

**Company number: 41996**

**THE COMPANIES (GUERNSEY) LAWS, 1994 TO 1996, AS AMENDED**

**THE COMPANIES (GUERNSEY) LAW, 2008**

**COMPANY LIMITED BY SHARES**

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**NEW MEMORANDUM AND ARTICLES OF INCORPORATION**

**OF**

**RUFFER INVESTMENT COMPANY LIMITED**

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**Registered 1 June 2004**

**New articles adopted by special resolution passed on 4 December 2025**

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NEW ARTICLES OF INCORPORATION

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RUFFER INVESTMENT COMPANY LIMITED

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**of**

**RUFFER INVESTMENT COMPANY LIMITED**

**1 STANDARD ARTICLES**

The standard Articles prescribed pursuant to Section 16(2) of the Law shall be excluded in their entirety.

**2 INTERPRETATION**

In these Articles the following words shall bear the following meanings if not inconsistent with the subject or context:-

<b>Words</b>	<b>Meanings</b>
<b>"Administrator"</b>	Northern Trust International Fund Administration Services (Guernsey) Limited or such person or persons from time to time appointed by the Company as the administrator of the Company.
<b>"accounts"</b>	means either individual accounts prepared in accordance with Section 243 of the Law or consolidated accounts prepared in accordance with Section 244 of the Law.
<b>"AML Legislation"</b>	the Criminal Justice (Proceeds of Crime) (Bailiwick of Guernsey) Law, 1999, ordinances, rules and regulations made thereunder, and the GFSC's Handbook for Financial Services Business on Countering Financial Crime and Terrorist Financing, together with any applicable legislation in the UK, including but not limited to, the Proceeds of Crime Act 2002 and the UK Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017.

<b>"Articles"</b>	these Articles of Incorporation as now framed and at any time altered.
<b>"at any time"</b>	at any time or times and includes for the time being and from time to time.
<b>"Auditors" or "auditors"</b>	the auditors, if any, engaged in accordance with the Law and these Articles.
<b>"Benefit Plan Investor"</b>	means: <ul style="list-style-type: none"> <li>(a) an employee benefit plan ("<b>plan</b>") that is subject to the fiduciary responsibility or prohibited transaction provisions of Title I of ERISA (including, as applicable, assets of an insurance company general account) or a plan that is subject to the prohibited transaction provisions of section 4975 of the US Tax Code (including an individual retirement account);</li> <li>(b) an entity whose underlying assets include "plan assets" by reason of a plan's investment in the entity; or</li> <li>(c) any "benefit plan investor" as otherwise defined in section 3(42) of ERISA or regulations promulgated by the US Department of Labor.</li> </ul>
<b>"Board"</b>	the Directors at any time or the Directors present at a duly convened meeting at which a quorum is present.
<b>"Business Day"</b>	any day on which banks are generally open for business in London and Guernsey other than a Saturday or Sunday.
<b>"C Shares"</b>	the shares of 0.1p each in the capital of the Company issued and designated as C Class shares of whatever tranche and having the rights described in these Articles.
<b>"C Share Surplus"</b>	in relation to any tranche of C Shares means the net assets of the Company attributable to the C Shares in that tranche, being the assets attributable to the C Shares in that tranche (including for the avoidance of doubt, any income and/or revenue (net of expenses) arising from or relating to such assets) less such proportion of the Company's liabilities as the Directors shall reasonably allocate to the assets of the Company attributable to such C Shares.

**"Calculation Time"**

in relation to any tranche of C Shares means the earliest of:

- (a) the close of business on the date determined by the Directors that at least 80 per cent. of the assets attributable to that tranche of C Shares have been invested (as defined below) in accordance with the Company's investment policy;
- (b) the close of business on the last Business Day prior to the day on which Force Majeure Circumstances have arisen or the Directors resolve that such circumstances are in contemplation;
- (c) the close of business on such date as the Directors may determine to enable the Company to comply with its obligations in respect of Conversion; and
- (d) the close of business on the Business Day falling six months after the admission of that tranche of C Shares to the Official List.

**"clear days"**

in relation to the period of notice means that period excluding the day when notice is given or deemed to be given and the day for which it is given or on which it is to take effect.

**"Commodity Exchange Act"**

the US Commodity Exchange Act, 1936 as amended or any substantially equivalent successor legislation.

**"Conversion"**

in relation to any tranche of C Shares, the subdivision and conversion of that tranche of C Shares in accordance with Article 5.3.16.

**"Conversion Ratio"**

is A divided by B calculated to four decimal places (with 0.00005 being rounded upwards) where:

$$A = \frac{C-D}{E}$$

and

$$B = \frac{F-G}{H}$$

and where:

"C" is the aggregate of:

- (a) the value of the investments of the Company attributable to the C Shares of the relevant tranche (other than investments which are subject to restrictions on transfer or a

suspension of dealings, which are to be valued in accordance with (b) below) which are listed or dealt in on a stock exchange or on a similar market:

- (i) calculated in the case of investments of the Company which are listed on the London Stock Exchange according to the prices issued by the London Stock Exchange as at the Calculation Time, being the closing middle market prices for all investments other than the FTSE 100 constituents and FTSE 100 reserve list constituents for which the last trade prices shall be used. If any such investments are traded under the London Stock Exchange Daily Electronic Trading Service ("**SETS**") and the latest recorded prices at which such investments have been traded as shown in the London Stock Exchange Daily Official List differ materially from the bid and offer prices of the investments quoted on SETS as at the Calculation Time, the value of such investments shall be adjusted to reflect the fair realisable value as determined by the Directors. Investments of the Company which are listed, quoted or dealt in on any other recognised stock exchange shall be valued by reference to the closing middle market prices on the principal stock exchange or market where the relevant investment is listed, quoted or dealt in as at the Calculation Time, as shown by the relevant exchange's or market's recognised method of publication of prices for such investments. Debt related securities (including Government stocks) shall be valued by reference to the closing middle market price, subject to any adjustment to exclude any accrual of interest which may be included in the quoted price, as at the Calculation Time; or
- (ii) where such published prices are not available, calculated by reference to the Directors' belief as to a fair current trading price at the Calculation Time for those investments, after taking account of any other price publication services reasonably available to the

Directors;

- (b) the value of all other investments of the Company attributable to the C Shares of the relevant tranche at their respective acquisition costs, subject to such adjustments as the Directors may deem appropriate to be made for any variations in the value of such investments between the date of acquisition and the Calculation Time; and
- (c) the amount which, in the Directors' opinion, fairly reflects, at the Calculation Time, the value of the current assets of the Company attributable to the C Shares of the relevant tranche (including cash and deposits with or balances at bank and including any accrued income and other items of a revenue nature less accrued expenses);

"D" is the amount which (to the extent not otherwise deducted in the calculation of "C") in the Directors' opinion fairly reflects the amount of the liabilities attributable to the C Shares of the relevant tranche at the Calculation Time;

"E" is the number of C Shares of the relevant tranche in issue at the Calculation Time;

"F" is the aggregate of:

- (a) the value of all the investments of the Company (other than investments which are subject to restrictions on transfer or a suspension of dealings, which are to be valued in accordance with (b) below), other than investments attributable to the C Shares (of whatever tranche) in issue at the Calculation Time, which are listed or dealt in on a stock exchange or on a similar market:
  - (i) calculated in the case of investments of the Company which are listed on the London Stock Exchange according to the prices issued by the London Stock Exchange as at the Calculation Time, being the closing middle market prices for all investments other than the FTSE 100 constituents and FTSE 100 reserve list constituents for which the last trade prices shall be used. If any such investments are traded under the London Stock Exchange Daily Electronic Trading Service ("**SETS**")



and the latest recorded prices at which such investments have been traded as shown in the London Stock Exchange Daily Official List differ materially from the bid and offer prices of the investments quoted on SETS as at the Calculation Time, the value of such investments shall be adjusted to reflect the fair realisable value as determined by the Directors. Investments of the Company which are listed, quoted or dealt in on any other recognised stock exchange shall be valued by reference to the closing middle market prices on the principal stock exchange or market where the relevant investment is listed, quoted or dealt in as at the Calculation Time, as shown by the relevant exchange's or market's recognised method of publication of prices for such investments. Debt related securities (including Government stocks) shall be valued by reference to the closing middle market price, subject to any adjustment to exclude any accrual of interest which may be included in the quoted price, as at the Calculation Time; or

- (ii) where such published prices are not available, calculated by reference to the Directors' belief as to a fair current trading price for those investments, after taking account of any other price publication services reasonably available to the Directors;
- (b) the value of all other investments of the Company, other than investments attributable to the C Shares (of whatever tranche) in issue at the Calculation Time at their respective acquisition costs, subject to such adjustments as the Directors may deem appropriate to be made for any variations in the value of such investments between the date of acquisition and the Calculation Time, and
- (c) the amount which, in the Directors' opinion, fairly reflects at the Calculation Time, the value of the current assets of the Company (including cash and deposits with or balances at bank and including any accrued income or other items of a revenue nature less accrued expenses), other than such

	assets attributable to the C Shares (of whatever tranche) in issue at the Calculation Time;
	"G" is the amount which (to the extent not otherwise deducted in the calculation of "F") in the Directors' opinion fairly reflects the amount of the liabilities and expenses of the Company at the Calculation Time including, for the avoidance of doubt, the full amount of all dividends declared but not paid) less the amount of "D";
	"H" is the number of Participating Shares in issue at the Calculation Time.
<b>"Conversion Time"</b>	<p>a time which falls after the Calculation Time and is the time at which the admission of the New Shares to the Official List becomes effective and which is the earlier of:</p> <ul style="list-style-type: none"> <li>(a) the opening of business on such Business Day as is selected by the Directors provided that such day shall not be more than twenty Business Days after the Calculation Time; or</li> <li>(b) such earlier date as the Directors may resolve should Force Majeure Circumstances have arisen or the Directors resolve that such circumstances are in contemplation.</li> </ul>
<b>"CREST Guernsey Requirements"</b>	the CREST Rules and such other of the rules and requirements of Euroclear as may be applicable to issuers as from time to time specified in the CREST Manual.
<b>"CREST Manual"</b>	the document entitled "CREST Reference Manual" issued by Euroclear.
<b>"CREST Rules"</b>	the Rules from time to time issued by Euroclear governing the admission of securities to and the operation of the CREST UK system.
<b>"CREST UK system"</b>	the facilities and procedures for the time being of the relevant system of which Euroclear has been approved as Operator pursuant to the UK Regulations.
<b>"Deferred Shares"</b>	the redeemable deferred shares of 0.01p each in the capital of the Company arising on the conversion of C Shares of the relevant tranche into New Shares and Deferred Shares.
<b>"Default Shares"</b>	has the meaning given to it in Article 17.10.

<b>"dematerialised instruction"</b>	an instruction sent or received by means of the CREST UK system.
<b>"Direction Notice"</b>	has the meaning given to it in Article 17.10.
<b>"Director"</b>	includes alternate Director.
<b>"Disclosure Notice"</b>	has the meaning given to it in Article 17.1.
<b>"Disclosure Guidance and Transparency Rules"</b>	the disclosure guidance published by the Financial Conduct Authority and the transparency rules made by the Financial Conduct Authority under section 73A of the Financial Services and Markets Act 2000 (as amended), as amended from time to time.
<b>"dividend"</b>	includes bonus.
<b>"DTR5"</b>	has the meaning given to it in Article 17.8.
<b>"DTR Notice"</b>	has the meaning given to it in Article 17.8.
<b>"ERISA"</b>	the US Employee Retirement Income Security Act of 1974, as amended, and applicable regulations thereunder.
<b>"Euroclear"</b>	Euroclear UK and Ireland Limited, the operator of the CREST UK System.
<b>"executors"</b>	includes administrators.
<b>"FATCA"</b>	The US Foreign Account Tax Compliance Act of 2010.
<b>"financial year"</b>	the period beginning on the day after its previous financial year ended and ending within eighteen (18) months of that date.
<b>"Force Majeure Circumstances"</b>	in relation to any tranche of C Shares any political and/or economic circumstances and/or actual or anticipated changes in fiscal or other legislation which, in the reasonable opinion of the Directors, renders Conversion necessary or desirable notwithstanding that less than 80 per cent. of the assets attributable to the relevant tranche of C Shares are invested (as defined below) in accordance with the Company's investment policy.
<b>"GFSC"</b>	the Guernsey Financial Services Commission or any successor body.
<b>"Group"</b>	any holding company of the Company and any subsidiary or subsidiary undertaking of such holding company and any subsidiary or subsidiary undertaking of the Company.

<b>"Independent Accountants"</b>	Moore Stephens or such other firm of chartered accountants as the Directors may appoint for the purpose.
<b>"Information"</b>	has the meaning given to it in Article 17.5.
<b>"Information Notice"</b>	has the meaning given to it in Article 17.5.
<b>"International Tax Compliance Legislation"</b>	Any existing or future legislation enacted by any jurisdiction that provides for or is intended to secure the exchange of information (including legislation implementing FATCA and legislation implementing the Common Reporting Standard (CRS)), any official interpretations or guidance thereof or relating thereto, or any law or regulations implementing an intergovernmental approach thereto, or any agreements made pursuant to the implementation of the foregoing, in each case as enacted, made, amended or replaced from time to time.
<b>"Investment Manager"</b>	the firm or company from time to time appointed by the Company for managing the Company's investments.
<b>"Issue Date"</b>	in relation to any tranche of C Shares the date on which the admission of such C Shares to the Official List becomes effective or, if later, the day on which the Company receives the net proceeds of the issue of such C Shares.
<b>"Law"</b>	The Companies (Guernsey) Law, 2008 as amended extended or replaced and any Ordinance statutory instrument or regulation made thereunder and references to sections thereof shall refer to such sections as amended or renumbered from time to time.
<b>"Liquidator"</b>	includes joint liquidators.
<b>"London Stock Exchange"</b>	London Stock Exchange plc.
<b>"Member"</b>	means a registered holder of a share in the capital of the Company.
<b>"Memorandum"</b>	the Memorandum of Incorporation of the Company.
<b>"Month"</b>	calendar month.
<b>"Net Asset Value"</b>	the value of the net assets of the Company as determined in accordance with Article 54.
<b>"New Shares"</b>	Participating Shares arising on the conversion of the C Shares of the relevant tranche.

**"Nominal Shares"**

Unclassified Shares of 0.01p in the capital of the Company issued and designated as Nominal Shares and having the rights described in these Articles.

**"Non-Qualified Holder"**

any person whose holding or beneficial ownership of any shares in the Company (whether on its own or taken with other shares), in the opinion of the Directors:

- (a) would or might cause the assets of the Company to be treated as "plan assets" of any Benefit Plan Investor under section 3(42) of ERISA or the US Tax Code; or
- (b) would or might result in the Company and/or its shares and/or any of its Investment Manager or its appointed alternative investment fund manager or any appointed investment adviser being required to register or qualify under the US Investment Company Act of 1940, as amended, and/or the US Securities Act of 1933, and/or the U.S Investment Advisers Act of 1940, as amended, and/or the US Exchange Act and/or any laws of any state of the US or other jurisdiction that regulate the offering and sale of securities; or
- (c) may cause the Company not to be considered a "Foreign Private Issuer" under the US Exchange Act; or
- (d) may cause the Company to be a "controlled foreign corporation" for the purpose of the US Tax Code; or
- (e) may result in the Company losing or forfeiting or not being able to claim the benefit of any exemption under the Commodity Exchange Act or the rules of the US Commodity Futures Trading Commission (CFTC) or analogous legislation or regulation or becoming subject to any unduly onerous filing, reporting or registration requirements; or
- (f) creates a significant legal or regulatory issue for the Company under the US Bank Holding Company Act 1956, as amended or regulations or interpretations thereunder; or
- (g) would cause the Company adverse consequences under the foreign account tax compliance provisions of the US Hiring Incentives to Restore Employment Act of

	2010, including the Company becoming subject to any withholding tax or reporting obligation (including by reason of the failure of the Member concerned to provide promptly to the Company such information and documentation as the Company may have requested to enable the Company to avoid or minimise such withholding tax or to comply with such reporting obligations); or
	(h) may cause the Company (including for such purposes, its subsidiaries) to lose the benefit of, or suffer pecuniary disadvantage as a result of not being able to take advantage of, any applicable withholding tax treaty or similar arrangement.
<b>"Office"</b>	the registered office at any time of the Company.
<b>"Official List"</b>	the list maintained by the UK Listing Authority pursuant to Part VI of the Financial Services and Markets Act 2000.
<b>"Ordinary resolution"</b>	a resolution passed by a simple majority in accordance with Section 176 of the Law.
<b>"Participating Shares"</b>	Unclassified Shares of 0.01p each in the capital of the Company issued and designated as participating shares and having the rights described in these Articles.
<b>"Probate"</b>	includes Letters of Administration.
<b>"Prohibited Shares"</b>	shares in the capital of the Company designated or deemed as such and dealt with pursuant to Article 20.11.
<b>"Proxy"</b>	includes attorney.
<b>"Redemption Date"</b>	in relation to any redemption of Participating Shares, such date as may be determined by the Directors in their absolute discretion to be the date on which the Participating Shares will be redeemed.
<b>"Redemption Value"</b>	the amount payable on redemption of the Participating Shares in accordance with the provisions of Article 21.
<b>"Register"</b>	the register of members kept pursuant to the Law.
<b>"Seal"</b>	the common seal of the Company.
<b>"Secretary"</b>	any person designated by the Board as such.
<b>"Share Surplus"</b>	the net assets of the Company less the C Share Surplus.

<b>"Special resolution"</b>	a resolution passed by a majority of not less than 75% in accordance with Section 178 of the Law.
<b>"Sponsor"</b>	a company, person or firm admitted by Euroclear to act as sponsor under the CREST Rules.
<b>"Treasury Shares"</b>	shares of a particular class held in accordance with the Law.
<b>"UK Regulations"</b>	has the meaning ascribed to the term in the CREST Manual.
<b>"unanimous resolution"</b>	a resolution agreed to by every Member of the Company in accordance with Section 180 of the Law.
<b>"uncertificated"</b>	a unit of a Guernsey security title to which is recorded on the relevant register of securities as being held in uncertificated form, and title to which may be transferred by means of the CREST UK system; and "certificated unit of a security" means a unit of a security which is not an uncertificated unit.
<b>"Unclassified Shares"</b>	an unclassified share of 0.01p each in the authorised capital of the Company available for issue and designated as a Nominal Share or a Participating Share.
<b>"United Kingdom" or "UK"</b>	Great Britain and Northern Ireland.
<b>"United States", "USA" or "US"</b>	the United States of America its territories and possessions, any state of the United States of America and the District of Columbia.
<b>"US Exchange Act"</b>	the United States Securities Exchange Act of 1934, as amended, and the rules and regulations of the US Securities and Exchange Commission promulgated pursuant to it.
<b>"US Tax Code"</b>	the US Internal Revenue Code of 1986.
<b>"Valuation Date"</b>	the Business Day immediately preceding the Redemption Date.
<b>"Valuation Point"</b>	the time on such day or days (being not less frequently than one per month) as the Board shall determine for the purpose of ascertaining the value of the assets of the Company.
<b>"waiver resolution"</b>	a resolution passed by a majority of not less than 90% in accordance with Section 179 of the Law.

Any reference to a share shall, where the Board has resolved to allot and issue fractions of shares, include such fractions.

The singular includes the plural and vice versa. The masculine includes the feminine.

Words importing persons include corporations.

A reference to a "subsidiary" or a "holding company" shall have the same meaning ascribed to such terms in the Law.

Expressions referring to writing include any mode of representing or reproducing words.

References to the Independent Accountants certifying any matter shall be construed to mean certification of their opinion as to such matter, whether qualified or not.

For the purposes of Article 5.3, other than in Article 5.3. 7 rights as to capital for C Class Shares, assets or investments attributable to the C Shares of a particular tranche or the holders of C Share(s) of a particular tranche shall mean the net cash proceeds (after all expenses relating thereto) as invested in or represented by investments or cash or other assets from time to time.

For the purposes of paragraph (a) of the definition of Calculation Time and the definition of Force Majeure Circumstances in relation to any tranche of C Shares, the assets attributable to the C Shares of that tranche shall be treated as having been "invested" if they have been expended by or on behalf of the Company in the acquisition or making of an investment (whether by subscription or purchase) or if an obligation to make such payment has arisen or crystallised (in each case unconditionally or subject only to the satisfaction of normal pre-issue conditions) in relation to which the consideration amount has been determined or is capable of being determined by operation of an agreed contractual mechanic.

Subject to the above, any words defined in the Law shall, if not inconsistent with the subject or context, bear the same meaning in these Articles.

In the event of any conflict between these Articles and the mandatory provisions of the Law, the latter shall prevail.

Where a Section of the Law is referred to and that Section is amended or renumbered or supplemented, then the reference shall be deemed to refer to the same Section as amended, renumbered or supplemented.

### **3 AMENDMENTS**

The Company's Memorandum and Articles of Incorporation may be amended in accordance with Part IV of the Law.

### **4 BUSINESS**

Any branch or kind of business which, by the Memorandum or by these Articles, is, either expressly or impliedly, authorised to be undertaken may be undertaken or suspended at any time by the Board.

### **5 SHARES**

- 5.1 The share capital of the Company is divided into 75,000,000 C Shares of 0.1p each, and an unlimited number of Unclassified Shares of 0.01p each, each having the rights hereinafter described.



5.2 The rights attaching to the Participating Shares shall be as follows:

- 5.2.1 As to Income – the holders of Participating Shares shall be entitled to receive, and participate in, any dividends or other distributions out of the profits of the Company available for dividend and resolved to be distributed in respect of any accounting period or any other income or right to participate therein. If any dividend is declared after the issue of any tranche of C Shares and prior to the Conversion of that tranche, the holders of Participating Shares shall be entitled to receive and participate in such dividend only insofar as such dividend is not attributed, at the sole discretion of the Directors, to the C Share Surplus.
- 5.2.2 As to Capital – the holders of Participating Shares shall be entitled:
- (i) on each Redemption Date to offer Participating Shares for redemption at a value equal to the Redemption Value subject to such limitations as may be specified in these Articles and as the Directors may, in their absolute discretion, determine.
  - (ii) on a winding up, to participate in the distribution of capital in the manner described in Article 53.
- 5.2.3 As to Voting – the holders of the Participating Shares shall be entitled to receive notice of and to attend and vote at general meetings of the Company.

5.3 The rights attaching to the C Shares and the Deferred Shares shall be as set out below:

*Issues of C Shares*

- 5.3.1 Subject to the Law, the Directors shall be authorised to issue C Shares in tranches on such terms as they determine provided that such terms are consistent with the provisions summarised in this Article 5.3.1. The Directors shall, on the issue of each tranche of C Shares, determine the Calculation Time and Conversion Time together with any amendments to the definition of Conversion Ratio attributable to each such tranche.
- 5.3.2 Each tranche of C Shares, if in issue at the same time, shall be deemed to be a separate class of shares. The Directors may, if they so decide, designate each tranche of C Shares in such manner as they see fit in order that each tranche of C Shares can be identified.

*Dividends and Pari Passu Ranking of C Shares and New Shares*

- 5.3.3 The holders of C Share(s) of a tranche shall be entitled to receive, and participate in, any dividends declared only insofar as such dividend is attributed, at the sole discretion of the Directors, to the C Share Surplus of that tranche.
- 5.3.4 If any dividend is declared after the issue of any tranche of C Shares and prior to the Conversion of that tranche, the holders of Shares shall be entitled to receive and participate in such dividend only insofar as such dividend is not attributed, at the sole discretion of the Directors, to the C Share Surplus of the relevant tranche of C Shares.

- 5.3.5 The New Shares shall rank in full for all dividends and other distributions declared, made or paid after the Conversion Times and otherwise *pari passu* with the Participating Shares in issue at the Conversion Time.
- 5.3.6 The Deferred Shares (to the extent that any are in issue and extant) shall not entitle the holders thereof to any dividend or any other right as the holders thereof to share in the profits or net assets of the Company.

#### *Rights as to Capital*

- 5.3.7 The capital and assets of the Company shall, on a winding-up or on a return of capital prior, in each case, to Conversion be applied as follows:
- (a) the Share Surplus shall be divided amongst the holders of Participating Shares and Nominal Shares according to the rights attaching thereto as if the Share Surplus comprised the assets of the Company available for distribution;
  - (b) the C Share Surplus shall be divided amongst the holders of C Share(s) *pro rata* according to their holdings of C Shares; and
  - (c) the Deferred Shares shall have no rights to the capital or assets of the Company.

#### *Voting and Transfer*

- 5.3.8 The C Shares shall carry the right to receive notice of, and to attend or vote at, any general meeting of the Company. The C Shares shall be transferable in the same manner as the Participating Shares. The Deferred Shares shall not be transferable and shall not carry any rights to receive notice of, attend or vote at, any general meeting of the Company.

#### *Redemption*

- 5.3.9 The C Shares are issued on terms that each tranche of C Shares and Deferred Shares shall be redeemable by the Company in accordance with the terms set out in the Articles.
- 5.3.10 At any time prior to Conversion, the Company may, at its discretion, redeem all or any of the C Shares then in issue by agreement with any holder(s) thereof in accordance with such procedures as the Directors may determine (subject to the facilities and procedures of CREST) and in consideration of the payment of such redemption price as may be agreed between the Company and the relevant holders of C Share(s).
- 5.3.11 The Deferred Shares arising from Conversion of a particular tranche of C Shares (to the extent that any are in issue and extant) may be redeemed at the option of the Company at any time following Conversion of the relevant tranche of C Shares for an aggregate consideration of 1p for all such Deferred Shares, and for such purposes any Director is authorised as agent on behalf of each holder of Deferred Shares, in the case of any share in certificated form, to execute any stock transfer form and to do any other act or thing as may be required to give effect

to the same including, in the case of a share in uncertificated form, the giving of directions to or on behalf of each holder of Deferred Shares who shall be bound by them.

- 5.3.12 The Company shall not be obliged to issue share certificates to the holders of Deferred Shares.

#### *Class Consents and Variation of Rights*

- 5.3.13 Without prejudice to the generality of the Articles, until Conversion the consent of the holders of the C Shares as a class shall be required for, and accordingly, the special rights attached to the C Shares shall be deemed to be varied, *inter alia*, by:

- (a) any alteration to the Memorandum of the Company or the Articles; or
- (b) any alteration, increase, consolidation, division, sub-division, cancellation, reduction or purchase by the Company of any issued or authorised share capital of the Company (other than on Conversion); or
- (c) any allotment or issue of any security convertible into or carrying a right to subscribe for any share capital of the Company or any other right to subscribe or acquire share capital of the Company; or
- (d) the passing of any resolution to wind up the Company; or
- (e) the selection of any accounting reference date other than 30 June.

#### *Undertakings*

- 5.3.14 Until Conversion, and without prejudice to its obligations under the Law, the Company shall in relation to each tranche of C Shares:

- (a) procure that the Company's records and bank accounts shall be operated so that the assets attributable to the C Shares of the relevant tranche can, at all times, be separately identified and, in particular but without prejudice to the generality of the foregoing, the Company shall procure that separate cash accounts shall be created and maintained in the books of the Company for the assets attributable to the C Shares of the relevant tranche; and
- (b) allocate to the assets attributable to the C Shares of the relevant tranche such proportion of the expenses or liabilities of the Company incurred or accrued between the Issue Date and the Calculation Time (both dates inclusive) as the Directors fairly consider to be attributable to the C Shares of the relevant tranche including, without prejudice to the generality of the foregoing, those liabilities specifically identified in the definition of "Conversion Ratio" above; and
- (c) give appropriate instructions to the Investment Manager to manage the Company's assets so that such undertakings can be complied with by the Company.

- 5.3.15 [Intentionally left blank]

## *Conversion*

5.3.16 In relation to each tranche of C Shares, the C Shares shall be sub-divided and converted into New Shares and Deferred Shares at the Conversion Time in accordance with the following provisions of this paragraph, the Directors shall procure that:

- (a) the Administrator shall be requested to calculate, within two Business Days after the Calculation Time, the Conversion Ratio as at the Calculation Time and the number of New Shares to which each holder of C Shares of that tranche shall be entitled on Conversion; and
- (b) the Independent Accountants shall be requested to certify, within three Business Days after the Calculation Time, that such calculations:
  - (i) have been performed in accordance with the Articles; and
  - (ii) are arithmetically accurate,

whereupon, subject to the proviso in the definition of Conversion Ratio above, such calculations shall become final and binding on the Company and all Members.

5.3.17 The Directors shall procure that, as soon as practicable following such certificate, an announcement is made to a regulatory information service, advising holders of C Share(s) of that tranche, the Conversion Time, the Conversion Ratio and the aggregate number of New Shares to which holders of C Share(s) of that tranche are entitled on Conversion.

5.3.18 Conversion shall take place at the Conversion Time. On Conversion:

- (a) each issued C Share shall automatically be sub-divided into ten sub-divided C Shares of 0.01p each and such number of sub-divided C Shares shall automatically convert into such number of New Shares (such sub-division and conversion being deemed to be authorised by the special resolution creating the C Shares) as shall be necessary to ensure that, upon Conversion being completed, the aggregate number of sub-divided C Shares which are converted into New Shares equals the aggregate number of C Shares of that tranche in issue at the Calculation Time multiplied by the Conversion Ratio (rounded down to the nearest whole New Share). Each sub-divided C Share which does not so convert into a New Share shall automatically convert into a Deferred Share having the rights set out in Articles 5.3.7 and 5.3.13 above and shall be dealt with in accordance with Article 5.3.18 (b) below. Share certificates will not be issued in respect of the sub-divided C Shares.
- (b) each sub-divided C Share which does not convert into a New Share in accordance with Article 5.3.18 (a) above and is converted into a Deferred Share shall immediately upon Conversion be redeemed by the Company in accordance with Article 5.3.11 above for an aggregate consideration of 1p for all of the Deferred Shares so redeemed. The Company shall not be obliged to account to any

holder of C Share(s) for the redemption monies in respect of such shares. Immediately following such redemption every 10 redeemed Deferred Shares shall be consolidated into Deferred Shares of 0.1p and each such share shall automatically be reclassified as a C Share in the authorised share capital of the Company. Any Deferred Share of 0.01p not consolidated and reclassified as described above shall be reclassified as a Participating Share in the authorised share capital of the Company. If at a time such shares would otherwise be redeemed the Company may not lawfully effect such redemption except out of the proceeds of a fresh issue of shares made for the purpose of a redemption, the Company shall issue such number of Nominal Shares of 0.01p each to the Administrator at a sufficient price per share in order to provide the Company with the funds to effect such redemption.

- 5.3.19 The New Shares arising upon Conversion shall be divided amongst the former holders of C Share(s) pro rata according to their respective former holdings of C Shares of the relevant tranche (provided always that the Directors may deal in such manner as they think fit with fractional entitlements to New Shares, including, without prejudice to the generality of the foregoing, selling any such shares representing such fractional entitlements and retaining the proceeds for the benefit of the Company) and for such purposes any Director is hereby authorised as agent on behalf of the former holders of C Share(s), in the case of a share in certificated form, to execute any stock transfer form and to do any other act or thing as may be required to give effect to the same including, in the case of a share in uncertificated form, the giving of directions to or on behalf of the former holders of any C Shares who shall be bound by them.
- 5.3.20 Forthwith upon Conversion, any certificates relating to the C Shares of the relevant tranche shall be cancelled and the Company shall issue to each such former C Shareholder new certificates in respect of the New Shares which have arisen upon Conversion unless such former holder of any C Shares elects to hold their New Shares in uncertificated form.
- 5.3.21 The Company will use its reasonable endeavours to procure that, upon Conversion, the New Shares are admitted to the Official List.

#### *Deferred Shares*

- 5.3.22 As set out above in this Article, Deferred Shares shall only be issued in respect of Conversion of C Shares. In a winding-up after Conversion, Deferred Shares shall be entitled to return an amount equal to their nominal value after return of capital on Participating Shares, paid up on Nominal Shares. The provisions in the Articles as to dividend, voting and redemption of the Deferred Shares are set out above in Articles 5.3.3 to 5.3.6, 5.3.8 and 5.3.9 to 5.3.12.

#### 5.4 The rights attaching to the Nominal Shares shall be as follows:

- 5.4.1 As to Income – the holders of Nominal Shares shall not be entitled to receive, and shall not participate in, any dividends or other distributions out of the profits of the Company available for dividend and resolved to be distributed in respect of any accounting period or any other income or right to participate therein.

- 5.4.2 As to Capital – the holders of Nominal Shares shall be entitled to participate in the distribution of capital and other assets of the Company on a winding up in the manner described in Article 53.
- 5.4.3 As to Voting – the holders of Nominal Shares shall be entitled to receive notice of and to attend general meetings of the Company but shall not be entitled to vote thereat.
- 5.5 Nominal Shares can only be issued at par to the Administrator. The Administrator is obliged to subscribe for Nominal Shares for cash at par when the Participating Shares are redeemed to ensure that funds are available to redeem the nominal amount paid up on Participating Shares, unless the Directors decide that the nominal amount of such shares is to be redeemed out of profits attributable to the Company.

## **6 SHARE CAPITAL**

- 6.1 Without prejudice to any special rights previously conferred on the holders of any existing shares or class of shares, any share (or option, warrant or other right in respect of a share) in the Company may be issued with such preferred, deferred or other special rights or restrictions, whether as to dividend, voting, return of capital or otherwise, as the Board may determine. The Board is authorised to issue an unlimited number of shares (or options, warrants or other rights in respect of shares).
- 6.2 The Board may permit the holding of shares in uncertificated form and the transfer of title to shares in that class by means of a relevant system and may determine that any class of shares shall cease to be a participating security for the purposes of any regulations issued under the Law authorising transfers of shares in dematerialised form.

## **7 ISSUE OF SHARES**

- 7.1 Subject to the authority conferred by Article 6 and to the remainder of this Article 7, the unissued shares shall be at the disposal of the Board which may allot, grant options, warrants or other rights over or otherwise dispose of them to such persons on such terms and conditions and at such times as the Board determines but so that no share shall be issued at a discount except in accordance with the Law and so that the amount payable on application on each share shall be fixed by the Board.
- 7.2 The following provisions govern the operation of applicable pre-emption rights in respect of any shares of any class in the Company.

(a) In this Article 7.2:

"equity securities" means:

- (i) any class of share of the Company, or
- (ii) rights to subscribe for, or to convert securities into, any class of share of the Company;

references to the allotment of equity securities include:

- (1) the grant of a right to subscribe for, or to convert any securities into, any class of share of the Company; and

- (2) the sale of any class of share of the Company that immediately before the sale is held by the Company as Treasury Shares.
- (b) The Company shall not allot equity securities of a particular class to a person on any terms unless:
  - (i) it has made an offer to each person who holds shares of the relevant class to allot to him on the same or more favourable terms a proportion of those securities that is as nearly as practicable equal to the proportion in number held by him of that class of shares; and
  - (ii) the period during which any such offer may be accepted has expired or the Company has received notice of the acceptance or refusal of every offer so made.
- (c) Equity securities that the Company has offered to allot to a holder of shares may be allotted to him, or anyone in whose favour he has renounced his right to their allotment, without contravening Article 7.2(b)(ii) and, if Article 7.2(b) applies in relation to the grant of such right, it will not apply in relation to the allotment of equity securities in pursuance of that right.
- (d) Shares held by the Company as Treasury Shares shall be disregarded for the purposes of this Article 7.2, so that the Company is not treated as a person who holds equity securities; and the Treasury Shares are not treated as forming part of the share capital of the Company.
- (e) Any offer required to be made by the Company pursuant to Article 7.2(b) should be made by a notice (given in accordance with Article 52) and such offer must state a period during which such offer may be accepted and such offer shall not be withdrawn before the end of that period. Such period must be a period of at least 21 days beginning on the date on which such offer is deemed to be delivered or received (as the case may be) pursuant to Article 52.
- (f) Article 7.2(b) shall not apply in relation to the allotment of bonus shares, scrip dividend shares nor to a particular allotment of equity securities if these are, or are to be, wholly or partly paid otherwise than in cash. For the avoidance of doubt, Participating Shares shall not, in the context of an issue of C Shares, constitute a relevant class for the purposes of Article 7.2(b)(i).
- (g) The Company may by special resolution resolve that Article 7.2(b) shall be excluded or that such Article shall apply with such modifications as may be specified in the resolution:
  - (i) generally in relation to the allotment by the Company of equity securities;
  - (ii) in relation to allotments of a particular description; or
  - (iii) in relation to a specified allotment of equity securities;
 and any such resolution must:
  - (1) state the maximum number of equity securities in respect of which Article 7.2(b) is excluded or modified which,

for the avoidance of doubt, may be an unlimited number of shares; and

- (2) specify the date on which such exclusion or modifications will expire, which must be not more than five years from the date on which the resolution is passed.

(h) Any resolution passed pursuant to Article 7.2(g) may:

- (i) be renewed or further renewed by special resolution of the Company for a further period not exceeding five years; and
  - (ii) be revoked or varied at any time by special resolution of the Company.
- (i) Notwithstanding that any such resolution referred to in Article 7.2(g) or 7.2 (h) has expired, the Directors may allot equity securities in pursuance of an offer or agreement previously made by the Company if the resolution enabled the Company to make an offer or agreement that would or might require equity securities to be allotted after it expired.
- (j) In this Article 7.2, in relation to an offer to allot equity securities a reference (however expressed) to the holder of shares of any description is to whoever was the holder of shares of that description at the close of business on a date to be specified in the offer and the specified date must fall within the period of 28 days immediately before the date of the offer.

7.3 Subject to the provisions of the Law and these Articles: -

- 7.3.1 any shares may with the sanction of the Board be issued on terms that they are, or at the option of the Company or the holder are, liable to be redeemed on such terms and in such manner as the Board may determine;
- 7.3.2 the Company and any of its subsidiary companies may, at the discretion of the Board, give financial assistance directly or indirectly for the purpose of or in connection with the acquisition of shares in the Company or in connection with reducing or discharging any liability incurred in connection with the purchase of shares in the Company;
- 7.3.3 fractions of shares may be issued or purchased by the Company; and
- 7.3.4 subject to Article 6.1, the Company may issue shares of no par value or shares with a par value or a combination of both.

7.4 Shares in the Company may be issued in payment or part payment of the purchase consideration for any property purchased by the Company or in consideration of any services rendered to the Company by any person in assisting the Company to carry out any of its objects and for shares so issued no money payment shall be made or required save in so far as by the terms under which any of such shares may be issued a cash payment may be required.

## **8 REPURCHASE OF SHARES**

8.1 The Company may, at the discretion of the Board, purchase any of its own shares, whether or not they are redeemable, and may pay the purchase price in respect of such purchase to the fullest extent permitted by the Law.



- 8.2 Shares repurchased by the Company may be held as Treasury Shares and dealt with by the Directors to the fullest extent permitted by the Law.

## **9 COMMISSIONS**

The Company may pay commission in money or shares to any person in consideration of his subscribing or agreeing to subscribe, whether absolutely or conditionally, for any shares in the Company or procuring or agreeing to procure subscriptions, whether absolute or conditional, for any shares in the Company provided that the rate or amount of commission shall be fixed by the Board and disclosed in accordance with the Law. The Company may also pay brokerage charges.

## **10 VARIATION OF CLASS RIGHTS**

- 10.1 If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue) may, whether or not the Company is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued shares of that class or with the sanction of a special resolution of the holders of the shares of that class.
- 10.2 The quorum for a variation of class rights meeting is: -
- 10.2.1 for a meeting other than an adjourned meeting, two (2) persons present holding at least one third of the voting rights of the class in question;
  - 10.2.2 for an adjourned meeting, one (1) person holding shares of the class in question; or
  - 10.2.3 where the class has only one Member, that Member.
- 10.3 For the purposes of Articles 10.2 and 10.4, where a person is present by proxy or proxies, he is treated as holding only the shares in respect of which the proxies are authorised to exercise voting rights.
- 10.4 At a variation of class rights meeting, any holder of shares of the class in question present in person or by proxy may demand a poll.
- 10.5 For the purposes of this Article:-
- 10.5.1 any alteration of a provision contained in these Articles for the variation of rights attached to a class of shares, or the insertion of any such provision into the Articles, is itself to be treated as a variation of those rights; and
  - 10.5.2 references to the variation of rights attached to a class of shares include references to their abrogation.
- 10.6 The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not (unless otherwise expressly provided by the terms of issue of the shares of that class or by the Articles) be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith.
- 10.7 The special rights conferred upon the holders of any shares or class of shares issued with preferred, deferred or other special rights shall not be deemed to be varied by the exercise of any powers under Article 17.

## **11 CLASS MEETINGS**

Subject as aforesaid in the case of a variation of class rights, when the share capital is divided into different classes of shares, Articles 24 through 29 shall apply mutatis mutandis to any class meeting and to the voting on any matter by the Members of any such class.

## **12 TRUSTS**

Without prejudice to Part XXIX of the Law, except as ordered by a court of competent jurisdiction or as required by law, the Company shall not be affected or bound by or be compelled in any way to recognise (even when having notice) any equitable, contingent, future or partial interest in any share or fraction or (except only as by these Articles or by law otherwise provided) or any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder and whether or not such share shall be entered in the Register as held in trust, nor shall the Company be bound to see to the execution of any trust to which any share may be subject.

## **13 CERTIFICATES**

- 13.1 Subject to Articles 5. 3. 12 and 5. 3. 18 , the Board shall make such arrangements for the issue of share certificates as it may, from time to time, deem fit.
- 13.2 All forms of certificate for shares or debentures or representing any other form of security may, if determined by the Board, be issued under the Seal of the Company and shall be signed autographically unless there shall be in force a resolution of the Board adopting some method of mechanical signature in which event the signatures (if authorised by such resolution) may be effected by the method so adopted.
- 13.3 In respect of a share held jointly, the Company shall not be bound to issue more than one certificate and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all such holders.
- 13.4 If a share certificate be defaced lost or destroyed, it may be renewed on payment of such fee and on such terms (if any) as to evidence and indemnity and the payment of expenses as the Board thinks fit.

## **14 LIEN**

- 14.1 The Company shall have a first and paramount lien (extending to all dividends payable) on all shares (not being fully paid) for all moneys, whether presently payable or not, called or payable at a fixed time in respect of those shares and for all the debts and liabilities of the holder to the Company and that whether the same shall have been incurred before or after notice to the Company of any equitable or other interest of any person (other than such holder) and whether the time for payment or discharge shall have arrived or not and notwithstanding that the same are joint debts or liabilities of such holder and any other person (whether a Member of the Company or not).
- 14.2 The Company may sell as the Board thinks fit any shares on which the Company has a lien but no sale shall be made unless a sum in respect of which the lien exists is presently payable nor until the expiration of fourteen (14) days after a notice in writing demanding payment of the sum presently payable, and giving notice of intention to sell in default, shall have been served on the holder for the

time being of the shares or the person entitled by reason of his death or bankruptcy to the shares.

- 14.3 To give effect to any sale, the Board may authorise some person to transfer the shares sold to the purchaser who shall be registered as the holder of the shares comprised in any such transfer and who shall not be bound to see to the application of the purchase money nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings.
- 14.4 The net proceeds of such sale, after payment of the costs of such sale, shall be applied in or towards payment or satisfaction of the debt or liability in respect whereof the lien exists, so far as the same is presently payable and any residue shall (subject to a like lien for debts or liabilities not presently payable as existed upon the shares prior to the sale) be paid to the person entitled to the shares at the time of the sale.

## **15 CALLS ON SHARES**

- 15.1 The Board may at any time make on at least fourteen (14) clear days' notice calls upon the Members in respect of any moneys unpaid on their shares (whether on account of the nominal value or by way of premium and not by the conditions of allotment made payable at fixed times) and each Member shall pay to the Company at the time and place appointed the amount called. A call may be revoked or postponed.
- 15.2 Joint holders shall be jointly and severally liable to pay calls.
- 15.3 If a sum called in respect of a share is not paid before or on the day appointed, the person from whom the sum is due shall pay interest from the day appointed to the time of actual payment at such rate as the Board may determine.
- 15.4 Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date shall, for the purposes of these Articles, be deemed to be a call duly made and payable on the date on which by the terms of issue the same becomes payable and, in the case of non-payment, all the relevant provisions of these Articles as to payment of interest and expenses forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.
- 15.5 The Directors may, if they think fit, receive from any Member willing to advance the same all or any part of the money uncalled and unpaid upon the shares held by him beyond the sums actually called up thereon as payment in advance of calls, and such payment in advance of calls shall extinguish, so far as the same shall extend, the liability upon the shares in respect of which it is advanced, and upon the money so received or so much thereof as from time to time exceeds the amount of the calls then made upon the shares in respect of which it has been received, the Company may (until the same would, but for such advance, become presently payable) pay interest at such rate as the Member paying such sum and the Directors agree upon **PROVIDED THAT** any amount paid up in advance of calls shall not entitle the holder of the shares upon which such amount is paid to participate in respect thereof in any dividend until the same would but for such advance become presently payable.
- 15.6 The Board may on an issue of shares differentiate between holders as to amount of calls and times of payment.

## **16 FORFEITURE AND SURRENDER OF SHARES**

- 16.1 If a Member fails to pay any call or instalment on the day appointed, the Board may, at any time during such period as any part remains unpaid, serve notice requiring payment of so much of the call or instalment as is unpaid together with any interest which may have accrued and any expenses which may have been incurred by the Company by reason of non-payment.
- 16.2 The notice shall state a further day at least fourteen (14) clear days' after the date of the notice on or before which the payment required by the notice is to be made and the place where the payment is to be made and that in the event of non-payment the shares in respect of which the call was made or instalment is payable will be liable to be forfeited. If the requirements of any such notice are not complied with, any share in respect of which the notice has been given may, at any time before payment has been made, be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited share and not actually paid before the forfeiture.
- 16.3 Notice of forfeiture shall forthwith be given to the former holder and an entry of such notice and forfeiture shall forthwith be made and dated in the Register opposite the entry of the share; but no forfeiture shall be in any manner invalidated by any omission or neglect to give notice or to make entry.
- 16.4 A forfeited share shall be deemed to be the property of the Company and may be sold, re-allotted or otherwise disposed of on such terms as the Board shall think fit, with or without all or any part of the amount previously paid on the share being credited as paid, and, at any time before a sale or disposition, the forfeiture may be cancelled.
- 16.5 A person whose shares have been forfeited shall cease to be a Member in respect of those shares but shall remain liable to pay to the Company all moneys which, at the date of forfeiture, were payable in respect of the shares with interest at such rate thereon from the date of forfeiture until payment as the Board may determine. The Board may enforce payment without any allowance for the value of the shares at the time of forfeiture.
- 16.6 A person whose shares have been forfeited shall cease to be a Member in respect of the forfeited shares, but shall notwithstanding the forfeiture remain liable to pay to the Company all monies which at the date of forfeiture were presently payable by him to the Company in respect of the shares with interest thereon from the date of forfeiture until payment at such rate as the Directors may determine and the Directors may enforce payment without any allowance for the value of the shares at the time of forfeiture.
- 16.7 The forfeiture of a share shall extinguish all interest in and all claims and demands against the Company in respect of the share and all other rights incidental to the share as between the holder and the Company.
- 16.8 The Board may accept from any Member on such terms as shall be agreed a surrender of any shares in respect of which there is a liability for calls. Any surrendered share may be disposed of in the same manner as a forfeited share.
- 16.9 A declaration in writing by a Director or the Secretary that a share has been duly forfeited or surrendered on the date stated in the declaration shall be conclusive evidence of the facts therein as against all persons claiming to be entitled to the shares.

- 16.10 The Company may receive the consideration given for any share on any sale or disposition and may execute a transfer of the share in favour of the person to whom the same is sold or disposed of and he shall thereupon be registered as the holder and shall not be bound to see to the application of the purchase money nor shall his title be affected by any irregularity or invalidity in forfeiture sale re-allotment or disposal.

**17 DISCLOSURE NOTICE, INFORMATION RIGHTS AND THE DISCLOSURE GUIDANCE AND TRANSPARENCY RULES**

- 17.1 The Company may, by notice in writing (a "**Disclosure Notice**") require a person whom the Directors know to be or have reasonable cause to believe is or, at any time during the three years immediately preceding the date on which the Disclosure Notice is issued, to have been interested in any shares:

17.1.1 to confirm that fact or (as the case may be) to indicate whether or not it is the case; and

17.1.2 to give such further information as may be required in accordance with these Articles, pursuant to Article 17.2.

- 17.2 A Disclosure Notice may (without limitation) require the person to whom it is addressed:

17.2.1 to give particulars of the person's status (including whether such person is a Non-Qualified Holder), domicile, nationality and residency;

17.2.2 to give particulars of his own past or present interest in any shares (held by him at any time during the three-year period specified in these Articles, as set out in Article 17.1) and the nature of such interest;

17.2.3 to disclose the identity of any other person who has a present interest in the shares held by him (or held by him at any time during the three-year period specified in Article 17.1 above);

17.2.4 where the interest is a present interest and any other interest in any shares subsisted during that three year period at any time when his own interest subsisted, to give (so far as is within his knowledge) such particulars with respect to that other interest as may be required by the Disclosure Notice; and

17.2.5 where his interest is a past interest to give (so far as is within his knowledge) such particulars of the identity of the person who held that interest immediately upon his ceasing to hold it.

- 17.3 The Company shall maintain a register of interested parties to which the provisions of Sections 123 to 130 of the Law shall apply mutatis mutandis as if the register of interested parties was the Register and whenever in pursuance of a Disclosure Notice the Company is informed of an interested party, the identity of the interested party and the nature of the interest shall be promptly inscribed therein together with the date of the request.

- 17.4 The Company may be required to exercise its powers under Article 17.1 on the requisition of Members holding not less than one-tenth of the paid-up capital of the Company which carries the right of voting at general meetings. The requisition must:

- 17.4.1 state that the requisitionists are requiring the Company to exercise its powers under Article 17.1;
- 17.4.2 specify the manner in which they require those powers to be exercised;
- 17.4.3 give reasonable grounds for requiring the Company to exercise those powers in the manner specified; and
- 17.4.4 be signed by the requisitionists and deposited at the Office.

The requisition may consist of several documents in like form each signed by one or more requisitionists.

On the deposit of a requisition complying with this Article 17.4 it is the Company's duty to exercise its powers under Article 17.1 in the manner specified in the requisition.

- 17.5 In addition to the right of the Company to serve notice on any person pursuant to Article 17.1 above, the Company may at any time and from time to time serve a notice in writing (an "**Information Notice**") on any Member requiring that Member within 10 Business Days after service or such other reasonable period as the Directors determine, to provide the Company with any information, representations, certificates, waivers or forms ("**Information**") relating to such Member (and its direct or indirect owners or account holders or the persons beneficially interested, directly or indirectly in the shares in the Company held by such Member) that the Directors may determine from time to time is necessary or appropriate for the Company to have in order to (a) satisfy any account or payee identification, documentation or other diligence requirements and any reporting requirements imposed under or in relation to AML Legislation and/or International Tax Compliance Legislation; or (b) avoid or reduce any tax or penalty otherwise imposed by International Tax Compliance Legislation (including any withholding upon any payments to such Member by the Company); or (c) prevent a non-exempt prohibited transaction under ERISA or Section 4975 of the US Tax Code or prevent the Company from becoming subject to laws or regulations that are substantially similar to the prohibited transaction provisions of Section 406 of ERISA or Section 4975 of the US Tax Code; or (d) permit the Company to enter into, comply with, or prevent a default under or termination of, an agreement of the type described in Section 1471(b) of the US Tax Code or any equivalent under any International Tax Compliance Legislation. The Company and its agents shall be entitled to hold and process the Information for the purposes of carrying out the business of the Company and the administration and protection of its interests and shall process any personal data in accordance with all applicable data protection legislation.
- 17.6 Each Member shall promptly notify the Company upon any change in circumstances that could affect the accuracy or correctness of the information, representations, documents, certificates or forms provided pursuant to Article 17.5.
- 17.7 The Company or its agents shall, if required to do so under the legislation of any jurisdiction to which any of them are subject, be entitled to release or disclose any information in their possession regarding the Company or its affairs or any of its Members (or their direct or indirect owners or account holders), including without limitation information required under any International Tax Compliance Legislation. In making payments to or for the benefit of Members, the Company may also make any withholding or deduction required by any International Tax Compliance Legislation.

- 17.8 For the purpose of the incorporation by reference of Chapter 5 of the Disclosure Guidance and Transparency Rules ("**DTR5**") into these Articles and the application of DTR5 to the Company and each Member, the Company shall be deemed to be a "non-UK issuer", as such term is defined in DTR5. Accordingly, DTR5 requires Members to notify the Company if the voting rights attached to shares in the Company held by them (subject to certain exceptions as set out in DTR5) reach, exceed or fall below five per cent., ten per cent., 15 per cent., 20 per cent., 25 per cent., 30 per cent., 50 per cent. and 75 per cent. Pursuant to these Articles, the Company may also send a notice (a "**DTR Notice**") to any person whom it knows or believes to be interested in its shares, requiring such person to confirm whether he has such an interest and, if so, details of that interest.
- 17.9 Any Disclosure Notice, Information Notice or DTR Notice issued or served by the Company shall require any information in response to such notice to be given within the prescribed period (which is 28 days after service of the notice or 14 days if the shares concerned represent 0.25 per cent. or more in number of the issued shares of the relevant class) or such other reasonable period as the Directors may determine.
- 17.10 If any Member is in default in supplying to the Company the information required by the Company pursuant to Articles 17.1, 17.5 and/or 17.8 within the prescribed period or such other reasonable period as the Directors determine or provides information that the Board has reasonable grounds to suspect is or has subsequently become incorrect or unreliable, the Directors in their absolute discretion may serve a direction notice on the Member (a "Direction Notice"). The Direction Notice may direct that in respect of the shares in respect of which the default has occurred (the "Default Shares", which expression includes any shares issued after the date of such notice in respect of those shares):
- 17.10.1 the Member shall not be entitled to vote in general meetings or class meetings; and/or
- 17.10.2 dividends on such Default Shares will be retained by the Company (without interest); and/or
- 17.10.3 subject to the Uncertificated Securities (Guernsey) Regulations, 2009 (as amended from time to time), the CREST Guernsey Requirements and the requirements of the London Stock Exchange, no transfer of the Default Shares (other than an Approved Transfer as set out in Article 17.13) shall be registered,
- until the default is rectified, or where applicable, the Default Shares are disposed of or transferred pursuant to Article 17.11 or Article 17.12".
- 17.11 Where a Direction Notice is given by the Company in connection with Information in an Information Notice, then the Board may, in addition to exercising any of its powers under Articles 17.10.1. to 17.10.3 (both inclusive), at any time in its sole discretion deem the Default Shares be treated as if they are Prohibited Shares such that the provisions of these Articles as set out in Article 20.11 below should apply to such Default Shares.
- 17.12 Subject always to the Uncertificated Securities (Guernsey) Regulations, 2009 (as amended from time to time), the CREST Guernsey Requirements and the requirements of the London Stock Exchange, where the Directors have any grounds to believe that Default Shares are held by or for the benefit of or by persons acting on behalf of a Non-Qualified Holder, the Directors may at their discretion deem the Default Shares to: (i) be held by, or on behalf of or for the benefit of, a Non-Qualified Holder

(as the Directors may determine); and (ii) be treated as Prohibited Shares such that the provisions of these Articles as set out in Article 20.11 below should apply to such Default Shares.

- 17.13 For the purposes of this Article 17.13, a transfer of shares is an "**Approved Transfer**" if but only if: (A) it is a transfer of shares to an offeror by way or in pursuance of acceptance of a public offer made to acquire all the issued shares in the capital of the Company not already owned by the offeror or connected persons of the offeror in respect of the Company; (B) the Directors are satisfied that the transfer is made pursuant to a sale of the whole of the beneficial ownership of the shares to a party unconnected with the Member and with other persons appearing to be interested in such shares; or (C) the transfer results from a sale made through a recognised investment exchange (as defined in the Financial Services and Markets Act 2000 of the United Kingdom) or any stock exchange outside the United Kingdom on which the Company's shares are listed or normally traded.
- 17.14 For the purposes of ensuring Article 17 and Article 20.11 can apply to all shares held by the Member, the Company may in accordance with the Uncertificated Securities (Guernsey) Regulations, 2009 (as amended from time to time) and the CREST Guernsey Requirements issue a written notification to the operator requiring conversion into certificated form of any share held by the Member in uncertificated form.



## **18 DISCLOSURE OF BENEFICIAL INTERESTS**

The Directors may by notice in writing require a Member to disclose to the Company whether they are holding their interest in the Company for their own benefit or the benefit of another person and if for the benefit of another person, the required details in respect of that person. A Member who receives such a notice under this Article must comply with that notice within such time as may be specified in the notice. If in the opinion of the Directors, a Member fails, without excuse, to disclose the details required by such notice or makes a statement in response to such notice which is false, deceptive or misleading in a material particular, the Directors may place such restrictions as they think fit on the rights attaching to the Member's interest in the Company including, without limitation any right to transfer the interest, any voting rights, any right to further shares in respect of the shares already held and any right to payment due to the Member's interest, whether in respect of capital or otherwise, forfeit or cancel the Member's interest in the Company. Any shares cancelled in accordance with this Article shall be treated as forfeited for the purposes of Articles 16.5 to 16.7 and 16.9.

## **19 REGISTER OF MEMBERS**

- 19.1 The Company shall keep the Register and index of Members in accordance with Sections 123-128 of the Law and allow inspection in accordance with Sections 127-128 of the Law. The Company may delegate the maintenance of its Register and index of Members upon such terms as the Board may think fit. The Register may be closed during such periods as the Board think fit not exceeding thirty (30) days in any year. In the absence of manifest error, the Register shall be conclusive evidence as to the persons entitled to the shares entered therein.
- 19.2 Each Member shall inform the Company by means of a notice addressed to the Office of any change in his address and immediately after receipt of that notice the entry of the address of that Member in the Register shall be altered in conformity with the notice given.

## **20 TRANSFER AND TRANSMISSION OF SHARES**

- 20.1 The Directors shall have the power to implement such arrangements as they may, in their absolute discretion, think fit in order for any class of shares to be admitted to settlement by means of the CREST UK system. Where they do so, Articles 20.2 and 20.3 shall commence to have effect immediately prior to the time at which Euroclear admits the class to settlement by means of the CREST UK system.
- 20.2 In relation to any class of shares which, for the time being, Euroclear has admitted to settlement by means of the CREST UK system, and for so long as such class remains so admitted, no provision of these Articles shall apply or have effect to the extent that it is in any respect inconsistent with:-
- 20.2.1 the holding of shares of that class in uncertificated form;
  - 20.2.2 the transfer of title to shares of that class by means of the CREST UK system; or
  - 20.2.3 the CREST Guernsey Requirements.
- 20.3 Without prejudice to the generality of Article 20.2 and notwithstanding anything contained in these Articles where any class of shares is, for the time being, admitted

to settlement by means of the CREST UK system:-

- 20.3.1 such securities may be issued in uncertificated form in accordance with and subject as provided in the CREST Guernsey Requirements;
- 20.3.2 unless the Directors otherwise determine, such securities held by the same holder or joint holder in certificated form and uncertificated form shall be treated as separate holdings;
- 20.3.3 such securities may be changed from uncertificated to certificated form, and from certificated to uncertificated form, in accordance with and subject as provided in the CREST Guernsey Requirements;
- 20.3.4 title to such of the shares as are recorded on the register as being held in uncertificated form may be transferred only by means of the CREST UK system and as provided in the CREST Guernsey Requirements and accordingly (and in particular) no provision of these Articles shall apply in respect of such shares to the extent that those Articles require or contemplate the effecting of a transfer by an instrument in writing and the production of a certificate for the security to be transferred;
- 20.3.5 the Company shall comply in all respects with the CREST Guernsey Requirements including, without limitation, CREST Rule 7;
- 20.3.6 no provision of these Articles shall apply so as to require the Company to issue a certificate to any person holding such shares in uncertificated form;
- 20.3.7 the permitted number of joint holders of a share shall be four;
- 20.3.8 every transfer of shares from a CREST account of a CREST member to a CREST account of another CREST member shall vest in the transferee a beneficial interest in the shares transferred, notwithstanding any agreements or arrangements to the contrary however and whenever arising and however expressed. Accordingly, each CREST member who is for the time being registered as the holder of any shares in the capital of the Company shall hold such shares upon trust for himself and for those persons (if any) whose CREST accounts are duly credited with any such shares or in favour of whom shares are to be withdrawn from the CREST UK System pursuant to a settled stock withdrawal instruction; and the member and all such persons, to the extent respectively of the shares duly credited to their respective CREST accounts or the subject of a settled stock withdrawal instruction, shall accordingly have beneficial interests therein.
- 20.3.9 Where a dematerialised instruction is expressed to have been sent on behalf of a person by a Sponsor or by Euroclear:-
  - (a) the person on whose behalf the instruction is expressed to have been sent shall not be able to deny to the addressee:-
    - (i) that the instruction was sent with his authority; or
    - (ii) that the information contained in it is correct; and
  - (b) the Sponsor or Euroclear, as the case may be, shall not be

able to deny to the addressee:-

- (i) that he has authority to send the dematerialised instruction;  
or
- (ii) that he has sent the dematerialised instruction.

20.3.10 Where a dematerialised instruction is expressed to have been sent by a person, and it is not expressed to have been sent on behalf of another person, the first person shall not be allowed to deny to the addressee:-

- (a) that the information contained in the instruction is correct; or
- (b) that he has sent it.

20.3.11 An addressee who receives a dematerialised instruction (whether directly, or by means of the facilities of a Sponsor acting on his behalf) may (subject to Articles 20.3.12 and 20.3.13 ) accept that at the time when it was sent or at any time thereafter:-

- (a) the information contained in the instruction was correct;
- (b) the user or authorised operator identified in the instruction as having sent the instruction did send it; and
- (c) if the instruction was expressed to have been sent on behalf of a person, it was sent with the authority of that person.

20.3.12 Subject to Article 20.3.14 , an addressee shall not be allowed to accept any of the matters specified in Article 20.3.11 where, at the time when he received the dematerialised instruction, he was a person who was not either the Company or a Sponsor receiving (in either case) dematerialised instructions on behalf of the Company, and he had actual notice:-

- (a) that any information contained in it was incorrect;
- (b) that the user or Euroclear expressed to have sent the instruction did not send it; or
- (c) if the instruction was expressed to have been sent on behalf of a person, that the person had not given to Euroclear or the Sponsor identified in the instruction as having sent it his authority to send the instruction on his behalf.

20.3.13 Subject to Article 20.3.14 , an addressee shall not be allowed to accept any of the matters specified in Article 20.3.11 where, at the time when he received the dematerialised instruction, he was either the Company or a Sponsor receiving dematerialised instructions on behalf of the Company, and:-

- (a) he had actual notice from Euroclear of any of the matters specified in Article 20.3.12; and
- (b) the instruction was an instruction from Euroclear requiring the registration of title in the circumstances specified in any of sub-

paragraphs 8.1.1, 8.1.2, 8.1.3 and 8.1.4 of the CREST Guernsey Requirements.

- 20.3.14 However, where an addressee has received actual notice of a kind to which this Article refers in respect of a properly authenticated dematerialised instruction, he may accept the matters specified in Article 20.3.11 if at the time when he received the actual notice it was not practicable for him to halt his processing of the instruction.
- 20.3.15 A person who is permitted by Articles 20.3.11 or 20.3.14 to accept any matter shall not be liable in damages or otherwise to any person by reason of his having relied on the matter that he was permitted to accept.
- 20.3.16 Except as provided in Article 20.3.15, this Article does not affect any liability of a person for causing or permitting a dematerialised instruction:-
- (a) to be sent without authority;
  - (b) to contain information that is incorrect; or
  - (c) to be expressed to have been sent by a person who did not send it.
- 20.4 Articles 20.3.9 to 20.3.16 (inclusive) are to be construed in accordance with the CREST Manual.
- 20.5 Words and expressions not specifically defined in Articles 20.1 to 20.4 (inclusive) shall bear the same meaning as those words and expressions defined in the CREST Manual.
- 20.6 Subject to such of the restrictions of these Articles as may be applicable:-
- 20.6.1 any member may transfer all or any of his uncertificated shares by means of a relevant system authorised by the Board in such manner provided for, and subject as provided, in any regulations issued for this purpose under the Law or such as may otherwise from time to time be adopted by the Board on behalf of the Company and the rules of any relevant system and accordingly no provision of these Articles shall apply in respect of an uncertificated share to the extent that it requires or contemplates the effecting of a transfer by an instrument in writing or the production of a certificate for the shares to be transferred;
  - 20.6.2 any member may transfer all or any of his certificated shares by an instrument of transfer in any usual form or in any other form which the Board may approve; and
  - 20.6.3 an instrument of transfer of a certificated share shall be signed by or on behalf of the transferor and, unless the share is fully paid, by or on behalf of the transferee. An instrument of transfer of a certificated share need not be under seal.
- 20.7 These Articles are subject to, and do not limit or restrict the Company's powers to transfer shares in accordance with the Uncertificated Securities (Guernsey) Regulations, 2009, as amended from time to time, on such terms as the Board may deem fit.
- 20.8 Transfers of certificated shares may be effected by transfer in writing in any form

as the Board may accept. Any instrument of transfer shall be signed by or on behalf of the transferor who shall be deemed to remain the holder until the name of the transferee is entered in the Register.

- 20.9 Every instrument of transfer of a certificated share shall be left at the Office or such other place as the Board may prescribe with the certificate (if any) of every share to be transferred and such other evidence as the Board may reasonably require to prove the title of the transferor or his right to transfer the shares; and the transfer and any such certificate shall remain in the custody of the Board but shall be at all reasonable times produced at the request and expense of the transferor or transferee or their respective representatives. A new certificate shall be delivered free of charge to the transferee after the transfer is completed and registered on his application and when necessary a balance certificate shall be delivered if required by him in writing. A fee determined by the Board may be charged for each transfer and also for the registration of every probate notice, power of attorney or document rendered for registration and shall be paid before registration.
- 20.10 If at any time the holding or beneficial ownership of any shares in the Company would (whether on its own or taken with other shares), in the opinion of the Directors, cause the assets of the Company to be considered "plan assets" within the meaning of Regulation S adopted by the United States Department of Labor under the Employee Retirement Income Security Act of 1974 ("**ERISA**"), then any shares which the Directors decide are shares which are so held or beneficially owned ("**Prohibited Shares**") must be dealt with in accordance with Article 20.11 below. The Directors may at any time give notice in writing to the holder of a share requiring him to make a declaration as to whether or not the share is a Prohibited Share.
- 20.11 The Directors shall give written notice to the holder of any share which appears to them to be a Prohibited Shares requiring him within 21 days (or such extended time as the Directors consider reasonable) to transfer (and/or procure the disposal of interests in) such share to another person so that it will cease to be a Prohibited Share. From the date of such notice until registration for such a transfer or a transfer arranged by the Directors as referred to below, the share will not confer any right on the holder to receive notice of or to attend and vote at general meetings of the Company and of any class of shareholders) and those rights will vest in the Chairman of any such meeting, who may exercise or refrain from exercising them entirely at his discretion). If the notice is not complied with within 21 days to the satisfaction of the Directors, the Directors shall arrange for the Company to sell the share at the best price reasonably obtainable to any other person so that the share will cease to be a Prohibited Share. The net proceeds of sale (with interest at such rate as the Directors consider appropriate) shall be paid over by the Company to the former holder upon surrender by him of the relevant share certificate.
- 20.12 The Board may, in its absolute discretion and without giving a reason, refuse to register a transfer of any share which is not fully paid or on which the Company has a lien, provided, in the case of a listed share that this would not prevent dealings in the share from taking place on an open and proper basis. In addition, the Directors may refuse to register a transfer of shares which is prohibited by Article 12 and may also refuse to register a transfer of shares unless:-
- 20.12.1 it is in respect of only one class of shares;
- 20.12.2 it is in favour of a single transferee or not more than four joint

transferees; and

- 20.12.3 in the case of certificated shares, it is delivered for registration to the Office or such other place as the Board may decide, accompanied by the certificate for the shares to which it relates and such other evidence as the Board may reasonably require to prove title of the transferor and the due execution by him of the transfer or, if the transfer is executed by some other person on his behalf, the authority of that person to do so.
- 20.13 The Board may only decline to register a transfer of an uncertificated share in the circumstances set out in regulations issued for this purpose under the Law or such as may otherwise from time to time be adopted by the Board on behalf of the Company and the rules of any relevant system, and where, in the case of a transfer, to joint holders, the number of joint holders to whom the uncertificated share is to be transferred exceeds four.
- 20.14 If the Board refuse to register the transfer of a share they shall, within two months after the date on which the transfer was lodged with the Company, send notice of the refusal to the transferee.
- 20.15 No fee shall be payable to the Company in respect of the registration of any transfer, probate, letters of administration, certificate of marriage or death, power of attorney, instruction or other document relating to or affecting the title to any shares.
- 20.16 On the death of a Member, the survivors where the deceased was a joint holder and the executors of the deceased where he was a sole holder, shall be the only persons recognised by the Company as having any title to or interest in his shares; but nothing herein shall release the estate of a deceased joint holder from any liability in respect of any share jointly held.
- 20.17 A person so becoming entitled to a share in consequence of the death, bankruptcy or incapacity of a Member shall have the right to receive and may give a discharge for all dividends and other money payable or other advantages due on or in respect of the share, but he shall not be entitled to receive notice of or to attend or vote at meetings of the Company, or save as aforesaid, to any of the rights or privileges of a Member unless and until he shall be registered as a Member in respect of the share PROVIDED ALWAYS that the Board may at any time give notice requiring any such person to elect either to be registered himself or to transfer the share and if the notice is not complied with within ninety days the Board may thereafter withhold all dividends or other monies payable or other advantages due in respect of the share until the requirements of the notice have been complied with.
- 20.18 The registration of transfers may be suspended at such times and for such periods as the Directors may from time to time determine provided that such registration of transfers shall not be suspended for more than thirty (30) days in any year.
- 20.19 All instruments of transfer which shall be registered shall be retained by the Company, but any instrument of transfer which the Directors may decline to register shall (except in the case of fraud) be returned to the person depositing the same.

## **21 REDEMPTIONS**

- 21.1 The Directors shall be entitled in their absolute discretion to determine the procedures for redemption of Participating Shares on any Redemption Date (subject to the facilities and requirements of CREST). Subject to the foregoing and

the provisions of the Law the Company shall on each Redemption Date redeem such number of Participating Shares as may be determined by the Board and notified in writing to the holders of the Participating Shares (subject to such maximum as may be determined by the Directors in their absolute discretion) and as may be offered for redemption at the Redemption Value.

- 21.2 The Redemption Value shall mean the value equal to the Net Asset Value of the Company as at the Valuation Point on the Valuation Date divided by the number of Participating Shares in issue at such Valuation Point less such discount, if any, as may be determined by the Board at its discretion and notified in writing to holders of Participating Shares prior to the relevant Redemption Date.
- 21.3 The redemption of Participating Shares shall be made on terms that payment of the redemption price in respect of any Participating Shares in certificated form may be made by cheque or warrant made payable to the relevant holders or, in the case of joint holders, to such relevant joint holders or to such person or persons as the relevant holder or all the relevant joint holders may in writing direct and sent (at the risk of the holder or holders) to the address specified by that holder (or, if none is specified, to the address of the holder as entered on the register, or in the case of joint holder, to that one of the relevant joint holder who is first named on the register in respect of such shares). Due payment of the cheque or warrant shall be in satisfaction of the redemption price represented thereby. The Company alternatively may make such payment by electronic transfer to a bank account nominated by the relevant holder or all the relevant joint holders in writing to the Registrar not less than three Business Days before the Redemption Date at the relevant holder's or holders' own expense. Every such cheque or warrant that is sent through the post shall be sent by first class post. Each payment in respect of Participating Shares held in uncertificated form will be made by electronic transmission to an account in accordance with the mandate instructions in writing acceptable to the Company given by the relevant holders as of record.
- 21.4 Following any redemption all relevant Participating Shares shall be cancelled and all rights attaching to such shares (other than the right to receive proceeds of the redemption) shall cease.

## **22 UNTRACED SHAREHOLDERS**

- 22.1 The Company shall be entitled to sell (at a price which the Company shall use its reasonable endeavours to ensure is the best price reasonably obtainable) the shares of a Member or the shares to which a person is entitled by virtue of transmission on death or insolvency or otherwise by operation of law if and provided that:
- 22.1.1 during the period of not less than six (6) years prior to the date of the publication of the advertisements referred to below (or, if published on different dates, the first thereof) at least three (3) dividends in respect of the shares in question have become payable and no dividend in respect of those shares has been claimed; and
- 22.1.2 the Company shall following the expiry of such period of six (6) years have inserted advertisements, but in a national newspaper and in a newspaper circulating in the area in which the last known address of the Member or the address at which service of notices may be effected under these Articles is located giving notice of its intention to sell the said shares; and

- 22.1.3 during the period of three (3) months following the publication of such advertisements (or, if published on different dates, the last thereof) the Company shall have received indication neither of the whereabouts nor of the existence of such Member or person; and
- 22.1.4 notice shall have been given to the stock exchanges on which the Company is listed, if any.
- 22.2 The foregoing provisions of this Article are subject to any restrictions applicable under any regulations relating to the holding and/or transferring of securities in any paperless system as may be introduced from time to time in respect of the shares of the Company or any class thereof.
- 23 ALTERATION OF CAPITAL**
  - 23.1 The Company at any time may, by ordinary resolution, increase its authorised share capital, if such has been specified, by such sum to be divided into shares of such amount as the resolution shall prescribe.
  - 23.2 Unless the Company shall have resolved otherwise, any new shares shall be of such class and amount and have such preference or priority as regards dividends or in the distribution of assets or as to voting or otherwise over any other shares of any class, whether then issued or not, or be subject to such stipulations deferring them to any other shares with regard to dividends or in the distribution of the assets as the Board may determine.
  - 23.3 The Company before the issue of any new shares may by ordinary resolution resolve that all or some of them shall be offered to the Members in proportion to their existing shares at such price as the Company or the Board may fix and such offer shall be made by notice specifying the number of shares to which the Member is entitled and limiting a time within which the offer if not accepted will be deemed to be declined; and after the expiration of such period or on the receipt of an intimation from the Member that he declines the Board may offer the same on similar terms to such of the other shareholders as they may select including the Directors or dispose of them in such manner as they think fit. For the purpose of giving effect to this Article the Board shall be entitled to disregard fractions. In the absence of any determination or so far as the same shall not extend new shares may be dealt with as if they formed part of the original capital and shall be subject to these Articles.
  - 23.4 The Company may by ordinary resolution:-
    - 23.4.1 consolidate and divide all or any of its share capital into shares of larger or smaller amounts than its existing shares;
    - 23.4.2 subject to Article 23.5, subdivide all or any of its shares into shares of a smaller amount;
    - 23.4.3 cancel shares which, at the date of the passing of the resolution, have not been taken up or agreed to be taken up by any person, and diminish the amount of its share capital by the amount of the shares so cancelled;
    - 23.4.4 convert all or any of its shares the nominal amount of which is expressed in a particular currency or former currency into shares of a nominal amount of a different currency, the conversion being effected at the rate of exchange (calculated to not less than 3 significant figures)



current on the date of the resolution or on such other day as may be specified therein;

23.4.5 where its share capital is expressed in a particular currency or former currency, denominate or redenominate it, whether by expressing its amount in units or subdivisions of that currency or former currency, or otherwise; and

23.4.6 convert shares into stock and vice versa.

23.5 In any subdivision under Article 23.4.2, the proportion between the amount paid and the amount, if any, unpaid on each reduced share shall be the same as that proportion in the case of the share from which the reduced share was derived and so that the resolution whereby any share is subdivided may determine that as between the holders of the shares resulting from subdivision one or more of the shares may have such preferred deferred or other rights over the others as the Company has power to attach to unissued or new shares.

23.6 The Board on any consolidation of shares may deal with fractions of shares in any manner.

23.7 The Company may reduce its share capital, any capital account or any share premium account in any manner and with and subject to any authorisation or consent required by the Law.

## **24 GENERAL MEETINGS**

24.1 General meetings shall be held once at least in each calendar year in accordance with Section 199 of the Law but so that not more than fifteen (15) months may elapse between one annual general meeting and the next. At each such annual general meeting shall be laid copies of the Company's most recent accounts, Directors' report and, if applicable, the auditor's report in accordance with Section 252 of the Law. The requirement for an annual general meeting may be waived by the Members in accordance with Section 201 of the Law. Other meetings of the Company shall be called extraordinary general meetings.

24.2 General meetings may be held in Guernsey or elsewhere at the discretion of the Directors.

24.3 The Directors may make whatever arrangements they consider appropriate to enable those attending a general meeting to exercise their rights to participate and vote at the meeting.

24.4 A Member participating by video link or telephone conference call or other electronic or telephonic means of communication in a meeting at which a quorum is present shall be treated as having attended that meeting provided that the Members present at the meeting can hear and speak to the participating Member or the participating Member can read what is said or communicated.

24.5 A video link or telephone conference call or other electronic or telephonic means of communication in which a quorum of Members participates, and all participants can hear and speak to each other or read what is said or communicated shall be a valid meeting which shall be deemed to take place where the Chairman is present unless the Members resolve otherwise.

24.6 Any general meeting convened by the Board, unless its time shall have been fixed

by the Company in general meeting or unless convened in pursuance of a requisition, may be postponed by the Board by notice in writing and the meeting shall, subject to any further postponement or adjournment, be held at the postponed date for the purpose of transacting the business covered by the original notice.

- 24.7 The Board may, whenever it thinks fit, and shall on the requisition of Members who hold more than ten percent (10%) of such of the capital of the Company as carries the right to vote at general meetings (excluding any capital held as Treasury Shares) in accordance with Sections 203 and 204 of the Law proceed to convene a general meeting.

## **25 NOTICE OF GENERAL MEETINGS**

- 25.1 A general meeting of the Company (other than an adjourned meeting) must be called by notice of at least fourteen (14) clear days.

- 25.2 A general meeting may be called by shorter notice than otherwise required if all the Members entitled to attend and vote so agree.

- 25.3 Notices and other documents may be sent in electronic form or published on a website in accordance with Section 208 of the Law.

- 25.4 Notice of a general meeting of the Company must be sent to:-

25.4.1 every Member entitled to attend and vote thereat;

25.4.2 every Director; and

25.4.3 every alternate Director registered as such.

- 25.5 In Article 25.4, the reference to Members includes only persons registered as a Member.

- 25.6 Notice of a general meeting of a company must:-

25.6.1 state the time and date of the meeting;

25.6.2 state the place of the meeting;

25.6.3 specify any special business to be put to the meeting (as defined in Article 26.1);

25.6.4 contain the information required under Section 178(6)(a) of the Law in respect of a resolution which is to be proposed as a special resolution at the meeting;

25.6.5 contain the information required under Section 179(6)(a) of the Law in respect of a resolution which is to be proposed as a waiver resolution at the meeting; and

25.6.6 contain the information required under Section 180(3)(a) of the Law in respect of a resolution which is to be proposed as a unanimous resolution at the meeting.

- 25.7 Notice of a general meeting must state the general nature of the business to be dealt with at the meeting.

- 25.8 Where, by any provision of the Law, special notice is required of a resolution, the resolution is not effective unless notice of the intention to move it has been given to the Company at least twenty-eight (28) clear days before the date of the meeting at which it is moved.
- 25.9 The Company must, where practicable, give its Members entitled to vote thereon notice of any such resolution in the same manner and at the same time as it gives notice of the meeting.
- 25.10 Where that is not practicable, the Company must give its Members entitled to vote thereon notice at least fourteen (14) clear days before the meeting:-
- 25.10.1 by notice in La Gazette Officielle; or
- 25.10.2 in any other manner deemed appropriate by the Board.
- 25.11 If, after notice of the intention to move such a resolution has been given to the Company, a meeting is called for a date twenty-eight (28) clear days or less after the notice has been given, the notice is deemed to have been properly given, though not given within the time required.
- 25.12 In every notice calling a meeting of the Company there must appear a statement informing the Member of:-
- 25.12.1 his rights to appoint a proxy under these Articles and Section 222 of the Law; and
- 25.12.2 the right to appoint more than one proxy.
- 25.13 The accidental omission to give notice of any meeting to or the non receipt of such notice by any Member shall not invalidate any resolution or any proposed resolution otherwise duly approved.

## **26 PROCEEDINGS AT GENERAL MEETINGS**

- 26.1 The ordinary business of a general meeting shall be to receive and consider the profit and loss account and the balance sheet of the Company and the reports (if required) of the Directors and the Auditors, if any, to elect Directors and appoint Auditors in the place of those retiring, to fix the remuneration of the Directors and Auditors, to sanction or declare dividends (if required by these Articles) and to transact any other ordinary business which ought to be transacted at such meeting. All other business shall be deemed special and shall be subject to notice as hereinbefore provided.
- 26.2 The quorum for a general meeting shall be two (2) or more Members present in person or by proxy holding five (5) per cent or more of the voting rights available at such meeting provided that, if the Company shall have only one (1) Member entitled to attend and vote at the general meeting, that Member shall constitute a quorum.
- 26.3 If, within half an hour after the time appointed for the meeting, a quorum is not present, the meeting, if convened by or upon a requisition, shall be dissolved. If otherwise convened, it shall stand adjourned for seven (7) clear days at the same time and place and no notice of adjournment need be given (or if that day is not a business day in the location of the meeting, to the next business day). The quorum at any such adjourned meeting shall be such Member or Members who shall attend in person or by proxy.

- 26.4 The Chairman (if any) or, if absent, the Deputy Chairman (if any) of the Board or, failing him, some other Director nominated by the Directors shall preside as Chairman at every general meeting of the Company, but if at any meeting none of the Chairman nor the Deputy Chairman nor such other Director be present within fifteen minutes after the time appointed for holding the meeting, or if none of them be willing to act as Chairman, the Directors present shall choose some Director present to be Chairman, or if no Directors be present, or if all the Directors present decline to take the chair the Members present shall choose some Member present to be Chairman.
- 26.5 The Chairman of the general meeting shall conduct the meeting in such a manner as, subject to the Law, he thinks fit and may adjourn the meeting from time to time and limit the time for Members to speak.
- 26.6 The Board may determine in respect of any general meeting or meetings or generally that a list of the names and addresses of the Members shall not be made available for inspection.
- 26.7 A Director of the Company shall be entitled to attend and speak at any general meeting and at any separate meeting of the holders of any class of shares in the Company regardless of whether that Director is a Member of the Company or a holder of the relevant class of shares.
- 26.8 The Chairman may, with the consent of any meeting at which a quorum is present, and shall if so directed by the meeting, adjourn the meeting at any time and to any place. When a meeting is adjourned for more than thirty (30) clear days or where business other than the business left unfinished at the meeting from which the adjournment took place is to be put to the adjournment meeting, notice of the adjourned meeting shall be given as in the case of an original meeting. Save as aforesaid it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.
- 26.9 At any meeting, a resolution put to the vote shall be decided by a show of hands or by a poll at the option of the Chairman. Nevertheless before or on the declaration of the result a poll may be demanded:-
- 26.9.1 by the Chairman; or
- 26.9.2 by not less than two (2) Members having the right to vote on the resolution; or
- 26.9.3 by a Member or Members representing not less than ten (10) per cent of the total voting rights of all Members having the right to vote on the resolution.
- 26.10 The demand for a poll may be withdrawn.
- 26.11 Unless a poll is demanded, a declaration by the Chairman that a resolution has on a show of hands been carried or carried unanimously or by a particular majority or lost and an entry to that effect in the minute book, shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded.
- 26.12 A poll, if demanded, shall be taken at the meeting at which the same is demanded or at such other time and place as the Chairman shall direct and the result shall be deemed the resolution of the meeting.

- 26.13 If a poll is duly demanded, it shall be taken in such manner and at such place as the Chairman may direct (including the use of ballot or voting papers or tickets) and the result of a poll shall be deemed to be the resolution of the meeting at which the poll was demanded. The Chairman may, in the event of a poll appoint scrutineers and may adjourn the meeting to some place and time fixed by him for the purpose of declaring the result of the poll.
- 26.14 A poll demanded on the election of a Chairman and a poll demanded on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken at such time and place as the Chairman directs not being more than thirty days from the date of the meeting or adjourned meeting at which the poll was demanded.
- 26.15 In case of an equality of votes on a poll, a Guernsey resident Director present at the meeting shall have a second or casting vote.

## **27 VOTES OF MEMBERS**

- 27.1 Subject to Articles 12 and 5.3.8 and to any special rights or restrictions for the time being attached to any class of share:
- 27.1.1 on a show of hands, every Member present in person or by proxy shall have one vote subject to any special voting powers or restrictions; and
  - 27.1.2 on a poll, every Member present in person or by proxy shall have one vote for each share held by him.
- 27.2 Where there are joint registered holders of any shares, such persons shall not have the right of voting individually in respect of such share but shall elect one of their number to represent them and to vote whether in person or by proxy in their name. In default of such election the person whose name stands first on the Register shall alone be entitled to vote.
- 27.3 Any Member, being incapable or of unsound mind, may vote by his curator or other legal guardian. Any of such persons may vote either personally or by proxy.
- 27.4 On a poll, votes may be given either personally or by proxy and a Member entitled to more than one vote need not use all his votes or cast all the votes he uses in the same way. A proxy need not be a Member. An instrument of proxy may be valid for one or more meetings.
- 27.5 No Member shall be entitled to be present or take part in any proceedings or vote, either personally or by proxy, at any meeting unless all calls due from him have been paid.
- 27.6 No Member shall be entitled to vote in respect of any shares that he has acquired unless he has been registered in the Register as their holder.
- 27.7 No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered and every vote not disallowed shall be valid for all purposes. Any objection made in due time shall be referred to the Chairman whose decision shall be final and binding.

## **28 PROXIES**

- 28.1 A Member is entitled to appoint another person as his proxy to exercise all or any of his rights to attend and to speak and vote at a meeting of the Company. A

Member may appoint more than one proxy in relation to a meeting, provided that each proxy is appointed to exercise the rights attached to a different share or shares held by him.

- 28.2 The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or if the appointor is a corporation under the hand of an officer or attorney duly authorised.
- 28.3 The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of that power or authority shall be deposited at the Office or such other venue as the Board may specify not less than forty eight (48) hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote or, in the case of a poll, not less than twenty four (24) hours before the time appointed for the taking of the poll and in default, unless the Board directs otherwise, the instrument of proxy shall not be treated as valid.
- 28.4 The instrument appointing a proxy may be in any form which the Board may approve and may include an instruction by the appointor to the proxy either to vote for or against any resolution to be put to the meeting.
- 28.5 The instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll and shall be as valid for any adjournment as for the meeting to which it relates.
- 28.6 Without prejudice to Section 226 of the Law, a vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or disability of the principal or revocation of the proxy or of the authority under which the proxy was executed provided that no intimation in writing of such death disability or revocation shall have been received by the Company at the Office before the commencement of the meeting or adjournment or the taking of the poll at which the proxy is used.
- 28.7 Any corporation which is a Member may, by resolution of its directors or other governing body, authorise such person as it thinks fit to act as its representative at any meeting of the Company or of any class of Members of the Company or to approve any resolution submitted in writing and the person so authorised shall be entitled to exercise on behalf of the corporation which he represents the same powers (other than to appoint a proxy) as that corporation could exercise if it were an individual Member of the Company.

## **29 WRITTEN RESOLUTIONS**

- 29.1 Resolutions of the Members may be approved in writing if so determined by the Directors or the Members in accordance with Part XIII of the Law and every Member voting thereon shall have one vote for each share subject to any special voting powers or restrictions.
- 29.2 Notice specifying the proposed resolution in writing may be sent by the Company to Members by post or by facsimile or such other telephonic or electronic means of written communications as the Board may, subject to the Law, determine at any time.
- 29.3 Notices of proposed written resolutions forwarded by post shall be sent to the address of such Members entered in the Register. Notices forwarded by any telephonic or electronic means of written communication shall be forwarded to

such destination as the Member in question may at any time designate in writing signed by him.

- 29.4 Notices of proposed written resolutions shall incorporate or be accompanied by an instrument to be signed by or on behalf of the Member to who it is addressed for the purpose of approving the same.
- 29.5 Any notice of a proposed written resolution shall specify a date and time (whether greater or lesser than any period for the time being prescribed by the Law) at which the instrument or instruments signed by or on behalf of the Members voting in favour thereof shall be counted and at which the resolution if approved by the requisite majority shall become effective. No instrument received or signature appended thereto after such time shall be counted.
- 29.6 Notwithstanding anything else contained herein (and in particular the method of sending the notice of and instrument for approving the written resolution to Members) all such instruments containing such approval shall be in writing and signed by the Member or Members in question. The signature of a Member shall be acceptable for such purposes if received by facsimile telephonic transmission or in any other way specified in the notice.
- 29.7 The accidental omission to give notice of any proposed written resolution to or the non receipt of such notice by any Member shall not invalidate any resolution or any proposed resolution otherwise duly approved.

### **30 NUMBER, APPOINTMENT AND QUALIFICATION OF DIRECTORS**

- 30.1 Until otherwise determined by the Board, the number of Directors shall be not less than two (2) and shall not be more than seven (7). At no time shall a majority of Directors be resident in the United Kingdom.
- 30.2 The Board shall have power at any time to appoint any person eligible in accordance with Section 137 of the Law to be a Director either to fill a casual vacancy or as an addition to the existing Directors but so that the total number of Directors shall not at any time exceed the number, if any, fixed pursuant to these Articles. Any Director so appointed shall hold office only until the next following annual general meeting and shall then be eligible for re-election but shall not be taken into account in determining the Directors or the number of Directors who are to retire by rotation at that meeting if it is an annual general meeting.
- 30.3 At each annual general meeting, one-third of the Directors (or if their number is not three or an integral multiple of three), the number nearest to, but (except where there are less than three Directors) not greater than one-third, shall retire from office.
- 30.4 Subject to the provisions of these Articles, the Directors to retire by rotation on each occasion shall be those of the Directors who have been longest in office since their last appointment or re-appointment but, as between persons who became or were last reappointed Directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by lot. In addition, any Director who would not otherwise be required to retire at any annual general meeting which is the third annual general meeting after the later of his appointment by the Company in general meeting and re-election as a Director of the Company in general meeting, shall nevertheless be required to retire at such annual general meeting. The Directors to retire on each occasion (both as to number and identity) shall be determined by the composition of the Board at the start of business on the date of the notice convening the annual general meeting and no Director shall

be required to retire or be relieved from retiring by reason of any change in the number or identity of the Directors after that time on the date of the notice but before the close of the meeting.

- 30.5 No person other than a Director retiring at a general meeting shall, unless recommended by the Directors, be eligible for election by the Company to the office of Director unless, not less than seven (7) nor more than forty two (42) clear days before the date appointed for the meeting there shall have been left at the Office notice in writing signed by a Member duly qualified to attend and vote at the meeting for which such notice is given of his intention to propose such person for election together with notice in writing signed by that person of his willingness to be elected.
- 30.6 The Company at the meeting at which a Director retires in manner aforesaid may fill the vacated office by appointing a person thereto by ordinary resolution and in default the retiring Director shall, if willing to act, be deemed to have been re- appointed unless at such meeting it is expressly resolved not to fill the vacated office or a resolution for the re-appointment of such Director shall have been put to the meeting and lost. The Company at such meeting may also (subject to Article 30.1 hereof) fill up any other vacancies.
- 30.7 Without prejudice to the powers of the Board, the Company in general meeting may appoint any person to be a Director either to fill a casual vacancy or as an additional Director.
- 30.8 At a general meeting a motion for the appointment of two or more persons as Directors of the Company by a single resolution shall not be made unless a resolution that it shall be so made has been first agreed to by the meeting without any vote being given against it.
- 30.9 A share qualification for a Director may be fixed by the Company in general meeting and unless and until so fixed no qualification shall be required.

### **31 REMUNERATION OF DIRECTORS**

- 31.1 The ordinary remuneration of the Directors who do not hold executive office for their services (excluding amounts payable under any other sub-paragraph of these Articles) shall not exceed in aggregate £390,000 per annum or such higher amount as the Company may from time to time by ordinary resolution determine. Such remuneration shall be deemed to accrue from day to day.
- 31.2 The Directors shall also be paid all reasonable travelling, hotel and other expenses properly incurred by them in attending and returning from meetings of the Directors or any committee of the Directors or general meetings of the Company or otherwise in connection with the performance of their duties.
- 31.3 If any Director having been requested by the Board shall render or perform extra or special services or shall travel or go to or reside in any country not his usual place of residence for any business or purpose of the Company he shall be entitled to receive such sum as the Board may think fit for expenses and also such remuneration as the Board may think fit either as a fixed sum or as a percentage of profits or otherwise and such remuneration may as the Board shall determine be either in addition to or in substitution for any other remuneration which he may be entitled to receive.
- 31.4 In addition, the Board may reward additional remuneration to any Director engaged in exceptional work at the request of the Board on a time spent basis.



## **32 INDEMNITIES**

- 32.1 The Directors, Secretary and officers for the time being of the Company and their respective heirs and executors shall, to the extent permitted by Section 157 of the Law, be fully indemnified out of the assets and profits of the Company from and against all actions expenses and liabilities which they or their respective heirs or executors may incur by reason of any contract entered into or any act in or about the execution of their respective offices or trusts except such (if any) as they shall incur by or through their own negligence, default, breach of duty or breach of trust respectively and none of them shall be answerable for the acts receipts neglects or defaults of the others of them or for joining in any receipt for the sake of conformity or for any bankers or other person with whom any moneys or assets of the Company may be lodged or deposited for safe custody or for any bankers or other persons into whose hands any money or assets of the Company may come or for any defects of title of the Company to any property purchased or for insufficiency or deficiency of or defect in title of the Company to any security upon which any moneys of the Company shall be placed out or invested or for any loss misfortune or damage resulting from any such cause as aforesaid or which may happen in or about the execution of their respective offices or trusts except the same shall happen by or through their own negligence, default, breach of duty or breach of trust.
- 32.2 The Directors may agree to such contractual indemnities for the benefit of the Secretary, officers, employees and other agents and contracting parties as they may from time to time, deem fit.

## **33 INSURANCE**

Without prejudice to any other provisions of these Articles, the Directors may exercise all the powers of the Company to purchase and maintain insurance for or for the benefit of any persons who are or were at any time Directors, officers, employees or auditors of the Company, or of any other body (whether or not incorporated) which is or was its subsidiary of the Company (together "**Group Companies**" and each a "**Group Company**") or otherwise associated with the Company or any Group Company or in which the Company or any such Group Company has or had any interest, whether direct or indirect, or of any predecessor in business of any of the foregoing, including (without prejudice to the generality of the foregoing) insurance against any costs, charges, expenses, losses or liabilities suffered or incurred by such persons in respect of any act or omission in the actual or purported execution and/or discharge of their duties and/or the exercise or purported exercise of their powers and discretions and/or otherwise in relation to or in connection with their duties, powers or offices in relation to the Company or any such other body.

## **34 REGISTERS OF DIRECTORS**

The Directors or Secretary shall cause to be maintained a register of Directors in accordance with Sections 143 and 147 of the Law.

## **35 ALTERNATE DIRECTORS**

- 35.1 A Director who is resident outside the United Kingdom shall not be entitled to appoint an alternate Director who is resident in the United Kingdom.
- 35.2 Subject to Article 35.1, any Director may, by notice in writing under his hand served upon the Company, appoint any person eligible to act as a Director (whether

a Member of the Company or not) as an alternate Director to attend and vote in his place at any meeting of the Directors at which he is not personally present or to undertake and perform such duties and functions and to exercise such rights as he could personally and such appointment may be made generally or specifically or for any period or for any particular meeting and with and subject to any particular restrictions. Every such appointment shall be effective and the following provisions shall apply.

35.3 Every alternate Director while he holds office as such shall be entitled:-

35.3.1 to notice of meetings of the Directors; and

35.3.2 to attend and to exercise (subject to any restrictions) all the rights and privileges of his appointor at all such meetings at which his appointor is not personally present.

35.4 Every alternate Director shall ipso facto vacate office if and when his appointment expires by effluxion of time, or his appointor vacates office as a Director or removes the alternate Director from office as such by notice in writing under his hand served upon the Company.

35.5 No alternate Director shall be entitled as such to receive any remuneration from the Company, but every alternate Director shall be entitled to be paid all reasonable expenses incurred in the exercise of his duties.

35.6 A Director may act as alternate Director for another Director and shall be entitled to vote for such other Director as well as on his own account, but no Director shall at any meeting be entitled to act as alternate Director for more than one other Director.

### **36 BORROWING POWERS OF THE BOARD**

The Board may exercise all the powers of the Company to borrow money and to give guarantees, mortgage, hypothecate, pledge or charge all or part of its undertaking property, assets and uncalled capital and to issue debentures and other securities, whether outright or as collateral security for any liability or obligation of the Company or of any third party PROVIDED ALWAYS that the aggregate principal amount from time to time outstanding of all borrowings by the Company (exclusive of borrowings wholly within the Company) shall not at any time exceed 30 per cent. of the Net Asset Value of the Company.

### **37 OTHER POWERS AND DUTIES OF THE BOARD**

37.1 The business of the Company shall be managed by the Board who may exercise all such powers of the Company as are not required to be exercised by the Company in general meeting subject nevertheless to these Articles and to the Law and to such regulations as may be prescribed by the Company in general meeting, but no regulation so made shall invalidate any prior act of the Board. The general powers given by this Article shall not be limited or restricted by any special authority or power given to the Board by any other Article.

37.2 The Board may arrange that any branch of the business carried on by the Company or any other business in which the Company may be interested shall be carried on by or through one or more subsidiary companies and the Board may on behalf of the Company make such arrangements as it thinks advisable for taking the profits or bearing the losses of any branch or business so carried on or for

financing, assisting or subsidising any such subsidiary company or guaranteeing its contracts, obligations or liabilities.

- 37.3 The Board may establish any local boards or committees for managing any of the affairs of the Company and may appoint any one or more of its number or any other persons to be members of such local boards or committees and may fix their remuneration and may delegate to any local board or committee any of the powers, authorities and discretions vested in the Board, with power to sub-delegate, and may authorise the members of any local board or committee to fill any vacancies and to act notwithstanding vacancies and any such appointment or delegation may be made upon such terms and subject to such conditions as the Board may think fit and the Board may remove any person so appointed and may annul or vary any such delegation but no person dealing in good faith and without notice of any such annulment or variation shall be affected thereby. The provisions of Article 37 shall apply to meetings of such local boards and committees *mutatis mutandis* save as varied by the Board.
- 37.4 The Board may:
- 37.4.1 at any time, by power of attorney given under the hand of such person or persons duly authorised by the Board in that behalf, appoint any person or any fluctuating body of persons, whether nominated directly or indirectly by the Board, to be the attorney of the Company for such purposes and with such powers and discretions and for such periods and subject to such conditions as the Board may think fit and any such power of attorney may contain such provisions for the protection and convenience of persons dealing with any attorney as the Board may think fit and may also authorise any attorney to sub-delegate all or any of his powers and discretions; or
  - 37.4.2 appoint such other agents, managers and contractors which such powers to sub delegate as it may deem fit from time to time.
- 37.5 All cheques, promissory notes, drafts, bills of exchange and other negotiable instruments and all receipts for moneys paid to the Company shall be signed, drawn, accepted, endorsed or otherwise executed in such manner as the Board shall, at any time, determine.
- 37.6 The Board shall cause minutes to be made and maintained at the Office or in such other place in Guernsey as the Board may think fit in books provided for the purpose of all resolutions and proceedings at meetings of the Board and of Board Committees in accordance with Section 154 of the Law.
- 37.7 The Board shall cause minutes and records of other corporate resolutions to be made and maintained at the Office or at such other place in Guernsey as the Board may think fit in accordance with Sections 228 and 230 of the Law of all proceedings at general meetings or otherwise and all decisions of a sole Member.
- 37.8 The Board may pay a gratuity, pension or allowance on death or retirement to, and may establish and maintain or procure the establishment and maintenance of any contributory or non-contributory pension or superannuation or life assurance funds or schemes, for the benefit of any persons:-
- 37.8.1 who are or were at any time in the employment or service of the Company or of any company which is or was a holding or subsidiary company of the Company or of any predecessor in business of any

of them; or

- 37.8.2 who are or were at any time directors or officers of the Company or of any such other company or predecessor in business and holding any salaried employment or executive office in the Company or such other company or predecessor in business, and the wives, widows, children, dependents or relations of any such persons. The receipt of any such gratuity pension or allowance shall not disqualify any person from being a Director of the Company.
- 37.9 The Board may also establish and subsidise or subscribe to any institutions, associations, clubs or funds calculated to be for the benefit of or to advance the interests and well-being of the Company or of any such other company as aforesaid or of any such persons as aforesaid and make payments for or towards the insurance of any such persons.
- 37.10 The Board may do any of the matters aforesaid either alone or in conjunction with any such other company.

### **38 CONFLICTS OF INTEREST**

- 38.1 A Director must, immediately after becoming aware of the fact that he is interested in a transaction or proposed transaction with the Company, disclose to the Board in accordance with Section 162 of the Law the nature and extent of that interest.
- 38.2 Article 38.1 does not apply if:-
- 38.2.1 the transaction or proposed transaction is between the Director and the Company; and
- 38.2.2 the transaction or proposed transaction is or is to be entered into in the ordinary course of the Company's business and on usual terms and conditions.
- 38.3 A general disclosure to the Board to the effect that a Director has an interest (as director, officer, employee, member or otherwise) in a party and is to be regarded as interested in any transaction which may after the date of the disclosure be entered into with that party is sufficient disclosure of interest in relation to that transaction.
- 38.4 Nothing in Articles 38.1, 38.2 or 38.3 applies in relation to:-
- 38.4.1 remuneration or other benefit given to a Director;
- 38.4.2 insurance purchased or maintained for a Director in accordance with Section 158 of the Law; or
- 38.4.3 qualifying third party indemnity provision provided for a Director in accordance with Section 159 of the Law.
- 38.5 Subject to Article 38.6, a Director is interested in a transaction to which the Company is a party if the Director: -
- 38.5.1 is a party to, or may derive a material benefit from, the transaction;
- 38.5.2 has a material financial interest in another party to the transaction;

- 38.5.3 is a director, officer, employee or member of another party (other than a party which is an associated company) who may derive a material financial benefit from the transaction;
- 38.5.4 is the parent, child or spouse of another party who may derive a material financial benefit from the transaction; or
- 38.5.5 is otherwise directly or indirectly materially interested in the transaction.
- 38.6 A Director is not interested in a transaction to which the Company is a party if the transaction comprises only the giving by the Company of security to a third party which has no connection with the Director, at the request of the third party, in respect of a debt or obligation of the Company for which the Director or another person has personally assumed responsibility in whole or in part under a guarantee, indemnity or security.
- 38.7 Save as provided in these Articles, a Director shall not vote or be counted in the quorum in respect of any contract or arrangement or any other proposal whatsoever in which he has any material interest otherwise than by virtue of his interest in shares or debentures or other securities of or otherwise through the Company.
- 38.8 A Director shall (in the absence of some other material interest than is indicated below) be entitled to vote (and be counted in the quorum) in respect of any resolution concerning any of the following matters namely:-
- 38.8.1 the giving of any guarantee, security or indemnity to him in respect of money lent or obligations incurred by him or any other person at the request of or for the benefit of the Company or any of its subsidiaries;
- 38.8.2 the giving of any guarantee, security or indemnity to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which he himself has assumed responsibility in whole or in part and whether alone or jointly with others under a guarantee or indemnity or by the giving of security;
- 38.8.3 any proposal concerning an offer of shares or debentures or other securities of or by the Company or any of its subsidiaries for subscription or purchase in which offer he is or is to be interested as a participant in the underwriting or sub-underwriting thereof;
- 38.8.4 any proposal concerning any other company in which he is interested, directly or indirectly and whether as an officer or shareholder or otherwise howsoever, provided that he is not the holder of or beneficially interested in one per cent. (1%) or more of the issued shares of such company (or of any third company through which his interest is derived) or of the voting rights available to Members of the relevant company (any such interest being deemed for the purpose of this Article to be a material interest in all circumstances);
- 38.8.5 any arrangement for the benefit of employees of the Company or any of its subsidiaries which accords to the Director only such privileges and advantages as are generally accorded to the employees to which the arrangement relates; or
- 38.8.6 any proposal for the purchase or maintenance of insurance for the benefit of Directors or persons including the Directors.

- 38.9 Where proposals are under consideration concerning the appointment (including fixing or varying the terms of appointment) of two or more Directors to offices or employment with the Company or any company in which the Company is interested the Directors may be counted in the quorum for the consideration of such proposals and such proposals may be divided and considered in relation to each Director separately and in such case each of the Directors concerned (if not debarred from voting under the provisions of Article 38.7 above) shall be entitled to vote (and be counted in the quorum) in respect of each resolution except that concerning his own appointment.
- 38.10 If any question shall arise at any meeting as to the materiality of a Director's interest or as to the entitlement of any Director to vote and such question is not resolved by his voluntarily agreeing to abstain from voting, such question shall be referred to the chairman of the meeting and his ruling in relation to any other Director shall be final and conclusive except in a case where the nature or extent of the interests of the Director concerned have not been fairly disclosed.
- 38.11 The Company may by ordinary resolution suspend or relax the provisions of Articles 38.7 and 38.8 above to any extent or ratify any transaction not duly authorised by reason of a contravention of any of the said Articles.
- 38.12 Subject to Article 38.7 above the Directors may exercise the voting power conferred by the share in any other company held or owned by the Company or exercisable by them as Directors of such other company in such manner in all respects as they think fit (including the exercise thereof in favour of any resolution appointing themselves or any of them Director, managing Director, managers or other officer of such company or voting or providing for the payment or remuneration to the Directors, managing Director, manager or other officer of such company).
- 38.13 A Director may hold any other office or place of profit under the Company (other than the office of Auditor) in conjunction with his office of Director on such terms as to tenure of office or otherwise as the Directors may determine.
- 38.14 Subject to due disclosure in accordance with Article 38, no Director or intending Director shall be disqualified by his office from contracting with the Company as vendor purchaser or otherwise nor shall any such contract or arrangement entered into by or on behalf of the Company in which any Director is in any way interested render the Director liable to account to the Company for any profit realised by any such contract or arrangement by reason of such Director holding that office or of the fiduciary relationship thereby established.
- 38.15 Any Director may act by himself or his firm in a professional capacity for the Company and he or his firm shall be entitled to remuneration for professional services as if he were not a Director PROVIDED THAT nothing herein contained shall authorise a Director or his firm to act as Auditor to the Company.
- 38.16 Any Director may continue to be or become a director, managing director, manager or other officer or member of any company in which the Company may be interested and (unless otherwise agreed) no such Director shall be accountable for any remuneration or other benefits received by him as a director, managing director, manager or other officer or member of any such other company.

## **39 DISQUALIFICATION AND REMOVAL OF DIRECTORS**

### **39.1 A Director shall cease to hold office:-**

- 39.1.1 if he (not being a person holding for a fixed term an executive office subject to termination if he ceases for any reason to be a Director) resigns his office by written notice signed by him sent to or deposited at the Office;
- 39.1.2 if he shall have absented himself (such absence not being absence with leave or by arrangement with the Board on the affairs of the Company) from meetings of the Board for a consecutive period of six months and the Board resolves that his office shall be vacated;
- 39.1.3 if he dies or becomes of unsound mind or incapable;
- 39.1.4 if he becomes insolvent suspends payment or compounds with his creditors;
- 39.1.5 if he is requested to resign by written notice signed by all his co-Directors;
- 39.1.6 if he becomes resident in the United Kingdom and, as a result thereof, a majority of the Directors are resident in the United Kingdom;
- 39.1.7 if the Company in general meeting shall declare that he shall cease to be a Director; or
- 39.1.8 if he becomes ineligible to be a Director in accordance with Section 137 of the Law.

### **39.2 If the Company in general meeting removes any Director before the expiration of his period of office, by resolution at the same time as the removal or failing which the Board, may appoint another person to be a Director in his stead who shall retain his office so long only as the Director in whose stead he is appointed would have held the same if he had not been removed. Such removal shall be without prejudice to any claims such Director may have for damages for breach of any contract of service between him and the Company.**

## **40 PROCEEDINGS OF DIRECTORS**

- 40.1 The Board may meet for the dispatch of business adjourn and otherwise regulate its meetings as it thinks fit. Questions arising at any meeting shall be decided by a majority of votes. In case of an equality of votes a Guernsey resident Director present at the meeting shall have a second or casting vote. All meetings of Directors shall take place outside the United Kingdom and any decision reached or resolution passed by the Directors at any meeting not held outside the United Kingdom or at which a majority of Directors resident in the United Kingdom is present shall be invalid and of no effect.
- 40.2 A Director in communication with one or more other Directors so that each Director participating in the communication can hear or read what is said or communicated by each of the others, is deemed to be present at a meeting with the other Directors so participating and, where a quorum is present, such meeting shall be treated as a validly held meeting of the Board and shall be deemed to have been held in the place where the Chairman is present PROVIDED THAT no Directors

physically present in the United Kingdom at the time of any such meeting may participate in a meeting by means of video link, telephone conference call or other electronic or telephonic means of communication unless a majority of the Directors participating are physically present outside the United Kingdom.

- 40.3 The Board shall also determine the notice necessary for its meetings and the persons to whom such notice shall be given.
- 40.4 A meeting of the Board at which a quorum is present shall be competent to exercise all powers and discretions exercisable by the Board.
- 40.5 The continuing Directors may act notwithstanding any vacancy but, if and so long as their number is reduced below the minimum number fixed pursuant to these Articles, the continuing Directors may act for the purpose of increasing the number of Directors to that number or of summoning a general meeting but for no other purpose. If there be no Directors able or willing to act, then any Member may summon a general meeting for the purpose of appointing Directors.
- 40.6 The Board may elect one of their number as a Chairman of their meetings and determine the period for which he is to hold office. If no such Chairman be elected or if at any meeting the Chairman be not present within five (5) minutes after the time appointed for holding the same, the Directors present may choose one of their number to be Chairman of the meeting.
- 40.7 The Board may delegate any of their powers to committees consisting of such one or more Directors as they think fit PROVIDED THAT if a majority of the members of any committee of the Directors present at the meeting are resident in the United Kingdom the Directors present, irrespective of their number, shall not constitute a quorum and the committee may not act. Any committee so formed shall in the exercise of the powers so delegated conform to any regulations that may be imposed on it by the Board. Subject thereto, this Article 40 shall apply mutatis mutandis to the proceedings of such committees.
- 40.8 The quorum necessary for the transaction of the business of the Board may be fixed by the Board and unless so fixed shall be two (2) for the meeting of the Board and one (1) for any committee of the Directors, provided that if a majority of the Directors (or the members of any committee of the Directors) present at the meeting are resident in the United Kingdom the Directors present, irrespective of their number, shall not constitute a quorum and the Directors (or the committee) may not act.. For the purposes of this Article an alternate appointed by a Director shall be counted in a quorum at a meeting at which the Director appointing him is not present.
- 40.9 A resolution in writing signed by each Director (or his alternate) entitled to receive notice of a meeting of the Board or by all the members of a committee shall be as valid and effectual as a resolution passed at a meeting of the Board or committee. Such resolution may be contained in one document or in several documents in like form each signed by one or more of the Directors or members of the committee and may be transmitted to the Company by facsimile. No such resolution shall be valid if a majority of the Directors sign the resolution in the United Kingdom.

## **41 EXECUTIVE DIRECTORS**

- 41.1 The Board may at any time appoint one or more of their body (other than a Director resident in the United Kingdom) to be holder of any executive office including



the office of managing director on such terms and for such periods as they may determine.

41.2 The appointment of any Director to any executive office shall be subject to termination if he ceases from any cause to be a Director but without prejudice to any claim for damages for breach of any contract of service between him and the Company.

41.3 The Board may entrust to and confer upon a Director holding any executive office any of the powers exercisable by the Board upon such terms and conditions and with such restrictions as it thinks fit either collaterally with or to the exclusion of their own powers and may at any time revoke withdraw alter or vary all or any of such powers.

## **42 SECRETARY**

42.1 The Directors may at their discretion appoint such person to be Secretary on such terms as they see fit (including, but not limited to, remuneration and termination terms) and for the avoidance of doubt may (but are not obliged to) appoint one of their number to act as both Director and Secretary.

42.2 For the avoidance of doubt, section 171 of the Law shall not apply to any Secretary appointed by the Directors pursuant to Article 42.1 above and the only duties of any such Secretary shall be set out in an agreement between the Company and such Secretary.

## **43 RESIDENT AGENT**

If Part XXIX of the Law applies to the Company, the Board shall ensure that a resident agent is appointed in accordance with the Law.

## **44 THE SEAL**

If the Board determines to maintain a Seal it shall provide for the safe custody of the Seal which shall only be used by authority of the Board or of a committee and every instrument to which the Seal shall be affixed shall be signed by any such persons as are authorised by the Board in that behalf. The Board may authorise the use of a duplicate or facsimile Seal for use outside Guernsey in such manner as the Board may at its discretion determine.

## **45 COMMON SIGNATURE**

The common signature of the Company may be either:-

45.1 the name of the Company with the addition of the signature(s) of one or more of the Directors or officer(s) of the Company authorised generally or specifically by the Board for such purpose, or such other person or persons as the Board may from time to time appoint; or

45.2 if the Board resolves that the Company shall have a Seal, it shall be affixed in such manner as these Articles or the board may from time to time provide.

## **46 AUTHENTICATION OF DOCUMENTS**

Any Director or the Secretary or any person appointed by the Board for the purpose shall have power to authenticate any documents affecting the Company (including the Memorandum and these Articles) and any resolutions passed by the Company

or the Board and any books records documents and accounts relating to the business of the Company and to certify copies or extracts as true copies or extracts; and where any books records documents or accounts are elsewhere than at the Office the local manager or other Officer of the Company having their custody shall be deemed to be a person appointed by the Board as aforesaid.

## **47 DIVIDENDS**

- 47.1 Subject to compliance with Section 304 of the Law, the Board may at any time declare and pay such dividends as appear to be justified by the position of the Company. The Board may also declare and pay any fixed dividend which is payable on any shares of the Company half-yearly or otherwise on fixed dates whenever the position in the opinion of the Board so justifies.
- 47.2 The method of payment of dividends shall be at the discretion of the Board.
- 47.3 No dividend shall be paid in excess of the amounts permitted by the Law or approved by the Board.
- 47.4 All monies realised on the sale or other realisation of any capital assets in excess of book value and all other monies in the nature of accretion to capital will not be available for distribution by way of dividend but subject as otherwise provided by these Articles may be used by the Company for the purchase of its own shares subject to the terms of Article 8.
- 47.5 Subject to Article 5.3.3 unless and to the extent that the rights attached to any shares or the terms of issue thereof otherwise provide, all dividends shall be declared and paid pro rata according to the number of shares held by each Member.
- 47.6 Subject to the Law where any asset, business or property is bought by the Company as from a past date whether such date be before or after the incorporation of the Company profits and losses as from such date may at the discretion of the Board in whole or in part be carried to revenue account and treated for all purposes as profits and losses of the Company. Subject as aforesaid if any shares or securities are purchased cum dividend or interest such dividend or interest may at the discretion of the Board be treated as revenue and it shall not be obligatory to capitalise all or part of the same.
- 47.7 The Board may deduct from any dividend payable to any Member on or in respect of a share all sums of money (if any) presently payable by him to the Company on account of calls or otherwise.
- 47.8 The Board may retain any dividend or other moneys payable on or in respect of a share on which the Company has a lien and may apply the same in or towards satisfaction of the liabilities or obligations in respect of which the lien exists.
- 47.9 The Board may retain dividends payable upon shares in respect of which any person is entitled to become a Member until such person has become a Member.
- 47.10 With the sanction of the Company in general meeting, any dividend may be paid wholly or in part by the distribution of specific assets and, in particular, of paid-up shares of the Company. Where any difficulty arises in regard to such distribution the Board may settle the same as it thinks expedient and in particular may issue fractional shares and fix the value for distribution of such specific assets and may determine that cash payments shall be made to any Members based on the value so fixed in order to adjust the rights of Members and may vest any such

specific assets in trustees for the Members entitled as may seem expedient to the Board.

- 47.11 Any dividend, interest or other moneys payable in cash in respect of shares may be paid by cheque or warrant sent through the post to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the Register. Any one of two or more joint holders may give effectual receipts for any dividends, interest or other moneys payable in respect of their joint holdings.
- 47.12 No dividend or other moneys payable on or in respect of a share shall bear interest against the Company.
- 47.13 All unclaimed dividends may be invested or otherwise made use of by the Board for the benefit of the Company until claimed and the Company shall not be constituted a trustee in respect thereof. All dividends unclaimed for a period of twelve (12) years after having been declared shall be forfeited and shall revert to the Company.

#### **48 RESERVES**

The Board may, before recommending any dividend, set aside such sums (out of the income or profits or otherwise) as it thinks proper as reserves which shall, at the discretion of the Board, be applicable for any purpose to which such sums may be properly applied and, pending such application, may either be employed in the business of the Company or be invested in such investments as the Board may at any time think fit. The Board may also, without placing the same to reserve, carry forward any profits or other sums which it may think prudent not to distribute.

#### **49 CAPITALISATION OF PROFITS**

- 49.1 The Company in general meeting may, upon the recommendation of the Board, resolve that it is desirable to capitalise any undistributed profits of the Company or any part of the amount for the time being standing to the credit of any of the Company's reserve accounts or subject as hereinafter provided any such standing to the credit of the share capital account, the profit and loss account or otherwise available for distribution and accordingly that such sums be set free for distribution amongst the Members who would have been entitled thereto if distributed and in the same proportions on condition that the same be not paid in cash but be applied either in or towards paying up any amounts for the time being unpaid on any shares held by such Members respectively or paying up in full unissued shares of the Company to be allotted and distributed credited as fully paid to and amongst such Members PROVIDED ALWAYS that any such amount standing to the credit of a share premium account or capital redemption reserve fund may, for the purpose of this Article, only be applied in the paying up of unissued shares to be issued to Members credited as fully paid.
- 49.2 Whenever such resolution shall have been passed, the Board shall make all appropriations and applications of the reserves or profits resolved to be capitalised and all allotments and issues of fully-paid shares and generally shall do all things required to give effect thereto with full power to the Board to make such provision by payment in cash or otherwise as it thinks fit for the case of shares becoming distributable in fractions and also to authorise any person to enter on behalf of all Members entitled thereto into an agreement with the Company providing for the allotment to them respectively credited as fully paid of any further shares to

which they may be entitled upon such capitalisation or (as the case may require) for the payment up by the Company on their behalf by the application thereto of their respective proportions of the amounts resolved to be capitalised of the amounts or any part of the amounts remaining unpaid on their existing shares and any agreement made under such authority shall be effective and binding on all such Members.

## **50 ACCOUNTS AND REPORTS**

The Board shall maintain accounting records and issue reports in accordance with Part XV of the Law.

## **51 AUDIT**

51.1 Subject to section 256 of the Law, the Members may resolve to exempt the Company from the requirement to appoint Auditors. Whilst the Company continues as an unaudited company, the provisions of the Law in so far as they relate to the appointment of Auditors, the duties of Auditors and the report of Auditors shall be suspended and cease to have effect.

51.2 Subject to Article 51.1 above, Auditors shall be engaged in accordance with Part XVI of the Law.

## **52 NOTICES**

52.1 A notice or other communication may be given by the Company to any Member by any means as set out in section 523 of the Law.

52.2 A notice may be given by the Company to the joint holders of a share by giving the notice to the joint holder first named in the Register in respect of the share.

52.3 Any notice or other communication sent to the address of any Member shall notwithstanding the death, disability or insolvency of such Member and whether the Company has notice thereof, be deemed to have been duly served in respect of any share registered in the name of such Member as sole or joint holder and such service shall, for all purposes, be deemed a sufficient service of such notice or document on all persons interested (whether jointly with or as claiming through or under him) in any such share.

52.4 All Members shall be deemed to have agreed to accept communication from the Company by electronic means in accordance with Sections 524 and 526 and Schedule 3 of the Law unless a Member notifies the Company otherwise. Notice under this Article must be in writing and signed by the Member and delivered to the Company's Office or such other place as the Board directs.

52.5 Every person who becomes entitled to a share shall be bound by any notice in respect of that share which, before his name is entered in the register of members, has been duly given to a person from which he derives his title.

## **53 WINDING UP**

53.1 The Company shall be wound up in any of the circumstances specified in the Law.

53.2 If the Company shall be wound up, the surplus assets remaining after payment of all creditors shall be divided among the Members in the manner described in Article 53.3.

- 53.3 Subject to Article 5.3.7, the assets available for distribution among the Members shall then be applied in the following priority: -
- 53.3.1 firstly, in the payment to the holders of Participating Shares of a sum equal to the nominal amount of the Participating Shares held by such holders respectively provided that there are sufficient assets available in the Company to enable such payment to be made;
  - 53.3.2 secondly, in the payment to the holders of the Nominal Shares of sums up to the nominal amount paid up thereon out of the assets of the Company remaining after recourse thereto under paragraph (a) above;
  - 53.3.3 thirdly, in the payment to the holders of the Participating Shares of any balance then remaining including but without limitation the balance of any assets in the Company.
- 53.4 If thought expedient subject to the obtaining of any necessary consents or sanctions any such division may be otherwise than in accordance with the then existing rights of the Members and in particular any class may be given preferential or special rights or may be excluded altogether or in part but in default of any such provision the assets shall subject to the rights of the holders of shares issued with special rights or privileges or on special conditions be distributed rateably according to the amount paid up on the shares.
- 53.5 In case any of the shares to be divided as aforesaid involve a liability to calls or otherwise any person entitled under such division to any of the said shares may within fourteen (14) clear days after the passing of the special resolution by notice in writing direct the Liquidator to sell his proportion and pay him the net proceeds and the Liquidator shall if practicable act accordingly.
- 53.6 If the Company shall be wound up the Liquidator may with the authority of a special resolution divide among the members in specie the whole or any part of the assets of the Company and whether or not the assets shall consist of property of a single kind and may for such purposes set such value as he deems fair upon any one or more class or classes of property 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 authority vest any part of the assets in trustees upon such trusts for the benefit of Members as the Liquidator with the like authority shall think fit and the liquidation of the Company may be closed and the Company dissolved but so that no Member shall be compelled to accept any shares or other assets in respect of which there is any outstanding liability.
- 53.7 Where the Company is proposed to be or is in course of being wound up and the whole or part of its business or property is proposed to be transferred or sold to another company (the "**transferee**") the Liquidator of the Company may, with the sanction of an Ordinary Resolution, conferring either a general authority on the Liquidator or an authority in respect of any particular arrangement, receive in compensation or part compensation for the transfer or sale, shares policies or other like interests in the transferee for distribution among the Members of the Company or may enter into any other arrangement whereby the Members of the Company may, in lieu of receiving cash, shares, policies or other like interests, or in addition thereto, participate in the profits of or receive any other benefits from the transferee.

## **54 DETERMINATION OF NET ASSET VALUE**

54.1 The Net Asset Value of the Company shall be determined in accordance with the following provisions:-

54.1.1 The Net Asset Value shall be equal to the value as at the relevant Valuation Point of all the assets, less all the liabilities, of the Company (calculated on the basis set out in this Article 54.1).

54.1.2 The assets of the Company shall be deemed to include the following:-

- (a) all cash on hand, on loan or on deposit, or on call including any interest accrued thereon;
- (b) all treasury bills, demand notes, promissory notes and accounts receivable;
- (c) all shares, stocks, units, participations, warrants, bonds, time notes, debenture stock, subscription rights, options, futures contracts and other investments and securities owned or contracted for by the Company, other than rights and securities issued by it;
- (d) all stock and cash dividends and cash distributions to be received by the Company and not yet received by it but declared payable to stockholders of record on a date before the day as of which the assets are being valued;
- (e) all interest accrued on any interest-bearing securities owned by the Company;
- (f) unrealised profits on open contracts; and
- (g) all other assets of the Company of every kind and nature including any claims for repayment of any taxation levied on capital (including capital gains) or on income accrued before the Valuation Point and prepaid expenses as valued and defined from time to time by the Directors.

54.1.3 Any expense or liability of the Company may be amortised over such period as the Directors may determine (and the Directors may at any time and from time to time determine to lengthen or shorten any such period) and the unamortised amount thereof at any time shall also be deemed to be an asset of the Company.

54.1.4 The Investments of the Company shall be valued as follows:-

- (a) Subject to Article 54. 1.6 assets listed, quoted or dealt in on a recognised securities exchange (including financial futures, warrants and rights expressed by reference to stock indices) are to be valued at the market dealing price, at the last close of business before the Valuation Point on the recognised securities exchange which, in the opinion of the Directors, is the principal recognised securities exchange on which the asset in question is listed, quoted or dealt in. If separate bid and offer prices are quoted, the price to be adopted for calculating the Net

Asset Value shall be the mean average of the two prices;

- (b) Deposits shall be valued at their principal amount plus accrued interest from the date of acquisition;
- (c) Certificates of Deposit acquired at their nominal value shall be valued at cost plus accrued interest from the date of acquisition on the nominal value at the coupon rate;
- (d) Certificates of Deposit acquired at a discount or premium on the sum of the nominal value and accrued interest at the date of acquisition shall be valued at their cost plus accrued interest from the date of acquisition on the nominal value at the coupon rate, and adjusted by an amount equal to the discount or premium at which they were acquired divided by the number of days unexpired at the date of acquisition and multiplied by the number of days elapsed from the date of acquisition to the date as of which the assets are being valued;
- (e) The value attributed to any open Futures position will be the amount calculated by reference to the settlement price on the principal Futures exchange on which that Future is being traded after deduction of any commission or charge that would be incurred in liquidating that Future at the settlement price on the relevant day. If any Future cannot be valued by reference to the settlement price on that day due to the operation of daily limits or other rules of the market on which that Future is traded, then the value of that Future will be the value which is attributed to it by the Investment Manager after obtaining such professional advice as the Investment Manager thinks fit;
- (f) In relation to any Future which is a forward contract for a currency other than Sterling which is not traded on a Futures exchange, the value of any particular contract will be the average between the lowest offered price and the highest bid price at the close of business on the relevant day of the banker or broker through whom the contract is traded;
- (g) Investments in unit trusts or other forms of collective investment schemes will be valued at the latest available mid-market price or valuation quoted by the manager or, as the case may be, the administrator of the unit trust or scheme in question;
- (h) Any treasury bills and other government obligations held for margin deposits and any interest and exchange rate contracts will be valued at their market value.

PROVIDED THAT if in the case of any Investment the Directors at any time consider that the above basis of valuation is inapplicable or that the value determined in accordance with the foregoing principles is unfair they shall be entitled to substitute what in their opinion is a fair value therefor (or different values for the purpose of calculating Offer Prices and Bid Prices).

- 54.1.5 Notwithstanding the foregoing, where at the time as of which the assets are being valued any Investment of the Company has been realised

or unconditionally contracted to be realised there shall be included in the assets of the Company in place of such Investment the net amount receivable by the Company in respect thereof provided that if the net amount receivable is not payable until some further time after the time as of which the assets are being valued the Directors may make such allowance as they consider appropriate.

- 54.1.6 Notwithstanding the rules in Article 54. 1. 4 , where an option subsists for another person to purchase an asset from the Company or for the Company to sell an asset to another person, but such option has not been exercised, the value of the asset concerned shall be taken to be the price at which the option is exercisable, at any time at which such price is (in the case where another person is entitled to purchase) lower than, or (in the case where the Company is entitled to sell to another person) higher than, the price by reference to which the value would otherwise be calculated.

- 54.1.7 Any valuations made pursuant to these Articles shall be binding on all relevant persons.

The liabilities of the Company shall be deemed to include all its liabilities (including such amount as the Directors determine to provide in respect of contingent liabilities including (but without limitation) liabilities in respect of taxation on income or capital gains whether realised or unrealised) of whatsoever kind and nature. Any unrealised loss on open contracts will be included as liabilities of the Company. In determining the amount of such liabilities the Directors may calculate any liabilities on an estimated figure for yearly or other periods in advance and accrue the same in equal proportions over any such period. All fees and expenses payable by the Company shall be treated as accruing on a daily basis unless the Directors shall otherwise determine.

- 54.1.8 Brokerage commissions on open contracts shall be accrued as a liability of the Company upon the initiation of such position.