

2444202

PASSED

certified to be a true and
correct copy.

A. C. Brown
(D. C. Brown - Secretary
of NGC
International
Limited).

DATED 16th March 1995

(1) THE NATIONAL GRID COMPANY plc

(2) NGC ONE LIMITED

AGREEMENT

for the transfer of shares in NGC International Limited

Coopers & Lybrand
1 Embankment Place
London
WC2N 6NN



THIS AGREEMENT is made the [16th] day of March 1995

BETWEEN:-

- (1) **THE NATIONAL GRID COMPANY plc** a company incorporated in England and Wales (registered no: 02366977) whose registered office is at National Grid House, Kirby Corner Road, Coventry, CV4 8YJ, England (the "**Transferor**");
- (2) **NGC ONE LIMITED** a company incorporated in England and Wales (registered no: 2537092) whose registered office is at 185 Park Street, London, SE1 9DY, England (the "**Transferee**").

WHEREAS:

- (A) The Transferee is a wholly owned subsidiary of the Transferor.
- (B) The Transferor and the Transferee have agreed to enter into this Agreement to reflect the terms upon which the Transferor will exchange its shareholding in NGC International Limited for shares in the capital of the Transferee.

IT IS AGREED as follows:-

1. INTERPRETATION

1.1 In this Agreement and the Recitals:-

"Company"	means NGC International Limited, a private company limited by shares incorporated in England and Wales (registered no: 02444202);
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- "Completion" means completion of the transfer of the Shares in consideration for the Transferee Shares;
- "Encumbrance" means any mortgage, charge, pledge, lien, option, restriction, right of first refusal, right of pre-emption, third party right or interest, any other encumbrance or security interest of any kind, and any other type of preferential arrangement (including, without limitation, title transfer and retention arrangements) having a similar effect;
- "Transferee Shares" means the 98 new Ordinary shares of £1 each in the capital of the Transferee to be allotted and issued pursuant to Clause 3;
- "Shares" means the 100 Ordinary shares of £1 each in the capital of the Company registered in the name of or otherwise beneficially owned by the Transferor.

1.2 The headings in this Agreement shall not affect the interpretation of this Agreement.

1.3 References to clauses are references to clauses in this Agreement.

2. EXCHANGE OF SHARES

2.1 In accordance with and subject to the terms of this Agreement the Transferor as beneficial owner shall transfer to the Transferee (or as it may direct) the Shares free from all Encumbrances and in exchange therefor the Transferee will allot and issue the Transferee Shares, fully paid or credited as fully paid, to the Transferor (or as it may direct).

2.2 The exchange of the Shares for the Transferee Shares shall have effect with the intent that the entire beneficial ownership of the Shares shall be acquired by the Transferee to the exclusion of the Transferor on and from Completion together with all rights, privileges and advantages attached thereto at the date of Completion including the right to all dividends and distributions declared or made in respect of the Shares after such date.

3. CONSIDERATION

The consideration for the Shares shall be satisfied by the allotment and issue by the Transferee to the Transferor of the Transferee Shares. All of the Transferee Shares shall:-

- 3.1 be issued fully paid or credited as fully paid;
- 3.2 rank pari passu with all other ordinary shares in the capital of the Transferee and in particular but without limitation shall include the right to all dividends and distributions declared or made in respect of the Transferee Shares on or after Completion; and
- 3.3 be free from all Encumbrances.

4. COMPLETION

- 4.1 Completion shall take place at the offices of the Transferee on or before 31 March 1995.

4.2 At Completion:-

4.2.1 the Transferor shall deliver to the Transferee duly signed transfers of the Shares in favour of the Transferee or its nominee (as the Transferee may require), together with share certificates to cover the same or where such certificates have been lost an indemnity in a form reasonably acceptable to the Transferee therefor;

4.2.2 the Transferor shall procure that the directors of the Company shall convene and prior to Completion hold a meeting of the Board of directors of the Company at which the directors shall vote in favour of the registration of the Transferee as a member of the Company in respect of the Shares (subject to the production of duly stamped transfers); and

4.2.3 the Transferee shall deliver a share certificate in respect of the Transferee Shares in favour of the Transferor or its nominee (as the Transferor may require).

5. ASSIGNMENT

Neither party shall, without the prior consent of the other party, assign, transfer, charge or deal in any other manner with this Agreement or its rights hereunder or part thereof, or purport to do any of the same, nor sub-contract any or all of its obligations under this Agreement.

6. AGREEMENT SURVIVES COMPLETION

Each of the provisions of this Agreement, insofar as the same shall not have been performed at Completion, shall remain in full force and effect notwithstanding Completion.

7. FURTHER ASSURANCE

7.1 At any time after the date hereof the Transferor shall, at the request and cost of the Transferee, execute such documents and do such acts and things as the Transferee may reasonably require for the purpose of vesting the Shares in the Transferee or its nominees and giving to the Transferee the full benefit of all the provisions of this Agreement.

7.2 At any time after the date hereof the Transferee shall, at the request and cost of the Transferor, execute such documents and do such acts and things as the Transferor may reasonably require for the purpose of vesting the Transferee Shares in the Transferor or its nominees and giving to the Transferor the full benefit of all the provisions of this Agreement.

8. NOTICES

8.1 Any notice or other communication under or in connection with this Agreement shall be in writing and shall be delivered personally or sent by first class post (and air mail if overseas) or by telex or by telefax, to the party due to receive the notice or communication at its address set out in this Agreement or such other address as either party may specify by notice in writing to the other

8.2 In the absence of evidence of earlier receipt, any notice or other communication shall be deemed to have been duly given:-

8.2.1 if delivered personally when left at the address referred to in Clause 8.1;

8.2.2 if sent by mail other than air mail, two days after posting it;

8.2.3 if sent by air mail, six days after posting it;

8.2.4 if sent by telex, when the proper answer-back is received; and

8.2.5 if sent by telefax when clearly received in full.

9. GOVERNING LAW AND JURISDICTION

9.1 This Agreement is governed by and shall be construed in accordance with, English law

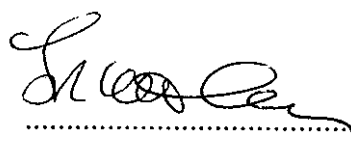
9.2 The courts of England shall have exclusive jurisdiction to hear and determine any suit, action or proceedings, and to settle any disputes, which may arise out of or in connection with this Agreement and, for such purposes, each party irrevocably submits to the jurisdiction of the courts of England.

10. COUNTERPARTS

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 together shall constitute one and the same instrument.

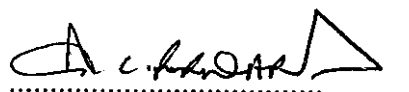
AS WITNESS the hands of the duly authorised representatives of the parties to this Agreement the day and year first above written.

SIGNED by Mr J R Uttley)
a duly authorised)
representative for and)
on behalf of THE)
NATIONAL GRID COMPANY plc)



Director

SIGNED by D C Forward)
a duly authorised)
representative for and)
on behalf of the)
NGC ONE LIMITED)



Secretary

DF/Rep. 939