

NEW ARTICLES OF ASSOCIATION

of

CAPITAL GEARING ASSET MANAGEMENT LIMITED

Incorporated on: 21 August 2000

Registered number: 4056163



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CAPITAL GEARING ASSET MANAGEMENT LIMITED

(adopted on 26 January 2001)

1. Interpretation

1.1 Subject as provided in paragraph 1.2 below, the regulations contained in Table A in the schedule to the Companies (Tables A to F) Regulations 1985 (SI 1985 No 805) shall, together with the following regulations, constitute the articles of association of the Company.

1.2 Regulations numbered 73 to 80 (both inclusive) in Table A shall not apply to the Company.

1.3 In these Articles:

1.3.1 headings are used for convenience only and shall not affect the construction hereof;

1.3.2 words and expressions which are defined in Table A shall bear the same meaning where used herein and, unless the context otherwise requires or save as otherwise provided herein, words and expressions contained herein shall bear the same meaning as in the Act (but excluding any statutory modification thereof not in force when these Articles were first adopted by the Company);

1.3.3 in the event of there being any conflict or inconsistency between any provision in Table A which is applicable to the Company and any provision set forth herein the latter shall prevail;

1.3.4 the following words and expressions shall have the following meanings:

the "Act" means the Companies Act 1985 and every statutory modification or re-enactment thereof and statutory instrument relevant thereto or derived therefrom for the time being in force

"Associate" has means the meaning ascribed thereto in article 5.1.3

these "Articles" means these articles of association as amended from time to time

"Controlling Interest" has the meaning ascribed thereto in article 5.1.4

the "Directors" means the directors for the time being of the Company as a body, or a quorum of the Directors present at a meeting of the Directors

"Member" means any holder for the time being of shares in the capital of the Company of whatever class

"Ordinary Shares" means Ordinary Shares of £1 each in the capital of the Company

"Shares" means (unless the context does not so admit) shares in the capital of the Company (of whatever class)

- 1.4 A Special or Extraordinary Resolution shall be effective for any purpose for which an Ordinary Resolution is expressed to be required under any provision of these Articles or the Act.

2. Share capital and share rights

- 2.1 The authorised share capital of the Company at the date of adoption of these Articles is £200,000 divided into 200,000 Ordinary Shares.
- 2.2 Each of the Ordinary Shares shall rank for dividend, return of capital, voting and purposes *pari passu* in all respects.
- 2.3 Subject as provided in article 4.16, the Ordinary Shares shall confer on the holders thereof (in that capacity) the right to receive notice of and to attend, speak and vote at all General Meetings of the Company.

3. Share transfers : general

- 3.1 The Directors may refuse to register the transfer of any Share to a person who is (or whom the Directors reasonably believe to be) under 18 years of age or who does not have (or whom the Directors reasonably believe does not have) the legal capacity freely to dispose of any Share without let, hindrance or court approval.
- 3.2 The Directors shall refuse to register the transfer of any Share, not being such a transfer as is permitted under article 3.4 (a "Permitted Transfer"), purported to be made other than in accordance with or as permitted under article 4.
- 3.3 If, in relation to a transfer of a Share, the transferor thereof is a party to any agreement between the Company and some or all of its Members (being an agreement additional to these Articles) then the Directors may:

- (i) require the transferee of such Share to enter into a written undertaking to be bound (to such extent as the Directors may reasonably stipulate) by the provisions of such agreement; and
- (ii) decline to register the transfer of such Share unless and until the transferee has entered into such written undertaking.

3.4 Subject to articles 3.1 and 3.3 and to article 5.2, a Member may at any time transfer any Share:

- (i) if the Member is a company to any holding or subsidiary company of that Member or to any other subsidiary company of any such Member's holding company; or
- (ii) to a person who is the beneficial owner of such Share or to a different or additional nominee or trustee on behalf of such beneficial owner Provided that such person has not become the beneficial owner thereof in circumstances where a Transfer Notice (as hereinafter defined) should have been but was not given; or
- (iii) if the Member is an individual (subject as provided in article 3.1) to an Associate as defined in article 5.1.3(a) and (b); Provided that (a) in this case the Shares (including the full beneficial ownership and all other interests therein and rights attaching thereto) shall be retransferred within seven days to the transferor if the transferee is not or shall cease to be an Associate of the transferor (as so defined) failing which a Mandatory Transfer Notice shall be deemed to have been served) and (b) in the case of any transfer to a child of less than 18 years of age any such transfer must be to a nominee (being more than 18 years of age) on behalf of such child; or
- (iv) to a Buyer pursuant to the provisions of article 5 provided that pursuant to or prior to or contemporaneously with such transfer the Buyer has duly acquired or will duly acquire a Controlling Interest; or
- (v) with the prior consent in writing of the holders of not less than 80 per cent of the issued Ordinary Shares for the relevant time being.

3.5

4. Share transfers : pre-emption provisions

4.1 Except in the case of a Permitted Transfer, the right to transfer or otherwise dispose of a Share or any interest in or arising from a Share in the Company (an option or other like right to acquire any Share (whether by subscription or otherwise) being deemed to be an interest in a Share for this purpose) shall be subject to the provisions contained in these Articles and any such transfer or other disposal made otherwise than in accordance with such provisions shall be void.

4.2 Before transferring or disposing of any Share or any interest in or arising from any Share or any rights attaching thereto the person proposing to transfer or dispose of the same (a "Proposing Transferor") shall give a notice in writing (a "Transfer Notice") to the Company specifying the Shares, interest and/or rights of which the Proposing Transferor wishes to dispose. Notwithstanding that a Transfer Notice specifies that the Proposing Transferor wishes to dispose only of an interest in or arising from, and/or any right(s) attaching to, the Shares referred to therein, the Transfer Notice shall (regardless of any provisions in the Transfer Notice to the contrary) unconditionally constitute the Company the agent of the Proposing Transferor for the sale of all the legal title to, beneficial ownership of and all interests and rights attaching to the Shares referred to therein (the "Sale Shares") at the Sale Price during the Prescribed Period (as those terms are hereinafter defined) in accordance with the provisions of this Article. A Transfer Notice shall not be revocable except with the consent of the Directors. Except in the case of any Transfer Notice which a Member is bound to give or is deemed to have given pursuant to this Article (a "Mandatory Transfer Notice"), a Transfer Notice may include a condition (a "Total Transfer Condition") that if all the Sale Shares (of whatever class) are not sold to Members and/or such other persons as are referred to in article 4.5 below, then none shall be so sold. If a Total Transfer Condition is included then any offer of Sale Shares shall be made subject to article 4.7 below. Shares of different classes may not be included in the same Transfer Notice (other than a Mandatory Transfer Notice).

4.3 In the case of a Transfer Notice (including a Mandatory Transfer Notice):

4.3.1 if not more than 30 days (or such longer period (if any) as the Directors shall allow for this purpose) after the date on which the Transfer Notice was given or was deemed or required to be given the Proposing Transferor and the Directors shall have agreed a price per Share as representing the fair value of the Sale Shares or as being acceptable to the Proposing Transferor and not more than the fair value thereof then such price shall be the Sale Price (subject to the deduction therefrom of any net dividend or other distribution declared or made after such agreement and prior to the said date) and the Prescribed Period shall commence on the date on which such agreement is reached and shall expire two months thereafter.

4.3.2 failing such agreement, upon the expiry of such 30 day period (or such longer period (if any) as aforesaid) (or the date on which the Company became aware that the same had been deemed or had become required to be given) the Directors shall instruct the Auditors for the time being of the Company to determine and report the sum per Share considered by them to be the fair value of the Sale Shares and the sum per Share so determined and reported shall be the Sale Price and the Prescribed Period shall commence on the date on which the Auditors shall so determine and report and shall expire two months thereafter.

4.4 For the purposes of article 4.3.2, the Auditors shall act as experts and not as arbitrators and their determination shall be final and binding on the Company and all Members. For the purposes of this article, the fair value of Sale Shares shall be the market value thereof as at the date when the relevant Transfer Notice or Mandatory Transfer Notice was given or deemed to have been given as between a willing buyer and a willing seller at arms' length but with no discount being made by reason of such Shares (if such be the case) constituting a minority holding.

4.5 Sale Shares shall be offered in writing by the Company first to the holders for the time being of Ordinary Shares (other than the Proposing Transferor and any Associate of the Proposing Transferor) and next (if and insofar as not accepted following such offer) to such person or persons (if any) as the Directors think fit;

PROVIDED THAT the Company shall not be required to, and shall not, offer any Sale Shares to any person who remains a Member but who has given or been deemed to have given a Transfer Notice on or prior to the date on which any such offer as is referred to above is made.

4.6 Any such offer as is required to be made by the Company pursuant to article 4.5 shall limit a time (not being less than 21 days or more than 30 days) after such offer is made within which it must be accepted or in default will lapse. Following any such offer, if acceptances are received in respect of an aggregate number of Shares in excess of that offered, the number of Sale Shares shall be allocated amongst those who have accepted the same in proportion to the number of Shares of the relevant class held by each acceptor (or in the case of any such offer made to persons who are not already Members on such basis as the Directors shall determine) PROVIDED THAT no acceptor shall be obliged to acquire more Sale Shares than the number for which he has applied and so that the provisions of this sub-paragraph shall continue to apply mutatis mutandis until all Shares which any such acceptor would but for this proviso have acquired on the proportionate basis specified above have been allocated accordingly.

4.7 If a Transfer Notice shall validly contain a Total Transfer Condition then any such offer as aforesaid shall be conditional upon such condition being satisfied and no acceptance of an offer of Sale Shares will become effective unless such condition is satisfied.

4.8 If, prior to the expiry of the Prescribed Period, the Company shall, pursuant to the foregoing provisions, find Members or other persons (hereinafter called "Purchasers") to purchase some or (if article 4.7 shall apply) all the Sale Shares and shall give notice in writing thereof to the Proposing Transferor he shall be bound, upon payment of the Sale Price, to transfer such Shares to the respective Purchasers. Every such notice shall state the name and address of the Purchaser or Purchasers and the number of the Sale Shares agreed to be purchased by him or them and the purchase shall be completed at a place and

time to be appointed by the Directors not being less than three days nor more than 10 days after the date of such notice.

- 4.9 If a Proposing Transferor shall fail or refuse to transfer any Sale Shares to a Purchaser hereunder, the Directors shall authorise some person to execute and deliver on his behalf the necessary transfer and the Company may receive the purchase money in trust for the Proposing Transferor and cause the Purchaser to be registered as the holder of such Shares. The receipt of the Company for the purchase money shall be a good discharge to the Purchaser (who shall not be bound to see to the application thereof) and after the Purchaser has been registered in purported exercise of the aforesaid powers the validity of the proceedings shall not be questioned by any person.
- 4.10 If by the foregoing procedure the Company shall not, prior to the expiry of the Prescribed Period, find Purchasers willing to purchase some or (if article 4.7 shall apply) all the Sale Shares and shall give notice in writing thereof to the Proposing Transferor, the Proposing Transferor, at any time thereafter up to the expiration of two calendar months from the date of such notice, shall, subject as hereinafter provided, be at liberty to transfer those of the Sale Shares not purchased by Purchasers or all the Sale Shares (as the case may be) to any one person on a bona fide sale at any price not being less than the Sale Price. The Directors may require the Proposing Transferor to evidence to them (to their reasonable satisfaction) that such Shares are being transferred in pursuance of a bona fide sale for the consideration stated in the transfer without any deduction, rebate, allowance or indulgent terms whatsoever to the Purchaser thereof and if not so satisfied may refuse to register the instrument of transfer and/or serve a Disenfranchisement Notice with the effect set out in article 4.16.1(ii) below in respect of such Shares as shall have been so sold.
- 4.11 No Share and no interest or right in or arising from any Share may be sold, transferred or otherwise disposed of to any person unless a transfer of such Share or interest or right to such person would rank as a Permitted Transfer or as a transfer permitted pursuant to the foregoing provisions of this Article. If the foregoing provisions shall be infringed the holder of the Shares concerned shall, unless the Directors otherwise determine, be deemed to have given, on the date on which the Directors become aware of such infringement, a Mandatory Transfer Notice in respect of all Shares of which such person and any Associate(s) of such person is then the holder.
- 4.12 If any person becomes entitled to Shares in consequence of the bankruptcy or liquidation of a Member then a Mandatory Transfer Notice or Notices shall be deemed to have been given on the date on which the Directors became aware that such entitlement has arisen in respect of all Shares held by the Member and any Associate(s) of such Member.
- 4.13 If a corporation which is a holder and/or beneficial owner of any Share in the Company ceases to be controlled by the person or persons who were in

control of the corporation at the time when such corporation became such holder and/or owner, it shall, within seven days of such cessation of control, give notice in writing to the Company of that fact and there shall be deemed to have been given as from the date on which the Directors became aware of such cessation a Mandatory Transfer Notice in respect of all Shares held and/or owned by such corporation and any Associate(s) of such corporation. For the purposes of this paragraph "control" shall carry the same meaning as in section 840 Income and Corporation Taxes Act 1988.

- 4.14 If a person in whose favour a Permitted Transfer was made pursuant to article 3.4 (being an Associate of the transferor at the time when the transfer was made) shall cease to be an Associate of the person by whom such transfer was made then he shall, within seven days of such cessation, give notice in writing to the Company of that fact and unless the Directors determine otherwise at the relevant time, there shall be deemed to have been given as from the date on which the Directors become aware of such cessation (however they become so aware) a Transfer Notice in respect of all Shares held by such person (as is first-mentioned in this article 4.14 and any Associate(s) of such person.

4.15

- 4.15.1 For the purpose of ensuring that a transfer of Shares is a Permitted Transfer or that no circumstances have arisen whereby a Transfer Notice is required or deemed to be given hereunder, the Directors may from time to time require any Member or the personal representatives of any deceased Member or any person named as transferee in any transfer lodged for registration or any Associate of any of the foregoing to furnish to the Company such information and evidence as the Directors may think fit regarding any matter which they may deem relevant to such purpose. Failing such information or evidence being furnished to the reasonable satisfaction of the Directors within a reasonable time after request, the Directors shall be entitled:

- (i) to refuse to register the transfer in question or, in case no transfer is in question, to require by notice in writing that a Transfer Notice be given by the holders of the relevant Shares in respect of all such Shares. If such information or evidence discloses that a Transfer Notice ought to have been given in respect of any Shares the Directors may by notice in writing require that a Transfer Notice be given or state that a Mandatory Transfer Notice shall be deemed to have been given by the holders of those Shares or their Associates in respect of all of such Shares; and/or

- (ii) to serve upon the holder(s) of the Shares in question a notice (a "Disenfranchisement Notice") stating that such Shares shall as from the date of service of such Disenfranchisement Notice on such holder no longer confer any right to attend, speak or vote at any general meeting of the Company or at any class meeting or to receive or be entitled to receive any dividend or other distribution until such time as the Directors shall think fit and, as from such date, such Shares shall no longer confer any such rights accordingly.

4.15.2 In any case where the Directors have duly required a Transfer Notice to be given in respect of any Shares or any one or more Members have become bound to give a Transfer Notice and such Transfer Notice is not duly given within a period of one calendar month (or such longer period (if any) as the Directors may allow for the purpose) a Mandatory Transfer Notice shall (except and to the extent that a Permitted Transfer of any of such Shares shall have been lodged), be deemed to have been given on such date or after the expiration of such period as the Directors may by resolution determine and the provisions of this Article relating to transfers shall apply accordingly.

5. Transfer of a Controlling Interest

5.1 For the purposes of this article:

- 5.1.1 the expression "Buyer" means a person and any Associate of such person (in each case whether or not an existing Member of the Company);
- 5.1.2 the expression "acquire" means to be or become the legal or beneficial owner of Shares, whether directly or indirectly and whether by the issue, transfer, renunciation or conversion of shares or otherwise and whether all at one time or not;
- 5.1.3 the expression "Associate" means:
 - (a) the spouse or child (including adopted child), being a child of less than 18 years of age of the relevant person;
 - (b) the trustees of any settlement (a "Family Trust") (whether or not set up by the relevant person) under which the relevant person and/or his spouse or children is or is capable of being a beneficiary;
 - (c) any nominee or bare trustee for the relevant person or for any other Associate of the relevant person;

- (d) if the relevant person is a company, any subsidiary or holding company of the relevant person and any other subsidiary of any such holding company;
- (e) any person with whom the relevant person or any Associate of the relevant person is connected, the question of whether any such person is so connected falling to be determined for this purpose in accordance with the provisions of section 839 Income and Corporation Taxes Act 1988 (but so that persons shall not be treated as being connected by virtue of their being directors of the Company); and
- (f) any person with whom any relevant person is acting in concert (such expression to have the same definition and meaning as that ascribed thereto in the City Code on Takeovers and Mergers as for the relevant time being current);

5.1.4 The expression a "Controlling Interest" means Shares (or the right to exercise the votes attaching to Shares) which confer in the aggregate more than 50 per cent of the total voting rights conferred by all the Shares in the capital of the Company for the relevant time being in issue and conferring the right to vote at all general meetings.

5.1.5 The expression the "Prescribed Price" shall, in relation to Ordinary Shares, mean a price per share which is the higher of:

- (i) the full cash equivalent of the highest price which, at the time of making the relevant Offer (as referred to below), the Buyer has agreed to pay or is prepared to offer to pay to any holder(s) of Ordinary Shares; and
- (ii) the full cash equivalent of the highest price at which the Buyer has acquired any Ordinary Shares in the period of 12 months prior to the date on which the relevant Offer is made.

5.2 Notwithstanding anything to the contrary contained in these Articles no Buyer shall be entitled or permitted to acquire, and no person shall transfer any Shares (or any interest) if, as a result, a Buyer would acquire a Controlling Interest in the Company unless and until the Buyer has first made an offer (in accordance with article 5.3) to all the holders of all Shares in the Company at the relevant time (of whatever class) (other than the Buyer if he is already such a holder) to purchase from them for cash payable in full on completion of any sale (or with a cash alternative payable in full on completion of any sale) at the Prescribed Price per Share their entire holdings of Shares in the capital of the Company.

- 5.3 Any such offer as is referred to in article 5.2 (an "Offer") must be made in writing, must be open for acceptance and irrevocable for a period of not less than 30 and not more than 60 days, must not contain any requirement for any person to whom the same is made to give any representation, warranties or undertakings other than as to their capacity and capability to sell the relevant Shares and all rights thereto and interests therein free from any option, lien, charge or other encumbrance and must not be subject to any condition save only, if the Buyer so wishes, that acceptances must be received for a specified percentage of all the Shares in respect of which the Offer is made.
- 5.4 If within 60 days of the making of an Offer, the Buyer has not acquired a Controlling Interest then such Offer shall be deemed not to have been made to the extent that the Buyer shall not be entitled to acquire a Controlling Interest at any time thereafter unless and until he has made a further Offer.
- 5.5 If a Buyer receives (within the period of 60 days referred to in article 5.4) acceptances of an Offer which will result in the Buyer owning not less than 75 per cent of all the issued share capital of the Company then the Buyer may extend the Offer to the extent that, if within 30 days of the expiry of such period of 60 days, the Buyer gives written notice to those Members who have not accepted the Offer requiring them so to do, then each of such non-accepting Members shall upon the giving of such notice:
- 5.5.1 be deemed to have accepted the same in respect of all Shares held by him in accordance with the terms of the Offer; and
 - 5.5.2 become obliged to deliver up to the Buyer an executed transfer of such Shares and the certificate(s) in respect of the same.
- 5.6 If any such non-accepting Member as is referred to in article 5.5 shall not, within 14 days of becoming required to do so, execute transfers in respect of the Shares held by such Member, then the Directors shall be entitled to, and shall, authorise and instruct such person as they think fit to execute the necessary transfer(s) on his behalf and, against receipt by the Company (on trust for such Member) of the purchase moneys payable for the relevant Shares, deliver such transfer(s) to the Buyer (or its agents) and register the Buyer (or its nominees) as the holder thereof, and after the Buyer (or its nominees) has been registered as the holder the validity of such proceedings shall not be questioned by any person.
- 5.7 In calculating the Prescribed Price for the purposes of article 5.1.5 there shall be brought into account any other consideration (in cash or otherwise) received or receivable by any Member or former Member (or any Associate of such Member or former Member) which, having regard to the substance of the relevant transaction as a whole, can reasonably be regarded as part of the consideration paid (or provided) or payable (or to be provided) for the shares in question.
- 5.8 For the purpose of ensuring:

- 5.8.1 that no Buyer has acquired or may acquire a Controlling Interest otherwise than as permitted by this article (and to that end for the purpose of determining whether one person is an Associate of another); or
- 5.8.2 that a price offered or proposed to be offered for any Shares is the Prescribed Price;

the Directors may from time to time require any Member to furnish to the Company such information and evidence as the Directors may reasonably think fit regarding any matter which they may deem relevant for such purposes.

6. Appointment of Directors

Either the Company by Ordinary Resolution or the Directors may appoint a person who is willing to act to be a Director, provided that the appointment does not cause the number of Directors to exceed any maximum number fixed in accordance with these Articles.

7. Indemnity and Insurance

- 7.1 Subject to the provisions of the Act, every Director, auditor, secretary or other officer of the Company shall be entitled to be indemnified by the Company out of its own funds for 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 officer or employee of the Company and in which judgment 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.
- 7.2 Without prejudice to the provisions of article 7.1, the Directors shall have the 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 subsidiary undertaking of the Company 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 or in connection with their duties, powers or offices in relation to the Company or any such subsidiary undertaking.

- 7.3 Subject to the provisions of the Act, a Director shall (in the absence of some other material interest as is indicated below) be entitled to vote (and be counted in the quorum) in respect of any resolution concerning any proposal concerning any insurance which the Company is empowered to purchase and/or maintain for or for the benefit of any Directors of the Company provided that for the purposes of this article 7.3 insurance shall mean only insurance against the liability incurred by a Director in respect of any such act or omission by him as is referred to in article 7.2 above or any other insurance which the Company is empowered to purchase and/or maintain for or for the benefit of any groups of persons consisting of or including Directors of the Company.

8. Subsidiaries

The Company shall procure that no subsidiary undertaking of the Company shall do or permit to be done any act, matter or thing in relation to which Special Consent, is required to be obtained under these Articles, unless such consent, has first been obtained.