

**THE COMPANIES ACT, 2013  
(COMPANY LIMITED BY SHARES)**

**ARTICLES OF ASSOCIATION  
OF  
EMAAR MGF LAND LIMITED**

**I. CONSTITUTION OF THE COMPANY**

1. (a) Emaar MGF Land Limited is established with limited liability in accordance with the provisions of the Companies Act, 1956 and Companies Act, 2013. The regulations contained in Table F in Schedule I to the Companies Act, 2013, shall not be applicable to the Company and are expressly excluded.
- (b) The Company is a public company within the meaning of section 2(71) of the Companies Act, 2013.
2. These Articles are divided into the following four (4) parts:
  - (a) Part A (being Article 3 to Article 87) sets out the general provisions for the operation and management of the Company and shall be applicable at all times. The provisions of Part A of the Articles shall not be automatically modified on the Demerger Completion Date and shall continue to apply at all times including prior to, and post, the Demerger Completion Date.
  - (b) Part B (being Article 88 to Article 103) sets out the provisions for the operation and management of the Company from the period commencing on the Progress Approval Date and until the Demerger Completion Date. Part B of the Articles shall cease to have effect, upon the Demerger Completion Date. For avoidance of doubt, the operation of Part B of the Articles and Part C of the Articles shall be mutually exclusive and upon the Demerger Completion Date, Part B of the Articles shall not be applicable.
  - (c) Part C (being Article 104 to Article 119) sets out the provisions for the operation and management of the Company upon the Demerger Completion Date and shall continue until otherwise amended in accordance with the Companies Act. Part C of the Articles shall only come into effect upon the Demerger Completion Date. For avoidance of doubt, the operation of Part B of the Articles and Part C of the Articles shall be mutually exclusive and, for the period between the Progress Approval Date and until the Demerger Completion Date, Part C of the Articles shall not be applicable.
  - (d) Part D (being Article 120 to Article 146) sets out the general provisions for the Convertible Debentures (as defined in Part D) issued to the Investor (as defined in Part D) and shall be applicable at all times. The provisions of Part D of the Articles shall not be automatically modified on the Demerger Completion Date and shall continue to apply, at all times including prior to, and post, the Demerger Completion Date.

**PART A**

PART A OF THESE ARTICLES SET OUT THE GENERAL PROVISIONS FOR THE OPERATION AND MANAGEMENT OF THE COMPANY AND SHALL BE APPLICABLE AT ALL TIMES. THE PROVISIONS OF PART A OF THE ARTICLES SHALL NOT BE AUTOMATICALLY MODIFIED ON THE DEMERGER COMPLETION DATE AND SHALL CONTINUE TO APPLY AT ALL TIMES INCLUDING PRIOR TO, AND POST, THE DEMERGER COMPLETION DATE.

## II. INTERPRETATION

3. (a) In the interpretation of the Articles, the following words and expressions shall have the following meanings, unless repugnant to the subject or context.

**"Agreed Form"** shall mean the format agreed to between EMAAR, Resulting Company Group and the Company;

**"AM Agreement"** shall mean the Assistance and Management Agreement dated April 13, 2016 executed between EMAAR, Resulting Company Group and the Company;

**"Amended and Restated JVA"** shall mean the Amended and Restated JVA dated April 14, 2016 executed between EMAAR, Resulting Company Group and the Company;

**"Applicable Law"** shall mean all statutes, enactments, acts of legislature of a State or Parliament, ordinances, rules, bye-laws, decree, governmental approval, regulations, notifications, guidelines, policies, directions, directives and orders, requirement or other governmental restrictions in effect in India or any similar form of decision of, or determination by, or any interpretation, policy or administration, in each case having the force of law in India, any Indian government authority, statutory authority, tribunal, board, court having jurisdiction over the matter in question in India, whether in effect as of the Agreement Date or thereafter;

**"Articles"** shall mean these articles of association, as amended or modified from time to time;

**"Beneficial Owner"** shall mean a beneficial owner as defined under section 2(1)(a) of the Depositories Act;

**"Board"** shall mean the board of directors of the Company;

**"Category B Demerged Assets"** shall mean the development rights in relation to land parcels set out in Serial Number 1 to Serial Number 2 of Part 3(a)(i) of Annexure 3; Serial Number E(1) of Part 3(b)(i) of Annexure 3; Serial Number 341 to Serial Number 347 (both inclusive), Serial Number 366 to Serial Number 367, Serial Number 435 to Serial Number 883 (both inclusive) of Part 3(b)(ii) of Annexure 3; Serial Number 8 to Serial Number 10 (both inclusive), Serial Number 20 to Serial Number 21 of Part 3c of Annexure 3; Serial Number 16 to Serial Number 23 (both inclusive), Serial Number 5 to Serial Number 6 of Part 3d of Annexure 3 and Serial Number 32 to Serial Number 87 (both inclusive) of Part 3e of Annexure 3 of the Framework Agreement.

**"CEO"** shall mean the Chief Executive Officer of the Company;

**"CFO"** shall mean the Chief Financial Officer of the Company;

**"Chairman"** shall mean the chairman of the Board of Directors of the Company, who shall always be one of the Emaar Directors;

**"Companies Act"** shall mean and include the Companies Act, 2013 and any statutory modification thereof for the time being in force;

**"Company"** shall mean **Emaar MGF Land Limited** established as aforesaid;

**"Company Secretary"** shall mean the company secretary of the Company;

**"Coniza"** shall mean Coniza Promoters Private Limited, incorporated under the laws of India and having its office at MGF House, 17B Asaf Ali Road, New Delhi – 110 001;

**"Debenture(s)"** includes debenture stock, bonds or any other instrument of the Company evidencing a debt, whether constituting a charge on the assets of the Company or not;

**"Demerged Assets"** shall have the meaning ascribed to the same in the Framework Agreement;

**"Demerged Assets Committee"** shall have the meaning ascribed to the same in the Framework Agreement;

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**"Demerged Undertaking"** shall have the meaning ascribed to the same in the Framework Agreement;

**"Demerger Completion Date"** shall have the meaning ascribed to the same in the Framework Agreement;

**"Depositories Act"** shall mean and include the Depositories Act, 1996, or any statutory modification or re-enactment thereof for the time being in force;

**"Depository"** shall mean a depository as defined under section 2(1)(e) of the Depositories Act;

**"Director"** shall mean a director appointed to the Board of the Company and includes their duly appointed alternates and/or any additional directors appointed by the Board;

**"Dividend"** shall mean dividend as declared by the Company from time to time, pursuant to the provisions of the Act and shall include interim dividend;

**"Document"** shall include summons, notice, requisition, order, declaration, form and register, whether issued, sent or kept in pursuance of the Companies Act or under any other law for the time being in force or otherwise, maintained on paper or in electronic form;

**"EMAAR"** shall mean collectively Emaar Properties, Emaar Holding and Kallarister;

**"Emaar Holding"** shall mean Emaar Holdings II, a company incorporated under the laws of Mauritius and having its office at c/o CIM Corporate Services Ltd, Les Cascades, Edith Cavell Street, Port Louis, Mauritius and being a Member of the Emaar Group;

**"Emaar Properties"** shall mean Emaar Properties PJSC, incorporated under the laws of the Emirate of Dubai, United Arab Emirates whose principal place of business is at Building 3, Emaar Square, Downtown Dubai, P.O. Box 9440, Dubai, UAE and being a Member of the Emaar Group;

**"Equity Shares"** or **"Ordinary Shares"** shall mean the equity shares of the Company with a face value of Rupees Ten (INR 10) each, in the paid up share capital of the Company;

**"Financial Year"** shall mean 1<sup>st</sup> April to 31<sup>st</sup> March, unless the Shareholders decide otherwise;

**"Framework Agreement"** shall mean the Demerger Framework Agreement dated April 13, 2016 executed between EMAAR, Resulting Company Group and the Company;

**"General Meeting"** shall mean and include any meeting of the Members of the Company whether an annual General Meeting of the Members held each year or an extraordinary General Meeting, and shall, for avoidance of doubt, include any adjourned General Meeting of the Members;

**"Independent Director(s)"** shall have the meaning ascribed to it in the Companies Act;

**"INR" or "Rupees"** shall mean the lawful currency of India;

**"Joint Holding Company"** shall have the meaning ascribed to the same in the AM Agreement;

**"Joint Land Owning Companies"** shall have the meaning ascribed to the same in the AM Agreement;

**"Kallarister"** shall mean Kallarister Trading Limited, a company incorporated under the laws of Cyprus and having its office at 70, Michail Georgiou, Athienou, P.C.7600, Larnaca, Cyprus and being a Member of the Emaar Group;

**"Key Managerial Personnel"** shall have the meaning as defined in the Companies Act;

**"Loupen"** shall mean Loupen Services Limited, a company incorporated under the laws of Cyprus and having its office at 29A Annis Komninis, P.C. 1061, Nicosia, Cyprus;

**"Material Matters"** has the meaning as defined in Article 48;

**"MGF"** shall mean, collectively SG, SHG, MGFD and Coniza.

**"Member of the Emaar Group"** shall mean Emaar Properties and any company of which more than 50% (fifty percent) of the equity voting capital is owned or controlled, directly or indirectly, by Emaar Properties;

**"Member of the MGF Group"** shall mean MGFD and any company of which more than 50% (fifty percent) of the equity voting capital is owned or controlled, directly or indirectly, by SG and/or SHG;

**"Memorandum of Association" or "Memorandum"** shall mean the memorandum of association of the Company as amended or modified from time to time;

**"MGFD" or "Resulting Company"** shall mean MGF Developments Limited, a company incorporated under the Companies Act, 1956, and having its registered office at MGF House, 17B Asaf Ali Road, New Delhi-110 002 and being a Member of the MGF Group;

**"Progress Approval Date"** shall have the meaning ascribed to the same in the AM Agreement;

**"Proxy"** shall have the meaning as defined in the Companies Act;

**"Registrar of Companies"** shall mean the Registrar of Companies of the state in which the registered office of the Company is for the time being situated;

**"Remaining Assets"** shall have the meaning ascribed to the same in the Framework Agreement;

**"Resulting Company Group"** shall mean MGFD, SG, SHG, Coniza, Loupen, Snelvor and Yulita referred collectively;

**"Rules"** shall mean any rule made pursuant to section 469 of the Companies Act or such other provisions pursuant to which the Central Government is empowered to make rules, and shall include such rules as may be amended from time to time;

**"Ordinary Resolution"** and **"Special Resolution"** shall have the meanings assigned to these terms by section 114 of the Companies Act;

**"Securities"** shall mean the securities as defined in section 2(h) of the Securities Contracts (Regulation) Act, 1956;

**"Snelvor"** shall mean Snelvor Holding Limited, a company incorporated under the laws of Cyprus and having its office at 70, Michail Georgiou, Athienou, P.C.7600, Larnaca, Cyprus;

**"SG"** shall mean Mr. Shravan Gupta, being the son of Mr. Rajiv Gupta and presently residing at 44A, Amrita Shergil Marg, New Delhi – 110 003, India;

**"SHG"** shall mean Ms. Shilpa Gupta, being the wife of SG and presently residing at 44A, Amrita Shergil Marg, New Delhi – 110 003, India;

**"Shareholders"** or **"Members"** or **"Ordinary Shareholder"** shall mean the registered holders of the Equity Shares of the Company and include a Beneficial Owner of shares in the records of any Depository of the Company;

**"Subsidiary"** or **"Subsidiaries"** shall mean the subsidiary or the subsidiaries of the Company;

**"US Dollars"** or **"US\$"** shall mean the United States Dollars, being lawful currency of the United States of America; and

**"Yulita"** shall mean Yulita Consultants Limited, a company incorporated under the laws of Cyprus and having its office at 29A Annis Komninis, P.C. 1061, Nicosia, Cyprus.

4. The Company shall, on being so required by a Member, send to him within seven (7) days of the requirement and subject to the payment of a fee of Rupees One Hundred (INR 100) or such other fee as may be specified in the Rules for each copy of the Documents specified in section 17 of the Companies Act.

### III. SHARE CAPITAL

#### Division of Share Capital

5. The authorised share capital of the Company shall be as specified from time to time in the Memorandum. The share capital of the Company shall comprise Equity Shares and/or preference share of such amount as may be determined by the Company from time to time. Subject to Article 102 and Article 103 in Part B (for the period Part B is applicable), the Company may, from time to time, by Ordinary Resolution increase the share capital by such sum, to be divided into shares of such amount, as may be specified in the resolution. Subject to the provisions of section 61 of the Companies Act, the Company may, by Ordinary Resolution, (a) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares; (b) sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the Memorandum; and (c) cancel any shares which have not been taken or agreed to be taken by any person. If the share capital of the Company is divided into shares of different classes, the rights of any such class may be varied, modified, affected, extended, abrogated or surrendered as provided by the Companies Act or by the Articles of Association or by the terms of issue, but not further or otherwise.

6. The provisions of sections 43 and 47 of the Companies Act shall be observed by the Company, as may be applicable.

(i) **Issue of Securities**

7. (i) Subject to compliance with other provisions of these Articles including Part B (for the period Part B is applicable), where at any time, the Company proposes to increase its subscribed capital by the issue of further shares, such further shares shall be offered:

(A) to the persons who, at the date of the offer, are holders of the Equity Shares of the Company, in proportion as nearly as circumstances admit to the paid up share capital on those shares by sending a letter of offer subject to the following conditions, namely:

- (a) the offer shall be made by notice specifying the number of shares offered and limiting a time not being less than fifteen (15) days and not exceeding thirty (30) days from the date of the offer within which the offer, if not accepted, shall be deemed to have been declined;
- (b) the offer aforesaid shall be deemed to include a right exercisable by the person concerned (including a power of attorney holder) to renounce the shares offered to him or any of them in favour of any other person, which right may be exercised through a power of attorney holder; and the notice referred to in Article 7(A)(a) shall contain a statement of this right;
- (c) after the expiry of the time specified in the notice aforesaid, or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the shares offered, the Board of Directors may dispose of them in such manner which is not disadvantageous to the Shareholders and the Company;

(B) to employees under a scheme of employees' stock option, subject to Special Resolution passed by the Company and subject to such conditions as prescribed under the Companies Act and Rules made there under;

(C) to any persons, if it is authorised by a Special Resolution, whether or not those persons include the persons referred to in (A) or (B), either for cash or for a consideration other than cash, if the price of such shares is determined by the valuation report of a registered valuer subject to the provisions of the Companies Act and Rules made there under.

- (ii) Subject to provisions of the Companies Act, the Company shall have the power to issue preference shares on the terms that they are to be redeemed on such terms and in such manner as the Company may, by Special Resolution, before the issue of shares determine.

- (iii) The Company, subject to necessary approvals and applicable provisions of the Companies Act and these Articles, shall have the power to issue convertible or non-convertible Debentures, whether secured or unsecured.

- (iv) The Company may, subject to compliance of the provisions of the Companies Act and Rules made thereunder, make private placement of securities through issue of a private placement offer letter.

- (v) The right to issue further shares provided in this Article, shall include a right to the Company, to issue any instrument, including global depositary receipt.
  - (vi) Any Security may be issued by the Company in compliance with the Companies Act at a discount, premium or otherwise and may be issued by the Company on condition that they shall be converted into shares of any denomination and with privileges and conditions with respect to redemption, surrender, drawing, allotment of shares, attending (but not voting) at General Meetings and appointment of Directors and otherwise Securities with the right of conversion into or allotment of shares shall be issued only with the consent of the Company in a General Meeting.
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- (vii) If, after the Demerger Completion Date, the Company proposes to increase the subscribed capital of the Company by allotment of further shares, then the notice or letter of offer shall be sent to any person/entity, who has been nominated by a power of attorney to accept such notices. In this regard, SHG has nominated Mr. Amit Jain and/or Mr. Ashish Kabra and/or Mr. Amit Khandelwal and/or Mr. Daksh Ahluwalia, SG has nominated Mr. Amit Jain and/or Mr. Ashish Kabra and/or Mr. Amit Khandelwal and/or Mr. Daksh Ahluwalia, MGFD has nominated Mr. Amit Jain and/or Mr. Ashish Kabra and/or Mr. Amit Khandelwal and/or Mr. Daksh Ahluwalia, Coniza has nominated Mr. Amit Jain and/or Mr. Ashish Kabra and/or Mr. Amit Khandelwal and/or Mr. Daksh Ahluwalia, Loupen has nominated Ms. Susan George and/or Mr. Sunil Grover and/or Mr. Amit Jain and/or Mr. Ayman Hamdy, Snelvor has nominated Ms. Susan George and/or Mr. Sunil Grover and/or Mr. Amit Jain and/or Mr. Ayman Hamdy and Yulita has nominated Ms. Susan George and/or Mr. Sunil Grover and/or Mr. Amit Jain and/or Mr. Ayman Hamdy to receive or accept such notices and renounce the shares offered pursuant to the proposed increase in the subscribed capital of the Company.

#### **Reduction of Share Capital**

- 8. Subject to the Companies Act and these Articles, the Company may, reduce in any manner and with, and subject to, consent required by the Companies Act (a) its share capital; (b) any capital redemption reserve account; and (c) any share premium account.

#### **Power to Buy Back its own Securities**

- 9. The Company shall have the power to buyback any of its own Equity Shares and/or other Securities, subject to and in accordance with the provisions of the Companies Act.

#### **Dematerialization**

- 10. Subject to provisions of Applicable Law, the Company shall be entitled to dematerialize its Securities and to its offer Securities in a dematerialized form.
- 11. Subject to the provisions of Applicable Law, the Company shall on a request made by a beneficial owner, re-materialize the Securities, which are in dematerialized form.
- 12. Every person subscribing to the Securities offered by the Company shall have the option to receive share certificates or to hold the Securities with a Depository. Such a person who is the Beneficial Owner of such Securities can at any time opt out of a Depository, if permitted by Applicable Law, in respect of any Securities in the manner provided by the Depositories Act and the Company shall in the manner and within the time prescribed, issue to the Beneficial Owner the required share certificate. If a person opts to hold his Securities with a Depository, the Company shall intimate to such Depository the details of allotment of the share, and upon receipt of the information, the Depository shall enter in its record the name of the allottee as the Beneficial Owner of the share.

13. All Securities held by a Depository shall be dematerialized and shall be in a fungible form.
14. Notwithstanding anything in the Companies Act or these Articles to the contrary, where Securities are held in a Depository, the records of the beneficial ownership may be served by such Depository on the Company by means of electronic mode or by delivery of floppies or disks or any other mode as prescribed by Applicable Law from time to time.
15. Nothing contained in the Companies Act or these Articles regarding the necessity to have distinctive numbers for securities issued by the Company shall apply to securities held with a Depository.

#### **IV. TRANSFER AND TRANSMISSION OF SHARES**

16. Subject to the provisions of the Companies Act, no transfer of shares shall be registered unless a proper instrument of transfer duly stamped and executed in writing by or on behalf of the transferor and by or on behalf of the transferee shall have been delivered to the Company together with the share certificate or, if no such share certificate is in existence, the letter of allotment of such shares. Such instrument of transfer shall specify the name, address and occupation (if any) both of the transferor and of the transferee, and the transferor shall be deemed to remain the Member in respect of such shares until the name of the transferee shall have been entered in the register of members in respect thereof. Each signature to such transfer shall be duly attested by the signature of one (1) credible witness who shall add thereto his address and occupation.
17. Every instrument of transfer of shares shall be in the prescribed form and in accordance with section 56 of the Companies Act and Rules made thereunder.
18. Until the earlier of (a) 2<sup>nd</sup> anniversary of the Progress Approval Date; or (b) the date after the Demerger Completion Date, on which EMAAR owns 86% of the Company, no person or entity of the Resulting Company Group shall transfer, sell, assign, renounce or otherwise create or dispose of any interest (including a security interest) or agree to transfer, sell, assign, renounce or otherwise create or dispose of any interest (including a security interest) in or over any of its shares or convertible instruments in the Company, except a transfer of such shares by Resulting Company Group to Emaar Properties or an entity nominated by Emaar Properties. In case Resulting Company Group desires to transfer, sell, assign, renounce or otherwise create or dispose of its shares or any interest in the Company to Emaar Properties or an entity nominated by Emaar Properties, the transfer or sale (as aforesaid) shall be at a price determined by a valuer jointly appointed by Emaar Properties and SG. Nothing contained in this Article 18 shall apply to the transfer of shares of the Company from one Member of the MGF Group to another Member of the MGF Group, provided that if subsequent to such transfer, such transferee ceases to be a Member of the MGF Group then, prior to ceasing to be a Member of the MGF Group, such transferee shall transfer all or any of its rights or benefits to a Member of the MGF Group. Any transferee which is not a signatory to the Amended and Restated JVA will, prior to the transfer, enter into a deed of adherence in the Agreed Form.
19. Until the earlier of (a) 2<sup>nd</sup> anniversary of the Progress Approval Date; or (b) the date after the Demerger Completion Date, on which EMAAR owns 86% (eighty six percent) of the Company, EMAAR shall not transfer, sell, assign, renounce or otherwise create or dispose of any interest (including a security interest) or agree to transfer, sell, assign, renounce or otherwise create or dispose of any interest (including a security interest) in or over any of its shares or convertible instruments in the Company, except a transfer of such shares by EMAAR to Resulting Company Group. In case EMAAR desires to transfer, sell, assign, renounce or otherwise create or dispose of its shares or any interest in the Company to Resulting Company Group, the transfer or sale (as aforesaid) shall be at a price determined by a valuer jointly appointed by Emaar Properties and SG. Nothing contained in this Article 19 shall apply to the transfer of shares or convertible



instruments of the Company from one Member of the Emaar Group to another Member of the Emaar Group, provided that if subsequent to such transfer, such transferee ceases to be a Member of the Emaar Group then, prior to ceasing to be a Member of the Emaar Group, such transferee shall transfer all or any of its rights or benefits to a Member of the Emaar Group. Any transferee which is not a signatory to the Restated and Amended Joint Venture Agreement will, prior to the transfer, enter into a deed of adherence in the Agreed Form.

20. If, in accordance with Article 18 above, the Resulting Company Group proposes to transfer, sell, assign, renounce or otherwise create or dispose of any interest (including a security interest) or agree to transfer, sell, assign, renounce or otherwise create or dispose of any interest (including a security interest) in or over any of its shares or convertible instruments in the Company, such transfer, sale, assignment, renunciation or otherwise creation of, or dispose of, any interest (including a security interest) or agreement to do so will be subject to the proposed transferee first executing a deed of adherence in the Agreed Form, agreeing without limitation to be bound by the terms and conditions of the Amended and Restated JVA and the terms and conditions of all the indemnity obligations of the Resulting Company Group. If the transferee has not executed such deed of adherence in the Agreed Form, any transfer of shares by any person or entity of the Resulting Company Group shall be void.

#### **V. GENERAL MEETINGS**

21. The Company shall, in addition to any other meetings which are hereinafter referred to as "extraordinary General Meeting", hold a General Meeting which shall be styled its annual general meeting at the intervals and in accordance with the provisions of the Companies Act.
22. The Board may, whenever they think fit, convene an extraordinary General Meeting, and such meetings shall be convened on such requisition or in default may be convened by such requisitionists as provided by the Companies Act.
23. Subject to the provisions of the Companies Act regarding shorter notice, prior written notice of at least clear twenty one (21) days (exclusive of the day on which the notice is served or deemed to be served, but inclusive of the day for which such notice is given) for convening a General Meeting shall be given to every person required by the Companies Act. Every notice (including the shorter notice) shall be accompanied by the agenda setting out the particular business proposed to be transacted at such meeting. The notice convening a General Meeting shall be given either in writing or through electronic mode in the manner prescribed under the Companies Act.
24. Every notice of a General Meeting shall specify the place, date, day and time of the General Meeting and shall comply with the requirements of the Companies Act.

#### **VI. PROCEEDINGS AT GENERAL MEETINGS AND ADJOURNMENT THEREOF**

25. The Chairman of the Board shall, if present and willing, be entitled to take the chair at every General Meeting, whether annual or extraordinary, but if there be no such Chairman or in case of his being present or being unwilling or failing to take the chair within sixty (60) minutes of the time appointed for holding such meeting, the Members present shall choose another Member as Chairman of the General Meeting, provided that such Member shall at all times be a Member of the Emaar Group or an authorized representative of the Member of the Emaar Group.
26. The Chairman may, with the consent of a majority of the Members personally present at any General Meeting, adjourn such meeting from time to time and from place to place in the city, town or village where the registered office of the Company is situated but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. A resolution passed at an adjourned General Meeting of the Company shall be treated as having been passed on the date on which it was in fact passed and shall not be deemed to have been passed on any earlier date.

27. Whenever any General Meeting is adjourned for thirty (30) days or more, notice of such adjourned meeting shall be given as in the case of an original General Meeting.
28. At any General Meeting, a resolution put to vote at the meeting shall be decided on a show of hands, provided that if the resolution is not unanimously passed by the Members, then such resolution shall be put to vote by way of a poll in terms of section 109 of the Companies Act, 2013. Such voting in a General Meeting or by postal ballot shall also include electronic voting in a General Meeting or postal ballot as permitted by Applicable Law from time to time.
29. In case of an equality of votes, the Chairman shall have a second or casting vote.

## **VII. VOTING RIGHTS AND PROXY**

30. A Member being a body corporate (whether a company within the meaning of the Companies Act or not) may by resolution of its Board of Directors or other governing body authorise such persons as it thinks fit to act as its representative at any meeting of the Company or if so thought fit, for all the meetings of the Company or at any meeting of any class of Members of the Company. A person authorised by resolution as aforesaid shall be entitled to exercise the same rights and powers (including the right to vote by Proxy) on behalf of the body corporate which he represents as that body could exercise if it were a member, creditor or holder of Debentures of the Company.
31. The poll shall be taken in such manner as the Chairman directs and the results of the poll shall be deemed to be the decision of the meeting on the resolution in respect of which the poll was demanded.
32. Subject to Article 103 (iii) and Article 103 (iv) (for the period Part B is applicable) each Shareholder or its Proxy or other person entitled to vote for such Shareholder shall have voting rights in proportion to its share of the paid-up equity share capital. A Shareholder having more than one (1) vote, or its Proxy or other person entitled to vote for such Shareholder need not vote all its votes in the same way. Subject to Article 103 (iii) and Article 103 (iv) (for the period Part B is applicable) a Member may exercise his/its vote, in respect of items of business to be transacted for which notice is issued, by electronic means in accordance with Section 108 of the Companies Act, and shall vote only once.
33. Any Member entitled to attend and vote at a General Meeting of the Company shall be entitled to appoint another person (whether a member or not) as his Proxy to attend and vote instead of himself but a Proxy so appointed shall not have any right to speak at a General Meeting and shall not be entitled to vote, except on a poll. If any such instrument of appointment be confined to the objects of appointing an attorney or Proxy or substitute, it shall remain, permanent or for such time as the Directors may determine in the custody of the Company and if embracing other objects, a copy thereof, examined with the original shall be delivered to the Company to remain in the custody of Company. The instrument appointing a Proxy whether for a specified meeting or otherwise shall be in form as prescribed in the Rules.
34. The Chairman of any General Meeting shall be the sole judge of the validity of every vote tendered at such General Meeting and the Chairman present at the taking of a poll shall be the sole judge of the validity of every vote tendered at such poll. The Chairman shall be assisted by a scrutinizer, appointed by the Board for this purpose.

## **VIII. DIVIDENDS**

35. The Company may declare a Dividend to be paid to the Members according to their respective rights and interests in the profits, and may fix the time for the payment thereof, in each case to the extent and in the manner prescribed by the Companies Act.

36. No larger Dividend shall be declared than is recommended by the Board, but the Company in a General Meeting may declare a Dividend less than the Dividend recommended by the Board.
37. No Dividend shall be declared or paid by the Company except out of the distributable profits of the Company for the year/period or any other undistributed profits and no dividend shall carry interest as against the Company.
38. The profits of the Company available for distribution (after a minimum statutory transfer to the reserves), shall be applied for payment of Dividend on the Ordinary Shares provided that unless the Board otherwise determines, all Dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid up on the Ordinary Shares. No Dividend shall be payable on any shares that are not registered.
39. The Board may resolve from time to time to pay the Ordinary Shareholders interim Dividends.
40. A transfer of shares shall not pass the rights to any Dividend declared thereon, before the registration of the transfer takes effect and the shares are registered in the name of the transferee.

#### **IX. ACCOUNTS AND AUDITORS**

41. The Directors shall keep or cause to be kept at the registered office of the Company or at such place in India as the Board thinks fit proper books of accounts in respect of:
  - (i) all sums of money received and expended by the Company, and the matters in respect of which the receipt and expenditure take place;
  - (ii) all sales and purchase of goods by the Company;
  - (iii) the assets and liabilities of the Company; and
  - (iv) the items of cost, if any, as specified in the relevant Rules.
42. Proper books of account shall also be kept at each branch office of the Company, whether in or outside India, relating to the transactions of that branch office and proper summarised returns made up to date at intervals of not more than three (3) months shall be sent by each branch office to the Company at its registered office of the Company or the other place referred to in Article 41 hereof.
43. The books of account referred to in Article 41 and Article 42 shall be such books as are necessary to give a true and fair view of the state of affairs of the Company or such branch office and to explain its transaction.
44. The books of accounts and other books and papers shall be open to inspection by any Directors during business hours.
45. The Company shall appoint auditors for the Company who shall, at the end of each Financial Year and at such other times as are considered necessary by the Company, audit the accounts and records of the Company at the expense of the Company.
46. The Directors shall make out and attach to every balance sheet laid before the Company in General Meeting a report of the Board of Directors which shall comply with the requirements of and shall be signed in the manner provided by section 134 of the Companies Act.

**X. BOARD OF DIRECTORS, THEIR QUALIFICATION AND REMUNERATION**

47. EMAAR is entitled at all times to nominate for appointment the Chairman. H.E. Mohamed Ali Rashed Alabbar, being a nominee of EMAAR, shall be the Chairman of the Company.

48. Grant of power and authority over Material Matters:

(a) The Chairman shall have the power to decide on the following matters ("**Material Matters**") subject to any ratification or approvals (if any) required by the Board or the Shareholders of the Company.

- 
- (i) The entering into of any material contract outside the ordinary course of the business of the Company or whereby any person would or might receive any remuneration calculated by reference to its income or profits. The material contracts used in this sub-article means any construction contract exceeding US Dollars Twenty Million (US\$20,000,000), or any contract involving the purchase and/or disposal of assets exceeding US Dollars Five Million (US\$5,000,000) for any other transaction, including a single transaction or series of related transactions.
  - (ii) The appointment or removal of key personnel (excluding the CEO, CFO and the Managing Director) of the Company.
  - (iii) The entering into, termination or variation of any contract or arrangement by the Company with any company which is a member of either the EMAAR or the Resulting Company Group.
  - (iv) Any material change in the nature of the Company's business as being carried on or the commencement of any new business not being ancillary or incidental to such business.
  - (v) The entering into of any transaction or series of related transactions (whether at one time or over a period of time) involving the incurring of any capital expenditure or the disposal of any capital asset or assets which involves a total outlay or receipt of more than US Dollars Five Million (US\$5,000,000) (or such other sum as the Shareholders of the Company may from time to time agree in writing).
  - (vi) The incurring of any expense or expenses in excess of US Dollars Three Million (US\$ 3,000,000), excluding any statutory payments and construction contracts.
  - (vii) Appointment of any person (whether as an additional director, secretary, consultant, other key personnel or employee) upon a contract of employment if the total cost payable shall be more than the equivalent of US Dollars Three Hundred Thousand (US\$300,000) in any currency, excluding architects and town planners.
  - (viii) The borrowing or lending or repayment of funds or changes in banking arrangements or other facilities in excess of US Dollars Fifteen Million (US\$15,000,000).
  - (ix) Any acquisition or investment into another company or business outside the normal course of business.
  - (x) The creating or allowing subsisting mortgage, charge, encumbrance or other security interest over any of the undertaking, property and/or assets of the Company outside the normal course of business.

- (xi) The Company entering into any joint venture with any person or merging or amalgamating with any person.
  - (xii) The making of any claim, disclaimer, surrender, election or consent of a material nature for tax purposes.
  - (xiii) The incurring of any material marketing or research expenditure otherwise than in accordance with the marketing or research budget agreed to by the Shareholders of the Company for the year in question.
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- (xiv) Approving the business plan and/or budget of the Company and any amendments or variations thereof.
  - (xv) Disposal of any Subsidiary of the Company holding land or asset or any other source of income exceeding a value of US Dollars Two Million (US\$2,000,000).
  - (xvi) Acquisition and/or disposal of any land exceeding a value of US Dollars Two Million (US\$2,000,000). For the avoidance of doubt, the entering into of a joint development agreement to develop property or the acquisition and/or disposal of any companies (or their respective Subsidiaries) involved in real estate.
  - (xvii) Granting any lease or sell or otherwise dispose of its freehold or leasehold property or any substantial part of such property or a substantial interest in any such property otherwise than as per the business plan of the Company.
  - (xviii) Entering into any contract not in the ordinary course of business. Such contracts should be approved by the Board, including any contract which is not on arm's length basis.
  - (xix) Giving any guarantee or indemnity or security to secure the liabilities or obligations of any other person or provide any credit (other than normal trade credit) in excess of US Dollars Two Million (US\$2,000,000) (or its equivalent thereof).
  - (xx) Any expansion of the marketing territory of the Company beyond India.
  - (xxi) The purchase by the Company of the shares or other securities, stock, Debentures of any other company.
  - (xxii) The admission of liability by the Company involving a dispute in excess of US Dollars Two Million (US\$2,000,000) (other than a claim against a member of the EMAAR or a member of the Resulting Company Group).
  - (xxiii) Any repayment by the Company of any loan made by a member of the EMAAR or the Resulting Company Group to the Company.
  - (xxiv) Lending of amount or advances in excess of US Dollars Two Million (US\$2,000,000), save for any lending or advances to fully owned entities of the Company.
- (b) Accordingly, in a meeting where any of the Material Matters is to be considered, the quorum for the transaction of business at any such meeting of the Board shall comprise of at least three (3) Emaar Directors (or their respective alternates), and one (1) Independent Director. Where there is no quorum present at such meeting, the meeting shall be adjourned seven (7) days thereafter at the same time and place and the quorum

at such adjourned meeting shall be at least three (3) Emaar Directors. Without prejudice to any other Article, the Resulting Company Group undertakes to exercise and procure that the MGF Directors act and, where necessary, vote in unison with Emaar Directors on the Board in respect of the Material Matters in relation to the Remaining Assets.

- (c) In the event that the Chairman, is permitted under Applicable Law to decide on any Material Matter without the requirement of approval from the Board or the Shareholders of the Company, such decision of the Chairman, may be made at his/her sole discretion and shall be binding on the Company.
- (d) In the event that a proposed decision of the Chairman, on a Material Matter, requires prior approval of the Board, EMAAR and the Resulting Company Group shall cause a meeting of the Board to be convened within seven (7) days of issue of notice by the Chairman, the Company Secretary or the Chairman of the Board of Directors in this regard.
- (e) The rights, power and authority over the Material Matters shall be exercised by the Chairman and may shall be delegated to any other person/authority and shall always be subject to Applicable Law.
- (f) A Material Matter shall only be carried out with the express consent of the Chairman and accordingly, save with his express consent, the Company shall not undertake any Material Matter.

Entire Article 48 shall be subject to Article 90, Article 100 (c), Article 100 (e), Article 102, Article 103 (iv), Article 103(v) (for the period Part B is applicable), and Article 117, Article 119 (iii) (for the period Part C is applicable).

- 49. No Director of the Company will be required to hold any qualification shares.
- 50. A Director shall be entitled to resign from the office of Director through a notice in writing with effect from such date as such Director may specify while so resigning.
- 51. The Directors shall arrange to maintain at the registered office of the Company a register of Directors, Key Managerial Personnel, containing the particulars and in the form prescribed by section 170 of the Companies Act. It shall be the duty of every Director and other persons regarding whom particulars have to be maintained in such Registers to disclose to the Company any matters relating to himself as may be necessary to comply with the provisions of the Companies Act.
- 52. A Director may receive remuneration by way of fee not exceeding such amount as may be permissible under the Rules for attending each meeting of the Board or committee thereof; or of any other purpose whatsoever as may be decided by the Board.
- 53. Members of the Board (including the Chairman) shall serve without salary or remuneration but will be reimbursed for expenses in the services of the Company in amounts to be fixed by the Board.
- 54. The Board of Directors may allow and pay to any Director fair compensation for his travelling and other expenses incurred in connection with the business of the Company including attendance at meeting of the Board or committee thereof.

#### **XI. APPOINTMENT AND ROTATION OF DIRECTORS**

- 55. In compliance with the provisions of the Companies Act, the Company shall appoint such number of Independent Directors as it may deem fit, for a term specified in the resolution appointing him.

56. Subject to the Companies Act, an Independent Director may be appointed to hold office for a term of up to five (5) consecutive years on the Board of the Company and shall be eligible for re-appointment on passing of Special Resolution and such other compliances as may be required in this regard. No Independent Director shall hold office for more than two (2) consecutive terms. The provisions relating to retirement of Directors by rotation shall not be applicable to appointment of Independent Directors.
57. Subject to Articles 59, 60, 61 and 89 (for the period Part B is applicable) the remaining Directors of the Company shall also be appointed by the Company in General Meeting except to the extent that the Articles otherwise provide or permit. Not less than two-thirds of the total number of Directors of the Company shall:
- (i) be persons whose period of office is liable to determination by retirement of Directors by rotation; and
  - (ii) save as otherwise expressly provided in the Companies Act; be appointed by the Company in General Meeting.
58. Subject to Article 89 (for the period Part B is applicable), the Company may by an Ordinary Resolution remove any Director (not being a Director appointed by the Tribunal in pursuance of section 242 of the Companies Act) in accordance with the provisions of section 169 of the Companies Act. A Director so removed shall not be re-appointed as a Director by the Board of Directors.
59. Subject to Article 89 (for the period Part B is applicable), the Board shall have power at any time and from time to time, to appoint any person other than a person who fails to get appointed as a Director in a General Meeting, as an additional director at any time. Each such additional director shall hold office only up to the date of the next following annual General Meeting, or the last date on which the annual General Meeting should have been held, whichever is earlier, but shall be eligible for appointment by the Company at that meeting as a Director.
60. Subject to Article 89 (for the period Part B is applicable), the Board of Directors may appoint a person, not being a person holding any alternate directorship for any other Director in the Company, to act as an alternate Director ("Alternate Director") to act for a Director ("Original Director") in accordance with the Companies Act.
61. No person shall be appointed as an alternate Director for an Independent Director unless he is qualified to be appointed as an Independent Director. An alternate Director shall be entitled to notice of meetings of the Directors, and to attend and vote thereat accordingly.
62. If the term of office of the Original Director is determined as aforesaid any provision for the automatic re-appointment of retiring Directors in default of another appointment shall apply to the Original Director and not to the Alternate Director.
63. In compliance with the provisions of the Companies Act, an Alternate Director may be removed by the Board of Directors which may appoint another alternate Director in his place.
64. Subject to Article 89 (for the period Part B is applicable), the continuing Directors may act notwithstanding any vacancy, but, if and so long as their number is reduced below three (3), the continuing Directors may act for the purpose of increasing the number of Directors to the said number, or of summoning a General Meeting of the Company, but for no other purpose.

## **XII. PROCEEDINGS OF BOARD OF DIRECTORS**

65. A minimum number of four (4) meetings of the Board shall be held in every year in such a manner that not more than one hundred and twenty (120) days shall intervene between two (2) consecutive meetings of the Board. The Directors may meet together for the conduct of business, adjourn and otherwise regulate their meeting and proceedings, as they think fit, and may determine the quorum necessary for the transaction of business in accordance with the provisions of the Companies Act.
66. The Board of Directors shall be entitled to hold its meeting through video conferencing or other permitted means in accordance with the procedures laid down in the relevant Rules.
67. Subject to provisions of section 173(3) of the Companies Act, notice of not less than seven (7) days of every meeting of the Board of Directors of the Company shall be given in writing to every Director at his address registered with the Company and shall be sent by hand delivery or by post or through electronic means. The meeting of the Board may be called at a shorter notice to transact urgent business subject to compliance with the Companies Act and Rules.
68. The Company Secretary may, on the requisition of a Director or the Chairman may, at any time, summon a meeting of the Board. If a meeting of the Board could not be held for want of a quorum then the meeting shall automatically stand adjourned to the same day in the next week, at the same time and place, or if that day is a national holiday, till the next succeeding day which is not a national holiday at the same time and place.
69. Subject to Article 90, Article 100(b), Article 100 (c) Article 100(e), Article 102 (for the period Part B is applicable) and Article 117 (for the period Part C is applicable) questions arising at any meeting of the Directors shall be decided by a majority of votes, and in case of an equality of votes, the Chairman thereat shall have a second or casting vote.
70. Subject to the provisions of section 179 of the Companies Act, and further subject to Article 90, Article 100(b), Article 100 (c) Article 100(e), Article 102 (for the period Part B is applicable) the Board may delegate any of their powers, other than powers which by reason of the provisions of the Companies Act cannot be delegated to committees consisting of such member or members as they may think fit, and they may from time to time revoke and discharge any such committee either wholly or in part, and either as to persons or purposes. Every committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may from time to time be imposed on it by the Board, and all acts done by any such committee in conformity with such regulations and in fulfillment of the purpose of their appointment, but not otherwise, shall have the like force and effect as if done by the Board.
71. Subject to Article 90, Article 100(b), Article 100 (c) Article 100(e), Article 102 (for the period Part B is applicable), the meetings and proceedings of any such committee consisting of two (2) or more members shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Board, so far as the same are applicable thereto, and are not superseded by the express terms of the appointment of any such committee, or by any regulations made by the Board.
72. Subject to Article 90, Article 100(b), Article 100 (c) Article 100(e), Article 102 (for the period Part B is applicable), a resolution not being a resolution required by the Companies Act or otherwise to be passed at a meeting of the Board, may be passed without any meeting of the Board or of a committee of Board provided that the resolution has been circulated in draft, together with the necessary papers, if any, to all the Directors, or to all the members of the committee as the case may be, at their addresses registered with the Company, by hand delivery or by post or courier or through electronic means as permissible under the relevant Rules and has been approved by a majority of the Directors as are entitled to vote on the resolution.



73. The Board shall cause minutes to be duly entered in a book or books provided for the purpose in accordance with these presents and section 118 of the Companies Act.

### **XIII. POWER OF DIRECTORS**

74. Subject to the provisions of the Companies Act and further subject to Article 90, Article 100(b), Article 100 (c) Article 100(e), Article 102 (for the period Part B is applicable) and Article 117 (for the period Part C is applicable) the Board of Directors of the Company shall be entitled to exercise all such powers, give all such consents, make all such arrangements, be nearly do all such acts and things as are or shall be by the Companies Act, and the Memorandum of Association and these precedents directed or authorized to be exercised, given, make or done by the Company and are not thereby expressly directed or required to be exercise, given, made or done by the Company in general meeting, but subject to such regulations being (if any) not inconsistent with the said provisions as from time to time may be prescribed by the Company in General Meeting provided that no regulation so made by the Company in general meeting shall invalidate any prior act of the Directors which would have been valid if the regulations had not been made.

### **XIV. MANAGING DIRECTOR**

75. The Board may from time entrust to and upon a Managing Director such powers exercisable under these Articles by the Directors as they may think fit, and may confer such powers for such time and to be exercised for such objects and purposes and upon such terms and conditions and with such restrictions as they think expedient, and they may confer such powers either collaterally with or to the exclusion of and in substitution for all or any of the powers of the Directors in that behalf, and may from time to time revoke, withdraw, alter or vary all or any of such powers, unless and until otherwise determined
76. The Managing Director undertakes to the Company and to each of the Ordinary Shareholders that while he is Director or employee of the Company or its Subsidiaries, he will devote his full time and attention to the business of the Company, will use his best efforts to develop the business and interests of the Company and will not extend, develop or evolve the business of the Company other than through the Company, except from holding non-executive directorships in other companies.

### **XV. NOTICES AND SERVICE OF DOCUMENTS**

77. It shall be imperative on every Member to notify to the Company for registration of his place of address.
78. A Document may be served by the Company on any Member or a power of attorney holder thereof (with a copy to the Member) by sending it to him in writing by post or by registered post or by speed post or by courier or by delivering at his address supplied by him to the Company or through e-mail notified by the Member to the Company for the service of notices to him, in English language. The term courier means person or agency who or which delivers the Document and provides proof of its delivery.
79. Any notice given by the Company shall be signed (digitally or electronically) by a Director or by the Secretary or some other officer appointed by the Board.

### **XVI. SECRECY**

80. Every Director, manager, auditor, trustee, member of a committee, officer, servant, agent, accountant, or other person employed in the business of the Company shall, if so required by the Board of Directors, before entering upon the duties, sign a declaration pledging himself to observe strict secrecy respecting all bona-fide transactions of the Company with its customers

and the state of accounts with individuals in matters relating thereto and shall by such declaration pledge himself not to reveal any of the matters which may come to his knowledge in the discharge of his duties except when required to do so by the Directors or by any General Meeting or by the law of the country and except so far as may be necessary in order to comply with any of the provisions in these Articles and the provisions of the Companies Act.

## **XVII. WINDING-UP**

81. If upon the winding-up of the Company, the surplus assets shall be more than sufficient to repay the whole of the paid-up capital, the excess shall be distributed amongst the Members in proportion to the capital paid-up or which ought to have been paid-up on the shares at the commencement of the winding-up held by them respectively, other than the amounts paid in advance of calls. If the surplus assets shall be insufficient to repay the whole of the paid-up capital, such surplus assets shall be distributed so that as nearly as may be the losses shall be borne by the Members in proportion to the capital paid-up or which ought to have been paid-up at the commencement of the winding-up on the shares held by them respectively, other than the amounts paid by them in advance of calls. But this Article is without prejudice to the rights of the holders of any shares issued upon special terms and conditions and shall not be construed so as to or be deemed to confer upon them any rights greater than those conferred by the terms and conditions of issue. This Article 81 will be subject to Article 102, Article 103 (v) (for the period Part B is applicable) and Article 117, Article 119 (iii) (for the period Part C is applicable).
82. If the Company shall be wound-up whether voluntarily or otherwise, the liquidator may with the sanction of a Special Resolution of the Company and any other sanction required by the Companies Act and at all times subject to Applicable Law, divide amongst the Members, the whole or any part of the assets of the Company (whether they consist of property of the same kind or not) and may for that purpose set such values as he deems fair upon the property to be divided as aforesaid and may determine how such division shall be carried out as between the Members or different classes of Members. The liquidator may, with the like sanction, vest the whole or any part of any such assets in trustees upon such trusts for the benefit of the contributories as the liquidator, with the like sanction, thinks fit but so that no Member shall be compelled to accept any shares or other securities whereon there is any liability.

For the purposes aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the Members or different classes of Members.

The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no Member shall be compelled to accept any shares or other securities whereon there is any liability.

This Article 82 will be subject to Article 102, Article 103 (v) (for the period Part B is applicable) and Article 117, Article 119 (iii) (for the period Part C is applicable).

## **XVIII INDEMNITY**

83. The CEO, CFO, Company Secretary and all other employees of the Company will be indemnified for all costs, losses and expenses incurred for any liability by reason of contract entered into or act or deed done by him in performance of their duties.

## **XIX COVENANTS**

84. Each of EMAAR and Resulting Company Group shall diligently and in good faith, use all reasonable efforts to obtain, all consents, approvals and waivers with respect to the transactions contemplated hereby from each person whose consent, approval or waiver with respect to such transactions are necessary thereto for the conduct of the Company's business.

85. EMAAR and Resulting Company Group shall promptly make all filings as required under any applicable law, and shall diligently and in good faith use all reasonable efforts to resolve any objections as may be asserted by any governmental authority with respect to the transactions contemplated hereby.
86. The Board may decide that a specific project should be undertaken through the formation of limited liability companies or other legal structure to be established by the Company.
87. There is no restriction on EMAAR or the Company undertaking any business activities including real estate projects or infrastructure projects. Without limiting the foregoing, EMAAR or the Company may, undertake future real estate or infrastructure projects in India including entering into joint development agreements with third parties or establish joint ventures with any third parties in any manner whatsoever.

#### **PART B**

#### **XX. DIRECTORS AND MANAGEMENT FROM THE PROGRESS APPROVAL DATE UNTIL THE DEMERGER COMPLETION DATE**

PART B AND PART C OF THESE ARTICLES SHALL BE MUTUALLY EXCLUSIVE WITH PART B OPERATING AFTER THE OCCURRENCE OF THE PROGRESS APPROVAL DATE THROUGH THE PERIOD TILL THE COMPLETION OF THE DEMERGER COMPLETION DATE AND PART C OPERATING FROM THE PERIOD AFTER THE DEMERGER COMPLETION DATE. UPON THE OCCURRENCE OF THE PROGRESS APPROVAL DATE AND UNTIL THE COMPLETION OF THE DEMERGER COMPLETION DATE, THE COMPOSITION AND FUNCTIONING (INCLUDING VOTING) OF THE BOARD SHALL BE IN ACCORDANCE WITH PART B OF THESE ARTICLES.

88. The number of Directors shall not be less than three (3) and not more than fifteen (15). The Company shall have the power to increase the number of Directors beyond fifteen (15) after passing a Special Resolution.

The First Directors of the Company were:

- (a) Mr. Shravan Gupta
- (b) Mr. Siddharth Gupta

89. The business and affairs of the Company shall be managed by the Board. Upon the occurrence of the Progress Approval Date and until the completion of the Demerger Completion Date, EMAAR shall have the right to change the constitution of the Board and increase the number of directors on the Board. EMAAR shall have the right to nominate four (4) Directors on the Board or such higher number of Directors as EMAAR deems fit, and may substitute any of them ("Emaar Directors"). The Resulting Company Group shall have the right to nominate two (2) Directors on the Board, being SG and SHG, who shall continue as Directors on the Board only until the Demerger Completion Date ("MGF Directors"). On Progress Approval Date, the Company shall accept SG's letter of resignation as the Managing Director and SG shall cease to discharge functions as the Managing Director of the Company. For avoidance of doubt, notwithstanding such resignation from the Managing Directorship of the Company, SG shall remain and continue as Director (being one (1) of the two (2) MGF Directors referenced in this Article 89 above) until the Demerger Completion Date.

90. The Board shall be entitled to take decisions on all matters, save in respect of (i) matters relating to the Demerged Assets which shall be taken as per Article 100 (e) below; or (ii) obtainment of debt by Joint Land Owning Companies which shall require the consent of each of MGFD and EMAAR;

91. Every appointment and removal by EMAAR or Resulting Company Group of a Director pursuant to its entitlement shall be notified in writing to the other party and the Company Secretary. EMAAR and Resulting Company Group shall each use their respective votes in the Company to ensure that the Board of the Company is constituted by persons appointed in the manner set out in these Articles.
92. One of the Emaar Directors shall be the Chairman of the Board. The Chairman shall have the authority to call meetings of the Board as provided herein and to preside over such meetings and all General Meetings and the Chairman shall have a second or casting vote but shall otherwise have no special powers relative to the other Board members. EMAAR shall be entitled to replace at any time, the Chairman and to nominate any other Emaar Director in his place and/or to fill the vacancy caused by the Chairman by his ceasing to hold, for whatever reason, such status.
93. Members of the Board (including the Chairman) shall serve without salary or remuneration but will be reimbursed for expenses in the services of the Company in amounts to be fixed by the Board.
94. EMAAR shall be entitled to nominate a Director, who shall act as the Managing Director and who shall report directly to the Board. The Managing Director shall always be a nominee of EMAAR. EMAAR shall be entitled to appoint and remove any such Managing Director so appointed from office and to appoint another in the place of any such Managing Director so removed. The Managing Director shall have such power and authority as is granted to him by the Board. The Board shall give the Managing Director the necessary authority to enable him to conduct the day to day affairs of the Company. The authority, duration of office and salary of the Managing Director shall be fixed by the Board.
95. EMAAR shall appoint a CEO who shall act as the Company's CEO and who shall report directly to the Board. The CEO shall always be a nominee of EMAAR. EMAAR shall be entitled to appoint and remove any such CEO so appointed from office and to appoint another in the place of any such CEO so removed. The CEO shall have such power and authority as is granted to him by the Board. The Board shall give the CEO the necessary authority to enable him to conduct the day to day affairs of the Company. The authority, duration of office and salary of the CEO shall be fixed by the Board.
96. EMAAR shall appoint a CFO who shall act as the Company's CFO and who shall report directly to the Board. The CFO shall always be a nominee of EMAAR. EMAAR shall be entitled to appoint and remove any such CFO so appointed from office and to appoint another in the place of any such CFO so removed. The CFO shall have such power and authority as is granted to him by the Board. The Board shall give the CFO the necessary authority to enable him to conduct the day to day affairs of the Company. The authority, duration of office and salary of the CFO shall be fixed by the Board.
97. Company Secretary shall always be a nominee of EMAAR. EMAAR shall be entitled to appoint and remove any such Company Secretary so appointed from office and to appoint another in the place of any such Company Secretary so removed. The Company Secretary shall have the power and authority as is granted to him by the Board. The authority, duration of office and salary of the Company Secretary shall be fixed by the Board.
98. All key executive officers of the Company other than the CEO, Managing Director and the CFO (e.g., the Director-Development, the Director-Construction) shall be appointed by the Board. The Managing Director, CEO, CFO and the Company Secretary will be appointed by the Board (and the MGF Directors shall vote in favour of such appointment) in accordance with the nomination received from EMAAR.

99. The quorum for the transaction of business at any meeting of the Board shall be three (3) Directors. At least two (2) Emaar Directors (or their alternates) present at the time of the meeting shall be required in order to constitute a valid quorum. At any meeting of the Board, each Director shall be entitled to one (1) vote. Any Director who is absent from any meeting may nominate any other Director to act as his alternate and to vote in his place at the meeting if permitted by Applicable Law and the Articles. The Chairman shall have a casting vote.

100. Voting

- (a) Any decision of the Board in favour of a resolution, to be valid, shall require the positive vote of at least two (2) Emaar Directors (or their alternates), subject always to Article 100(e) and Article 101 below, where a decision shall be valid only with the positive vote of one (1) MGF Director.
- (b) The Board shall be entitled to take decisions on all matters, provided, however, the Board will delegate matters referred to in Article 100(c) below to specific committees, referred to in Article 100(c).
- (c) The Board shall create two (2) committees, being (i) committee to take decisions in relation to the Remaining Assets ("**Remaining Assets Committee**"); and (ii) committee to take decisions in relation to the Demerged Assets ("**Demerged Assets Committee**") and (A) the Emaar Directors shall become members of and constitute the Remaining Assets Committee; and (B) the MGF Directors shall become members of and constitute the Demerged Assets Committee. EMAAR shall be entitled to nominate any one (1) of the Emaar Directors or such other person to be an observer (who shall not have a right to vote) on the Demerged Assets Committee. MGF shall be entitled to nominate any one (1) of the MGF Directors or such other person to be an observer (who shall not have a right to vote) on the Remaining Assets Committee. It is agreed that the Board will solely decide on the termination of any collaboration or restated collaboration agreements relating to Category B Demerged Assets or non-transfer of rights to certain Category B Demerged Assets (and the Scheme will be modified accordingly) upon breach of an agreed indemnity settlement obligations of any member of the Resulting Company Group.
- (d) The Remaining Assets Committee shall be entitled to take decisions in regards the development of the Remaining Assets, save for obtainment of debt by Joint Land Owning Companies. These decisions would include those relating to project conception, construction and development, sales and licensing of the Remaining Assets. For any decisions to be taken by the Board with respect to any decisions of the Remaining Assets, Resulting Company Group undertakes to exercise and procure that the MGF Directors act and, where necessary, vote in unison with Emaar Directors on the Board in respect of all such matters in relation to the Remaining Assets.
- (e) The Demerged Assets Committee shall be entitled to take decisions in regards the development of the Demerged Assets (which are to be demerged (as part of the Demerged Undertaking) to MGFD as Resulting Company), save for obtainment of debt by Joint Land Owning Companies. These decisions would include those relating to project conception, construction and development, management and control of the Company's interests in any (joint) development agreement entered into with co-developer in respect of the Demerged Assets in accordance with the Framework Agreement, sales and licensing of a Demerged Asset but shall not include the decision of termination by the Company of any collaboration agreements or restated collaboration agreements relating to Category B Demerged Assets or non-transfer of rights to certain Category B Demerged Assets (and the Scheme will be modified accordingly) upon breach of an agreed indemnity settlement obligations of any member of the Resulting Company Group, which decision shall be taken solely by the Board of the Company.

For any decisions to be taken by the Board with respect to any decisions of the Demerged Assets, other than the decision of termination by the Company of any collaboration agreements or restated collaboration agreements relating to Category B Demerged Assets or non-transfer of rights to certain Category B Demerged Assets (and the Scheme will be modified accordingly) upon breach of an agreed indemnity settlement obligations of any member of the Resulting Company Group, which decision shall be taken solely by the Board of the Company. EMAAR undertakes to exercise and procure that personnel nominated by EMAAR (including the Emaar Directors) act and, where necessary, vote in unison with such Resulting Company Group nominated personnel in respect of all such matters in relation to Demerged Assets. It is clarified that nothing in Article 48 shall apply to this Article 100(e) and the Demerged Assets Committee shall not be required to take the consent of the Chairman for any Material Matters in relation to the Demerged Assets.

101. It is agreed that the termination by the Company of any development rights for any Category B Demerged Assets or non-transfer of rights to certain Category B Demerged Assets (and the Scheme will be modified accordingly) upon breach of an agreed indemnity settlement obligations of any member of the Resulting Company Group will not require the prior approval of any MGF Director at the Board.
102. Upon the occurrence of the Progress Approval Date, and until the completion of the Demerger Completion Date, any matter in relation to (i) issuance of Equity Shares (save and except for issuance of thirty nine million sixty two thousand five hundred (39,062,500) equity shares upon conversion of twenty five hundred (2,500) compulsorily convertible debentures issued to, and presently held by, The Address, Dubai Marina LLC) or securities convertible into Equity Shares of the Company; (ii) any sale of the whole or any substantial part of the Company's direct or indirect shareholding in Joint Land Owning Companies, other than a sale by Company to a Subsidiary or from one Subsidiary to another Subsidiary or from one Subsidiary to the Company (where the Company holds shares indirectly); and (iii) passing of any resolution for the winding up of the Company or entering into any compromise with the Company's creditors, shall require the prior affirmative vote of the MGF Director at the Board.

#### **XXI. SHAREHOLDER MATTERS AFTER THE PROGRESS APPROVAL DATE AND UNTIL THE DEMERGER COMPLETION DATE**

103. Upon the occurrence of Progress Approval Date and until the completion of the Demerger Completion Date, the General Meetings of the Shareholders of the Company shall be in accordance with this Article.

- (i) The Chairman individually or two (2) Emaar Directors, may call an extra ordinary General Meeting.
- (ii) The quorum for all General Meetings of the Company shall be a minimum of five (5) Members, and at least two (2) of whom shall be authorized representatives of EMAAR.

No business shall be transacted at any General Meeting, unless the requisite quorum is present at the time when the meeting proceeds to business. The quorum for a General Meeting shall be the presence in person of such number of Members as specified in section 103 of the Companies Act for the same.

- (iii) At a General Meeting, Resulting Company Group authorized representatives shall vote in unison in accordance with the EMAAR authorized representatives on all decisions in regards the development of the Remaining Assets, save for obtainment of debt by a Joint Land Owning Company. These decisions would include those relating to project conception, construction and development, sales and licensing of a Remaining Asset.

- (iv) At a General Meeting, EMAAR authorized representatives shall vote in unison in accordance with the Resulting Company Group authorized representatives on all decisions in regards the development of the Demerged Assets, save for obtainment of debt by a Joint Land Owning Company. These decisions would include those relating to project conception, construction and development, management and control of the Company's interests in any (joint) development agreement entered into with co-developer in respect of the Demerged Assets in accordance with the Framework Agreement, sales and licensing of a Demerged Asset. It is clarified that nothing in Article 48 shall apply to this Article 103(iv) and the consent of the Chairman for any Material Matters in relation to the Demerged Assets shall not be required.
- (v) Upon the occurrence of the Progress Approval Date, and until the completion of Demerger Completion Date, any matter in relation to (i) issuance of Equity Shares (save and except for issuance of thirty nine million sixty two thousand five hundred (39,062,500) equity shares upon conversion of twenty five hundred (2,500) compulsorily convertible debentures issued to, and presently held by, The Address, Dubai Marina LLC) or securities convertible into Equity Shares of the Company; (ii) any sale of the whole or any substantial part of the Company's direct or indirect shareholding in a Joint Land Owning Company, other than a sale by Company to a Subsidiary or from one Subsidiary to another Subsidiary or from one Subsidiary to the Company (where the Company holds shares indirectly); and (iii) passing of any resolution for the winding up of the Company or entering into any compromise with the Company's creditors, shall require the prior affirmative vote of SG, SHG, MGF and Coniza at a General Meeting of the Shareholders of the Company.

### PART C

PART B AND PART C OF THESE ARTICLES SHALL BE MUTUALLY EXCLUSIVE WITH PART B OPERATING AFTER THE OCCURRENCE OF THE PROGRESS APPROVAL DATE THROUGH THE PERIOD TILL THE COMPLETION OF THE DEMERGER COMPLETION DATE AND PART C OPERATING FROM THE PERIOD AFTER THE DEMERGER COMPLETION DATE. ON AND AFTER THE DEMERGER COMPLETION DATE, THE COMPOSITION AND FUNCTIONING (INCLUDING VOTING) OF THE BOARD SHALL BE IN ACCORDANCE WITH PART C OF THESE ARTICLES.

## **XXII. DIRECTORS AND MANAGEMENT ON AND AFTER THE DEMERGER COMPLETION DATE**

104. The number of Directors shall not be less than three (3) and not more than fifteen (15). The Company shall have the power to increase the number of Directors beyond fifteen (15) after passing a Special Resolution.

The First Directors of the Company were:

- (a) Mr. Shravan Gupta
- (b) Mr. Siddharth Gupta

105. On the Demerger Completion Date, all MGF Directors shall resign from the Board and if the MGF Directors (including SG and SHG) do not so resign, such MGF Directors (including SG and SHG) shall, to the extent permitted by Applicable Law, automatically cease to be the Directors of the Company.
106. The business and affairs of the Company shall be managed by the Board and the Board shall be entitled to take decisions on all matters. EMAAR shall have the right to change the constitution of the Board and increase the number of Directors, including Independent Directors, on the Board;

107. Without prejudice to Article 106 above, EMAAR shall continue to have the right to nominate four (4) Directors on the Board, or such higher number of Directors as EMAAR deems fit, and may substitute any of them ("Emaar Directors"). It is clarified that Resulting Company Group shall not have the right to nominate any Director on the Board.
108. One of the Board members appointed by EMAAR shall be the Chairman of the Board. The Chairman shall have the authority to call meetings of the Board as provided herein and to preside over such meetings and all General Meetings, and he shall have a second or casting vote but shall otherwise have no special powers relative to the other Board members. The Chairman may be removed by a resolution of the Board. EMAAR shall be entitled to replace at any time, the Chairman and to nominate any other Emaar Director in his place and/or to fill the vacancy caused by the Chairman by his ceasing to hold, for whatever reason, such status.
109. Members of the Board (including the Chairman) shall serve without salary or remuneration but will be reimbursed for expenses in the services of the Company in amounts to be fixed by the Board.
110. EMAAR shall be entitled to nominate a Director, who shall act as the Managing Director and who shall report directly to the Board. The Managing Director shall always be a nominee of EMAAR. EMAAR shall be entitled to appoint and remove any such Managing Director so appointed from office and to appoint another in the place of any such Managing Director so removed. The Managing Director shall have such power and authority as is granted to him by the Board. The Board shall give the Managing Director the necessary authority to enable him to conduct the day to day affairs of the Company. The authority, duration of office and salary of the Managing Director shall be fixed by the Board.
111. EMAAR shall appoint a CEO who shall act as the Company's CEO and who shall report directly to the Board. The CEO shall always be a nominee of EMAAR. EMAAR shall be entitled to appoint and remove any such CEO so appointed from office and to appoint another in the place of any such CEO so removed. The CEO shall have such power and authority as is granted to him by the Board. The Board shall give the CEO the necessary authority to enable him to conduct the day to day affairs of the Company. The authority, duration of office and salary of the CEO shall be fixed by the Board.
112. EMAAR shall appoint a CFO who shall act as the Company's CFO and who shall report directly to the Board. The CFO shall always be a nominee of EMAAR. EMAAR shall be entitled to appoint and remove any such CFO so appointed from office and to appoint another in the place of any such CFO so removed. The CFO shall have such power and authority as is granted to him by the Board. The Board shall give the CFO the necessary authority to enable him to conduct the day to day affairs of the Company. The authority, duration of office and salary of the CFO shall be fixed by the Board.
113. The Company Secretary shall always be a nominee of EMAAR. EMAAR shall be entitled to appoint and remove any such Company Secretary so appointed from office and to appoint another in the place of any such Company Secretary so removed. The Company Secretary shall have the power and authority as is granted to him by the Board. The authority, duration of office and salary of the Company Secretary shall be fixed by the Board.
114. All key executive officers of the Company other than the CEO, Managing Director and the CFO (e.g., the Director-Development, the Director-Construction) shall be appointed by the Board. The Managing Director, CEO, CFO and the Company Secretary will be appointed by the Board in accordance with the nomination received from EMAAR.
115. The quorum for the transaction of business at any meeting of the Board shall be three (3) Directors. At least two (2) Emaar Directors (or their alternates) present at the time of the meeting shall be required in order to constitute a valid quorum. At any meeting of the Board, each Director shall be entitled to one (1) vote. The Chairman shall have a casting vote.



116. Voting

- (a) Any decision of the Board in favour of a resolution, to be valid, shall require the positive vote of at least two (2) Emaar Directors (or their alternates), subject always to Article 117.
- (b) The Board shall be entitled to take decisions on all matters.

117. After the Demerger Completion Date any matter in relation to (i) any sale of the whole or any substantial part of the Company's direct or indirect shareholding in a Joint Holding Company, other than a sale by Company to a Subsidiary or from one Subsidiary to another Subsidiary or from one Subsidiary to the Company (where the Company holds shares indirectly) until such time as MGF holds a minimum of 25% (twenty five percent) shares in such Joint Holding Company; and (ii) passing of any resolution for the winding up of the Company or entering into any compromise with the Company's creditors until such time as MGF holds a minimum of 25% (twenty five percent) shares in such Joint Holding Company; shall require the prior approval of MGFD.

118. EMAAR and Resulting Company Group agree and acknowledge that after the Demerger Completion Date any matter in relation to (i) any sale of the whole or any substantial part of the Resulting Company Group's direct or indirect shareholding in any Joint Holding Companies, other than a sale by a Member of the MGF Group to another Member of the MGF Group until such time as EMAAR holds a minimum of 10% (ten percent) shares in the Resulting Company; and (ii) passing of any resolution for the winding up of the Resulting Company or entering into any compromise with the Resulting Company's creditors until such time as EMAAR holds a minimum of 10% (ten percent) shares in the Resulting Company, shall require the prior approval of Emaar Properties.

**XXIII. SHAREHOLDER MATTERS AFTER THE DEMERGER COMPLETION DATE**

119. After the Demerger Completion Date, General Meetings of the Shareholders of the Company shall be in accordance with this Article.

- (i) The Chairman individually or the Directors capable of acting who are sufficient number to form a quorum (including, for clarity, two (2) Emaar Directors), may call an extraordinary General Meeting.
- (ii) The quorum for all General Meetings of the Company shall be a minimum of five (5) Members, and at least two (2) of whom shall be authorized representatives of EMAAR.

No business shall be transacted at any General Meeting, unless the requisite quorum is present at the time when the meeting proceeds to business. The quorum for a General Meeting shall be the presence in person of such number of Members as specified in section 103 of the Companies Act.

- (iii) After the Demerger Completion Date any matter in relation to (i) any sale of the whole or any substantial part of the Company's direct or indirect shareholding in a Joint Holding Company, other than a sale by Company to a Subsidiary or from one Subsidiary to another Subsidiary or from one Subsidiary to the Company (where the Company holds shares indirectly) until such time as MGF holds a minimum of 25% (twenty five percent) shares in the Joint Holding Company; and (ii) passing of any resolution for the winding up of the Company or entering into any compromise with the Company's creditors until such time as SG, SHG, MGFD and/or Coniza holds a minimum of 25% (twenty five percent) shares in a Joint Holding Company, shall require the prior approval of MGFD.

## **PART D**

PART D OF THESE ARTICLES SET OUT THE GENERAL PROVISIONS FOR THE CONVERTIBLE DEBENTURES ISSUED TO THE INVESTOR AND SHALL BE APPLICABLE AT ALL TIMES. THE PROVISIONS OF PART D OF THE ARTICLES SHALL NOT BE AUTOMATICALLY MODIFIED ON THE DEMERGER COMPLETION DATE AND SHALL CONTINUE TO APPLY AT ALL TIMES INCLUDING PRIOR TO, AND POST, THE DEMERGER COMPLETION DATE.

### **XXIV. PROVISIONS RELATING TO COMPULSORY CONVERTIBLE DEBENTURES**

#### **Definitions**

120. In this Part D, and unless the context requires otherwise, the following words and expressions shall have the following meanings and the terms defined here will only apply to this Part D:

“Accounts” shall have the meaning ascribed to it under the Agreement;

“Affiliate” shall mean, in relation to a specified Person, a Person who, directly or indirectly, Controls, is under common Control with, or is a Subsidiary of, such Person;

“Agreement” shall mean the Investment Agreement dated February 28, 2012 executed by, amongst others, the Company and the Investor and as amended from time to time (in the manner set out therein);

“Business” shall mean the business of development of townships, housing, built-up infrastructure and construction-development projects in India;

“Business Day” shall mean any day (other than a Saturday, Sunday or a public holiday) when commercial banks in Delhi and Dubai are open for the transaction of normal business;

“Company Securities” shall mean the:

- (i) Equity Shares;
- (ii) securities convertible into or exchangeable for Equity Shares (including, without limitation, the Convertible Debentures); and
- (iii) stock appreciation rights, options, warrants or other rights to purchase or subscribe for Equity Shares or securities convertible into or exchangeable for Equity Shares;

“Competitor” shall mean any Person (or Affiliate of such Person) which is engaged in the same Business;

“Completion” shall mean the completion of the subscription by, and the allotment to, the Investor of the Convertible Debentures in accordance with the Agreement;

“Completion Date” shall mean the date on which Completion occurs;

“Condition(s)” shall mean the terms and conditions of the Convertible Debentures as set out under Article 146 (Terms and Conditions of the Convertible Debentures);

“Confidential Information” shall have the meaning ascribed to it under the Agreement;

**"Constitutional Documents"** shall mean the certificate of incorporation, certificate of commencement of business, the memorandum of association and the Articles of the Company, as amended from time to time;

**"Control"** (including correlative meanings, the terms **"controlling"**, **"controlled by"** and **"under common control with"**) shall mean the power to direct the management and policies of an entity whether through the ownership of more than 50% (fifty percent) of the voting capital, by contract or otherwise. Without prejudice to the foregoing, a Person holding more than 50% (fifty percent) of the equity shares of a company or able to determine the composition of the majority of its board of directors or equivalent body shall be considered as being in control of the company;

**"Conversion"** shall mean an Early Conversion or a Mandatory Conversion (as the context may require);

**"Conversion Date"** shall mean an Early Conversion Date or a Mandatory Conversion Date (as the context may require);

**"Conversion Equity Shares"** shall mean the relevant number of Equity Shares issued or to be issued to the Debenture holders at the Conversion Price upon a Conversion of a Convertible Debenture in accordance with the terms of the Agreement and the Conditions;

**"Conversion Price"** shall have the meaning ascribed to it in Article 146(E.3) (Conversion Price and Conversion Equity Shares);

**"Convertible Debenture"** shall mean each fully and compulsorily convertible debenture of a face value of Rupees One Million (INR 1,000,000) bearing a Coupon and the term **"Convertible Debentures"** shall be construed accordingly;

**"Convertible Debenture Issue Price"** shall mean Rupees One Million (INR 1,000,000) per Convertible Debenture;

**"Coupon"** shall have the meaning ascribed to it in Article 146(H.1);

**"Coupon Account"** shall have the meaning ascribed to it under the Agreement;

**"Cross Default Event"** shall have the meaning ascribed to it under the Agreement;

**"Debenture Certificate"** shall mean a certificate in, or substantially in, the form set out in the Agreement;

**"Debenture Register"** shall mean the register of the Debenture holders maintained by the Company;

**"Debenture holder"** shall mean any Person who is registered in the Debenture Register as the holder of a Convertible Debenture;

**"Deed of Adherence"** shall mean the deed of adherence to be executed in terms of the Agreement, in a form similar to that set out in the Agreement;

**"Early Conversion"** shall have the meaning ascribed to it in Article 146(E.1(a));

**"Early Conversion Date"** shall have the meaning ascribed to it in Article 146(E.1(c));

**"Early Conversion Notice"** shall have the meaning ascribed to it in Article 146(E.1(b));

**"Encumbrance"** shall mean a mortgage, charge, pledge, lien, option, restriction, right of first refusal, right of pre-emption, third party right or interest, any other encumbrance or security interest of any kind, or any other type of agreement or arrangement having similar effect;

**"Equity Shares"** shall mean the fully paid-up equity shares in the equity share capital of the Company;

**"FDI Price"** shall have the meaning ascribed to it under the Agreement;

**"Financial Year"** shall mean the twelve (12) months period commencing on 1<sup>st</sup> April of each calendar year and ending on 31<sup>st</sup> March of the immediately succeeding calendar year;

**"GAAP"** shall mean, in relation to any corporation, generally accepted accounting principles in the jurisdiction of its incorporation (including the International Financial Reporting Standards as and when they become applicable to the relevant corporation in the jurisdiction of its incorporation);

**"Indebtedness"** shall mean debt of the Company, which shall include loans, debentures, public fixed deposits, inter corporate deposits, working capital term debt (including cash credit and loans), bills discounted with recourse, capital leases, hire purchase obligations, crystallized contingent liabilities (which includes, without limitation, any guarantees for financial obligations of other Persons whether crystallised or not), convertible debentures, preference shares and any other borrowings;

**"Insolvency Event"** shall have the meaning ascribed to it under the Agreement;

**"Interest Period"** shall mean a period of one (1) month, provided that:

- (i) the first Interest Period shall begin from the Completion Date;
- (ii) an Interest Period for a Convertible Debenture shall not extend beyond the Conversion Date on which such Convertible Debenture is converted into Conversion Equity Shares in accordance with the terms of the Agreement and the Conditions; and
- (iii) if an Interest Period would otherwise end on a day which is not a Business Day, that Interest Period will instead end on the immediately next Business Day in that month (if there is one) or on the immediately preceding Business Day (if there is no such next Business Day in that particular month).

**"Investor"** shall mean The Address, Dubai Marina LLC, a limited liability company, incorporated under the laws of the United Arab Emirates and having its registered office at The Address Hotel, Dubai Marina, PO Box 32923, Dubai, United Arab Emirates;

**"Investor Securities"** shall mean:

- (i) the Convertible Debentures; and
- (ii) the Conversion Equity Shares held by the Investor pursuant to the terms of the Agreement;

**"Mandatory Conversion"** shall have the meaning ascribed to it in Article 146(E.2(c));

**"Mandatory Conversion Date"** shall mean the date of filing of the draft red herring prospectus by the Company in relation to an Initial Public Offering ("IPO") of Equity Shares or the date which falls on the expiry of a period of ten (10) years from the Completion Date, whichever is earlier;

**"Material Adverse Change"** shall mean any (a) event, occurrence, fact, condition, change, development or effect that is materially adverse to the valuation, business, operations, properties (including intangible properties), assets (including intangible assets) or liabilities of the Company; or (b) material impairment of the ability of the Company, to perform their respective obligations hereunder; or (c) enactment of any law, or amendment of any existing Applicable Law, which would have the effect of rendering any terms of the Agreement unenforceable; or (d) material impairment of the rights or remedies of the Investor under any of the Transaction Documents;

**"Penal Coupon"** has meaning given to it in Article 146(H.3);

**"Person"** shall include, without limitation, a reference to any individual, firm, company, corporation or other body corporate, government, state or agency of a state or any joint venture, association or partnership, works council or employee representative body (whether or not having a separate legal personality);

**"Tax"** shall mean all forms of taxation, duties, levies, imposts and social security charges, including without limitation corporate income tax, wage withholding tax, provident fund, employee state insurance and gratuity contributions, value added tax, customs and excise duties, capital tax and other legal transaction taxes, stamp duty, dividend withholding tax, real estate taxes, other municipal taxes and duties, environmental taxes and duties and any other type of taxes or duties in any relevant jurisdiction, together with any interest, penalties, surcharges or fines relating thereto, due, payable, levied, imposed upon or claimed to be owed in any relevant jurisdiction;

**"Term"** shall mean the period during which the Agreement is in subsistence;

**"Transaction Documents"** shall mean the Agreement and such other deeds and documents as may be executed to consummate the transactions contemplated in the Agreement;

**"Transfer"** shall mean, in relation to any Investor Security or any legal or beneficial interest (including, without limitation, voting rights) in such Investor Security, to:

- (i) sell, assign, transfer or otherwise dispose of it;
- (ii) direct (by way of renunciation or otherwise) that another Person should, or assign any right to, receive it;
- (iii) enter into any agreement in respect of the votes or any other rights attached to the share; or
- (iv) agree, whether or not subject to any condition precedent or subsequent, to do any of the foregoing;

and a **"Transfer"** and **"Transferred"** shall be construed accordingly;

**"US Dollars"** or **"US\$"** means United States Dollars, being the lawful currency of the United States of America for the time being;

**"Warranties"** shall have the meaning ascribed to it under the Agreement;

#### **Use of Proceeds Received from the Investor**

121. Subject to Article 122 below, the Company shall apply amounts received by it from the Investor towards meeting the fund requirements of various ongoing and future projects of the Company only with the prior written consent of the Investor from time to time.

122. The Company shall apply amounts received by it from the Investor under the Agreement only in or towards any purpose set out in Article 121 above to the extent the same is in compliance with all Applicable Laws. The Company shall, to the extent applicable, ensure that each of its Subsidiaries shall only apply amounts received by it from the Company in a manner which is in compliance with all Applicable Laws.

Only for the purpose of Part D of these Articles, "Subsidiary" shall mean:

- (i) in relation to the Company or any other person incorporated in India, a company which is a subsidiary of the Company or that other person within the meaning of the Act; and
- (ii) in relation to any company, corporation or other person that is not incorporated in India (a "holding company"), a company, corporation or other person:
  - (a) which is Controlled, directly or indirectly, by the holding company;
  - (b) more than half the issued share capital of which is beneficially owned, directly or indirectly, by the holding company; or
  - (c) which is a Subsidiary of another Subsidiary of the holding company.

It is clarified that for Part A, Part B and Part C of these Articles, "Subsidiary" or "Subsidiaries" shall have the meaning ascribed to it in Part A of these Articles.

123. The Investor is not bound to monitor or verify the application of any amount of subscription monies paid by the Investor to the Company pursuant to the Agreement.

#### **Conversion**

124. Each Convertible Debenture shall be converted into Equity Shares as per the Conditions.
125. The Company will issue Equity Shares, in accordance with the Agreement, free and clear of all liens, charges, Encumbrances, security interests or claims of third parties upon the conversion of the Convertible Debentures.

#### **Information Undertakings**

126. The undertakings in Article 126 to Article 133 are given for the benefit of the Investor and shall remain in force from the date of the Agreement for so long as any Convertible Debentures are owned by the Investor.
127. The Company shall supply to the Investor as soon as the same become available, but in any event within ninety (90) days after the end of each Financial Year, audited standalone and consolidated financial statements of the Company for that Financial Year. The Company shall also deliver to the Investor, as soon as the same are available and in any event within sixty (60) days of the end of each half of a Financial Year, its unaudited standalone and consolidated accounts for that period.
128. Each set of financial statements delivered pursuant to Article 126 to Article 133 shall be certified by the Company Secretary as giving a true and fair view or fairly representing its financial condition and operations as at the end of and for the period in relation to which those financial statements were drawn up.
129. The Company shall confirm that each set of financial statements delivered pursuant to Article 126 to Article 133 is prepared using Indian GAAP, accounting practices and financial reference periods consistent with those applied in the preparation of the Accounts unless, in relation to any set of financial statements, it notifies the Investor that there has been a change in Indian GAAP, the accounting practices or reference periods and its auditors deliver to the Investor:

- (a) a description of any change necessary for those financial statements to reflect the Indian GAAP, accounting practices and reference periods upon which the Accounts were prepared; and
- (b) sufficient information, in form and substance as may be reasonably required by the Investor, to enable the Investor to make an accurate comparison between the financial position indicated in those financial statements and the Accounts.

Any reference in the Agreement to those financial statements shall be construed as a reference to those financial statements as adjusted to reflect the basis upon which the Accounts were prepared;

130. The Company shall, provided the Investor holds no less than fifty (50) Convertible Debentures, supply to the Investor:

- (a) all documents dispatched by the Company to its shareholders (or any class of them) or its creditors generally at the same time as they are dispatched;
- (b) on an annual basis no later than fifteen (15) Business Days after the end of each Financial Year and promptly upon becoming aware of them, the details of any material litigation, arbitration, investigative or administrative proceedings which are current, threatened or pending against it or any of its Subsidiaries;
- (c) on an annual basis no later than fifteen (15) Business Days after the end of each Financial Year and promptly, such further information regarding its or any of its Subsidiaries' financial condition, business and operations as the Investor may reasonably request;
- (d) on an annual basis no later than fifteen (15) Business Days after the end of each Financial Year and promptly, notice of any change in its authorised signatories, signed by the Company Secretary, whose specimen signature has previously been provided to the Investor, accompanied (where relevant) by a specimen signature of each new signatory;
- (e) promptly on becoming aware of any circumstances and conditions which are likely to cause (i) a Material Adverse Change or (ii) an Insolvency Event with respect to it or (iii) a Cross Default Event, a notice to that effect along with an explanation of the reasons for the occurrence of such event and proposed steps for resolving such event;
- (f) promptly notify the Investor on a quarterly basis commencing from the date of the Agreement of any new project commenced, or diversification, modernisation or substantial expansion of any of its existing projects during the currency of the Agreement;
- (g) promptly all information that may be reasonably requested by the Investor to protect the interests of the Investor with a confidentiality obligation on the Investor as imposed under the Agreement;
- (h) no later than fifteen (15) Business Days after the end of each Financial Year, a certificate showing that the Company has adequate insurance policies in such form as may be mutually agreed;
- (i) promptly notify the Investor of any action or steps taken or legal proceedings started by or against it in any court of law for its winding-up, dissolution, administration or re-organisation or for the appointment of a receiver, administrator, administrative receiver, trustee or similar officer of the Company or of any or all of its assets; and

- (i) promptly notify the Investor of any litigation, arbitration, administrative or other proceedings initiated or threatened against the Company or any of its Subsidiaries or any of their assets where the claim is in excess of an amount equivalent to US Dollars Ten Million (US\$ 10,000,000) and provide updates to the Investor on such proceedings upon the occurrence of any material developments in relation to such proceedings and, in any event, on a quarterly basis.
131. Upon the request of the Investor, the Company shall provide the Investor (and any of their respective representatives, professional advisers and contractors) with access to and permit inspection by the Investor or its agents of the assets, premises, books and records of the Company, in each case during normal business hours of the Company and upon reasonable notice at the Company's cost.
132. The Company undertakes for the benefit of the Investor that it shall notify the Investor promptly in writing if, in the period up to and including the Completion Date (and the date of each Conversion), it becomes aware of a fact, matter, event or circumstance which is likely to cause a Warranty to be untrue, inaccurate or misleading. Investor's rights and remedies under the Agreement shall not be affected by any notification under this Article or by any investigation following such notification.
133. The Company undertakes for the benefit of the Investor that it shall not do or allow to be done any act or omission in the period up to and including the Completion Date (and the date of each Conversion) which would or is likely to cause a Warranty to be untrue, inaccurate or misleading.

#### **Transfer**

134. The Investor has the right to Transfer any of the Investor Securities held by it to any Person at any time and upon such Transfer, the third party transferee shall be deemed to substitute the Investor for the purposes of the Agreement and shall be entitled to all of the rights and obligations of the Investor hereunder, subject to:
- (a) the proposed transferee not being a Competitor; and
  - (b) the proposed transferee executing the Deed of Adherence prior to the proposed Transfer.
135. Any Transfer or attempted Transfer of any Investor Securities in violation of the Agreement shall be void and no such Transfer shall be recorded on the Company's books and the purported transferee in any such Transfer shall not be treated (and the purported transferor shall be treated) as the owner of such Investor Securities for all purposes.

#### **Conduct of Business**

136. The Company shall:
- (a) unless otherwise agreed by the Investor in writing, carry on no other business other than the Business;
  - (b) comply with, and conduct its business and deal with its assets in accordance with the Transaction Documents and all Applicable Law; and
  - (c) obtain, maintain and comply with the terms of all licences, consents, permits and authorisations whatsoever which may be required in relation to the Business or which may be required or desirable to enable the Company to develop and operate the Business effectively;

and the Company shall notify the Investor promptly in writing if it becomes aware of any breach of this Article.



137. The Company shall:

- (a) maintain effective control systems in relation to the financial, accounting and record-keeping functions of the Company;
- (b) keep proper records and note in them true and complete entries of all its dealings and transactions in relation to the Business; and
- (c) take all reasonable steps to protect any Confidential Information, and the Company shall notify the Investor promptly in writing if it becomes aware of any breach of this Article.

#### **Indemnities by the Company**

138. Without prejudice to any other right available to the Investor in law or under equity, the Company hereby indemnifies and agrees and undertakes that it shall be liable to indemnify, defend and hold harmless, jointly and severally, the Investor, its Affiliates and all employees, directors, agents or officers of the Investor or its Affiliates ("**Indemnified Persons**") from and against any and all fees (including professional and legal fees), expenses, losses, liabilities, damages, deficiencies, demands, claims (including third party claims), actions, judgments or causes of action, assessments, interest, penalties and other costs or expenses ("**Losses**") incurred or suffered by, imposed upon or asserted against the Investor based upon, arising out of, or in relation to or arising from:

- (a) any misrepresentation, or breach or inaccuracy of or default in connection with any of the representations, warranties (including any of the Warranties), covenants and/or agreements by the Company under the Agreement;
- (b) any liabilities and obligations of whatever nature relating to any litigation, claim or governmental investigation pending as of date or arising in the future against the Company or arising in the future but related to the Business prior to the Completion Date;
- (c) any payment or repayment of Tax (including, without limitation, any interest and penalty) made or to be made by an Indemnified Person as a result of any transaction of the Company occurring on or before Completion or by reference to any profits earned by the Company on or before Completion;
- (d) any Tax that may be suffered or imposed in respect of any payment received or receivable (or deemed for the purposes of Tax to be received or receivable) under or in connection with this agreement, the Convertible Debentures and/or the Conversion Equity Shares (except for Tax imposed on net income of the Investor (excluding any income deemed to be received or receivable by the Investor) in the jurisdiction of incorporation of the Investor);
- (e) any liability arising out of the breach or infringement of intellectual property rights of any Person by the Company; and/or
- (f) any liability due to any non-compliance of any Applicable Law by the Company.

139. If an indemnification claim is intended to be made pursuant to the terms and conditions of this Agreement, the Investor shall, notify in writing ("**Warranty Claim**") the Company of the losses for which it is asserting an indemnification claim for any of the Indemnified Persons. The Company shall, without any protest or demur, pay the amount stated in the Warranty Claim to the Investor no later than fifteen (15) Business Days from the date of such Warranty Claim. A Warranty Claim shall not be brought in respect of a breach of the representations and warranties unless notice of the claim (specifying in reasonable detail the circumstances which give rise to the

claim and the breach that results and the amount claimed) has been given to the Company as soon as possible and in no event later than six (6) months from the date the Investor becomes aware of such breach. The total liability of the Company arising under this Agreement for breach of a representation or warranty shall not exceed 125% (one hundred and twenty five percent) of the Aggregate Subscription Amount.

140. The indemnification and any other rights of the Investor under this Agreement are independent of, and in addition to, such other rights and remedies as the Investor may have under Applicable Law or in equity or otherwise, including the right to seek specific performance, rescission, restitution or other injunctive relief, none of which rights or remedies shall be affected or diminished thereby.

141. Any indemnity as referred to hereinabove shall be such as to place the Indemnified Person/s in the same position as it would have been in, had there not been any such breach and as if the Warranties under which the Indemnified Person/s is to be indemnified, had been correct.

#### **Undertakings by the Company**

142. The Company hereby undertakes for the benefit of the Investor that during the Term:
- (a) the Company will remain duly incorporated and validly existing and in continuous existence;
  - (b) the Company shall not conduct any transaction with any Person other than on an arm's length basis without obtaining written consent from the Investor;
  - (c) the Company shall not enter into any contract, agreement or other obligation including that shall contain any terms which may prejudice the ability of the Company to fulfil its obligations set out in the Transaction Documents;
  - (d) the Company will comply will all Applicable Law (including, without limitation, the Foreign Direct Investment Policy and Applicable Laws relating to the environment, health and safety applicable in India);
  - (e) neither the Company nor its respective officers, directors or employees either directly or through a third party, knowingly pay, offer, promise or authorize the payment of money or anything of value, directly or indirectly, to any government official, for the purpose of influencing any act or decision of such government official in favour of the Company, or inducing such government official to do or omit to do any act, in violation of his or its lawful duty in order to obtain or retain business, direct business to any Person, or to secure any improper advantage to the Company;
143. Acknowledging that the Investor is a financial investor in the Company, the Company agrees and undertakes to obtain all necessary permits and to comply with all other conditions set out under the FDI Policy.
144. The Company shall comply with all terms and conditions of the Transaction Documents and shall, to the extent permitted by Applicable Law, from time to time do or procure all things as may be required to give effect to the Agreement and to all the Transaction Documents and other agreements contemplated by the Agreement including, without limitation, the execution of all deeds and documents, procuring the convening of all meetings, the giving of all necessary waivers and consents, the passing of all resolutions and otherwise exercising all powers and rights available to them to ensure that the Company gives effect to the terms of the Agreement;
145. Without prejudice to the generality of Article 144 above, the Company agrees, as between themselves, that, if any provisions of the Constitutional Documents at any time conflict with any

provisions of the Agreement, the provisions of the Agreement shall prevail and the Company shall exercise all powers and rights available to them to procure the amendment of the Constitutional Documents to the extent necessary to give effect to the provisions of the Agreement provided that such amendment does not breach any Applicable Law.

#### **Terms and Conditions of the Convertible Debentures**

146. The terms and conditions of the Convertible Debentures are attached to each Debenture Certificate issued pursuant to the Agreement. The statement in these Conditions include summaries of and are subject to, the detailed provisions of the Agreement, and the Conditions and the Agreement shall be binding on the Company, the Debenture holders and all persons claiming through or under them. The conditions are as under:

##### **A. Form and Denomination**

The Convertible Debenture is issued in registered form at the Convertible Debenture Issue Price and unless dematerialized, a Debenture Certificate will be issued to the Investor as a Debenture holder in respect of its registered holding of the Convertible Debentures.

##### **B. Title and Transfer**

###### **B.1. Debenture Register**

The Company shall at all times, so long as any Convertible Debenture is outstanding, maintain the Debenture Register at the registered office, and enter in such Debenture Register, the names and addresses of Debenture holders for the time being and the number of Convertible Debentures held by each such Debenture holder and other particulars required pursuant to the applicable regulations having the force of Applicable Law.

###### **B.2. Title**

Title to the Convertible Debentures shall be evidenced by registration in the Debenture Register which the Company shall keep pursuant to Condition B.1 (Debenture Register) above. The Company shall deem and treat the Person in whose name a Convertible Debenture is registered as the absolute owner thereof (notwithstanding any notice of ownership, trust or any interest therein or writing thereon or notice of any previous loss or the theft thereof) for the purpose of receiving payment thereof or on account thereof.

###### **B.3. Rank**

The Convertible Debentures shall, with respect to dividends and distributions upon dissolution, liquidation or winding up of the affairs of the Company and all other rights and preferences, rank senior to all classes of Equity Shares till Conversion.

###### **B.4. Transfer by Debenture holders**

- (i) A Debenture holder shall be entitled at any time and from time to time, to Transfer a Convertible Debenture in accordance with the terms of the Agreement.
- (ii) The Transfer of Convertible Debentures shall be effected by endorsement on Debenture Certificates representing the Convertible Debentures to be Transferred, together with the Deed of Adherence and the written notification to the Company of the name and address of the intended transferee, to the Registered Office.
- (iii) Where a Debenture holder transfers only a part of the Convertible Debentures comprised in a Debenture Certificate, the old Debenture Certificate shall be cancelled

and new Debenture Certificate shall be issued free of charge to the existing transferor for the Convertible Debentures that were not transferred.

**B.5. New Convertible Debenture**

Provided that the provisions of the Agreement have been complied with in relation to the Transfer of the Convertible Debentures, after the satisfaction of Condition B.4 above, the Company shall promptly update the Debenture Register to include the name of the transferee and to reflect the revised holding of the transferor and shall dispatch, within two (2) Business Days after the satisfaction of the Condition B.4 above, the relevant Debenture Certificates to the transferee and the Debenture Certificate relating to the balance (if any) of the Convertible Debentures held by the transferor to the transferee.

**B.6. Formalities Free of Charge**

Registration of transfers of Convertible Debentures will be effected without charge by or on behalf of the Company but upon payment (or the giving of such indemnity as the Company may reasonably require) in respect of any Tax or other governmental charge which may be imposed in relation to such Transfer.

**C. Cancellation**

- (i) Upon Conversion, the Debenture holders shall be required to deliver to the Company the relevant Debenture Certificates. Such Debenture Certificates shall be cancelled by the Company and, if applicable, replacement Debenture Certificates issued in respect of any remaining balance (in accordance with Condition E (Conversion) below in the case of Conversion and despatched to the Debenture holder within two (2) Business Days after the satisfaction of Condition B.4 (Transfer by Debenture holders) above).
- (ii) Except as otherwise provided in the Conditions, the Company shall not cancel any Convertible Debenture without the prior written consent of the Investor.

**D. Covenants**

For so long as any Convertible Debenture remains outstanding, the Company shall comply with all the provisions of the Agreement.

**E. Conversion**

**E.1. Conversion Prior to Mandatory Conversion**

- (a) Each Debenture holder shall, at any time after the expiry of six (6) months from the date of allotment of the Debentures, be entitled to exercise from time to time, at its sole discretion, an option to convert (an "Early Conversion") all or part of the Convertible Debentures into the Conversion Equity Shares.
- (b) In order to exercise the right of Conversion, a Debenture holder shall serve a written notice of such conversion (an "Early Conversion Notice") to the Company at the Registered Office accompanied by the surrender of the relevant Debenture Certificates at the registered office.
- (c) Each Early Conversion Notice shall specify the Convertible Debentures sought to be converted into Equity Shares and the proposed date of such Early Conversion ("Early Conversion Date"), which shall not be less than fifteen (15) days from the date of receipt of such Early Conversion Notice by the Company.

- (d) The Company shall, on the Conversion Date specified in an Early Conversion Notice be deemed to have allotted the relevant Conversion Equity Shares, credited as fully paid up to the relevant Debenture holder and the relevant Debenture holder shall be deemed to have applied for the conversion and allotment of the Conversion Equity Shares on the terms and conditions referred to above and the Company shall accordingly enter the name of the relevant Debenture holder in the register of members upon the occurrence of an Early Conversion.

## **E.2. Mandatory Conversion**

- (a) Without prejudice to any other rights of the Investor as contained in the Agreement, the Convertible Debenture shall stand automatically and mandatorily converted into the Conversion Equity Shares on the date of issue of any Draft Red Herring Prospectus by the Company in relation to an Initial Public Offering ("IPO") of Equity Shares.
- (b) In the event that the Convertible Debentures are not converted pursuant to paragraph (a) above, then on the Mandatory Conversion Date, the entire Convertible Debentures held by each Debenture holder shall be automatically and mandatorily converted into the Conversion Equity Shares.
- (c) The Company shall, on such an automatic and mandatory conversion for any of the reasons set out in paragraph (a) or (b) above (a "**Mandatory Conversion**"), be deemed to have allotted the Conversion Equity Shares credited as fully paid-up to the Debenture holders and the Company shall issue corresponding share certificates within the period as contemplated in Condition E.4 (Obligations of the Company upon a Conversion), after receipt of which the Debenture holders shall return the Debenture Certificates to the Company, which would then be subsequently treated as cancelled and extinguished.
- (d) Upon the occurrence of the Mandatory Conversion, the Company shall enter the names of the relevant Debenture holders to be entered in the register of the members of the Company in respect of the relevant Conversion Equity Shares.
- (e) A Debenture holder shall be deemed to have applied for the conversion and allotment of the Conversion Equity Shares on the terms and conditions referred to above.

## **E.3. Conversion Price and Conversion Equity Shares**

The Convertible Debentures shall convert into Equity Shares at a price of Rupees Sixty Four (INR 64) per Equity Share ("**Conversion Price**"), which price is more than the FDI Price and which has been determined by MNV & Co., chartered accountants, in accordance with Applicable Law.

## **E.4. Obligations of the Company upon a Conversion**

Upon a Conversion in accordance with these Conditions, the Company shall on the Early Conversion Date or the Mandatory Conversion Date (as applicable) issue to the Debenture holders free and clear of all Encumbrances, freely transferable, fully paid, non-assessable and duly issued Equity Shares having the same rights attaching to them as all other Equity Shares, and deliver to such Debenture holder a share certificate evidencing valid title to such number of, the Conversion Equity Shares within seven (7) Business Days of the Conversion. No fractional share shall be issued upon the conversion of any Convertible Debentures and the number of Equity Shares to be issued shall be rounded to the next whole share.

**E.5. Status of Conversion Equity Shares and Rights to Dividends**

The Conversion Equity Shares issued to the Debenture holders upon conversion of the Convertible Debentures shall carry the right to receive all dividends and other distributions in respect of the Financial Year in which the Conversion Date or the Mandatory Conversion Date (as applicable) falls and shall rank *pari passu*, equally and rateably, without discrimination or preference with all the Equity Shares.

**E.6. Reservation of Equity Shares Issuable Upon Conversion**

The Company shall at all times reserve and keep available out of its authorized but unissued Equity Shares, solely for the purpose of effecting the conversion of the Convertible Debentures, such number of Equity Shares as shall from time to time be sufficient to effect the conversion of all outstanding Convertible Debentures; and if at any time the number of authorized but unissued Equity Shares shall not be sufficient to effect the conversion of all then outstanding Convertible Debentures (taking into account the issuance of Equity Shares pursuant to any existing convertible security), the Company will take such corporate action as may be necessary to increase its authorized but unissued Equity Shares to such number of shares as shall be sufficient for such purposes, including, without limitation, engaging in best efforts to obtain the requisite shareholder approval of any necessary amendment to the Constitution Documents.

**F. Adjustment**

**F.1.** In the event that the Company alters its capital structure (including, without limitation, by way of a bonus issue, share split, share combination, a reduction of capital or otherwise whatsoever but other than as the result of an issue of the Conversion Equity Shares), the number of Conversion Equity Shares issuable upon exchange of the Convertible Debentures shall be adjusted so as to give the Debenture holders the same equity interest in the Company as it would have had prior to such alteration in capital and/or to compensate the Debenture holders for such event. It is clarified that the said adjustment shall not be applicable on issue of further Company Securities to any Person under the provisions of section 81 or section 81(1A) of the Companies Act, 1956.

**F.2.** In case of any consolidation or merger of the Company with or into another company or in case of any sale or conveyance to another company of all or substantially all the property of the Company, the Debenture holders shall have the right thereafter to exchange its Debentures for the kind and amount of shares of stock and other securities and property receivable upon such consolidation, merger, sale or conveyance by a holder of the number of Equity Shares for which a Convertible Debenture could have been exchanged immediately prior to such consolidation, merger, sale or conveyance, and shall have no other conversion rights under these provisions.

**F.3.** The Company will not, by amendment of its Constitution Documents or through any reorganization, recapitalization, transfer of assets, consolidation, merger, dissolution, issue or sale of securities or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms to be observed or performed hereunder by the Company, but will at all times in good faith assist in the carrying out of all the provisions of the Conditions and in the taking of all such action as may be necessary or appropriate in order to protect the Conversion rights of the Debenture holders against impairment.

**G. Debenture Certificate**

(a) Unless otherwise requested by a Debenture holder, every Debenture holder shall be entitled to receive (without charge) one (1) Debenture Certificate for the amount of Convertible Debentures held by it, provided that joint holders of a Convertible Debenture will only be entitled to receive one (1) Debenture Certificate in respect of their joint holding and delivery of the Debenture Certificate to the first-named joint holder set out in the register shall be sufficient delivery to all joint holders.

- (b) The Debenture Certificate for the Convertible Debentures shall be executed by a duly authorised officer of the Company.
- (c) The certificate for the Convertible Debentures shall be in substantially the form set out in the Agreement.
- (d) If a Debenture Certificate is mutilated, defaced, destroyed, lost or stolen, it shall be replaced by the Company at the Debenture holder's request and at the cost of the Debenture holder concerned upon provision of evidence satisfactory to the Company that such certificate was destroyed, stolen or lost together with an indemnity or other security as may be reasonably required by the Company. If the Debenture Certificate is mutilated or defaced, it must be surrendered before a replacement will be issued.

## **H. Coupon and Interest Period**

### **H.1. Coupon**

- (a) Each Debenture holder shall be entitled to a coupon payment on each Convertible Debenture at the rate of 5% (five percent) per annum ("**Coupon**") on the Convertible Debenture Issue Price for each Interest Period.
- (b) The Coupon shall accrue on each Convertible Debenture on a day to day to basis and shall be calculated on the basis of a year of three hundred and sixty five (365) days and the actual number of days elapsed.

### **H.2. Payment of Coupon**

- (a) The Coupon shall be payable by the Company to each Debenture holder on the last day of each Interest Period following the Completion Date.
- (b) The Company shall deposit the amount of the Coupon payable for each Interest Period into the Coupon Account on the same date that such Coupon is payable.
- (c) No Coupon shall be payable for any period prior to the Completion Date.

### **H.3. Penal Coupon**

In the event of any delay in the payment of the accrued Coupon on the due date, additional interest at the rate of 2% (two per cent) per annum over and above the Coupon ("**Penal Coupon**") shall accrue on the Coupon that are due and payable, from the date on which such Coupon became due and payable up to the date of actual payment (both before and after judgment) of such Coupon. Such Penal Coupon shall accrue from day to day and be calculated on the basis of the actual number of days elapsed in that year until actually paid.

## **I. Payments and Taxation**

The Company will pay (i) any stamp, issue, registration, documentary, capital gain, value added or other taxes and duties imposed in connection with the issue of the Convertible Debentures, and (ii) all duties, taxes, brokerage, commissions and any other transaction costs relating to or arising out of the issuance by the Company of the Conversion Equity Shares to the Debenture holders. All payments of Coupon in respect of the Convertible Debentures, and all other payments by the Company under these Conditions, shall be subject to applicable withholding or deduction for or on account of, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of the Company's taxing jurisdiction or any political or authority thereof or therein having power to tax.

**J. No Resale or Reissue**

Any Convertible Debentures surrendered for Conversion in accordance with these Conditions shall be cancelled and shall not be available for resale or reissue.

**K. Notices**

All notices to the Debenture holders required to be given by these Conditions or the Agreement shall be in writing in the English language and be given by sending by prepaid post (first class if inland, first class airmail if overseas) or by facsimile transmission or by delivering it by hand to them at their respective addresses on the register. Any such notice sent by post as aforesaid shall be deemed to have been given three days (in the case of inland post) or seven days (in the case of overseas post) after dispatch and notice given by facsimile transmission as aforesaid shall be deemed to have been given when received in legible form. Notices delivered in person will be deemed given at the time of delivery.

**L. Governing Law and Jurisdiction**

The Convertible Debentures are governed by, and shall be construed in accordance with, the laws of India. All disputes arising out of or in connection with both the Convertible Debentures and the Agreement shall be resolved in the manner detailed under the Agreement. The Company acknowledges that the Debenture holders may suffer irreparable harm as a result of any breach of the terms of the issue of the Convertible Debentures or of any provision of the Agreement or any Condition and further acknowledges that the Debenture holders shall be entitled to apply for and receive from any court of competent jurisdiction, a temporary restraining order, preliminary injunction or permanent injunction, without any necessity of proving actual damages or any requirement to post a Convertible Debenture or other security, enjoining the Company from further breach. Such relief as is obtained shall be in addition to and not in substitution for any other remedies available to the Debenture holders pursuant to the Agreement or otherwise.



S. No.	Name, Description, Occupation and address of subscriber	Signature of Subscriber	Name Addresses, Description and signature of witness
1.	MGF Developments Limited MGF House, 17-B, Asaf Ali Road, New Delhi – 110002 (Body Corporate) through its Representative Siddharth Gupta s/o Mr. Rajiv Gupta r/o 50, Golf Links, New Delhi – 110003 (Business)	Sd/-	
2.	Shravan Gupta s/o Mr. Rajiv Gupta r/o 50, Golf Links, New Delhi – 110003 (Business)	Sd/-	I, hereby witness the signatures of both the subscribers Who have signed in my presence Sd/- Arvind Agarwal s/o Mr. O. P. Agarwal Seth Dua & Associates C-56, Neeti Bagh, New Delhi – 110049 (Advocate)

Place: New Delhi

Dated: 18<sup>th</sup> February, 2005

