

Certified as a true and correct  
copy of the original

Date: 27-8-2004...

Name: Alex Campbell

Position: Secretary

A. Campbell

MGN GAS NETWORKS (UK) LIMITED (the "Company")

(COMPANY NUMBER 5095454)

WRITTEN RESOLUTIONS OF THE MEMBERS OF THE COMPANY  
IN LIEU OF A GENERAL MEETING

PASSED ON 27 AUGUST 2004

PURSUANT TO REGULATION 53 OF TABLE A WHICH FORMS PART OF  
THE COMPANY'S ARTICLES OF ASSOCIATION

All the members of the Company entitled to attend and vote at a general meeting hereby resolve as special resolutions:-

1. THAT the regulations contained in the printed document annexed hereto and initialled for the purpose of identification be and the same are hereby approved and adopted as the Articles of Association of the Company in substitution for and to the exclusion of the existing Articles of Association of the Company;
2. THAT the authorised share capital of the Company be increased from £100 to £800,000,000 by the creation of 799,999,900 ordinary shares of £1 each;
3. THAT the Directors be hereby generally and unconditionally authorised in accordance with Section 80 of the Companies Act 1985 to exercise all the powers of the Company to allot relevant securities (as defined in Section 80(2) of that Act) up to an aggregate nominal amount of £799,999,996 and that this authority shall be for an indefinite period; and
4. THAT pursuant to Section 80A(1), Companies Act 1985, the provisions of Section 80A of the said Act shall apply instead of the provisions of Sections 80(4) and 80(5) in relation to the giving, after the passing of this resolution, of an authority to allot shares.
5. THAT Graeme Bevans, Lord Gus Macdonald and Wayne Leamon (having consented to act) be and are hereby appointed Directors of the Company with immediate effect.

For and on behalf of Macquarie Bank Limited  
(Authorised Signatory)

For and on behalf of Macquarie Luxembourg  
Gas S.à.r.l.  
(Authorised Signatory)

For and on behalf of J.P. Morgan Nominees  
Australia Limited (in its capacity as nominee for  
the custodian for the trustee of the Infrastructure  
Unit of the pooled superannuation trust known  
as Development Australia Fund)

(Authorised Signatory)  
Signed by J.P. Morgan Nominees Australia Limited ABN 75 002 899 961,  
acting as nominee for JP Morgan Chase Bank ABN 43 074 112 011 in its  
capacity as custodian for

By its undersigned attorneys who have not received any notice of  
revocation of the Power of Attorney dated 1 July 2003  
(Registered Book 4987 No. 915)

Signature of Attorney  
(M. A. G. W. S.)

Name (print) 27 AUG 2004

Dated:

Signature of Attorney  
(A. Campbell)

Name (print) A. Campbell

5095454568\_1



A14  
COMPANIES HOUSE

0432  
02/09/04

No. 5095454

**THE COMPANIES ACT 1985**

---

**COMPANY LIMITED BY SHARES**

---

**NEW**

**ARTICLES OF ASSOCIATION**

of

**MGN GAS NETWORKS (UK) LIMITED**

(adopted by Special Resolution passed on 27

August 2004)

---

**Herbert Smith**  
Exchange House,  
Primrose Street,  
London EC2A 2HS  
Tel: 020 7374 8000  
Fax: 020 7374 0888  
Ref: 2219/30846764

## CONTENTS

<u>Article</u>	<u>Heading</u>	<u>Page</u>
<u>1.</u>	<u>INTERPRETATION</u> .....	1
<u>2.</u>	<u>TABLE A</u> .....	6
<u>3.</u>	<u>SHARE CAPITAL</u> .....	6
<u>4.</u>	<u>RIGHTS ATTACHING TO ORDINARY SHARES</u> .....	6
<u>5.</u>	<u>ISSUE OF SECURITIES</u> .....	7
<u>6.</u>	<u>LIEN AND FORFEITURE</u> .....	8
<u>7.</u>	<u>GENERAL PROVISIONS CONCERNING TRANSFERS OF SHARES</u> .....	8
<u>8.</u>	<u>PERMITTED TRANSFERS</u> .....	10
<u>9.</u>	<u>PRE-EMPTIVE RIGHTS</u> .....	10
<u>10.</u>	<u>CHANGE OF CONTROL</u> .....	12
<u>11.</u>	<u>TAG ALONG AND DRAG ALONG RIGHTS</u> .....	13
<u>12.</u>	<u>DEFAULT</u> .....	15
<u>13.</u>	<u>VARIATION OF RIGHTS</u> .....	16
<u>14.</u>	<u>PROCEEDINGS AT GENERAL MEETINGS</u> .....	16
<u>15.</u>	<u>VOTES OF MEMBERS</u> .....	17
<u>16.</u>	<u>BOARD OF DIRECTORS</u> .....	19
<u>17.</u>	<u>DIRECTORS NOT TO ROTATE</u> .....	20
<u>18.</u>	<u>NO SHARE QUALIFICATION</u> .....	20
<u>19.</u>	<u>BORROWING POWERS</u> .....	20
<u>20.</u>	<u>DISQUALIFICATION OF DIRECTORS</u> .....	20
<u>21.</u>	<u>PROCEEDINGS OF DIRECTORS</u> .....	21
<u>22.</u>	<u>MANAGING OR EXECUTIVE DIRECTORS</u> .....	22
<u>23.</u>	<u>NOTICES</u> .....	23
<u>24.</u>	<u>INDEMNITY</u> .....	23

**THE COMPANIES ACT 1985**

---

**COMPANY LIMITED BY SHARES**

---

**NEW**

**ARTICLES OF ASSOCIATION**

of

**MGN GAS NETWORKS (UK) LIMITED**

(adopted by Special Resolution passed on 27

August 2004)

---

**1. INTERPRETATION**

**1.1 Definitions**

In these Articles, the following words and expressions shall have the following meanings unless the context otherwise requires:

"**the Act**" means, subject to paragraph 1.3 of this Article, the Companies Act 1985;

"**Acquisition**" means the acquisition by Bidco from the Vendor of the entire issued share capital of DNCo;

"**Acquisition Completion Date**" means date of Completion of the Acquisition;

"**AMP**" means AMP Life Limited;

"**Articles**" means these articles of association;

"**Associate**" means, from time to time:

- (a) with respect to each Ordinary Shareholder (except DAF Custodian), a member of that Ordinary Shareholder's Group or a partnership or limited partnership which that Ordinary Shareholder Controls or a substantial multi-party fund or entity under management or joint management of a member of that Ordinary Shareholder's Group; and
- (b) with respect to both Macquarie and Macquarie Lux also includes any shareholders of MEIF Luxembourg, any limited partners of MEIF, any

substantial multi-party fund or entity under management of a member of the Macquarie Group and any member of the Group of any entity within this paragraph (b) (but not including investors in any substantial multi-party fund or entity under management of any member of the Macquarie Group other than the limited or general partners of MEIF); and

- (c) in the case of DAF Custodian (or any replacement thereof) includes any trustee of DAF Custodian and any custodian, sub-custodian or nominee of any custodian of any trustee of DAF Custodian (or their respective replacements) or a substantial multi-party fund or entity under management of DAFML;

**"auditors"** means, from time to time, the auditors of the Company;

**"Bidco"** means MGN Gas Networks (Senior Finance) Limited, a company incorporated in England and Wales (registered number 5149493) and whose registered office is at Level 30, CityPoint, One Ropemaker Street, London EC2Y 9HD;

**"Board"** means the board of directors of the Company, as from time to time constituted;

**"Board Reserved Matter"** means any matter that under the terms of a Relevant Agreement requires the approval of 75% of the votes cast by Directors;

**"Business Day"** means a day (excluding Saturdays) on which banks generally are open in London for the transaction of normal banking business;

**"company"** includes any body corporate;

**"Conflict"** means, from time to time, as regards any interest of the Company:

- (a) in relation to any Ordinary Shareholder, where any member of the Ordinary Shareholder's Group has a direct financial interest in the outcome of a decision of the Ordinary Shareholders other than any interest in respect of Ordinary Shares;
- (b) in relation to any Director, where
  - (A) the Director has a direct financial interest in the outcome of a decision of the Board; or
  - (B) in respect of the Ordinary Shareholder who appointed that Director or participated in the appointment of that Director, the Ordinary Shareholder's Group or any Associate of that Ordinary Shareholder (but, for this purpose, in the case of Macquarie and Macquarie Lux, the definition of Associate shall not include the limited partners of MEIF) has a direct financial interest in the outcome of a decision of the Board other than any interest in respect of Ordinary Shares;

**"Control"** means, from time to time:

- (a) in the case of a body corporate, the right to exercise more than 50% of the votes exercisable at any meeting of that body corporate, together with the right to appoint more than half of its directors; and
- (b) in the case of a partnership or limited partnership, the right to exercise more than 50% of the votes exercisable at any meeting of partners of that partnership or limited partnership (and, in the case of a limited partnership, Control of each of its general partners); and
- (c) in the case of any other person, the right to exercise a majority of the voting rights or otherwise to control that person by virtue of provisions contained in its Memorandum or Articles of Association or, as the case may be, Certificate of Incorporation or Bye-laws, Statutes or other constitutional documents or any contract or arrangement with any other persons;

**"DAF Custodian"** means J.P. Morgan Nominees Australia Limited in its capacity as nominee for the custodian for DAFML and whose registered office is at Level 35, 259 George Street, Sydney, New South Wales, Australia 2000;

**"DAFML"** means Development Australia Fund Management Limited in its capacity as trustee of the Infrastructure Unit of the pooled superannuation trust known as Development Australia Fund and whose registered office is at Level 29, Casselden Place, 2 Lonsdale Street, Melbourne 3000, Victoria, Australia;

**"director"** means, from time to time, a director of the Company;

**"DNCo"** means the company which, immediately prior to the Acquisition Completion Date, will be the owner of a gas distribution network;

**"Equity Underwriters"** means Macquarie, DAFML (limited in its capacity as Equity Underwriter to the amount subscribed by DAFML above £45 million of Loan Notes and Shares) and AMP;

**"Fair Market Value"** has the meaning given in Article 11.3;

**"Full Title Guarantee"** means with the benefit of the implied covenants set out in Part 1 of the Law of Property (Miscellaneous Provisions) Act 1994 when a disposition is expressed to be made with full title guarantee;

**"Group"** means:

- (a) except for DAF Custodian, from time to time in respect of a body corporate, that body corporate and any other body corporate which is its holding company or subsidiary and any other body corporate which is a subsidiary of any such holding company; or
- (b) in the case of DAF Custodian, DAFML and any holding company or subsidiary of DAFML and any other body corporate which is a subsidiary of any such holding company;

**"holding company"** means a holding company as defined in sections 736 and 736A of the Act;

**"Macquarie"** means Macquarie Bank Limited, a company incorporated under the laws of the State of the Australian Capital Territory, Australia and whose registered office is at Level 5, 25 National Circuit, Forest, ACT 2603, Australia;

**"Macquarie Lux"** means Macquarie Luxembourg Gas S.à.r.l., a company incorporated in Luxembourg and whose registered office is at 5 rue Guillaume Kroll, Luxembourg L-1882, Luxembourg;

**"MEIF"** means Macquarie European Infrastructure Fund LP;

**"MEIF Luxembourg"** means MEIF Luxembourg Holdings S.A., a company incorporated in Luxembourg and whose registered office is at 398, Route d'Esch, Luxembourg L-1471, Luxembourg;

**"Nominee"** means, in respect of any person, a nominee or custodian or similar representative (under the laws of any jurisdiction) of that person;

**"NMLIC"** means The Northwestern Mutual Life Insurance Company, a company organized under the laws of the State of Wisconsin and whose executive office is at 720 East Wisconsin Avenue, Milwaukee, Wisconsin 53202;

**"Ordinary Shares"** means the ordinary shares of 100p each in the capital of the Company;

**"Ordinary Shareholder"** means a holder of Ordinary Shares;

**"paid up"** means, in relation to a share, paid up or credited as paid up;

**"Relevant Agreement"** means any agreement to which Ordinary Shareholders (in their capacity as Ordinary Shareholders in the Company) are parties relating to the business and affairs of the Company;

**"Representative"** means, in relation to a member, any person or persons who have become entitled to shares in consequence of his death, bankruptcy or mental incapacity;

**"subsidiary"** means a subsidiary of a company as defined in sections 736 and 736A of the Act;

**"Table A"** means Table A in the Schedule to the Companies (Tables A to F) Regulations 1985 in force at the date of adoption of these Articles;

**"Total Issued Equity"** means the total issued share capital of the Company from time to time;

**"Transfer Notice"** means a notice in writing served by an Ordinary Shareholder to the other Ordinary Shareholders and the Company pursuant to Article 9.1.1;

**"Trust"** means a trust or any similar person or concept in any jurisdiction;

**"Trustee"** means in respect of any Trust, a trustee or similar representative (under the laws of any jurisdiction) of that Trust;

**"Utility"** means an entity whose primary activity is the operation, directly or indirectly, of the business of distribution and/or supply of electricity, water and/or gas in the United Kingdom; and

**"Vendor"** means Transco plc (registered in England with number 2006000) whose registered office is at 1-3 Strand, London WC2N 5EM.

## **1.2 Same meanings as in the Act**

Save as provided in Article 1.1 and unless the context otherwise requires, words or expressions contained in these Articles bear the same meaning as in the Act.

## **1.3 Statutory modification**

In these Articles a reference to any statute or provision of a statute includes a reference to any statutory modification or re-enactment of it and to any subordinate legislation made under it in each case for the time being in force.

## **1.4 Number, gender and person**

In these Articles, unless the context otherwise requires:

- (A) words in the singular include the plural, and vice versa;
- (B) words importing any gender include all genders; and
- (C) a reference to a person includes a reference to a company and to an unincorporated body of persons.

## **1.5 Miscellaneous interpretation**

In these Articles:

- (A) references to writing include references to typewriting, printing, lithography, photography and any other modes of representing or reproducing words in a legible and non-transitory form;
- (B) references to "executed" includes any mode of execution;
- (C) references to "other" and "otherwise" shall not be construed *eiusdem generis* where a wider construction is possible;
- (D) references to a power are to a power of any kind, whether administrative, discretionary or otherwise; and
- (E) references to a committee of the directors are to a committee established in accordance with these Articles, whether or not comprised wholly of directors.

## **1.6 Headings**

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



### **1.7 Time Periods**

If a period of time is specified as from a given day, or from the day of an act or event, it shall be calculated exclusive of that day.

### **1.8 Articles and Regulations**

In these Articles a reference to an Article is to a clause of these Articles and a reference to a Regulation is to a regulation in Table A.

## **2. TABLE A**

The regulations contained in Table A shall apply to the Company save insofar as they are varied or excluded by or are inconsistent with these Articles. Regulations 40, 50, 53, 54, 64 to 69 (inclusive), 73 to 77 (inclusive), 80, 81, 82, 84, 88, 89, 93, 94, 95 and 118 shall not apply to the Company.

## **3. SHARE CAPITAL**

The share capital of the Company at the date of adoption of these Articles is £800,000,000 divided into 800,000,000 Ordinary Shares.

## **4. RIGHTS ATTACHING TO ORDINARY SHARES**

Subject to any special rights which may be attached to any class of shares issued after the date of adoption of these Articles the rights attaching to the Ordinary Shares are as follows:

### **(A) Capital**

On a return of assets on liquidation or otherwise, the assets of the Company available for distribution among the members shall be applied first in paying to the Ordinary Shareholders a sum equal to the nominal amount of each Ordinary Share held by them and secondly the balance of such assets (if any) shall be distributed amongst the Ordinary Shareholders, pro rata (as nearly as may be) according to the nominal amounts paid up or credited as paid up on the Ordinary Shares held by them respectively.

### **(B) Income**

Subject to the terms of any agreement entered into with financial institution(s), applicable laws and regulations (including but not limited to the Act) all dividends shall be distributed to the Ordinary Shareholders pro rata (as nearly as may be) according to the amounts paid up or credited as paid up on the Ordinary Shares held by them respectively.

### **(C) Voting**

Subject to any special rights, privileges or restrictions attached to any Ordinary Shares, at a general meeting of the Company on a show of hands every Ordinary Shareholder who (being an individual) is present in person or by proxy (not being himself a member) or (being a corporation) is present by a representative duly authorised under section 375 of the Act (not being himself a member) shall have one vote, and on a poll every Ordinary Shareholder

present in person, by representative or by proxy shall have one vote for every Ordinary Share of which he is the holder.

## **5. ISSUE OF SECURITIES**

### **5.1 Pre-emption on issue**

Unless all the members agree otherwise in writing, any securities which are unissued from time to time shall before they are issued whether for cash or otherwise be offered to the holders of the issued Ordinary Shares in proportion, as nearly as may be, to their holdings of Ordinary Shares (their "**Proportionate Entitlements**").

### **5.2 Procedure for offering**

The offer referred to in Article 5.1 shall be made by notice specifying the number of securities offered, the Proportionate Entitlement of each member, the price per security and limiting a period (not being less than 21 days) within which the offer, if not accepted, will be deemed to be declined. Within the above mentioned 21 day period each Ordinary Shareholder may send a written notice to the Company accepting its Proportionate Entitlement and indicating any amount of securities in excess of its Proportionate Entitlement (the "**Excess Amount**") which it is also willing to purchase.

### **5.3 Allotment of securities after offers**

At the expiration of the time limited by any notice given pursuant to Article 5.2 the directors shall allot the securities so offered to or amongst the members who have notified their willingness to take all or any of such securities in accordance with the terms of the relevant offer. No member shall be obliged to take more than the maximum number of securities it has indicated its willingness to take. In the event of any competition between members to subscribe for any securities pursuant to this Article 5, the entitlement of each such member shall be determined in the following manner:

- 5.3.1 to each Ordinary Shareholder who has accepted the offer in whole or part there shall be allocated its Proportionate Entitlement or such lesser amount of securities for which it may have applied; and
- 5.3.2 if the amount of any securities which remain unallocated under Article 5.3.1 is less than the aggregate of the Excess Amounts applied for by the Ordinary Shareholders, the unallocated securities shall be allocated to the Ordinary Shareholders who have indicated their willingness to purchase an Excess Amount in proportion to the Excess Amounts applied for by such Ordinary Shareholders (and making such adjustments for fractions as the directors shall see fit); or
- 5.3.3 if the amount of any securities which remain unallocated under Article 5.3.1 equals or is greater than the aggregate of the Excess Amounts applied for, each Ordinary Shareholder who has applied for an Excess Amount shall be allocated the Excess Amount for which it applied.

#### **5.4 Issue other than to members**

Any securities not accepted pursuant to the preceding provisions of this Article and any securities to which this Article does not apply because all the members agree otherwise shall be at the disposal of the directors who may allot, grant options over, or otherwise dispose of them to such persons at such time and generally on such terms and conditions as they determine provided that no securities shall be issued at a discount and provided further that, in the case of securities not accepted as aforesaid, such securities shall not be disposed of on terms which are more favourable to the subscribers thereof than the terms on which they were offered to the members.

#### **5.5 Disapplication of statutory pre-emption provisions**

Sections 89 and 90 of the Act shall not apply to the Company.

#### **5.6 No renunciation of allotment**

No securities shall be allotted on terms that the right to take up the securities allotted may be renounced in favour of, or assigned to, another person and no person entitled to allotment of a security may direct that such security may be allotted or issued to any other person.

#### **5.7 Special resolution**

In Regulation 2 the words "ordinary resolution" shall be omitted and the words "special resolution" shall be substituted for them.

### **6. LIEN AND FORFEITURE**

All shares to be sold in the enforcement any lien or rights of forfeiture of the Company shall be offered in accordance with Article 5 as if they were unissued shares of the Company. Regulations 9 and 20 shall be modified accordingly.

### **7. GENERAL PROVISIONS CONCERNING TRANSFERS OF SHARES**

#### **7.1 General restrictions**

Ordinary Shareholders shall not at any time transfer or otherwise dispose of any Ordinary Shares or of any interest in or option over any Ordinary Shares (each a "**transfer**"), nor attempt or purport to do so, otherwise than in accordance with these Articles and no share or any interest therein shall be transferred to or become vested in any person otherwise than in accordance with such provisions. Unless agreed otherwise in a Relevant Agreement, any transfer must:

7.1.1 be pursuant to Articles 7 to 12;

7.1.2 be accompanied by a deed of accession required to be executed pursuant to the terms of any Relevant Agreement duly executed by the transferor and the transferee;

7.1.3 not cause a mandatory prepayment of any loan of any Relevant Agreement;

7.1.4 be a transfer to the same transferee of the entire legal and beneficial interest (or, in the case of a transfer to a Nominee or by a Trustee to another Trustee of

the same Trust, the legal interest only) in all of the Ordinary Shares being transferred; or

- 7.1.5 if the primary activity of the transferee's Group is the operation, directly or indirectly, of a Utility, only be made with the prior written consent of Ordinary Shareholders holding, in aggregate, more than 75% of the Total Issued Equity (calculated excluding any Ordinary Shares held by the transferring Ordinary Shareholder).

**7.2 Reasons for declining to approve a transfer**

Subject only to Regulation 24, the Directors shall not be entitled to decline to register the transfer of any Ordinary Shares made pursuant to and complying with the provisions of these Articles.

**7.3 Attempted disposal of interest in Ordinary Shares**

If a member at any time attempts to deal with, or dispose of, an Ordinary Share or any interest therein or right attaching thereto otherwise than in accordance with the provisions of these Articles he shall be deemed immediately prior to such attempt to have given a Transfer Notice in respect of such Ordinary Shares.

**7.4 Provision of information - transfer of Ordinary Shares**

For the purpose of ensuring that a transfer is in accordance with these Articles and duly authorised hereunder or that no circumstances have arisen whereby a Transfer Notice is or may be deemed to have been given hereunder or for the purpose of ascertaining when a Transfer Notice is or may be deemed to have been given hereunder or for the purpose of ascertaining whether any relevant provisions of these Articles apply, the directors may require any member, the Representative of any member, the receiver, administrator, administrative receiver or the liquidator of any corporate member or any person named as transferee in any transfer lodged for registration to furnish to the Company such information and evidence as the directors shall think fit regarding any matter which they may deem relevant to such purpose. Failing such information or evidence being furnished to the reasonable satisfaction of the directors within a reasonable time after request the directors shall refuse to register the transfer in question or (in a case where no transfer is in question) shall by notice in writing deem that a Transfer Notice be given in respect of the shares concerned.

**7.5 Member to notify**

If a member or any Representative of a member becomes aware of any event which is deemed to give rise, or may on determination by the directors be deemed to give rise, to an obligation to serve a Transfer Notice or whereupon a Transfer Notice shall be deemed to be given he shall forthwith give notice thereof to the directors.

**7.6 Receipt of deemed Transfer Notice**

Where a Transfer Notice in respect of any Ordinary Share is deemed to have been given under any provision of these Articles and the circumstances are such that any of the directors is unaware of the facts giving rise to the same such Transfer Notice shall be deemed to have been received by the directors on the date on which all the

directors actually became aware of such facts and the provisions of Article 9 shall apply accordingly.

## 8. PERMITTED TRANSFERS

8.1 Subject to Article 7, Ordinary Shares may at any time be transferred without the giving of a Transfer Notice or the making of a Tag Along Offer or triggering a Drag Along Sale (and the provisions of Articles 9 and 11 shall not apply to any such transfer) provided that:

8.1.1 it is demonstrated to the reasonable satisfaction of the Board that the transfer is by an Ordinary Shareholder (the "**Transferor**") to an Associate or a Nominee of the Transferor or (in the case of a transfer by a Trustee) to another Trustee of the same Trust (any such person being a "**Permitted Transferee**"); or

8.1.2 it is demonstrated to the reasonable satisfaction of the Board that the transfer is to MEIF Luxembourg which takes place in connection with or following a listing of any securities by MEIF (or any of its Associates) on a recognised investment exchange (as defined in the Financial Services and Markets Act 2000); or

8.1.3 the transfer is a transfer of Ordinary Shares permitted by a Relevant Agreement;

and provided that following any transfer under Article 8.1.1 if any Permitted Transferee is not or ceases to be an Associate or Nominee of the Original Transferor (the "**Original Transferor**" being the last person who acquired such Ordinary Shares otherwise than pursuant to a transfer under this Article 8) or a Trustee of the relevant Trust, such Permitted Transferee shall be deemed to have given a Transfer Notice (as defined in Article 9.1.1) under Article 9.1.1 in respect of all of its Ordinary Shares and the Proposed Price (as defined in Article 9.1.1) shall be the Fair Market Value of such Ordinary Shares, and the provisions set out under Article 9 shall apply mutatis mutandis.

## 9. PRE-EMPTIVE RIGHTS

9.1 Subject to Article 7 and Article 8 (and excluding any transfer pursuant to a Tag Along Offer or a Drag Along Sale under Article 11 or pursuant to Article 12), if an Ordinary Shareholder intends to transfer all or any of its Ordinary Shares to a third party (including another Ordinary Shareholder) (the "**Proposed Transferee**"), such Ordinary Shareholder (the "**Transferring Shareholder**") shall comply with the following terms and procedures:

9.1.1 the Transferring Shareholder shall give notice in writing (a "**Transfer Notice**") to the other Ordinary Shareholders (the "**Non-Transferring Shareholders**") and the Company that it wishes to transfer such Ordinary Shares. The Transfer Notice shall specify the number of Ordinary Shares which he wishes to transfer, the price at which it is prepared to sell the Ordinary Shares (which shall be in cash and where the proposed transfer to the Proposed Transferee is for non-cash consideration for a cash amount equal to the Fair Market Value of such Ordinary Shares) (the "**Proposed Price**"), any

other terms of the proposed transfer and, where required by a Relevant Agreement, the identity of the Proposed Transferee;

- 9.1.2 subject to Article 9.1.7, the Transfer Notice shall constitute an irrevocable offer by the Transferring Shareholder to the Non-Transferring Shareholders to sell on the terms set out in the Transfer Notice the Ordinary Shares which are the subject of the Transfer Notice (the "**Sale Equity**"), to the Non-Transferring Shareholders. In the event of any competition to purchase the Sale Equity each Non-Transferring Shareholder shall be entitled, at least, to its proportionate entitlement of the Sale Equity (a "**Proportionate Entitlement**") calculated by reference to the numbers of Ordinary Shares then held by all of the Non-Transferring Shareholders (and making such adjustments for fractions as the Transferring Shareholder shall see fit);
- 9.1.3 within thirty days (or such other number of days provided by a Relevant Agreement) of receipt of a Transfer Notice the Non-Transferring Shareholders shall each send a written notice to the Transferring Shareholder, with a copy to the Board and the other Non-Transferring Shareholders either (i) waiving its right to purchase the Sale Equity or (ii) accepting the offer to purchase part or all of its Proportionate Entitlement of the Sale Equity and any amount of the Sale Equity in excess of its Proportionate Entitlement of the Sale Equity (the "**Excess Amount**") which it is also willing to purchase;
- 9.1.4 any Non-Transferring Shareholder that does not send any of the notices set out under Article 9.1.3 within the prescribed times shall be deemed to have waived its right to purchase any of the Sale Equity;
- 9.1.5 subject to Article 9.1.7, at the expiration of the thirty day period (or, where relevant, other length of period provided by a Relevant Agreement) referred to in Article 9.1.3 the Transferring Shareholder shall allocate the Sale Equity in the following manner:
- (A) to each Non-Transferring Shareholder who has made an offer (a "**Purchasing Shareholder**") there shall be allocated its Proportionate Entitlement or such lesser amount of the Sale Equity for which it may have applied; and
  - (B) if the amount of any Sale Equity which remains unallocated under Article 9.1.5(A) is less than the aggregate of the Excess Amounts notified by the Purchasing Shareholders, the unallocated Sale Equity shall be allocated to the Purchasing Shareholders who have indicated their willingness to purchase an Excess Amount in proportion to the Excess Amounts notified by such Purchasing Shareholders (and making such adjustments for fractions as the Transferring Shareholder shall see fit); or
  - (C) if the amount of any Sale Equity which remains unallocated under Article 9.1.5(A) equals or is greater than the aggregate of the Excess Amounts notified, each Purchasing Shareholder who has notified an Excess Amount shall be allocated the Excess Amount for which it applied;

- 9.1.6 within seven days of the expiry of the thirty day period (or, where relevant, other length of period as provided by a Relevant Agreement) referred to in Article 9.1.3, the Transferring Shareholder will notify each Purchasing Shareholder (i) of the details of the acceptances which have been made and of the allocations of Sale Equity made as between Purchasing Shareholders under Article 9.1.5 (a "**Sale Notice**") or (ii) that the Transfer Notice has been revoked pursuant to Article 9.1.7;
- 9.1.7 (save as provided by a Relevant Agreement) if the aggregate of the allocations under Article 9.1.5 does not equal the whole of the Sale Equity which is the subject of the Transfer Notice, the Transfer Notice may be revoked by the Transferring Shareholder at any time during the six days following the expiry of the thirty (or, where relevant, seven) day period referred to in Article 9.1.3, in which case the provisions of Article 9.1.9 shall apply;
- 9.1.8 subject to Article 9.1.7, the Transferring Shareholder shall be bound upon payment of the Proposed Price (which payment shall be made on the date specified by the Transferring Shareholder in the Sale Notice, not being less than 30 days after the expiry of the thirty day period (or, where relevant, other length of period as provided by a Relevant Agreement) referred to in Article 9.1.3), to transfer the Ordinary Shares which have been allocated to the Purchasing Shareholders pursuant to Article 9.1.5; and
- 9.1.9 if not all the Sale Equity comprised in a Transfer Notice is accepted by Purchasing Shareholders and the Transfer Notice is revoked under Article 9.1.7 (or if not all of the Sale Equity shall have been sold pursuant to a Sale Notice), the Transferring Shareholder may within 180 days of the date on which the thirty day period specified under Article 9.1.3 (or, where relevant, other length of period as provided by a Relevant Agreement) has expired transfer all of the Sale Equity (but, save in the event of the sale of part of the Sale Equity pursuant to a Sale Notice, not that some only the Sale Equity) to the Proposed Transferee at a price not less than the Proposed Price and otherwise on terms no less favourable to the Transferring Shareholder than the terms as set out in the Transfer Notice.

## 10. CHANGE OF CONTROL

- 10.1 If any person (other than any person who is already an Associate of the relevant Ordinary Shareholder) or persons (other than any persons who are already Associates of the relevant Ordinary Shareholder) acquires Control, directly or indirectly, of an Ordinary Shareholder (an "**Acquiror**"), that Ordinary Shareholder shall be deemed to have given a Transfer Notice (as defined in Article 9.1.1) under Article 9.1.1 in respect of all of its Ordinary Shares and the Proposed Price (as defined in Article 9.1.1) shall be the Fair Market Value of such Ordinary Shares (to be determined in accordance with Article 11.3 as if any reference in that Article to the Drag Along Shareholder was a reference to the Ordinary Shareholder that has been the subject of a change of Control), and the provisions set out under Article 9 shall apply mutatis mutandis.
- 10.2 In the event that an Acquiror acquires Control of an Ordinary Shareholder who owns more than 50% of the Total Issued Equity, such Ordinary Shareholder (the "**Procuring Shareholder**") shall procure that the Acquiror shall make a Tag Along

Offer under Article 11.1 to purchase Ordinary Shares from each of the other Ordinary Shareholders (the "**Remaining Shareholders**") in cash at their Fair Market Value (to be determined in accordance with Article 11.3 as if any reference in that Article to the Drag Along Shareholder was a reference to the Ordinary Shareholder that has been the subject of a change of Control) and on the basis that the number and nominal value of the Tag Along Securities (as defined in Article 11.1) shall be the same as the number and nominal value of all of the Ordinary Shares then owned by the Procuring Shareholder.

- 10.3 In the event that an Acquiror acquires Control of an Ordinary Shareholder who owns more than 50% of the Total Issued Equity each of the Remaining Shareholders shall be entitled to elect whether to exercise its pre-emptive rights under Article 10.1 or to sell any of its Ordinary Shares to the Acquiror pursuant to Article 10.2.
- 10.4 A change of the manager of any Ordinary Shareholder that is a fund shall constitute the acquisition of Control of that Ordinary Shareholder for the purpose of this Article 10, but a change of any trustee or custodian of any Ordinary Shareholder that is a trust shall not constitute the acquisition of Control of that Ordinary Shareholder for the purposes of this Article 10.

## **11. TAG ALONG AND DRAG ALONG RIGHTS**

- 11.1 In the event that an Ordinary Shareholder (other than an Equity Underwriter under the circumstances as provided in a Relevant Agreement) or a group of Ordinary Shareholders (excluding for this purpose the Equity Underwriter, under circumstances as provided in a Relevant Agreement, even if any of them is part of the relevant arrangements) (the "**Selling Shareholder**") agrees to sell any Ordinary Shares, whether to an Ordinary Shareholder pursuant to the exercise of any pre-emptive rights under Article 9 or to any person under Article 9.1.9 (any such person being a "**Purchaser**" and any Ordinary Shares to be sold to that Purchaser being the "**Tag Along Securities**") as a result of which the Tag Along Group (the "**Tag Along Group**" being the Purchaser together with its Associates and any persons acting in concert with them within the meaning of the City Code on Take-Overs and Mergers) would (but did not previously) own more than 50% of the Total Issued Equity, then the Selling Shareholder shall procure that the Purchaser shall not purchase all of the Tag Along Securities from the Selling Shareholder but shall instead offer to purchase Ordinary Shares from each Ordinary Shareholder (including the Selling Shareholder) (the "**Tag Along Offer**"). Under the Tag Along Offer the Purchaser shall offer to purchase an aggregate of Ordinary Shares equal to the number and nominal value of Ordinary Shares comprising the Tag Along Securities and each Ordinary Shareholder (including the Selling Shareholder) shall be entitled to sell Ordinary Shares (with Full Title Guarantee) equal to its relevant proportion of the number of Ordinary Shares comprising the Tag Along Securities (and for this purpose, the "**relevant proportion**" for each Ordinary Shareholder equals the number of Ordinary Shares held by that Ordinary Shareholder prior to any such transfer divided by the total number of Ordinary Shares then in issue, but excluding for this purpose any Ordinary Shares owned by the Tag Along Group). A Tag Along Offer must be capable of acceptance, in whole or in part by each Ordinary Shareholder for at least 21 Business Days and otherwise must be made on the same terms as applied to the sale of the Ordinary Shares by the Selling Shareholder to the Purchaser that gave rise to the requirement for the Tag Along Offer to be made. No sale of Ordinary Shares that



gives rise to an obligation on a Purchaser to make a Tag Along Offer may be completed before the expiry of any such Tag Along Offer or before the completion of the sale and purchase of any Ordinary Shares agreed to be sold by any Ordinary Shareholder pursuant to that Tag Along Offer. In the event that any Ordinary Shareholder does not accept the Tag Along Offer in respect of any Ordinary Shares that are the subject of the Tag Along Offer ("**Rejected Securities**"), the Purchaser may purchase such additional number of Ordinary Shares from the Selling Shareholder as are equal to the number of Rejected Securities.

- 11.2 In the event that an Ordinary Shareholder or a group of Ordinary Shareholders (the "**Drag Along Shareholder**") agrees to sell any Ordinary Shares, whether to an Ordinary Shareholder pursuant to the exercise of any pre-emptive rights under Article 9 or to any person under Article 9.1.9 (any such person being a "**Drag Along Purchaser**") at a price (the "**Sale Price**") that is at least equal to the Fair Market Value for those Ordinary Shares and as a result of which the Drag Along Group (the "**Drag Along Group**" being the Drag Along Purchaser together with its Associates and any persons acting in concert with them within the meaning of the City Code on Take-Overs and Mergers) would (but did not previously) own more than 90% of the Total Issued Equity then the Ordinary Shareholders (other than the Drag Along Shareholder) shall, if so required by the Drag Along Shareholder, sell all (but not some only) of their Ordinary Shares to the Drag Along Purchaser (a "**Drag Along Sale**") at the Sale Price and otherwise on the same terms (save that they shall not be obliged to enter into any obligations other than to deliver the relevant Ordinary Shares with Full Title Guarantee) as applied to the sale of the Ordinary Shares by the Drag Along Shareholder to the Drag Along Purchaser that gave rise to the right for the Drag Along Shareholder to require the Drag Along Sale. The consideration for any Ordinary Shares to be sold under a Drag Along Sale shall be represented by either cash or (with the consent of each Shareholder other than the Drag Along Shareholder) securities listed on a recognised investment exchange (as defined in the Financial Services and Markets Act 2000).
- 11.3 For the purposes of these Articles, "**Fair Market Value**" shall be determined by the following rules:
- (A) the Fair Market Value shall be the value agreed (i) for the purposes of Article 10, between the Ordinary Shareholder that has been the subject of a change of Control and the Board (ii) for the purposes of Article 12, between the Defaulting Shareholder and the Board (iii) for the purposes of Article 11, between the Drag Along Shareholder and the Board (iv) for the purposes of Article 8, between the Permitted Transferee and the Board and (v) for the purpose of Article 9 between the Transferring Shareholder and the Board (in each case the "**Valuation Parties**") or, failing any such agreement between the Valuation Parties and at the request of any such Valuation Party at any time, as shall be determined by an independent share valuation expert (an "**Expert**") in accordance with paragraphs (B) to (E) below;
  - (B) the Expert shall be appointed by agreement between the Valuation Parties who have failed to agree the Fair Market Value or, failing any such agreement between the Valuation Parties and at the request of any such Valuation Party at any time, by the auditors. The Expert shall state in writing what is in its

opinion the objective Fair Market Value of the relevant Ordinary Shares, as determined in accordance with this Article 11.3;

- (C) in so stating its opinion the Expert shall be deemed to act as an expert and not as an arbitrator and, save in the case of fraud or manifest error, its determination of the Fair Market Value of the relevant Ordinary Shares shall be final and binding on all concerned. For this purpose the Expert shall be given by the Company all relevant financial information together with such information as any Ordinary Shareholder may wish to provide to it and such other information as it may reasonably require, in order to assess the trading valuation of the Ordinary Shares (any such valuation being made on the basis that no premium should apply to any majority or controlling stake and that no discount shall apply to any minority stake);
- (D) the Expert shall be entitled to determine the procedure to be followed in arriving at its decision (in the absence of agreement by the parties) and to appoint legal or other advisers if appropriate. The costs involved in the Expert's determination of the Fair Market Value of the relevant Ordinary Shares (including the Expert's expenses and the costs of any advisers to the Expert) shall, in the absence of any determination by the Expert, be borne (i) for the purposes of Article 10, by the Ordinary Shareholder that has been the subject of a change of Control (ii) for the purposes of Article 12, by the Defaulting Shareholder (iii) for the purposes of Article 11 by the Drag Along Shareholder (iv) for the purposes of Article 8, by the Permitted Transferee and (v) for the purposes of Article 9, by the Transferring Shareholder; and
- (E) the Expert shall be requested to determine the Fair Market Value of the relevant Ordinary Shares within 20 Business Days of its appointment and shall notify the parties of its determination with written reasons therefor.

## 12. DEFAULT

12.1 If an Event of Default occurs in relation to any Ordinary Shareholder (a "**Defaulting Shareholder**") under any Relevant Agreement (an "**Event of Default**"), then, without prejudice to the Defaulting Shareholder's obligations under these Articles and to any other rights or remedies available to any of the parties with respect to the Defaulting Shareholder, the other Ordinary Shareholders (the "**Non-Defaulting Shareholders**") shall have the right, which may be exercised by any such Non-Defaulting Shareholder giving notice in writing to the Defaulting Shareholder (copied to the other Non-Defaulting Shareholders), at any time whilst such Event of Default subsists (a "**Default Notice**"):

- 12.1.1 to require the Defaulting Shareholder to not exercise any right to attend and vote at any meeting of the Company;
- 12.1.2 to require that any Director that the Defaulting Shareholder has appointed (or participated in the appointment of) shall cease to be a Director; and
- 12.1.3 (subject to Article 7) to require the Defaulting Shareholder to sell to the Non-Defaulting Shareholders all or part of the Ordinary Shares that the Defaulting Shareholder may then hold for a price as determined by the terms of the Relevant Agreement which provides for the Event of Default (or, failing

any such provision in any such Relevant Agreement at Fair Market Value determined in accordance with Article 11.3 as if any reference in that Article to the Drag Along Shareholder was a reference to the Defaulting Shareholder).

## **12.2 Timing**

Upon receipt of a notice sent by a Non-Defaulting Shareholder pursuant to Article 12.1.3, the other Non-Defaulting Shareholders shall each have fifteen Business Days within which they may also serve a notice on the Defaulting Shareholder pursuant to Article 12.1.3 requiring the Defaulting Shareholder to sell any Ordinary Shares to that Non-Defaulting Shareholder. Any Non-Defaulting Shareholder who has not served any such notice within the period prescribed by this Article 12.2 shall be deemed to have waived its rights under Article 12.1.3 in respect of the relevant Event of Default.

## **12.3 Pro rata transfer**

In the event of any competition between Non-Defaulting Shareholders to purchase any Ordinary Shares of a Defaulting Shareholder pursuant to Article 12.1.3, such Non-Defaulting Shareholders will be entitled to purchase those Ordinary Shares in proportion to the number of Ordinary Shares then held by such Non-Defaulting Shareholders (and making such adjustments for fractions as the directors shall see fit).

## **12.4 Purchase by only one Non-Defaulting Shareholder**

If only one Non-Defaulting Shareholder sends a notice to the Defaulting Shareholder in respect of the purchase of all or part the Defaulting Shareholder's Ordinary Shares, pursuant to this Article 12, that Non-Defaulting Shareholder will be entitled to buy all of the Ordinary Shares referred to in its Default Notice.

## **13. VARIATION OF RIGHTS**

All or any of the special rights or privileges for the time being attached to any share or class of shares in the capital of the Company (notwithstanding that the Company may be or be about to be in liquidation) may, either with the prior consent in writing of the holders of not less than three-quarters of the issued shares of the class or with the sanction of an extraordinary resolution passed at a separate meeting of the holders of shares of the class duly convened and held as hereinafter provided (but not otherwise), be varied or abrogated. To every such separate meeting the provisions of these Articles with respect to notice of and proceedings at general meetings shall mutatis mutandis apply, but so that the requisite quorum shall be any person or persons, each being a member or a proxy for a member or a duly authorised representative of a corporate member, holding or representing not less than 75% of the issued shares of the class and that any holder of shares of the appropriate class, present in person or by proxy, may demand a poll.

## **14. PROCEEDINGS AT GENERAL MEETINGS**

### **14.1 Quorum**

14.1.1 No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business and remains present during the transaction of business.

14.1.2 Subject to Article 14.1.3 below, the quorum necessary for the transaction of business of any meeting of the Company shall be the presence of any Ordinary Shareholder or Shareholders representing more than 75% of the then issued share capital of the Company. Should such quorum not be constituted at any meeting of the Company the meeting shall be adjourned for seven days at which time the quorum shall be the presence of one Ordinary Shareholder.

14.1.3 Subject to the provisions of any Relevant Agreement, Ordinary Shareholders that have a Conflict in respect of any business to be transacted at any meeting of the Company shall not be entitled to vote or count in the quorum in respect of such business (and for the purposes of determining the quorum in respect of such business any shares held by any such Ordinary Shareholder shall not be included in the Total Issued Equity).

#### 14.2 Notice

A minimum of twenty one days' notice of each meeting of the Company accompanied by a note of the venue for such meeting and an agenda of the business to be transacted shall be given to all the Ordinary Shareholders including without limitation notice of any Shareholder Reserved Matters (as defined in Article 15.1.2) to be considered at such meeting. Regulation 38 shall be modified accordingly.

#### 14.3 Signed resolutions

A resolution or other consent executed or approved in writing by or on behalf of all the Ordinary Shareholders shall be as valid and effective for all purposes as a resolution passed at a general meeting duly convened and held and may consist of several documents in the like form, each executed by or on behalf of one or more persons. In the case of a corporation the resolution may be signed on its behalf by a director or the secretary thereof or by its duly appointed attorney or duly authorised representative.

#### 14.4 Poll

A poll may be demanded at any general meeting by the Chairman or any member or members present in person or by proxy or by a duly authorised representative of a corporate member in each case representing not less than 5% of the total voting rights of all the members having the right to vote at the meeting. Regulation 46 shall be modified accordingly.

### 15. VOTES OF MEMBERS

#### 15.1 Votes of members

15.1.1 Subject to Articles 14.1.3 and 15.1.2 and the Act, questions arising at any meeting of the Company shall be decided by a simple majority of the votes cast.

15.1.2 Questions arising at any meeting of the Company in respect of any of the following matters (a "**Shareholder Reserved Matter**") shall be decided by a majority of more than 75% of the votes cast:

- (A) any alteration to the Memorandum or Articles of Association of the Company;
- (B) save as provided in any Relevant Agreement, the issue of any securities of the Company or the grant of any option or other right to subscribe for such securities or convert into such securities;
- (C) giving authority to the Directors for a period exceeding five years to issue Ordinary Shares or other securities of the Company;
- (D) disposal of any shares or other securities of any subsidiaries;
- (E) reorganisation of the share capital of the Company or any member of the Company's Group;
- (F) variation of the rights attaching to the Ordinary Shares or the proposal or implementation of any scheme of arrangement;
- (G) the taking of any step to have the Company or any member of the Company's Group wound up or liquidated whether for the purposes of amalgamation or reconstruction or otherwise unless a licensed insolvency practitioner shall have advised that the relevant entity is required to be wound up by reason of having become insolvent;
- (H) participation by the Company's Group in any business other than as provided by a Relevant Agreement;
- (I) the termination of any appointment of Macquarie Investment Management (UK) Limited as a consultant to the Company or any member of its Group;
- (J) the incurring by the Company or by any member of the Company's Group of any financial indebtedness prohibited by any Relevant Agreement;
- (K) the commencement by any member of the Company's Group of any non-regulated business prohibited by any Relevant Agreement; and
- (L) any other matters as provided by a Relevant Agreement from time to time.

15.1.3 Subject to Article 14.3, all Shareholder Reserved Matters must be submitted to a meeting of the Company for approval in accordance with Article 15.1.2.

## 15.2 Partial approval etc

For the purposes of any vote, approval, consent or other act, an Ordinary Shareholder shall be entitled to vote, grant approval or consent or otherwise act in respect of some only of its Ordinary Shares or in different ways in respect of different Ordinary Shares.

## 15.3 No casting vote of chairman

The chairman of any meeting of the Company shall not be entitled to a second or casting vote in addition to any other vote he may have.

## **16. BOARD OF DIRECTORS**

### **16.1 Appointment**

Subject to the terms of any Relevant Agreement, the members may appoint directors by resolution in general meeting. The Board may not appoint additional directors.

### **16.2 Removal**

Subject to the terms of any Relevant Agreement, the members may remove any director by resolution in general meeting.

### **16.3 Chairman**

Subject to any Relevant Agreement, the directors may appoint a Chairman to the Board. Regulation 91 shall be modified accordingly.

### **16.4 Remuneration**

Subject to any Relevant Agreement, no director shall be entitled to any remuneration, but each director shall be entitled to the refund of any reasonable expenses incurred in the performance of his duties as a director.

### **16.5 Alternate Directors**

16.5.1 Subject to any Relevant Agreement, any director (other than an alternate director) may, with the approval of the Board in accordance with Article 21.2.2 (with the Directors acting reasonably) from time to time appoint any person (including any other Director) to be an alternate director of the Company and to attend and vote in his place, and may at any time remove from office any alternate director so appointed by him, and appoint another person in his place. Any appointment of an alternate director may provide for two or more persons in the alternative to act as an alternate director.

16.5.2 Any such appointment or removal shall be by notice to the Company signed by the director making or revoking the appointment and shall take effect upon service on the Company at its registered office or in any other manner approved by the directors.

16.5.3 An alternate director shall ipso facto cease to be an alternate director if his appointor ceases for any reason to be a director.

16.5.4 An alternate director shall be entitled to receive notices of all meetings of directors, and to attend, to be counted in the quorum for and to vote as a director (with the same designation as the director appointing him) at any such meeting at which the director appointing him is not personally present and generally to perform all functions of his appointor as a director in the absence of such appointor including, without prejudice to the generality of the foregoing, power to sign any written resolution.

16.5.5 A director acting as an alternate shall have one vote at meetings of the Board for each director for whom he acts as alternate but he shall only count as one person for the purpose of determining whether a quorum is present.

16.5.6 Save as otherwise provided in these Articles, an alternate director shall not have power to act as a director nor shall he be deemed to be a director for the purposes of these Articles.

**16.6 Alternate director responsible for own acts**

An alternate director shall be deemed to be an officer of the Company and shall alone be responsible for his own acts and defaults and the director so appointing him shall not be responsible for the acts and defaults of an alternate director so appointed.

**16.7 Delegation to committees**

The directors may, by means of a resolution passed with the approval of all the directors delegate any of their powers to a committee of the Board consisting of at least one director together with such other person or persons as determined unanimously by the Board and otherwise on such terms as the Board may unanimously determine from time to time. Regulation 72 shall be modified accordingly.

**17. DIRECTORS NOT TO ROTATE**

The directors shall not be liable to retire by rotation and accordingly in Regulation 79 the second and third sentences thereof shall be deleted and in Regulation 78 the words "and may also determine the rotation in which any additional directors are to retire" shall be deleted.

**18. NO SHARE QUALIFICATION**

A director and alternate director shall not require a share qualification but nevertheless shall be entitled to attend and speak at any general meeting of the Company and at any separate meeting of the holders of any class of shares of the Company.

**19. BORROWING POWERS**

Subject to Article 15.1.3, the Board may exercise all the powers of the Company to borrow money and, subject to the provisions of these Articles, to mortgage or charge its undertaking, property and uncalled capital or any part thereof and to issue debentures and other securities.

**20. DISQUALIFICATION OF DIRECTORS**

The office of a director shall be vacated:

- (A) if by notice in writing to the Company he resigns the office of director;
- (B) if he is prohibited from being or is disqualified as a director by an order made under any provision of the Insolvency Act 1986 or the Company Directors Disqualification Act 1986; or

- (C) if he is removed from office under the terms of any Relevant Agreement, section 303 of the Act or Article 16.2.

## **21. PROCEEDINGS OF DIRECTORS**

### **21.1 Quorum**

- 21.1.1 No business shall be transacted at any meeting of the Board unless a quorum is present at the time when the meeting proceeds to business and remains present during the transaction of business.
- 21.1.2 Up to and including the Acquisition Completion Date, the quorum necessary for the transaction of the business of the Board shall be the presence of three Directors. Should such quorum not be constituted at any Board meeting the relevant meeting shall be adjourned for two days and at the adjourned meeting the necessary quorum shall be the presence of any two Directors.
- 21.1.3 Following the Acquisition Completion Date the quorum necessary for the transaction of the business of the Board shall be the present of five Directors. Should such quorum not be constituted at any Board meeting the relevant meeting shall be adjourned for seven days and at the adjourned meeting the necessary quorum shall be the presence of any two Directors.

### **21.2 Voting**

- 21.2.1 In respect of a resolution arising at any meeting of the Board on a Board Reserved Matter the approval of more than 75% of the votes cast shall be required.
- 21.2.2 All other questions arising at any meeting of the Board shall be decided by a majority of votes.

### **21.3 Conflict of interests**

A director shall not be entitled to vote at any meeting of directors or of a committee of directors on any resolution concerning a matter in relation to which he has a Conflict and he shall not count in the quorum in respect of any such resolution.

### **21.4 Regulation of meetings**

- 21.4.1 The Chairman of the Board, or any other two directors, may, and the secretary, on the requisition of the Chairman of the Board or any other two directors, shall, at any time convene a meeting of the Board.
- 21.4.2 There shall not be more than 3 months between any 2 consecutive meetings of the Board.
- 21.4.3 A minimum of fourteen days' notice of meetings of the Board, accompanied by details of the venue for such meeting and an agenda of the business to be transacted (together with where practicable all papers to be circulated or presented to the same), shall be given to all the directors. Where the Chairman of the Board determines that urgent business has arisen, notice of meetings of the Board may be reduced to five Business Days.



21.4.4 Subject to Article 21.3 and Article 16.5.5, each director shall be entitled to one vote and in the case of an equality of votes no person, including without limitation the Chairman of the Board, shall have a second or casting vote.

## **21.5 Meetings by Conference Facilities**

A meeting of the directors may consist of a conference between directors some or all of whom are in different places provided that each director who participates in the meeting is able:

21.5.1 to hear each of the other participating directors addressing the meeting; and

21.5.2 if he so wishes, to address each of the other participating directors simultaneously,

whether directly, by conference telephone or by any other form of communication equipment or by a combination of such methods. A quorum shall be deemed to be present if those conditions are satisfied in respect of at least the number and designation of directors required to form a quorum. A meeting held in this way shall be deemed to take place at the place where the largest group of directors is assembled or, if no such group is readily identifiable, at the place from where the chairman of the meeting participates at the start of the meeting.

## **21.6 Signed resolutions**

A resolution or other consent executed or approved in writing by a majority (or in the case of a Board Reserved Matter, three-quarters) of the directors who would have been entitled to vote thereon had the same been proposed at a meeting of the Board shall be as valid and effective for all purposes (provided that all Directors have been given notice of such resolutions as proposed and adopted) as a resolution passed at a meeting of the Board duly convened and held and may consist of several documents in the like form, each signed by one or more of the directors.

## **22. MANAGING OR EXECUTIVE DIRECTORS**

### **22.1 Appointment**

The directors may from time to time appoint one or more of their number to an executive office (including that of Managing Director, Chief Executive or any other salaried office) for such period and on such terms as shall be thought fit and, subject to the provisions of any agreement entered into in any particular case, may revoke such appointment. A director so appointed as a Managing Director or Chief Executive shall (without prejudice to any claim he may have for damages for breach of any contract of service between him and the Company) ipso facto cease to be Managing Director or Chief Executive if he ceases for any cause to be a director.

### **22.2 Remuneration**

The Managing Director, Chief Executive or other executive officer as aforesaid shall receive such remuneration, whether by way of salary, commission or participation in profits or otherwise (either in addition to or in lieu of his remuneration as a director), as the directors may determine.

### **22.3 Delegation of powers**

The directors may, with the unanimous approval of the board, entrust to and confer on a Managing Director, Chief Executive or other executive officer as aforesaid any of the powers exercisable by them on such terms and conditions and with such restrictions as they think fit and may from time to time withdraw, alter or vary all or any of such powers.

#### **22.4 Service contracts**

No director appointed to an executive office shall if he is a party to a written service contract with any member of the Group be entitled to any salary, remuneration or benefit in kind in respect of any appointment to an executive office in addition to that provided for in that contract.

#### **23. NOTICES**

Regulation 112 shall apply to the Company as if the words ", or an address to which notices may be sent using electronic communications," were deleted.

#### **24. INDEMNITY**

Subject to section 310 of the Act, every director or other officer of the Company shall be entitled to be indemnified out of the assets of the Company against all costs, charges, losses, expenses and liabilities which he may sustain or incur in or about the execution of the duties of his office or otherwise in relation thereto, including any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in connection with any application under section 727 of the Act in which relief is granted to him by the courts, and no director or other officer shall be liable for any loss, damage or misfortune which may happen to or be incurred by the Company in the execution of the duties of his office or in relation thereto. The Company may purchase and maintain for any officer or the auditors of the Company insurance against any liability which by virtue of any rule of law would otherwise attach to him or them in respect of any negligence, default, breach of duty or breach of trust of which he or they may be guilty of in relation to the Company.