

Board Minutes
Virgin Media Limited
(the "Company")

02591237

Minutes of a meeting of the board of directors of the Company
held at Media House, Bartley Wood Business Park, Hook, Hampshire, RG27 9UP
on 24th March 2011 at 12pm

Present R Mackenzie (as "Chairman")

R Gale
(together the "Directors")

In attendance D Beattie, D Rushton

WEDNESDAY



A66 *ANPNRSVN* 63
30/03/2011
COMPANIES HOUSE

1 INTRODUCTION

The Chairman noted that

- (a) the meeting had been convened in accordance with the articles of association of the Company,
- (b) a quorum was present, and
- (c) the meeting could accordingly proceed to business

2 DISCLOSURE OF INTERESTS

Each Director present declared the nature and extent of their interest in the proposed transaction to be considered at the meeting in accordance with the requirements of section 177 and 182 of the Companies Act 2006 (the "Act") and the Company's articles of association by virtue of being a Director, shareholder or option holder of the Company, its shareholders and/or its parent companies. Noted that notwithstanding this, each of the Directors could competently resolve on the business to be transacted.

3 BACKGROUND

- 3.1 The Chairman reported that currently Virgin Media Investment Holdings Limited ("VMIH") is a guarantor under two pension protection fund guarantees (the "Old PPFGs") in favour of the NTL Pension Plan and ntl 1999 Pension Scheme respectively (together the "Pension Schemes"). It is proposed that the Old PPFGs would be replaced by two new pension protection fund guarantees (the "PPFGs") under which Virgin Media Secretaries Limited ("VMS") and VMIH shall become guarantors, on a joint and several basis. The guarantees given pursuant to the PPFGs shall be in substantially the same form as the guarantees given by VMIH under the Old PPFGs and the scope of the protection afforded to the Pension Schemes pursuant to the PPFGs shall be the same as that provided under the Old PPFGs. Under the terms of the PPFGs the trustees of the Pension Schemes will be able to recover any claims under the PPFGs from the combined assets of both VMIH and VMS in the event of default by the Pension Scheme participating employers.

- 3 2 The Chairman further reported that the Company had been advised by KPMG LLP that addition of VMS as a guarantor will enable an optimal levy saving (being an estimated £1,100,000 in respect of the forth coming levy year) in respect of the levy otherwise payable to the Pension Protection Fund,
- 3 3 The Chairman further reported that in order ensure that VMS is sufficiently capitalised to enable it to enter the PPFs and provide funds in the event that a Participating Employer does not meet its obligations under the respective Pension Scheme and VMS is called upon by the respective pension fund trustees to meet its Guarantee Obligations (as defined in the PPFs) the Company will make a capital contribution of £10,000,000 in exchange for 10,000 ordinary shares of £1 00 to be issued at a total premium of £9,990,000 (the "**New Shares**"),
- 3 4 The Chairman further reported that the Company would be asked to pass a shareholder resolution of VMS in its capacity as sole shareholder of VMS approving inter alia the New Shares being issued to the Company and the entering into of the PPFs by VMS (the "**Shareholder Resolution**"),

the arrangements referred to in (3 1) to (3 4) above being together the "**Transactions**")

- 3 5 The Chairman further reported that the purpose of the meeting was to approve the entering into of the Transactions

4 **TABLING OF DOCUMENTS**

The latest drafts of the following documents were tabled at the meeting

- (a) PPFs,
- (b) share certificate in respect of VMS,
- (c) subscription letter, and
- (d) Shareholder Resolution,

((a) and (d) above being together the "**Documents**")

5 **DISCUSSION OF DOCUMENTS**

- 5 1 The Directors carefully considered the Transactions and the terms of the Documents and the nature and extent of the obligations assumed and to be assumed by the Company under the documents to which it was a party
- 5 2 The Directors further considered the matters referred to in section 172(1) of the Act in considering whether entry into the Transactions which related to the Company would promote the success of the Company for the benefit of its members as a whole. The Directors gave particular consideration to the fact that the Transactions were all related to the entry into of the PPFs by VMS and considered that the levy payable by each of the Pension Schemes would be significantly reduced as a result of VMS entering into the PPFs. This is beneficial to the Company on the basis that levy payments are ultimately funded from payments by companies within the Virgin Media including the Company. As the finances of the members of the Virgin Media group are interdependent it is in the interests of the Company to take action which will benefit the Virgin Media group as a whole as well as benefitting itself by virtue of reducing the levy payment to the Pension Protection Fund. As such the Directors concluded that the Virgin Media group would derive commercial benefit from the PPFs and the PPFs would promote the success of the Virgin Media group as a

whole It was further noted that the Shareholder Resolution passed by the Company's sole shareholder had also approved the Transactions

6 RESOLUTIONS

Following due and careful consideration of the Transactions (and, in particular, due and careful consideration of the terms and obligations of the VMS under the PPFGs and having particular reference to the matters referred to in Section 172(1) of the Act), **IT WAS RESOLVED THAT:**

- (a) it is for the commercial benefit and in the best interests of the Company, and would promote the success of the Company for the benefit of its members as a whole, for the Company to enter into the Transactions to which it is a party,
- (b) the Documents to which it is a party and any related documents (being documents to be entered into in connection with, or documents contemplated by, or ancillary to the Transactions) and are hereby approved,
- (c) the Documents to which the Company is a party be and are hereby approved, and where already executed be and are hereby to the fullest extent necessary ratified, and that each of the Directors be and is hereby authorised to sign and execute each of the Documents to which the Company is a party and that has not been executed (save that any two Directors or any Director whose signature is witnessed be authorised on behalf of the Company to execute any Document required to be executed as a deed) subject to such changes, amendments and additions as each director might in his absolute discretion consider appropriate or desirable,
- (d) any of the Directors be authorised on behalf of the Company to sign and execute any documents and to do all such other deeds, acts or things as he may in his absolute discretion consider to be necessary or desirable (save that any two Directors or any Director whose signature is witnessed be authorised on behalf of the Company to execute any Document required to be executed as a deed) to give effect to the Transactions and the Documents and the matters provided or envisaged or contemplated by therein or pursuant to these resolutions and all matters normally incidental thereto,

7 FILING

The Company Secretary of the Company is hereby authorised to undertake all necessary and appropriate actions to implement and give effect to the above mentioned resolutions

8 CLOSING OF MEETING

There being no further business, the Chairman declared the meeting closed



**Chairman
Virgin Media Limited**