

No: 5338298

DARIEN NO. 1 LIMITED

At an extraordinary general meeting of Darien No. 1 Limited duly convened and held on 22 February 2005, the following resolutions were passed of which resolution 1 was passed as an ordinary resolution and resolution 2 was passed as a special resolutions.

ORDINARY RESOLUTION

3. THAT the share capital of the Company be increased to £36,000,000 by the creation of an additional 26,000,000 preference shares of £1 each having the rights and being subject to the restrictions set out in the articles of association to be adopted by resolution 2 of this notice.

SPECIAL RESOLUTION

4. THAT new articles of association in the form contained in the draft articles of association produced to the meeting and initialled by the chairman for the purposes of identification be adopted as the articles of association of the Company in substitution for and to the exclusion of all previous articles of association.


.....
[Chairman/Director/Secretary]

Presented by: Ashurst
Broadwalk House
5 Appold Street
London EC2A 2HA
Tel: 020 7638 1111
Ref: MYG/ R546.00361





The Companies Acts 1985 to 1989

Articles of Association of Darien No. 1 Limited

Private Company having a Share Capital
(Incorporated on 20 January 2005)

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(No. 5338298)

The Companies Acts 1985 to 1989

Articles of Association of Darien No. 1 Limited

Private Company Limited by a Share Capital
(Adopted by special resolution on 22 February 2005)

PRELIMINARY

In these articles:

"Act" means the Companies Act 1985 including any statutory modification or re-enactment thereof for the time being in force;

""A" Directors" means the directors appointed by the "A" Shareholders pursuant to these articles and holding office for the time being and, unless otherwise stated, includes their *duly appointed alternates*;

""A" Ordinary Shares" means the "A" Ordinary Shares of 10p each in the capital of the Company having the rights and restrictions set out in these articles;

""A" Shareholder" means in respect of any "A" Ordinary Share, the person or persons for the time being registered as the holder(s) of all of the "A" Ordinary Shares;

"articles" means the articles of association of the Company;

"associate" means in relation to a corporate entity a subsidiary or holding company of such entity or a subsidiary of such holding company;

""B" Directors" means the directors appointed by the "B" Shareholders pursuant to these articles and holding office for the time being and, unless otherwise stated, includes their *duly appointed alternates*;

""B" Ordinary Shares" means the "B" Ordinary Shares of 10p each in the capital of the Company having the rights and restrictions set out in these articles;

""B" Shareholder" means in respect of any "B" Ordinary Share, the person or persons for the time being registered as the holder(s) of all of the "B" Ordinary Shares;

"Board" means the board of directors of the Company from time to time or, as the context may require, any duly authorised committee thereof;

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

"clear days" means 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;

"Completion" means completion of the first of any of the Put Option Agreements (Conditional) or Put Option Agreements (Unconditional) (as defined in the Shareholders' Agreement) in accordance with their terms;

"Deed of Adherence" means a deed of adherence entered into pursuant to the Shareholders' Agreement;

"directors" means the directors for the time being of the Company or (as the context shall require) any of them acting as the board of directors of the Company;

"executed" includes any mode of execution;

"holder" means in relation to Shares the member whose name is entered in the register of members as the holder of the Shares;

"Independent Accountant" means an independent accountant appointed by agreement between the Shareholders or in the absence of agreement on the application of either by the President of the Institute of Chartered Accountants of England and Wales or his duly appointed deputy who shall act as an expert whose decision shall be final and binding on the Shareholders and whose costs shall be borne as he shall determine;

"Majority Shareholder" means Natwest Property Investments Limited (No. 2430302) whose registered office is at 135 Bishopsgate, London EC2M 3UR;

"Majority Shareholder's Group" means the Majority Shareholder and any company which is a holding company of that company or a subsidiary of that company or a subsidiary of such holding company;

"Minority Shareholder" means Teesland Holdings plc (No.04368858) whose registered office is at Europa House, 20 Esplanade, Scarborough, North Yorkshire, YO11 2AQ;

"Minority Shareholder's Group" means the Minority Shareholder and any company which is a holding company of that company or a subsidiary of that company or a subsidiary of such holding company;

"office" means the registered office of the Company;

"Ordinary Shares" means the "A" Ordinary Shares and the "B" Ordinary Shares;

"Preference Shareholder" means, in respect of any Preference Shares, the person or persons for the time being registered as the holder(s) of all of the Preference Shares;

"Preference Shares" means the cumulative redeemable preference shares of £1 each having the rights and restrictions set out in these articles;

"seal" means the common seal of the Company (if any);

"secretary" means 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;

"Share" means any share in the Company of whatever class and includes any interest in any such share;

"Shareholders" means the "A" Shareholders and the "B" Shareholders together (and the expression "Shareholder" shall be construed accordingly);

"Shareholders' Agreement" means an agreement dated the date hereof between the Company, the Majority Shareholder and the Minority Shareholder; and

"United Kingdom" means Great Britain and Northern Ireland.

INTERPRETATION

- 2.1 The Company is a private company. The following are the articles of the Company The Regulations contained or incorporated in Table A in the Schedule to the Companies (Tables A to F) Regulations 1985 (such Table being hereinafter called **"Table A"**) shall apply to the Company save insofar as they are further excluded or varied hereby and such regulations (save as so excluded or varied) and the articles hereinafter contained shall be the regulations of the Company.
- 2.2 Unless the context otherwise requires, words or expressions contained in these articles and in Table A bear the same meaning as in the Act but excluding any statutory modification thereof not in force when these articles become binding on the Company and words or expressions defined in the Shareholders' Agreement shall bear the same meaning in these articles. Regulation 1 of Table A shall not apply to the Company.

SHARE CAPITAL

- 3.1 The authorised share capital of the Company at the time of adoption of these articles is £36,000,000 divided into 80,000,000 "A" Ordinary Shares of 10p each, 20,000,000 "B" Ordinary Shares of 10p each and 26,000,000 Preference Shares of £1 each. The "A" Ordinary Shares and the "B" Ordinary Shares shall be separate classes of Ordinary Shares but, save as hereinafter expressly provided, shall rank *pari passu* in all respects.
- 3.2 Save in respect of Shares to be issued or permitted to be issued pursuant to the Shareholders' Agreement and the documents referred to therein (which will be issued strictly in accordance with their terms) and as may be provided by Regulation 110 of Table A as amended by these articles or as otherwise provided by special resolution of the Company, all Ordinary Shares which the directors propose to issue shall be comprised of "A" Ordinary Shares and "B" Ordinary Shares in the proportions which immediately prior to the issue the "A" Ordinary Shares and the "B" Ordinary Shares bear to each other and shall be dealt with in accordance with the following provisions of this Article 3.2:
- (a) any "A" Ordinary Shares or "B" Ordinary Shares proposed to be issued shall first be offered to any member or members of the Majority Shareholder's Group or the Minority Shareholder's Group holding Shares in the same class and in proportion to the number of existing Ordinary Shares in the same class held by them respectively;
 - (b) each such offer shall be made by notice specifying the total number of Shares being offered to such members of the Majority Shareholder's Group and Minority Shareholder's Group, the proportionate entitlement of the member to whom the offer is made and the price per Share (which shall be the same for each Share of each class of Share) and shall require each member to state in writing within a period (not being less than 14 days) specified in the notice whether he is willing to take any and, if so, what maximum number of the said Shares up to his proportionate entitlement;

- (c) an offer, if not accepted within the period specified in the notice as regards any Shares, will be deemed to be declined as regards those Shares. After the expiration of such period, any "A" Ordinary Shares so deemed to be declined by the member of the Majority Shareholder's Group shall be offered in the proportion aforesaid to the holders of "B" Ordinary Shares who have, within the said period, accepted all the "B" Ordinary Shares offered to them; and any "B" Ordinary Shares so deemed to be declined by the member or members of the Minority Shareholder's Group shall be offered in the proportion aforesaid to the holders of "A" Ordinary Shares who have, within the said period, accepted all the "A" Ordinary Shares offered to them;
- (d) any Shares not accepted pursuant to such offer and further offers made in accordance with this Article 3.2 or not capable of being offered as aforesaid except by way of fractions shall not be issued;
- (e) all Shares which pursuant to the provisions of these articles may be issued or transferred to an "A" Ordinary Shareholder or a "B" Ordinary Shareholder shall upon being registered in the name of such holder become "A" Ordinary Shares or "B" Ordinary Shares respectively.

3.3 Save in respect of the Preference Shares to be issued pursuant to the Shareholders' Agreement (which will be issued strictly in accordance with their terms) all Preference Shares (and Shares of any other class in the capital of the Company, save for Ordinary Shares) which the Directors propose to issue shall first be offered to the Majority Shareholder and the Minority Shareholder pro-rata in relation to their holding of Ordinary Shares at the time of such offer. In the event that either the Majority Shareholder or the Minority Shareholder does not accept its full entitlement pursuant to such offer, any remaining Shares shall be offered on a pro rata basis to those shareholders who have accepted such offer, and so on until all Shares have been allotted to accepting shareholders.

3.4 The provisions of Article 3.2 and 3.3 shall have effect subject to section 80 of the Act.

3.5 Regulation 4 of Table A and, in accordance with section 91(1) of the Act, sections 89(1) and 90(1) to (6) (inclusive) of the Act shall not apply to the Company.

3.6 The Company may in accordance with and subject to Part V of the Act and all other provisions for the time being (if any):

- (a) issue Shares which are to be redeemed or are liable to be redeemed at the option of the Company or the holder thereof except that no redeemable Shares may be issued at any time when there are no issued Shares of the Company which are not redeemable;
- (b) purchase its own Shares including its own redeemable Shares;
- (c) make a payment in respect of the redemption or purchase of any of its own fully-paid shares out of the distributable profits of the Company or the proceeds of a fresh issue of Shares or, so long as the Company is a private company, capital or, so long as aforesaid, partly one way and partly another and as to redemption on such terms and in such manner as may be determined at any time or times by directors,

provided always that any Shares purchased or redeemed by the Company shall be treated as cancelled.

RIGHTS TO PREFERENCE SHARES

4. The rights attaching to the Preference Shares shall be as follows:

4.1 Capital

On a return of assets on liquidation or otherwise the assets of the Company remaining after the payment of its liabilities shall be applied first in paying to the Preference Shareholders the original subscription price per Preference Share together with a sum equal to any arrears, deficiency or accruals of the dividend on the Preference Shares calculated down to the date of the return of capital and payable irrespective of whether such dividend has been declared earned or not.

4.2 Voting

The Preference Shares shall carry no voting rights other than in respect of a resolution for abrogating any of the special rights attached to the Preference Shares.

4.3 Dividends

In respect of each quarterly accounting period of the Company (being the periods ending on 31 March, 30 June; 30 September; and 31 December, (and from the period commencing the date of Completion or later issue of the Preference Shares to the next following accounting period of the Company, being 31 March) the Preference Shares shall once issued confer upon the holders thereof (as a class) the right to receive on each Preference Share, in priority (such priority to be waivable at the discretion of the Board), to any payment by way of dividend to the holders of any other Shares in the capital of the Company (but subject to the payment of all dividends accrued and in arrears on the Preference Shares in respect of any earlier accounting reference period), a fixed cumulative preferential dividend (the "**Fixed Dividend**") at the rate of 13.82 per cent. per annum on the issue price of each Preference Share.

4.4 The Fixed Dividend shall accrue from day to day compounding quarterly and shall be paid in cash as and when the Board deems that the profits of the Company shall so permit (and the Board shall make an assessment on each of the quarter dates specified in Article 4.3, having regard to the Act and the Company's debt financing arrangements) or upon any redemption of those Preference Shares.

4.5 In the event that some or all of the Preference Shares have not been redeemed by 31 August 2006 the Fixed Dividend shall increase with effect from that date to the rate of 19.82 per cent. per annum on the issue price of each Preference Share, (compounding as above).

The Preference Shares shall not confer any further right of participation in the profits of the Company.

4.6 The following regulations of Table A shall not apply to the payment of any dividends: 102, 103, 105 and 107.

4.7 The Company shall procure that each of its subsidiaries which has profits available for distribution shall from time to time declare and pay to the Company such dividends as are necessary to permit lawful and prompt payment by the Company of any dividends or redemptions required to be paid by Articles 4.3, 4.4, 4.5 or 4.8.

4.8 Redemption

The Company may at any time prior to 31 August 2006 upon five days' prior written notice to the holders of the Preference Shares redeem all or some of the Preference Shares then outstanding and the Board shall in determining whether to make a

redemption resolve to redeem the maximum amount of the Preference Shares permitted under the Company's debt financing arrangements (provided that such a determination shall only be made at the end of each quarterly period referred to in Article 4.3).

- 4.9 Where only some of the Preference Shares are redeemed, the number of Preference Shares to be redeemed shall not be less than 250,000.
- 4.10 Redemption of the Preference Shares is subject to any restrictions on redemption imposed by law. Where, because of such restrictions, the Company is unable to redeem Preference Shares otherwise required to be redeemed by these Articles, the Company shall redeem as many of the Preference Shares as, subject to such restrictions, it can and the balance when those restrictions cease to apply.
- 4.11 Each Preference Share shall be redeemed in cash at the issue price of such Preference Share and redemption shall be without prejudice to the right of the holder thereof to receive the Fixed Dividend due on the date of redemption of that Preference Share together with all arrears and accruals payable thereon.
- 4.12 Upon delivery of a Preference Share certificate for redemption the Company shall pay to such holder the amount due to him in respect of such redemption and shall cancel the certificate. If any certificate so delivered to the Company includes any Shares which are *not to be redeemed on that occasion a fresh certificate for such unredeemed Shares shall be issued to the holder.*
- 4.13 **Transfers**

The Preference Shares may be transferred in whole or in part. In the event of any transfer of any of the Preference Shares (but save in respect of a transfer made under article 9) the holder of the Preference Shares shall first offer such Shares to the other Shareholders so that they are entitled to elect to purchase such number of Preference Shares up to the number equal to their respective pro rata holdings of Ordinary Shares on terms no less favourable to the offeree Shareholders than on which the holder of the Preference Shares intends to transfer the remaining Preference Shares. Such offer of Preference Shares shall remain open for acceptance for no less than 20 Business Days.

LIEN

5. For the avoidance of doubt (but without limitation), Regulation 8 of Table A shall apply without amendment.

CALLS ON SHARES AND FORFEITURE

6. There shall be added at the end of the first sentence of Regulation 18 of Table A, so as to increase the liability of any member in default in respect of a call, the words "and all expenses that may have been incurred by the Company by reason of such non-payment".

VARIATION OF CLASS RIGHTS

7. If at any time the share capital of the Company is divided into different classes of Shares, the rights attached to any class (unless otherwise provided by the terms of the issue of the Shares for that class) may not, whether or not the Company is being wound up, be varied without the consent in writing of the holders of three-fourths in number of the issued Shares of that class, or with the sanction of an extraordinary resolution passed at a separate general meeting of the holders of the Shares of that class. To every such separate general meeting the provisions of the regulations of the Company relating to general meetings shall apply, but so that the necessary quorum shall be two persons at least *holding or representing by proxy one-third in number of the issued Shares of the class* and so that any holder of Shares of the class present in person or by proxy may demand a poll. If any such separate general meeting shall be adjourned owing to the

absence of a quorum and if at the adjourned meeting a quorum shall not be present within half an hour from the time appointed for such adjourned meeting the holder or holders of Shares of the class concerned who are present shall constitute a quorum and shall have power to decide upon all matters which could properly have been disposed of at the meeting from which the adjournment took place.

TRANSFERS OF SHARES

- 8.1 No Shares shall be the subject of any transfer, sale, assignment, renouncement or of any other creation or disposal of any interest (including a security interest) except in accordance with the provisions of these articles and the Shareholders' Agreement.
- 8.2 Before any person (other than a person who is already a Shareholder) (a **"New Party"**) is registered as a holder of any Share such person shall enter into a Deed of Adherence (as defined and set out in the Shareholders' Agreement) covenanting with the continuing parties to the Shareholders' Agreement to observe, perform and be bound by all the terms of the Shareholders' Agreement which are capable of applying to such person and which have not then been performed. The Company shall not register any such person as the holder of any Share until such a deed has been executed by the New Party and the members; upon being so registered that person shall be deemed to be a party to the Shareholders' Agreement.
- 8.3 The Board shall register and give effect to any transfer made in accordance with these articles or the Shareholders' Agreement, and shall not register any transfer which is not made in accordance with these articles or the Shareholders' Agreement.
- 8.4 The Ordinary Shares may only be transferred in whole and not in part. Any Shareholder proposing to transfer all of the Ordinary Shares registered in its name (the **"Selling Shareholder"**) shall (save in respect of a transfer made under article 9) first offer such Ordinary Shares to each other Shareholder (if more than one, pro rata to their existing holdings) by notice in writing (the **"Transfer Notice"**) specifying the number of Ordinary Shares it wishes to transfer (the **"Sale Shares"**) and the price per Share at which it is prepared to transfer such Ordinary Shares (being the price at which if such offer is not accepted it may transfer the Sale Shares to a third party). To validly accept such offer any other Shareholder must within 15 Business Days by notice in writing to the Selling Shareholder agree to purchase the Sale Shares at the price stipulated in the Transfer Notice and provide the Selling Shareholder with a letter of confirmation from a reputable bank stating that such Shareholder has the necessary funds available to complete such purchase. In the event not all Ordinary Shares so offered are taken up, the remaining Ordinary Shares shall be offered to the accepting Shareholders (if more than one, pro rata to shares accepted) and so on until all Shares have been accepted or all Shareholders have indicated they do not wish to accept any further Shares. Each Shareholder and the Company shall ensure that the transfer of the Sale Shares takes place within 15 Business Days of such acceptance.
- 8.5 Save in respect of a transfer made under article 9, no sale or transfer by the Majority Shareholder or any member of the Majority Shareholder's Group of any "A" Ordinary Shares (the **"Specified Shares"**) conferring the right to vote at general meetings of the Company shall, if resulting (if made and registered) in a person (or persons acting in concert) who does not hold Ordinary Shares immediately following the date hereof obtaining a controlling interest in the Company, be made or registered unless not less than 21 days before the transfer is lodged for registration the proposed transferee or his nominee has offered to purchase all of the issued Ordinary Shares and Preference Shares held by the Minority Shareholder or any member of the Minority Shareholder's Group at the Specified Price as hereinafter defined such offer (subject as provided in the following sentence) to remain open for acceptance for not less than 21 days. The provisions of this article 8.5 shall only apply in relation to a sale or transfer on arm's length terms.

At any time during the 21 day period referred to above the Majority Shareholder shall be entitled by written notice to the Minority Shareholder to require the Minority Shareholder ("**Drag Notice**") to sell such Ordinary Shares and Preference Shares on the same terms offered by the proposed transferee or his nominee, such sale to be completed contemporaneously with the sale by such Majority Shareholder or, if later, no later than 7 days after the date of such Drag Notice, and the Minority Shareholder hereby agrees and agrees to procure that any member of the Minority Shareholder's Group shall take all necessary steps and execute all documents required to effect such sale.

8.6 For the purpose of Article 8.5 above:

- (a) the expressions "**transfer**" and "**transferee**" include respectively the renunciation of a renounceable letter of allotment or renounceable share certificate and the original allottee and the renouncee under any such letter of allotment or certificate;
- (b) the expression a "**controlling interest**" means an interest in 50 per cent. or more of the Ordinary Shares having an unrestricted right to vote at a general meeting of the Company;
- (c) the "**Specified Price**" means a price per Ordinary Share (and, where relevant, Preference Shares) at least equal to that offered by the proposed transferee or transferees for the Specified Shares (and, where relevant, Preference Shares) together with all arrears and accruals of dividend or interest thereon together with an amount equal to the relevant proportion of any other consideration (in cash or otherwise) received or receivable by the holders of the Specified Shares (and, where relevant, Preference Shares) which having regard to the substance of the transaction as a whole can reasonably be regarded as an addition to the price paid or payable for the Specified Shares (and, where relevant, Preference Shares); and
- (d) in the event of disagreement about the calculation of the Specified Price it shall be referred to an Independent Accountant for determination whose determination shall in the absence of manifest error be binding.

PERMITTED TRANSFERS

- 9.1 Shares may be transferred by a person (the "**Original Holder**") to (in the case of a body corporate) a subsidiary or holding company of the Original Holder or another subsidiary of such holding company provided that if the transferee ceases to be in such relationship with the Original Holder the Shares in question shall be transferred to the Original Holder.
- 9.2 An Original Holder may transfer Shares to a nominee or trustee for that Original Holder and any nominee or trustee may transfer Shares to any other nominee or trustee or to the beneficiary provided that no beneficial interest in the Shares passes by reason of any such transfer provided that if the transferee ceases to be in such relationship with the Original Holder the Shares in question shall be transferred to the Original Holder.
- 9.3 Any Original Holder in its capacity as general partner of an investment fund partnership may transfer any Shares held by it to any of the partners in those partnerships or any person with a direct or indirect interest in the assets of those partnerships. In addition any Original Holder of Shares which is an investment fund or nominee or trustee for an investment fund may transfer any Shares held by it:
 - (a) to any unit holder, shareholder, partner or participant or any person having any other interest in any such fund or to the manager or principal adviser to such investment fund or to any employee of such manager or principal adviser; or
 - (b) to any other investment fund managed or advised by the same manager or principal adviser as manages or advises the first mentioned investment fund.

provided that if the transferee ceases to be in such relationship with the Original Holder the Shares in question shall be transferred to the Original Holder.

COMPULSORY TRANSFERS

- 10.1 At any time following an Event of Default (as defined below) by either Shareholder (the **"Defaulting Shareholder"**) the Directors appointed by the Remaining Shareholder (as defined below) shall be entitled (but not obliged) to serve a written notice (the **"Compulsory Transfer Notice"**) on any member of the Defaulting Shareholder's group who holds Ordinary Shares. The Compulsory Transfer Notice shall require the relevant member(s), to transfer all Ordinary Shares and Preference Shares held by it (**"Transferred Shares"**) to the other Shareholder (the **"Remaining Shareholder"**) at the Transfer Price as determined in accordance with this article 10.

Where the Transfer Price is determined in accordance with the provisions of article 10.3 or 10.4 such transfer shall occur within 10 Business Days of the date of the Compulsory Transfer Notice.

Where the Transfer Price is determined in accordance with the provisions of article 10.5 such transfer shall within 30 Business Days of the date of the Compulsory Transfer Notice.

- 10.2 The price (the **"Transfer Price"**) at which such Shares may be required to be transferred pursuant to article 10.1 shall be as specified in this Article and shall be the lower of Cost and Fair Value. In this article 10 **"Fair Value"** shall have the meaning ascribed to it in articles 10.4 and 10.5.
- 10.3 In article 10.2 **"Cost"** shall mean the amount paid (by way of purchase or subscription price) for the Transferred Shares in question by the first member (in point of time) of the Defaulting Shareholder's group who held such Shares.
- 10.4 In determining the Fair Value of the Transferred Shares the subject of the Compulsory Transfer Notice the Company may propose to the Defaulting Shareholder a price which if accepted by the Defaulting Shareholder shall be deemed to be the Fair Value. In the absence of agreement Fair Value shall be determined in accordance with article 10.5.
- 10.5 Subject to article 10.4, Fair Value of the Ordinary Shares the subject of the Compulsory Transfer Notice shall be the fair value of such Ordinary Shares as at the date of the Compulsory Transfer Notice as between a willing buyer and a willing seller as certified by the auditors of the Company (or, should the auditors refuse to act, an Independent Accountant) acting as experts and not arbitrators and whose determination shall be final and binding on the parties concerned. In arriving at the Fair Value of the Transferred Shares, the auditors or Independent Accountant shall be instructed to:
- (a) determine the **"Net Asset Value"** which shall mean the value at the date of the Compulsory Transfer Notice of all real property held directly or indirectly by any unit trust the units of which the Company is the holder, as certified by the trustee thereof (after taking independent advice from a third party firm of valuers of repute); less
 - (b) an amount equal to that which would be required as at the date of the Compulsory Transfer Notice to repay all amounts (including all arrears and accruals of interest, fees and other costs, and expenses payable) outstanding under the debt financing arrangements of the Company; less
 - (c) appropriate provision for accrued but unpaid taxation at the date of the Compulsory Transfer Notice applicable to the assets of any such trust, the units therein or the Company or any of its subsidiaries; less

- (d) any breakage costs at the date of the Compulsory Transfer Notice in relation to any interest rate swap arrangements entered into by the Company; plus
- (e) any breakage gains at the date of the Compulsory Transfer Notice in relation to any interest swap arrangements entered into by the Company.

The Fair Value of the Preference Shares the subject of the Compulsory Transfer Notice, if any, shall be the nominal value thereof plus accrued but unpaid dividends (as valued by the Independent Accountant).

- 10.6 The reasonable costs and expenses of the auditors (or Independent Accountant) shall be borne by the Company which shall be reimbursed by the Defaulting Shareholder.
- 10.7 Within five Business Days of the date falling upon the earlier of the acceptance by the Defaulting Shareholder of the Fair Value proposed by the Board, the determination of the Fair Value by the auditor (or Independent Accountant) in accordance with article 10.5 or, where the Transfer Price is deemed to be at Cost in accordance with article 10.2, the date of such determination, the Remaining Shareholder shall purchase all of the Transferred Shares at the Transfer Price.
- 10.8 For the purposes of this article 10, an **"Event of Default"** shall be any material breach which constitutes a "Shareholder Breach" by any of the Shareholders of any of the terms of these Articles or the Shareholders' Agreement as defined in and determined in accordance with clause 8.1C of the Shareholders' Agreement.
- 10.9 *Where a compulsory transfer event arises in accordance with the terms of clause 8 of the Shareholders' Agreement a Compulsory Transfer Notice shall also be deemed to be given on the date specified therein. The Transfer Price in such event will be as set out in the Shareholder's Agreement and not in these Articles.*
- 10.10 Completion of the transfer of any Shares under this Article 10 shall be subject to the satisfaction, fulfilment or waiver by the transferor and the transferee of the condition precedent ("**Condition Precedent**") that all documents consents, approvals or other matters required by law, regulation (including, without limitation, any consents required pursuant to the Listing Rules issued by the UK Listing Authority) or otherwise in connection with such transfer are duly issued, obtained or dealt with (and the parties shall use all reasonable endeavours to satisfy the Condition Precedent).

GENERAL MEETINGS

- 11.1 All general meetings other than annual general meetings shall be called extraordinary general meetings.
- 11.2 The directors or any of them may call general meetings and Regulation 37 of Table A shall not apply to the Company.

NOTICE OF GENERAL MEETINGS

- 12.1 A notice convening a general meeting shall be required to specify the general nature of the business to be transacted only in the case of special business and Regulation 38 of Table A shall be modified accordingly. The words "or a resolution appointing a person as a director" and articles (a) and (b) in Regulation 38 of Table A shall be deleted and the words "in accordance with section 369(3) of the Act" shall be inserted after the words "if it is so agreed" in that regulation.
- 12.2 All business shall be deemed special that is transacted at any extraordinary general meeting, and also all that is transacted at an annual general meeting, with the exception of declaring a dividend, the consideration of the profit and loss account, balance sheet, and the reports of the directors and auditors, the appointment of, and the fixing of the

remuneration of the auditors and the giving or renewal of any authority in accordance with section 80 of the Act.

- 12.3 Every notice convening a general meeting shall comply with the provisions of section 372(3) of the Act as to giving information to members in regard to their right to appoint proxies; and notices of and other communications relating to any general meeting which any member is entitled to receive shall be sent to the directors and to the auditor for the time being of the Company.

PROCEEDINGS AT GENERAL MEETINGS

- 13.1 No business shall be transacted at any general meeting unless a quorum of members is present throughout the meeting. A quorum shall consist of two members present in person or by proxy or (in the case of a member being a corporation) by representative of whom (only for so long as there shall be "A" Ordinary Shares and "B" Ordinary Shares in issue) one shall be an "A" Ordinary Shareholder and one "B" Ordinary Shareholder save that if and for so long as the Company has only one person as a member, one member present in person or by proxy shall be a quorum and save further that any two members present in the manner aforesaid shall constitute a quorum at any adjourned meeting of an inquorate meeting. Regulation 40 of Table A shall not apply to the Company.
- 13.2 If a quorum is not present within half an hour from the time appointed for a general meeting the general meeting shall stand adjourned to the same day in the next week at the same time and place or to such other day and at such other place as the directors may determine at which meeting any two members present in person or by proxy or (in the case of a member being a corporation) by representative shall be a quorum; if at the adjourned general meeting a quorum is not present within half an hour from the time appointed therefor such adjourned general meeting shall be dissolved. Regulations 41 and 50 of Table A shall not apply to the Company.
- 13.3 A poll may be demanded at any general meeting by the Chairman or by any member present in person or by proxy and entitled to vote. Regulation 46 of Table A shall be altered accordingly.

VOTES OF MEMBERS

- 14.1 Regulation 54 of Table A shall not apply to the Company. Subject to any rights or restrictions for the time being attached to any class or classes of Shares, on a show of hands every member entitled to vote who (being an individual) is present in person or by proxy (not being himself a member entitled to vote) or (being a corporate body) is present by a representative or proxy (not being himself a member entitled to vote) shall have one vote and, on a poll, each member shall have one vote for each Share of which he is the holder.
- 14.2 The words "be entitled to" shall be inserted between the words "shall" and "vote" in Regulation 57 of Table A.
- 14.3 A member shall not be entitled to appoint more than one proxy to attend and vote on the same occasion and accordingly the final sentence of Regulation 59 of Table A shall not apply to the Company. Any such proxy shall be entitled to cast the votes to which he is entitled in different ways.
- 14.4 On any resolution to remove a director appointed by the "A" Ordinary Shareholders or the "B" Ordinary Shareholders pursuant to these articles or to amend or alter this Article 14.4, Shares held by the relevant appointors shall together carry at least one vote in excess of 75 per cent. of the votes exercisable at the general meeting at which such resolution is to be proposed and such votes shall be apportioned amongst the relevant shareholders in the proportion in which they hold Shares conferring the right to appoint such directors.

For the avoidance of doubt the provisions of this Article 14.4 shall not prejudice the obligations of the Majority Shareholder and the Minority Shareholder to procure the removal of directors pursuant to Article 18.

- 14.5 In the case of a corporation who holds a Share, the signature of any director or the secretary of such corporation shall be sufficient for the purposes of any resolution in writing as is referred to in Regulation 53 of Table A, and Regulation 53 of Table A shall be modified accordingly.

NUMBER OF DIRECTORS

15. Regulation 64 of Table A shall not apply to the Company. The number of directors of the Company shall not be less than two.

ALTERNATE DIRECTORS

- 16.1 An alternate director shall be entitled to receive notice of all meetings of the directors and of all meetings of committees of the directors of which his appointor is a member (subject to his giving to the Company an address within the United Kingdom at which notices may be served on him), to attend and vote at any such meeting at which the director appointing him is not personally present and generally to perform all the functions of his appointor at such meeting as a director in his absence. An alternate director shall not be entitled to receive any remuneration from the Company, save that he may be paid by the Company such part (if any) of the remuneration otherwise payable to his appointor as such appointor may by notice in writing to the Company from time to time direct. *Regulation 66 of Table A shall not apply to the Company.*
- 16.2 A director, or any such other person as is mentioned in Regulation 65 of Table A, may act as an alternate director to represent more than one director, and an alternate director shall be entitled at any meeting of the directors or of any committee of the directors to one vote for every director whom he represents in addition to his own vote (if any) as a director, but he shall count as only one for the purpose of determining whether a quorum is present and the final sentence of Regulation 88 of Table A shall not apply to the Company.
- 16.3 Save as otherwise provided in the regulations of the Company, an alternate director shall be deemed for the purposes specified in Article 16.1 to be a director and shall alone be responsible for his own acts and defaults and he shall not be deemed to be the agent of the director appointing him. Regulation 69 of Table A shall not apply to the Company.

APPOINTMENT AND RETIREMENT OF DIRECTORS

- 17.1 If and for so long as the Majority Shareholder's Group holds 80 per cent. or more of the issued Ordinary Shares then the Majority Shareholder shall have the right to appoint and remove four "A" Directors, and shall have the right to appoint (from the Board) and remove the Chairman of the Company.
- 17.2 If and for so long as the Minority Shareholder's Group holds 20,000,000 Ordinary Shares or more then the Minority Shareholder shall have the right to appoint and remove two "B" Directors. If and for so long as the Minority Shareholder's Group holds more than 10,000,000 Ordinary Shares or more (but less than 20,000,000 Ordinary Shares) then the Minority Shareholder shall have the right to appoint and remove one "B" Director. The numbers of Ordinary Shares specified in this article 17.2 shall in the event of any share split, consolidation, subdivision or other share capital reorganisation, be deemed adjusted in such manner as the auditors shall certify as fair and appropriate to reflect such transaction.

- 17.3 All such appointments and removals under this Article 17 shall be by notice in writing and shall take effect upon lodgement at the registered office of the Company.
- 17.4 The directors shall not be required to retire by rotation and Regulations 73 to 80 (inclusive) of Table A shall not apply to the Company.

DISQUALIFICATION AND REMOVAL OF DIRECTORS

18. Notwithstanding the provisions of Article 17 the office of a director shall be vacated if:
- 18.1 he ceases to be a director by virtue of any provision of the Act or these articles or he becomes prohibited by law from being a director; or
- 18.2 he becomes bankrupt or makes any arrangement or composition with his creditors generally; or
- 18.3 he is, or may be, suffering from mental disorder and either:
- (a) he is admitted to hospital in pursuance of an application for admission for treatment under the Mental Health Act 1983, or in Scotland an application for admission under the Mental Health (Scotland) Act 1960, or
 - (b) an order is made by a court having jurisdiction (whether in the United Kingdom or elsewhere) in matters concerning mental disorder for his detention or for the appointment of a receiver, curator bonis or other person to exercise powers with respect to his property or affairs; or
- 18.4 he resigns his office by notice to the Company; or
- 18.5 he shall for more than six consecutive months have been absent without permission of the directors from meetings of directors held during that period and the directors resolve that his office be vacated,

and Regulation 81 of Table A shall not apply to the Company.

DIRECTORS' GRATUITIES AND PENSIONS

19. Regulation 87 of Table A shall not apply to the Company and the directors may exercise any powers of the Company conferred by the Company's Memorandum of Association to give and provide pensions, annuities, gratuities or any other benefits whatsoever to or for past or present directors or employees (or their dependants) of the Company or any subsidiary or associated undertaking (as defined in section 27(3) of the Companies Act 1989) of the Company and the directors shall be entitled to retain any benefits received by them or any of them by reason of the exercise of any such powers.

PROCEEDINGS OF THE DIRECTORS

- 20.1 Subject to the provisions of the Act, and provided that he has disclosed to the directors the nature and extent of any interest of his, a director notwithstanding his office:
- (a) may be a party to or otherwise interested in any transaction or arrangement with the Company or in which the Company is in any way interested;
 - (b) may be a director or other officer of or employed by or be a party to any transaction or arrangement with or otherwise interested in any body corporate promoted by the Company or in which the Company is in any way interested;

- (c) may, or any firm or company of which he is a member or director may, act in a professional capacity for the Company or any body corporate in which the Company is in any way interested;
- (d) shall not by reason of his office be accountable to the Company for any benefit which he derives from such office, service or employment or from any such transaction or arrangement or from any interest in any such body corporate and no such transaction or arrangement shall be liable to be avoided on the ground of any such interest or benefit; and
- (e) shall be entitled to vote on any resolution and (whether or not he shall vote) be counted in the quorum on any matter referred to in any of Articles 20.1(a) to 20.1(d) (inclusive) or on any resolution which in any way concerns or relates to a matter in which he has, directly or indirectly, any kind of interest whatsoever and if he shall vote on any resolution as aforesaid his vote shall be counted.

20.2 For the purpose of Article 20.1:

- (a) a general notice to the directors that a director is to be regarded as having an interest of the nature and extent specified in the notice in any transaction or arrangement 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 transaction of the nature and extent so specified;
- (b) 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; and
- (c) an interest of a person who is for any purpose of the Act (excluding any statutory modification not in force when these articles were adopted) connected with a director shall be treated as an interest of the director and in relation to an alternate director an interest of his appointor shall be treated as an interest of the alternate director without prejudice to any interest which the alternate director has otherwise.

20.3 Regulations 94 to 97 (inclusive) of Table A shall not apply to the Company.

20.4 The quorum for meetings of any Board shall be two "A" Directors and one "B" Director present at the commencement and throughout the whole of the meeting PROVIDED THAT:

- (a) each Director shall be allowed to appoint an alternate in his absence;
- (b) if within half an hour from the time appointed for the meeting a quorum is not present the meeting shall stand adjourned to the same day in the next week at the same time and place. If at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting, the quorum shall be any two "A" Directors.

20.5 The directors may meet together for the dispatch of business, adjourn and otherwise regulate their meetings as they think fit. Unless at least two "A" Directors indicate their willingness to accept shorter notice of a meeting of the directors, at least seven clear days' prior notice of the time and place of each meeting of the directors shall be given. Questions arising at a meeting shall be determined by a majority of votes and in the case of an equality of votes the chairman of the meeting shall have a second or casting vote.

20.6 A director may, and the secretary on the requisition of a director shall, at any time summon a meeting of the directors. Notice of every meeting of the directors shall be given to every director in accordance with the provisions referred to in Article 23 but the non-receipt of notice by any director shall not of itself invalidate the proceedings at any meeting of the directors.

20.7 Any director including an alternate director may participate in a meeting of the directors or a committee of the directors of which he is a member by means of a conference telephone or similar communications equipment whereby all persons participating in the meeting can hear and speak to each other and any director, or alternate director or member of a committee participating in this manner shall be deemed to be present in person at such meeting and, subject to these articles and the Act, he shall be entitled to vote and 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 then is.

20.8 Regulation 88 of Table A shall be amended by substituting for the sentence:

"It shall not be necessary to give notice of a meeting to a director who is absent from the United Kingdom"

the following notice:

"Notice of every meeting of the directors shall be given to each director and his alternate director, including directors and alternate directors who may for the time being be absent from the United Kingdom and have given the Company an address within the United Kingdom for service."

The penultimate sentence of Regulation 88 of Table A shall not apply to the Company.

20.9 The words "of filling vacancies, or" shall be omitted from Regulation 90 of Table A.

THE SEAL

21. If the Company has a seal it shall only be used with the authority of the Board. The Board may determine who shall sign any instrument to which the seal is affixed and unless otherwise so determined every instrument to which the seal is affixed shall be signed by one director and by the secretary or another director. The obligation under Regulation 6 in Table A relating to the sealing of share certificates shall apply only if the Company has a seal. Regulation 101 of Table A shall not apply to the Company.

CAPITALISATION OF PROFITS

22. The words "special resolution" shall be substituted for the words "ordinary resolution" in Regulation 110 of Table A provided that for so long as there are "A" Ordinary Shares and "B" Ordinary Shares in issue, on any occasion when Shares are allotted and distributed credited as fully paid pursuant to the provisions of Regulation 110 of Table A as amended by this Article the Shares allotted to "A" Shareholders shall forthwith on allotment automatically stand designated as "A" Ordinary Shares and the Shares allotted to "B" Shareholders shall forthwith on allotment automatically stand designated as "B" Ordinary Shares.

NOTICES

23.1 In Regulation 112 of Table A, the words "first-class" shall be inserted immediately before the words "post in a prepaid envelope".

23.2 Where a notice is sent by first-class post, proof of the notice having been posted in a properly addressed prepaid envelope shall be conclusive evidence that the notice was given and shall be deemed to have been given at the expiration of 24 hours after the envelope containing the same is posted. Regulation 115 of Table A shall not apply to the Company.

23.3 If at any time by reason of the suspension or curtailment of postal services within the United Kingdom the Company is unable effectively to convene a general meeting by

notices sent through the post, a general meeting may be convened by a notice advertised in at least one national daily newspaper and such notice shall be deemed to have been duly served on all members entitled thereto at noon on the day when the advertisement appears. In any such case the Company shall send confirmatory copies of the notice by post if at least seven days prior to the meeting the posting of notices to addresses throughout the United Kingdom again becomes practicable.

WINDING UP

24. In Regulation 117 of Table A, the words "with the like sanction" shall be inserted immediately before the words "determine how the division".

INDEMNITY

- 25.1 Subject to the provisions of the Act every director (including an alternate director) or other officer of the Company shall be indemnified to the fullest extent permitted by law out of the assets of the Company against all losses or 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 in which relief is granted to him by the court, and no director (including an alternate 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 proper execution of the duties of his office or in relation thereto. This Article shall have effect only in so far as its provisions are not avoided by the Act.
- 25.2 The Board shall have power to purchase and maintain at the expense of the Company for the benefit of any director (including an alternate director), officer of the Company insurance against any liability which by virtue of any rule of law would otherwise attach to him in respect of any negligence, default, breach of duty or breach of trust of which he may be guilty of in relation to the Company.

DISSOLUTION

26. Upon the bankruptcy, dissolution or liquidation at any time of any member, unless all the members (other than that member) agree otherwise in writing within 90 days of such bankruptcy, dissolution or liquidation as aforesaid, the Company shall be dissolved and as required by section 84(1)(a) of the Insolvency Act 1986 the Company shall hold a general meeting at which the holders of all Shares entitled to vote thereat as provided herein shall be required to vote in favour of a resolution requiring the Company to be wound up voluntarily. All provisions hereof governing voting, meetings of members, meetings of directors and the like shall be subject to this Article 26.

CORPORATIONS ACTING BY REPRESENTATIVES AT MEETINGS

- 27.1 Any one of the directors or the secretary for the time being of any corporation which is a member of the Company, or any other person appointed by resolution of the directors or other governing body of such corporation, may (subject to the articles of association of that corporation) act as its representative at any meeting of the Company or any class of members of the Company and the person so authorised shall be entitled to exercise the same powers on behalf of the corporation which he represents as that corporation could exercise if it were an individual member of the Company.
- 27.2 Any one of the directors or the secretary for the time being of the Company or any other person appointed by resolution of the directors or other governing body of the Company may act as its representative at any meeting of any corporation of which the Company is a member or of any class of members of such corporation and the person so authorised

shall be entitled to exercise the same powers on behalf of the Company as the Company could exercise if it were an individual member of that corporation.