

Company No 1070953

THE COMPANIES ACTS 1985 AND 1989

COMPANY LIMITED BY SHARES

ORDINARY & SPECIAL RESOLUTIONS

of

VIRGIN RECORDS LIMITED

Passed on 22 March 1996

At an extraordinary general meeting of the Company duly convened and held at 4 Tenterden Street, London W1A 2AY on 22 March 1996 the following resolutions were duly passed as Ordinary and Special resolutions as indicated:

ORDINARY RESOLUTIONS

- 1 THAT the authorised share capital of the Company be increased from £600,000,000 to £600,000,000 and DM650,000,000 by the creation of 500,000,000 Fixed Rate 'A' Cumulative Redeemable Preference Shares of DM1 each and 150,000,000 Fixed Rate 'B' Cumulative Redeemable Preference Shares of DM1 each to be subject to the rights, restrictions and provisions set out in the Company's Articles of Association as proposed to be adopted by resolution 4 below.
- 2 THAT
  - (a) the directors be and they are hereby generally and unconditionally authorised for the purpose of Section 80 of the Companies Act 1985 to allot relevant securities (as defined in that Act) up to a maximum amount of £199,990,000 and DM650,000,000 (subject to this figure not exceeding the amount of the authorised share capital of the Company remaining unissued at the relevant time) to such persons at such times and upon such conditions as the directors may determine (subject to the Articles of Association of the Company) during the period expiring at the end of the five years from the date of the passing of this resolution; and
  - (b) the Company may at any time prior to the expiration of such authority make an offer or agreement which would or might require relevant securities to be allotted pursuant thereto after such expiration and the directors may allot relevant securities in pursuance of such offer or agreement as if the authority conferred hereby had not expired.

SPECIAL RESOLUTIONS

- 3
  - (a) THAT the Memorandum of Association of the Company be and is hereby amended by the deletion of existing clause 3 and the substitution therefor of the new clause 3 as set out in the re-printed Memorandum tabled at the meeting and signed for the purposes of identification.

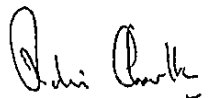
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- (b) THAT clause 5 of the Memorandum of Association be amended by the annotation of the following:-

On 22 March 1996 the share capital of the Company was further increased from £600,000,000 to £660,000,000 and DM650,000,000 by the creation of

- (i) 500,000,000 'A' Fixed Rate Cumulative Redeemable Preference Shares of DM1 each, and
  - (ii) 150,000,000 'B' Fixed Rate Cumulative Redeemable Preference Shares of DM1 each.
- 4 THAT the regulations as set out in the re-printed Articles of Association tabled at the meeting and signed for the purposes of identification be and are hereby adopted as the Articles of Association of the Company in substitution for and to the exclusion of its existing Articles of Association.
- 5 THAT the shareholders hereby approve and confirm the initial deposit by the Company on arm's length terms with THORN F&M Finance plc of the DM190,000,000 to be subscribed by THORN F&M GmbH for 190,000,000 Fixed Rate 'A' Cumulative Redeemable Preference Shares of DM1 each.

  
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Chairman