

The Companies Acts 1985

Public Company Limited by Shares

R.G. Lewis

Secretary

ARTICLES OF ASSOCIATION

30.08.96

of

UK Highways plc

(Adopted by a special resolution passed on 22 August, 1996)

DEFINITIONS AND INTERPRETATION

1. **Definitions and interpretation**

1.1 In these Articles, the following words and expressions have the meanings set opposite them:-

"Act"	the Companies Act 1985;
"these Articles"	these articles of association as originally adopted or as altered from time to time;
"Auditors"	the auditors of the Company from time to time;
"Board"	the board of directors of the Company;
"Business Day"	any day other than a Saturday, Sunday or any bank or other public holiday in England and Wales;



"clear days"	in relation to the period of a notice, that period excluding the day when the notice is given or deemed to be given and the day for which it is given or on which it is to take effect;
"Client"	the Department of Transport, the Scottish Office, the Welsh Office or any lawful agency thereof in the United Kingdom;
"Concession Contract"	a contract awarded by the Client for the execution of any Project whether or not pursuant to a Tender procedure;
"Consent"	such consent or approval of any party as may be required for the transfer or charging of (or any other dealing with) any shares;
"Construction Contract"	the contract between the Company (or any Project Company) and the Construction Joint Venture for the design and construction of each Project awarded to the Company or a Project Company on terms to be agreed prior to the submission of any Tender;
"Construction Joint Venture"	the joint venture formed between John Laing Construction Limited and Tarmac Construction Limited;
"Director"	any Director for the time being of the Company including where applicable any alternate director;
"executed"	includes any mode of execution
"holder"	in relation to shares, the member whose name is entered in the Register as the holder of the shares;

"Initial Projects"

(i) the M1-A1 Link Road (the M1/M62 Lofthouse Interchange Diversion, the M1 - A1 Link road (Belle Isle - Hook Moor) and the A1 Motorway (Hook Moor Bramham)), (ii) A1(M) Alconbury - Peterborough (Fletton Parkway Interchange to A604 Interchange and A1 Alconbury South junction), (iii) the A419/A417 trunk road between M4 Junction 15 near Swindon and new M5 Junction 11A near Gloucester including construction schemes at A419/A417 Cirencester & Stratton Bypass, A417 North of Stratton - Nettleton Improvement and A419 Latton Bypass, and (iv) A69 between M6 (Carlisle) and A1 (Newcastle) including construction scheme at A69 Haltwhistle Bypass;

"Initial Shares"

the shares in the capital of the Company which are allotted and issued to each of the members at the date of adoption of these Articles, as set out in Article 3, together with any additional shares which may be allotted and issued to the members as a result or otherwise in connection with the award of a Concession Contract to the Company (or any Project Company) in respect of one or more of the Initial Projects;

"Interested Director"

a Director appointed by an Interested Shareholder;

"Interested Shareholder"

(i) in the case of the Construction Contract means Tarmac PLC and John Laing plc, (ii) in the case of the O & M Contract means Transroute International SA, and (iii) in the case of any other Related Contract shall mean the member who is, or whose Affiliate is, a party to such contract save to the extent that the members shall unanimously agree otherwise at the time the Company enters into such contract.

"L Directors"	those Directors appointed by the holders of a majority of the L Shares from time to time
"L Shares"	"L" shares in the share capital of the Company
"O & M Contract"	the contract between the Company (or any Project Company) and the O & M Company for the operation and routine maintenance of the Initial Projects on terms to be agreed;
"O & M Company"	the new company to be formed by the members of the Company at the date hereof for the purposes of entering into the O & M Contract;
"Office"	the registered office of the Company
"paid up"	paid up or credited as paid up
"Permitted Transferee"	(i) in relation to John Laing plc, any Wholly-Owned Subsidiary of John Laing plc, (ii) in relation to Welsh Water PLC, any Wholly-Owned Subsidiary of Welsh Water PLC, (iii) in relation to Tarmac PLC, any Wholly-Owned Subsidiary of Tarmac PLC, and (iv) in relation to Transroute International SA and Caisse Des Depots et Consignations, any Wholly-Owned Subsidiary of Transroute International SA or Caisse Des Depots et Consignations.
"person"	includes any firm or body corporate or an unincorporated association carrying on trade or business with or without a view to profit

"Project"	any project in respect of which the Client intends to call for tenders to design, build, finance, maintain, and operate roads on a shadow toll basis;
"Project Company"	a Wholly-Owned Subsidiary of the Company incorporated for the purposes of undertaking an individual Project.
"Register"	the register of members of the Company
"Related Contract"	any contract or arrangement entered into by any member or any subsidiary or holding company of a member with either the Company or any subsidiary of the Company for the purposes of or which is otherwise directly related to any Project for which the Company (or any subsidiary) has been awarded a Concession Contract;
"Seal"	the common seal of the Company or any official seal kept by the Company pursuant to the Statutes;
"Secretary"	the secretary of the Company or any other person appointed to perform the duties of the secretary of the Company, including a joint, assistant or deputy secretary and any person appointed to perform the duties of secretary temporarily or in any particular case;
"shares"	shares in the share capital of the Company;
"Statutes"	every statute (including any statutory instrument, order, regulation or subordinate legislation made under it) for the time being in force concerning companies and affecting the Company;
"T Directors"	those Directors appointed by the holders of a majority of the T Shares from time to time;

"Tender" any tender called by the Client for the purposes of a Project;

"Tr Directors" those Directors appointed by the holders of a majority of the Tr Shares from time to time;

"T Shares" T shares in the share capital of the Company;

"Tr Shares" Tr shares in the share capital of the Company;

"Wholly-Owned Subsidiary" in relation to an undertaking (the "holding undertaking") any other undertaking in which the holding undertaking for the time being either directly or through another Wholly-Owned Subsidiary holds or controls (i) all of the voting rights exercisable at general meetings of the members of that undertaking on all, or substantially all, matters, and (ii) holds or controls the right to appoint or remove all of the directors of that undertaking;

"W Shares" W shares in the share capital of the Company;

"WW Directors" those Directors appointed by the holders of a majority of the W Shares from time to time.

1.2 The expressions "debenture" and "debenture holder" include "debenture stock" and "debenture stockholder".

References to writing include any method of reproducing or representing words in a legible and non-transitory form.

Unless the context otherwise requires, any words or expressions defined in the Act bear the same meaning in these Articles (or any part of these Articles) as the meaning in force at the date of the adoption of these Articles (or that part).

A reference to a statute or a statutory provision includes any amendment or re-enactment of it.

Words importing the singular number only include the plural and vice versa. Words importing the masculine gender include the feminine and neuter gender. Words importing persons include corporations.

References to a meeting shall not be taken as requiring more than one person to be present if any quorum requirement can be satisfied by one person.

Headings are inserted for convenience only and shall not affect the construction of these Articles.

2. **Table "A" excluded**

None of the regulations contained in Table A in the Schedule to the Companies (Tables A to F) Regulations 1985 or any other Statute shall apply to the Company.

SHARE CAPITAL

3. **Share capital**

At the date of adoption of these Articles the issued share capital of the Company is £50,000 divided into 10,000 L Shares of £1 each 10,000 T Shares of £1 each 10,000 Tr Shares of £1 each and 20,000 W Shares of £1 each.

4. **Rights attached to shares**

L Shares, T Shares, Tr Shares and W Shares shall constitute different classes of shares for the purposes of the Statutes but shall, save as expressly provided to the contrary in these Articles, confer upon the holders thereof the same rights and rank pari passu in all respects.

5. **Redeemable shares**

With the unanimous prior written consent of all the members and subject to the provisions of the Statutes and without prejudice to any rights attached to any existing shares, shares may be issued

which are to be redeemed or which are liable to be redeemed at the option of the Company or of the holder on such terms and in such manner as may be provided for by these Articles.

6. **Allotment and Issue of relevant securities**

Unissued shares or other relevant securities (as defined for the purposes of section 80 of the Act) in the capital of the Company shall not be allotted or issued otherwise than with the prior consent of all the members given by a resolution passed at a general meeting and upon receipt of such consent:-

- 6.1 the Board shall thereupon and without further formality be generally and unconditionally authorised to allot relevant securities provided that the nominal amount of such securities where they are shares and, where such securities are not shares, the nominal amount of the shares in respect of which such securities confer the right to subscribe or convert, shall not exceed in aggregate the amount stated in the resolution referred to above as being the maximum amount of relevant securities to which the resolution relates; and
- 6.2 any such authority shall (unless otherwise specified in such resolution or varied or abrogated by further resolution passed unanimously by all members at an intervening general meeting) expire at the conclusion of the annual general meeting of the Company next following the passing of such resolution save that the Company shall be entitled before such expiry to make an offer or agreement which would or might require relevant securities to be allotted after such expiry and the Board shall be entitled to allot relevant securities in pursuance of such offer or agreement as if such authority had not expired, and all (if any) previous authorities under section 80 of the Act shall thenceforth cease to have effect.

7. **Payment of commissions**

The Company may exercise the powers of paying commissions and brokerage conferred or permitted by the Statutes. Subject to the provisions of the Statutes, any such commission may be satisfied by the payment of cash or by the allotment (or an option to call for the allotment) of fully or partly paid shares or partly in one way and partly the other.

8. **Variation of rights**

The rights attached to any class may (unless otherwise provided by the terms of issue of the shares of that class) be varied with the prior consent of the holders of all of the issued shares of that class (which consent may be given either in writing or by a resolution passed at a meeting of the members of the relevant class) and otherwise in accordance with the provisions of the Statutes.

9. **Pari passu issues**

The rights attached to any share or class of shares shall not, unless otherwise expressly provided by its terms of issue, be deemed to be varied by the creation or issue of further shares ranking pari passu with it.

SHARE CERTIFICATES

10. **Right to certificates**

Every person, upon becoming the holder of shares in the Company, shall be entitled within the time specified by the Statutes and without payment to one certificate for all the shares of each class registered in his name. Upon a transfer of part of the shares of any class registered in his name, every holder shall be entitled without payment to one certificate for the balance of his holding. Upon request and upon payment for every certificate after the first of such reasonable sum (if any) as the Board may determine, every holder shall be entitled to receive several certificates for shares of one class registered in his name (subject to surrender for cancellation of any existing certificate representing such shares). Every holder shall be entitled to receive one certificate in substitution for several certificates for shares of one class registered in his name upon surrender to the Company of all the share certificates representing such shares.

11. **Issue of certificate to joint holders**

The Company shall not be bound to issue more than one certificate in respect of shares registered in the names of two or more persons and delivery of a certificate to one joint holder shall be a sufficient delivery to all of them.

12. **Sealing of certificates**

Every certificate for shares shall be issued under the Seal (or in such other manner as the Board, having regard to the terms of issue or the Statutes may authorise) and shall specify the shares to which it relates, the distinguishing number (if any) of the shares and the amount paid up on the shares.

13. **Replacement certificates**

If a share certificate is worn out, defaced or damaged then, upon surrender to the Company, it shall be replaced free of charge. If a share certificate is or is alleged to have been lost or destroyed it may be replaced without fee but on such terms (if any) as to evidence and indemnity and to payment of and any exceptional out-of-pocket expenses of the Company in investigating such evidence and preparing such indemnity as the Board thinks fit.

LIEN

14. **Company's lien**

The Company shall have a first and paramount lien on every share (not being a fully paid share) for all moneys (whether presently payable or not) called or payable at a fixed time in respect of that share. The Company's lien on a share shall extend to any amount payable in respect of it.

15. **Enforcing lien by sale after notice**

The Company may sell, in the manner set out in article 31 or as the members shall otherwise unanimously determine, any shares on which the Company has a lien if a sum in respect of which the lien exists is presently payable and is not paid within fourteen clear days after a notice has

been given to the holder of the share or the person entitled by transmission to his share, demanding payment and stating that if the notice is not complied with the shares will be sold.

16. **Manner of sale**

To give effect to a sale, the Board may authorise some person to execute an instrument of transfer of the shares sold to, or in accordance with the directions of, the purchaser. The transferee shall not be bound to see to the application of the purchase money and his title to the shares shall not be affected by any irregularity or invalidity of the proceedings in reference to the sale.

17. **Application of sale proceeds**

The net proceeds of the sale, after payment of the costs, shall be applied in or towards payment of so much of the sum for which the lien exists as is presently payable, and any residue shall (upon surrender to the Company for cancellation of the certificate for the shares sold and subject to a like lien for any moneys not presently payable as existed upon the shares before the sale) be paid to the person entitled to the shares immediately before the sale.

CALLS ON SHARES

18. **Calls**

Subject to the terms of allotment and issue, the Board may from time to time make calls upon the members in respect of any money unpaid on their shares (whether in respect of the nominal amount or premium) provided that any such call shall apply pari passu in respect of money unpaid by holders of the L Shares, T Shares, Tr Shares and W Shares respectively. Each member shall (subject to receiving at least fourteen clear days' notice specifying when and where payment is to be made) pay to the Company as required by the notice the amount called on his shares. A call may be made payable by instalments. A call may, at any time before receipt by the Company of any sum due under the call, be revoked in whole or in part and payment of a call may be postponed in whole or in part, as the Board may determine and in each case provided that such revocation may only be applied pari passu between the holders of the L Shares, T Shares, Tr Shares and W Shares. A person upon whom a call is made shall remain liable for all calls made

upon him notwithstanding the subsequent transfer of the shares in respect of which the call was made.

19. **Time of call**

A call shall be deemed to have been made at the time when the resolution of the Board authorising the call was passed.

20. **Liability of joint holders**

The joint holders of a share shall be jointly and severally liable to pay all calls in respect of the share.

21. **Interest**

If a call remains unpaid after it has become due and payable, the person from whom it is due and payable shall pay interest on the amount unpaid from the day it became due and payable until the day it is paid at the rate fixed by the terms of issue of the share or in the notice of the call or, if no rate is fixed, at the appropriate rate (as defined by the Companies Act 1985) but the Board may waive payment of the interest wholly or in part, provided that any such waiver shall be applied pari passu to the holders of the relevant L Shares, T Shares, Tr Shares and W Shares.

22. **Sums due on allotment or by way of instalment treated as calls**

An amount payable in respect of a share on allotment or at any fixed date, whether in respect of the nominal amount of the share or by way of premium or as an instalment of a call, shall be deemed to be a call and, if it is not paid, the provisions of these Articles shall apply as if that amount had become due and payable by virtue of a call.

23. **Advance payment of calls**

The Board may, if it thinks fit, receive from any member willing to advance them all or any part of the moneys unpaid and uncalled upon the shares held by him and may pay interest upon the moneys so advanced (to the extent such moneys exceed the amount of the calls due and payable

upon the shares in respect of which they have been advanced) at such rate (not exceeding 15 per cent. per annum unless the Company by ordinary resolution otherwise directs) as the Board may determine. A payment in advance of calls shall extinguish, to the extent of it, the liability upon the shares in respect of which it is advanced.

FORFEITURE OF SHARES

24. **Notice if call not paid**

If a call remains unpaid after it has become due and payable, the Board may at any time give not less than fourteen clear days' notice to the holder requiring payment of so much of the call as remains unpaid together with any interest pursuant to article 21 which may have accrued. The Board shall at all times ensure that it does not differentiate between the holders of L Shares, T Shares, Tr Shares and W Shares in relation to the giving of such notice, to the extent that calls made upon such holders remain unpaid. The notice shall name the place where payment is to be made and shall state that if the notice is not complied with the shares in respect of which the call was made will be liable to be forfeited. The Board may accept the surrender of any share liable to be forfeited and, in such case, references in these Articles to forfeiture shall include surrender.

25. **Forfeiture if notice not complied with**

If the notice is not complied with, any share in respect of which the notice was given may, before the payment required by the notice is made, be forfeited by (and with effect from the time of the passing of) a resolution of the Board that such share be forfeited. The forfeiture shall include all dividends declared and other moneys payable in respect of the forfeited shares and not paid before the forfeiture.

26. **Notice of forfeiture**

When any share has been forfeited, notice of the forfeiture shall be served upon the person who was, before the forfeiture, the holder of the share, but a forfeiture shall not be invalidated by any failure to give such notice.

27. **Sale of forfeited share**

Subject to the provisions of the Statutes, a forfeited share shall be deemed to be the property of the Company and may be sold, re-allotted or otherwise disposed of either to the person who was the holder before the forfeiture or to any other person, subject to and in accordance with article 31, or otherwise upon such terms and in such manner as the members shall unanimously determine. To give effect to a sale or other disposal, the Board may authorise some person to execute an instrument of transfer to the designated transferee. At any time before a sale, re-allotment or other disposition, the forfeiture may be cancelled on such terms as the Board thinks fit.

28. **Arrears to be paid notwithstanding forfeiture**

A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares and shall surrender to the Company for cancellation the certificate for the forfeited shares but shall remain liable to the Company for all moneys which at the date of forfeiture were presently payable by him to the Company in respect of those shares with interest thereon from the date of forfeiture until payment at such rate (not exceeding fifteen per cent. per annum) as the Board may determine. The Board may waive payment wholly or in part and the Board may enforce payment without any allowance for the value of the shares at the time of forfeiture or for any consideration received on their disposal, provided in each case that it does not differentiate between the holders of L Shares, T Shares, Tr Shares and W Shares to which the provisions of the articles 24 to 29 may apply from time to time.

29. **Statutory declaration and validity of sale**

A statutory declaration by a Director or the Secretary that a share has been forfeited on a specified date shall be conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the share. The declaration shall (subject to the execution of an instrument of transfer, if necessary) constitute a good title to the share and the person to whom the share is disposed of shall be registered as the holder of the share and shall not be bound to see to the application of the consideration (if any), nor shall his title to the share be affected by any irregularity in or invalidity of the proceedings in reference to the forfeiture, sale, re-allotment or other disposal of the share.

TRANSFER OF SHARES

30. Form and execution of transfer

Subject to such of the restrictions of these Articles as may be applicable, a member may transfer all or any of his shares by an instrument of transfer in any usual form or in any other form which the Board may approve. A transfer shall be executed by or on behalf of the transferor and (unless the share is fully paid) by or on behalf of the transferee.

31. Permitted transfers

31.1 A member may at any time and from time to time transfer any or all of the shares held by it to any Permitted Transferee provided that such member shall first have obtained any Consent as may be required prior to effecting any such transfer.

31.2 Save as provided in Article 31.1, no member may transfer or dispose of any interest (whether legal or equitable) in any of all of the shares held by it without the prior written consent of all the remaining members and provided that the member proposing to carry out such a transfer or disposal shall first obtain any Consent which may be required to be obtained prior to any such transfer or disposal.

31.3 No member shall be permitted to create or permit to subsist any pledge, lien or equitable, floating or other charge over, or grant any option or other rights in any or all of the shares registered in its name from time to time.

31.4 At the time of completion of any sale, assignment, transfer or other disposition (other than to a Permitted Transferee) of more than 50% of the Initial Shares held by a member, such member shall cause the resignation of the Directors at the time holding office by reason of appointment by such member with acknowledgements under seal from each of them to the Company in a form satisfactory to the other members to the effect that the person so resigning has no claim against the Company for compensation for loss of office or otherwise howsoever and that no agreement or arrangement is outstanding under which the Company has or would have any obligation to him and pending the delivery of such acknowledgement the member which appointed such director

shall indemnify and keep indemnified the Company against all costs, claims and demands the Director may make against the Company in respect of such matters.

- 31.5 Notwithstanding the foregoing provisions of this article 31, the Directors may decline to register any transfer of any share on which the Company has a lien.
- 31.6 Subject to article 31.5 the Directors shall register any transfer made pursuant to or permitted by the foregoing provisions of this article, but shall refuse to register any other transfer save as otherwise agreed by all the members.

32. **Suspension of registration**

The registration of transfers may be suspended at such times and for such periods (not exceeding thirty days in any calendar year) as the Board may determine.

33. **No fee for registration**

No fee shall be charged for the registration of any instrument of transfer or other document relating to or affecting the title to any share.

34. **Retention of documents**

Any instrument of transfer which is registered may be retained by the Company, but any instrument of transfer which the Board refuses to register shall be returned to the person lodging it when notice of the refusal is given.

TRANSMISSION OF SHARES

35. **Transmission on death**

If a member dies, the survivor or survivors where he was a joint holder, and his personal representatives where he was a sole holder or the only survivor of joint holders shall be the only persons recognised by the Company as having any title to his shares, but nothing contained in this

article shall release the estate of a deceased member from any liability in respect of any share solely or jointly held by him.

36. **Election by person entitled by transmission**

Any person becoming entitled to a share in consequence of the death or bankruptcy of a member or of any other event giving rise to its transmission by operation of law may, upon such evidence being produced as the Board may require, elect either to become the holder of the share or to have some person nominated by him registered as the transferee. If he elects to become the holder, he shall give notice to the Company to that effect. If he elects to have another person registered, he shall be deemed to have served a Transfer Notice and shall first offer the relevant share to the existing members in accordance with clause 31. All the provisions of these Articles relating to the transfer of shares shall apply to the notice or instrument of transfer as if the death or bankruptcy of the member or other event giving rise to the transmission had not occurred and the notice or instrument of transfer was an instrument of transfer executed by the member.

37. **Rights in respect of the share**

A person becoming entitled to a share in consequence of the death or bankruptcy of a member or of any other event giving rise to its transmission by operation of law shall have the same rights to which he would be entitled if he were the holder of that share, subject to the restriction contained in these Articles, except that he shall not be entitled in respect of it to attend or vote at any general meeting of the Company or at any separate meeting of the holders of any class of shares in the Company until he is registered as the holder of the share.

ALTERATION OF CAPITAL

38. **Increase, consolidation, sub-division and cancellation**

The Company may, with the prior consent of all the members given by a resolution passed at a general meeting:-

- 38.1 increase its share capital by new shares of such amount as the members shall have prescribed pursuant to such a resolution;

- 38.2 consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
- 38.3 subject to the provisions of the Statutes, sub-divide its shares, or any of them, into shares of smaller amount and the members may unanimously determine (in the manner referred to above) that, as between the shares resulting from the sub-division, any of them may have any preference or advantage or be subject to any restrictions as compared with the others; and
- 38.4 cancel any shares which, at the date upon which the relevant resolution is passed, have not been taken, or agreed to be taken, by any person and diminish the amount of its share capital by the amount of the shares so cancelled.

39. **Fractions**

Whenever as a result of a consolidation of shares any member would become entitled to fractions of a share, the Board may deal with the fractions as it thinks fit and, in particular, may (subject to the restrictions contained in these Articles, the Statutes, or otherwise with the prior consent of all the members of the Company, (which consent may be given in writing or by a resolution passed at a general meeting) sell the shares representing the fractions to any person and may distribute the net proceeds of sale in due proportion among those members save for amounts of £2 or less which shall be retained for the benefit of the Company. To give effect to any such sale, the Board may authorise some person to transfer or deliver the shares to, or in accordance with the directions of, the purchaser. The transferee shall not be bound to see to the application of the purchase money and his title shall not be affected by any irregularity or invalidity of the proceedings in reference to the sale.

40. **Reduction of capital**

The Company may, with the prior consent of all the members (which shall be given by a resolution passed at a general meeting) and otherwise subject to the relevant provisions of the Statutes reduce its share capital, any capital redemption reserve and any share premium account or other undistributable reserve in any manner.

PURCHASE OF OWN SHARES

41. Purchase of own shares

The Company may purchase its own shares (including any redeemable shares) with the prior consent of all the members (which shall be given by a resolution passed at a general meeting) and as the Statutes otherwise permit. If any shares of the Company convertible into shares of another class are outstanding, the Company may not purchase any of its own shares unless the purchase has been sanctioned by an extraordinary resolution passed at a separate meeting (or meetings if there is more than one class) of the holders of the convertible shares. Neither the Company nor the Board shall be required to select the shares to be purchased rateably or in any particular manner as between the holders of shares of the same class or as between them and the holders of shares of any other class or in accordance with the rights as to dividends or capital attached to any class of shares.

GENERAL MEETINGS

42. Extraordinary general meetings

All general meetings other than annual general meetings shall be called extraordinary general meetings.

43. Convening an extraordinary general meeting

The Board may convene an extraordinary general meeting whenever it thinks fit.

NOTICE OF GENERAL MEETINGS

44. Length of notice period

An annual general meeting and an extraordinary general meeting called for the passing of a special resolution or a resolution appointing a person as a Director shall be called by at least twenty-one clear days' notice. All other extraordinary general meetings shall be called by at least

fourteen clear days' notice but a general meeting may be called by shorter notice if it is so agreed:-

- 44.1 in the case of an annual general meeting, by all the members entitled to attend and vote at the meeting; and
- 44.2 in the case of any other meeting, by a majority in number of the members having a right to attend and vote being a majority together holding not less than ninety-five per cent. in nominal value of the shares giving that right.

45. **Contents of Notice**

The notice shall specify the day, time and place of the meeting and the general nature of the business to be transacted and, in the case of an annual general meeting, shall specify the meeting as such. Subject to the provisions of these Articles and to any restrictions imposed on any shares, the notice shall be given to all the members, to all persons entitled by transmission and to the Directors and Auditors.

PROCEEDINGS AT GENERAL MEETINGS

46. **Quorum**

No business shall be transacted at any general meeting unless a quorum is present when the meeting proceeds to business. Four persons entitled to vote upon the business to be transacted, each being a member or a proxy for a member or a duly authorised representative of a corporation, shall be a quorum for all purposes provided that so long as the issued share capital of the Company is divided into L Shares, T Shares, Tr Shares and W Shares, one member representing each of the classes shall be present or represented.

47. **Procedure if a quorum not present**

If a quorum is not present within half an hour from the time appointed for the meeting or if a quorum ceases to be present during a meeting, the meeting, if convened on the requisition of members, shall be dissolved. In any other case, it shall stand adjourned to such other day (being

not less than seven nor more than twenty-eight days later) time and place as the chairman of the meeting or, in default, the Board may decide and at such adjourned meeting the quorum shall be three members, each one holding a difference class of shares in the Company. If the requisite quorum is not present at an adjourned meeting within half an hour of the time appointed for the meeting or if a quorum ceases to be present during the meeting, the meeting shall be dissolved

48. **Chairman**

The Directors present at every general meeting shall choose one of their number on a rotating basis to act as chairman, or if one Director only is present, he shall preside as chairman, if willing to act. If no Director is present, or if each of the Directors present declines to take the chair, the persons present and entitled to vote on a poll shall elect one of their number to be chairman. The chairman shall not be entitled to a casting vote in addition to any other vote he may have.

49. **Meeting at more than one place and/or in a series of rooms**

49.1 A general meeting or adjourned meeting may be held at more than one place. The notice of meeting will specify the place at which the chairman will be present (the "Principal Place") and a letter accompanying the notice will specify any other place(s) at which the meeting will be held simultaneously.

49.2 A general meeting or adjourned meeting may be held in one room or a series of rooms at the place specified in the notice of meeting or any other place at which the meeting is to be held simultaneously.

49.3 If the meeting is held in more than one place and/or in a series of rooms, it will not be validly held unless all persons entitled to attend and speak at the meeting are able:-

49.3.1 if excluded from the Principal Place or the room in which the chairman is present, to attend at one of the other places or rooms; and

49.3.2 to communicate with one another audio visually throughout the meeting.

The Board may make such arrangements as it thinks fit for simultaneous attendance and participation at the meeting and may vary any such arrangements or make new arrangements. Arrangements may be notified in advance or at the meeting by whatever means the Board thinks appropriate to the circumstances. Each person entitled to attend the meeting will be bound by the arrangements made by the Board.

- 49.4 Where a meeting is held in more than one place and/or a series of rooms, then for the purpose of these Articles a meeting shall consist of all those persons entitled to attend and participate in the meeting who attend at any of the places or rooms.

50. **Adjournments**

The chairman may with the consent of a meeting at which a quorum is present (and shall if so directed by the meeting) adjourn the meeting from time to time or from place to place. No business shall be transacted at an adjourned meeting other than business which might properly have been transacted at the meeting had the adjournment not taken place. When a meeting is adjourned for fourteen days or more, at least seven clear days' notice shall be given specifying the time and place of the adjourned meeting and the general nature of the business to be transacted. Otherwise it shall not be necessary to give any such notice.

51. **Voting**

Save as otherwise provided in these Articles or as otherwise agreed in writing between all the members, at any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless before, or on the declaration of the result of, the show of hands a poll is demanded by any member or a proxy or duly authorised representative of a member. Unless a poll is duly demanded, a declaration by the chairman that a resolution has been carried, or carried unanimously, or by a particular majority, or lost, or not carried by a particular majority and an entry to that effect in the minutes of the meeting shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution.

52. **Right to withdraw demand for a poll**

The demand for a poll may, before the earlier of the close of the meeting and the taking of the poll, be withdrawn but only with the consent of the chairman and, if a demand is withdrawn, any other members entitled to demand a poll may do so. If a demand is withdrawn, it shall not be taken to have invalidated the result of a show of hands declared before the demand was made. If a poll is demanded before the declaration of the result of a show of hands and the demand is duly withdrawn, the meeting shall continue as if the demand had not been made.

53. **Procedure if poll demanded**

If a poll is duly demanded, it shall be taken in such manner as the chairman directs (including the use of ballot or voting papers or tickets) and he may appoint scrutineers (who need not be members) and fix a time and place for declaring the result of the poll. The result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. A poll demanded on the election of a chairman or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken either forthwith or at such date (being not more than thirty days after the poll is demanded) and at such time and place as the chairman directs. No notice need be given of a poll not taken forthwith unless the chairman otherwise directs.

54. **Continuance of other business after poll demanded**

The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll was demanded.

55. **Amendment of resolution**

If an amendment is proposed to any resolution under consideration which the chairman in good faith rules out of order, the proceedings on the substantive resolution shall not be invalidated by any error in such ruling. In the case of a resolution proposed as an extraordinary resolution or special resolution, no amendment (other than a clerical amendment to correct a patent error) may be considered or voted upon.

VOTES OF MEMBERS

56. Votes of members

Subject to any rights or restrictions attached to any shares, on a show of hands every member who (being an individual) is present in person or (being a corporation) is present by a duly authorised representative, not being himself a member entitled to a vote, shall have one vote and, save as provided in Article 62, on a poll every member shall have one vote for every share of which he is the holder save that any Interested Shareholder shall not be entitled to vote (whether on a poll or a show of hands) on any resolution concerning a Related Contract.

57. Votes of joint holders

In the case of joint holders of a share the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders; and seniority shall be determined by the order in which the names of the holders stand in the Register.

58. Votes of member suffering incapacity

A member in respect of whom an order has been made by any court or official having jurisdiction (whether in the United Kingdom or elsewhere) in matters concerning mental disorder or incapacity to manage one's affairs may vote, whether on a show of hands or on a poll, by his receiver, curator bonis or other person authorised in that behalf appointed by the court or official and any such receiver, curator bonis or other person may, on a poll, vote by proxy. Evidence to the satisfaction of the Board of the authority of the person claiming to exercise the right to vote shall be deposited at the Office, or at such other place as is specified in accordance with these Articles for the deposit of instruments of proxy, not later than the last time at which an instrument of proxy could have been delivered in order to be valid for use.

59. No right to vote where sums overdue on shares

No member shall vote at any general meeting or at any separate meeting of holders of any class of shares in the Company, either in person or by proxy, in respect of any share held by him unless all moneys presently payable by him in respect of that share have been paid.

60. **Votes on a poll**

On a poll votes may be given either personally or by proxy.

61. **Objections or errors in voting**

No objection shall be raised to the qualifications of any voter except at the meeting or adjourned meeting at which the vote objected to is tendered, and every vote not disallowed at the meeting shall be valid. Any objection made in due time shall be referred to the chairman whose decision shall be final and conclusive.

62. **Special voting rights**

In the event of any resolution being proposed at any general meeting of the Company to approve or effect the following matters any shares held by a member voting against such resolution shall on a poll in respect of such resolution carry the right to five votes per share:-

- 62.1 issue any debentures or other securities convertible into shares or debentures or any share warrants or redeem, purchase or grant options over any of its shares or other securities; issue of redeemable shares, cancellation of shares;
- 62.2 issue or allotment of any shares;
- 62.3 creation of any new shares in the Company;
- 62.4 re-organise the Company's share capital in any way;
- 62.5 alter any rights attaching to any share or class of share in the capital of the Company;
- 62.6 alter these Articles or the Memorandum of Association or adopt new Articles or resolutions inconsistent herewith;
- 62.7 change the Company's Auditors;

- 62.8 any change in the Company's classification or status as a limited company;
- 62.9 the winding up of the Company except in an agreed reconstruction or amalgamation;
- 62.10 create, acquire, dispose of, dilute or vary any interest in any other company, trust or business;
- 62.11 commence any new business not being ancillary or incidental to the business of the Company;
- 62.12 create or issue any mortgage, debenture, fixed or floating charge, lien (other than a lien arising by operation of law) or other encumbrance over the whole or any part of the undertaking, property or assets of the Company or of a Project Company except for the purpose of securing the indebtedness of the Company to its bankers for sums borrowed in the ordinary and proper course of the business and for the purpose of its business;
- 62.13 re-organise or merge the business of the Company or a Project Company with any third party;
- 62.14 enter into any contract or transaction except in the ordinary and proper course of business on arms length terms;
- 62.15 grant a power of attorney affecting the Company's assets.

PROXIES

63. Execution of an instrument of proxy

An instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney authorised in writing or, if the appointor is a corporation, either under its Seal or under the hand of an officer, attorney or other person authorised to sign it. A proxy need not be a member of the Company.

64. Times for deposit of an instrument of proxy

The instrument appointing a proxy and any authority under which it is executed or a copy of such authority certified notarially or in some other way approved by the Board shall:-

- 64.1 be deposited not less than forty-eight hours before the time appointed for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote at the Office or at such other place within the United Kingdom as is specified in the notice convening the meeting or in any instrument of proxy sent out by the Company in relation to the meeting; or
- 64.2 in the case of a poll taken forty-eight or more hours after it is demanded, be deposited as aforesaid after the poll has been demanded and not less than twenty-four hours before the time appointed for the taking of the poll; or
- 64.3 where the poll is not taken forthwith but is taken within forty-eight hours after it was demanded, be delivered at the meeting at which the poll was demanded to the chairman or to the Secretary or to any Director;

and an instrument of proxy which is not deposited or delivered in a manner so permitted shall be invalid. An instrument of proxy shall cease to be valid after the expiration of twelve months from the date of its execution. When two or more valid but inconsistent instruments of proxy are delivered in respect of the same share for use at the same meeting the one which is last delivered (regardless of its date or of the date of execution) shall be treated as replacing the others as regards that share; if the Company is unable to determine which was last delivered none of them shall be treated as valid in respect of that share.

65. **Form of proxy**

An instrument of proxy shall be in any usual or common form or any other form which the Board may approve. The instrument of proxy shall be deemed to include the right to demand or join in demanding a poll and generally to act at the meeting for the member giving the proxy. The proxy shall, unless the contrary is stated in it, be as valid for any adjournment of the meeting as for the meeting to which it relates.

66. **Validity of proxy**

A vote given or poll demanded by proxy or by the duly authorised representative of a corporation shall be valid, notwithstanding the previous determination of the authority of the person voting or demanding a poll unless notice in writing of such determination was received by the Company

at the Office (or at such other place in the United Kingdom as was specified for the delivery of instruments of proxy in the notice convening the meeting or in any instrument of proxy sent out by the Company in relation to the meeting or adjourned meeting) not later than the last time at which an instrument of proxy could have been delivered in order to be valid for use.

DIRECTORS

67. Number of Directors

The number of Directors shall be not less than four nor more than twelve.

68. No shareholding qualification for Directors and right to attend general meetings etc.

No shareholding qualification for Directors shall be required. Each Director shall be entitled to receive notice of and attend and speak at any general meeting or separate meeting of the holders of any class of shares or debentures of the Company.

APPOINTMENT, RETIREMENT AND REMOVAL OF DIRECTORS

69. Appointment of Directors

69.1 The holders of the L Shares may from time to time appoint any person to be a Director but so that not more than two persons shall at any one time hold office by virtue of an appointment by holders of L Shares under this Article. Each person holding office pursuant to this Article is herein called a Laing Director. Each Director shall be entitled to nominate an alternate.

69.2 Each Laing Director shall hold office subject to article 70 and may at any time be removed from office by the holders of L Shares.

69.3 The provisions of Articles 69.1 and 69.2 shall apply mutatis mutandis to the holders of the T Shares, the Tr Shares and the W Shares, and any Director so appointed by the holders of the T Shares, Tr Shares and the W Shares (as the case may be) shall be designated as a Tarmac Director, or Transroute Director or WW Director respectively.

69.4 Any such appointment or removal shall be made in writing under the hands of the holders for the time being of the shares in whom the power of appointment or removal is vested, or their duly authorised agents and shall take effect on and from the date on which notice in writing thereof is lodged at the Office or delivered to the Secretary or to a meeting of the Directors.

69.5 Notwithstanding any other provisions contained in these Articles, should any vacancy in the Board occur through death, resignation or removal, the member appointing such Director shall be solely entitled to nominate his replacement.

70. **Vacation of office by Directors**

The office of a Director shall be vacated if:-

70.1 he resigns his office by notice delivered to the Office or tendered at a meeting of the Board; or

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

70.3 he becomes of unsound mind or a patient for any purpose of any statute relating to mental health and the Board resolves that his office is vacated; or

70.4 he is absent without leave from meetings of the Board for six consecutive months (whether or not an alternate appointed by him attends) and the Board resolves that his office is vacated; or

70.5 he ceases to be a Director by virtue of any provision of the Statutes or he becomes prohibited by law from being a Director; or

70.6 he is removed from office at the direction of the member appointing him in accordance with Article 69.4.

71. **Direction not to retire on account of age**

No Director shall vacate his office or be ineligible for re-election, nor shall any person be ineligible for appointment as a Director, by reason only of his attaining or having attained a particular age.

REMUNERATION OF DIRECTORS

72. Ordinary remuneration

No remuneration or expenses shall be paid to any of the directors for attendance and meetings or other business of the Company.

ALTERNATE DIRECTORS

73. Appointment, removal and resignation

Any Director (other than an alternate Director) may appoint any other Director, or any other person to be his alternate and may revoke any such appointment. An alternate shall (subject to his giving to the Company an address for service within the United Kingdom) be entitled to receive notice of meetings of the Board, to attend and vote as a Director at any meeting at which his appointor is not personally present, and generally, in the absence of his appointor, at the meeting to exercise all the functions of his appointor as a Director. A Director present at a meeting of the Board and appointed alternate for another Director shall have an additional vote for each of his appointors absent from such meeting (but shall count as one only for the purpose of determining whether a quorum is present). An alternate Director shall cease to be an alternate Director if he resigns or if for any reason his appointment is revoked or if his appointor ceases to be a Director. The appointment of an alternate Director shall be revoked on the happening of any event which, if he were a Director, would cause him to vacate such office under the provisions of these Articles. All appointments and revocations of appointments and resignations of alternate Directors shall be in writing and left at the Office or delivered at a meeting of the Board.

74. Alternate to be responsible for his own acts and remuneration of alternate

An alternate Director shall be deemed an officer of the Company and not the agent of his appointor. An alternate Director may contract and be interested in and benefit from contracts or arrangements or transactions and be repaid expenses and indemnified to the same extent mutatis mutandis as if he were a Director but, save to the extent that his appointor directs the payment

to him of part or all of the remuneration which would otherwise be payable to his appointor he shall not be entitled to any remuneration from the Company for acting in that capacity.

EXECUTIVE DIRECTORS

75. Executive Directors

The Board may, with the unanimous agreement of all Directors, from time to time appoint one or more of its body to hold any employment or executive office with the Company (including that of a managing director) for such period (subject to the provisions of the Statutes) and on such other terms as the Board may decide and may revoke or terminate any appointment so made. Any revocation or termination of the appointment shall be without prejudice to any claim for damages that the Director may have against the Company or that the Company may have against the Director for any breach of any contract of service between him and the Company. A Director appointed to an executive office may be paid such remuneration in such manner as the Board may decide.

POWERS AND DUTIES OF DIRECTORS

76. General powers of the Company vested in the Board

Subject to the provisions of the Statutes, the Memorandum of Association of the Company and these Articles and to any directions given with the prior written consent of all the members the business of the Company shall be managed by the Board which may exercise all the powers of the Company. No alteration of the Memorandum of Association or these Articles and no such direction shall invalidate any prior act of the Board which would have been valid if that alteration had not been made or that direction had not been given. The powers given by this Article shall not be limited by any special power given to the Board by these Articles and a meeting of the Board at which a quorum is present may exercise all powers exercisable by the Board.

DELEGATION OF DIRECTORS' POWERS

77. Delegation to committees

Save as otherwise provided in these Articles the Board may appoint such committees as it sees fit (including an Executive Committee in accordance with Article 78 below) and such committees shall be committees of the Board and shall proceed in such manner as the Board shall from time to time determine.

78. Executive Committee

78.1 Save as otherwise provided in these Articles, certain aspects of the management of the Company shall be delegated to an Executive Committee constituted in accordance with Article 78.3 (the "Executive Committee"). The Executive Committee shall be a committee of the Board and shall act at all times within the terms of reference determined by the Board from time to time. In the event that any member of the Executive Committee disputes whether a matter properly falls within the scope of the terms of reference of the Executive Committee such matter shall be referred to the Board for determination.

78.2 Save as otherwise provided in these Articles, the Executive Committee shall be responsible for the day-to-day management of the affairs of the Company and its Business unless otherwise agreed from time to time by the members.

78.3 The Executive Committee shall comprise two representatives of each member or members holding the same class of shares who may or may not be a Director. Each such member or members shall designate in writing from time to time its or their representatives on the Executive Committee and an alternate and may remove any representative so appointed from time to time and appoint a replacement and/or alternate in each case on giving three Business Days notice of the change to the Company and the other members.

78.4 The members' initial representatives on the Executive Committee shall be :-

John Laing plc -

A. Evans and R. Weston;

Welsh Water plc -

J.M. James and N.G. Jones;

Tarmac plc -

G.A.I. Waters and J.S. Rushton;

Transroute International SA and

Caisse Des Depots et Consignations

R. Damour and M. Cremieux

- 78.5 Each representative shall have one vote and decisions of the Executive Committee shall be reached by a unanimous vote of all representatives present.
- 78.6 The quorum for a meeting of the Executive Committee (which must remain present throughout the meeting) shall be 4 members and must include a representative of each member or members holding each class of shares (or in any case their respective alternates). Executive Committee meetings may be convened by any representative giving not less than 48 hours notice of the meeting to the other representation or in such other manner as the Executive Committee shall unanimously decide.
- 78.7 The Executive Committee shall on a rotating basis appoint one of their number to chair meetings of the Executive Committee. The Chairman shall not in any case have any second or casting vote.
- 78.8 If so authorised under Article 78.1 the Executive Committee shall be entitled to constitute further committees (including but not limited to finance, operating, construction, tax, legal) and such committees shall be comprised of such persons as shall be considered appropriate by the Executive Committee, and who may or may not be Directors or members of the Executive Committee, and to delegate to such committees subject to the provisions of these Articles such powers and duties as the Executive Committee thinks fit.

DIRECTORS' INTERESTS

79. **Contracts between a Director and the Company or a company in which the Company is interested**
- 79.1 Subject to the provisions of the Statutes, and provided that he has disclosed to the Board the nature and extent of any material interest of his, notwithstanding his office a Director:-

- 79.1.1 may hold any other office or place of profit under the Company (except that of Auditor) in conjunction with the office of Director and may act by himself or through his firm in a professional capacity for the Company (otherwise than as Auditor) and in either such case on such terms as to remuneration and otherwise as the Board may determine; any such remuneration shall be in addition to any remuneration provided for by any other article;
- 79.1.2 save as otherwise agreed by the members, may be a party to, or otherwise interested in, any contract with the Company or in which the Company is otherwise interested;
- 79.1.3 may be a Director or other officer of, or employed by, or a party to any contract with, or otherwise interested in, any body corporate promoted by the Company or in which the Company is otherwise interested; and
- 79.1.4 shall not, by reason of his office, be accountable to the Company for any remuneration or benefit which he derives from any such office or employment or from any such contract or from any interest in such body corporate and no such contract shall be liable to be avoided on the ground of any such interest or benefit.

For the purposes of this sub-article:-

- 79.1.5 a general notice given to the Board that a Director is to be regarded as having an interest of the nature and extent specified in the notice in any contract in which a specified person or class of persons is interested shall be deemed to be a disclosure that the Director has an interest in any such contract of the nature and extent so specified; and
- 79.1.6 an interest of which a Director has no knowledge and of which it is unreasonable to expect him to have knowledge shall not be treated as an interest of his.

DIRECTORS' GRATUITIES AND PENSIONS

80. Directors' gratuities and pensions

The Board may provide benefits, whether by the payment of gratuities, pensions, annuities, allowances, bonuses or by insurance or otherwise, for any Director or former Director who holds or who has held but no longer holds any executive office or employment with the Company or with any body corporate which is or has been a subsidiary of the Company or a predecessor in business of the Company or of any such subsidiary, and for any member of his family (including a spouse and a former spouse) or any person who is or was dependent on him, and may (as well before as after he ceases to hold such office or employment) establish maintain support subscribe to and contribute to any scheme trust or fund for the benefit of all or any such persons and pay premiums for the purchase or provision of any such benefits. The Board may procure any of these matters to be done by the Company either alone or in conjunction with any other person.

PROCEEDINGS OF THE BOARD

81. Board meetings

Board meetings shall take place on being requested by any one or more of the members but in any event at least twice in each calender year and shall be held in the United Kingdom unless otherwise agreed. Notice of all Board meetings shall be sent to each Director in the manner referred to in Article 110 at the address or facsimile number provided by him in writing to the Company for such purpose at least fourteen clear days prior to the date specified in the notice of meeting. Each notice of meeting shall contain an agenda of all matters to be discussed at the meeting and no business not on such agenda shall be discussed at any meeting save with the consent of a majority in number of the Directors attending the meeting. Notwithstanding the above, any Board meeting may be convened in a lesser period with the consent of all Directors.

82. **Voting**

All decisions of the Board shall require the agreement of a simple majority of those eligible to vote, save for those matters set out below where the unanimous agreement of those eligible to vote shall be required:-

- 82.1 pay any emoluments whether directly or indirectly (through a Company in which a Director has an interest or otherwise) to a Director except under a service contract or contract of employment or by way of directors fees, in each case not exceeding £5,000;
- 82.2 enter into any agreement which cannot be terminated by the Company without penalty within 12 months of its commencement;
- 82.3 give any guarantee, indemnity or security in respect of the obligations of the Company or any other person (other than a Wholly-Owned Subsidiary of the Company);
- 82.4 borrow any money or obtain any advance or credit in any form other than normal trade credit on normal banking terms for unsecured overdraft facilities or vary the terms and conditions of any borrowings or bank mandates;
- 82.5 change the accounting reference date of the Company or any Project Company or change the basis of accounting or accounting policies;
- 82.6 do or permit to be done anything whereby the Company or any Project Company is or may be voluntarily or compulsorily wound up;
- 82.7 take or agree to take any leasehold in or licence over any land;
- 82.8 recommend, make or pay any dividend or other distribution including out of capital profits or capital reserves (and including any share premium account or capital redemption reserve fund) or determine the manner in which any such dividend or distribution shall be paid;
- 82.9 acquire, dispose of, hire, lease, licence or receive licences of any assets, goods, rights or services otherwise than at the best price reasonably obtainable in the circumstances;

- 82.10 approve any budget or business plan of the Company or supersede or modify it;
- 82.11 enter into any agreement or arrangement restricting the Company's competitive freedom to provide and take goods and services by such means from and to such persons as it may think fit;
- 82.12 enter into any contract or other obligation inconsistent with the company's budget or omit to take any action accept (where the inconsistency can fairly be expressed in financial terms) where the financial consequence can not reasonably be expected to cause the relevant item in such budget to be exceeded adversely by more than 10%;
- 82.13 undertake any action which is inconsistent with the Company's business plan or otherwise alter, cease, extend, reduce or change the nature or scope of the business carried out for the time being of the Company;
- 82.14 establish any profit-sharing, bonus or pension scheme, or make any material alteration to any such scheme;
- 82.15 incorporate or purchase any subsidiary or otherwise acquire any subsidiary or dispose or dilute any interests directly or indirectly in any subsidiary;
- 82.16 sell, transfer, lease, assign or otherwise dispose of (whether by a single transaction or series of transactions, related or not) any material part of the business, assets or a substantial part thereof including buildings;
- 82.17 enter into any partnership or profit sharing arrangement or joint venture with any other person;
- 82.18 make any early repayment of loans;
- 82.19 make any claim, disclaimer, surrender, election or consent of a material nature for tax purposes;
- 82.20 dispose of any material intellectual property rights;
- 82.21 appoint any committee of the Directors or any local board or delegate any of the powers of the Directors to such committee or local board;

- 82.22 make any loan or advance or give any credit (other than normal trade credit) in excess of £20,000 to any person, except for the purpose of making deposits with bankers which shall be repayable upon the giving of no more than 7 days notice;
- 82.23 make any change to the articles of association or other constitutional documents of any Project Company;
- 82.24 make any change in (or variation of the rights attaching to) the authorised or issued share or loan capital of any Project Company, whether by way of the issue of (or grant of any option over) any shares, stock, debentures or other transferable, convertible or exchangeable securities, or through reduction, consolidation or subdivision of share capital, purchase of own shares or redemption of shares, debentures or other transferable securities;
- 82.25 pass any ordinary or special resolution of any Project Company;
- 82.26 adopt or approve the annual accounts of any Project Company;
- 82.27 permit the entering into of any arrangement or agreement between any employee of either the Company or any Project Company and any member of the Company (or member of such member's Groups);
- 82.28 enter into any agreement or arrangement with or make any loan or provide any credit or financial facilities or other benefits to any director or senior employee of either the Company or any Project Company or any relative of such person or any undertaking acting as nominee of, or controlled by, any such person, save (in the case of any such loan or facilities or benefits) for those available under the standard terms and conditions of employment in respect of such individuals;
- 82.29 appoint or remove any director of any Project Company;
- 82.30 any decision to bid or not to bid for any Project;
- 82.31 approval of the terms and conditions of any Tender;

- 82.32 appointment of the members of a team for the purposes of bidding for a Tender;
- 82.33 final approval of and decision to submit any Tender;
- 82.34 any addition, omission or variation to or of any Tender;
- 82.35 appointment of a manager of a Project;
- 82.36 vary the terms of any contract or arrangement between the Company and any one or more Interested Shareholders or member of its Group.
- 82.37 pay any remuneration or expenses to any person other than as proper remuneration for work done or services provided or as proper reimbursement for expenses incurred in connection with the business of the Company;
- 82.38 make any gift, political donation or charitable donation greater than £100;
- 82.39 factor or assign any book debts;

Interested Directors shall not be eligible to vote on any resolution concerning a Related Contract. Where a simple majority is required the Directors shall have such number of votes as shall reflect the percentages which the shares held by their appointing member represents of the total of all the L shares, T shares, Tr shares and WW shares. In the case of an equality of votes at any meeting of the Board the chairman shall not be entitled to a second or casting vote but may vote in his capacity as a Director.

83. Quorum

The quorum necessary for the transaction of the business of the Board shall be one Director (or his alternate) appointed by each member. If no quorum is present at the first meeting within half an hour of the time appointed, the meeting shall be adjourned for seven days and at such adjourned meeting the quorum shall be three directors, each one being appointed by a member holding a different class of shares in the Company. If the requisite quorum is not present at an adjourned meeting within half an hour of the time appointed for the meeting or if a quorum ceases

to be present during the meeting, the meeting shall be dissolved. A person who holds office only as an alternate Director shall, if his appointer is not present, be counted in the quorum.

84. **Board vacancies below minimum number**

The continuing Directors or a sole continuing Director may act notwithstanding any vacancies in the Board, but, if the number of Directors is less than the minimum number fixed by or in accordance with these Articles, the continuing Directors or Director may act only for the purpose of calling a general meeting of the Company to appoint new Directors. If there are no Directors or Director able or willing to act, then any two members may call a general meeting of the members of the Company for the purpose of appointing Directors.

85. **Appointment of chairman**

The Board shall appoint one of its number to be the chairman of the Board at each meeting on a rotating basis.

86. **Competence of the Board**

A meeting of the Board at which a quorum is present shall be competent to exercise all powers authorities and discretions for the time being vested in or exercisable by the Board.

87. **Participation at meetings by telephone**

All or any of the Directors may participate in a meeting of the Board by means of conference telephone or any communication equipment which allows all persons participating in the meeting to hear each other. A person so participating shall be deemed to be present in person at the meeting and shall be entitled to vote or be counted in a quorum accordingly. Such a meeting shall be 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 is.

88. **Written resolutions**

A resolution in writing signed by all the Directors entitled to receive notice of a meeting of the Board or of a committee appointed by the Board shall be as valid and effectual as if it had been passed at a meeting of the Board or such committee (as the case may be) duly convened and held and may be contained in one document or in several documents in like form each signed by one or more of the Directors or members of the committee concerned. The signature of an alternate Director shall, if his appointor has not signed, suffice in place of the signature of his appointor.

89. **Company books**

The Board shall cause minutes to be made in books kept for the purpose of:-

- 89.1 all appointments of officers made by the Board;
- 89.2 all proceedings at meetings of the Company, of the holders of any class of shares in the Company and of the Board and of committees appointed by the Board, including the names of the Directors present at each such meeting.

Any such minutes, if purporting to be signed by the chairman of the meeting at which the appointments were made or proceedings held or by the chairman of the next succeeding meeting, shall be sufficient evidence of the facts therein stated without any further proof.

90. **Validity of acts of the Board or a committee**

All acts done by a meeting of the Board, or of a committee appointed by the Board, or by a person acting as a Director shall, notwithstanding that it is afterwards discovered that there was some defect in the appointment of any Director, committee, or person acting as a Director, or that any of them were disqualified from holding office, or had vacated office, or were not entitled to vote, be as valid as if every such person had been duly appointed and was qualified and had continued to be a Director and had been entitled to vote.

SECRETARY

91. Appointment of Secretary

Subject to the provisions of the Statutes, the Secretary shall be appointed by the Board at such remuneration and upon such terms as it thinks fit and any Secretary so appointed may be removed by the Board.

THE SEAL

92. Use of seal

The Seal shall only be used by the authority of the Board or of a committee appointed and duly authorised by the Board. The Board or any such committee may determine who shall sign any instrument to which the Seal is affixed and unless otherwise so determined it shall be signed by one Director and the Secretary or by two Directors.

93. Execution as a deed without sealing

Where the Statutes so permit, any instrument signed by one Director and the Secretary or by two Directors and expressed to be executed by the Company shall have the same effect as if executed under the Seal, provided that no instrument shall be so signed which makes it clear on its face that it is intended by the person or persons making it to have effect as a deed without the authority of the Board in that behalf.

94. Official seal

The Company may exercise the powers conferred by the Statutes with regard to having an official seal for use abroad, and such powers shall be vested in the Board.

AUTHENTICATION OF DOCUMENTS

95. Authentication of documents

Any Director or the Secretary or any person appointed by the Board for the purpose shall have power to authenticate any documents affecting the constitution of the Company (including the memorandum and articles of association) and any resolutions passed by the Company or the Board, or any committee appointed by the Board, and any books, records, documents and accounts relating to the business of the Company, and to certify copies thereof or extracts therefrom as true copies or extracts; and where any books, records, documents or accounts are kept elsewhere than at the Company's head office, the local manager or other officer of the Company having the custody thereof shall be deemed to be a person appointed by the Board as aforesaid.

DIVIDENDS

96. Company may declare dividends

Subject to the provisions of the Statutes and these Articles, the Company may by ordinary resolution declare dividends in accordance with the respective rights of the members, but no dividend shall exceed the amount recommended by a unanimous decision of the Directors.

97. Board may pay interim dividends

Subject to the provisions of the Statutes and these Articles, the Board may pay interim dividends if it appears to the Board that they are justified by the financial position of the Company. If the share capital of the Company is divided into different classes, the Board may pay interim dividends on shares which confer deferred or non-preferred rights with regard to dividends as well as on shares which confer preferential or special rights with regard to dividends, but no interim dividend shall be paid on shares carrying deferred or non-preferred rights if, at the time of payment, any preferential dividend is in arrears. The Board may also pay at intervals settled by it any dividend payable at a fixed date if it appears to it that the financial position of the Company justifies the payment. Provided that the Directors act in good faith they shall not incur any liability to the holders of shares conferring preferred rights for any loss they may suffer by reason

of the lawful payment of an interim dividend on any shares having deferred or non-preferred rights.

98. **Dividends paid according to amount and period paid up**

Except in so far as the rights attaching to any share otherwise provide, all dividends shall be declared and paid according to the amounts paid on the shares on which the dividend is paid, but (for the purposes of this article only) no amount paid on a share in advance of calls shall be treated as paid on the share. All dividends shall be apportioned and paid proportionately to the amounts paid up on the shares during any portion or portions of the period in respect of which the dividend is paid; but, if any share is issued on terms providing that it shall rank for dividend as from a particular date, that share shall rank for dividend accordingly.

99. **Non-cash dividends**

A general meeting declaring a dividend may, upon the unanimous recommendation of all the Directors, by ordinary resolution direct that it shall be satisfied wholly or partly by the distribution of assets and, in particular, of paid-up shares or debentures of any other company and, where any difficulty arises in regard to such distribution, the Board may settle the same and in particular may issue fractional certificates and fix the value for distribution of any assets and may determine that cash shall be paid to any member upon the footing of the value so fixed in order to adjust the rights of members and may vest any assets in trustees.

100. **Right to deduct amounts due on shares from dividends**

The Board may deduct from any dividend or other moneys payable in respect of a share to a member all sums of money (if any) presently payable by him to the Company on account of calls or otherwise in respect of shares of the Company.

101. **No interest on dividends**

No dividend or other moneys payable in respect of a share shall bear interest against the Company unless otherwise provided by the rights attached to the share.

102. **Payment procedure**

Any dividend or other moneys payable in respect of a share may be paid by cheque or warrant sent through the post to the registered address of the person entitled or, in the case of joint holders, to the registered address of the holder whose name stands first in the Register in respect of the share or to such person and such address as the holder or joint holders may in writing direct. Every cheque or warrant shall be made payable to the order of the person or persons entitled or to such person as the person or persons entitled may in writing direct and payment of the cheque or warrant shall be a good discharge to the Company. Every such cheque or warrant shall be sent at the risk of the person entitled to the money represented thereby. If any such cheque or warrant has, or shall be alleged to have, been lost, stolen or destroyed, the Board may, on request of the person entitled, issue a replacement cheque or warrant subject to compliance with such conditions as to evidence and indemnity and the payment of out of pocket expenses of the Company in connection with the request as the Board thinks fit. In addition, any such dividend or other moneys may be paid by any bank or other funds transfer system or such other means and to or through such person as the person or persons entitled may in writing direct and the Company shall have no responsibility for any sums lost or delayed in the course of any such transfer or where it has acted on any such directions.

103. **Receipt by joint holders**

If several persons are registered as joint holders of any share, any one of them may give effectual receipts for any dividend or other moneys payable in respect of the share.

104. **Where payment of dividends need not be made**

The Company may cease to send any cheque or warrant through the post for any dividend or other moneys payable in respect of a share which is normally paid in that manner on that share if in respect of at least two consecutive dividends payable on that share the cheques or warrants have been returned undelivered or remained uncashed but, subject to the provisions of these Articles, the Company shall recommence sending cheques or warrants in respect of dividends or other moneys payable on that share if the holder or person entitled by transmission claims the arrears of dividend and does not instruct the Company to pay future dividends in some other way.

105. **Forfeiture of unclaimed dividends**

Any dividend which has remained unclaimed for twelve years from the date when it became due for payment shall, unless the Board otherwise resolves, be forfeited and revert to the Company.

CAPITALISATION OF PROFITS

106. **Capitalisation of profits**

The Board may with the prior written consent of all the members (which may be given either in writing or by a resolution passed at a general meeting:-

- 106.1 subject as hereinafter provided, resolve to capitalise any undivided profits of the Company not required for paying any preferential dividend (whether or not they are available for distribution) or any sum standing to the credit of the Company's share premium account or capital redemption reserve;
- 106.2 appropriate the sum resolved to be capitalised to the members who would have been entitled to it if it were distributed by way of dividend and in the same proportions and apply such sum on their behalf either in or towards paying up the amounts, if any, for the time being unpaid on any shares held by them respectively, or in paying up in full unissued shares or debentures of the Company of a nominal amount equal to that sum, and allot the shares or debentures credited as fully paid to those members, or as they may direct, in those proportions, or partly in one way and partly in the other; but the share premium account, the capital redemption reserve, and any profits which are not available for distribution may, for the purposes of this article, only be applied in paying up unissued shares to be allotted to members credited as fully paid;
- 106.3 make such provision by the issue of fractional certificates or by payment in cash or otherwise as it determines in the case of shares or debentures becoming distributable under this article in fractions; and
- 106.4 authorise any person to enter on behalf of all the members concerned into an agreement with the Company providing for the allotment to them respectively, credited as fully paid, of any shares or debentures to which they are entitled upon such capitalisation, any agreement made under such

authority being binding on all such members provided that on any occasion when shares are allotted and distributed credited as fully paid pursuant to the provision of this article the shares allotted to the holders of L Shares, T Shares, Tr Shares and W Shares shall forthwith on allotment stand converted into L Shares, T Shares, Tr Shares and W Shares respectively.

RECORD DATES

107. **Power to choose record date**

Notwithstanding any other provision of these Articles, the Company or the Board may fix any date as the record date for any dividend, distribution, allotment or issue and such record date may be on or at any time before or after any date on which the dividend, distribution, allotment or issue is declared, paid or made.

ACCOUNTS

108. **Records to be kept**

The Board shall cause accounting records to be kept sufficient to give a true and fair view of the Company's state of affairs and to comply with the Statutes.

109. **Inspection of records**

The accounting records shall be kept at the Office or, subject to the Statutes, at such other place or places as the Board thinks fit, and shall always be open to the inspection of the Directors.

NOTICES

110. **Notices**

110.1 Any notice to be given under these Articles shall be in writing and delivered by hand and/or sent by post (first class recorded delivery if inland and airmail if overseas) or facsimile (in the case of facsimile to be confirmed in writing within 48 hours of being sent by such notice being

delivered or sent by first class recorded delivery as aforesaid). The address for service of each member shall be as follows:-

Party: John Laing plc
Address: Page Street, London NW4 2ER
Facsimile No: 081 906 5485
Attn. of: The Company Secretary

Party: Welsh Water Plc
Address: PO Box 295, Alexandra Gate, Rover Way, Cardiff CF2 2UE
Facsimile No: 0222 585600
Attn. of: The Company Secretary

Party: Tarmac Plc
Address: Hilton Hall, Essington, Wolverhampton, West Midlands WV11 2BQ
Facsimile No: 0902 307408
Attn. of: The Company Secretary

Party: Transroute International SA
Address: 11 Avenue du Centre, St Quentin-en-Yvelines, 78286 Guyancourt Cedex, France
Facsimile No: 331-30484891
Attn. of: The Managing Director

Party: Caisse Des Depots et Consignations
7/11, quai André Citroën-B.P.
1001-75901 Paris Cedex 15
Facsimile No: 331-40578442
Attn. of: The Managing Director

Any member may change any of its address, fax number or the name of the person for whose attention the notice is to be addressed by serving a notice on the other parties pursuant to this Article 110.

110.2 A notice shall be deemed to have been given as follows:-

- 110.2.1 if delivered by hand, at the time of delivery;
- 110.2.2 if posted, at the expiration of 48 hours or (in the case of airmail) seven days after the envelope containing the same was delivered into the custody of the postal authorities; and
- 110.2.3 if sent by facsimile or telemessage, at the expiration of one hour after the same was despatched

except that if a notice or other communication would be deemed to be delivered under the above provisions after 5.30pm on any day which is not a Business Day, then it shall be deemed instead to have been delivered at 9.30am on the next day which is a Business Day.

110.3 In proving such service it shall be sufficient to prove that personal delivery was made, or that the envelope containing such notice was properly addressed and delivered into the custody of the postal authorities as a prepaid first class recorded delivery or airmail letter (as appropriate) or that the telex, facsimile or telemessage was properly addressed and transmitted as the case may be.

111. **Successors in title bound by previous notices**

Except as otherwise provided in these Articles, every person who becomes entitled to a share shall be bound by any notice in respect of that share which, before his name is entered in the Register, has been duly given to a person from whom he derives his title.

WINDING-UP

112. **Distribution in kind**

If the Company is wound up, the liquidator may, with prior written consent of all the members and any other sanction required by the Statutes:-

- 112.1 divide among the members in kind the whole or any part of the assets of the Company (whether the assets are of the same kind or not) and may, for that purpose, value any assets and determine how the division shall be carried out as between the members or different classes of members; and/or
- 112.2 vest the whole or any part of the assets in trustees upon such trusts for the benefit of the members as the liquidator, with the like sanction, determines but no member shall be compelled to accept any assets upon which there is a liability.

113. **Power of sale**

The power of sale of the liquidator shall include a power to sell wholly or partly for shares or debentures or other obligations of another company, either then already constituted or about to be constituted, for the purpose of carrying out the sale.

INDEMNITY

114. **Officer's indemnity**

Subject to the provisions of the Statutes but without prejudice to any indemnity to which a Director may otherwise be entitled, every Director or other officer or Auditor of the Company shall be indemnified out of the assets of the Company against any liability incurred by him in defending any proceedings (whether civil or criminal) in which judgment is given in his favour or he is acquitted or in connection with any application in which relief is granted to him by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the Company.