

2857673

DATE 17 JANUARY 2005

VIRGIN GROUP INVESTMENTS LIMITED

VML2 LIMITED

VIRGIN MANAGEMENT LIMITED

VIRGIN GROUP LIMITED

VIRGIN VOYAGER LIMITED

VOYAGER INVESTMENTS (BVI) LIMITED

BARFAIR LIMITED

SHARE PURCHASE AND SUBSCRIPTION AGREEMENT

**relating to the sale and purchase of
shares in the capital of Virgin Sky Investments Limited and
subscriptions for shares in the capital of VML2 Limited, Virgin Management Limited,
Virgin Group Limited, Virgin Voyager Limited, Voyager Investments (BVI) Limited and
Barfair Limited**

Macfarlanes
10 Norwich Street
London EC4A 1BD

RIC/2629880.1



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SHARE PURCHASE AGREEMENT

DATE

17 JANUARY

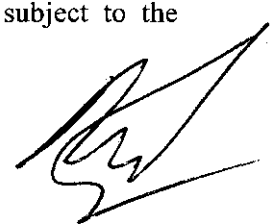
2005

PARTIES

- 1 **VIRGIN GROUP INVESTMENTS LIMITED** a company incorporated in the British Virgin Islands (company number 175750) whose registered office is at Craigmuir Chambers, PO Box 71, Road Town, Tortola, British Virgin Islands ("VGIL")
- 2 **VML2 LIMITED** ("VML") a company incorporated in the British Virgin Islands whose registered office is at Geneva Place, 2nd Floor, No.333 Waterfront Drive, Road Town, Tortola, British Virgin Islands ("VML2")
- 3 **VIRGIN MANAGEMENT LIMITED** a company incorporated in England and Wales (registered number 1568896) whose registered office is at 120 Campden Hill Road, London W8 7AR ("VML")
- 4 **VIRGIN GROUP LIMITED** a company incorporated in England and Wales (registered number 2376807) whose registered office is at 120 Campden Hill Road, London W8 7AR ("VGL")
- 5 **VIRGIN VOYAGER LIMITED** a company incorporated in England and Wales (registered number 2857673) whose registered office is at 120 Campden Hill Road, London W8 7AR ("VVL")
- 6 **VOYAGER INVESTMENTS (BVI) LIMITED** a company incorporated in the British Virgin Islands whose registered office is at Craigmuir Chambers, PO Box 71, Road Town, Tortola, British Virgin Islands ("VIL")
- 7 **BARFAIR LIMITED** a company incorporated in England and Wales (registered number 3552508) whose registered office is at 120 Campden Hill Road, London W8 7AR ("Barfair")

RECITALS

- A VGIL is the registered holder and beneficial owner of the Sale Shares.
- B VGIL has agreed to sell the Sale Shares to VML2 in consideration for VML2 procuring indirectly (in the manner set out in these Recitals) the issue by Barfair of the Barfair Shares to VGIL and VML2 has agreed to buy the Sale Shares on the terms and subject to the conditions of this Agreement.
- C Barfair has agreed to issue the Barfair Shares to VGIL in consideration for the issue by VIL of the VIL Shares to Barfair on the terms and subject to the conditions of this Agreement.



- D VIL has agreed to issue the VIL Shares to Barfair in consideration for the issue by VVL of the VVL Shares to VIL on the terms and subject to the conditions of this Agreement.
- E VVL has agreed to issue the VVL Shares to VIL in consideration for the issue by VGL of the VGL Shares to VVL on the terms and subject to the conditions of this Agreement.
- F VGL has agreed to issue the VGL Shares to VVL in consideration for the issue by VML of the VML Shares to VGL on the terms and subject to the conditions of this Agreement.
- G VML has agreed to issue the VML Shares to VGL in consideration for the issue by VML2 of the VML2 Shares to VML on the terms and subject to the conditions of this Agreement.
- H VML2 has agreed to issue the VML2 Shares to VML in consideration for the transfer by VGIL of the Sale Shares to VML2 and for the purpose of procuring indirectly the issue of the Barfair Shares to VGIL on the terms and subject to the conditions of this Agreement.

AGREEMENT

1 Definitions and interpretation

1.1 The Recitals form part of this Agreement and shall have the same force and effect as if set out in the body of this Agreement. Any reference to this Agreement shall include the Recitals.

1.2 In this Agreement, the following words and expressions shall have the following meanings:-

the Barfair Shares: 1,000 Ordinary Shares of £1 each in the capital of Barfair;

the Company: Virgin Sky Investments Limited a company incorporated in England and Wales (registered number 4415765) whose registered office is at 120 Campden Hill Road, London W8 7AR;

the Completion Date: the date of this Agreement;

the Parties: the parties to this Agreement;

the Sale Shares: the 1,501 ordinary shares of £1 each in the capital of the Company held by VGIL;

the Share Pledge: each of the mortgages of the entire issued share capital of the Company given by VGIL to Lloyds TSB Bank plc to secure the liabilities of Virgin Investments SA;

the VGL Shares: 1,000 Ordinary Shares of £0.10 each in the capital of VGL;

the VIL Shares: 1,000 Ordinary Shares of £0.01 each in the capital of VIL;

the VML Shares: 1,000 Ordinary Shares of £0.10 each in the capital of VML;

the VML2 Shares: 98 Ordinary Shares of \$1 each in the capital of VML2;

the VVL Shares: 1,000 Ordinary Shares of £0.10 each in the capital of VVL.

1.3 In this Agreement (unless the context requires otherwise):-

1.3.1 words and expressions which are defined in the Companies Act 1985 shall have the same meanings as are ascribed to them in the Companies Act 1985;

1.3.2 any gender includes a reference to the other genders; and

1.3.3 any reference to a Clause is to a Clause of this Agreement.

1.4 The headings contained in this Agreement are for the purposes of convenience only and do not form part of and shall not affect the construction of this Agreement or any part of it.

2 **Sale and purchase of the Sale Shares**

VGIL shall sell with full title guarantee subject to the Share Pledge but free from all other liens, charges, encumbrances and any other third party rights and VML2 shall purchase the Sale Shares with effect from and including the Completion Date to the intent that as from that date all rights and advantages accruing to the Sale Shares, including any dividends or distributions declared or paid on the Sale Shares after that date, shall belong to VML2.

3 **Applications for Shares**

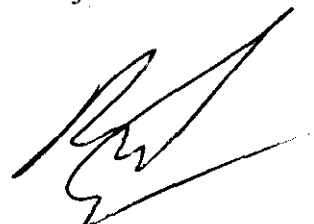
3.1 VGIL hereby applies and agrees to subscribe for the Barfair Shares subject to the terms of the memorandum and articles of association of Barfair.

3.2 Barfair hereby applies and agrees to subscribe for the VIL Shares subject to the terms of the memorandum and articles of association of VIL.

3.3 VIL hereby applies and agrees to subscribe for the VVL Shares subject to the terms of the memorandum and articles of association of VVL.

3.4 VVL hereby applies and agrees to subscribe for the VGL Shares subject to the terms of the memorandum and articles of VGL.

3.5 VGL hereby applies and agrees to subscribe for the VML Shares subject to the terms of the memorandum and articles of VML.



3.6 VML hereby applies and agrees to subscribe for the VML2 Shares subject to the terms of the memorandum and articles of association of VML2.

4 **Consideration**

4.1 The consideration for the sale of the Sale Shares by VGIL shall be the allotment and issue by Barfair to VGIL of the Barfair Shares. The Barfair Shares shall each be credited as fully paid up.

4.2 The consideration for the purchase of the Sale Shares by VML2 shall be the allotment and issue by VML2 to VML of the VML2 Shares, for the purpose of procuring, indirectly, the issue of the Barfair Shares to VGIL. The VML2 Shares shall each be credited as fully paid up.

4.3 The consideration for the allotment and issue of the VML2 Shares by VML2 to VML shall be the allotment and issue by VML to VGL of the VML Shares, for the purpose of procuring, indirectly, the issue of the Barfair Shares to VGIL. The VML Shares shall each be credited as fully paid up.

4.4 The consideration for the allotment and issue of the VML Shares by VML to VGL shall be the allotment and issue by VGL to VVL of the VGL Shares, for the purpose of procuring, indirectly, the issue of the Barfair Shares to VGIL. The VGL Shares shall each be credited as fully paid up.

4.5 The consideration for the allotment and issue of the VGL Shares by VGL to VVL shall be the allotment and issue by VVL to VIL of the VVL Shares, for the purpose of procuring, indirectly, the issue of the Barfair Shares to VGIL. The VVL Shares shall each be credited as fully paid up.

4.6 The consideration for the allotment and issue of the VVL Shares by VVL to VIL shall be the allotment and issue by VIL to Barfair of the VIL Shares, for the purpose of procuring, indirectly, the issue of the Barfair Shares to VGIL. The VIL Shares shall each be credited as fully paid up.

4.7 The consideration for the allotment and issue of the VIL Shares by VIL to Barfair shall be the allotment and issue by Barfair to VGIL of the Barfair Shares. The Barfair Shares shall each be credited as fully paid up.

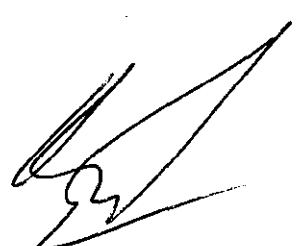
5 **Completion**

On the Completion Date the following shall take place:-

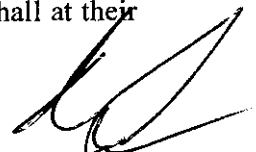
5.1 VGIL shall deliver to VML2, or procure the delivery to VML2 of, duly executed transfers in favour of VML2 in respect of the Sale Shares together with the certificates for the Sale Shares; and

5.2 VML2 shall:-

5.2.1 unconditionally allot to VML the VML2 Shares;



- 5.2.2 register VML as the holder of the VML2 Shares in its Register of Members; and
- 5.2.3 deliver to VML duly executed share certificates in respect of the VML2 Shares.
- 5.3 VML shall:-
- 5.3.1 unconditionally allot to VGL the VML Shares;
- 5.3.2 register VGL as the holder of the VML Shares in its Register of Members; and
- 5.3.3 deliver to VGL duly executed share certificates in respect of the VML Shares.
- 5.4 VGL shall:-
- 5.4.1 unconditionally allot to VVL the VGL Shares;
- 5.4.2 register VVL as the holder of the VGL Shares in its Register of Members; and
- 5.4.3 deliver to VVL duly executed share certificates in respect of the VGL Shares.
- 5.5 VVL shall:-
- 5.5.1 unconditionally allot to VIL the VVL Shares;
- 5.5.2 register VIL as the holder of the VVL Shares in its Register of Members; and
- 5.5.3 deliver to VIL duly executed share certificates in respect of the VVL Shares.
- 5.6 VIL shall:-
- 5.6.1 unconditionally allot to Barfair the VIL Shares;
- 5.6.2 register Barfair as the holder of the VIL Shares in its Register of Members; and
- 5.6.3 deliver to Barfair duly executed share certificates in respect of the VIL Shares.
- 5.7 Barfair shall:-
- 5.7.1 unconditionally allot to VGIL the Barfair Shares;
- 5.7.2 register VGIL as the holder of the Barfair Shares in its Register of Members; and
- 5.7.3 deliver to VGIL duly executed share certificates in respect of the Barfair Shares.
- 5.8 The performance by each of the Parties of their respective obligations under Clause 4 and Clauses 5.1 to 5.7 shall be a condition precedent to the performance by each other Party of its obligations under Clause 4 and Clauses 5.1 to 5.7 to the intent that, any Party shall fail or shall be unable to perform any of their obligations under Clause 4 and Clauses 5.1 to 5.7 the other Parties shall at their



option (and without prejudice to any other remedies or rights which it may have against the other Parties in respect of such non-performance) cease to be liable to perform their obligations under Clauses 5.1 to 5.7.

6 Further Undertaking

6.1 VGIL agrees that until such time as VML2 is registered as the new holder of the Sale Shares, VGIL shall hold the Sale Shares as VML2's nominee and VGIL undertakes to exercise the voting and other rights and powers in respect of the Sale Shares in such manner as VML2 shall direct.

6.2 The Parties shall do or procure to be done all such further acts and things and execute or procure the execution of all such other documents as any Party may from time to time reasonably require for the purpose of giving each of the other Parties the full benefit of the provisions of this Agreement.

7 General

7.1 This Agreement constitutes the entire agreement and understanding of the Parties. Each of the Parties acknowledges and agrees that in entering into this Agreement it does not rely on, and shall have no remedy in respect of, any statement, representation, warranty or understanding (whether negligently or innocently made) of any person (whether party to this Agreement or not) other than as expressly set out in this Agreement. Nothing in this sub-Clause shall, however, operate to limit or exclude any liability for fraud.

7.2 Each Party shall pay its own costs and expenses of and incidental to this Agreement.

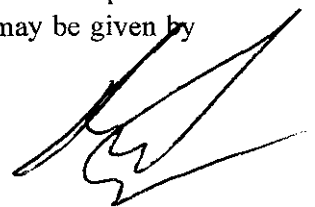
7.3 This Agreement shall, as to any of its provisions remaining to be performed or capable of having or taking effect following Completion, remain in full force and effect notwithstanding Completion.

7.4 This Agreement shall be binding upon and enure for the benefit of the successors and assigns of the Parties.

7.5 The failure of any Party at any time or times to require performance of any provision of this Agreement shall not affect its right to enforce such provision at a later time.

7.6 No waiver by any Party of any condition or of the breach of any term, covenant, representation, warranty or undertaking contained in this Agreement, whether by conduct or otherwise, in any one or more instances shall be deemed to be or construed as a further or continuing waiver of any such condition or breach or a waiver of any other condition or of the breach of any other term, covenant, representation, warranty or undertaking in this Agreement.

7.7 Any liability to any Party under this Agreement may in whole or in part be released, compounded or compromised and time or indulgence may be given by



a Party in its absolute discretion as regards another Party under such liability without in any way prejudicing or affecting its rights against any other Party under the same or a like liability, whether joint and several or otherwise.

7.8 This Agreement may be amended, modified, superseded or cancelled and any of its terms, covenants, representations, warranties, undertakings or conditions may be waived only by an instrument in writing signed by (or by some person duly authorised by) each of the Parties or, in the case of a waiver, by the Party waiving compliance.

7.9 This Agreement may be executed in any number of counterparts each of which when executed and delivered shall be an original, but all the counterparts shall together constitute one and the same instrument.

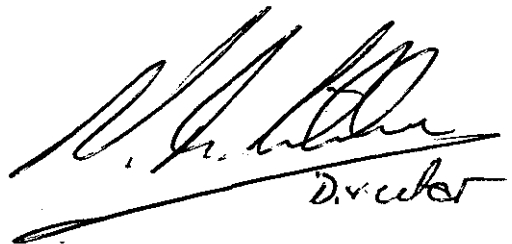
8 **Governing law and jurisdiction**

8.1 This Agreement and all matters relating to it shall be governed by and construed exclusively in accordance with the laws of England.

8.2 The Parties submit to the exclusive jurisdiction of the English Courts as regards any claim, dispute or matter arising out of or relating to this Agreement or any of the documents to be executed pursuant to this Agreement.

Signed on the date set out at the head of this Agreement.

SIGNED by *N. A. M. Ritchie*)
for and on behalf of VIRGIN GROUP)
INVESTMENTS LIMITED)



N. A. M. Ritchie
Director

SIGNED by)
for and on behalf of VIRGIN MANAGEMENT)
LIMITED)

SIGNED by)
for and on behalf of VIRGIN GROUP LIMITED)

SIGNED by *Alan M. ...*)
for and on behalf of VML2 LIMITED)

[Handwritten Signature]
Director

SIGNED by)
for and on behalf of VIRGIN VOYAGER)
LIMITED)

SIGNED by *VOYAGER*)
for and on behalf of ~~VIRGIN~~ INVESTMENTS)
(BVI) LIMITED)

SIGNED by)
for and on behalf of BARFAIR LIMITED)