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**Board Minutes**

**Virgin Media Investment Holdings Limited**

(the "Company")

Minutes of a meeting of the board of directors of the Company  
held at Media House, Bartley Wood Business Park, Hook, Hampshire, RG27 9UP  
on 24<sup>th</sup> March 2011 at 12 30pm

**Present** R Mackenzie (as "Chairman")

R Gale  
(together the "Directors")

**In attendance** D Beattie, D Rushton

WEDNESDAY



A32 \*ASI43SVE\* 267  
30/03/2011  
COMPANIES HOUSE

**1 INTRODUCTION**

The Chairman noted that

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

**2 DISCLOSURE OF INTERESTS**

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

**3 BACKGROUND**

- 3 1 The Chairman reported that currently the Company is a guarantor under two pension protection fund guarantee (the "Old PPFs") in favour of the NTL Pension Plan and the ntl 1999 Pension Scheme respectively (together the "Pension Schemes"). It is proposed that the Old PPFs would be replaced by two new pension protection fund guarantees (the "PPFs") under which the Company will become guarantor, on a joint and several basis, with Virgin Media Secretaries Limited ("VMS"). The Old PPFs will subsequently be released by the respective Pension Scheme trustees since the new PPFs met the release criteria of the Old PPFs. The Chairman further reported that during the period where the Old PPFs and the PPFs are simultaneously in place, any potential claims will not exceed the Total Liability (as defined below) and being a guarantor under both of the Old PPF and the PPF would not create increased liability for the Company. Furthermore, the guarantees given pursuant to the PPFs will be in substantially the same form as the guarantees given by the Company under the Old PPFs and the scope of protection afforded to the Pension Schemes pursuant to the PPFs shall be the same as that provided under the Old PPFs

Under the terms of the PPFs, the trustees of the Pension Schemes will be able to recover any claim under the PPFs from the combined assets of both VMH and the Company in the event of defaults by the Pension Schemes' participating employers (the "**Participating Employers**")

- 3 2 The Chairman further noted that the PPFs are in a specified standard form with no substantive amendments being allowed by the Pension Protection Fund Under the terms of each PPFs the Company would guarantee
- (a) guarantee to the trustees of the relevant Pension Scheme punctual performance by the Participating Employers of all the Guarantee Obligations (as defined in the PPFs),
  - (b) undertake with the trustees of the relevant Pension Scheme that, whenever a Participating Employer does not pay any amount due in respect of its Guaranteed Obligations, it must immediately, on demand by the trustees of the relevant Pension Scheme pay that amount as if it was the principal obligor, and
  - (c) undertake to indemnify the trustees of the relevant Pension Scheme immediately on demand against any costs, loss or liability suffered by the trustees of th relevant Pension Scheme if any payment obligation guaranteed by it is or becomes unenforceable, invalid or illegal
- 3 3 The Chairman further reported that these guarantee obligations are set with a maximum amount equal to the lowest non-negative amount, which, when added to the assets of the applicable Pension Scheme, would result in the Pension Scheme being at least 105% funded on the date on which any liability arises calculated on the basis set out in section 179 of the Pensions Act 2004, were a valuation to be conducted as at that date (the "**Total Liability**")
- 3 4 The Chairman further reported that in considering the Company's exposure under the PPF's it was noted that it was proposed that VMS should enter into a contribution agreement with the Company pursuant to which the respective liabilities of VMS and the Company in respect of their joint and several undertakings in the PPFs, would be regulated in a manner which would set the net exposure of the Company pursuant to the PPFs on the basis that the assets of VMS (after the capital contribution due to it from Virgin Media Ltd of £10,000,000) will be £10,012,000
- 3 5 The Chairman further reported that the Company has been advised by KPMG LLP that the PPFs, entered into on a joint and several basis with VMS, will enable an optimal levy saving (being an estimated £1,100,000 for the forthcoming levy year) in respect of the levy otherwise payable to the Pension Protection Fund
- 3 6 The Chairman further reported that a director of the Company would be asked to sign Officer's Certificates addressed to the respective Pension Schemes (the "**Officer's Certificates**"), which if entered into would provide certain confirmations in relation to the capacity of the Company to enter into the Guarantees
- 3 7 The Chairman further reported that the purpose of the meeting was to approve the entering into of the PPFs and the Director's Certificates (together the "**Documents**")

#### 4 **TABLING OF DOCUMENTS**

The latest draft of the PPFs, the Director's certificates and the shareholder resolution approving the Company's entrance into the PPFs (the "**Shareholder Resolution**") were tabled at the meeting

5        **DISCUSSION OF DOCUMENTS**

5 1        The Directors carefully considered the terms of the PPFs and the nature and extent of the obligations assumed and to be assumed by the Company under the PPFs

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

5 3        The Directors further considered that a Shareholder Resolution passed by the Company's sole shareholder had also approved the Transactions, including the Company's entrance into the PPFs.

6        **RESOLUTIONS**

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

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

7 **FILING**

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

8 **CLOSING OF MEETING**

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



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**Chairman**  
**Virgin Media Investment Holdings Limited**