

COMPANY LIMITED BY SHARES

RESOLUTIONS OF SCHRODER UK MID CAP FUND PLC
(the "Company")

passed on Tuesday, 29 January 2013

At the Annual General Meeting of the Company duly convened and held at 12.00 noon on Tuesday, 29 January 2013 at 31 Gresham Street, London EC2V 7QA, the following resolution was duly passed:

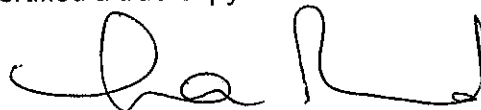
Resolution 11, as a Special Resolution:

THAT the Articles of Association of the Company be amended by amending the following Articles:

(1) Article 121 to (a) insert the words "or unless relating to the payment of dividends as permitted by the Statutes", between " or dealings with capital assets" and "or to writing down shares, securities, investments or other capital assets"; and (b) delete the words "or regarded or treated as profits of the Company available for distribution by way of dividend or otherwise or applied in paying dividends on any share in the Company's capital" which occur after the words "shall in any event be transferred to profit and loss or revenue account".

(2) Article 128 to: (a) replace the words "out of profits available for distribution under" which occur in the first sentence, with the words "in accordance with"; and (b) delete the second sentence."

Certified a true copy of the resolutions passed



.....
Schroder Investment Management Limited
Secretary

COMPANY NO SC82551

COMPANY LIMITED BY SHARES

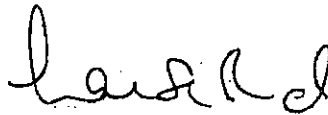
RESOLUTION OF SCHRODER UK MID & SMALL CAP FUND PLC
(the "Company")

passed on Tuesday, 2 September 2008

At the Extraordinary General Meeting of the Company duly convened and held at 11 a.m. on Tuesday, 2 September 2008 at 31 Gresham Street, London EC2V 7QA, the following resolution was duly passed as a special resolution

That the Articles of Association produced to the meeting and initialled by the Chairman for the purposes of identification be adopted as the Articles of Association of the Company in substitution for, and to the exclusion of, the existing Articles

Certified a true copy of the resolution passed



Schroder Investment Management Limited
Company Secretary

TUESDAY



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09/09/2008

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COMPANIES HOUSE

THE COMPANIES ACTS 1948 – 2006

PUBLIC COMPANY LIMITED BY SHARES

NEW

ARTICLES OF ASSOCIATION

of

SCHRODER UK MID & SMALL CAP FUND PLC

(As adopted by Special Resolution passed on 2 September 2008)

PRELIMINARY

1

- 1.1 In these Articles the following words bear the following meanings save where the context otherwise requires:-

"the 1989 Act" means the Companies Act 1989;

"the Act" means the Companies Act 2006;

"the 1985 Act" means the Companies Act 1985;

"address" shall be given the meaning contained in Section 1148 of the Act;

"appropriate rate" means the appropriate rate determined in accordance with Section 107 of the 1985 Act or Sections 592 and 609 of the Act;

"these Articles" means the articles of association of the Company as from time to time altered;

"auditors" means the auditors for the time being of the Company;

"business day" means a day when the London Stock Exchange is open to transact business;

"clear days" means in relation to the period of a notice, that period excluding the day when the notice is given or deemed to be given or on which it is to take effect;

"the Company" means SCHRODER UK MID & SMALL CAP FUND PLC

"days" means calendar days;

"Directors" means the directors for the time being of the Company;

"electronic form" and "electronic copy" shall be given the meanings contained in Section 1168 of the Act;

"electronic means" shall be given the meaning contained in Section 1168 of the Act;

"executed" means any mode of execution;

"the Group" means group as defined in Section 1261 of the Act;

"hard copy form" and "hard copy" shall be given the meanings contained in Section 1168 of the Act;

"holder" or "member" means in relation to shares, the person whose name is entered in the register of members of the Company as the holder of the shares;

"in writing" means written or produced by any substitute for writing or partly one and partly another;

"month" means calendar month;

"Office" means the registered office of the Company for the time being;

"Ordinary Shares" means shares in the capital of the Company classified as ordinary shares;

"paid" means paid or credited as paid;

"Register of Members" means the register of members of the Company to be kept pursuant to Section 352 of the 1985 Act;

"the seal" means the common seal of the Company and an official seal kept by the Company by virtue of Section 40 of the 1985 Act, or either of them as the case may require;

"Secretary" means any person appointed by the Directors to perform the duties of the secretary of the Company, including (subject to the provisions of the Statutes) a joint, assistant or deputy secretary;

"the Statutes" means the Act, the 1989 Act, the 1985 Act and every other statute for the time being in force concerning companies and affecting the Company;

"Summary Financial Statement" means the form of summary financial statement which may be issued to members or other persons by virtue of these Articles and any statutory enactment which may be passed from time to time;

"the London Stock Exchange" means London Stock Exchange plc;

"Memorandum" means the Memorandum of Association of the Company as from time to time altered;

"United Kingdom" means Great Britain and Northern Ireland; and

"year" means calendar year.

- 1.2 Save as aforesaid and unless the context otherwise requires, words or expressions contained in these Articles bear the same meaning as in the Act, the 1985 Act or the 1989 Act (the definitions in the Act to prevail where such definitions supersede those in the 1985 Act or the 1989 Act).
- 1.3 The expressions "recognised clearing house" and "recognised investment exchange" shall mean any clearing house or investment exchange, as the case may be, granted recognition as such under the Financial Services Act 1986.
- 1.4 A reference to any statute or provision of a statute includes a reference to any statutory modification or re-enactment of it from the time being in force.
- 1.5 Unless the context otherwise requires:-
- a) words in the singular include the plural, and vice versa;
 - b) words importing any gender include all genders; and
 - c) a reference to a person includes a reference to a body corporate and to an unincorporated body of persons.
- 1.6 References to writing include references to typewriting, printing, lithography, photography and any other basis of representing or reproducing words in a legible and non-transitory form.
- 1.7 The headings are inserted for convenience only and do not affect the construction of these Articles.
- 1.8 A special resolution shall be effective for any purpose for which an ordinary resolution is expressed to be required under any provision of these Articles.
- 2 No regulations or articles for management of a company contained or set out in any Act of Parliament or statutory instrument concerning companies shall apply to the Company and the following shall be the Articles of Association of the Company.

SHARE CAPITAL

- 3 The share capital of the Company at the date of adoption of these Articles is £10,500,00 divided into 42,000,000 Ordinary Shares of 25p each.
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- 4 Without prejudice to any special rights previously conferred on the holders of any shares or class of shares for the time being issued, any share in the Company may be issued with such preferred, deferred or other special rights or subject to such restrictions, whether as regards dividend, return of capital, voting or otherwise, as the Company may from time to time by ordinary resolution determine (or, in the absence of any such determination, as the Directors may determine) and subject to the provisions of the Statutes, the Company may issue any shares which are, or at the option of the Company or the holder are liable, to be redeemed.
- 5 Subject to the provisions of the Statutes relating to authority, pre-emption rights and otherwise and of any resolution of the Company in general meeting passed pursuant thereto, all unissued shares shall be at the disposal of the Directors and they may allot (with or without conferring a right of renunciation), grant options over or

otherwise dispose of them to such persons, at such times and on such terms as they think proper.

- 6 The Company may exercise the powers of paying commissions conferred by the Statutes to the full extent thereby permitted. Subject to the provisions of the Statutes, any such commission may be satisfied by the payment of cash or by the allotment of fully or partly paid shares or partly in one way and partly in the other. The Company may also on any issue of shares pay such brokerage as may be lawful.
- 7 The Company shall be entitled, but shall not be bound, to recognise in such manner and to such extent as it may think fit any trusts in respect of any of the shares of the Company. Notwithstanding any such recognition the Company shall not be bound to see to the execution, administration or observance of any trust, whether express, implied or constructive, in respect of any shares of the Company and shall be entitled to recognise and give effect to the acts and deeds of the registered holders of such shares as if they were the absolute owners thereof. For the purpose of this Article "trust" includes any right in respect of any shares of the Company other than an absolute right thereto in the registered holder thereof for the time being or such other rights in case of transmission thereof as are hereinafter mentioned.
- 8 The Directors may at any time after the allotment of any share but before any person has been entered in the register of members as the holder recognise a renunciation thereof by the allottee in favour of some other person and may accord to any allottee of a share a right to effect such renunciation upon and subject to such terms and conditions as the Directors may think fit to impose.

VARIATION OF RIGHTS

- 9 Subject to the provisions of the Statutes, if at any time the capital of the Company is divided into different classes of shares, the rights attached to any class may be varied or abrogated, either while the Company is a going concern or during or in contemplation of a winding up, in such manner (if any) as may be provided by those rights or in the absence of any such provision:-
 - a) with the consent in writing of the holders of three quarters in nominal value of the issued shares of that class; or
 - b) with the sanction of a special resolution passed at a separate meeting of the holders of the shares of that class,

but not otherwise. To every such separate meeting the provisions of these Articles relating to general meetings shall apply mutatis mutandis except that the necessary quorum at any such meeting, other than an adjourned meeting, shall be two persons present in person together holding or representing by proxy at least one third in nominal value of the issued shares of the class in question and every holder of shares of the class shall on a poll have one vote in respect of each 25p in nominal amount of the shares or stock of the class held by him and the necessary quorum at an adjourned meeting shall be one person holding shares of the class in question or his proxy. The foregoing provisions of this Article shall apply to the variation or abrogation of the special rights attached to some only of the shares of any class as if each group of shares of the class differently treated formed a separate class the special rights whereof are to be varied.

- 10 The special rights attached to any class of shares having preferential rights shall not, unless otherwise expressly provided by the terms of issue thereof, be deemed to be varied by the creation or issue of further shares ranking as regards participation in the profits or assets of the Company in some or all respects *pari passu* therewith but in no respect in priority thereto.
- 11 Whenever as a result of a consolidation of shares any members would become entitled to fractions of a share, the Directors may on behalf of those members sell to any person (including, subject to the provisions of the Statutes, the Company) the shares representing the fractions for the best price reasonably obtainable and distribute the net proceeds of sale in due proportion among those members and the Directors may authorise some person to execute an instrument of transfer of the shares to, or in accordance with the directions of, the purchaser. The transferee shall not be bound to see to the application of the purchase money nor shall his title to the shares be affected by any irregularity in or invalidity of the proceedings in reference to the sale.
- 12 Subject to the provisions of the Statutes, the Company may by special resolution reduce its share capital, any capital redemption reserve, share premium account or other undistributable reserve (including any revaluation reserve), in any way.

PURCHASE OF OWN SHARES

- 13 Subject to the provisions of the Statutes, and to any rights conferred on the holders of any class of Shares, the Company may purchase any of its shares of any class, including any redeemable Shares. Purchases or contracts for the purchase of, or under which the Company may become entitled or obliged to purchase Shares in the Company, shall be authorised by such resolution of the Company as may be required by the Statutes and by a special resolution passed at a separate meeting of the holders of any class of shares which, at the date on which the purchases or contracts are authorised by the Company in general meeting, entitle them either immediately or at any time later on, to convert all or any of the shares of that class held by them into equity share capital of the Company. Neither the Company nor the Directors shall be required to select the shares to be purchased rateably or in any other particular manner as between the holders of shares of the same class or as between them and the holders of shares of any other class or in accordance with the rights of dividend or capital conferred by any class of Shares.

SHARE CERTIFICATES

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- 14.1 Subject to Article 14(3) below, every holder of shares (other than a recognised clearing house or a nominee of a recognised clearing house or of a recognised investment exchange in respect of whom the Company is not required by law to complete and have a ready certificate) shall be entitled without payment to one certificate for all the shares of each class held by him and upon transferring a part of his holding of shares of any class to a certificate for the balance of that holding or, upon payment for every certificate after the first of such reasonable sum as the Directors may determine, to several certificates each for one or more of his shares. Every certificate shall be under the seal (or subscribed in any other manner as may be permitted by the Statutes from time to time) and shall specify the number, class and distinguishing numbers (if any) of the shares to which it relates and

the amount or respective amounts paid up on them. The Company shall not be bound to issue more than one certificate for shares held jointly by several persons and delivery of a certificate to one joint holder shall be a sufficient delivery to all of them. No certificate shall be issued representing shares of more than one class. Any two or more certificates representing shares of any one class held by any one member may at his request be cancelled and a single new certificate for such shares issued in lieu without charge.

- 14.2 If a share certificate shall be defaced, worn out or alleged to have been lost or destroyed, it may be replaced by a new certificate on request subject to (in the case of defacement or wearing out) delivery up of a certificate or (if alleged to have been lost or destroyed) compliance with such conditions (if any) as to evidence and indemnity as the Directors think fit. Any such replacement certificate shall be issued without charge save that, in the case of alleged loss or destruction, the person to whom a new certificate is issued shall pay to the Company any exceptional out of pocket expenses incidental to the investigation of evidence of loss or destruction and the preparation of the requisite form of indemnity as aforesaid.
- 14.3 Nothing in these Articles shall require title to any securities of the Company to be evidenced or transferred by a written instrument, the regulations from time to time made under the Statutes so permitting. The Directors shall have power to implement any procedures as they may think fit and as may accord with the Statutes and any regulations made thereunder for the recording and transferring of title to securities and for the regulation of those proceedings and the persons responsible for or involved in their operation.

LIEN

- 15 The Company shall have a first and paramount lien on every share (not being a fully paid share) for all amounts (whether presently payable or not) payable at a fixed time or called in respect of that share. Subject to the Statutes, the Company shall also have a first and paramount lien on every share (not being a fully paid share or which for the purposes of these Articles or by the terms of issue thereof is subject to such lien) standing registered in the name of a single member for all the debts and liabilities of such member or his estate to the Company 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 member and whether the period for the payment or discharge of the same shall have actually arrived or not and notwithstanding that the same are joint debts or liabilities of such member or his estate and another person, whether a member of the Company or not. The Directors may waive any lien which has arisen and declare any share to be wholly or partly exempt from the provisions of this Article. The Company's lien on a share shall extend to all dividends and other payments or distributions payable thereon or in respect thereof.
- 16 The Company may sell, in such manner as the Directors determine, any shares on which the Company has a lien if an amount in respect of which the lien exists is presently payable and is not paid within fourteen clear days after notice has been given to the holder of the share or the person entitled to it in consequence of the death or bankruptcy of the holder, demanding payment and stating that if the notice is not complied with the shares may be sold.
- 17 To give effect to the sale the Directors may authorise some person to execute an instrument of transfer of the shares sold to, or in accordance with the directions of,

the purchaser. The title of the transferee to the share shall not be affected by any irregularity in or invalidity of the proceedings in reference to the sale.

- 18 The net proceeds of the sale (after payment of the costs) shall be applied in payment of so much of the amount for which the lien exists as is presently payable and any residue shall (upon surrender to the Company for cancellation of the certificate for the share sold and subject to a like lien for any amount not presently payable as existed upon the share before the sale) be paid to the person entitled to the share at the date of the sale.

CALLS ON SHARES AND FORFEITURE

- 19 Subject to the terms of allotment, the Directors may make calls upon the members in respect of any amounts unpaid on their shares (whether in respect of nominal value or premium) and each member shall, subject to receiving at least fourteen clear days' notice specifying when and where payment is to be made, pay to the Company as required by the notice the amount called on his shares. A call may be required to be paid by instalments. A call may, before receipt by the Company of an amount due under it, be revoked in whole or in part and payment of a call may be postponed in whole or in part. A person upon whom a call is made shall remain liable for calls made upon him notwithstanding the subsequent transfer of the shares in respect of which the call was made.
- 20 A call shall be deemed to have been made at the time when the resolution of the Directors authorising the call was passed.
- 21 The joint holders of a share shall be jointly and severally liable to pay all calls in respect of it.
- 22 If a call remains unpaid after it has become due and payable, the person from whom it is due shall pay interest on the amount unpaid from the day it became due and payable until it is paid at the rate fixed by the terms of allotment of the shares in question or by the notice of the call or, if no rate is fixed, at the appropriate rate and shall pay all costs, charges and expenses that may have been incurred by the Company by reason of such non-payment but the Directors may waive payment of the interest and costs, charges and expenses wholly or in part. No dividend or other payment or distribution in respect of any such share shall be paid or distributed and no other rights which would otherwise normally be exercisable in accordance with these Articles by a holder of shares may be exercised by the holder of any share so long as any such amount or any interest, costs, charges or expenses payable in accordance with this Article 22 in relation thereto, remains unpaid.
- 23 An amount payable in respect of a share on allotment or at any fixed date, whether in respect of nominal value or premium or as an instalment of a call, shall be deemed to be a call and if it is not paid these Articles shall apply as if that sum has become due and payable by virtue of a call.
- 24 Subject to the terms of allotment, the Directors may differentiate between the holders in the amounts and times of payment of calls on their shares.
- 25 The Directors may receive from any member willing to advance it all or any part of the amount unpaid on the shares held by him (beyond the sums actually called up) as a payment in advance of calls, and such payment shall, to the extent of it, extinguish the liability on the shares in respect of which it is advanced. The Company may pay

- interest on the amount so received, or so much of it as exceeds the sums called up on the shares in respect of which it has been received, at such rate as the member and the Directors agree; but a payment in advance of a call shall not entitle the holder of the shares to participate in respect of the payment of a dividend declared after such payment in advance but before the call to any greater extent than he would if the payment in advance had not been made.
26. If a call remains unpaid after it has become due and payable, the Directors may give to the person from whom it is due not less than fourteen clear days notice requiring payment of the amount unpaid together with any interest which may have accrued and any costs, charges and expenses incurred by the Company by reason of such non-payment. The notice shall name the place where payment is to be made and shall state that if the notice is not complied with the shares in respect of which the call was made will be liable to be forfeited. If the notice is not complied with, any shares in respect of which it was given may, before the payment required by the notice has been made, be forfeited by a resolution of the Directors and the forfeiture shall include all amounts (including dividends) payable in respect of the forfeited shares not paid before the forfeiture. The Directors may accept a surrender of any share liable to be forfeited hereunder.
27. Subject to the provisions of the Statutes, a forfeited or surrendered share may be sold, re-allotted or otherwise disposed of on such terms and in such manner as the Directors determine either to the person who was before the forfeiture or surrender the holder or to any other person. Where for the purposes of its disposal a forfeited or surrendered share is to be transferred to any person, the Directors may authorise someone to execute an instrument of transfer of the share to that person. The Directors may, at any time before the forfeited or surrendered share has been otherwise disposed of, annul the forfeiture or surrender upon the terms of payment of all calls and interest due and all costs, charges and expenses incurred in connection with the call and forfeiture proceedings and upon any further or other terms as they may think fit.
28. A person any of whose shares have been forfeited or surrendered shall cease to be a member in respect of them and shall surrender to the Company for cancellation the certificate for the shares forfeited or surrendered but shall remain liable to the Company for all amounts which at the date of forfeiture or surrender were payable by him to the Company in respect of those shares with interest at the rate at which interest was payable on those amounts before the forfeiture or surrender or if no interest was so payable at the appropriate rate from the date of forfeiture or surrender until payment; but the Directors may waive any such payment wholly or in part or enforce payment without any allowance for the value of the shares at the time of forfeiture or surrender or for any consideration received on their disposal.
29. A statutory declaration by a Director or the Secretary that a share has been forfeited or surrendered or sold to satisfy a lien on a specified date shall be conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the share and the declaration together with the receipt of the Company for the consideration (if any) given for the share on the sale, re-allotment or disposal thereof and the share certificate delivered to a purchaser or allottee thereof (subject to the execution of an instrument of transfer if necessary) shall constitute a good title to the share, and the person to whom the share is sold, re-allotted or disposed of shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity in or invalidity of the proceedings in

reference to the forfeiture, surrender, sale, re-allotment or disposal of the share and the remedy or any person aggrieved in respect thereof shall be in damages only and against the Company exclusively.

TRANSFER OF SHARES

- 30 Except as may be provided by any procedures implemented pursuant to Article 14(3), all transfers of shares shall be effected by instrument in writing in any usual or common form or in any other form which the Directors approve and shall be executed by or on behalf of the transferor and, where the share is not fully paid, by or on behalf of the transferee. The transferor shall be deemed to remain the holder of the shares concerned until the name of the transferee is entered in the register of members in respect thereof. Nothing in these Articles shall preclude the Directors from recognising a renunciation of the allotment of any share by the allottee in favour of some other person or if empowered by these Articles to authorise any person to execute an instrument of transfer from authorising any person to transfer that share in accordance with any procedures implemented pursuant to Article 14(3).
- 31 The Directors may, in their absolute discretion and without giving any reason, refuse to register the transfer of a share in certificated form which is not fully paid provided that this does not prevent dealings in the shares from taking place on an open and proper basis. They may also refuse to register a transfer of a share in certificated form, whether or not fully paid, unless the instrument of transfer:-
- a) is lodged, duly stamped or adjudicated or certified as not chargeable to stamp duty, at the Office or at such other place as the Directors may appoint and (except in the case of a transfer by a recognised clearing house or a nominee of a recognised clearing house or a recognised investment exchange where a certificate has not been issued in respect of the share) is accompanied by the certificate for the share to which it relates and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer (and if the instrument of transfer is executed by some other person on his behalf, the authority of that person so to do);
 - b) is in respect of only one class of share; and
 - c) is in favour of not more than four transferees.
- 32 If the Directors refuse to register a transfer of a share, they shall within two months after the date on which the transfer was lodged with the Company send to the transferee notice of the refusal.
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- 33 The registration of transfers of shares or of any class of shares may be suspended and the register of members closed, at such times and for such periods (not exceeding thirty days in any year) as the Directors may determine.
- 34 No fee shall be charged for the registration of any instrument of transfer or other document or instruction relating to or affecting the title to any shares or otherwise for making any entry in the register of members affecting title to any shares.
- 35 The Company shall be entitled to retain any instrument of transfer which is registered but any instrument of transfer which the Directors refuse to register shall (except in

the case of fraud) be returned to the person lodging it when notice of the refusal is given.

DESTRUCTION OF DOCUMENTS

36

36.1 The Company may destroy:-

- a) any instrument of transfer, after six years from the date on which it is registered;
- b) any other documents on the basis of which any entry in the register of members has been made, after six years from the date of the first entry in the register of members in respect thereof;
- c) any dividend mandate or notification of change of name or address, after two years from the date on which it is recorded; and
- d) any share certificate which has been cancelled, after one year from the date of cancellation thereof.

36.2 It shall conclusively be presumed in favour of the Company that every entry in the register of members purporting to have been made on the basis of an instrument of transfer or other document so destroyed was duly and properly made and every instrument of transfer so destroyed was a valid and effective instrument duly and properly registered and every share certificate so destroyed was a valid and effective certificate duly and properly cancelled and every other document hereinbefore mentioned so destroyed was a valid and effective document in accordance with the recorded particulars thereof in the books or records of the Company provided always that the provisions aforesaid shall apply only to the destruction of a document in good faith and without notice of any claim (regardless of the parties thereto) to which the document might be relevant.

36.3 Nothing herein contained shall be construed as imposing upon the Company any liability in respect of the destruction of any document earlier than any of the above periods or in any other circumstances which would not attach to the Company in the absence of this Article.

~~36.4 References herein to the destruction of any document include references to the disposal thereof in any manner.~~

UNTRACED MEMBERS

37

37.1 The Company shall be entitled to sell at the best price reasonably obtainable any share held by a member or any share to which a person is entitled by virtue of transmission on death or bankruptcy or otherwise by operation of law, if and provided that:-

- a) for a period of 12 years no cheque or warrant for amounts payable in respect of the share sent and payable in a manner authorised by

these Articles has been cashed and no communication in respect of the share has been received by the Company from the member or person concerned;

- b) during that period at least three dividends in respect of the share have become payable and no dividend in respect of the share has been claimed;
- c) the Company has after the expiration of that period, by advertisement in one national daily newspaper published in the United Kingdom and in a newspaper circulating in the area of the last known address to which cheques or warrants were sent (or of the address at which service of notices may be effected in the manner authorised by the Articles) and by notice to the Quotations Department of the London Stock Exchange if shares of the class concerned are listed or dealt in on that exchange, given notice of its intention to sell such share; and
- d) the Company has not during the further period of three months after the date of the advertisement and prior to the sale of the share received any communication from the member or person concerned.

37.2 To give effect to the sale the Directors may appoint any person to execute as transferor an instrument of transfer of the share and the instrument shall be as effective as if it had been executed by the registered holder of, or person entitled by transmission to, the share and the title of the transferee shall not be affected by any irregularity or invalidity in the proceedings relating thereto. The Company shall be indebted to the member or other person entitled to the share for an amount equal to the net proceeds of the sale but no trust shall be created in respect of such proceeds. No interest shall be payable in respect of the proceeds of sale and the Company shall not be required to account for any money earned on the net proceeds, which may be employed in the business of the Company or invested in such investment (other than shares of any company in the Group) as the Directors may from time to time think fit.

TRANSMISSION OF SHARES

38 If a member dies the survivor or survivors where he was a joint holder, or his personal representatives where he was a sole holder or the only survivor of joint holders, shall be the only persons recognised by the Company as having any title to his interest in the shares; but nothing in this Article shall release the estate of a deceased holder (whether sole or joint) from any liability in respect of any share which had been solely or jointly held by him.

39 A person becoming entitled to a share in consequence of the death or bankruptcy of a member may (subject as hereinafter provided), upon such evidence being produced as the Directors may properly require to show his title to the share, elect (a) to become registered as the holder of the share in a representative capacity or (b) to be registered himself as holder of the share or (c) to have some person nominated by him registered as a transferee. If he elects to become the holder he shall give notice to the Company to that effect. If he elects to have another person registered he shall execute an instrument of transfer of the share to that person. All the provisions of these Articles relating to the transfer of shares shall apply to the notice or instrument of transfer as if it were an instrument of transfer signed by the member and the death

or bankruptcy of the member had not occurred. The Directors may at any time give notice requiring a person becoming entitled to a share in consequence of the death or bankruptcy of a member to elect to be registered himself or to be registered in his representative capacity or to transfer the share and, if the notice is not complied with within sixty days, the Directors may withhold payment of all dividends and other moneys payable in respect of the share until the requirements of the notice have been complied with.

- 40 Save as otherwise provided by or in accordance with these Articles, a person becoming entitled to a share in consequence of the death or bankruptcy of a member shall, upon such evidence being produced as the Directors may properly require, have the rights to which he would be entitled if he were the holder of the share, except that he shall not, before being registered as the holder of the share, be entitled in respect of it to attend or vote at any general meeting or at any separate meeting of the holders of any class of shares unless he is expressly permitted to do so by the Directors.

STOCK

- 41 The Company may by ordinary resolution convert any stock created before 1 October 2007 into paid up shares of any denomination in accordance with the provisions of the Act.
- 42 A holder of stock may transfer it or any part of it, unless otherwise directed by ordinary resolution of the Company, in the same manner and subject to the same provisions of these Articles as would have applied to shares or as near thereto as circumstances admit, but the Directors may fix the minimum amount of stock so transferable.
- 43 A holder of stock shall, according to the amount of the stock held by him, have the same rights as if he held the shares from which the stock arose; provided that no such right (except participation in dividends and in the assets of the Company) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that right.

GENERAL MEETINGS

- 44 All general meetings other than annual general meetings shall be called general meetings. An annual general meeting shall be held according to the time limits provided by the Act and, at such time and place as may be determined by the Directors.
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- 45 The Directors may call general meetings and on a members' requisition under Section 303 of the Act shall forthwith convene a general meeting in accordance with the provisions of that Section. If there are not within the United Kingdom sufficient Directors to call a general meeting, any Director or, if there is no Director within the United Kingdom any member of the Company may call a general meeting.

NOTICE OF GENERAL MEETINGS

- 46 Subject to the provisions of the Statutes, an annual general meeting and any general meeting called for the passing of a special resolution or a resolution appointing or re-appointing a person as a Director or, save as provided by the Statutes, a resolution of which special notice has been given to the Company shall be called by at least twenty

one clear days' notice, and all other general meetings shall be called by at least fourteen clear days' notice. The notice shall specify the place, the day and the time of meeting and in the case of an annual general meeting shall specify the meeting as such. Every notice shall contain a statement with reasonable prominence that a member entitled to attend and vote is entitled to appoint a proxy or proxies to attend and, on a poll, vote instead of him and that a proxy need not to be a member of the Company. Subject to the provisions of these Articles, notices shall be given to all members, to all persons entitled to a share in consequence of the death or bankruptcy of a member, to the Directors and to the auditors. Notice of every general meeting shall be given in the manner referred to in Article 47.

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47.1 For the purpose of Article 46 notice of meeting must be given in accordance with the Act, that is in hard copy form, electronic form or by means of a website.

47.2 Electronic communication

a) If notice of meeting is sent in electronic form the Company must have complied with all applicable regulatory requirements and the person entitled to receive such notice must have agreed that the notice can be sent to him in that way and not revoked that agreement or, in the case of a company, be deemed to have agreed to receive notice in that way by a provision in the Statutes.

b) The notice must be sent to the address specified by the person entitled to receive such notice or in the case of notice sent to a company, an address which is deemed to have been specified by any provision of the Statutes.

47.3 Notice of a meeting on a website

a) Provided that the Company has complied with all applicable regulatory requirements the Company may send or supply a notice of meeting by making it available on a website.

47.4 The accidental omission to give notice of a meeting to, or the non-receipt of a notice of a meeting by, any person entitled to receive notice shall not invalidate the proceedings at that meeting.

47.5 In the case of any general meeting at which business other than routine business is to be transacted, the notice shall specify the general nature of such business; and if any resolution is to be proposed as a special resolution, the notice shall contain a statement to that effect.

47.6 Routine business shall mean and include only business transacted at an annual general meeting of the following nature, that is to say:-

a) sanctioning or declaring dividends;

b) receiving and/or adopting the accounts, the reports of the Directors and auditors and other documents required to be attached or annexed to the accounts;

- c) appointing or re-appointing Directors to fill vacancies arising at the meeting on retirement whether by rotation or otherwise;
- d) re-appointing the retiring auditors (unless they were last appointed otherwise than by the Company in general meeting); and
- e) fixing the remuneration of the auditors or determining the manner in which such remuneration is to be fixed.

PROCEEDINGS AT GENERAL MEETINGS

- 48 Without prejudice to the provisions of section 338 of the Act, any member entitled to vote may, on giving not less than twenty eight clear days' previous notice, submit any resolution to an Annual General Meeting, which notice shall be given by leaving a copy of the terms of the resolution at the Office at least twenty eight clear days before the day of such meeting, and notice of such resolution shall be given to the members by the Company in the same manner as is required by section 312 of the Act.
- 49 No business, other than the appointment of a chairman of the meeting, shall be transacted at any general meeting unless a quorum is present. Two persons entitled to vote upon the business to be transacted, each being a member or a proxy for a member or a duly authorised representative of a corporation which is a member, shall be a quorum.
- 50 If a quorum is not present within fifteen minutes after the time appointed for holding the meeting, or if during a meeting a quorum ceases to be present, the meeting shall if convened on the requisition of members be dissolved but in any other case shall stand adjourned to the same day in the next week at the same time and place or to such other day and at such other time and place as the Directors may determine. If at the adjourned meeting a quorum is not present within fifteen minutes after the time appointed for holding the meeting, the members present in person or by proxy shall be a quorum.
- 51 The chairman (if any) of the board of Directors, or in his absence the vice-chairman, shall preside as chairman of the meeting, but if neither the chairman nor the vice-chairman is present within fifteen minutes after the time appointed for holding the meeting or is unwilling to act, the Directors present shall elect one of their number present to be chairman and, if there is only one Director present and willing to act, he shall be chairman.
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- 52 If no Director is willing to act as chairman, or if no Director is present within fifteen minutes after the time appointed for holding the meeting, the members present and entitled to vote shall choose one of their number to be chairman.
- 53 A Director shall, notwithstanding that he is not a member, be entitled to attend and speak at any general meeting and at any separate meeting of the holders of any class of shares.
- 54 The chairman of the meeting may with the consent of a meeting at which a quorum is present, and shall if so directed by the meeting, adjourn the meeting from time to time or sine die and from place to place, but no business shall be transacted at an adjourned meeting other than business which might properly have been transacted at the meeting had the adjournment not taken place. When a meeting is adjourned sine die the time and place for the adjourned meeting shall be fixed by the Directors.

When a meeting is adjourned for fourteen days or more or sine die, at least seven clear days' notice shall be given specifying the time and place of the adjourned meeting and the general nature of the business to be transacted. Otherwise it shall not be necessary to give notice of an adjourned meeting.

- 55 If an amendment proposed to any resolution under consideration is ruled out of order by the chairman of the meeting in good faith, the proceedings on the resolution shall not be invalidated by an error in the ruling. In the case of a resolution duly proposed as a special resolution, no amendment thereto (other than a mere clerical amendment to correct a patent error) may in any event be considered or voted upon.
- 56 A resolution put to the vote of a meeting shall be decided on a show of hands unless before, or on the declaration of the result of, the show of hands or on the withdrawal of any other demand for a poll as hereinafter mentioned, a poll is duly demanded. Subject to the provisions of the Statutes, a poll may be demanded by either:-
 - a) the chairman of the meeting; or
 - b) not less than five members present in person or by proxy having the right to vote at the meeting; or
 - c) a member or members present in person or by proxy representing not less than one-tenth of the total voting rights of all the members having the right to vote at the meeting; or
 - d) a member or members present in person or by proxy holding shares conferring a right to vote on the resolution on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the shares conferring that right.
- 57 Unless a poll is duly demanded and the demand is not withdrawn, a declaration by the chairman of the meeting that a resolution has been carried, or carried unanimously, or by a particular majority, or lost, or not carried by a particular majority and an entry to that effect made in the minutes of the meeting, shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against the resolution.
- 58 The demand for a poll may before the conclusion of the meeting or the taking of the poll be withdrawn but only with the consent of the chairman of the meeting, and a demand so withdrawn shall not be taken to have invalidated the result of a show of hands declared before the demand was made.
- 59 A poll shall be taken in such manner (including the use of ballot or voting papers or tickets) as the chairman of the meeting directs and he may (and if so directed by the meeting shall) appoint scrutineers (who need not be members) and adjourn the meeting to such a time and place to be fixed by him for the purpose of declaring the result of the poll. The result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.
- 60 In the case of an equality of votes, whether on a show of hands or on a poll, the chairman of the meeting shall be entitled to a casting vote in addition to any other vote he may be entitled to as a member or as a proxy or duly authorised representative of a corporate member.

- 61 A poll demanded on the election of a chairman or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken either forthwith or at such time and place as the chairman of the meeting directs not being more than thirty days after the poll is demanded. The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll was demanded. If a poll is demanded before the declaration of the result of a show of hands and the demand is duly withdrawn, the meeting shall continue as if the demand had not been made.
- 62 No notice need be given of a poll not taken forthwith if the time and place at which it is to be taken are announced at the meeting at which it is demanded. In any other case, at least seven clear days' notice shall be given specifying the time and place at which the poll is to be taken.

VOTES OF MEMBERS

- 63 Subject to any rights or restrictions attached to any shares, on a show of hands every member who is present in person shall have one vote and on a poll every member who is present in person or by proxy shall have one vote for every share held by him.
- 64 In the case of joint holders the vote of the senior who tenders a vote, whether in person or by proxy or if such senior member is a corporation by authorised representative, shall be accepted to the exclusion of the votes of the other joint holders and seniority shall be determined by the order in which the names of the holders stand in the register of members in respect of the relevant holding.
- 65 A member who is a patient for any purpose of any statute relating to mental health or in respect of whom an order has been made by any court having jurisdiction (whether in the United Kingdom or elsewhere) in matters concerning mental disorder or otherwise for the protection or management of the affairs of persons incapable of managing their own affairs, may vote, on a show of hands or on a poll, by any person authorised in that behalf by that court, who may on a poll or on a show of hands vote by proxy. Evidence to the satisfaction of the Directors of the authority of the person claiming the right to vote shall be deposited at the office, or at such other place as is specified in accordance with these Articles for the deposit of instruments of proxy. The Directors shall have the discretion when calculating the time limits described in Sections 327 and 330 of the Act, to exclude weekend and bank holidays.
- 66 No member shall, unless the Directors otherwise determine, be entitled to be present or to vote at any general meeting or at any separate meeting of the holders of any class of shares or to exercise any other right in relation to meetings of the Company, either in person or by representative or by proxy, in respect of any share held by him, whether alone or jointly with any other person, unless all amounts presently payable by him in respect of that share have been paid.
- 67 No objection shall be raised to the qualification of any voter or to the admissibility of, or the counting of, or the failure to count, any vote, except at the meeting or adjourned meeting at which the vote objected to is tendered. Subject to any objection made in due time, every vote counted and not disallowed at the meeting shall be valid and every vote disallowed or not counted shall be invalid. Any objection made in due time shall be referred to the chairman of the meeting whose decision shall be final and conclusive and shall only vitiate the decision of the meeting on any resolution if the chairman decides that the same may have affected the decision of the meeting.

- 68 On a poll votes may be given either personally or by representative or by proxy (who need not be a member). A member entitled to more than one vote need not, if he votes, use all his votes or cast all the votes he uses the same way.

PROXIES

- 69 The Company shall be entitled, in accordance with the Act, to specify conditions or limitations on the use of an electronic address for communications in any notice of meeting.
- 70 An instrument of proxy relating to more than one meeting (including any adjournment thereof) having once been so delivered for the purposes of any meeting shall not require again to be delivered in relation to any subsequent meeting to which it relates. No such instrument appointing a proxy shall be valid after the expiration of twelve months from the date stated in it as the date of its execution except a power of attorney containing a power to act and vote for a member at meetings of the Company, and such power, if once duly intimated to the Company, shall not require to be deposited again at the Office.
- 71 A vote given or poll demanded by a proxy or by the duly authorised representative of a corporation shall be valid notwithstanding the previous determination of the authority of the person voting or demanding a poll (which authority shall be deemed to be determined upon previous death or insanity of the principal) unless notice of the determination was received by the Company at the Office or at such other place at which the instrument of proxy was duly deposited, not more than 48 hours before the commencement of the meeting or adjourned meeting at which the vote is given or the poll demanded (or in the case of a poll not taken at, or on the same day as, the meeting or adjourned meeting the time appointed for taking the poll).
- 72 The instrument appointing a proxy to vote at a meeting shall be deemed also to confer authority to demand or join in demanding a poll (and for the purposes of these Articles a demand for a poll made by a person as proxy for a member or as the duly authorised representative of a corporate member shall be the same as a demand made by the member) but shall not confer any further right to speak at the meeting except with the permission of the chairman of the meeting, and shall be deemed to confer authority to vote on any amendment of a resolution put to the meeting for which it is given as the proxy thinks fit. An instrument appointing a proxy shall, unless the contrary is stated thereon, be valid as well for any adjournment of the meeting as for the meeting to which it relates.
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- 73 The Directors may at the expense of the Company send out instruments of proxy to the members by post or otherwise (with or without provision for their return prepaid) for use at any general meeting or at any separate meeting of the holders of any class of shares, either in blank or nominating in the alternative any one or more of the Directors or any other person. If for the purpose of any meeting invitations to appoint as proxy a person or one of a number of persons specified in the invitations are issued at the Company's expense, they shall be issued to all (and not to some only) of the members entitled to be sent a notice of the meeting and to vote at it. The accidental omission to send such an instrument or give such an invitation to, or the non-receipt thereof by, any member entitled to attend and vote at a meeting shall not invalidate the proceedings at that meeting.

CORPORATIONS ACTING BY REPRESENTATIVES

- 74 Any corporation which is a member of the Company may, by resolution of its directors or other governing body or by authority to be given under the hand of any officer duly authorised by it, authorise such person as it thinks fit to act as its representative (or, as the case may be, representatives) at any meeting of the Company or at any separate meeting of the holders of any class of shares. The person so authorised shall be entitled to exercise the same power on behalf of the corporation (in respect of that part of the corporation's holding to which his authorisation relates in the case of authorisation of more than one person) as the corporation could exercise if it were an individual member of the Company and the corporation shall for the purposes of these Articles be deemed to be present in person at any such meeting if a person so authorised is present at it. For the purpose of this Article 74, the expression "corporation" shall include a company whether incorporated in the United Kingdom or overseas.

DISCLOSURE OF INTERESTS

75

- 75.1 If any member, or any other person appearing to be interested in shares held by such member, has been duly served with a notice under Section 793 of the Act and is in default for the prescribed period in supplying to the Company the information thereby required, then the Directors may in their absolute discretion at any time thereafter by a notice (a "direction notice") to such member (which shall be conclusive against such member and its validity shall not be questioned by any person) direct that, in respect of the shares in relation to which the default occurred (the "default shares", which expression shall include any further shares which are allotted or issued in respect of such shares), the member shall not be entitled to attend or vote at a general meeting or a meeting of the holders of any class of shares of the Company either personally or by proxy, or if the member is a corporation, by authorised representative. The Company shall send to every other person appearing to be interested in the shares which are the subject of a direction notice a copy of such notice at the same time as the notice is given to the relevant member, but failure or omission to do so, or the non-receipt by that person of the copy shall not invalidate or otherwise affect the application of this Article.

- 75.2 Where the default shares represent at least 0.25 per cent in nominal value of the issued shares of the class concerned then the direction notice may additionally direct that:-

- a) in respect of the default shares any sums payable in respect of a dividend (including shares issued in lieu of dividend) shall, except on winding-up of the Company, be retained by the Company without any liability to pay interest thereon when such money is finally paid to the member and the member shall not be entitled to elect, pursuant to Article 126(1) below, to receive shares instead of dividends; and/or
- b) no transfer of any of the shares held by such member shall be registered unless:-
 - i) the member is not himself in default as regards supplying the information requested and the transfer is of part only of the

member's holding which when presented for registration is accompanied by a certificate by the member in a form satisfactory to the Directors to the effect that after due and careful enquiry the member is satisfied that no person in default as regards supplying information is interested in any of the shares the subject of the transfer; or

ii) the transfer is an approved transfer.

1) Any direction notice shall have effect in accordance with its terms for so long as the default in respect of which the direction notice is issued continues and shall cease to have effect after the period specified in the direction notice (being not more than seven days) after the earlier of:-

75.3 receipt by the Company of notice from the person or persons to whom the notice under section 793 of the Act was given that the shares have been transferred by means of an approved transfer; or

a) the Directors being satisfied that the information required by the notice under Section 793 of the Act has been received in writing by the Company.

75.4 For the purpose of this Article:-

a) a person shall be treated as appearing to be interested in any shares if the member holding such shares has given to the Company a notification under the said Section 793 which either (i) names such person as being so interested or (ii) fails to establish the identities of those interested in the shares and (after taking into account the said notification and any other relevant Section 793 notification) the Company knows or has reasonable cause to believe that the person in question is or may be interested in the shares, and "interested" shall be construed as it is for the purpose of Section 793 of the Act;

b) the "prescribed period" in respect of any particular member is 28 days from the date of service of the said notice under the said Section 793 of the Act except where the default shares represent at least 0.25 per cent in nominal value of the issued shares of the class concerned in which case the prescribed period shall be reduced to 14 days from such date;

c) a transfer of shares is an "approved transfer" if but only if:-

i) it is a transfer of shares to an offeror by way or in pursuance of acceptance of a take-over offer for the Company; or

ii) the Directors are satisfied that the transfer is made pursuant to a bona fide sale of the whole of the beneficial ownership of the shares to a party unconnected with the transferring member and/or with any other person appearing to be interested in such shares. For the purpose of this subparagraph any associate (as that term is defined in Section

435 of the Insolvency Act 1986) shall be included amongst the persons who are connected with the member or any person appearing to be interested in such shares; or

- iii) the transfer results from a sale made through a recognised investment exchange or recognised clearing house or any other stock exchange or market outside the United Kingdom on which the Company's shares are normally traded.

75.5 The Company shall keep a register in respect of the information as to beneficial ownership provided to it under this Article and shall operate such register in like manner as it is required to do under the Statutes in relation to the register recording notification of interests in shares.

75.6 Nothing contained in this Article shall limit the power of the Company and/or the Directors under Section 794 of the Act.

DIRECTORS

76 Unless otherwise determined by ordinary resolution of the Company the number of Directors (other than alternate Directors) shall be not less than three nor more than eight.

77 A Director shall not require a share qualification.

78 Until otherwise determined by the Company by ordinary resolution, there shall be paid to the Directors (other than alternate Directors) such fees for their services in the office of Director as the Directors may determine (not exceeding in the aggregate an annual sum of £150,000 or such larger amount as the Company may by ordinary resolution determine) divided between the Directors as they agree, or, failing agreement, equally except that any Director who shall hold office for part only of the period in respect of which such remuneration is payable shall be entitled only to rank in such division for a proportion of remuneration related to the period during which he has held office. The fees shall be deemed to accrue from day to day. Any fee payable pursuant to this Article 78 shall be distinct from any salary, remuneration or other amounts payable to a Director pursuant to other provisions of these Articles or any contract or arrangement between the Company and the relevant Director. The Directors may also be paid all travelling, hotel and other expenses properly incurred by them in connection with their attendance at meetings of the Directors or of committees of the Directors or general meetings or separate meetings of the holders of any class of shares or otherwise in connection with the discharge of their duties as Directors.

79 Any Director who holds an executive office, or the position of chairman or vice-chairman of the Company whether or not such office is held in an executive capacity, or who serves on any committee of the Directors, or who acts as a trustee of a retirement benefits scheme or employees' share scheme, or who otherwise performs services which in the opinion of the Directors are outside the scope of the ordinary duties of the Director, may be paid such extra remuneration by way of salary, commission or otherwise as the Directors may determine.

ALTERNATE DIRECTORS

80. Any Director (other than an alternate Director) may appoint any other person approved by resolution of the Directors and willing to act, to be an alternate Director and may remove from office an alternate director appointed by him. Any of the Directors may appoint the same alternate Director.
81. An alternate Director shall be entitled to receive notices of meetings of the Directors and of committees of the Directors of which his appointor is a member, to attend and vote at any such meetings at which the Director appointing him is not present and generally to perform all the functions of his appointor as a Director in his absence, but shall not (unless the Company by ordinary resolution otherwise determines) be entitled to any fees for his services as an alternate Director. An alternate Director may be repaid expenses and shall be entitled to be indemnified by the Company to the same extent mutatis mutandis as if he were a Director.
82. An alternate Director shall cease to be an alternate Director if his appointor ceases to be a Director but, if a Director retires by rotation or otherwise but is reappointed or deemed to have been re-appointed at the meeting at which he retires, any appointment of an alternate Director made by him which was in force immediately prior to his retirement shall continue after his reappointment. The appointment of an alternate Director shall automatically determine on the happening of any event which, if he were a Director, would cause him to vacate such office if the approval of the Directors to his appointment is withdrawn. An alternate Director may by notice left at the Office resign his appointment.
83. An appointment or removal of an alternate Director shall be by notice to the Company executed by the Director and deposited at the Office or delivered at a meeting of the Directors approving or revoking the appointment or in any other manner approved by the Directors.
84. Save as otherwise provided in these Articles, an alternate Director shall be deemed for all purposes to be a Director and shall alone be responsible for his own acts and defaults, and he shall not be deemed to be the agent of the Director appointing him.

POWERS OF DIRECTORS

85. The business of the Company shall be managed by the Directors who, subject to the provisions of the Statutes, the Memorandum and these Articles and to any directions given by a special resolution of the Company, may exercise all the powers of the Company. No alteration of the Memorandum or these Articles and no such direction shall invalidate any prior act of the Directors which would have been valid if that alteration had not been made or that direction had not been given. The powers given by this Article shall not be limited by any special power given to the Directors by these Articles and a meeting of the Directors at which a quorum is present may exercise all powers exercisable by the Directors.
86. All cheques, promissory notes, drafts, bills of exchange, other negotiable or transferable instruments, and all receipts for moneys paid by the Company shall be signed, drawn, accepted, endorsed or otherwise executed, as the case may be, in such manner as the Directors or any duly authorised committee of the Directors shall determine.

- 87.1 Subject as hereinafter provided and to the provisions of the Statutes, the Directors may exercise all the powers of the Company to borrow money, and to mortgage or charge its undertaking, property and uncalled capital, and to issue debentures and other securities, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.
- 87.2 The Directors shall restrict the borrowings of the Company and exercise all voting and other rights or powers of control exercisable by the Company in relation to its Subsidiaries (if any) so as to secure (so far, as regards Subsidiaries, as by such exercise it can secure) that the aggregate amount for the time being remaining undischarged of all moneys borrowed by the Group and for the time being owing to persons outside the Group shall not at any time without the previous sanction of an Ordinary Resolution of the Company exceed an amount equal to one and one-half times the Adjusted Total of Capital and Reserves.
- 87.3 For the purposes of the foregoing limit:-
- a) there shall be taken into account as moneys borrowed by the Group (to the extent that the same would not otherwise fall to be taken into account):-
 - i) the nominal amount of any issued share capital and the principal amount of any debentures or other borrowed moneys of any person outside the Group (including in each case any premium payable on final repayment) the payment, repayment or redemption whereof is guaranteed by any member of the Group;
 - ii) the principal amount raised by any member of the Group by acceptances;
 - iii) the nominal amount of any share capital (other than equity share capital as defined in the Act) of any Subsidiary owned otherwise than by another member of the Group; and
 - iv) subject to the provisions of sub-paragraph (b) below, the principal amount for the time being outstanding in respect of any debenture (as defined in section 738 of the Act) issued by any member of the Group whether for cash or for a consideration other than cash or partly in one way and partly in the other; and
 - b) there shall be disregarded for the purpose of calculating the amounts borrowed by the Group:-
 - i) any amount intended to be discharged, surrendered or repaid within four months of the transaction contemplated when the Adjusted Total of Capital and Reserves is being calculated; and

- ii) any amount for the time being outstanding in respect of the Zero-Coupon Convertible Unsecured Loan Stock 1994 of the Company, constituted by a Trust Deed between the Company and The Governor and Company of the Bank of Scotland dated 18 August 1989.

And further provided that when the amount of moneys borrowed is increased solely as a result of a change in currency exchange rates the amount of such increase shall be deducted for a period of twelve months after such change for the purpose of calculating the amount of moneys borrowed.

87.4 For the purposes of this Article "the Adjusted Total of Capital and Reserves" means the aggregate of:-

- a) the amount paid up or credited as paid up on the issued share capital of the Company; and
- b) the amounts standing to the credit of the reserves (including any share premium account, capital redemption reserve and revenue account);

but after:-

- i) deducting a sum equivalent to the book values of any goodwill or other intangible assets;
- ii) excluding any sums set aside for taxation;
- iii) deducting any debit balance on revenue account;
- iv) deducting an amount equivalent to any distribution (other than to the Company) out of profits earned down to the date of the latest audited balance sheet which may have been declared, recommended or made since that date except in so far as provided for in such balance sheet;
- v) making such adjustments as may be appropriate to reflect any subsequent variation in the paid up share capital of the Company or in the said reserves or any variation therein which would result from the transaction contemplated at the time when the Adjusted Total of Capital and Reserves is being calculated or from any transaction connected therewith;
- vi) excluding any amount representing the unrealised appreciation (less any unrealised depreciation) in value of investments over their book costs; and
- vii) making such other adjustments as may be appropriate.

For the foregoing purposes:-

- a) if at the relevant date the Company has made up a balance sheet which has been audited the amounts specified under sub-paragraphs

(a) and (b) above shall be as shown in the latest audited balance sheet (as defined below);

- b) "audited balance sheet" shall mean the audited balance sheet of the Company unless at the relevant date there shall be a Subsidiary which has made up a balance sheet which has been audited in which event "audited balance sheet" shall mean a consolidation of the latest audited balance sheets of the Company and such Subsidiary and the references to reserves and revenue account shall be deemed to be references to reserves and revenue account as shown in such consolidation and the deduction in respect of goodwill shall not include goodwill arising only on such a consolidation;
- c) share capital allotted shall be treated as issued and share capital called up or payable at any fixed future date within the following six months shall be treated as already paid and if the Company proposes to issue any shares for cash and such issue has been underwritten then such shares shall be deemed to have been issued and the subscription moneys (including any premium) payable in respect thereof within the following six months shall be deemed to have been paid up; and
- d) the certificate of the Auditors as to the amount of the Adjusted Total of Capital and Reserves at any time shall be conclusive and binding upon all concerned.

87.5 No lender or other person dealing with the Company shall be concerned to see or inquire whether these limits are observed, but a certificate by two Directors that the amount of any loan or loans is within the limit of the borrowing powers shall be conclusive evidence in any question between any such lender or person and the Company.

DELEGATION OF DIRECTORS' POWERS

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88.1 The Directors may delegate any of their powers:-

- a) to any managing Director or any Director holding any other executive office;
- b) to any committee consisting of one or more Directors and (if thought fit) one or more other persons, but a majority of the members of the committee shall be Directors and no resolution of the committee shall be effective unless a majority of those present when it is passed are Directors; and
- c) to any local board or agency for managing any of the affairs of the Company either in the United Kingdom or elsewhere.

88.2 Any such delegation may be subject to any conditions the Directors impose and either collaterally with or to the exclusion of their own powers and may be revoked or altered. Subject as aforesaid, the proceedings of any committee, local board or agency with two or more members shall be

governed by such of these Articles as regulate the proceedings of Directors so far as they are capable of applying.

- 89 The Directors may, by power of attorney or otherwise, appoint any person, whether nominated directly or indirectly by the Directors, to be the agent of the Company for such purposes and with such powers and subject to such conditions as they think fit, and any such appointment may contain such provisions for the protection and convenience of persons dealing with the agent as the Directors may think fit, and may also authorise the agent to sub-delegate all or any of the powers vested in him.
- 90 The Directors may appoint any person to any office or employment having a designation or title including the word "Director", or attach to any existing office or employment with the Company such a designation or title, and may terminate any such appointment or the use of any such designation or title. Unless the appointment of the holder has been recorded in the register of directors maintained by the Company in terms of Section 162 of the Act, the inclusion of the word "Director" in the designation or title of any such office of employment shall not imply that the holder is a Director of the Company, nor shall the holder thereby be empowered in any respect to act as, or be deemed to be, a Director of the company for any of the purposes of these Articles.

APPOINTMENT AND RETIREMENT OF DIRECTORS

- 91 At each annual general meeting, one third of the directors for the time being (or, if their number is not a multiple of three, the number nearest to one-third) shall retire from office by rotation, provided that notwithstanding the effect of the foregoing provision, each director eligible for retirement by rotation, shall be required to submit himself for re-election at least once in any period of three consecutive annual general meetings.
- 92 Subject to the provisions of the Statutes and to the following provisions of these Articles, the directors to retire by rotation shall include (so far as necessary to obtain the number required) any director who wishes to retire and not offer himself for re-election, or who is required to retire by virtue of Article 91 above. Any further directors so to retire shall be those of the other directors subject to retirement by rotation who have been longest in office since their last re-election and so that as between persons who became or were last elected directors on the same day those to retire shall (unless they otherwise agree amongst themselves) be determined by lot. The directors to retire on each occasion shall be determined by the composition of the board of the directors of the company at the date of notice convening the annual general meeting and no director shall be required to retire, or be released from retiring, by reason of any change in the number or identity of the directors after the date of such notice but before the close of the meeting.
- 93 If the Company, at the meeting at which a Director retires by rotation, does not by ordinary resolution fill the vacancy the retiring Director shall, if willing to act, be deemed to have been reappointed unless at the meeting it is resolved not to fill the vacancy or a resolution for the reappointment of the Director is put to the meeting and lost.
- 94
- 94.1 No person other than a Director retiring by rotation shall be appointed or reappointed a Director at any general meeting unless:-

- a) he is recommended by the Directors; or
- b) not less than seven nor more than thirty five days before the date appointed for holding the meeting, notice executed by a member (other than the person to be proposed) qualified to vote on the appointment or reappointment stating his intention to propose such person for election and including the particulars which would, if such person were appointed or reappointed, be required to be included in the Company's register of Directors, together with notice executed by that person of his willingness to be appointed or reappointed is received by the Company at the Office.

94.2 Not less than seven nor more than twenty eight days before the date appointed for holding a general meeting notice shall be given to all who are entitled to receive notice of the meeting of any person in respect of whom notice has been duly given to the Company under paragraph (1) of this Article. The notice under this paragraph shall give the particulars of that person stated in the notice under paragraph (1).

- 95 At a general meeting a resolution for the appointment of two or more persons as Directors by a single resolution shall not be moved, unless a resolution that it shall be so moved has been first agreed to by the meeting without any vote being given against it, and for the purposes of this Article a resolution approving a person's appointment or for nominating a person for appointment shall be treated as a resolution for his appointment. Any resolution moved in contravention of this Article shall be void.
- 96 Subject as aforesaid, the Company may by ordinary resolution appoint a person who is willing to act to be a Director, either to fill a vacancy or as an additional Director, and may also determine the rotation in which any additional Directors are to retire.
- 97 The Directors may appoint a person who is willing to act to be a Director, either to fill a vacancy or as an additional Director, provided that the appointment does not cause the number of Directors to exceed any number fixed as the maximum number of Directors. A Director so appointed shall retire at the next following annual general meeting and shall not be taken into account in determining the Directors who are to retire by rotation at the meeting, but shall be eligible for reappointment.
- 98 Subject as aforesaid, a Director who retires at an annual general meeting may be reappointed. If he is not reappointed or deemed to have been reappointed, he shall retain office until the meeting appoints someone in his place or, if it does not do so, until the end of meeting.

DISQUALIFICATION AND REMOVAL OF DIRECTORS

- 99 Without prejudice to the provisions of the Act, the Company may remove a Director before the expiration of his period of office and may, by ordinary resolution, appoint another person instead of him. A person so appointed shall be subject to retirement at the same time as if he had become a Director on the day on which the Director in whose place he is appointed was last appointed or reappointed a Director. In default of such appointment the vacancy arising upon the removal of a Director from office may be filled as a casual vacancy in accordance with the provisions of Article 97 above.

100 The office of a Director shall be vacated if:-

- a) he ceases to be a Director by virtue of any provision of the Statutes or he becomes prohibited by law from being a Director; or
- b) he becomes bankrupt or apparently insolvent or has a receiving order made against him or makes any arrangement or composition with his creditors generally or applies to the court for an interim order under Section 253 of the Insolvency Act 1986 in connection with a voluntary arrangement under that Act; or
- c) he is, or may be, suffering from mental disorder and either:-
 - i) he is admitted to hospital in pursuance of an application for admission for treatment under the Mental Health Act 1983 or, in Scotland, an application for admission under the Mental Health (Scotland) Act 1984, or
 - ii) an order is made by a court having jurisdiction (whether in the United Kingdom or elsewhere) in matters concerning mental disorder for his detention or for the appointment of any person to exercise powers with respect to his property or affairs; or
- d) he resigns his office by notice to the Company and the Directors shall resolve to accept such resignation; or
- e) in the case of a Director who holds any executive office, his appointment as such is terminated or expires and the Directors resolve that his office be vacated; or
- f) he is absent for more than six consecutive months without permission of the Directors from meetings of the Directors held during that period and his alternate director (if any) shall not during such period have attended instead of him, and the Directors resolve that his office be vacated; or
- g) in Scotland or elsewhere an order shall be made by any court claiming jurisdiction in that behalf for the appointment of a trustee in bankruptcy, receiver or other person (by whatever name called) to exercise powers with respect to his property or affairs; or
- h) he is requested in writing by all the other Directors to resign.

DIRECTORS' APPOINTMENTS AND INTERESTS

101 The Directors may appoint one or more of their number to the office of managing Director or to any other executive office under the Company or to the office of chairman or vice-chairman of the Company and, subject to the provisions of the Statutes, any such appointment may be made for such term, at such remuneration and on such other conditions as the Directors think fit and, without prejudice to the terms of any contract entered into in any particular case, the Directors may at any time revoke any such appointment. Any appointment of a Director to an executive office or to the office of chairman or vice-chairman as aforesaid shall terminate if he

ceases to be a Director but without prejudice to any claim to damages for breach of any contract of service between the Director and the Company. A Director appointed to the office of managing Director of the Company shall not, while he continues to hold such office, be subject to retirement by rotation, or be taken into account in determining the rotation of retirement of Directors.

102

102.1 Subject to the provisions of the Statutes and provided (a) that he has disclosed to the Directors the nature and extent of any material interest of his which conflicts or may conflict with the interests of the Company; and (b) that the Directors have approved of such conflict or potential conflict, a Director notwithstanding his office:-

- a) may be a party to, or otherwise interested in, any transaction or arrangement with the Company or in which the Company is otherwise interested;
- b) may be a director or other officer of, or employed by, or a party to any transaction or arrangement with, or otherwise interested in, any body corporate promoted by the Company or in which the Company is otherwise interested;
- c) may act (or any company of which he is a shareholder or firm of which he is a member may act) in any professional capacity for the Company or any body corporate as aforesaid and he may also cause the voting power conferred by the shares in any body corporate as aforesaid to be exercised in such manner in all respects as he thinks fit including the exercise thereof in favour of any resolution or decision appointing himself or any other Director to be director, officer, servant of or to any other position in such body corporate, or voting or providing for the payment of remuneration to the directors, officers, servants of, or any holders of any other position in any such body corporate; and
- d) shall not, by reason of his office, be accountable to the Company for any remuneration, profit or other benefit which he derives from any such office or employment or from any such transaction or arrangement or from any interest in any such body corporate;

and no such transaction or arrangement shall be liable to be avoided on the ground of any such interest or benefit.

102.2 For the purposes of this Article:-

- a) a general notice given to the Directors that a Director is to be regarded as having an interest of the nature and extent specified in the notice in any transaction or arrangement in which a specified person or class of persons is interested shall be deemed to be a disclosure that the Director has an interest in any such transaction of the nature and extent so specified;

- b) an interest of which a Director has no knowledge and of which it is unreasonable to expect him to have knowledge shall not be treated as an interest of his;
- c) only Directors who have no interest in the matter being considered, will be entitled to vote to approve the interest or conflict or potential conflict;
- d) in considering such a matter and determination upon it, the Directors concerned are required to act in such a way as they, in good faith, consider most likely to promote the success of the Company; and
- e) they shall be entitled to impose such limits or conditions (including as to remuneration or accounts for profits or benefits) as they in their sole discretion may think fit.

DIRECTORS' GRATUITIES, PENSIONS AND INSURANCE

- 103 The Directors may provide benefits, whether by the payment of gratuities or pensions or by insurance or otherwise, for any director who has held but no longer holds any executive office or employment with the Company or with any body corporate which is or has been a subsidiary undertaking of the Company or a predecessor in business of the Company or of any such subsidiary undertaking, and for any member of his family (including a spouse and a former spouse) or any person who is or was dependent on him and may, as well before as after he ceases to hold such office or employment, contribute to any fund and pay premiums for the purchase or provision of any such benefit.
- 104 Without prejudice to the provisions of Article 160, the Directors shall have power to purchase and/or maintain insurance for or for the benefit of any persons who are or were at any time directors, officers or employees of the Company or of any other company in which the Company or any of the predecessors in business of the Company has any interest whether direct or indirect or which is in any way allied to or associated with the Company or of any body corporate which is for the time being in relation to the Company or any such other company, a holding company or a subsidiary undertaking of such holding company or of any subsidiary undertaking of the Company or of any such other company, or persons who are or were at any time trustees of any pension fund or employees' share scheme in which employees of the Company or of any such other company or subsidiary undertaking are interested, including (without prejudice to the generality of the foregoing) insurance against any liability 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 in the exercise or purported exercise of their powers and/or otherwise in relation to their duties, powers or offices in relation to the Company or any such other company, subsidiary undertaking or pension fund or employees' share scheme.

PROCEEDINGS OF DIRECTORS

105

- 105.1 Subject to the provisions of these Articles, the Directors may regulate their proceedings as they think fit.

- 105.2 A Director may, and the Secretary at the request of a Director shall, call a meeting of the Directors. Any Director may waive notice of a meeting and any such waiver may be retrospective.
- 105.3 If a Director has notified the Company in writing of an address at which notice of meetings of the Directors is to be given to him when he is absent from the United Kingdom, he shall, if so absent, be entitled to have notice given to him at that address; but the Company shall not be obliged by virtue of this paragraph to give any Director a longer period of notice than he would have been entitled to had he been present in the United Kingdom.
- 105.4 Questions arising at a meeting shall be decided by a majority of votes. In case of an equality of votes, the chairman shall have a second or casting vote. A Director who is also an alternate Director shall be entitled in the absence of his appointor to a separate vote on behalf of his appointor in addition to his own vote.
- 105.5 All or any of the Directors may participate in a meeting of the Directors or a meeting of any committee set up pursuant to these Articles by means of a conference telephone or any communication equipment which allows all persons participating in the meeting to hear each other. A person so participating shall be deemed to be present in person at the meeting and shall be entitled to vote or be counted in a quorum accordingly. Such a meeting shall be deemed to take place where the largest group of those participating is assembled or, if there is no such group, where the chairman of the meeting is. The word "meeting" in these Articles shall be construed accordingly.
- 106 No business shall be transacted at any meeting of the Directors unless a quorum is present. The quorum may be fixed by the Directors and unless so fixed at any other number shall be two. An alternate Director who is not himself a Director shall, if his appointor is not present, be counted in the quorum. A meeting of the Directors at which a quorum is present shall be competent to exercise all powers and discretions for the time being exercisable by the Directors.
- 107 The continuing Directors or a sole continuing Director may act notwithstanding any vacancies in their number, but, if the number of Directors is less than the number fixed as the quorum, the continuing Directors or Director may act only for the purpose of filling vacancies or of calling a general meeting. If there be no Directors or Director able or willing to act, then any two members may summon a general meeting for the purpose of appointing Directors.
- 108 The Directors may elect from their number and remove a chairman and a vice-chairman of the board of Directors. The chairman, or in his absence the vice-chairman, shall preside at all meetings of the Directors, but if there is no chairman or vice-chairman, or if at the meeting neither the chairman nor the vice-chairman is present within five minutes after the time appointed for the meeting, or if neither of them is willing to act as chairman, the Directors present may choose one of their number to be chairman of the meeting.
- 109 All acts done by a meeting of the Directors, or of a committee of the Directors, or by a person acting as a Director, shall as regards all persons dealing in good faith with the Company notwithstanding that it may afterwards be discovered that there was a defect in the appointment or continuance in office of any Director (or his alternate), or

member of the committee, or person acting as aforesaid, or that any of them were disqualified from holding office, or had vacated office, or were not entitled to vote, be as valid as if every such person had been duly appointed and was qualified and had continued to be a Director (or alternate Director) or member of the committee or person acting as aforesaid and had been entitled to vote.

110

- 110.1 A resolution in writing executed by all the Directors entitled to receive notice of a meeting of the Directors or of a committee of the Directors shall be as valid and effectual as if it had been passed at a meeting of the Directors or, as the case may be, a committee of the Directors duly convened and held, and may consist of several documents in the like form each executed by one or more Directors. A resolution executed by an alternate Director need not also be executed by his appointer and, if it is executed by a Director who has appointed an alternate Director, it need not also be executed by the alternate Director in that capacity.
- 110.2 Save as otherwise provided by these Articles and subject to the provisions of the Statutes, a Director shall be entitled to vote at a meeting of the Directors on any resolution concerning a matter in which he has an interest provided always that such interest has been declared to and approved of by the Directors pursuant to Article 102, but shall not otherwise be entitled to vote on any such resolution.
- 110.3 For the purposes of this Article, an interest of any person who is for any purpose of the Act connected with a Director shall be taken to be the interest of that Director and, in relation to an alternate Director, an interest of his appointer shall be treated as an interest of the alternate Director without prejudice to any interest which the alternate Director has otherwise.
- 111 A Director shall not be counted in the quorum present at a meeting in relation to a resolution on which he is not entitled to vote.
- 112 Where proposals are under consideration concerning the appointment (which expression shall include the fixing or varying of the terms of appointment) of two or more Directors to offices or employments with the Company or any body corporate in which the Company is interested, the proposals may be divided and considered in relation to each Director separately and (provided he is not under any provisions of these Articles or for any other reason precluded from voting) each of the Directors concerned shall be entitled to vote and be counted in the quorum in respect of each resolution except that concerning his own appointment.
- 113 If a question arises at a meeting of the Directors as to the right of a Director to vote, the question may, before the conclusion of the meeting, be referred to the chairman of the meeting (or, if the Director concerned is the chairman, to the other Directors at the meeting) and his ruling in relation to any Director other than himself (or, as the case may be, the ruling of the majority of the other Directors in relation to the chairman) shall be final and conclusive except in a case where the nature or extent of the interest of such Director has not been fully and/or fairly disclosed.

MINUTES

114

114.1 The Directors shall cause minutes to be made in books kept for the purpose:-

- a) of all appointments of officers made by the Directors;
- b) of all resolutions and proceedings at meetings of the Company and of the holders of any class of shares in the Company; and
- c) of all resolutions and proceedings at meetings of the Directors and of committees of the Directors, including the names of the Directors or their alternates and any other persons present at each such meeting.

Any such minutes shall be conclusive evidence of any such proceedings if they purport to be signed by the chairman of the meeting at which the proceedings were held or by the chairman of the next succeeding meeting.

114.2 Any register, index, minute, book of account or other book required by these Articles or by the Statutes to be kept by or on behalf of the Company may be kept either by making entries in bound books or by recording them in any other manner. In any case in which bound books are not used, the Directors shall take adequate precautions for guarding against falsification and for facilitating discovery of falsification.

SECRETARY

115 Subject to the provisions of the Statutes, the Secretary shall be appointed by the Directors for such term, at such remuneration and on such other conditions as they think fit and any Secretary so appointed may be removed by them but without prejudice to any claim for damages for breach of any contract of service between him and the Company. If thought fit two or more persons may be appointed as joint Secretaries. The Directors may also appoint from time to time on such terms as they may think fit one or more deputy or assistant Secretaries. Anything by the Statutes or by these Articles required or authorised to be done by or to the Secretary may, if the office is vacant or there is for any other reason no Secretary capable of acting, be done by or to any deputy or assistant Secretary, or if there is no deputy or assistant Secretary capable of acting, by or to any officer of the Company authorised generally or specifically in that behalf by the Directors.

THE SEAL

116 The seal shall be used only by the authority of a resolution of the Directors or of a committee of the Directors. The Directors may determine whether any document to which the seal is affixed, shall be signed and, if it is to be signed, who shall sign it. Unless otherwise so determined –

- a) share certificates and, subject to the provisions of any instrument constituting the same, certificates issued under the seal in respect of any debentures or other securities need not be signed and any

signature may be affixed to any such certificates by any mechanical means approved by the Directors; and

- b) every other document to which the seal is affixed shall be signed on behalf of the Company by two Directors or by one Director and by the Secretary or by two persons authorised to sign such document on its behalf, or by a director of the Company in the presence of a witness who attests the signature.

- 117 Subject to the provisions of the Statutes, the Company may have an official seal for use in any place abroad and the Company may by writing under the seal appoint any agent or committee abroad to be the duly authorised agent of the Company for the purpose of affixing and using such official seal and may impose such restrictions on the use thereof as shall be thought fit. Wherever in these Articles reference is made to the seal, the reference shall when and so far as may be applicable be deemed to include any such official seal as aforesaid.

AUTHENTICATION OF DOCUMENTS

- 118 Any Director or the Secretary or any person appointed by the Directors or by a committee of the Directors for the purpose shall have power to authenticate any documents affecting the constitution of the Company and any resolutions passed by the Company, the Directors or any such committee and any books, records, documents and accounts relating to the business of the Company and to certify copies thereof or extracts therefrom as true copies or extracts; and where any books, records, documents or accounts are elsewhere than at the Office the local manager or other officer of the Company having the custody thereof shall be deemed to be a person appointed by the Directors as aforesaid. A document purporting to be a copy of a resolution, or an extract from the minutes of a meeting, of the Company, the Directors or any committee thereof which is certified as aforesaid shall be conclusive evidence in favour of all persons dealing with the Company upon the faith thereof that such resolution has been duly passed or, as the case may be, that any minute so extracted is a true and accurate record of proceedings at a duly constituted meeting.

RESERVES

- 119 The Directors may from time to time set aside out of the profits of the Company and carry to reserve such sums as they think proper which, at the discretion of the Directors, shall be applicable for any purpose to which the profits of the Company may properly be applied and pending such application may either be employed in the business of the Company or be invested. The Directors may divide the reserve into such special funds as they think fit and may consolidate into one fund any special funds or any parts of any special funds into which the reserve may have been divided. The Directors may also without placing the same to reserve carry forward any profits. In carrying sums to reserve and in applying the same the Directors shall comply with the provisions of the Statutes.
- 120 Notwithstanding the powers conferred upon the Directors by Article 119, all capital appreciations realised upon or derived from the sale, realisation or payment off of shares, securities or investments or any change or transposition of shares, securities or investments or other realisations of or dealings with capital assets or with any other sums which in the opinion of the Directors are of a capital nature (including any unrealised appreciation in the value of any capital asset) shall unless appropriated to meeting realised losses on sales, realisation or payment off of, or on any change or

transposition of shares, securities or investments or other realisations of or dealings with capital assets, or to writing down shares, securities, investments or other capital assets (either individually or in the aggregate), shall be carried by the Directors to the credit of a capital reserve account and all losses of a similar nature shall be carried to the debit of such capital reserve account. The sums carried and for the time being standing to the credit of the capital reserve account may be applied for any of the purposes to which sums standing to any revenue reserve are applicable except and provided that no part of the capital reserve or any other monies in the nature of accretion to capital shall in any event be transferred to profit and loss or revenue account or regarded or treated as profits of the Company available for distribution by way of dividend or otherwise or applied in paying dividends on any share in the Company's capital, but shall be applicable to making good or providing for losses on the Company's shares, securities or investments and providing for depreciation in the value thereof.

121

121.1 If the Directors shall determine that the Company shall cease to carry on business as an investment company within the meaning of Section 833 of the Act and notice has been given to the Registrar of Companies to that effect in accordance with Section 833 of the Act then, for such period as the Company is not an investment company:-

a) the text of Article 127 shall be replaced by the following:-

"No dividend shall be paid otherwise than out of profits available for distribution under the provisions of the Statutes. Any surplus arising from the sale or realisation of any capital asset including investments and any other sums representing capital profits within the meaning of Section 832 of the Act or other accretions to capital assets including in particular any sums resulting from the writing up of book values of any capital assets shall not be available for dividend but shall be available for any other distribution within the meaning ascribed thereto by Section 829 of the Act"; and

b) the text of Article 120 shall be replaced by the following:

"The Directors shall establish a capital reserve (the "capital reserve") and carry to the credit of the capital reserve all capital appreciation and surplus arising on the sale, realisation, transposition, repayment or payment off of any investment or other capital asset of the Company. Any loss realised on the sale, transposition, repayment or payment off of any investments or other capital assets may be carried to the debit of the capital reserve except in so far as the Directors may in their discretion decide to make good the same out of other reserves of the Company. All sums carried and standing to the credit of the capital reserve may be applied for any of the purposes to which sums standing to any reserve are applicable, except and provided that no part of the capital reserve or other monies in the nature of accretion to capital shall be transferred to revenue account or be regarded or treated as profits available for distribution by way of dividend or be applied in paying dividends on any shares in the Company's capital although they may be treated and regarded as profits of the Company available for any other

distribution within the meaning ascribed thereto by Section 829 of the Act".

The Directors may at any time when the Company is not an investment company within the meaning of Section 833 of the Act determine that the Company should carry on business as an investment company and, upon the date of the notice given by the Company to the Registrar of Companies in the prescribed form in accordance with Section 833(1) of the Act, the text of Articles 127 and 120 as they respectively stand in these Articles shall be reinstated and shall replace the texts set out above unless paragraph (2) is at that time applicable, in which case the text of Articles 120 and 127 as they respectively stand in these Articles, shall be amended in accordance with paragraph (2) below.

121.2 Notwithstanding paragraph (1) above, if at any time the requirements for investment company status under Section 833 of the Act permit an investment company to use its capital profits to purchase its own shares, then with effect from that date, Articles 120 and 127 as they respectively stand in these Articles shall have effect, at any time that the Company has given notice in the prescribed form in accordance with Section 833(1) of the Act, subject to the following amendments:

- a) by adding at the end of Article 127 the words "other than a distribution by way of purchase of the Company's own shares in accordance with the Statutes".
- b) by deleting the proviso commencing "except and provided....." in the last sentence of Article 120 and substituting therefor the following:

"except and provided that no part of the capital reserve or other monies in the nature of accretion to capital shall in any event be transferred to revenue account or be applied in paying dividends on any share in the Company's capital or be regarded or treated as profits of the Company available for distribution by way of dividend or as available for any other distribution within the meaning ascribed thereto by Section 829 of the Act (other than a distribution by way of a purchase of its own shares in accordance with the Statutes out of its capital profits which shall be permitted), but shall be applicable to making good or providing for losses in the Company's shares, securities or investments and providing for depreciation in the value thereof".

122 The Directors may, subject to the provisions of these Articles, invest the sums set aside and carried forward or standing to the credit of reserve or capital reserve account upon such shares, securities and investments (other than shares of the Company) as they may from time to time think fit and to employ the same and the assets constituting the same or any part thereof in the business of the Company and without it being necessary to keep separate or distinguish between the investments of the reserve accounts and investments of other moneys of the Company or between investments of the capital reserve account and investments of any other reserve account. The income of any such reserve or capital reserve account and of the investments in which the same shall be invested shall be treated as ordinary income of the Company.

DIVIDENDS

- 123 Subject to the provisions of the Statutes, the Company may by ordinary resolution declare dividends in accordance with the respective rights of the members but no dividend shall exceed the amount recommended by the Directors.
- 124 Subject to the provisions of the Statutes, the Directors may pay interim dividends if it appears to them that they are justified by the profits of the Company available for distribution. If the share capital is divided into different classes, the Directors may pay interim dividends on shares which confer deferred or non-preferred rights with regard to dividend as well as on shares which confer preferential rights with regard to dividend, but no interim dividends shall be paid on shares carrying deferred or non-preferred rights if, at the time of payment, any preferential dividend is in arrear. The Directors may also pay at intervals settled by them any dividend payable at a fixed rate if it appears to them that the profits available for distribution justify the payment. If the Directors act in good faith they shall not incur any liability to the holders of shares conferring preferential rights for any loss they may suffer by the lawful payment of an interim dividend on any shares having deferred or non-preferred rights.
- 125 Except as otherwise provided by these Articles or the rights attached to shares, all dividends shall be declared and paid according to the amounts paid up on the shares on which the dividend is paid. If any share is issued on terms that it ranks for dividend as if paid up (in whole or in part) as from a particular date, it shall rank for dividend accordingly. In any other case, dividends shall be apportioned and paid proportionately to the amounts paid up on the shares during any portion or portions of the period in respect of which the dividend is paid. For the purposes of this Article, no amount paid up on a share in advance of a call shall be regarded as paid up on the share.
- 126
- 126.1 The Directors may, with the prior authority of an ordinary resolution of the Company and subject to such conditions as the Directors may determine, offer to any holders of Ordinary Shares the right to elect to receive Ordinary Shares, credited as fully paid, instead of cash in respect of the whole or some part, to be determined by the Directors, of any dividend specified by the ordinary resolution. The following provisions shall apply:-
- a) the said resolution may specify a particular dividend or may specify all or any dividends declared within a specified period or periods;
 - b) the entitlement of each holder of Ordinary Shares to new Ordinary Shares shall be such that the relevant value of the entitlement shall be as nearly as possible equal to (but not greater than) the cash amount (disregarding any tax credit) of the dividend that such holder would have received by way of dividend. For this purpose "relevant value" shall be calculated by reference to the average of the middle market quotations for the Ordinary Shares on the London Stock Exchange, as derived from the Daily Official List, for the day on which the Ordinary Shares are first quoted "ex" the relevant dividend and the four subsequent dealing days, or in such other manner as the Directors may determine on such basis as they consider to be fair and reasonable. A certificate or report by the auditors as to the

amount of the relevant value in respect of any dividend shall be conclusive evidence of that amount;

- c) no fractions of a share shall be allotted;
 - d) the Directors shall, after determining the basis of allotment, notify the holders of Ordinary Shares in writing of the right of election offered to them and specify the procedure to be followed and place at which and the latest time by which elections must be lodged in order to be effective;
 - e) the Directors may exclude from any offer any holders of Ordinary Shares or any Ordinary Shares held by a Depositary (as hereinafter defined) or any Ordinary Shares on which dividends are payable in foreign currency where the Directors consider that the making of the offer to them or in respect of such shares would or might involve the contravention of the laws of any territory or that for any other reason the offer should not be made to them in respect of such shares;
 - f) the dividend (or that part of the dividend in respect of which a right of election has been offered) shall not be payable on Ordinary Shares in respect of which an election has been duly made ("the elected Ordinary Shares") and instead additional Ordinary Shares shall be allotted to the holders of the credited Ordinary Shares on the basis of allotment determined as aforesaid. For such purpose the Directors may capitalise, out of any amount for the time being standing to the credit of any reserve or fund (including any share premium account or capital redemption reserve) or of any of the profits which could otherwise have been applied in paying dividends in cash as the Directors may determine, a sum equal to the aggregate nominal amount of the additional Ordinary Shares to be allotted on that basis and apply it in paying up in full the appropriate number of new Ordinary Shares for allotment and distribution to the holders of the elected Ordinary Shares on that basis. A resolution of the Directors capitalising any part of such reserve or fund or profits shall have the same effect as if such capitalisation had been declared by ordinary resolution of the Company in accordance with Article 136 and in relation to any such capitalisation the Directors may exercise all the powers conferred on them by Article 135 without need of such ordinary resolution;
-
- g) the additional Ordinary Shares so allotted shall rank *pari passu* in all respects with each other and with the fully paid Ordinary Shares in issue on the record date for the dividend in respect of which the right of election has been offered, except that they will not rank for any dividend or other distribution or other entitlement which has been declared, paid or made by reference to such record date; and
 - h) the Directors may terminate, suspend or amend any offer of the right to elect to receive Ordinary Shares in lieu of any cash dividend at any time.

For the purposes of this Article 126(1) "Depositary" shall mean:-

a custodian or other person (or a nominee for such custodian or other person) appointed under contractual arrangements with the Company or other arrangements approved by the Directors whereby such custodian or other person or nominee holds or is interested in shares of the Company or rights or interests in shares of the Company and issues securities or other documents of title or otherwise evidencing the entitlement of the holder thereof to or to receive such shares, rights or interests, provided and to the extent that such arrangements have been approved by the Directors for the purpose of these Articles, and shall include, where approved by the Directors, the trustees (acting in their capacity as such) of any employees' share scheme established by the Company or any other scheme or arrangement principally for the benefit of employees of the Company and/or its subsidiary undertakings (or their respective businesses) which the Directors have approved.

- 126.2 A general meeting declaring a dividend may, upon the recommendation of the Directors, direct that it shall be satisfied wholly or partly by the distribution of specific assets and in particular of paid up shares or debentures of any other company and where any difficulty arises in regard to the distribution, the Directors may settle the same and in particular may issue fractional certificates or may authorise any person to sell or transfer any fractions or ignore fractions and fix the value for distribution of any specific assets or any part thereof and may determine that cash shall be paid to any member upon the footing of the value so fixed in order to adjust the rights of members and may vest any assets in trustees upon trust for the persons entitled to the dividend as the Directors think expedient and generally may make such arrangements for the acceptance and sale of such specific assets or fractional certificates, or any part thereof, and otherwise as they think fit.
- 127 No dividend shall be paid otherwise than out of profits available for distribution under the provisions of the Statutes. Any surplus over the book value derived from the sale or realisation of any capital asset and any other sums representing capital profits within the meaning of Section 832 of the Act or other accretions to capital assets, including in particular any sums resulting from the writing up of the book values of any capital assets, shall not be available for dividend or any other distribution within the meaning ascribed thereto by Section 829 of the Act.
- 128 Subject to the provisions of the Statutes, 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) the profits and losses thereof as from such date may at the discretion of the Directors be carried in whole or in part to revenue account and treated for all purposes as profits or 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 Directors be treated as revenue, and it shall not be obligatory to capitalise the same or any part thereof.
- 129 Any dividend, interest or other money payable in respect of a share may be paid by direct debit, bank transfer, money order, cheque or dividend warrant or similar financial instrument, or by any other means, sent direct to the registered address of the member or person entitled thereto or, in the case of joint holders, to the registered address of the holder who is the first named in the register or sent to such person and to such address as the holder or joint holders may in writing direct. Such payment may be sent through the post or equivalent means of delivery or by such other

means, including by electronic media, offered by the company as the holder or joint holders may in writing agree. Every such cheque, warrant, financial instrument or other form of payment shall be made payable to the order of the person to whom it is sent or to such other person as the holder, or joint holders, may in writing direct and payment of the cheque, warrant, financial instrument or other form of payment shall be a good discharge to the company. Any such cheque or warrant may be crossed "account payee only" although the company shall not be obliged to do so. Every such payment shall be sent at the risk of the person entitled to the money represented thereby. If:-

- a) on two or more consecutive occasions, cheques, money orders or warrants in payment of dividends or other monies payable on, or in respect of, any shares have been sent by post or any other method of payment permitted in terms of this Article 129 has been tried but such cheques, money orders or warrants have been returned undelivered, left uncashed or any other permitted method of payment used has failed; or
- b) on one occasion, such a cheque, money order or warrant has been sent through the post but has been returned undelivered or left uncashed or any other permitted method of payment used has failed, and the Company, after making reasonable enquiries, has failed to establish any new address of the registered holders;

the company need not thereafter despatch by whatever means normally used further payment of dividends or other monies payable on, or in respect of the share in question until the member or other person entitled thereto shall have communicated with the Company in respect of the share and supplied in writing to the Office an address or other relevant details required for the purpose.

- 130 No dividend or other money payable in respect of a share shall bear interest against the Company, unless otherwise provided by the rights attached to the share.
- 131 The payment by the Directors of any unclaimed dividend or other moneys payable on or in respect of a share into a separate account shall not constitute the Company a trustee in respect thereof and any dividend which has remained unclaimed for twelve years from the date when it became due for payment shall, if the Directors so resolve, be forfeited and cease to remain owing by the company. All unclaimed dividends may be invested or otherwise made use of by the Directors of the Company until claimed.
- 132 The Directors may deduct from any dividend or other sums payable to any member, whether alone or jointly with any other member, on or in respect of any shares held by a member all sums of money (if any) presently payable by him, whether alone or jointly with any other member, to the Company on account of calls or otherwise in relation to the shares of the Company.
- 133 Any resolution declaring a dividend on shares of any class, whether a resolution of the Company in general meeting or a resolution of the Directors, may specify that the same shall be payable to the persons registered as the holders of such shares at the close of business on a particular date, notwithstanding that it may be a date prior to that on which the resolution is passed, and thereupon the dividend shall be payable to them in accordance with their respective holdings so registered, but without

prejudice to the rights inter se in respect of such dividend, of transferors and transferees of any such shares:

- 134 The Directors may retain any dividend or other monies 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 debts, liabilities or other obligations in respect of which the lien exists.
- 135 The waiver, in whole or in part, of any dividend on any share by any document shall be effective only if such document is signed by the holder (or the person entitled to the share in consequence of the death or bankruptcy of a member or otherwise by operation of the law) and delivered to the Company and if or to the extent that the same is accepted as such or acted upon by the Company.

CAPITALISATION OF PROFITS AND RESERVES

- 136 The Company in general meeting may, subject to the provisions of the Statutes, at any time direct capitalisation of the whole or any part of the profits for the time being of the Company or the whole or any part of any reserve fund of the Company (i) by distributing fully paid up shares among the members in proportion to the amounts paid or credited as paid on their shares or (ii) (subject to not prejudicing the status of the Company as an investment company pursuant to Section 833 of the Act) by crediting any shares which may have been issued and are not fully paid up, in proportion to the amounts paid up or credited as paid thereon respectively, with the whole or any part of the sums remaining unpaid thereon. The Directors shall give effect to such resolution and apply such portion of the profits or reserve fund as may be required for the purpose of making payment in full at par for the shares of the Company so distributed or, as the case may be, for the purpose of paying in whole or in part the amount remaining unpaid on the shares which may have been issued and are not fully paid up, provided that no such distribution or payment shall be made unless recommended by the Directors and provided also that a share premium account, a capital redemption reserve and any other reserve account created other than pursuant to Article 119 may for the purposes of this Article only be applied in the paying up of unissued shares to be allotted to members credited as fully paid.
- 137 Whenever such a resolution mentioned in the preceding Article shall have been passed, the Directors shall make all appropriations and applications of the sum resolved to be capitalised thereby and all allotments and issues of fully paid shares and generally shall do all acts and things required to give effect thereto, with full power to the Directors to make such provisions as they think fit for the case of shares becoming distributable in fractions (including provisions whereby the benefit of fractional entitlements accrue to the Company rather than the members concerned) and also to authorise any person to enter on behalf of all the members interested into an agreement with the Company providing for the allotment to them respectively credited as fully paid up of any shares to be issued upon such capitalisation or for the payment up by the Company on their behalf of the amounts or any part of the amounts remaining unpaid on their existing shares and for matters incidental thereto, and any agreement made under such authority shall be effective and binding on all concerned.

RECORD DATE

- 138 Notwithstanding any other provision of these Articles, but without prejudice to any rights attached to any existing shares, the Company or the Directors may fix a date

as the record date by reference to which a dividend will be declared or paid or a distribution, allotment or issue made, and that date may be before, on or after the date on which the dividend, distribution, allotment or issue is declared, paid or made.

ACCOUNTS

- 139 No member (other than a Director) shall have any right of inspecting any accounting records or other document of the Company except as conferred by the Statutes or ordered by a court of competent jurisdiction or authorised by the Directors or by ordinary resolution of the Company.
- 140 A printed copy of the Directors' and auditors' reports accompanied by printed copies of the balance sheet and every document required by the Statutes to be annexed to the balance sheet shall not less than twenty one clear days before the general meeting before which they are to be laid, be delivered or sent by post to every member and holder of debentures of the Company, and to the auditors. If any such persons who are so entitled to receive these documents do not wish to receive them the Company may, where permitted by any statutory enactment that may be passed from time to time, in place of these documents send a copy of the Summary Financial Statement to such persons not less than twenty one clear days before the date of the meeting. If all or any of the shares in or debentures of the Company are listed or dealt in on any stock exchange, there shall at the same time be forwarded to the secretary of that stock exchange such number of copies of such of those documents as may be required by the regulations of that stock exchange; Provided that this Article shall not require a copy of those documents to be sent to more than one of joint holders or to any person of whose address the Company is not aware, but any member or holder of debentures to whom a copy of those documents has not been sent shall be entitled to receive a copy free of charge on application to the Office.

AUDITORS

- 141 Subject to the provisions of the Statutes, all acts done by any person acting as an auditor shall, as regards all persons dealing in good faith with the Company, be valid notwithstanding that there was some defect in his appointment or that he was at the time of his appointment not qualified for appointment or subsequently became disqualified.
- 142 An auditor shall be entitled to attend any general meeting and to receive all notices of and other communications relating to any general meeting which any member is entitled to receive and to be heard at any general meeting on any part of the business of the meeting which concerns him as auditor.

NOTICES

- 143 Any document or notice may be given to a member either personally or by sending it by post in a prepaid envelope addressed to the member at his registered address or by leaving it at that address or by sending it in electronic form to an address for the time being notified by the member to the Company for that purpose or by making it available on a website. A notice calling a meeting of Directors need not be in writing. The signature on any notice required to be given by the Company may be typed or printed or otherwise written.
- 144 The Company may serve or deliver any notice or document (including a share certificate) on or to a member either personally or by sending it by post in a prepaid

envelope addressed to the member at his registered address or by leaving it at that address. In the case of a joint holder, all notices shall be given to the joint holder whose name stands first in the register of members in respect of the joint holding and notice so given shall be sufficient notice to all the joint holders. For such purpose a joint holder having no registered address in the United Kingdom and not having supplied an address within the United Kingdom for the service of notices shall be disregarded. A member whose registered address is not within the United Kingdom and who gives to the Company an address within the United Kingdom at which notices may be given to him shall be entitled to have notices given to him at the address, but otherwise no such member shall be entitled to receive any notice from the Company. Where the Statutes or these Articles require agreement of a member to electronic means of communication or website communication, the holder who is named first in the Register may give agreement on behalf of all joint holders.

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145.1 Documents sent in electronic form by the Company

Subject to any requirement of the Statutes and provided that the Company has complied with all applicable regulatory requirements, the Company may send any documents or notices to its members in electronic form and such documents or notices will be validly sent provided that:

- a) the member has agreed either generally or in respect of a specific matter (or in the case of a company is deemed to have agreed by a provision in the Act) that documents or notices can be sent in electronic form;
- b) the documents are documents to which the agreement applies; and
- c) copies of the documents are sent in electronic form to the address notified by the member to the Company for that purpose.

145.2 Documents communicated by website

- a) Subject to any requirement of the Act and provided that the Company has complied with all applicable regulatory requirements, the Company may send any documents or notices to its members by means of a website and any such documents or notices will be validly sent provided that:

- i) the member has expressly agreed (generally or specifically) that documents or notices may be sent by means of a website to him or he has been asked (individually) to agree that documents and notices can be sent by means of a website and the Company has received no response to that request within 28 days from the date on which the request was sent;
- ii) the documents are documents to which the agreement applies; and
- iii) the member is notified of the presence of the documents on the website, the address of the website, the place on the

website where the documents may be accessed and how they may be accessed.

- b) Documents must be available on the website for a period of not less than 28 days from the date of notification unless the Statutes make provision for any other time period.
 - c) If the documents are published on the website for a part only of the period of time referred to in Article 145(2)(b), they will be treated as being published throughout the period if the failure to publish throughout that period is wholly attributable to circumstances which it would not be reasonable to have expected the Company to prevent or avoid.
- 146 A member present either in person or by proxy, or in the case of a corporate member by a duly authorised representative, at any meeting of the Company or of the holders of any class of shares shall be deemed to have received notice of the meeting and, where requisite, of the purposes for which it was called.
- 147 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 given to the person from whom he derives his title; but this Article does not apply to a notice given under Section 793 of the Act.
- 148 A notice or document sent by post shall be deemed to have been served or delivered on the day following that on which the envelope containing the notice or document was posted. Proof that the envelope was properly addressed, prepaid and posted shall be conclusive evidence that notice was given. A notice given by advertisement shall be deemed to have been served on the day on which the advertisement appears.
- 149 Where a document or information is sent or supplied by electronic means to an address specified for the purpose by the intended recipient, service or delivery shall be deemed to be effected on the same day on which it is sent or supplied and in proving such service it will be sufficient to prove that it was properly addressed. Where a document or information is sent or supplied by means of a website, service or delivery shall be deemed to be effected when (a) the material is first made available on the website or (b) if later, when the recipient received (or, in accordance with this Article is deemed to have received) notification of the fact that the material was available on the website.
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- 150 A notice or other document may be served or delivered by the Company to the person entitled to a share in consequence of the death or bankruptcy of a member by sending or delivering it in any manner authorised by these Articles for the giving of notice to a member addressed to that person by name or by the title of representative of the deceased or trustee of the bankrupt or by any like description, at the address, if any, within the United Kingdom supplied for that purpose by the person claiming to be so entitled. Until such an address has been supplied, a notice may be given in any manner in which it might have been given if the death or bankruptcy had not occurred.
- 151 If any document or information has been sent or supplied by electronic means in accordance with Article 47 to any member at his or her address specified for the purpose or deemed to be so specified and the Company becomes aware of a failure

in delivery (and subsequent attempts to send or supply such document or information by electronic means also results in a failure of delivery), the Company shall either:-

- i) send or supply a hard copy of such document or information to such member; or
 - ii) notify such member of the presence of the document or information on the website, the address of the website, the place on the website where it may be accessed, and how to access the document or information.
- 152 If at any time by reason of the suspension or curtailment of postal services within the United Kingdom the Company is unable effectively to convene a general meeting by notices sent through the post, a general meeting may be convened by a notice advertised on the same date in at least one leading Scottish newspaper and one national daily newspaper published in the United Kingdom with appropriate circulation and such notice shall be deemed to have been duly served on all members entitled thereto at noon on the day when the advertisement appears. In any such case the Company shall send confirmatory copies of the notice by post if at least seven days prior to the meeting the posting of notices to addresses throughout the United Kingdom again becomes practicable.
- 153 If on three or more consecutive occasions notices have been sent through the post to any member at its registered address or his address for the service of notices but have been returned undelivered, or if, after any one occasion, the Directors or any committee authorised by the Directors on their behalf are of the opinion, after the making of all reasonable enquiries, that any further notices to such member would, if sent as aforesaid, likewise be returned undelivered, such member shall not thereafter be entitled to receive notices from the Company until he shall have communicated with the Company in respect of his shares and supplied in writing to the Office a new registered address or address within the United Kingdom for the service of notices.
- 154 Any notice required to be given by the Company to the members or any of them and not expressly provided for by or pursuant to these Articles shall be sufficiently given if given by advertisement inserted once in at least one leading Scottish and one leading London daily newspaper.
- 155 Nothing in any of the preceding Articles shall affect any requirements of the Statutes that any particular offer, notice or other document be served in any particular manner.

WINDING UP

- 156 The Directors shall have power in the name and on behalf of the Company to present a petition to the court for the Company to be wound up.
- 157 If the Company shall be wound up (whether the liquidation is voluntary, under supervision or by the court) the surplus assets available for distribution, after payment of all creditors, shall, subject to the Statutes and except as otherwise provided by these Articles or the rights attached to shares, be distributed to holders of Ordinary Shares in proportion to the amounts paid up at the commencement of the winding-up on such shares and the holders of Warrants in accordance with Article 159.
- 158 Subject to Article 157, if the Company is wound up (whether the liquidation is voluntary, under supervision or by the court) the liquidator may, with the sanction of

an extraordinary resolution and any other sanction required by the Statutes, divide among the members in specie the whole or any part of the assets of the Company, whether or not the assets shall consist of one kind or shall consist of different kinds, and may, for the purpose, value any assets and determine how the division shall be carried out as between the members or different classes of members. The liquidator may, with the like sanction, vest the whole or any part of the assets in trustees upon such trusts for the benefit of the members as he may with the like sanction determine, but no member shall be compelled to accept any assets upon which there is a liability.

- 159 Where an order is made or an effective resolution is passed for winding-up the Company (except for the purposes of reconstruction, amalgamation or unitisation on terms sanctioned by an extraordinary resolution of the holders of Warrants) each holder of a Warrant will (if in such winding-up and on the basis that all Warrants then unexercised could have been and had been exercised in full and the subscription monies therefor had been received in full by the Company there would be a surplus available for distribution amongst the holders of the Ordinary Shares which, on such basis, would exceed in respect of each Ordinary Share a sum equal to the subscription price for such Ordinary Share upon exercise of the Warrant) be treated as if immediately before the date of such order or resolution his subscription rights under the Warrant (and those of all other holders of Warrants) had been exercisable and had been exercised in full on the terms on which the same could have been exercised on the last preceding subscription date (subject to adjustment under the terms of the Warrants) and the holder of a Warrant shall accordingly be entitled to receive out of the assets available in the liquidation *pari passu* with the holders of the Ordinary Shares such a sum as he would have received had he exercised his subscription rights in full and become the holder of the Ordinary Shares to which he would have become entitled by virtue of such subscription after deducting a sum per Ordinary Share equal to the subscription price; subject to the foregoing all subscription rights shall lapse on liquidation of the Company.

INDEMNITY

- 160 Subject to the provisions of and so far as may be consistent with the Statutes, but without prejudice to any indemnity to which a Director may otherwise be entitled, every Director or other officer or employee or auditor of the Company shall be entitled to be indemnified by the Company out of its own funds and assets against all costs, charges, losses or expenditure incurred by him in the actual or purported execution and/or discharge of his duties and/or the exercise or purported exercise of his powers and/or otherwise in relation to or in connection with his duties, powers or office including (without prejudice to the generality of the foregoing) any liability incurred in defending any proceedings, whether civil or criminal, which relate to anything done or omitted to be done or alleged to have been done or omitted to be done by him as a Director or an officer or auditor or employee of the Company and in which decree or judgement is given in his favour or in which he is acquitted or which are otherwise disposed of without any finding or admission of guilt or breach of duty on his part, or incurred in connection with any application in which relief is granted to him by the court from liability in respect of any such act or omission or from liability to pay any amount in respect of shares acquired by a nominee of the Company.