

Company Number: 3084447

The Companies Act 1985 and 1989

A Private Company Limited by Shares

WRITTEN RESOLUTION

Of

INTREPID ENERGY NORTH SEA LIMITED
(the "Company")

passed 3/ December 2002

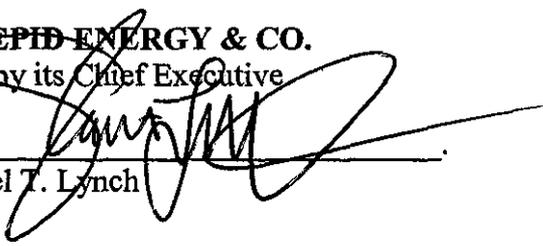
In accordance with Article 30 of the Articles of Association of the Company, we, the undersigned, being all the members of the Company who would, at the date of this resolution be entitled to receive notice, attend and vote at general meetings of the Company HEREBY PASS, the following resolution as a Special Resolution of the Company.

Special Resolution

That Article 5 of the Articles of Association be amended by deleting it and replacing it with the article in the form of the Attachment.

SIGNED by

INTREPID ENERGY & CO.
acting by its Chief Executive

x


Michael T. Lynch



THE ATTACHMENT

CAPITAL

“ 5. SHARE CAPITAL

The authorised share capital of the Company as at the date of the adoption of these Articles is the aggregate of £10,000 divided into 10,000 ordinary shares of £1.00 each (in these Articles referred to as the “Ordinary Shares”) and US\$3,000,000 divided into 300,000 participating preferred shares of US\$10 each (in these Articles referred to as the “Participating Preferred Shares”).

The respective rights attaching to the Participating Preferred Shares and the Ordinary Shares shall be as follows:

5.1 Income

5.1.1 The holders of the Participating Preferred Shares as a class shall be entitled to receive from time to time upon determination by the Directors (whose decision shall be final), a cash dividend (hereinafter in these Articles referred to as the “Participating Preferred Dividend”) equal to the aggregate of all amounts determined by the Directors to be Distributable Reserves that shall be paid as a dividend subject to the Company having sufficient distributable reserves, and subject to withholding of any advance corporation or other applicable taxes;

5.1.2 No dividend shall be declared or paid to the holders of Ordinary Shares.

5.1.3 Every dividend shall be distributed to the shareholders of the appropriate class of shares *pro rata* according to the amounts paid up or credited as paid up on the shares held by them respectively and shall accrue on a daily basis.

5.1.4 Unless the Company has insufficient profits available for distribution and the Company is thereby prohibited from paying dividends by the Act the Participating Preferred Dividend shall be paid immediately on the due date and if not then paid shall be a debt due by the Company.

5.2 On a return of assets on liquidation or capital reorganisation or otherwise, the assets of the Company remaining after the payment of its liabilities shall be applied as follows:

5.2.1 First, in payment to the holders of the Ordinary Shares in aggregate the sum of £1,000;

5.2.2 Second, in paying to the holders of the Participating Preferred Shares the balance of such assets in proportion to the amounts paid up on or credited as paid up (excluding any premium) on the Participating Preferred Shares held by them respectively.

5.3 Redemption

Subject to the provisions of the Act and of these Articles the Participating Preferred Shares shall not be redeemable except after (a) the sale or other realisation of substantially all the assets of the Company other than amounts held in reserves for future obligations of the Company, (b) distribution of the proceeds to the holders of the Participating Preferred Shares and (c) the vote of a majority of the Participating Preferred Shares to have such Shares redeemed by the Company. Upon the satisfaction of the conditions described in clauses (a), (b) and (c) of the preceding sentence, the Company shall redeem the Participating Preferred Shares at a price agreed between the Directors and the holders of a majority of the Participating Preferred Shares, with the consent of the majority of the holders of the Ordinary Shares.

5.4 Voting

5.4.1 Each holder of Participating Preferred Shares shall have the right to receive notice of, and attend, all general meetings of the Company but shall have no right to vote thereat either in person or by proxy by virtue or in respect of his holding of Participating Preferred Shares other than:

- (i) before the occurrence of an Event of Termination, only with respect to the rights attaching to the Participating Preferred Shares pursuant to Article 6; and
- (ii) after the occurrence of an Event of Termination, after which occurrence the holders of Participating Preferred Shares shall be entitled to full voting rights with respect to all matters on a share by share basis equivalent to Ordinary Shares.

5.4.2 Each holder of Ordinary Shares shall have the right to receive notice of, and attend, all general meetings of the Company and shall have the right to vote thereat either in person or by proxy by virtue or in respect of his holding of Ordinary Shares provided that the holders of the Ordinary Shares shall not have the right to vote on any other matter where only the holders of Participating Preferred Shares are entitled to vote under these Articles. ”

SIGNED by

INTREPID ENERGY LIMITED
acting by

Director

Name (Printed)

Andrew J Paxton

Director/Secretary

AO PAXTON

Name (Printed)

SIGNED by

INTREPID ENERGY LIMITED

acting by

F. T. Nadir
Director

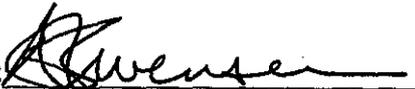
FAIZ T. NADIR
Name (Printed)

Director/Secretary

Name (Printed)

SIGNED by

YALE UNIVERSITY
230 Prospect Street
New Haven, Connecticut 06511
U.S.A.

By: 
Name: David F. Swensen
Title: Chief Investment Officer

[Signature Page to Special Resolution]

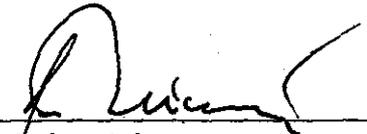
SIGNED by

TRUSTEES OF DARTMOUTH COLLEGE
Dartmouth College Investment Office
7 Lebanon Street
Suite 305
Hanover, New Hampshire 03755
U.S.A.

By: Daniel T. Lynch
Name: Daniel T. Lynch
Title: Senior Investment Officer

SIGNED by

FIELD VENTURE PARTNERS
551 Fifth Avenue
Suite 1916
New York, New York 10176
U.S.A.

By: 

Name: John Pirovano

Title: General Partner


Robert Ziebarth, General Partner

SIGNED by

THE TRUSTEES OF THE CHEYNE WALK TRUST
1325 Airmotive Way, Suite 262
Reno, Nevada 89502
U.S.A.

By: 
Name: Jan D. Moehl
Title: Chief Operating Officer

[Signature Page to Special Resolution]

SIGNED by

THE TRUSTEES OF THE RONALD FAMILY TRUST B
1325 Airmotive Way, Suite 262
Reno, Nevada 89502
U.S.A.

By: Jan D. Moehl
Name: Jan D. Moehl
Title: Chief Operating Officer

[Signature Page to Special Resolution]

SIGNED by

TULLY M. FRIEDMAN, AS TRUSTEE OF
THE TULLY M. FRIEDMAN REVOCABLE TRUST UAD 1-3-80
One Maritime Plaza, Suite 1200
San Francisco, California 94111
U.S.A.

By: 
Name: Tully M. Friedman
Title: Trustee

SIGNED by

POMONA COLLEGE
550 N. College Avenue
Claremont, California 91711-6328
U.S.A.

By: Carlene Miller
Name: Carlene Miller
Title: Vice President + Treasurer

SIGNED by

POMPLEMOUSSE, L.P.
9 West 57th Street, 44th Floor
New York, New York 10019
U.S.A.

By: 
Name: Jean Hoysradt
Title: Managing Director of Mousse Partners Limited,
Attorney-in-fact for each of the partners of
Pomplemousse

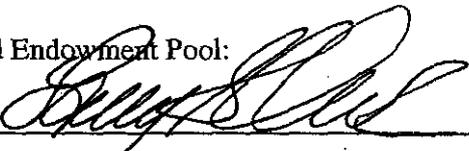
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SIGNED by

THE BOARD OF TRUSTEES OF
THE LELAND STANFORD JUNIOR UNIVERSITY

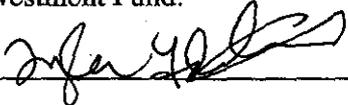
By: The Stanford Management Company
2770 Sand Hill Road
Menlo Park, CA 94025
U.S.A.

Merged Endowment Pool:

By: 

Name: Larry S. Owen
Title: Managing Director,
Real Estate & Natural Resources

Petroleum Investment Fund:

By: 

Name: Tyler Edelstein
Title: Managing Director,
Separate Investments

SIGNED by

THE COMMONWEALTH FUND
One East 75th Street
New York, New York 10021-2692
U.S.A.

By:

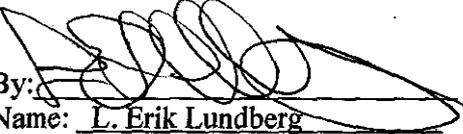

Name: John E. Craig, Jr

Title: Executive Vice President + Treasurer

SIGNED by

THE REGENTS OF THE
UNIVERSITY OF MICHIGAN
Investment Office
7024 Wolverine Tower
3003 S. State Street
Ann Arbor, Michigan 48109-2209
U.S.A.

By:


Name: L. Erik Lundberg

Title: Chief Investment Officer

50

SIGNED by

VALMORA PARTNERS, L.P.
300 Crescent Court
Suite 900
Dallas, Texas 75201
U.S.A.

By: James C. Crain
Name: JAMES C. CRAIN
Title: General Partner

SIGNED by

THE UNIVERSITY OF NOTRE DAME
DU LAC
322 Main Building
Notre Dame, Indiana 46556
U.S.A.

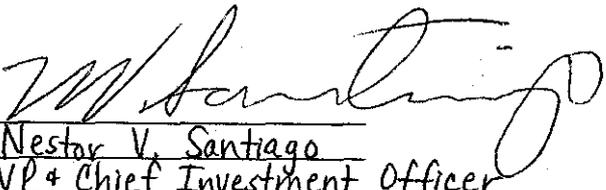
By: Carol C. Kaesebier
Name: Carol C. Kaesebier
Title: Vice President and General Counsel

By: Scott C. Malpass
Scott C. Malpass
Vice President for Finance
Title: and Chief Investment Officer

SIGNED by

HOWARD HUGHES MEDICAL INSTITUTE
4000 Jones Bridge Road
Chevy Chase, Maryland 20815-6789
U.S.A.

By:

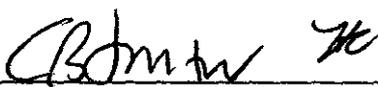

Name: Nestor V. Santiago

Title: VP & Chief Investment Officer

SIGNED by

ENDOWMENT ENERGY PARTNERS III, L.P.
c/o Commonfund Capital, Inc.
15 Old Danbury Road
P.O. Box 812
Wilton, Connecticut 06897-0812
U.S.A.

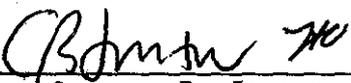
By: Fairfield Partners Management LLC, its general partner

By: 
Name: Gregory B. Jansen
Title: Managing Director

SIGNED by

ENDOWMENT ENERGY PARTNERS IV, L.P.
c/o Commonfund Capital, Inc.
15 Old Danbury Road
P.O. Box 812
Wilton, Connecticut 06897-0812
U.S.A.

By: Fairfield Partners Management LLC, its general partner

By: 
Name: Gregory B. Jansen
Title: Managing Director

SIGNED by

NORTHWESTERN UNIVERSITY
633 Clark Street
Evanston, Illinois 60208-1122
U.S.A.

By:



Name: William H. McLenn

Title: Vice President & Chief Investment Officer

[Signature Page to Special Resolution]

THE COMPANIES ACT 1985 (AS AMENDED)

PRIVATE COMPANY LIMITED BY SHARES

NEW

**ARTICLES OF ASSOCIATION
OF
INTREPID ENERGY NORTH SEA LIMITED**

**(Adopted by Special Resolution passed on 9 October 1996 and amended by
Special Resolution passed on 31 December 2002)**

PRELIMINARY

1. NON-APPLICATION OF STATUTORY REGULATIONS

The regulations contained in Table A in the Schedule to The Companies (Tables A to F) Regulations and in any Table A applicable to the Company under any former or subsequent enactment relating to companies shall not apply to the Company except insofar as they are repeated or contained in these Articles.

2. DEFINITIONS

In these Articles (if not inconsistent with the subject or context):

Act means the Companies Act 1985 as amended by the Companies Act 1989;

Acquisition Costs shall have the meaning given to such term in the Management Agreement;

Additions means such amounts designated by the Management Company in any period as Restricted Funds, Reserved Amounts, Unrestricted Amounts or Released Reserves which at the beginning of such period did not constitute a portion of Restricted Funds, Reserved Amounts, Unrestricted Amounts or Released Reserves, respectively;

Affiliate means in relation to any member, any entity directly or indirectly controlling, controlled by or under common control with that member;

Articles means these Articles of Association as from time to time amended;

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

Capital Expenditures shall have the meaning given to such term in the Management Agreement;

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

Company means Intrepid Energy North Sea Limited or such other name by which the Company may for the time being be registered in accordance with the Statutes;

Directors means the directors of the Company or (as the context may require) those of such directors present at a duly convened meeting of the directors of the Company at which a quorum is present;

Distributable Reserves means the Company's accumulated, realised profits so far as not previously utilised by distribution or capitalisation, less its accumulated, realised losses, so far as not previously written off in a reduction or re-organisation of capital duly made;

ERISA means the US Employee Retirement Income Security Act of 1974, as amended;

ERISA Shareholders means any member that is an "employee benefit plan" within the meaning of Section 3(3) of ERISA, a "plan" within the meaning of Section 4975(e)(I) of the US Internal Revenue Code of 1986, as amended, or a "benefit plan investor" within the meaning of Section 2510.3 - 101 of Title 29 of the US Code of Federal Regulations;

Event of Termination shall have the meaning given to such term in the Management Agreement;

Gross Cash Receipts means the revenues received by the Company from the sale of oil, gas and other mineral production from Properties, revenues or proceeds from Property Related Activities, revenues or proceeds from the sale of any Properties or other cash receipts, revenues or proceeds of the Company, including without limitation (a) proceeds from Senior Indebtedness or refinancing Senior Indebtedness, any sale of the Company's Properties, or some other monetisation of the value of any material portion of its assets and (b) amounts reasonably determined by the Manager to be Unrestricted Amounts or Released Reserves (as such terms are defined in the Management Agreement);

group means group as defined in Section 53 of the Act;

holder or **member**, in relation to shares, means the member whose name is entered in the Register of Members as the holder of shares;

Initial Closing Date means the date of the issuance of first Participating Preferred Shares by the Company;

Investment Company Act means the US Investment Company Act of 1940, as amended;

Loan Note Instrument means the loan note instrument of the Company dated as of October 11, 1996 (or to be dated within 7 days of said date) pursuant to which the Company shall issue the Subordinated Notes;

Management Agreement means the management agreement entered into between the Company and the Management Company dated as of October 11, 1996 (or to be dated within 7 days of said date) or upon termination of such agreement, any subsequent agreement relating substantially to the same subject matter;

Management Company means Intrepid Energy & Co, a Scottish partnership having its principal place of business at The Studio, 49 Causton Street, London SW1P 4AT or on assignment or termination of the Management Agreement, any permitted successor to the Management Company who is duly appointed as manager of the Company;

Management Fees shall have the meaning given to such term in the Management Agreement;

month means calendar month;

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

Ordinary Shares shall have the meaning set out therefor in Article 5;

paid includes credited as paid;

Participating Preferred Shares shall have the meaning set out therefor in Article 5;

Permitted Transfer means (a) a Transfer of Units by a member to an Affiliate of such member, (b) a Transfer of Units by a member that is acting in the capacity as the trustee of a trust to any successor trustee or beneficiary of such trust or a person wholly-owned by such beneficiary of such trust, (c) a Transfer of Units by a member to a liquidating or voting trust established such member or its Affiliate to hold such Units in connection with the liquidation and dissolution of such member, provided that such liquidating or voting trust is controlled by the same person that controlled such member, or (d) a Transfer of Units to the Company or one or more of the members;

Plan Asset Regulations means the US Department of Labor Regulations Section 2510.3-101;

Properties means any interests in oil and gas reserves, their associated infrastructures and related assets owned by the Company;

Property Related Activities shall have the meaning given to such term in the Management Agreement;

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

Reserved Amounts means for capital expenditures and other reserves reasonably established by the Management Company or by the Directors of the Company in order to discharge foreseeable costs and expenses of the Company, including, without limitation, such reserves as are necessary to comply with all environmental laws, ordinances, rules and regulations;

Restricted Funds shall have the meaning given to such term in the Management Agreement;

Seal means the common seal of the Company;

Secretary includes a deputy or assistant secretary, and any person appointed by the Directors to perform the duties of the Secretary and where two or more persons are appointed to act as joint secretaries shall include any one of those persons;

Securities Seal means an official seal kept by the Company by virtue of Section 40 of the Act;

Senior Indebtedness means (i) all obligations of the Company from time to time outstanding under any agreements entered into for borrowed money (whether or not the recourse of the lender is to the whole of the assets of such person or only to a portion thereof) whether fixed or (in the case of letters of credit to the extent they have not been drawn upon) contingent or whether for principal, interest, reimbursement for letters of credit, fees, indemnities, costs, expenses, or otherwise, and (ii) any other indebtedness of the Company, whether outstanding on the date of the Loan Note Instrument or thereafter created, incurred, assumed, guaranteed or in effect guaranteed by the Company (including, in the case of the obligations referred to in Clause (i) above, interest accruing after the Company is deemed, within the meaning of Section 123 of the Insolvency Act 1985, unable to pay its debts or the value of its assets fails to be less than the amount of its liabilities) unless, in the case of any particular indebtedness, the instrument creating or evidencing the same or the assumption or guarantee thereof expressly provides that such indebtedness shall not be senior in right of payment to the Subordinated Notes or that such indebtedness is subordinate in right of payment to the Notes; provided, however, Senior indebtedness shall not include (a) in the case of each Subordinated Note, the other Subordinated Notes, (b) indebtedness of the Company to a subsidiary, (c) indebtedness to the Management Company or to any affiliate of the Management Company; or (d) amounts, owing by the Company in respect of the Participating Preferred Shares;

Statutes means the Act and every other Act for the time being in force and affecting the Company;

Subordinated Notes means the 12% subordinated notes issued by the Company pursuant to the Loan Note Instrument;

subsidiary means subsidiary as defined in Section 736 of the Act;

subsidiary undertaking means subsidiary undertaking as defined in Section 258 of the Act and, for the avoidance of doubt, shall be deemed to include a subsidiary;

Takedown Period shall have the meaning given to such term in the Management Agreement;

Transfer means a sale, assignment, transfer, exchange, mortgage, pledge, grant of a security interest, or other disposition (including by operation of law), or the acts thereof;

Transfer Office means the place where the Register of Members is situated for the time being;

transmission event means death, bankruptcy or any other event giving rise to the transmission of a person's entitlement to a share by operation of law;

undertaking means undertaking as defined in Section 259 of the Act;

United Kingdom means the United Kingdom of Great Britain and Northern Ireland;

Units means units comprised of Subordinated Notes in an aggregate principal amount of US\$9,900,000 and 10,000 Participating Preferred Shares;

US means the United States of America;

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

year means calendar year.

3. INTERPRETATION

In these Articles:

3.1. the expression "member present in person" shall be deemed to include the presence of a proxy of a member or an authorised representative of a corporate member and cognate expressions shall be construed accordingly;

3.2. any reference to days of notice shall be construed as meaning clear days;

3.3. any reference to a meeting shall not be taken as requiring more than one person to be present in person if any quorum requirement can be satisfied by one person;

3.4. words importing the masculine gender only shall include the feminine and neuter genders;

3.5. words importing the singular number only shall include the plural and vice versa;

3.6. any reference to a person shall be construed as including a reference to an undertaking;

3.7. reference to any statute or statutory provision shall (if not inconsistent with the subject or context) include any statutory modification or re-enactment thereof for the time being in force;

3.8. save as aforesaid, any words or expressions defined in the Act shall (if not inconsistent with the subject or context) bear the same meaning in these Articles; and

3.9. where for any purpose an ordinary resolution of the Company is expressed to be required under the provisions of these Articles, a special or extraordinary resolution shall also be effective; and where an extraordinary resolution is so expressed to be required, a special resolution shall also be effective.

BUSINESS

4. BUSINESS ACTIVITIES

Any activity or kind of business which the Company is either expressly or by implication authorised to undertake may be undertaken by the Directors at such time or times as they shall think fit, and further may be suffered by them to be in abeyance, whether such activity or kind of activity or kind of business may have been actual commenced or not, so long as the Directors may deem it expedient not to commence or proceed with the same.

CAPITAL

5. SHARE CAPITAL

The authorised share capital of the Company as at the date of the adoption of these Articles is the aggregate of £10,000 divided into 10,000 ordinary shares of £1.00 each (in these Articles referred to as the "Ordinary Shares") and US\$3,000,000 divided into 300,000 participating preferred shares of US\$10 each (in these Articles referred to as the "Participating Preferred Shares").

The respective rights attaching to the Participating Preferred Shares and the Ordinary Shares shall be as follows:

5.1. Income

5.1.1. The holders of the Participating Preferred Shares as a class shall be entitled to receive from time to time upon determination by the Directors (whose decision shall be final), a cash dividend (hereinafter in these Articles referred to as the "Participating Preferred Dividend") equal to the aggregate of all amounts determined by the Directors to be Distributable Reserves that shall be paid as a dividend subject to the

Company having sufficient distributable reserves, and subject to withholding of any advance corporation or other applicable taxes;

5.1.2. No dividend shall be declared or paid to the holders of Ordinary Shares.

5.1.3. Every dividend shall be distributed to the shareholders of the appropriate class of shares pro rata according to the amounts paid up or credited as paid up on the shares held by them respectively and shall accrue on a daily basis.

5.1.4. Unless the Company has insufficient profits available for distribution and the Company is thereby prohibited from paying dividends by the Act the Participating Preferred Dividend shall be paid immediately on the due date and if not then paid shall be a debt due by the Company.

5.2. On a return of assets on liquidation or capital reorganisation or otherwise, the assets of the Company remaining after the payment of its liabilities shall be applied as follows:

5.2.1. First, in payment to the holders of the Ordinary Shares in aggregate the sum of £1,000;

5.2.2. Second, in paying to the holders of the Participating Preferred Shares the balance of such assets in proportion to the amounts paid up on or credited as paid up (excluding any premium) on the Participating Preferred Shares held by them respectively.

5.3. **Redemption**

Subject to the provisions of the Act and of these Articles the Participating Preferred Shares shall not be redeemable except after (a) the sale or other realisation of substantially all the assets of the Company other than amounts held in reserves for future obligations of the Company, (b) distribution of the proceeds to the holders of the Participating Preferred Shares and (c) the vote of a majority of the Participating Preferred Shares to have such Shares redeemed by the Company. Upon the satisfaction of the conditions described in clauses (a), (b) and (c) of the preceding sentence, the Company shall redeem the Participating Preferred Shares at a price agreed between the Directors and the holders of a majority of the Participating Preferred Shares, with the consent of the majority of the holders of the Ordinary Shares.

5.4. **Voting**

5.4.1. Each holder of Participating Preferred Shares shall have the right to receive notice of, and attend, all general meetings of the Company but shall have no right to vote thereat either in person or by proxy by virtue or in respect of his holding of Participating Preferred

Shares other than:

5.4.1.1 before the occurrence of an Event of Termination, only with respect to the rights attaching to the Participating Preferred Shares pursuant to Article 6; and

5.4.1.2 after the occurrence of an Event of Termination, after which occurrence the holders of Participating Preferred Shares shall be entitled to full voting rights with respect to all matters on a share by share basis equivalent to Ordinary Shares.

5.4.2. Each holder of Ordinary Shares shall have the right to receive notice of, and attend, all general meetings of the Company and shall have the right to vote thereat either in person or by proxy by virtue or in respect of his holding of Ordinary Shares provided that the holders of the Ordinary Shares shall not have the right to vote on any other matter where only the holders of Participating Preferred Shares are entitled to vote under these Articles. ”

VARIATION OF CLASS RIGHTS

6.

6.1. METHOD OF VARYING CLASS RIGHTS

Whenever the share capital of the Company is divided into different classes of shares, the rights attached to any class may, subject to the provisions of the Statutes and unless otherwise expressly provided by the rights attached to the shares of that class, be modified, varied or abrogated either with the consent in writing of the holders of not less than three-fourths in nominal value of the issued shares of the class or with the sanction of an extraordinary resolution passed at a separate general meeting of the holders of the shares of the class (but not otherwise) and may be so modified, varied or abrogated either whilst the Company is a going concern or during or in contemplation of a winding up. To every such separate general meeting all the provisions of the Statutes and of these Articles relating to general meetings of the Company and to the proceedings thereat shall, so far as applicable, *mutatis mutandis* apply, except that the necessary quorum shall be two persons together holding or representing by proxy at least one-third in nominal amount of the issued shares of the class (but so that, if at any adjourned meeting a quorum as above defined is not present, any holder of shares of the class present in person or by proxy shall be a quorum), that any holder of shares of the class present in person or by proxy may demand a poll and that every other such holder shall on a poll have one vote for every share of the class held by him. The provisions of this Article 6 shall apply to the modification, variation or abrogation of the rights attached to some only of the shares of any class as if the shares concerned and the remaining shares of such class formed separate classes.

6.2. Without limitation of Article 6.1, the class rights attaching to the Participating Preferred Shares shall be deemed to be varied by (and the requirements of Article 6.1 shall be deemed to apply) to:

- (i) any amendment to the Memorandum and Articles of Association of the Company;
- (ii) the increase or alteration of the issued or authorised share capital other than the issue of fully Participating Preferred Shares ranking *pari passu* with existing Participating Preferred Shares up to a maximum aggregated number of issued Participating Preferred Shares of 300,000; and
- (iii) the purchase or redemption by the Company of its own shares or redemption by the Company of its share capital other than pursuant to and in compliance with Article 5.3 above.

ALTERATION OF CAPITAL

7. INCREASE IN CAPITAL

Subject to Articles 6.1 and 6.2, the Company may from time to time by ordinary resolution increase its capital by such sum, to be divided into shares of such amounts, as the resolution shall prescribe.

8. NEW SHARES

All new shares shall be subject to the provisions of the Statutes and of these Articles with reference to allotment, payment of calls, forfeiture, lien, transfer, transmission and otherwise.

9. ALTERATIONS PERMITTED BY ORDINARY RESOLUTION

Subject to Articles 6.1 and 6.2, the Company may by ordinary resolution:

9.1. sub-divide its existing shares, or any of them, into shares of smaller amount than is fixed by the Memorandum of Association (subject, nevertheless, to the provisions of the Statutes) provided that:

9.1.1. in the sub-division, the proportion between the amount paid and the amount, if any, unpaid on each share resulting from the sub-division shall be the same as it was in the case of the share from which the shares resulting from the sub-division are derived; and

9.1.2. the resolution whereby any share is sub-divided may determine that, as between the holders of the shares resulting from such sub-

division, one or more of the shares may, as compared with the others, have any such preferred, deferred or other special rights, or be subject to any such restrictions, as the Company has power to attach to unissued or new shares;

9.1.3. cancel any shares which, at the date of passing of the resolution, have not been taken, or agreed to be taken, by any person and diminish the amount of its capital by the amount of the shares so cancelled.

10. POWER TO REDUCE CAPITAL

Subject to the provisions of the Statutes and to any rights attaching to any shares, the Company may by special resolution reduce its share capital or any capital redemption reserve, share premium account or other undistributable reserve in any manner.

SHARES

11. ALLOTMENT

Subject to the provisions of the Statutes relating to authority, pre-emption, rights and otherwise, of any resolution of the Company in general meeting passed pursuant thereto, of these Articles and of any variation or deemed variation of the class rights of the holders of Participating Preferred Shares, all unissued shares in the Company (whether forming part of the original or any increased capital) shall be at the disposal of the Directors who may allot (with or without conferring a right of renunciation), grant options over, offer or otherwise deal with or dispose of them to such persons, at such times and on such terms and conditions as they may determine.

12. COMMISSIONS

In addition to all other powers of paying commissions, the Company may exercise the powers of paying commissions conferred by the Statutes to the full extent thereby permitted. Such commissions may be satisfied by the payment of cash or 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.

13. RENUNCIATION

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,

14.

14.1. Interests not recognised

Except as required by law or these Articles, the Company shall not be bound by or compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or (except only as otherwise provided by these Articles or by law) any other right in respect of any share, except an absolute right to the entirety thereof in the holder or, in the case of a share warrant, in the bearer of the warrant for the time being.

14.2. Trusts may be recognised

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 holders of such shares as if they were the absolute owners thereof. For the purpose of this Article 14.2, "trust" includes any right in respect of any shares of the Company other than an absolute right thereto in the holder thereof for the time being or such other rights in the case of transmission thereof as are mentioned in these Articles.

CERTIFICATES

15. MEMBERS' RIGHTS TO CERTIFICATES

Every person whose name is entered as a member in the Register of Members shall be entitled without payment to a certificate therefor:

15.1. in the case of issue, within one month (or such longer period as the terms of issue shall provide) after allotment:

15.1.1. in the case of a transfer of fully paid shares, within two months after lodgement of a transfer; or

15.1.2. in the case of a transfer of partly paid shares, within two months after lodgement of a transfer; or (upon payment of such reasonable charges (if any) for every certificate after the first as the Directors shall from time to time determine) to several certificates, each for one or more of his shares of any one class provided that the Company shall not be bound to register more than four persons as the joint holders of a share held jointly by several persons and the Company shall not be bound to issue more than one certificate for each class of share so held and delivery of a certificate to one of such persons shall be deemed sufficient delivery to all.

16. DELIVERY OF CERTIFICATE TO BROKER OR AGENT

Delivery of a certificate for shares to a broker or agent acting in regard to the purchase

or transfer of shares to which it relates shall be sufficient delivery to the purchaser or transferee, as the case may be.

17. TRANSFER OF A PART

Where a member transfers only some of the shares comprised in a share certificate, the old certificate shall be cancelled and a new certificate for the balance of such shares issued in lieu without charge.

18. CANCELLATION AND REPLACEMENT OF CERTIFICATES

Any two or more certificates representing shares of any one class held by any member may, at his request, be cancelled and a single new certificate for all such shares issued in lieu upon payment of such reasonable charge (if any) as the Directors may from time to time determine.

18.1. If any member shall surrender for cancellation a share certificate representing shares held by him and request the Company to issue in lieu two or more share certificates representing such shares in such proportions as he may specify, the Directors may, if they think fit, comply with such request upon payment of such reasonable charge (if any) as the Directors may from time to time determine.

18.2. If a share certificate is damaged, defaced, worn out or alleged to have been lost, stolen or destroyed, it may be replaced by a new certificate on request subject to (in the case of damage, defacement or wearing out) delivery up of the certificate or (if alleged to have been lost, stolen 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, theft 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, theft or destruction and the preparation of the requisite form of indemnity as aforesaid.

18.3. In the case of shares held jointly by several persons any such request as is referred to in this Article 18 may be made by any one of the joint holders.

TRANSFER OF SHARES

19. TRANSFER OF PARTICIPATING PREFERRED SHARES

19.1. Subject to Article 19.2 a holder of Participating Preferred Shares may transfer its Participating Preferred Shares without restriction provided they are transferred only as Units with any outstanding Subordinated Notes issued with such Participating Preferred Shares.

19.2. The Units of a member shall be transferable, in whole or in part, subject to the following:

19.2.1. Except for a Permitted Transfer, a member may not make any transfer of its Units prior to the expiration of the Takedown Period, without having received the prior consent of the holder of 75% of the Ordinary Shares, such consent not to be unreasonably withheld.

19.2.2. Without the prior consent of the holder of 75% of the Ordinary Shares, a member may not transfer its Units (other than to the Company or another member) by means of one or more transfers which:

19.2.2.1 results in the original Units of such member being held by more than three persons;

19.2.2.2 results in Units being held by an ERISA Shareholder which were not theretofore held by an ERISA Shareholder;

19.2.2.3 results in only one member or its Affiliates owning 75% or more of the Participating Preferred Shares; or

19.2.2.4 results in an increase in the aggregate number of beneficial owners (as defined in Section 3(c)(1) of the US Investment Company Act) of interests in the Company to more than 100 persons for purposes of the US Investment Company Act.

19.2.3. No transfer shall be effective, and the Company shall not be required to recognise any transfer of Units until each of the following has occurred:

19.2.3.1 the transferor shall have notified the Company of any transfer of Units;

19.2.3.2 the transferee executes and delivers such instrument, in form and substance reasonably satisfactory to the Company, as is necessary or desirable to effect such transfer and to confirm the agreement of the transferee to be bound by all of the terms and provisions of any agreement (in addition to these Articles) to which inter alios both the Company and the members are parties;

19.2.3.3 the transferee delivers to the Company an acceptable written representation that (a) such transfer has not violated the US Securities Act of 1933, as amended, any applicable English or other United Kingdom securities laws, or any applicable US blue sky laws (including any investor suitability standards), and (b) such transferee has acquired the Units for the transferee's own investment portfolio and account (and not on behalf of, and without the participation of, any

other person) with the intent of holding the Units for investment and without the intent of participating, directly or indirectly, in a distribution of the Company's securities and not with a view to, or for resale in connection with, any distribution of the Units or any portion thereof:

19.2.3.4 the transferor delivers to the Company a certificate and agreement acceptable to the Company that the transferor will pay all appropriate capital gains and similar taxes imposed by the United Kingdom on the transfer of such Units;

19.2.3.5 the Company is provided with such information regarding the transferee and such transfer (including the name, address and taxpayer identification number of the transferor and transferee and the date of the transfer) as is reasonably requested by the Company;

19.2.3.6 the instrument conveying the Units has been delivered to the Company for registration in the books of the Company;

19.2.3.7 the holder and the proposed transferee deliver to the Company duly executed stock transfer forms, together with the relevant share and loan note certificates properly endorsed;

19.2.3.8 the holder and transferor agree to execute and deliver any other documents which the Company deems necessary or appropriate to effect the transfer; and

19.2.3.9 the transferee bears all expenses and costs relating to the transfer.

19.3. Transfer of Ordinary Shares

The Ordinary Shares shall not be transferable except:

19.3.1. to the Management Company; or

19.3.2. to such transferee as may be agreed in writing by the holders of 75% of the Participating Preferred Shares.

20. FORM AND EXECUTION OF TRANSFERS

All transfers of shares shall be effected by an instrument in writing in any usual or common form, or in any other form acceptable to the Directors. The instrument of transfer shall be executed by, or on behalf of, the transferor and (except in the case of fully paid shares) 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.

21. SUSPENSION OF REGISTRATION

The registration of transfers may be suspended and the Register of Members closed, at such times and for such period as the Directors may from time to time determine and either generally or in respect of any class of shares, provided that the Register of Members shall not be closed for more than thirty days in any year and notice of such closing shall be given by advertisement in accordance with the Statutes.

22. NOTICE OF REFUSAL TO REGISTER

The Directors may decline to register any transfer of a share on which the Company has a lien. If the Directors refuse to register a transfer pursuant to any provision of these Articles 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.

23. REQUIREMENTS FOR REGISTRATION OF TRANSFER

The Directors may, in their absolute discretion and without assigning any reason therefor, decline to register a transfer of any share unless the relevant instrument of transfer:

23.1. is in respect of only one class of share; and

23.2. is duly stamped, or adjudged or certified as not chargeable to stamp duty, and is deposited at the Transfer Office, or at such other place as the Directors may from time to time determine, accompanied by the relevant share certificate(s) 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); and

23.3. is in favour of not more than four transferees jointly.

In the case of a transfer by a recognised clearing house or a nominee of a recognised clearing house or of a recognised investment exchange, the lodgement of share certificates will only be necessary if, and to the extent that, certificates have been issued in respect of the shares in question.

24. RETENTION OF TRANSFERS

All instruments of transfer which are registered may be retained by the Company, but any instrument of transfer which the Directors refuse to register shall (except in the case where fraud or any other crime involving dishonesty is suspected in relation to such transfer) be returned to the person lodging it when notice of refusal is given.

25. NO FEE PAYABLE FOR REGISTRATION OF TRANSFERS

No fee will be charged by the Company in respect of the registration of any instrument of transfer, confirmation, probate, letters of administration, certificate of marriage or death, power of attorney or other document relating to or affecting the title to any shares or otherwise for making any entry in the Register of Members affecting the title to any shares.

26. RENUNCIATIONS RECOGNISED AND NEW TRANSFER PROCEDURES

Nothing in these Articles shall preclude the Directors:

26.1. from recognising a renunciation of the allotment of any share by the allottee in favour of some other person; or

26.2. if empowered by these Articles to authorise any person to execute an instrument of transfer of a share, from authorising any person to transfer that share.

DESTRUCTION OF DOCUMENTS

27.

27.1. Permitted times for destruction

The Company shall be entitled to destroy:

27.1.1. all share certificates which have been cancelled at any time after the expiration of one year from the date of such cancellation;

27.1.2. all notifications of change of name and address and all dividend mandates which have been cancelled or have ceased to have effect at any time after the expiration of two years from the date of recording of such notification or, as the case may be, the date of such cancellation or cessation;

27.1.3. all instruments of transfer of shares which have been registered at any time after the expiration of six years from the date of registration thereof; and

27.1.4. any other documents on the basis of which any entry in the Register of Members has been made at any time after the expiration of six years from the date of the first entry in the Register of Members in respect thereof.

27.2. Presumptions as to validity

It shall conclusively be presumed in favour of the Company that (1) 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; (2) that every instrument of transfer so destroyed was a valid and effective instrument duly and properly registered; (3) every share certificate so destroyed was a valid and effective document duly and properly cancelled; and (4) 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:

27.2.1. the provisions aforesaid shall apply only to the destruction of a document in good faith and without express notice of any claim (regardless of the parties thereto) to which the document might be relevant;

27.2.2. nothing herein contained shall be construed as imposing upon the Company any liability in respect of the destruction of any such document earlier than as aforesaid, or in any other circumstances, which would not attach to the Company in the absence of this Article 27;

27.2.3. references in this Article 27 to the destruction of any document include references to the disposal thereof in any manner; and

27.2.4. references in this Article 27 to an instrument of transfer shall be deemed to include references to any document constituting the renunciation of an allotment of any shares in the Company by the allottee in favour of some other person.

TRANSMISSION OF SHARES

28.

28.1. Transmission

In case of the death of a member, the survivors or survivor where the deceased was a joint holder, and the executors or administrators of the deceased where he was a sole or only surviving holder, shall be the only persons recognised by the Company as having any title to his interest in the shares, but nothing in this Article 28 shall release the estate of a deceased holder (whether sole or joint) from any liability in respect of any share solely or jointly held by him.

28.2. Registration on death, bankruptcy, etc.

Subject to the provisions of Article 28.1, any person becoming entitled to a share in consequence of a transmission event may (subject as hereinafter provided), upon giving to the Company such evidence as the Directors may reasonably require to show his title to the share, (1) be registered as holder of the share in a representative capacity or (2) be registered himself as holder of the share or (3) transfer such share to some other person. The Directors shall, in any case, have the same right to decline or

suspend registration as they would have had in the case of a transfer of the share by that member before the occurrence of the transmission event.

28.3. Election for registration

The intimation to the Company, by or on behalf of any person becoming entitled to a share in accordance with Article 28.2 of the evidence therein required, shall be deemed to be a request by such person to be registered as the holder of the share in a representative capacity unless such person shall otherwise elect as aftermentioned, provided always that such registration shall not impose any personal liability upon such person in respect of the share. If the person so becoming entitled shall elect to be registered himself, he shall deliver or send to the Company a notice in writing in a form reasonably acceptable to the Directors signed by him stating that he so elects and, if he shall elect to have another person registered, he shall testify his election by executing to that person a transfer of the share. All the limitations, restrictions and provisions of these Articles relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the transmission event as aforesaid had not occurred and the notice or transfer were a transfer signed by that member. The Directors may at any time give notice requiring a person becoming entitled to a share on a transmission event 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.

28.4. Rights of persons entitled by transmission

Save as otherwise provided by or in accordance with these Articles, a person becoming entitled to a registered share in consequence of a transmission event (upon supplying to the Company such evidence as the Directors may reasonably require to show his title to the share) shall be entitled to the same dividends and other advantages as those to which he would be entitled if he were the registered holder of the share, but he shall not be entitled (except with the approval of the Directors) to receive notices of or to attend or vote at meetings of the Company, or (save as aforesaid) to any of the rights or privileges of a member, unless and until he shall have become a member in respect of the share.

UNTRACED SHAREHOLDERS

29.

29.1. Power to dispose of shares of untraced shareholders

The Company shall be entitled to sell, in such manner and for such price as the Directors think fit, any share held by a member or any shares to which a person is entitled in consequence of a transmission event if and provided that:

29.1.1. for a period of twelve (12) years before the giving of notice pursuant to subparagraph 29.1.3 below, no cheque or warrant for

amounts payable in respect of the share, sent and payable in a matter 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;

29.1.2. during that period at least three cash dividends (whether interim or final) in respect of the share have become payable and no dividend in respect of the share has been claimed;

29.1.3. the Company has, after the expiration of that period, by advertisement in both a leading national daily newspaper and in a newspaper circulating in the area in which the last known address of the member or the address at which service of notices may be effected in the manner authorised by these Articles is located, given notice of its intention to make such sale; and

29.1.4. the Company has not, during the further period of three months after the date (or, if they are published on different dates, the last date) of such advertisement and prior to the sale of the share, received any communication in respect of the share from the member or person concerned.

29.2. Power to dispose of additional shares

The Company shall also be entitled to sell, in the manner provided for in this Article 29, any share ("additional share") issued during the said period or periods of 12 years and 3 months in right of any share to which Article 29.1 applies or in right of any share issued during either of such periods, provided that the requirements of sub-paragraphs 29.1.1 (but modified to exclude the words "for a period of 12 years before the giving of notice pursuant to sub-paragraph 29.1.3 below"), 29.1.3 (but modified to exclude the words "after the expiration of that period") and 29.1.4 of Article 29.1 are satisfied in respect of such additional share.

29.3. Sale procedure and application of proceeds

To give effect to any such sale, the Directors may appoint any person to execute, as transferor, an instrument of transfer of the said shares, and such instrument of transfer shall be as effective as if it had been executed by the registered holder of, or person entitled in consequence of a transmission event to, such shares and the title of the transferee shall not be affected by any irregularity or invalidity in the proceedings relating to the said transfer. The Company shall be indebted to the former member or other person previously entitled to the said shares for an amount equal to the net proceeds of sale and shall enter the name of such former member or other person in the books of the Company as a creditor for such amount which shall be a permanent debt of the Company. No trust shall be created in respect of the debt, no interest shall be payable in respect of the same and the Company shall not be required to account for any money earned on the net proceeds of sale. The net proceeds of sale may be employed in the business of the Company or invested in such investments (other than

shares of the Company or its holding company, if any) as the Directors may from time to time think fit.

WRITTEN RESOLUTIONS OF THE COMPANY

30. WRITTEN RESOLUTIONS OF THE COMPANY

Subject to the provisions of the Statutes, a resolution in writing signed by all the members for the time being entitled to receive notice of and to attend and vote at general or class meetings (or, being corporations, by their duly authorised representatives) shall be as valid and effectual as if the same had been passed at a general or class meeting of the Company duly convened and held and may consist of one or more documents in like form each signed by one or more members (or, being corporations, by their duly authorised representatives), as the case may be.

GENERAL AND CLASS MEETINGS

31. TYPES OF GENERAL MEETINGS

An annual general meeting shall be held once in every year, at such time (within a period of not more than fifteen months after the holding of the last preceding annual general meeting) and place as may be determined by the Directors. All other general meetings shall be called extraordinary general meetings.

32. EXTRAORDINARY GENERAL MEETINGS

The Directors may whenever they think fit, and shall on requisition in accordance with the Statutes, proceed to convene an extraordinary general meeting in accordance with the Statutes.

33. SEPARATE CLASS MEETINGS

33.1. All the provisions of the Statutes and of these Articles relating to general meetings of the Company and to the proceedings thereat shall mutatis mutandis apply to any separate meeting of the holders of shares of any class held otherwise than pursuant to Article 6. For the purposes of any such separate class meeting, an extraordinary resolution is a resolution duly passed by a majority consisting of not less than three-fourths of the votes given upon the resolution at such meeting of which notice specifying the intention to propose the resolution as an extraordinary resolution shall have been duly given.

33.2. a separate meeting of the holders of the Participating Preferred Shares shall be held once in every year, at such time and place as may be determined by the Directors.

NOTICE OF GENERAL MEETINGS

34. PERIOD OF NOTICE

An annual general meeting and any extraordinary general meeting at which it is proposed to pass a special resolution or (save as provided by the Statutes) a resolution of which special notice has been given to the Company, shall be called by not less than twenty one clear days' notice in writing and any other general meeting shall be called by not less than fourteen clear days' notice in writing. The notice shall be given in the manner hereinafter mentioned to the Auditors and to all members other than such as are not under the provisions of these Articles entitled to receive such notices from the Company and to every other person who, by virtue of the Statutes or these Articles, is entitled to receive such notices from the Company, provided that a general meeting, notwithstanding that it has been called by shorter notice than that specified above, shall be deemed to have been duly called (and the business thereat duly transacted) if it is so agreed:

34.1. in the case of an annual general meeting, by all the members entitled to attend and vote thereat; and

34.2. in the case of any other general meeting, by a majority in number of the members having a right to attend and vote thereat, being a majority together holding not less than 95 per cent in nominal value of the shares giving that right; and

Provided also that the accidental omission to give notice to, or the non-receipt of notice by any person entitled thereto, shall not invalidate the proceedings at any general meeting.

35. CONTENTS OF NOTICE

35.1. Every notice calling a general meeting shall specify the place and the day and hour of the meeting, and there shall appear with reasonable prominence in every such notice a statement that a member entitled to attend and vote is entitled to appoint one or more proxies to attend and, on a poll, vote instead of him and that a proxy need not be a member of the Company.

35.2. In the case of an annual general meeting, the notice shall also specify the meeting as such.

35.3. In cases where instruments of proxy are sent out with notices, the accidental omission to send such instruments of proxy to, or the non-receipt if such instruments of proxy by, any person entitled to receive notice shall not invalidate the proceedings at any general meeting.

35.4. 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 an extraordinary resolution or as a special resolution, the notice shall contain a statement to that effect.

36. ROUTINE BUSINESS

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

36.1. sanctioning or declaring dividends;

36.2. receiving and/or adopting the accounts, the reports of the Directors and Auditors and other documents required to be annexed to the accounts;

36.3. appointing or re-appointing the retiring Auditors (unless they were last appointed otherwise than by the Company in general meeting);

36.4. fixing the remuneration of the Auditors or determining the manner in which such remuneration is to be fixed; and

36.5. appointing or re-appointing Directors to fill vacancies.

37. NOTICE OF RESOLUTIONS

The Directors shall, on the requisition of members in accordance with the provisions of the Statutes, but subject as therein provided:

37.1. give the members entitled to receive notice of the next annual general meeting notice of any resolution which may properly be moved and is intended to be moved at that meeting; and

37.2. circulate to the members entitled to have notice of any general meeting any statement of not more than one thousand words with respect to the matter referred to in any proposed resolution or the business to be dealt with at that meeting.

PROCEEDINGS AT GENERAL MEETINGS

38. QUORUM

No business, other than the appointment of a chairman of the meeting, shall be transacted at any general meeting unless a quorum is present at the time when the meeting proceeds to business. Save as otherwise provided in these Articles and in the case of meetings of holders of Ordinary Shares, two persons entitled to vote upon the business to be transacted, each being a member, the proxy of a member or a duly authorised representative of a corporation which is a member shall be a quorum. In the case of meetings of holders of Ordinary Shares, one person entitled to vote upon the business to be transacted, being the member, the proxy of a member or duly authorised representative of a corporation which is a member shall be a quorum.

39. IF QUORUM NOT PRESENT

If within fifteen minutes from the time appointed for a general meeting (or such longer time not exceeding one hour as the chairman of the meeting may determine to wait) a quorum is not present, the meeting, if convened on the requisition of members, shall be dissolved. In any other case, the meeting shall stand adjourned to the same day in the next week (or, if that day is a holiday, the next business day thereafter), at the same time and place, or to such other day and at such other time and place as the Directors may determine, and if at such adjourned meeting a quorum is not present within fifteen minutes from the time appointed for holding the meeting, the members present or by proxy and entitled to vote at such meeting shall be a quorum.

40. CHAIRMAN

The chairman of the Directors, failing whom the deputy chairman (if any), failing whom the vice chairman (if any) shall preside as chairman at a general meeting. If there be no such chairman or deputy chairman or vice-chairman, or if at any meeting none of them be present within fifteen minutes after the time appointed for holding the meeting and willing to act, the Directors present shall choose one of their number (or, if no Director is present or if all the Directors present decline to take the chair, the members present shall choose one of their number) to be chairman of the meeting.

41. ATTENDANCE OF DIRECTORS

A Director shall be entitled to receive notice of, and to attend and speak at, any general meeting or class meeting, notwithstanding that he is not a member of the

Company.

42. ADJOURNMENTS

The chairman of the meeting may with the consent of any general 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. In addition, the chairman of the meeting may at any time without the consent of the meeting adjourn the meeting to another time or place if it appears to him that:

42.1. the number of persons wishing to attend cannot be conveniently accommodated in the place(s) appointed for the meeting; or

42.2. the unruly conduct of persons attending the meeting prevents or is likely to prevent the orderly continuation of its business; or

42.3. an adjournment is otherwise necessary so that the business of the meeting may be properly conducted.

No business shall be transacted at any adjourned meeting except business which might lawfully have been transacted at the meeting from which the adjournment took place.

43. TIME AND PLACE OF ADJOURNED MEETINGS

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 thirty days or more, or sine die, notice of the adjourned meeting shall be given in like manner as in the case of an original meeting. Save as aforesaid, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

44. AMENDMENTS TO RESOLUTIONS

If an amendment shall be proposed to any resolution under consideration, but shall in good faith be ruled out of order by the chairman of the meeting, the proceedings on the resolution shall not be invalidated by any error in such ruling. In the case of a resolution duly proposed as a special or extraordinary resolution no amendment thereto (other than an amendment to correct a patent error) may in any event be considered or voted upon. In the case of a resolution duly proposed as an ordinary resolution, no amendment thereto (other than an amendment to correct a patent error) may be considered or voted upon unless, at least forty-eight hours prior to the time appointed for holding the meeting or adjourned meeting at which such resolution is to be proposed, notice in writing of the terms of the amendment and intention to move the same has been lodged at the office.

45. METHODS OF VOTING

At any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (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) demanded by either:

45.1. the chairman of the meeting; or

45.2. not less than two persons present in person or by proxy and having the right to vote at the meeting; or

45.3. 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

45.4. a member or members present in person or by proxy holding shares in the Company conferring a right to vote at the meeting, being shares 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.

46. DECLARATION OF RESULT AND CONDUCT OF POLL

A demand for a poll may be withdrawn at any time before the conclusion of the meeting or the taking of the poll, whichever is the earlier. If a demand for a poll is withdrawn, the result of a show of hands declared before the demand was made shall remain valid. 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 not carried by a particular majority, or lost and an entry to that effect in the minute book of the Company shall be conclusive evidence of that fact without proof of the number or proportion of the votes recorded for or against such resolution. If a poll is duly demanded (and the demand is not withdrawn), it shall be taken in such manner (including the use of ballot or voting papers or tickets) as the chairman of the meeting may direct, and the result of a poll shall be deemed to be the resolution of the meeting at which the poll was demanded. The chairman of the meeting may (and if so directed by the meeting shall) appoint scrutineers and may adjourn the meeting to some place and time fixed by him for the purpose of declaring the result of the poll.

47. CHAIRMAN'S CASTING VOTE

In the case of an equality of votes, whether on a show of hands or on a poll, the chairman of the meeting at which the show of hands takes place or at which the poll is demanded shall be entitled to a casting vote in addition to the votes to which he may be entitled as a member or as a proxy or authorised representative of a member.

48. WHEN POLL TO BE TAKEN

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 immediately or at such subsequent time (being not more than fourteen (14) days after the date of the meeting at which the poll was demanded) and place as the chairman may direct. Unless the chairman otherwise directs, no notice need be given of a poll

not taken immediately.

49. CONTINUANCE OF MEETING

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 has been demanded.

VOTES OF MEMBERS

50. RIGHT TO VOTE

Subject to any special rights or restrictions as to voting attached by or in accordance with these Articles to any class of shares and to the provisions of these Articles, on a show of hands every member present in person (but excluding for this purpose, the proxy of a member) and entitled to vote shall have one vote, and on a poll every member present in person or by proxy and entitled to vote shall have one vote for every share held by him.

51. VOTES OF JOINT HOLDERS

In the case of joint holders of a share, 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 for this purpose seniority shall be determined by the order in which the names stand in the Register of Members in respect of the joint holding.

52. MEMBER UNDER INCAPACITY

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 for the protection or management of the affairs of persons incapable of managing their own affairs, may vote, whether on a show of hands or on a poll, by his committee, receiver or other person in the nature of a committee, receiver or other person appointed by such court, and any such committee, receiver or other person may, on a poll, vote by proxy, provided that such evidence as the Directors may require of the authority of the person claiming to vote shall have been deposited at the Transfer Office, or at such other place (if any) as is specified for the delivery of instruments of proxy in accordance with these Articles, not less than forty eight hours before the time appointed for holding the meeting or adjourned meeting or (in the case if a poll taken otherwise than at or on the same day as, the meeting or adjourned meeting) for the taking of the poll at which it is desired to vote.

53. CALLS IN ARREARS

No member shall, unless the Directors otherwise determine, be entitled in respect of shares held by him to attend or vote at a general meeting of the Company either personally or by proxy or (if the member is a corporation) by authorised representative, to exercise any other right conferred by membership in relation to

general meetings of the Company if any call or other sum presently payable by him to the Company in respect of shares in the Company remains unpaid.

54. SUPPLEMENTARY PROVISIONS ON VOTING

On a poll votes may be given either personally or by proxy or (if the member is a corporation) by authorised representative and a person entitled to more than one vote need not use all his votes or cast all the votes he uses in the same way.

PROXIES

55. PROXY NEED NOT BE A MEMBER

A proxy need not be a member of the Company and a member may appoint more than one proxy to attend on the same occasion provided that he may appoint only one proxy in respect of the same shares.

56. APPOINTMENT AND FORM OF PROXY

An instrument appointing a proxy shall be in writing in any usual or common form, or in any other form which the Directors may prescribe or accept, and shall be executed by, or on behalf of the appointor. A corporation may execute a proxy under its common seal and/or the hand of a duly authorised officer or person. The Directors may, but shall not be bound to, require evidence of the authority of any person executing an instrument appointing a proxy on behalf of the appointor. The signature on such instrument need not be witnessed. An instrument appointing a proxy shall be deemed to include the right to demand or join in demanding a poll 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.

57. DELIVERY OF FORM OF PROXY

An instrument appointing a proxy (together with any evidence of authority required by the Directors pursuant to Article 56 must be delivered to such place or one of such places (if any) as may be specified for that purpose in or by way of note to or in any documents accompanying the notice convening the meeting or any notice of any adjournment (or, if no place is specified, to the Transfer Office) not less than forty eight hours before the time appointed for the holding of the meeting or adjourned meeting or, in the case of a poll taken otherwise than at, or on the same day as, the meeting or adjourned meeting, not less than twenty four hours before the time appointed for the taking of the poll at which it is to be used, and in default shall not be treated as valid, provided that 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 meetings to which it relates. Delivery of an instrument appointing a proxy shall not preclude a member from attending and voting in person at the meeting or in the poll concerned.

58. VALIDITY OF FORMS OF PROXY

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. When two or more valid but differing instruments appointing a proxy are received in respect of the same share for use at the same meeting, the one which is last received (regardless of its date or of the date of its execution) shall be treated as replacing and revoking the other or others as regards that share and, if the Company is unable to determine which was last received, the one which was last executed shall be treated as replacing and revoking the other or others as regards that share, and, if the Company is unable to determine which was last executed, none of them shall be treated as valid in respect of that share.

59. REVOCATION OF PROXY ETC.

A vote cast or poll demanded by proxy or by the duly authorised representative of a corporation shall not be invalidated by the revocation of the authority of the person voting or demanding a poll (such revocation being deemed to include revocation of the proxy or of the authority under which the proxy was executed or the death or insanity of the appointing member) or transfer of the shares in respect of which the vote is given or poll is demanded unless notice in writing of the revocation or transfer shall have been received by the Company at the Transfer Office or such other place (if any) as is specified for the delivery of instruments of proxy in accordance with these Articles at least forty eight hours before the commencement of the meeting or adjourned meeting or (in the case of a poll taken otherwise than at, or within forty eight hours of, the meeting or adjourned meeting) the time appointed for the taking of the poll at which the vote is cast.

INCORPORATED MEMBERS ACTING BY REPRESENTATIVES

60. AUTHORITY OF REPRESENTATIVES

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 or persons 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. A person so authorised shall be entitled to exercise the same powers on behalf of the grantor of the authority (in respect of that part of the grantor's holding to which his authorisation relates, in the case of an authorisation of more than one person) as the grantor could exercise if it were an individual member of the Company, and the grantor 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 60, the expression "corporation" shall include a company whether incorporated in the United Kingdom or overseas.

DIRECTORS

61. LIMITS ON NUMBER OF DIRECTORS

Unless and until otherwise determined by the Company by extraordinary resolution, the number of Directors (other than alternate Directors) shall be at least one but shall not be subject to any maximum number.

62. DIRECTOR NEED NOT BE MEMBER

A Director shall not be required to hold a share qualification.

63. DIRECTORS FEES

Each Director may be paid a fee (which shall be deemed to accrue from day to day), at such rate, and may receive such benefits in kind, as may from time to time be determined by the Directors and in default of such determination within a reasonable period, such fees and benefits shall be divided among the Directors equally. Any fee payable pursuant to this Article 63 shall be distinct from any salary, remuneration or other amounts payable to the Director pursuant to any other provision of these Articles or any contract or arrangement between the Company and the relevant Director.

64. DIRECTORS MAY BE PAID EXPENSES

The Directors may pay or repay to any Director all such proper and reasonable expenses as he may incur in attending and returning from meetings of the Directors or of any committee of the Directors or general meetings or otherwise in relation to the business of the Company.

65. INSURANCE

Without prejudice to the provisions of Article 127 the Directors shall have power to purchase and maintain insurance for, or for the benefit of, any persons who are or were at any time Directors, Officers, employees or auditors of the Company, or of any other undertaking which is (a) the parent undertaking of the Company or (b) a subsidiary undertaking of the Company or of such parent undertaking or (c) otherwise allied to or associated with the Company or any such parent undertaking or subsidiary undertaking or in which the Company or such parent undertaking or subsidiary undertaking has any interest whether directly or indirectly or who are or were at any time trustees of any retirement benefits scheme or employees' share scheme in which employees of the Company or of any such other 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 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 undertaking, retirement benefits scheme or employees' share scheme.

66. DIRECTORS' INTERESTS IN CONTRACTS WITH THE COMPANY

Subject to the provisions of the Statutes and to Article 79, a Director or alternate Director may be a party to, or in any way interested in, any contract or arrangement or transaction to which the Company is a party, or in which the Company is in any way interested, and he may hold and (in addition to any other remuneration provided for by, or pursuant to, any other Article) be remunerated in respect of any office (other than the office of Auditor of the Company or of any subsidiary undertaking of the Company) or employment under the Company or any other undertaking in which the Company is in any way interested, and he (or any firm of which he is a member) may act in a professional capacity for the Company, of any such other undertaking, and be remunerated therefor, and in any such case as aforesaid (unless otherwise agreed), the Director may retain, for his own absolute use and benefit, all remuneration, profits and advantages accruing to him thereunder or in consequence thereof.

66.1. Appointments with other undertakings

Subject to any agreement to the contrary between the Company and the Director, a Director of the Company may be or become a director or other officer of, or otherwise interested in, any undertaking promoted by the Company or in which the Company may be interested, and (unless otherwise agreed) shall not be accountable to the Company or the members for any remuneration, profit or other benefit received by him as a director or officer of, or from his interest in, such other undertaking. The Directors may also cause the voting power conferred by the shares in any other undertaking held or owned by the Company or interest or right in such undertaking to be exercised in such manner in all respects as they think fit, including the exercise thereof in favour of any resolution or decision appointing themselves or any of them to be directors, officers or servants of, or to any other position in, such other undertaking, or voting or providing for the payment of remuneration to the directors, officers or servants of, or any holders of any other position in, such other undertaking.

67.

67.1. Executive office

The Directors from time to time appoint one or more of their number to be the holder of any executive office or make any appointment by them of a Director conditional upon his accepting any executive office (including, where considered appropriate, the office of chairman, deputy chairman or vice-chairman or managing, joint managing, deputy or assistant managing director or chief, deputy chief or assistant chief executive) on such terms, and for such period, as they may (subject to the provisions of the Statutes) determine and, without prejudice to the terms of any contract entered into in any particular case, may at any time revoke any such appointment.

67.2. When termination of appointment automatic

The appointment of any Director to any of the executive offices specifically mentioned in Article 67.1 above shall automatically terminate if he ceases to be a Director, but without prejudice to any claim for damages for breach of any contract of service between him and the Company.

67.3. When termination of appointment not automatic

The appointment of any Director to any other executive office shall not automatically terminate if he ceases for any cause to be a Director, unless the contract or resolution under which he holds or is removed from office shall expressly state otherwise, in which event the termination of his office if he ceases to be a Director shall be without prejudice to any claim for damages for breach of any service contract between him and the Company.

68. DELEGATION OF POWERS

The Directors may entrust to, and confer upon, any Director any of the powers, authorities and discretions (including power to sub-delegate) exercisable by them as Directors upon such terms and conditions and with such restrictions as they think fit, and either collaterally with, or to the exclusion of, their own powers, authorities and discretions and may from time to time revoke, withdraw, alter or vary all or any of such powers, authorities and discretions but no person dealing in good faith and without notice of any such revocation, withdrawal, alteration or variation shall be affected thereby.

**APPOINTMENT, DISQUALIFICATION AND RETIREMENT
OF DIRECTORS**

69. AGE LIMIT

Any provisions of the Statutes which, subject to the provisions of these Articles, would have the effect of rendering any person ineligible for appointment as a Director or liable to vacate office as a Director on account of his having reached any specified age or of requiring special notice or any other special formality in connection with the appointment of any Director over a specified age shall apply to the Company.

70. DISQUALIFICATION OF A DIRECTOR

Without prejudice to the provisions for retirement by rotation or otherwise contained in these Articles, the office of Director shall be vacated in any of the following, events, namely:

70.1. if, pursuant to any provisions of the Statutes, he is removed or prohibited from being a Director;

70.2. if he shall resign by writing under his hand left at the office or if he shall tender his resignation and the Directors shall resolve to accept the same;

70.3. if he shall have a receiving order made against him, become bankrupt, apparently insolvent, execute a trust deed for behalf of his creditors or shall compound with his creditors generally;

70.4. if he shall become of unsound mind or otherwise incapacitated;

70.5. if, without special leave of absence from the Directors, he shall be absent from meetings of the Directors for six consecutive months and his alternate Director (if any) shall not, during such a period, have attended in his stead and the Directors shall resolve that his office be vacated;

70.6. other than any Director appointed by the holders of the Participating Preferred Shares pursuant to Clause 74.2, if he shall be removed from office by notice in writing served upon him signed by all his co-Directors, but so that in the case of a Director holding an executive office which automatically determines on his ceasing to be a Director, such removal shall be deemed an act of the Company and shall have effect without prejudice to any claim for damages in respect of the consequent termination of his executive office; or

70.7. if he is removed from office as provided in Article 73.

71. RESOLUTION

A resolution for the appointment of two or more persons as Directors by a single resolution shall not be moved at any general meeting unless a resolution that it shall be so moved has first been agreed to by the meeting without any vote being given against it and any resolution moved in contravention of this provision shall be void.

72. ELIGIBILITY FOR ELECTION

No person shall, unless recommended by the Directors for election, be eligible for appointment as a Director at any general meeting unless, not less than seven nor more than forty two days before the day appointed for the meetings there shall have been left at the office, addressed to the Secretary, notice in writing signed by same member (other than the person to be proposed) duly qualified to attend and vote at the meeting for which such notice is given of his intention to propose such person for election, and also notice in writing stated by the person to be proposed of his willingness to be appointed. The notice to be lodged by the proposing member shall state the particulars of the nominee which would, if he were appointed, be required to be included in the Company's register of directors maintained by the Company in terms of section 288 of the Act.

73. ADDITIONAL POWERS OF THE COMPANY

The Company may, in accordance with and subject to the provisions of the Statutes, by ordinary resolution of which special notice has been given, remove any Director from office notwithstanding any provision of these Articles or of any contract or agreement between the Company and such Director (but without prejudice to any claim he may have for damages for breach or any such contract or agreement) and by ordinary resolution appoint another person in place of a Director so removed from office, and any person so appointed shall be treated, for the purpose of determining the time at which he or any other Director is to retire by rotation, as if he had become a Director on the day on which the Director in whose place he is appointed was last elected a Director. In default of such appointment, the vacancy arising upon the removal of a Director from office may be filled by the Directors as a casual vacancy.

74.

74.1. Appointment by ordinary resolution or by Directors

The Company may, by ordinary resolution and subject to Article 74.2, appoint any person to be a Director either to fill a casual vacancy or as an additional Director and without prejudice and in addition thereto, the Directors shall have power at any time to appoint any person to be a Director either to fill a casual vacancy or as an additional Director, but so that, in either case, the total number of Directors shall not at any time exceed the maximum number (if any) fixed by, or in accordance with, these Articles. Any person so appointed by the Directors shall hold office only until the next annual general meeting and shall then be eligible for election but shall not be taken into account in determining the number of Directors who are to retire by rotation at such meeting.

74.2. Appointment by holders of Participating Preferred Shares

In the event that:

(a) either (i) the Company becomes insolvent, (ii) a petition for the winding up or liquidation is granted in respect of the Company or (iii) the Company has a resolution passed for its winding up on liquidation (other than pursuant to a consolidation, amalgamation or merger) (each of (i) to (iii) being a Bankruptcy Event); provided that the holders of 75% of Participating Preferred Shares have not previously approved such Bankruptcy Event;

(b) an encumbrancer takes possession or a receiver or trustee or liquidator is appointed over the whole or any substantial part of the assets of the Company or a distress or execution is levied or enforced or sued out against a substantial part of the property of the Company provided that this provision shall not have effect

if a discharge or stay is obtained within 45 days unless (in the case of a stay) the same is vacated;

(c) the holders of more than 50% of the Participating Preferred Shares by written notice to the Company and the Management Company terminate the appointment of the Management Company as manager of the Company under Section 9 of the Management Agreement in accordance with the terms thereof.

the holders of the Participating Preferred Shares shall be entitled by notice of the Company to appoint any number of additional Directors as such holders shall determine.

ALTERNATE DIRECTORS

75.

75.1. Power to appoint alternate Directors

Any Director may at any time by writing under his hand and deposited at the Office or received by the Secretary or delivered at a meeting of the Directors, appoint any person (including another Director) to be his alternate Director, and may, in like manner, at any time terminate such appointment. If such alternate Director is not another Director, such appointment, unless previously approved by a majority of the other Directors, shall have effect only upon and subject to being so approved. An alternate Director shall during his appointment be an officer of the Company and shall not be deemed to be an agent of his appointor. Any of the Directors may appoint the same alternate Director. An alternate Director shall not be taken into account in reckoning the minimum and maximum number of Directors fixed by, or in accordance with, these Articles.

75.2. Termination

The appointment of an alternate Director shall automatically terminate on the happening of any event which, if he were a Director, would cause him to vacate such office or if his appointor ceases to be a Director or if the approval of the Directors to his appointment is withdrawn, provided that if, at any meeting, any Director retires by rotation or otherwise but is re-elected at the same meeting, any appointment made by him pursuant to this Article 75 which was in force immediately before his retirement shall remain in force as though he had not retired. An alternate Director may, by writing under his hand left at the Office or delivered at a meeting of the Directors, resign such appointment.

75.3. Alternate to receive notices

An alternate Director shall (except when absent from the United Kingdom) be entitled, if his appointor so requests, to receive notices of meetings of the Directors to the same extent as the Director appointing him and shall be

entitled to attend and vote as a Director and be counted for the purposes of a quorum at any such meeting at which the Director appointing him is not personally present and, generally, at such meeting to perform all functions, powers and duties of his appointor as a Director and, for the purposes of the proceedings at such meeting, the provisions of these Articles shall apply as if he were a Director. If he shall himself be a Director, or shall attend any such meeting as an alternate for more than one Director, his voting rights shall be cumulative. If his appointor is for the time being absent from the United Kingdom, or temporarily unable to act through ill-health or disability, his signature to any resolution in writing of the Directors shall be as effective as the signature of his appointor. To such extent as the Directors may from time to time determine in relation to any committees formed under Article 84.1, this Article 75.3 shall also apply *mutatis mutandis* to any meeting of any such Committee of which his appointor is a member. An alternate Director shall not (save as aforesaid) have power to act as a Director nor shall he be deemed to be a Director for the purposes of these Articles.

75.4. Alternate may be paid expenses but not remuneration

An alternate Director shall be entitled to contract with and be interested in and benefit from contracts, arrangements or transactions to which the Company is a party and to 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, but he shall not be entitled to receive from the Company any remuneration, except only such proportion (if any) of the remuneration otherwise payable to his appointor as such appointor may by notice in writing to the Company from time to time direct.

PROCEEDINGS OF DIRECTORS

76. MEETINGS OF DIRECTORS

Subject to the provisions of these Articles, the Directors may meet together for the despatch of business, adjourn and otherwise regulate their meetings as they think fit. Questions arising at any meeting shall be determined by a majority of votes. A Director may, and the Secretary on the requisition of a Director shall, at any time summon a meeting of the Directors. Notice of a meeting of the Directors shall be deemed to be duly given to a Director if it is given to him personally or by word of mouth or sent in writing to him at his last known address or any other address given by him to the Company for this purpose. A Director may waive notice of any meeting either prospectively or retrospectively. Without prejudice to the first sentence of this Article 76, a meeting of the Directors, or of a committee of the Directors, may consist of a conference (telephone or otherwise) between Directors who are not all in one place, but of whom each is able to speak to each of the others and to be heard by each of the others simultaneously. A Director taking part in such a conference 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 in the conference is assembled, or, if

there is no such group, where the chairman of the meeting then is. The word "meeting" when referring to a meeting of the Directors, or of a committee of the Directors, in these Articles shall be construed accordingly.

77. AUTHORITY TO VOTE

A Director who is unable to attend any meeting of the Directors and has not appointed an alternate Director may authorise any other Director to vote for him at that meeting, and in that event the Director so authorised shall have a vote for each Director by whom he is so authorised in addition to his own vote provided that he shall only be counted once in the quorum at the meeting. Any such authority must be in writing or by facsimile, cable, telegram or telex which must be produced at the meeting at which the same is to be used and be left with the Secretary for retention.

78. QUORUM

The quorum necessary for the transaction of the business of the Directors may be fixed by the Directors and, unless so fixed at any other number, shall be two. 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.

79. DIRECTORS' INTERESTS

A Director who is in any way, whether directly or indirectly, interested in a contract or proposed contract (or any transaction or arrangement whether or not constituting a contract) with the Company or any subsidiary undertaking of the Company shall declare the nature of his interest in accordance with the provisions of the Statutes. For the purposes of this Article 79:

79.1. 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; and

79.2. 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.

80.

80.1. Directors' powers to vote

Save as herein provided, a Director shall not vote in respect of any contract or arrangement or any other proposal whatsoever in which he has any material interest otherwise than by virtue of his interests in shares or debentures or other securities of or otherwise in or through the Company. A Director shall not be counted in the quorum at a meeting in relation to any resolution on which he is debarred from voting.

80.2. Where interest does not prevent voting

Subject to the provisions of the Statutes, a Director shall (in the absence of some other material interest than is indicated below) be entitled to vote (and be counted in the quorum) in respect of any resolution concerning any of the following matters, namely:

80.2.1. the giving of any guarantee, security or indemnity to him in respect of money lent or obligations incurred by him or by any other person at the request of, or for the benefit of, the Company or any of its subsidiary undertakings;

80.2.2. the giving of any guarantee, security or indemnity to a third party in respect of a debt or obligation of the Company or any of its subsidiary undertakings for which he himself has assumed responsibility in whole or in part under a guarantee or indemnity or by the giving of security;

80.2.3. any proposal concerning the subscription or purchase by him of shares, debentures or other securities of the Company or any of its subsidiary undertakings pursuant to an offer or invitation to members or debenture holders of the Company, or any class of them, or to the public or any section of them;

80.2.4. any proposal concerning an offer of shares or debentures or other securities of or by the Company or any of its subsidiary undertakings for subscription or purchase in which offer he is, or is to be, or may be entitled to participate as a holder of securities or interested as a participant in the underwriting or sub-underwriting of which the Director is to participate

80.2.5. any proposal concerning any other undertaking in which he is interested, directly or indirectly and whether as an officer or shareholder or otherwise howsoever, provided that he (together with persons connected with him within the meaning of section 346 of the Act) is not the holder of or beneficially interested in 1 per cent or more of the issued equity shares of any class of such undertaking (or one of any third undertaking through which his interest is derived) or of the voting rights available to members of the relevant undertaking (any such interest being deemed for the purposes of this Article 80 to be material interest in all circumstances). For the purpose of this sub-paragraph 80.2.5 there shall be disregarded any shares held by a Director as simple trustee under the law of Scotland and of a bare or custodian trustee under the laws of England and Wales and in which he has no beneficial interest and any shares comprised in any authorised unit trust scheme in which the Director is interested only as a unit holder;

80.2.6. the authorising and entering into of the Management Agreement and the consummation of the transactions contemplated therein and, subject to the prior approval of the holders of 75% of the Participating Preferred Shares by extraordinary resolution, the revision, amendment, assignment or replacement of the Management Agreement or the authorising and entering into of any other agreement or arrangements with the Management Company;

80.2.7. any proposal concerning insurance which the Company is empowered to purchase and/or maintain for the benefit of any Directors of the Company or for the benefit of persons who include Directors of the Company, provided that for the purposes of this sub-paragraph 80.2.7, insurance shall mean only insurance against liability incurred by a Director in respect of any act or omission by him referred to in Article 65, or any other insurance which the Company is empowered to purchase and/or maintain for, or for the benefit of, any groups or persons consisting of or including Directors of the Company; and

80.2.8. any proposal concerning any action or transaction of the Company which may result in management fees becoming payable to the Management Company pursuant to the Management Agreement provided that the Director's interest in such management fees is solely as an employee, director, partner or holder of other interest in the Management Company.

80.3. Interests of connected persons and alternates

For the purpose of this Article 80, an interest of a person who is, for the purpose of the Act, connected with (which words shall have the meaning given thereto by section 346 of the Act) a Director shall be treated as an interest of the Director and, in relation to an alternate, an interest of his appointee shall be treated as an interest of the alternate without prejudice to any interest which the alternate has otherwise.

80.4. Consideration of matters involving two or more Directors

Where proposals are under consideration concerning the appointment (including fixing or varying the terms of appointment) of two or more Directors to offices of employment with the Company or any undertaking in which the Company is interested, such proposals may be divided and considered in relation to each Director separately and in such case each of the Directors concerned (if not debarred from voting) shall be entitled to vote (and be counted in the quorum) in respect of each resolution, except that concerning his own appointment.

80.5. Materiality of Directors' interests

If any question shall arise at any meeting as the materiality of a Director's

interest, or as to the entitlement of any Director to vote, and such question is not resolved by his voluntarily agreeing to abstain from voting, such question shall be referred to the chairman of the meeting (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 interests of such Director (or, as the case may be, the chairman) has not been fairly disclosed.

81. POWER OF DIRECTORS IF NUMBER FALLS BELOW MINIMUM

The continuing Directors or a sole continuing Director may act notwithstanding any vacancies in their number, but if, and so long as, the number of Directors is reduced below the number fixed by, or in accordance with, these Articles as the necessary quorum of Directors, the continuing Directors or Director may act for the purposes of filling up such vacancies or of summoning general meetings of the Company, but not for any other purpose. If there are no Directors or Director able or willing to act, then any two members may summon a general meeting for the purpose of appointing Directors.

82. CHAIRMAN

The Directors may elect a chairman (or make any appointment by them of a Director conditional upon his becoming the chairman) and a deputy chairman and a vice-chairman, and determine the period for which each is to hold office. Any chairman or deputy chairman or vice-chairman so elected without any fixed period of office shall, if he be re-elected a Director following retirement at any annual general meeting, continue as chairman or, as the case may be, deputy chairman or vice-chairman, unless the Directors otherwise determine. The chairman or, in his absence, the deputy chairman, or in his absence, the vice-chairman, shall preside at meetings of the Directors, but if no chairman or deputy chairman or vice-chairman shall have been elected, or if at any meeting none of them be present within five minutes after the time appointed for holding the same, the Directors present may choose one of their number to be chairman of the meeting. The powers contained in this Article 82 may be exercised by the Directors to appoint a deputy chairman or vice-chairman in respect of a matter or matters over which the Directors are to preside and in respect of which the chairman is not entitled to vote in accordance with Article 90. Such appointment shall be effective only in respect of the matter or matters concerned.

83. RESOLUTIONS IN WRITING

A resolution in writing, signed by all the Directors for the time being and all the alternate Directors (if any) for the time being (provided that their number is sufficient to constitute a quorum) or by all the members of a committee formed under Article 84.1 for the time being, shall be as valid and effective as a resolution passed at a meeting of the Directors or, as the case may be, of such committee duly convened and held and may consist of several documents in the like form, each signed by one or more of the Directors or alternate Directors or members of the committee concerned.

For the purposes of this Article 83, any signature may be affixed to a facsimile copy of the resolution and any signed resolution shall be valid if the Company receives the original or copy by facsimile.

84.

84.1. Committees of Directors

The Directors may delegate any of their powers, authorities or discretions (including, for the avoidance of doubt, any powers, authorities or discretions to sub-delegate or relating to the remuneration of Directors) to a committee consisting of one or more of the Directors and (if thought fit) one or more other persons co-opted as hereinafter provided. Insofar as any such power or discretion is so delegated, any reference in these Articles to the exercise by the Director of such power or discretion shall be read and construed as if it were a reference to the exercise by such committee. Any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations which may from time to time be imposed by the Directors. Any such regulations may provide for, or authorise, the co-option to the committee of persons other than Directors and for such co-opted members to have voting rights as members of the committee, but so that (a) the number of co-opted members shall be less than one half of the total number of members of the committee and (b) no resolution of the committee shall be effective unless a majority of the members of the committee present at the meeting are Directors or alternate Directors. The Directors may at any time dissolve or revoke any delegation made to any committee established under this Article 84, but no person dealing in good faith and without notice of any such dissolution or revocation shall be affected thereby.

84.2. Proceedings of committees

The meetings and proceedings of any such committee consisting of two or more persons shall be governed by the provisions of these Articles regulating the meetings and proceedings of the Directors so far as the same are applicable and are not superseded by any regulations made by the Directors under Article 84.1 save that the chairman of the meeting shall not have a second or casting vote at any meeting where only two members of such committee are present or at which only two members of such committee are competent to vote on the issue in question.

85. VALIDITY OF PROCEEDINGS

All acts done by any meeting of Directors or of any committee established under Article 84 or by any person acting as a Director (or as an alternate of a Director) shall, as regards all persons dealing in good faith with the Company, notwithstanding that there was some defect in the appointment or continuance in office of any such Director (or his alternate), or member of such committee, or person acting as aforesaid, or that they or any of them were disqualified 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 such committee and had been entitled to vote.

GENERAL POWERS OF DIRECTORS

86. BUSINESS TO BE MANAGED BY THE DIRECTORS

The business and affairs of the Company shall be managed by the Directors who, subject to the provisions of the Statutes, the Memorandum of Association of the Company (the "Memorandum") and these Articles and to any directions given by special resolution, 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 general powers given by this Article 86 shall not be limited, or restricted, by any special authority or power given to the Directors by these Articles or by resolution of the Company and a meeting of the Directors at which a quorum is present may exercise all powers exercisable by the Directors.

87. POWERS OF ATTORNEY

The Directors may, from time to time and at any time, by power of attorney or otherwise, appoint any person or undertaking; whether nominated directly or indirectly by the Directors, to be the attorney or attorneys of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Directors under these Articles) and for such period, and subject to such conditions, as they may think fit, and any such power or attorney may contain such provisions for the protection and convenience of persons dealing with any such attorney as the Directors may think fit, and may also authorise any such attorney to sub-delegate all or any of the powers, authorities and discretions vested in him. The Directors may delegate or any of their powers under this Article 87. The Directors may remove any person or undertaking appointed under this Article 87 and may annul or vary any such sub-delegation or delegation but no person dealing in good faith and without notice of any such removal, annulment or variation shall be affected thereby.

88. OFFICIAL SEAL FOR USE ABROAD

The Company may exercise the powers conferred by the Statutes with regard to having an official seal for use abroad and such powers shall be vested in the Directors.

89. OVERSEAS AND LOCAL REGISTERS

Subject to and to the extent permitted by the Statutes, the Company or the Directors on behalf of the Company, may cause to be kept in any territory outside the United Kingdom a branch register of members resident in such territory, and the Directors may make and vary such regulations as they may think fit in respect of the keeping of any such register.

90. EXECUTION BY THE COMPANY

All cheques, promissory notes, draft, bills of exchange, and other negotiable or transferable instruments, and all receipts for moneys paid to the Company, shall be signed, drawn, accepted, endorsed or otherwise executed, as the case may be, in such manner as the Directors or any duty authorised committee of the Directors shall from time to time determine.

BORROWING POWERS

91. GENERAL POWER TO BORROW

The Directors may exercise all the powers of the Company to borrow money and to mortgage, pledge, charge or grant any security over all or any part of its undertaking, property and assets (present and future) and uncalled capital whether outright or as collateral security for any guarantee, debt, liability or obligation of the Company or of any other third party.

SECRETARY

92. SECRETARY

The Secretary shall be appointed by the Directors on such terms and for such period as they may think fit. Any Secretary so appointed may, at any time, be removed from office by the Directors, 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 secretaries and 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 specially in that behalf by the Directors. Anything by the Statutes or by these Articles required or authorised to be done by or to a Director and the Secretary shall not be satisfied by its being done by or to the same person acting both as a Director and as, or in the place of, the Secretary.

SEALS

93. SEALS

93.1. The Directors shall provide for the safe custody of the Seal and any Securities Seal and neither shall be used without the authority of the Directors or a committee duly authorised by the Directors on their behalf.

93.2. Every deed, contract, document, instrument or other writing to which the Seal shall be affixed shall be subscribed on behalf of the Company by two of the Directors of the Company, or by a Director and the Secretary of the

Company, or by two persons authorised to subscribe such deed, contract, document, instrument or other writing on its behalf.

93.3. The Securities Seal shall be used only sealing securities issued by the Company and documents creating or evidencing securities so issued. Any such securities or documents sealed with the Securities Seal shall not require to be signed.

EXECUTION OF DOCUMENTS

94. EXECUTION OF DOCUMENTS

All deeds, contracts, documents, instruments or other writings not executed under Seal may be signed by a Director or by the Secretary or by some other person appointed by the Directors or by a duly authorised committee for that purpose and that whether or not relating to heritable or real property.

AUTHENTICATION OF DOCUMENTS

95. AUTHENTICATION OF DOCUMENTS

Any Director or the Secretary or any person appointed by the Directors or by a duly authorised committee for the purpose shall have power to authenticate any documents affecting the constitution of the Company, any resolutions passed by the Company or the Directors or any committee of the Directors 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. Where any books, records, documents or accounts are elsewhere than at the Office, the officer, servant or agent 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 or any class of members of the Company or of the Directors or any committee of the Directors 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 such minutes are or such extract is a true and accurate record of proceedings at a duly constituted meeting.

MINUTES AND BOOKS

96. KEEPING OR MINUTES AND BOOKS

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

96.1. of all appointments of officers made by the Directors;

96.2. of the names of the Directors or their alternates and any other persons present at each meeting of Directors and of any committee formed under Article 84; and

96.3. of all resolutions and proceedings at all meetings of the Company and of any class of members of the Company and of the Directors and of committees formed under Article 84.

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.

97. SAFEGUARDING OF MINUTES AND BOOKS

Any register, index, minute book, book of account or other book required by these Articles or 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 authorised by the Statutes. In any cases in which bound books are not used, the Directors shall take adequate precautions for guarding against falsification and for facilitating discovery of falsification.

DIVIDENDS

98. DECLARATION OF DIVIDENDS

The Directors may declare dividends in accordance with the respective rights or the members as set out in these Articles without the sanction of the members, but no dividend shall be payable except out of the profits of the Company available for distribution under the provisions of the Statutes and these Articles. No dividends may be declared or paid otherwise than in accordance with these Articles.

99. INTEREST NOT PAYABLE

No dividend or other moneys payable on or in respect of a share shall bear interest as against the Company, unless otherwise provided by the rights attached to the share.

100. PERMITTED DEDUCTIONS

The Directors may deduct from any dividend or other moneys payable to any member, whether alone or jointly with any other member, on or in respect of a share 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 shares of the Company.

101. RETENTION OF DIVIDENDS

The Directors may retain any dividend or other moneys payable on or in respect of a share on which the Company has a lien, and may apply the same in or towards satisfaction of the debts, liabilities or other obligations in respect of which the lien exists.

102. WAIVER OF DIVIDENDS

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 a transmission event) and delivered to the Company and if, or to the extent that, the same is accepted as such or acted upon by the Company.

103. UNCLAIMED DIVIDENDS

Without prejudice to the operation of Article 104, all dividends or other moneys payable on, or in respect of, a share unclaimed after having been declared may be invested or otherwise made use of by the Directors for the benefit of the company until claimed. 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.

104. FORFEITURE OF UNCLAIMED DIVIDENDS

Any dividend unclaimed after a period of twelve years from the date such dividend became due for payment shall be forfeited and shall revert to the Company.

105. DIVIDENDS IN SPECIE

The Company may, upon the recommendation of the Directors, by ordinary resolution direct payment of a dividend, in whole or in part, by the distribution of specific assets (and in particular of paid-up shares or debentures of any other company) to the member or person entitled thereto in consequence of a transmission event and the Directors shall give effect to such resolution. Where any difficulty arises in regard to such distribution, the Directors may (i) settle the same as they think expedient and, in particular, may issue fractional certificates or may authorise any person to sell and transfer any fractions or disregard fractions altogether, (ii) fix the value for distribution of such specific assets or any part thereof; (iii) determine that cash payments shall be made to any members on the basis of the value so fixed in order to adjust the rights of those entitled to participate in the dividend; and (iv) vest any such specific asset in trustees as may seem expedient to the Directors. When deemed requisite, a proper contract shall be filed in accordance with the Statutes and the Directors may appoint any person to sign such contract on behalf of the persons entitled to such distribution of specific assets.

106. PROCEDURE FOR PAYMENT

Any dividend or other moneys payable in cash on, or in respect of, a share may be paid by cheque or warrant sent through the post to the registered address of the member or person entitled thereto in consequence of a transmission event (or, if two or more persons are registered as joint holders of the share or are entitled thereto in consequence of a transmission event, to any one of such persons), or to such person and such address as such member or person or persons may by writing direct. Every such cheque or warrant shall be made payable to, or to the order of, the person to whom it is sent or to such person as the holder or joint holders or person or persons entitled to the share in consequence of a transmission event may in writing direct. Any such dividend or other moneys may also be paid by any bank or other funds transfer

system as the Directors may consider appropriate and to or through such person as the member or the person entitled thereto in consequence of a transmission event (or, if two or more persons) are registered as joint holders of the share or are entitled thereto in consequence of a transmission event, any one of such persons may in writing direct. Payment of the cheque or warrant by the bank upon whom it is drawn or transfer of the funds by the bank instructed to make the same shall be a good discharge to the Company. Every such cheque or warrant shall be sent and every such transfer of funds shall be made at the risk of the person or persons entitled to the money represented thereby. If on two or more consecutive occasions cheques or warrants in payment of dividends or other moneys payable on, or in respect of, any share have been sent through the post in accordance with the provisions of this Article 106, but have been returned undelivered or left uncashed during the periods for which the, same are valid or if, following one such occasion, reasonable enquiries have failed to establish any new address of the registered holder, the Company need not thereafter despatch further cheques or warrants in payment of dividends or other moneys 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 Transfer Office an address for the purpose.

107. RECEIPTS WHERE JOINT HOLDERS

If two or more persons are registered as joint holders of any share or are entitled jointly to a share in consequence of a transmission event, any one of them may give effectual receipts for any dividend or other moneys payable or property distributable on or in respect of the share.

108. RECORD DATE

Notwithstanding any other provision of these Articles, but without prejudice to the rights of the holders of any shares to receive any dividend on a date or dates fixed by the terms of issue of or the rights attaching to such shares, the Company or the Directors may by resolution specify any date (the "record date") as the date at the close of business on which persons registered as the holders of shares or other securities shall be entitled to receipt of any dividend, distribution, interest, allotment, issue, notice, information, document or circular, and such record date may be on, or at any time before or after the date on which the same is paid or made or (in the case of any dividend, distribution, interest, allotment or issue) at any time before or after the same is recommended, resolved, declared or announced, but without prejudice to the rights *inter se* in respect of the same of transferors and transferees of any such shares or other securities.

RESERVES

109. RESERVES

Subject to Article 5.1, the Directors may, before recommending any dividend, carry to reserve out of the profits of the Company (including any premiums received on the issue of debentures or other securities of the Company) such sums as they think

proper as a reserve or reserves which shall, at the discretion of the Directors, be applicable for any purpose to which the profits of the Company may be properly applied, and pending such application may, at the like discretion, either be employed in the business of the Company or be invested in such investments (other, than shares of the Company or of its holding company, if any) as the Directors may from time to time think fit. The Directors may also without placing the same to reserve carry forward any profit which they think prudent not to dividend.

110.

110.1. CAPITALISATION OF PROFITS AND RESERVES

The Directors may, with the authority of an ordinary resolution of the Company:-

110.1.1. subject as hereinafter provided, resolve to capitalise any undivided profits of the Company not required for paying any preferential dividend (whether or not they are available for distribution) or any sum standing to the credit of any reserve or other fund including the Company's share premium account and capital redemption reserve;

110.1.2. appropriate the sum resolved to be capitalised to the members in proportion to the nominal amounts of the shares (whether or not fully paid) held by them respectively which would entitle them to participate in a distribution of that sum if the shares were fully paid and the sum were then distributable and were distributed by way of dividend and apply such sum on their behalf either in or towards paying up the amounts, if any, for the time being unpaid on any shares held by them respectively, or in paying up in full unissued shares or debentures of the Company of a nominal amount equal to that sum, and allot the shares or debentures credited as fully paid to those members, or as they may direct, in those proportions, or partly in one way and partly in the other, but the share premium account, the capital redemption reserve, and any profits which are not available for distribution may, for the purposes of this Article 110.1, only be applied in paying up unissued shares to be allotted to members credited as fully paid;

110.1.3. resolve that any shares so allotted to any member in respect of a holding by him of any partly paid shares shall, so long as such shares remain partly paid, rank for dividend only to the extent that the latter shares rank for dividend;

110.1.4. make such provision by authorising the sale and transfer to any person of shares or debentures representing fractions to which any members would become entitled or by the issue of fractional certificates (or by ignoring fractions) or by payment in cash or

otherwise as they determine in the case of shares or debentures becoming distributable in fractions;

110.1.5. authorise any person to enter, on behalf of all the members concerned, into an agreement with the Company providing for the allotment to them respectively, credited as fully paid, of any further shares to which they are entitled upon such capitalisation, any agreement made under such authority being binding on all such members; and

110.1.6. generally do all acts and things required to give effect to such resolution as aforesaid.

ACCOUNTS

111. RIGHT TO INSPECT ACCOUNTS

Accounting records sufficient to show and explain the Company's transactions and otherwise complying with the Statutes shall be kept at the Office or, subject to the Statutes, at such other place or places as the Directors think fit and shall always be open to the inspection of the Directors. No member (other than a Director) shall have any right of inspecting any account or book or 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 an ordinary resolution of the Company.

112. PREPARATION AND LAYING OF ACCOUNTS

The Directors shall, from time to time, in compliance with the provisions of the Statutes, cause to be prepared and to be laid before a general meeting of the Company such profit and loss accounts, balance sheets, group accounts (if any) and reports as may be required by the Statutes. In the event of any question arising as to whether any particular items are chargeable either permanently or temporarily to capital or to revenues such question shall be determined by the Directors, whose determination shall be final and binding on all parties.

113. ACCOUNTS TO BE SENT TO MEMBERS

Subject to the provisions of Article 114, a copy of every balance sheet and profit and loss account which is to be laid before a general meeting of the Company (including every document required by law to be attached or annexed thereto) and of the Directors' and Auditors' reports shall, not less than twenty one days before the date of the meeting, be sent to every member of, and every holder of debentures of, the Company and to every other person who is entitled to receive notices of meetings from the Company under the provisions of the Statutes or of these Articles, provided that this Article 113 shall not require a copy of such documents to be sent to more than one of joint holders or to any person who is not entitled to receive notices of meetings and of whose address the Company is not aware. Whenever a listing or quotation on any stock exchange for all or any of the shares or debentures or other securities of the Company shall for the time being be in force, there shall be

forwarded to the appropriate officer of such stock exchange such number of copies of such documents as may for the time being be required under its regulations or practice.

114. SUMMARY FINANCIAL STATEMENTS

The Company need not, subject to the provisions of the Statutes or any regulations made thereunder and if the Directors so decide, send copies of the documents specified in Article 113 to those persons mentioned in Article 113 as being entitled to receive such documents but may instead send them a summary financial statement derived from the Company's annual accounts and the Directors' report in such form and containing such information as may be required by the Statutes or any regulations made thereunder and provided further that copies of the documents specified in Article 113 shall be sent to any such person who wishes to receive them and the Company shall comply with any provisions of the Statutes or any regulations made thereunder as to the manner in which it is to ascertain whether a member wishes to receive them.

AUDITORS

115. VALIDITY OF ACTS OF AUDITOR

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.

116. RIGHTS OF AUDITORS

The Auditors 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 them as Auditors.

NOTICES

117.

117.1. NOTICE IN WRITING

Any notice to be given to or by any person pursuant to these Articles shall be in writing, except that a notice calling a meeting of the Directors or a duly appointed committee of the Directors need not be in writing.

117.2. Method of giving notice to members

Any notice or document (including a share certificate) required or permitted to be sent, made or given by the Company pursuant to these Articles shall be in writing and

shall be considered as properly sent, given or made if given by (i) personal delivery, (ii) expedited delivery service with proof of delivery, (iii) prepaid telegram, telex, or telecopier facsimile (provided that such telegram, telex, or telecopy facsimile is confirmed by expedited delivery service in the manner previously described), sent to the respective addresses of the parties, and shall be deemed to have been given either at the time of personal delivery or telegram, telex or telecopier facsimile or, in the case of delivery service or mail, seventy-two hours after the date of despatch. Any member may change its address by giving notice in writing to the Company of its new address.

117.3. Method of giving notice to the Company

Save as otherwise provided in these Articles, any notice or other document required or permitted to be sent, made or given to the Company pursuant to these Articles shall be in writing and shall be considered as properly sent, given or made if given by (i) personal delivery, (ii) expedited delivery service with proof of delivery, (iii) prepaid telegram, telex, or telecopier facsimile (provided that such telegram, telex, or telecopier facsimile is confirmed by expedited delivery service in the manner previously described), sent to the Office or such other place as the Company shall specify by notice in writing from time to time, and shall be deemed to have been given either at the time of personal delivery, or in the case of delivery service or mail, as of the date of delivery at the address and in the manner provided herein.

117.4. Signature on notices

The signature on any notice required to be given by the Company may be typed or printed or otherwise written.

118. NOTICE TO JOINT HOLDERS

Save as otherwise provided in these Articles, in respect of joint holdings, all notices shall be given to that one of the joint holders whose name stands first in the Register of members and notice so given shall be sufficient notice to all the joint holders in their capacity as such. A joint holder not having supplied an address for the service of notices that shall be disregarded.

119. NOTICE TO PERSONS ENTITLED BY TRANSMISSION

A person entitled to a share in consequence of a transmission event, upon such evidence being produced as may from time to time properly be required by the Directors to show his title to the share and upon supplying an address within the United Kingdom or the US for the service of notices, shall, save as herein otherwise expressly provided, be entitled to have served upon or delivered to him at such address any notice or document to which the member but for the transmission event would be entitled, and such service or delivery shall for all purposes be deemed a sufficient service or delivery of such notice or document on all persons interested (whether jointly with or as claiming through or under him) in the share. Until such address has been supplied, a notice may be given in any manner in which it might have been given if the transmission event had not occurred.

120. UNTRACED MEMBERS

If on three consecutive occasions notices have been sent through the post to any member at his registered address or his address for the service of notices but have been returned undelivered, or if, after any one such 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 Transfer Office a new registered address or address within the United Kingdom or the US For the service of notices.

121. NOTICES DURING DISRUPTION OF POSTAL SERVICES

If at any time, by reason of the suspension or curtailment of postal services within the United Kingdom, the Company is unable effectively to convene a general meeting by notices sent through the post, a general meeting may be convened by a notice advertised in at least one leading national newspaper published on the same date 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 clear days prior to the meeting the posting of notices to addresses throughout the United Kingdom or the US again becomes practicable.

122.

122.1. DEEMED NOTICE

A member present in person or by proxy at any meeting of the Company or of the holders of any class of share shall be deemed to have received notice of the meeting and, where requisite, of the purposes for which it was called.

122.2. Successors in title bound by notice to predecessor

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 this title; but this Article 122.2 shall not apply to a notice given under section 212 of the Act.

123. RECORD DATE FOR SERVICE

Any notice or other document may be served or delivered by the Company by reference to the Register of Members as it stands at any time not more than fifteen days before the date of service or delivery. No change in the Register of members after that time shall invalidate that service or delivery.

124. STATUTORY REQUIREMENTS

Nothing in any of Articles 117 to 123 inclusive shall affect any requirement of the Statutes that any particular offer, notice or other document be served in any particular manner.

WINDING UP

125. LIQUIDATOR MAY DISTRIBUTE IN SPECIE

If the Company shall be wound up (whether the liquidation is voluntary, under supervision or by the Court) the liquidator may, with the authority of an extraordinary resolution and any other sanction required by law, divide among, the members *in specie* the whole, or any part of, the assets of the Company and whether or not the assets shall consist of property of one kind or shall consist of properties of different kinds, and may for such purpose set such value as he deems fair upon any one or more class or classes of property and may determine how such division shall be carried out as between the members or different classes of members.

126. DISPOSAL OF ASSETS TO TRUSTS

The liquidator may, with the like authority referred to in Article 125, vest any part of the assets in trustees upon such trusts for the benefit of members as the liquidator, with the like authority, shall think fit but so that no contributory shall be compelled to accept any shares or other property in respect of which there is a liability or potential liability.

INDEMNITY

127. INDEMNITY

Subject to the provisions of and so far as may be consistent with the Statutes, but without prejudice to any indemnity to which such person may otherwise be entitled, every Director, Auditor, Secretary, other officer or employee of the Company shall be entitled to be indemnified out of the assets of the Company against all costs, charges, losses, expenses and liabilities 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 by him in defending any proceedings, civil or criminal, which relate to anything done or omitted or alleged to have been done or omitted by him as an officer, auditor or employee of the Company and in which decree or judgement is given in his favour (or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on his part) or in which he is acquitted or in connection with any application under any statute for relief from liability in respect of any such act or omission in which relief is granted to him by the Court. Notwithstanding the foregoing neither the Management Company nor any employee thereof which serves as Director, Auditor, officer or employee of the Company shall be entitled to any indemnification under this Article which is in excess of the indemnification permitted under the Management Agreement.