B ordinary shares of 0.1 pence each; and
- 5.7 2,530,768 Deferred Shares of 0.1 pence each.

² The initial share capital of the Company was £1,000 divided into 1,000 ordinary shares of £1.00 each.

By an ordinary resolution passed on 15 October 1997 each such ordinary share was sub-divided into 1,000 ordinary shares of 0.1 pence each and each ordinary share so created was immediately redesignated as an ordinary share of 0.1 pence each.

By an ordinary resolution passed on 16 October 1997 the share capital was redesignated as 14,061,536 Virgin ordinary shares of 0.1 pence each. 969,232 Virgin convertible shares of 0.1 pence each and 969,232 executive convertible shares of 0.1 pence each.

By an ordinary resolution passed on 21 November 1997, the authorised share capital of the Company was increased from £16,000 to £183,500 by the creation of:-

64,969,232 AMP A ordinary shares of 0.1p each;
50,000,000 Virgin B ordinary shares of 0.1p each.
50,000,000 AMP B ordinary shares of 0.1p each; and
2,530,768 Deferred Shares of 0.1p each

By a second ordinary resolution passed on 21 November 1997 all of the issued Virgin ordinary shares (being 14,030,768) were redesignated as Virgin A ordinary shares and the 30,768 unissued Virgin ordinary shares were redesignated as AMP A ordinary shares.

By a special resolution passed on 20 July 1998 the figure for Virgin A ordinary shares was amended from 14,061,536 to 14,030,768 and the figure for Deferred shares was amended from 2,503,768 to 2,530,768.