

Registered Number 2664542

THE COMPANIES ACT 1985
COMPANY LIMITED BY SHARES
WRITTEN RESOLUTION OF
VIRGIN ACTIVE GROUP LIMITED
(the Company)

We, the undersigned, being the holders of all the issued ordinary shares in the share capital of the Company, pass the following written resolution in accordance with section 381A of the Companies Act 1985:

That:

1. subject to the conditions to completion under the sale and purchase agreement dated 4 September 2006 between Holmes Place Health & Fitness Holdings Limited and the Company relating to the purchase by the Company of the share capital of Holmes Place Health Clubs Limited (the **Agreement**) being satisfied or waived in accordance with the terms of the Agreement, the authorised share capital of the Company be increased by £1,971.201 to £17,941.292 by the creation of 1,971,201 D Ordinary Shares of 0.1p each ranking pari passu in all respects as one class of shares in the capital of the Company;
2. subject to the conditions to completion under the Agreement being satisfied or waived in accordance with the terms of the Agreement:
 - (a) the directors be generally and unconditionally authorised to exercise all powers of the Company to allot relevant securities (as defined for the purposes of section 80 of the Companies Act 1985) up to a maximum nominal amount of £1,971.201;
 - (b) this authority shall expire on the day five years after the passing of this resolution; and
 - (c) the Company may, before this authority expires, make an offer or agreement which would or might require relevant securities to be allotted under this authority after it expires;
3. conditional on completion taking place in accordance with its terms under the Agreement, the articles of association of the Company be altered and amended to reflect the form attached to this written resolution; and
4. conditional on completion taking place in accordance with its terms under the Agreement, the Company elects to dispense with:
 - (i) the holding of annual general meetings of the Company;
 - (ii) the laying of accounts and reports before the Company in general meeting; and
 - (iii) the annual appointment of auditors.

Date: 31 October 2006



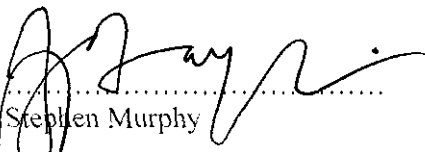
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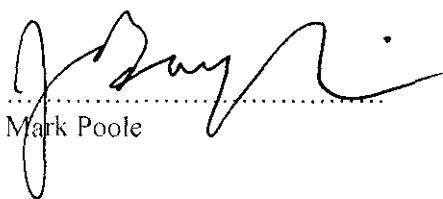
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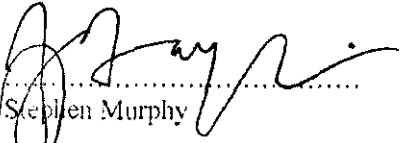
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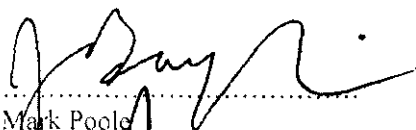
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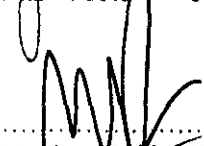
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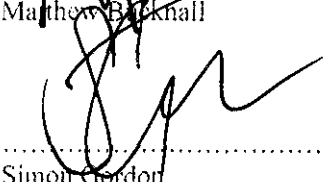
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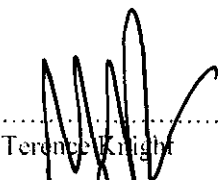
Mark Poole



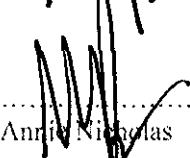
Matthew Blackhall



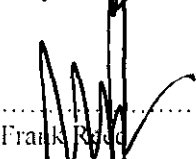
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Terence Knight



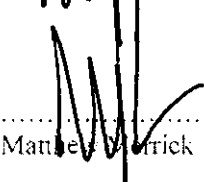
Annie Nicholas



Frank Reed



Peter Berman



Matthew Worrick

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Keith Gentry

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Steven Dick

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Ross Faragher Thomas

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Timothy Carter

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Luca Valotta

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Bernardo de Vincente Lancho

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Peter Norris

ARTICLES OF ASSOCIATION

of

VIRGIN ACTIVE GROUP LIMITED

ADOPTED BY SPECIAL RESOLUTION

Passed on 25 November 2005

As amended by a written resolution dated 31 October

2006

THE COMPANIES ACT 1985

PRIVATE COMPANY LIMITED BY SHARES

ALLEN & OVERY

Allen & Overy LLP

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THE COMPANIES ACT 1985

PRIVATE COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

of

VIRGIN ACTIVE GROUP LIMITED

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As amended by a written resolution dated

2006

INTERPRETATION

1.1 In these Articles the following words and expressions shall have the following meanings:

the Act: the Companies Act 1985 including any statutory modification or re-enactment for the time being in force;

A Ordinary Shares: the A Ordinary Shares of 0.1p each in the capital of the Company;

A Ordinary Shareholder(s): the holder(s) of the A Ordinary Shares;

Asset Sale: the sale of all or substantially all of the business and undertaking carried on by the Company and its subsidiaries;

Auditors: the auditors for the time being of the Company;

Bad Leaver: an Excluded Shareholder who is not a Good Leaver;

B Ordinary Shares: the B Ordinary Shares of 0.1p each in the capital of the Company;

B Ordinary Shareholder(s): the holder(s) of the B Ordinary Shares;

Bridgepoint: Bridgepoint Capital (Nominees) Limited (registered number 3139614) whose principal place of business is 30 Warwick Street, London W1B 5AL;

Bridgepoint Fund: Bridgepoint Europe II 'A' L.P., Bridgepoint Europe II 'B' L.P., Bridgepoint Europe II 'C' L.P., Bridgepoint Europe II 'D' L.P., Bridgepoint Europe II 'E' L.P., Bridgepoint Europe II 'F' L.P., Bridgepoint Europe II 'G' L.P. and Bridgepoint Europe II GmbH & Co. KG or other fund of which Bridgepoint Capital Limited is the adviser or manager;

B Shareholder Percentage: shall be equal to the amount of the Ratchet Pool divided by the Ratchet Shares Equity Proceeds, expressed as a percentage;

C Ordinary Shares: the C Ordinary Shares of 0.1p each in the capital of the Company;

C Ordinary Shareholder(s): the holder(s) of the C Ordinary Shares;

C Shareholder Equity Proceeds: the Equity Proceeds less the D Ordinary Share Return (if any), multiplied by the C Shareholder Percentage;

C Shareholder Percentage: 12.44929%, provided that (a) until such time as all of the C Ordinary Shares which are authorised but unissued at the date of adoption of these Articles have been issued the C Shareholder Percentage shall be reduced proportionately (by multiplying it by the number of issued C Ordinary Shares and dividing by the number of authorised C Ordinary Shares) (b) following any issue of further A Ordinary Shares or D Ordinary Shares in circumstances where the holders of the C Ordinary Shares do not subscribe for C Ordinary Shares in proportion to their existing share rights the C Shareholder Percentage shall be reduced accordingly (c) following a buy back of C Ordinary Shares in circumstances where the holders of A Ordinary Shares and/or the holders of D Ordinary Shares do not sell a proportion of the A Ordinary Shares and/or D Ordinary Shares held by them respectively equivalent to the proportion of the C Ordinary Shares sold by the holders of the C Ordinary Shares the C Shareholder Percentage shall be reduced accordingly;

Consideration Loan Notes: £35,219,747 of outstanding aggregate nominal amount of 8% loan notes due 2011 issued by the Company on the D Ordinary Share Issue Date;

consultant: shall include any person who has entered into a consultancy agreement with any Group Company;

Deed of Adherence: a deed of adherence to the shareholders agreement between the Members and the Company, in the form agreed between the Members and the Company from time to time;

Deferred Shares: deferred shares of 0.1p each (if any) created pursuant to Article 6;

D Ordinary Shares: the D Ordinary Shares of 0.1p each in the capital of the Company;

D Ordinary Shareholder(s): the holder(s) of the D Ordinary Shares;

D Ordinary Share Issue Date: the date on which D Ordinary Shares are first issued by the Company;

D Ordinary Share Return: an amount equal to:

- (a) nil, where Shareholder Value on a Realisation is less than £750,000,000;
- (b) between 0% and 2% of Shareholder Value, increasing on a straight line sliding scale, where Shareholder Value on a Realisation is equal to or greater than £750,000,000 but not greater than £1,000,000,000; or
- (c) 2% of Shareholder Value, where Shareholder Value on a Realisation is greater than £1,000,000,000;

E Loan Notes: the loan notes designated as such and constituted by a loan note instrument executed by the Company on the date of adoption of these Articles;

Equity Proceeds:

- (a) in the event of a Listing, the value placed on all of the Ordinary Shares (excluding, for the avoidance of doubt, any shares to be issued by the Company on the Listing to raise additional finance for the Company);
- (b) in the event of a Sale, the value of the consideration payable on completion of the Sale in respect of all of the Ordinary Shares or in respect of the business and undertaking sold, provided that if the consideration for the Sale comprises wholly or in part the issue of securities (not accompanied by a cash alternative) (aa) if the securities will rank *pari passu* with a class of securities already publicly traded, the value of such securities shall be determined by reference to the closing mid market price of the securities on the latest practical day prior to the Realisation Date, or (bb) if the securities are not of such a class, the value of such securities shall be determined by an independent investment bank (selected by the Company) in a certificate obtained for the purpose and addressed to the Company; and
- (c) the aggregate of all amounts received by the holders of the Shares from the Company by way of distribution or return of capital in respect of their Shares between the date of adoption of these Articles and the Realisation Date;

Excluded Shareholder: a B Ordinary Shareholder or a C Ordinary Shareholder:

- (a) who is an employee and/or director of, or a consultant to, the Company or any of its subsidiaries and whose employment or engagement is subject to notice of termination; or
- (b) who was, but has ceased to be, an employee and/or director of, or consultant to, the Company or any of its subsidiaries;

Fair Price:

- (a) the price which such independent internationally recognised investment bank with annual revenues of at least US\$10 billion as the board of directors of the Company may nominate for the purpose provided that such bank has confirmed to the Company in writing that it has no conflict of interest in acting (the **Expert**) states in writing to be in its opinion the fair value of the Shares concerned or the loan notes issued by any Group Company (provided that the fair price of any loan note shall not be less than the principal outstanding together with any accrued but unpaid interest), as the case may be, on a sale as between a willing seller and a willing purchaser, and in determining such fair value the Expert shall be given reasonable access to the management of the Company for the purposes of determining such fair value and shall be instructed in particular:
 - (i) to have regard to the rights and restrictions attached to such Shares (including in respect of the D Ordinary Shares and the D Ordinary Share Returns) or loan notes in respect of income and capital and (in the case of the Shares) voting;
 - (ii) by valuing the Shares or loan notes concerned by reference to the value of the Group as a whole (and therefore without regard to the size of the relevant holding); and
 - (iii) if the Company is then carrying on business as a going concern, to assume that it will continue to do so; or
- (b) such price as may be agreed in writing between the transferor and the board of directors of the Company;

Good Leaver: an Excluded Shareholder who ceases to be an employee and/or director of, or consultant to, the Company or any of its subsidiaries in any of the following circumstances only:

- (a) retirement on reaching the retirement age specified in his terms of employment or engagement;
- (b) death;
- (c) incapacity by reason of accident, ill health or permanent disability from duly attending his duties for a period exceeding in all 26 weeks (whether consecutive or otherwise) in any consecutive period of 24 months entitling the Company (or the relevant subsidiary) to terminate any contract of employment, agreement for services or consultancy agreement;
- (d) wrongful dismissal, redundancy or unfair dismissal (within the meaning of the Employment Rights Act 1996) provided that such wrongful or unfair dismissal has been agreed by the Company (or relevant subsidiary) or determined by a court or employment tribunal and no right of appeal exists or the time for making such appeal has expired and no such appeal has been made. For the avoidance of doubt, this provision shall not apply to anyone engaged by the Company under a consultancy agreement;
- (e) the sale of a subsidiary of the Company by which such Member is employed or of which he is a director or a consultant (where following such sale such Member is no longer an employee, director or consultant of the Company or any of its subsidiaries);
- (f) if the directors (with the consent of Virgin) otherwise agree or are deemed to have so agreed pursuant to any agreement entered into (with the consent of Virgin) between the relevant Member and the Company or any subsidiary; or
- (g) upon the expiry of the term of any consultancy agreement unless the Company has a requirement for the provision of further services of a similar nature and offers to extend such agreement for a further year on terms which are substantially the same as those applying during the last twelve months of the term of such agreement (provided always that where the agreement is terminated by the Company for breach the executive whose services are provided under the consultancy agreement shall not be a Good Leaver (unless the directors, with the consent of Virgin, agree otherwise));

Group: the Company and its subsidiary undertakings from time to time and **Group Company** means any of them;

HCG: Health Club Group plc (registered number 4663223) whose registered office is 100 Aldersgate Street, London EC1A 4LX;

Holmes Place: Holmes Place Health & Fitness Holdings Limited (registered number 5400953) whose registered office is 100 Aldersgate Street, London EC1A 4LX;

Investment Cost: £257,083,242 plus the amount of any further investment in the Group by the Members or any of them or any Virgin Entity between the date of adoption of these Articles and the Realisation Date (together with all direct costs incurred by the Members in making such further investment);

IRR: the annual internal rate of return achieved on the Realisation expressed as a percentage calculated by reference to the cashflows comprised in the Investment Cost (assuming the entirety of the Investment Cost was incurred on the date of the adoption of these Articles other than that relating to any shares or loan notes issued after the date of adoption of these Articles, in respect of which the actual date of such further investment shall be used) and the Realisation Proceeds (assuming that any part of the Realisation Proceeds not realised earlier is realised on the Realisation Date and using the

actual date of receipt in respect of any part of the Realisation Proceeds realised on or before the Realisation Date);

Listing: the listing of the Company's entire issued share capital on the main market or the Alternative Investment Market of the London Stock Exchange plc or on any recognised investment exchange in respect of which a recognition order has been made under the Financial Services and Markets Act 2000, section 290;

Loan Notes: the Consideration Loan Notes, the £200,556,326 of outstanding aggregate nominal amount of 8% loan notes due 2011 issued by the Company as at D Ordinary Share Issue Date, the £6,349,027 of outstanding aggregate nominal amount of 8% loan notes due 2011 issued by the Company and as at the D Ordinary Share Issue Date, held by Virgin Holdings Limited, Virgin Leisure Limited and Barfair Limited and the £19,016,556 of outstanding aggregate nominal amount of 8% loan notes due 2011 issued by the Company and as at the D Ordinary Share Issue Date held by Virgin Holdings Limited, Virgin Leisure Limited, and Barfair Limited;

Member or shareholder: a holder of Shares;

the Ordinary Shares: together the issued A Ordinary Shares, the B Ordinary Shares, the C Ordinary Shares and the D Ordinary Shares;

Permira: Permira Europe II Nominees Limited and SV Nominees Limited whose principal places of business are at Trafalgar Court, Les Banques, St. Peter Port, Guernsey, Channel Islands GY1 3QL;

Permira Fund: Permira Europe II L.P. 1, Permira Europe II L.P. 2, Permira Europe II C.V. 3, Permira Europe II C.V. 4 and Permira Europe II Co-Investment Scheme and SV (Nominees) Limited as nominee for Schroder Ventures Investments Limited and any other fund of which Permira Advisers LLP is the adviser or manager;

Pre-Return Equity Proceeds:

- (a) in the event of a Listing, the value placed on all of those Ordinary Shares (including the D Ordinary Shares but excluding the D Ordinary Share Return) that were in issue on the D Ordinary Share Issue Date;
- (b) in the event of a Share Sale, the value of the consideration payable on completion of the Sale in respect of all of those Ordinary Shares (including the D Ordinary Shares but excluding the D Ordinary Share Return) that were in issue on the D Ordinary Share Issue Date or, in the event of an Asset Sale, the value of the consideration payable on completion of the sale of the business or undertaking attributable to those Ordinary Shares (including the D Ordinary Shares but excluding the D Ordinary Share Return) that were in issue on the D Ordinary Share Issue Date, provided that if the consideration for the Sale comprises wholly or in part the issue of securities (not accompanied by a cash alternative) (aa) if the securities will rank *pari passu* with a class of securities already publicly traded, the value of such securities shall be determined by reference to the closing mid market price of the securities on the latest practical day prior to the Realisation Date, or (bb) if the securities are not of such a class, the value of such securities shall be determined by an independent investment bank (selected by the Company) in a certificate obtained for the purpose and addressed to the Company; and
- (c) the aggregate of all amounts received by the holders of all of those Shares (including the D Ordinary Shares) that were in issue on the D Ordinary Share Issue Date from the Company by way of distribution or return of capital in respect of those Shares between the date of adoption of these Articles and the Realisation Date;

Qualifying Shareholder: a shareholder, or two or more shareholders, who have given and not withdrawn written notice to the Company that they are acting and do act together in relation to their shareholdings in the Company, who is, or are together, the holder(s) of such number of A Ordinary Shares and/or D Ordinary Shares entitling such shareholder(s) to exercise more than the QS Percentage of the voting rights at a general meeting of the Company;

QS Percentage: 5% provided that where the shareholder or shareholder(s) are Holmes Place and/or its permitted transferees in accordance with Article 8.4 (together the **HP Holders**):

- (a) immediately following each issue of Shares where the HP Holders have not subscribed for any such Shares, such percentage shall be adjusted so that it is equal to:

the number of voting rights represented by the QS Percentage
immediately preceding such issue of Shares

the total number of voting rights immediately following such issue of Shares

- (b) if any D Ordinary Shares are transferred to any HP Holders other than those set out in Article 8.4.1 to Article 8.4.5 (inclusive), all such holders of those D Ordinary Shares must together give and not withdraw written notice to the Company that they are acting and do act together in relation to their shareholdings in the Company in order for the provisions of this proviso to apply to them in determining whether they qualify as a Qualifying Shareholder; and
- (c) if more than seven-twelfths of the aggregate of the D Ordinary Shares issued on the D Ordinary Share Issue Date and the D Ordinary Shares subsequently subscribed for by any of the HP Holders are transferred by the HP Holder(s) other than in accordance with Article 8.4, the provisions of this proviso shall cease to have effect;

Ratchet Pool: shall be calculated by multiplying the Relevant Percentage by the Ratchet Surplus in each case as defined in Article 6.2 or Article 6.3, as the case may be;

Ratchet Shares: the A Ordinary Shares, B Ordinary Shares and D Ordinary Shares;

Ratchet Shares Equity Proceeds: an amount equal to the Equity Proceeds less (a) the D Ordinary Share Return (if any), and (b) the C Shareholder Equity Proceeds;

Ratchet Surplus: the amount calculated in accordance with Article 6.2.2 or 6.3.2, as the case may be;

Realisation: a Listing or a Sale;

Realisation Date:

- (a) in the case of a Listing, the date on which dealings commence in respect of the shares the subject of the Listing; or
- (b) in the case of a Sale, completion of the Sale;

Realisation Multiple: the amount of the Realisation Proceeds divided by the Investment Cost;

Realisation Proceeds: the amount of the Equity Proceeds less the D Ordinary Share Return (if any) plus the aggregate of all amounts received by the holders of Loan Notes and the holders of any further loan notes, preference shares or other securities issued by a Group Company between the

date of adoption of these Articles and the Realisation Date, the subscription price for which is, in each case, included within the definition of Investment Cost in respect of such loan notes, preference shares and other securities (including all redemption payments and interest payments) between the date of adoption of these Articles and the Realisation Date but excluding the first £3 million received by Virgin (or any Virgin Entity);

the Relevant Percentage: shall be calculated as set out in Article 6.2.1 or 6.3.1, as the case may be;

Sale: a Share Sale or an Asset Sale;

Share Sale:

- (a) the sale of the whole of the issued Ordinary Shares to a single purchaser (or to one or more purchasers as part of a single transaction);
- (b) the sale of less than the whole of the issued Ordinary Shares in circumstances where the Company has received advice satisfactory to it that the purchaser or purchasers is or are (or will upon the agreement or agreements for such sale becoming unconditional be) entitled to acquire that part of the issued Ordinary Shares not agreed to be acquired pursuant to such agreement or agreements in accordance with the provisions of Part XIII A of the Companies Act 1985 or pursuant to Article 11.1,

other than a sale to a Virgin Entity;

Shareholder Value: the aggregate of

- (i) the Pre-Return Equity Proceeds plus
- (ii) all amounts received between the date of adoption of these Articles and the Realisation Date (a) by the holders of all of those Loan Notes that were in issue at the D Ordinary Share Issue Date (including those issued by the Company on that date) by way of interest or principal amount, and (b) by the holders of all of those preference shares issued by any Group Company (other than to any other Group Company) in issue on the D Ordinary Share Issue Date by way of distribution or return of capital,

both adjusted to reverse the effect of (i) any refinancing of the Group if such refinancing results in a return to holders of securities in respect of Shares, Loan Notes or preference shares held by them on the D Ordinary Share Issue Date; and/or (ii) early redemption of the Loan Notes and/or preference shares issued by any Group Company subsequent to the D Ordinary Share Issue Date); and

- (iii) all amounts outstanding on the Realisation Date in respect of:
 - (a) Loan Notes (including accrued but unpaid interest); and
 - (b) preference shares (including any accrued but unpaid dividends) issued by any Group Company (other than to another Group Company) which were in issue on the D Ordinary Share Issue Date;

Shares: the A Ordinary Shares, the B Ordinary Shares, the C Ordinary Shares, the D Ordinary Shares and the Deferred Shares or any of them;

subsidiary: shall have the meaning attributed to it by section 736 of the Act (and **subsidiaries** shall be construed accordingly);

Vested Shares: in the case of each of the following Members, that number of C Ordinary Shares set opposite their name or, if such Members have disposed of any C Ordinary Shares prior to a compulsory transfer of their Shares pursuant to Article 13.1, such of the Vested Shares that they still hold (as shown on the Register of Members of the Company):

Member	C Ordinary Shares
Matthew Bucknall	258,296
Simon Gordon	35,838
Terence Knight	17,389
Annie Nicholas	35,701
Frank Reed	258,296
Peter Brennan	17,654
Ross Faragher-Thomas	12,533
Luca Valotta	36,945

For the purposes of this definition any disposal of Shares prior to a compulsory transfer shall be deemed to have been a disposal of Vested Shares (to the extent the Member concerned had any Vested Shares at that time);

Virgin: Virgin Leisure Limited (registered number 3738943) or any subsequent holder of the majority of the A Ordinary Share which is a Virgin Entity;

Virgin Entity: any person or undertaking specified in paragraphs (a) to (e) below:

- (a) Sir R.C.N. Branson together with the trustees of any settlement created by him;
- (b) any spouse of the individual specified in (a) above, or any child or remoter issue of the individual's grandparents or any spouse of such child or issue;
- (c) the trustee or trustees for the time being of any settlement made by any person mentioned in (b) above;
- (d) any personal representative of the individual specified in (a) above; and
- (e) any undertaking (as defined in section 259 Companies Act 1985) in any jurisdiction or other entity in which any person specified in (a) to (d) above himself or together with any other person or persons mentioned in (a) to (d) inclusive above holds (directly or indirectly) more than 50% of the shares (as defined in section 259 Companies Act 1985) or otherwise has control (as defined in Section 416 Income and Corporation Taxes Act 1988).

1.2 Words and expressions defined in the Act have the same meanings in these Articles, unless inconsistent with the context.

1.3 The renunciation of a right to be allotted shares and any sale, transfer or disposition of any legal or equitable interest in shares shall be treated as if it were a transfer of those shares and therefore shall be governed by Articles 7 to 13.

TABLE A

- 2.1 The Regulations contained or incorporated in Table A in the Schedule to The Companies (Tables A to F) Regulations 1985 as amended by The Companies (Tables A to F) Amendment Regulations 1985 and the Companies Act 1985 (Electronic Communications) Order 2000 (**Table A**) shall apply to the Company, save insofar as they are varied or excluded by, or are inconsistent with, the following Articles.
- 2.2 In Regulation 1 of Table A, the words "and in Articles of Association adopting the same" shall be inserted after the word "regulations" where it first appears in the last paragraph of that Regulation and the sentence "Any reference to any statutory provision shall be deemed to include a reference to each and every statutory amendment, modification, re-enactment and extension thereof for the time being in force" shall be inserted at the end of that Regulation.
- 2.3 The first sentence of regulation 24 and regulations 46, 64, 73 to 78, 80, 81, 90, 94, 95, 115 and 118 of Table A do not apply.

PRIVATE COMPANY

- 3 The Company is a private company and accordingly any invitation to the public to subscribe for any shares or debentures of the Company is prohibited.

SHARE CAPITAL

- 4 The share capital of the Company at the date of adoption of these Articles is £15,970,091 divided into 12,433,210 A Ordinary Shares, 1,277,607 B Ordinary Shares and 2,259,274 C Ordinary Shares and 1,971,201 D Ordinary Shares.¹

SHARE RIGHTS

- 5 The A Ordinary Shares, B Ordinary Shares, C Ordinary Shares, D Ordinary Shares and Deferred Shares shall have, and be subject to, the following rights and restrictions:

5.1 Income

- 5.1.1 Sums distributed by the Company in the nature of income shall be apportioned as to the C Shareholder Percentage amongst the C Ordinary Shareholders in proportion to the number of C Ordinary Shares held by them respectively and as to the remainder amongst the A Ordinary Shareholders and the D Ordinary Shareholders in proportion to the number of A Ordinary Shares and D Ordinary Shares held by them respectively.
- 5.1.2 No dividend shall be paid or payable in respect of the B Ordinary Shares or the Deferred Shares.
- 5.1.3 The provisions of this Article 5.1 are subject to the provisions of Article 5.4.

5.2 Capital

- 5.2.1 On a return of capital on liquidation or otherwise, the surplus assets of the Company remaining after payment of its liabilities and payment of the D Ordinary Share Return (if any) shall be distributed as to the C Shareholder Percentage amongst the C Ordinary Shareholders and as to the remainder amongst the A Ordinary Shareholders and D Ordinary

¹ The share capital of the Company was increased by £1,971,201 to £17,941,292 on 31 October 2006 by the creation of 1,971,201 D Ordinary Shares

Shareholders in proportion to the number of C Ordinary Shares, A Ordinary Shares and D Ordinary Shares held by them respectively, but subject to the right of the holders of the Deferred Shares to receive a total of 1p for all Deferred Shares in issue and the right of the holders of the B Ordinary Shares to receive a total of 1p for all B Ordinary Shares in issue.

5.2.2 The provisions of this Article 5.2 are subject to the provisions of Article 5.4.

5.3 Voting

5.3.1 Shareholder votes shall be conducted by way of a poll. On any shareholder vote every A Ordinary Shareholder shall have one vote for every A Ordinary Share of which he is the holder, every D Ordinary Shareholder shall have one vote for every D Ordinary Share of which he is the holder and the C Ordinary Shareholders shall have in aggregate such number of votes as is equal to the C Shareholder Percentage of the total number of votes (divided among the C Ordinary Shareholders *pro rata* to the number of C Ordinary Shares held). Votes may only be cast by those shareholders present in person or by proxy or (in the case of a company) by their representative.

5.3.2 The B Ordinary Shares and the Deferred Shares shall carry no right to vote.

5.3.3 Where there is more than one Qualifying Shareholder (other than Virgin and/or any Virgin Entity), in respect of any requirement for consent from a Qualifying Shareholder under these Articles (other than in relation to Virgin and/or any Virgin Entity), the written consent of only one Qualifying Shareholder shall be sufficient provided that (i) the consent is obtained from a Qualifying Shareholder that is Holmes Place or an entity which acquires the D Ordinary Shares issued to Holmes Place; and (ii) the Company requests in writing such consent from all such Qualifying Shareholders (other than Virgin and/or any Virgin Entity). Where two or more shareholders constitute a Qualifying Shareholder, such shareholders shall notify the Company in writing of a nominee who, as a result of such notice, shall be deemed to be granted the power to represent and give consent on behalf of all of those shareholders in respect of any matter for which the consent of a Qualifying Shareholder is required.

5.4 Conversion

5.4.1 The provisions of Article 6 shall apply in relation to the conversion of B Ordinary Shares.

5.4.2 Notwithstanding the provisions of Articles 5.1, 5.2 and 5.3, following any conversion of B Ordinary Shares in accordance with Article 6 the remaining B Ordinary Shares (if any) shall rank *pari passu* in all respects with and form one class with the A Ordinary Shares then in issue (save that they shall have no voting rights).

5.5 Variation of class rights

5.5.1 Subject to Article 5.5.2, whenever the capital of the Company is divided into different classes of shares the special rights attached to any class of shares may be varied or abrogated with the consent in writing of the holders of three fourths of the issued shares of the class or with the sanction of an Extraordinary Resolution passed at a separate meeting of the holders of that class or, in the case of the Ordinary Shares, in accordance with Article 5.5.3. To every such separate meeting all the provisions of these Articles relating to general meetings of the Company shall apply *mutatis mutandis* except that:

- (a) unless there is only one holder of the relevant class of share, the necessary quorum shall be at least two persons holding or representing by proxy one third in nominal amount of the

issued shares of the class, but so that at any adjourned meeting of such holders at which such a quorum is not present the holder or holders present shall be a quorum; and

- (b) the holders of shares of the class in question shall on a poll have one vote in respect of every share of the class held by them respectively.

5.5.2 For so long as there is a Qualifying Shareholder other than Virgin and/or a Virgin Entity, the economic rights attached to the D Ordinary Shares may only be varied or abrogated with the prior written consent in writing of that Qualifying Shareholder.

5.5.3 Subject to Section 125(3) of the Act and Article 5.5.2, the special rights attaching to all classes of Shares (other than the economic rights attached to the D Ordinary Shares which may only be varied with the consent of the holders of three fourths of D Ordinary Shares) may be varied or abrogated by an ordinary resolution of the Company in general meeting.

5.5.4 The rights attached to any class of shares shall not (unless otherwise provided by the rights attached to the shares of that class) be deemed to be varied by the creation or issue of further shares ranking in some or all respects *pari passu* therewith (but in no respect in priority thereto) or by the purchase or redemption by the Company of any of its own shares.

5.6 Issue of new shares

5.6.1 Subject to this Article and to the provisions of section 80 of the Act, the Shares shall be at the disposal of the directors who may allot, grant options over or otherwise dispose of them to such persons at such times and generally on such terms and conditions as they think proper.

5.6.2 The provisions of sections 89 and 90 of the Act shall apply to the issue of any Ordinary Shares by the Company, subject always to the provisions of section 95 of the Act, other than: (i) any issue of A Ordinary Shares and/or D Ordinary Shares and any issue of Ordinary Shares to which Articles 5.6.3 to 5.6.7 applies; (ii) any issue of shares which are authorised but unissued as at the date of adoption of these Articles to an employee, director or consultant of any Group Company; and (iii) any shares which the Company is required to issue pursuant to any option granted on or before the date of adoption of these Articles. Articles 5.6.3 to 5.6.7 shall not apply to any issue of shares falling within (ii) or (iii) aforesaid and shall be subject to the limitations in Article 5.6.8 in respect of B Ordinary Shares and C Ordinary Shares.

5.6.3 In the event of an issue of Ordinary Shares which are to be wholly paid up in cash (not being an issue of Ordinary Shares falling within (ii) or (iii) of Article 5.6.2), those Ordinary Shares shall first be offered to holders of Ordinary Shares *pro rata* to their existing holdings by the Company giving notice to such holders of the number of Ordinary Shares to be issued and the price at which they are to be issued.

5.6.4 The notice given by the Company in accordance with Article 5.6.3 shall invite each of the Members to state in writing to the Company within 21 days whether it or he is willing to subscribe any, and if so what maximum number, of the Ordinary Shares to be issued. A person who expresses a willingness to purchase such shares is referred to below as a **Subscriber**.

5.6.5 On expiration of the 21 day period the Company shall allocate the Ordinary Shares to be allotted and issued to or amongst the Subscribers *pro rata* to the number of Ordinary Shares held by them.

- 5.6.6 On the allocation being made, the Company shall give details of the allocation in writing to each Subscriber and, on the fourteenth day after such details are given, the Subscribers to whom the allocation has been made shall be bound to pay the subscription price for, and to accept an allotment of, the Ordinary Shares allocated to them respectively and the Company shall be bound, in receipt of the subscription monies, to allot and issue the Ordinary Shares to the respective Subscribers.
- 5.6.7 If following the expiry of the 21 day period referred to in Article 5.6.4 above any of the Ordinary Shares have not been allocated under Article 5.6.5, the Company may at any time within a period of 90 days after the expiry of the 21 day period either allot the Ordinary Shares not allocated to any person and at any price (being not less than the subscription price specified in the notice issued by the Company in accordance with Article 5.6.3).
- 5.6.8 In the event of an issue of Ordinary Shares (not being an issue of Ordinary Shares falling within (ii) or (iii) of Article 5.6.2), the B Ordinary Shareholders and the C Ordinary Shareholders shall be entitled to subscribe at an equivalent price for such number of B Ordinary Shares and C Ordinary Shares respectively as will maintain their respective holdings of Ordinary Shares at the same level, failing which the B Shareholder Percentage and the C Shareholder Percentage shall be reduced accordingly.
- 5.6.9 In the event of simultaneous issues of Ordinary Shares by the Company and loan notes by any Group Company, which are to be wholly paid up in cash (not being an issue of Ordinary Shares falling within (ii) or (iii) of Article 5.6.2), those Ordinary Shares and loan notes shall first be offered together to the Members by the Company giving notice to the Members of the number of Ordinary Shares and the nominal amount of loan notes to be issued and the price at which they are respectively to be issued. The provisions of Articles 5.6.3 to 5.6.7 (subject to the limitations in Article 5.6.8 in respect of the B Ordinary Shares and C Ordinary Shares) shall apply, mutatis mutandis, to the issue of such Ordinary Shares and loan notes together and so that the loan notes shall be allocated *pro rata* to the allocation of the Ordinary Shares.

5.7 D Ordinary Share Return

On a Realisation, the D Ordinary Shareholders shall be entitled to the D Ordinary Share Return. Immediately prior to a Realisation, the Company shall calculate the D Ordinary Share Return and notify the D Ordinary Shareholders in writing of the aggregate D Ordinary Share Return payable to the D Ordinary Shareholders on that Realisation.

5.8 Registered holders

The Company shall recognise the registered holder of any Shares as the absolute owner of such Shares and shall not be bound to take notice of any trust, nominee or other similar arrangement, whether express, implied or constructive to which any Shares may be subject. No notice of any trust, nominee or other similar arrangement, express, implied or constructive shall be entered into the register of members in respect of any of the Shares.

CONVERSION ON A REALISATION

- 6.1 Immediately prior to a Realisation such number of B Ordinary Shares will automatically convert into Deferred Shares as will (so far as possible) result in the B Ordinary Shareholders holding the B Shareholder Percentage of the Ratchet Shares.
- 6.2 Where the Realisation Date occurs on or before the date falling four years after the date of adoption of these Articles then:

6.2.1 the Relevant Percentage shall be calculated as set out in the table below:

IRR	Relevant Percentage
35% or above	10%
Between 25% and 35%	The Relevant Percentage shall increase on a straight line basis from 5% to 10%
25% or less	0%

6.2.2 the Ratchet Surplus shall be the amount by which the Realisation Proceeds exceed the amount which would be required to give rise to an IRR of 25%.

6.3 Where a Realisation occurs after the date falling four years after the date of adoption of these Articles then:

6.3.1 the Relevant Percentage shall be calculated as set out in the table below:

Realisation Multiple	Relevant Percentage
4x or above	12%
Between 2.4x and 4x	The Relevant Percentage shall increase on a straight line basis from 5% to 12%
2.4x or less	0%

6.3.2 the Ratchet Surplus shall be the amount by which the Realisation Proceeds exceed the amount which would be required to give rise to a Realisation Multiple of 2.4x.

6.4 Any conversion of B Ordinary Shares into Deferred Shares pursuant to this Article 6 shall be made on the following terms:

6.4.1 Deferred Shares shall be apportioned (or as near thereto as may be practicable to avoid the apportionment of a fraction of a share) among the holders of the B Ordinary Shares to be converted in the proportion (or as near thereto as may be practicable to avoid the apportionment of a fraction of a share) in which they hold B Ordinary Shares as shown on the Register of Members of the Company immediately prior to the Realisation Date;

6.4.2 the certificate of the Auditors as to the number of B Ordinary Shares to be converted into Deferred Shares and the apportionment of such Deferred Shares among the holders thereof shall (save in the case of a manifest error) be conclusive and binding on the Company and its Members;

6.4.3 conversion of B Ordinary Shares into Deferred Shares shall be deemed to confer an irrevocable authority on the Company at any time:

(a) to appoint any person to execute on behalf of the holders of such Deferred Shares a transfer thereof and/or an agreement to transfer the same for no consideration to such person as the Company may determine as custodian thereof; and/or

- (b) to purchase the same (in accordance with the provision of the Act) for not more than an aggregate sum of 1p for all the Deferred Shares without obtaining the sanction of the holder or holders thereof and for the purposes of such purchase to appoint a person to execute on behalf of any holder of the Deferred Shares a contract for the sale to the Company of any such shares held by such holder,
- (c) pending such transfer and/or purchase to retain the certificates for such Deferred Shares; and
- 6.4.4 upon any conversion of B Ordinary Shares in accordance with Article 6, the Company shall be obliged to issue substitute share certificates for Deferred Shares arising on such conversions against surrender by the holder of the certificate representing the former holding of B Ordinary Shares.
- 6.5 For the avoidance of doubt, the provisions of this Article 6 shall not be capable of increasing the proportion of the Ratchet Shares which are B Ordinary Shares.

PROVISIONS APPLYING ON EVERY TRANSFER OF SHARES

- 7.1 Shareholders are not entitled to transfer and the directors may not register a transfer of Shares unless:
 - 7.1.1 it is expressly permitted by Article 8 or has been made in accordance with Articles 9, 10, 11, 12 or 13 (as appropriate); and
 - 7.1.2 the proposed transferee has entered into a Deed of Adherence, provided that in respect of any transfer of the D Ordinary Shares, the transferee shall only be required to enter into a Deed of Adherence if or when such transferee shall be or becomes a Qualifying Shareholder either individually or acting with others.
- 7.2 For the purpose of ensuring that a transfer of Shares is permitted under these Articles or that there has been no breach of these Articles, the directors (acting by a majority) may from time to time require any Member or the legal personal representative of any deceased 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.
- 7.3 In the event of a Share Sale, then notwithstanding anything to the contrary in the terms and conditions governing such Share Sale, the shareholders immediately prior to such Share Sale shall procure that the consideration whenever received shall be distributed amongst such shareholders in such amounts and in such order or priority as would be applicable to a return of capital (taking account, where appropriate, of any D Ordinary Share Return payable and any conversion of B Shares as a result of a Realisation).

PERMITTED TRANSFERS OF SHARES

- 8.1 With the written consent of the holders of 75% or more of the A Ordinary Shares in issue, Shares may be transferred to any person.
- 8.2 Shares may be transferred:
 - 8.2.1 by Virgin or any other Virgin Entity to another Virgin Entity;

8.2.2 by a shareholder which is a body corporate to a member of the same group (meaning a subsidiary or holding company of the body corporate or a subsidiary of a holding company of the body corporate) if the transferee gives an undertaking to the Company that if the transferee ceases to be a member of the same group, all its shares in the Company will, before the cessation, be transferred to another member of the same group.

8.3 Shares may be transferred:

8.3.1 by any individual member to such individual member's spouse or child or any child or remoter issue of such individual member's grandparents and any spouse of such child or remoter issue; and/or

8.3.2 to the trustee or trustees for the time being of any settlement made by a member the beneficiaries of which include only such persons as are listed in Article 8.3.1, in their capacity as trustee of that settlement.

8.4 Subject to Article 8.5, D Ordinary Shares may be transferred to:

8.4.1 HCG; or

8.4.2 Bridgepoint; or

8.4.3 Permira; or

8.4.4 up to a maximum of three body corporates owned by Bridgepoint Capital Limited and/or Permira Advisers LLP or any adviser or manager of a Bridgepoint Fund or a Permira Fund or any subsidiary of such entities (but excluding any Bridgepoint Fund Nominee or Permira Fund Nominee) or any member of the Holmes Place group (each such body corporate, a **Holding Vehicle**) provided that no transfer to a Holding Vehicle shall be permitted (without the consent of VLL) if the transfer would result in one or more Holding Vehicle(s) holding in aggregate 12.5% or more in number of the issued D Ordinary Shares as at the date of the amendment of these Articles; or

8.4.5 up to a maximum of three body corporates which are nominee companies for a Bridgepoint Fund and up to a maximum of three body corporates which are nominee companies, for a Permira Fund (a **Bridgepoint Fund Nominee** or a **Permira Fund Nominee** as the case may be); or

8.4.6 any unitholder, shareholder, partner, limited partner, participant or other investor in or manager of the Bridgepoint Fund and/or the Permira Fund.

PRE-EMPTION RIGHTS

9.1 Except as otherwise provided in Article 8 or unless any of Articles 10, 11, 12 or 13.1 applies, for so long as there is a Qualifying Shareholder other than Virgin and/or any Virgin Entity no Member holding A Ordinary Shares or D Ordinary Share shall be entitled to transfer any of its or his Ordinary Shares (whether A Ordinary Shares, D Ordinary Shares or other Ordinary Shares) without the Ordinary Shares having first been offered pursuant to this Article. The offer may be in respect of all or part only of the Member's Ordinary Shares and shall be made by the Member giving notice in writing to the Company (a **Transfer Notice**).

9.2 The Transfer Notice shall specify the Ordinary Shares offered (the **Offered Shares**) and the cash price at which they are offered (the **Specified Price**). The Transfer Notice shall constitute the Company as the agent for the sale of the Offered Shares to the Qualifying Shareholders

(other than the proposing transferor) at the Specified Price. The Transfer Notice may contain a provision that, unless all the Offered Shares are sold under this paragraph, none shall be sold. The Transfer Notice may not be revoked by the proposing transferor unless Article 13.2 or Article 13.3 applies or the board of directors of the Company consents to such revocation.

- 9.3 On receipt by the Company of the Transfer Notice, the Company shall as soon as practicable give notice to the Qualifying Shareholders (other than the proposing transferor) of the number and description of the Offered Shares and the Specified Price. The Transfer Notice shall invite each of the Qualifying Shareholders (other than the proposing transferor) to state in writing to the Company within 14 days whether it or he is willing to purchase any, and if so what maximum number, of the Offered Shares. The Company shall at the same time give a copy of the notice to the holder of the Offered Shares. A person who expresses a willingness to purchase Offered Shares is referred to below as a **Purchaser**.
- 9.4 On the expiration of the 14 day period the Company shall allocate the Offered Shares to or amongst the Purchasers *pro rata* to the number of A Ordinary Shares and D Ordinary Shares held by them as if they formed one class, provided that if the Transfer Notice states that the proposing transferor is not willing to transfer part only of the Offered Shares, no allocation will be made unless all the Offered Shares are allocated.
- 9.5 On the allocation being made, the Company shall give details of the allocation in writing to the holder of the Offered Shares and each Purchaser and, on the fourteenth day after such details are given, the Purchasers to whom the allocation has been made shall be bound to pay the purchase price in cash for, and to accept or join in a transfer of, the Offered Shares allocated to them respectively and the holder of the Offered Shares shall be bound, on payment of the purchase price in cash, to transfer the Offered Shares to the respective Purchasers to whom the allocation has been made.
- 9.6 If following the expiry of the 14 day period referred to in Article 9.4 above any of the Offered Shares have not been allocated under that paragraph, the proposing transferor may at any time within a period of 90 days after the expiry of the 14 day period transfer the Offered Shares not allocated to any person and at any price (being not less than the Specified Price) provided that:
- 9.6.1 if the Transfer Notice contained a provision that, unless all the Offered Shares are sold under this paragraph, none shall be sold, he shall not be entitled to transfer any of the Offered Shares unless all the Offered Shares are so transferred; and
- 9.6.2 the Company may require to be satisfied that those Shares are being transferred under a bona fide sale for the cash consideration stated in the transfer without any deduction, rebate or allowance to the purchaser and, if not so satisfied, may refuse to approve or register the transfer.
- 9.7 For so long as there is no Qualifying Shareholder other than Virgin and/or a Virgin Entity, Articles 9.1 to 9.6 shall not apply (other than in respect of any deemed service of a Transfer Notice under Articles 13.2 and 13.3) and shareholders are not entitled to transfer Shares unless expressly permitted by Article 8 or in accordance with Articles 10, 11 12 or 13.

TRANSFERS WHICH CHANGE CONTROL OF THE COMPANY

- 10.1 Subject to Article 10.9, Article 10.1 to 10.4 apply when a transfer of Shares would, if registered, result in a person other than a Virgin Entity (or a nominee of a Virgin Entity) or such person and any other person (other than a Virgin Entity or a nominee of a Virgin Entity):

10.1.1 who in relation to him is a connected person, as defined in section 839 of the income and Corporation Taxes Act 1988; or

10.1.2 with whom he is acting in concert, as defined in The City Code on Takeovers and Mergers

(each a **member of the purchasing group**) holding or increasing a holding to 25% or more of the Ordinary Shares in issue.

10.2 No transfer to which Article 10.1 applies may be registered unless a member or members of the purchasing group has made an offer in writing to buy such proportion of the C Ordinary Shares and Loan Notes held by the Members holding C Ordinary Shares (including any C Ordinary Shares issuable on the exercise of any then outstanding subscription rights) as is equal to the proportion of the Shares and E Loan Notes respectively held by Virgin which are to be transferred on the terms set out in Article 10.3.

10.3 The terms of the proposed transferee's offer shall be as follows:

10.3.1 the offer shall be open for acceptance for at least 21 days;

10.3.2 the consideration for each C Ordinary Share shall be the Tag-Along Price (whether in cash, securities or otherwise or in any combination) and the consideration for each Loan Note shall be equal to the price payable to Virgin for each E Loan Note.

10.4 For the purposes of this Article 10, the C Tag-Along Price shall be such amount per C Ordinary Share as would ensure (if all the C Ordinary Shares for which the offer is made pursuant to this Article were sold pursuant to that offer) that the holders of the C Ordinary Shares would receive the C Shareholder Percentage of the consideration payable by the purchasing group for all the Ordinary Shares acquired (both under the transfer referred to in Article 10.1 and pursuant to any offer made pursuant to this Article 10).

10.5 Subject to Article 10.9, Articles 10.5 to 10.8 apply when a transfer of Shares would, if registered, result in a person other than a Virgin Entity (or a nominee of a Virgin Entity) or such person and any other person (other than a Virgin Entity or a nominee of a Virgin Entity):

10.5.1 who in relation to him is a connected person, as defined in section 839 of the income and Corporation Taxes Act 1988; or

10.5.2 with whom he is acting in concert, as defined in The City Code on Takeovers and Mergers

(each a **member of the purchasing group**) holding or increasing a holding to 50% or more of the Ordinary Shares in issue.

10.6 No transfer to which Article 10.5 applies may be registered unless a member or members of the purchasing group has made an offer in writing to buy all the B Ordinary Shares held by the B Ordinary Shareholders (including any B Ordinary Shares issuable on the exercise of any then outstanding subscription rights).

10.7 The terms of the proposed transferee's offer shall be as follows:

10.7.1 the offer shall be open for acceptance for at least 21 days;

- 10.7.2 the consideration for each B Ordinary Share shall be the B Tag-Along Price (as defined in Article 10.8) (whether in cash, securities or otherwise or in any combination); and
- 10.7.3 the offer shall be subject to a condition that it is accepted in respect of all the B Ordinary Shares in issue.
- 10.8 For the purposes of this Article 10, the B Tag-Along Price shall be such amount per B Ordinary Share as would ensure that the B Ordinary Shareholders would receive in respect of all the B Ordinary Shares such amount as would be paid for those shares that would not have been converted into Deferred Shares following the operation of Article 6, for such purpose assuming:-
- 10.8.1 that the circumstances referred to in Article 10.5 constituted a Realisation and the date of the offer made pursuant to Article 10.6 was the Realisation Date;
- 10.8.2 that for the purposes of setting the Realisation Proceeds, the Equity Proceeds on such deemed Realisation were equal to:
- (a) the value of the consideration payable in respect of all and any Ordinary Shares acquired by members of the purchasing group, provided that if the consideration for such transfers comprises wholly or in part the issue of securities (not accompanied by a cash alternative) (i) if the securities will rank *pari passu* with a class of securities already publicly traded, the value of such securities shall be determined by reference to the closing mid market price of the securities on the latest practical day prior to the Realisation Date, or (ii) if the securities are not of such a class, the value of such securities shall be determined by an independent investment bank (selected by the Company) in a certificate obtained for the purpose and addressed to the Company; and
 - (b) the aggregate of all amounts received by the holders of the Shares from the Company by way of distribution or return of capital in respect of their Shares between the date of adoption of these Articles and the date of such deemed Realisation; and
- 10.8.3 that the B Ordinary Shares that would remain following such deemed operation of Article 6 (but not any Deferred Shares) were all transferred to a member of the purchasing group pursuant to the offer made under Article 10.6 and that the consideration payable by a member of the purchasing group for each B Ordinary Share acquired was equal to the highest price paid to or to be paid by a member of the purchasing group for any A Ordinary Share acquired by it as part of the transfers referred to in Article 10.5.
- 10.9 At the option of the Specified Shareholders (as such term is defined in Article 11), the provisions of this Article 10 shall not apply where the provisions of Article 11 are to be operated.
- 10.10 Immediately following completion of the transfer to a member of the purchasing group of any B Ordinary Share under this Article 10, such B Ordinary Share shall automatically convert into a Deferred Share.

DRAG-ALONG RIGHTS

11.1 In the event that:

- 11.1.1 proposed transfers made pursuant to a bona fide, arms length offer in writing to acquire Shares would result in members of the purchasing group (as such term is defined in Article 10) holding or increasing their shareholding to entitle them to 50% or more of the voting rights at a general meeting of the Company; and
 - 11.1.2 the shareholders proposing to make such transfer or transfers (the **Specified Shareholders**) procure that a member (or members) of the purchasing group has made an offer open for acceptance for at least three business days to purchase all of the issued B Ordinary Shares and C Ordinary Shares held by the other Members at the Drag-Along Price for each such Share and to purchase (or procure the redemption of) the outstanding Loan Notes held by those Members for an amount per Loan Note equal to that to be paid to Virgin for each E Loan Note held by it (in each case, subject to Article 11.5, whether in cash, securities or otherwise or in any combination),
 - 11.1.3 then, following the expiry of such period, the Specified Shareholders (or any of them) may give notice in writing to all holders of B Ordinary Shares and C Ordinary Shares (other than to Specified Shareholders and (if relevant) any member or members of the purchasing group) (the **Minority Shareholders**) requiring them within two business days of the date of the notice to transfer all (but not some of) their holdings of such Shares and/or Loan Notes to the specified member or members of the purchasing group. Written notice under this Article 11.1 shall be accompanied by all documents required to be executed by the relevant Minority Shareholder to give effect to the required transfer.
- 11.2 If any Minority Shareholder shall fail to transfer Shares or Loan Notes as required by Article 11.1, the directors may authorise any individual to execute on behalf of and as attorney for the Minority Shareholder any necessary instruments of transfer and shall register the relevant member of the purchaser's group as the holder of the Shares and Loan Notes. The Company's receipt of the purchase money shall be a good discharge to the relevant member of the purchaser's group, and the Company shall thereafter hold the same on trust for the Minority Shareholder (without any requirement to account for interest thereon). After the name of the Minority Shareholder has been entered into the register of members in purported exercise of these powers, the validity of the proceedings shall not be questioned by any person.
- 11.3 While Article 11 applies to a Minority Shareholder's B Ordinary Shares, C Ordinary Shares or Loan Notes, those Shares or Loan Notes may not be transferred otherwise than under Article 11.
- 11.4 For the purposes of Article 11.1, the **Drag-Along Price** shall be, if the offer would result in a Realisation, such price as will ensure that upon the completion of the transfers the Minority Shareholders will receive a share of the consideration paid by the purchasing group determined in accordance with Article 7.3 or, if the offer would not result in a Realisation, the price per share calculated in accordance with Article 13.1.7 but calculating the open market value for the Ordinary Shares in issue by reference to the price being paid by the purchasing group.
- 11.5 Where the consideration payable pursuant to Articles 11.1 to 11.4 is in the form of shares which are not listed on the Alternative Investment Market or the full market of the London Stock Exchange or another recognised investment exchange, the provisions of Articles 11.1 to 11.4 shall only apply if:

- 11.5.1 the purchaser is, or will be following the acquisition, majority owned or controlled by a private equity house, hedge fund or other institutional investor (or by any combination of one or more such entities or by any one or more of such entities and Virgin and the Minority Shareholders) provided always that the aforementioned is not a high net worth individual or group of high net worth individuals or an entity owned or controlled by a group of high net worth individuals; and
- 11.5.2 Virgin is selling all of the Shares held by it.
- 11.6 In the event that:
- 11.6.1 proposed transfers made pursuant to a bona fide, arms length offer (which shall not include an offer made by Virgin or a Virgin Entity) in writing to acquire Shares would result in members of the purchasing group (as such term is defined in Article 10) holding or increasing their shareholding to entitle them to 50% or more of the voting rights at a general meeting of the Company; and
- 11.6.2 the shareholders proposing to make such transfer or transfers (the **Transferring Shareholders**) procure that a member (or members) of the purchasing group has made an offer open for acceptance for at least three business days to purchase all of the issued Ordinary Shares other than B Ordinary Shares and C Ordinary Shares held by the other Members at the Securities Drag Along Price (as defined in Article 11.9) for each such Share,
- 11.6.3 then, following the expiry of such period, the Transferring Shareholders (or any of them) may give notice in writing to all holders of Ordinary Shares (other than holders of B Ordinary Shares and/or C Ordinary Shares, Transferring Shareholders and (if relevant) any member or members of the purchasing group) (the **Non-Transferring Shareholders**) requiring them within two business days of the date of the notice to transfer all (but not some of) their holdings of such Shares on the same terms as offered to the Transferring Shareholders to the specified member or members of the purchasing group. Written notice under this Article 11.6 shall be accompanied by all documents required to be executed by the relevant Non-Transferring Shareholder to give effect to the required transfer.
- 11.7 If any Non-Transferring Shareholder shall fail to transfer Shares as required by Article 11.6, the directors may authorise any individual to execute on behalf of and as attorney for the Non-Transferring Shareholder any necessary instruments of transfer and shall register the relevant member of the purchaser's group as the holder of such Shares. The Company's receipt of the purchase money shall be a good discharge to the relevant member of the purchaser's group, and the Company shall thereafter hold the same on trust for the Non-Transferring Shareholder (without any requirement to account for interest thereon). After the name of the Non-Transferring Shareholder has been entered into the register of members in purported exercise of these powers, the validity of the proceedings shall not be questioned by any person.
- 11.8 While Article 11 applies to Non-Transferring Shareholders, Shares of a Non-Transferring Shareholder may not be transferred otherwise than under Article 11.
- 11.9 For the purposes of Article 11.6 the **Securities Drag Along Price** shall be the price per share to be paid to the Transferring Shareholders for each Ordinary Share held by them plus, if the Transferring Shareholders are not transferring D Ordinary Shares but the Non-Transferring Shareholders will be, an amount per D Ordinary Share equal to the holder's proportionate share of the D Ordinary Share Return, calculated as if the proposed transfer is a Realisation.

- 11.10 Where the consideration payable pursuant to Articles 11.6 to 11.8 is in the form of shares which are not listed on the Alternative Investment Market or the full market of the London Stock Exchange or another recognised investment exchange, the provisions of Article 11.6 to 11.8, shall only apply if:
- 11.10.1 the purchaser is, or will be following the acquisition, majority owned or controlled by a private equity house, hedge fund or other institutional investor (or by any combination of one or more such entities or by any one or more of such entities and Virgin and the Non-Transferring Shareholders) provided always that the aforementioned is not a high net worth individual or group of high net worth individuals or an entity owned or controlled by a group of high net worth individuals; and
- 11.10.2 Virgin is selling all of the Shares held by it; and
- 11.10.3 each holder of D Ordinary Shares is offered cash (or a cash equivalent) consideration by the purchaser for its D Ordinary Shares as an alternative to such unlisted shares.

TAG-ALONG RIGHTS

- 12.1 No transfer of Ordinary Shares by Virgin and/or any Virgin Entity (other than a transfer which is permitted under Article 8) may be registered unless a member or members of the purchasing group has made an offer in writing to buy such proportion of the Ordinary Shares (other than the B Ordinary Shares and C Ordinary Shares) or Loan Notes held by the Members other than Virgin as is equal to the proportion of the Ordinary Shares or Loan Notes respectively held by Virgin and/or any Virgin Entity which are to be transferred on the terms set out in Article 12.2, save that the foregoing provisions of this Article 12.1 shall not apply in respect of any transfer or series of transfers of Ordinary Shares by Virgin and/or any Virgin Entity after the date of amendment of these Articles which alone or in aggregate (as the case may be) represent up to 5 per cent. of the Ordinary Shares held by Virgin.
- 12.2 The terms of the proposed transferee's offer shall be as follows:
- 12.2.1 the offer shall be open for acceptance for at least 21 days;
- 12.2.2 the consideration for each Ordinary Share (whether in cash, securities or otherwise or in any combination) shall be the same as the consideration for each Ordinary Share which is to be transferred by Virgin, if the proposed transfer will result in members of the purchasing group holding or increasing their shareholding to entitle them to 50% or more of the voting rights at a general meeting of the Company, plus an amount per D Ordinary Share equal to the holder's proportionate share of the D Ordinary Share Return, calculated as if the proposed transfer is a Realisation; and
- 12.2.3 the consideration for each Loan Note shall be equal to the average price for each Loan Note which is to be transferred by Virgin.
- 12.3 Immediately following the transfer of any D Ordinary Shares in accordance with this Article 12, such number of D Ordinary Shares as are transferred will automatically convert into A Ordinary Shares.
- 12.4 At the option of the Transferring Shareholders (as such term is defined in Article 11) the provisions of this Article 12 shall not apply where the provisions of Article 11 are proposed to be operated.

COMPULSORY TRANSFERS

13.1 Transfer by an Excluded Shareholder

13.1.1 Article 13.1 applies to any B Ordinary Shareholder and/or C Ordinary Shareholder who becomes (on any occasion) an Excluded Shareholder.

13.1.2 At any time (without any limitation whatsoever) after the date on which a B Ordinary Shareholder or C Ordinary Shareholder becomes (on any occasion) an Excluded Shareholder, the directors may serve notice requiring such Member (or his personal representatives in the case of his death) (a **Compulsory Seller**) to offer some or all of his B Ordinary Shares and/or C Ordinary Shares (**Sale Shares**) to:

13.1.2.1 the Company; failing which

13.1.2.2 a person or persons intended to take the employee's place; failing which

13.1.2.3 any of the existing employees of the Company or any of its subsidiaries approved by resolution of the directors; failing which

13.1.2.4 participants or potential participants in, or trustees of an employees' share scheme of the Company and its subsidiaries; failing which

13.1.2.5 the B Ordinary Shares shall be offered as to the B Shareholder Percentage to the B Ordinary Shareholders and as to the remainder to the Qualifying Shareholders (in each case distributed among the holders of the Shares of each class or category *pro rata* to the number of Shares held) and the C Ordinary Shares shall be offered as to the C Shareholder Percentage to the C Ordinary Shareholders and as to the balance to the Qualifying Shareholders (in each case distributed among the holders of the Shares of each class or category *pro rata* to the number of Shares held)

(together the **Offerees**).

The notice may also require the Compulsory Seller to sell some or all of his Loan Notes (the **Sale Loan Notes**).

13.1.3 The director's notice referred to in Article 13.1.2 may reserve to the directors the right to finalise the identity of the Offerees once the price for the Sale Shares (the **Sale Price**) has been agreed or certified.

13.1.4 Following the service of a notice pursuant to Article 13.1.2 the Compulsory Seller shall then offer his Sale Shares and (if required by the notice) his Loan Notes to the Offerees free from all liens, charges and encumbrances together with all rights attaching to them on the following terms:

13.1.4.1 if the Compulsory Seller is a Good Leaver or a Bad Leaver who became an Excluded Shareholder on or after the date falling three years after the date of adoption of these Articles, the Sale Price for the Sale Shares shall be determined in accordance with Articles 13.1.5 and 13.1.6 and the Sale Price for the Sale Loan Notes shall be the aggregate of the nominal amount of the Sale Loan Notes together with all interest thereon accrued but unpaid at the date the Compulsory Seller became an Excluded Person;

13.1.4.2 if the Compulsory Seller is a Bad Leaver who became an Excluded Shareholder within three years following the date of adoption of these Articles, the Sale Price for the Sale Shares shall be (subject to Article 13.1.7): the lower of;

- (a) the value of the Sale Shares determined in accordance with Articles 13.1.5 and 13.1.6; and
- (b) the nominal value of the Sale Shares

and the Sale Price for the Sale Loan Notes shall be the nominal amount of the Sale Loan Notes plus the accrued but unpaid interest.

13.1.5 The Sale Price shall be agreed in writing between the Compulsory Seller and the Company (with the consent of Virgin) provided that if no such agreement is reached within seven days of the date the Sale Price will be determined by an independent London merchant bank (the **Expert**) who shall be nominated by agreement or failing agreement within 14 days of service of the relevant notice referred to above, appointed by the President for the time being of the Institute of Chartered Accountants in England and Wales. The Expert shall act as an expert and not as an arbitrator and his written determination shall, in the absence of manifest error, be final and binding on the Members. The fees of the Expert shall, if lawful, be borne by the Company.

13.1.6 The Expert shall be instructed to specify in its opinion the open market value of the Ordinary Shares as at the proposed date of transfer on the following assumptions and bases:

13.1.6.1 taking full account of the actual and forecast performance of the Group as advised by the directors, who shall have consulted with the Auditors and provided a copy of the Auditors' advice to the Expert;

13.1.6.2 taking account of the likelihood of a Realisation;

13.1.6.3 valuing the issued Ordinary Shares on the basis of an arm's length sale between a willing seller and a willing buyer, assuming that the Loan Notes are valued at their nominal value plus accrued but unpaid interest;

13.1.6.4 if the Company is then carrying on business as a going concern, on the assumption that it will continue to do so;

13.1.6.5 taking into account any option or other subscription or convertible rights that are then in issue and which may lead to a dilution of the Ordinary Shares then in issue; and

13.1.6.6 disregarding any discount or premium reflecting the fact that the Sale Shares represent a minority or majority interest in the Company.

The Expert shall determine the Sale Price per B Ordinary Share and C Ordinary Share on the basis set out in Article 13.1.7.

13.1.7 The Sale Price per B Ordinary Share and C Ordinary Share shall be calculated as follows:

- (c) by assuming that a Realisation has occurred; that the open market value of the Ordinary Shares then in issue (as determined by the Expert pursuant to Article 13.1.6, where such a determination has been made) represents the Equity Proceeds, that the D Ordinary Share Return (if any) is payable and that a proportion of the B Shares convert into Deferred Shares in accordance with Article 6;
- (d) the value of the Ordinary Shares shall be allocated as to the D Ordinary Share Return (if any) amongst the D Ordinary Shares and as to the C Shareholder Percentage amongst the C Ordinary Shares, and the balance shall be allocated amongst the A Ordinary Shares, the D Ordinary Shares and such of the B Ordinary Shares as shall have been assumed have not converted *pari passu* as if they formed one class of shares. None of the value shall be

allocated to such of the B Ordinary Shares as shall have been assumed to have been converted into Deferred Shares; and

- (e) the Sale Price per B Share or per C Share shall be the value allocated to the B Shares or C Shares (as the case may be) divided by the number of B Shares or C Shares then in issue (making no assumption as to conversion into Deferred Shares).

13.1.8 The Sale Price of any Sale Shares which are Vested Shares shall (regardless of whether the Compulsory Seller is a Good Leaver or a Bad Leaver) be calculated in accordance with Articles 13.1.5 to 13.1.7.

13.1.9 Within seven days after the Sale Price has been agreed or certified:

- (a) the Company shall notify the Compulsory Seller of the names and addresses of the Offerees and the number of Sale Shares and Sale Loan Notes to be offered to each;
- (b) the Company shall notify each Offeree of the number of Sale Shares and Sale Loan Notes on offer to him; and
- (c) the Company's notices shall specify the price per share and state a date, between seven and 14 days later, on which the sale and purchase of the Sale Shares and Sale Loan Notes is to be completed (the **Completion Date**).

13.1.10 By the Completion Date the Compulsory Seller shall deliver stock transfer forms for the Sale Shares and the Sale Loan Notes, together with the relevant certificates, to the Company. On the Completion Date the Company shall pay the Compulsory Seller, on behalf of each of the Offerees, the agreed or certified price for the Sale Shares and the Sale Loan Notes to the extent the Offerees have put the Company in the requisite funds. The Company's receipt for the price shall be a good discharge to the Offerees. The Company shall hold the price in trust for the Compulsory Seller without any obligation to pay interest.

13.1.11 To the extent that Offerees have not, by the Completion Date, put the Company in funds to pay the agreed or certified price, the Compulsory Seller shall be entitled to the return of the stock transfer forms and certificates for the relevant Sale Shares and Loan Notes and the Compulsory Seller shall have no further rights or obligations under Article 13 in respect of those Sale Shares or Loan Notes.

13.1.12 If a Compulsory Seller fails to deliver stock transfer forms for Sale Shares and Sale Loan Notes to the Company by the Completion Date, the directors may (and shall, if requested by Virgin) authorise any director to transfer the Sale Shares and Sale Loan Notes on the Compulsory Seller's behalf to each Offeree to the extent the Offeree has, by the Completion Date, put the Company in funds to pay the agreed or certified price for the Sale Shares and Sale Loan Notes offered to him. The directors shall then authorise registration of the transfer once appropriate stamp duty has been paid. The defaulting Compulsory Seller shall surrender his certificates for the Sale Shares and the Sale Loan Notes to the Company. On surrender, he shall be entitled to the agreed or certified price for the Sale Shares and Sale Loan Notes.

13.1.13 While B Ordinary Shares or C Ordinary Shares are liable to be Sale Shares by virtue of Article 13.1.2, they may not be transferred under Article 8 which shall not apply during such period.

13.1.14 An Excluded Shareholder who becomes a Good Leaver may require the directors to serve notice under Article 13.1.2 in relation to the Vested Shares and the Sale Loan Notes held by such Excluded Shareholder as at such time by giving notice in writing to the Company within 30 days of the date on which he became a Good Leaver following which the Company shall be required (subject to

compliance with the requirements of the Companies Act 1985) to purchase or redeem (as the case may be) any Vested Shares and Loan Notes not purchased by other Offerees.

- 13.1.15 Any payment to a Shareholder in consideration for the acquisition of his Shares or Loan Notes pursuant to this Article 13 may be deferred until the expiry of the restrictive covenants contained in any agreement between such Shareholder and the Company.

13.2 Transfer on insolvency

- 13.2.1 If a holder of A Ordinary Shares and/or D Ordinary Shares other than Virgin has (other than for the purposes of a reconstruction or amalgamation pursuant to the Act or any solvent winding up which shall transfer A Ordinary Shares and/or D Ordinary Shares pursuant to Articles 8.4 and 8.5) an order made for its winding up, passes a resolution for its winding up, makes any composition with its creditors, has an administrator, receiver or liquidator appointed over the whole or part of its assets or business, or is declared bankrupt or enters into or proposes to enter into an individual voluntary arrangement, then such holder of A Ordinary Shares and/or D Ordinary Shares (or its administrator, receiver, liquidator or trustee in bankruptcy if appropriate) shall be deemed immediately before such act to have served the Company with a Transfer Notice (as defined in Article 9.1) in respect of its Shares.
- 13.2.2 If a Transfer Notice is deemed to have been served on the Company, the provisions of Article 9 shall apply to the relevant A Ordinary Shares and/or D Ordinary Shares and any other Transfer Notice previously issued in respect of the Shares shall be immediately cancelled.

13.3 Transfer on change of status of permitted transferee

- 13.3.1 If a holder of Shares becomes a Member as a result of being a permitted transferee in accordance with Article 8.4, immediately following such holder of Shares ceasing to be a permitted transferee, then such holder of Shares shall be deemed immediately before such act to have served the Company with a Transfer Notice (as defined in Article 9.1) in respect of its Shares.
- 13.3.2 If a Transfer Notice is deemed to have been served on the Company, the provisions of Article 9 shall apply to the relevant Shares and any other Transfer Notice previously issued in respect of the Shares shall be immediately cancelled.

13.4 Procedure on issue of deemed Transfer Notice

- 13.4.1 If a Transfer Notice is deemed to have been served on the Company in accordance with Article 13.2 or Article 13.3, the Specified Price (as defined in Article 9.2) shall be the Fair Price as at such date as the board of directors of the Company may specify and the Company shall give notice under Article 9.3 as soon as the Specified Price is ascertained.

GENERAL PROVISIONS

14.1 Shareholders' meetings and resolutions

- 14.1.1 Regulation 37 of Table A is modified by the deletion of the words "eight weeks" and the substitution for them of the words "28 days".
- 14.1.2 Regulation 40 of Table A is modified by the deletion of the second sentence and the substitution for it of the words "A person or persons (being a Member or a proxy for a

Member or a duly authorised representative of a corporation) holding or representing at least 50% in nominal value of the A Ordinary Shares in issue shall be a quorum".

- 14.1.3 A corporation which is a Member of the Company may, by resolution of its directors or other governing body, authorise such person as it thinks fit to act as its representative at any meeting of the Company or at any meeting of any class of Members of the Company. The person so authorised is entitled to exercise the same powers on behalf of the corporation which he represents as that corporation could exercise if it were an individual Member.
- 14.1.4 Where an ordinary resolution of the Company is expressed to be required for any purpose, a special or extraordinary resolution is also effective for that purpose, and where an extraordinary resolution is expressed to be required for any purpose, a special resolution is also effective for that purpose.
- 14.1.5 Regulation 53 of Table A is modified by the addition at the end of the following sentence: "If a resolution in writing is described as a special resolution or as an extraordinary resolution it shall have effect accordingly."
- 14.1.6 Regulation 57 of Table A is modified by the inclusion after the word "shall" of the phrase "unless the directors otherwise determine".
- 14.1.7 Regulation 59 of Table A is modified by the addition at the end of the following sentence: "Deposit of an instrument of proxy shall not preclude a Member from attending and voting at the meeting or at any adjournment of it."
- 14.1.8 Regulation 62 of Table A is modified by the deletion in paragraph (a) of the words "deposited at" and by the substitution for them of the words "left at or sent by post or by facsimile transmission to", by the substitution in paragraphs (a) and (aa) of the words, "one hour" in place of "48 hours" and by the substitution in paragraph (b) of the words "one hour" in place of "24 hours".

14.2 Number of directors

Unless otherwise determined by ordinary resolution, the number of directors (other than alternate directors) is not subject to any maximum and the minimum number is one.

14.3 Alternate directors

- 14.3.1 An alternate director who is absent from the United Kingdom is entitled to receive notice of all meetings of directors and meetings of committees of directors and regulation 66 of Table A is modified accordingly.
- 14.3.2 Regulation 68 of Table A is modified by the addition at the end of the following sentence. "Any such notice may be left at or sent by post or facsimile transmission to the office or such other place as may be designated for the purpose by the directors."

14.4 Appointment, retirement and removal of directors

- 14.4.1 The directors are not subject to retirement by rotation and any reference in any regulation of Table A to retirement by rotation is to be disregarded.
- 14.4.2 The Company may by ordinary resolution appoint a person who is willing to act to be a director either to fill a vacancy or as an additional director.

14.4.3 A person appointed by the directors to fill a vacancy or as an additional director need not retire from office at the annual general meeting next following his appointment and the last two sentences of regulation 79 of Table A are deleted.

14.4.4 The holders of a majority of the Shares giving the right to vote at general meetings may at any time and from time to time by serving notice on the Company remove any director from office and appoint any person to be a director. A removal or appointment takes effect when the notice is received by the Company or on a later date specified in the notice.

14.5 Disqualification and removal of directors

The office of a director shall be vacated if:

14.5.1 he ceases to be a director by virtue of any provision of the Act or he becomes prohibited by law from being a director;

14.5.2 he becomes bankrupt or makes any arrangement or composition with his creditors generally;

14.5.3 he resigns his office by notice in writing to the Company;

14.5.4 he has for more than six consecutive months been absent without permission of the directors from meetings of directors held during that period and his alternate director (if any) has not during such period attended any such meetings instead of him, and the directors resolve that his office be vacated; or

14.5.5 he is removed from office by notice addressed to him at his last-known address and signed by all his co-directors.

14.6 Proceedings of directors

14.6.1 Regulation 88 of Table A is modified by the deletion of the third sentence and the substitution for it of the following sentence: "Every director shall receive notice of a meeting, whether or not he is absent from the United Kingdom. A director may waive the requirement that notice be given to him of a board meeting either prospectively or retrospectively" and the deletion of the penultimate sentence. Regulation 89 shall be amended by the deletion of the words "may be fixed by the directors and unless so fixed at any other number" and the addition of the words "of whom at least one is a director appointed by Virgin". On any resolution the directors appointed by Virgin shall have such number of votes as is equal to the aggregate number of votes which can be cast by the other directors attending the meeting and, in the event the votes are equally divided, a casting vote save that such weighted voting rights shall not operate in respect of any matter over which a holder of Shares has veto pursuant to a contractual arrangement unless such holder does not exercise its veto right in accordance with such contractual arrangements.

14.6.2 Any director or his alternate may validly participate in a meeting of the directors or a committee of directors through the medium of conference telephone or similar form of communication equipment if all persons participating in the meeting are able to hear and speak to each other throughout such meeting. A person participating in this way is deemed to be present in person at the meeting and is counted in a quorum and entitled to vote. Subject to the Act, all business transacted in this way by the directors or a committee of the directors is for the purposes of these Articles deemed to be validly and effectively transacted at a meeting of the directors or of a committee of the directors although fewer than two directors or alternate directors are physically present at the same place. The meeting is deemed to

take place where the largest group of those participating is assembled or, if there is no such group, where the chairman of the meeting then is.

- 14.6.3 Without prejudice to the obligation of any director to disclose his interest in accordance with section 317 of the Act, a director may vote at a meeting of directors or of a committee of directors on any resolution concerning a matter in which he has, directly or indirectly, any interest or duty. The director shall be counted in the quorum present when any such resolution is under consideration and if he votes his vote shall be counted.

14.7 Borrowing powers of directors

The directors may exercise all the powers of the Company to borrow and raise money and to mortgage and charge all or any part of the undertaking, property and uncalled capital of the Company and, subject to the provisions of the Act, to issue debentures and other securities, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.

14.8 Dividends

The directors may deduct from any dividend or other moneys payable to a person in respect of a share any amounts due from him to the Company on account of a call or otherwise in relation to a Share.

14.9 Capitalisation of profits

The directors may, with the authority of an ordinary resolution of the Company, resolve that any Shares allotted under regulation 110 of Table A to any Member in respect of a holding by him of any partly paid Shares rank for dividends, so long as those Shares remain partly paid, only to the extent that those partly paid Shares rank for dividend and regulation 110 of Table A is modified accordingly.

14.10 Notices

- 14.10.1 Regulation 112 of Table A is modified by the deletion of the last sentence and the substitution for it of the following: "A Member whose registered address is not within the United Kingdom shall be entitled to have notices given to him at that address."

- 14.10.2 A notice sent by post to an address within the United Kingdom is deemed to be given 24 hours after posting, if pre-paid as first class, and 48 hours after posting, if pre-paid as second class. A notice sent by post to an address outside the United Kingdom is deemed to be given four days after posting, if pre-paid as airmail. Proof that an envelope containing the notice was properly addressed, pre-paid and posted is conclusive evidence that the notice was given. A notice not sent by post but left at a Member's registered address is deemed to have been given on the day it was left.

- 14.10.3 Regulation 116 of Table A is modified by the deletion of the words "within the United Kingdom".

- 14.10.4 Where these Articles require notice to be given by the holders stated percentage of Shares, notice may consist of several documents in similar form each signed by or on behalf of one or more Members.

14.11 Indemnity

14.11.1 Except to the extent prohibited or restricted by the Act, but without prejudice to any indemnity to which a director or other officer may otherwise be entitled, every director or other officer (excluding an auditor) of the Company may be indemnified out of the assets of the Company against all liabilities incurred by him in the actual or purported execution or discharge of his duties or the exercise or purported exercise of his powers or otherwise in relation to or in connection with his duties, powers or office. In the event any director or other officer indemnified by the Company pursuant to this Article 14.11 shall be defending proceedings in relation to or in connection with his duties, powers or office (whether civil or criminal), the Company shall remit in advance such amounts in immediately available funds to the relevant director or other officer to meet the reasonable costs or expenses that he estimates, in good faith, in writing to the Company, that he will incur in connection with such proceedings. The directors may exercise all the powers of the Company to purchase and maintain insurance for the benefit of a person who is a director, alternate director, secretary or auditor, or former director, alternate director, secretary or auditor, of the Company or of a company which is a subsidiary of the Company or in which the Company has an interest (whether direct or indirect), or who is or was trustee of a retirements benefit scheme or another trust in which a director, alternate director or secretary or former director, alternate director or secretary is or has been interested, indemnifying him against liability for negligence, default, breach of duty or breach of trust or any other liability which may lawfully be insured against by the Company.