

Company Number: SC172158

THE COMPANIES ACTS 1985 AND 1989

PUBLIC LIMITED COMPANY

IVORY & SIME OPTIMUM INCOME TRUST PLC

SPECIAL RESOLUTIONS

(PASSED ON 11 SEPTEMBER 2002)



At the Annual General Meeting of Ivory & Sime Optimum Income Trust plc (the "Company") duly convened and held at 100 Wood Street, London on 11 September 2002 at 12.00 noon, the following resolutions were passed as special resolutions:-

SPECIAL RESOLUTIONS

5. "That, in substitution for any existing power under section 95 of the Companies Act 1985 (the "Act"), but without prejudice to the exercise of any such existing power prior to the date hereof, the Directors be and they are hereby empowered, pursuant to section 95(1) of the Act but subject to article 4.4 of the Articles of Association of the Company, to allot equity securities (as defined in section 94(2) of the Act) for cash, pursuant to the authority under section 80 of the Act conferred on the Directors by an ordinary resolution of the Company passed on 26 August 1998 (the "Section 80 Authority"), as if section 89(1) of the Act did not apply to any such allotment, up to a maximum of 3,522,363 Ordinary Shares of 10p each and 3,522,363 Zero Dividend Preference Shares of 100p each, such power to expire on 25 August 2003 (or, if earlier, on the revocation of the Section 80 Authority), unless previously revoked, varied or extended by the Company in general meeting, save that the Company may at any time prior to the expiry of such power make an offer or enter into an agreement which would or might require equity securities to be allotted after the expiry of such power and the Directors may allot equity securities in pursuance of such an offer or agreement as if such power had not expired."
6. "That, conditional on the passing of extraordinary resolution 1 set out in both the Notice of a Separate General Meeting of the holders of Ordinary Shares of 10p each in the share capital of the Company ("Ordinary Shares") and the Notice of a Separate General Meeting of the holders of Zero Dividend Preference Shares of 100p each in the share capital of the Company ("ZDP Shares"), both dated 2 August 2002, and conditional on the passing of Resolution 8 set out in this Notice of Annual General Meeting of the Company dated 2 August 2002:-
 - (a) the Company be and is hereby generally and unconditionally authorised, pursuant to and in accordance with section 166 of the Companies Act 1985 (the "Act"), to make market purchases (within the meaning of section 163(3) of the Act) of fully paid Ordinary Shares, provided that:-
 - (i) the maximum aggregate number of Ordinary Shares hereby authorised to be purchased is 14.99 per cent of the issued Ordinary Share capital of the Company as at the date of the passing of this resolution;
 - (ii) the minimum price which may be paid for an Ordinary Share is 10p (exclusive of expenses);
 - (iii) the maximum price (exclusive of expenses) which may be paid for an Ordinary Share is an amount equal to 105 per cent of the average of the middle market quotations (as derived from the Daily Official List of the London Stock Exchange) for the Ordinary Shares for the five business days immediately preceding the date of purchase; and

8. "That, conditional on the passing of extraordinary resolution 1 set out in both the Notice of a Separate General Meeting of the holders of Ordinary Shares of 10p each in the share capital of the Company and the Notice of a Separate General Meeting of the holders of Zero Dividend Preference Shares of 100p each in the share capital of the Company, both dated 2 August 2002, the Articles of Association of the Company be amended by deleting article 4.2 and substituting therefor the following article (new/amended text is underlined for ease of reference):-

"4.2 Capital

Save in respect of any purchase of own shares by the Company which is effected in accordance with the terms of a shareholder resolution authorising such purchase, on the winding up or other return of assets of the Company, the assets of the Company available for distribution to Shareholders after payment of all debts and satisfaction of all liabilities of the Company (including the costs of winding up, if appropriate) shall be applied as follows (and, in each case, distributed among the holders of Shares of each class rateably according to the amounts paid or credited as paid up on such Shares held by them respectively):-

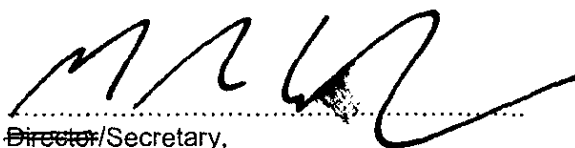
- (i) first, there shall be paid to the holders of the Zero Dividend Preference Shares an amount equal to 126.75p per Zero Dividend Preference Share as increased on the 26th day of each month at the rate of 8.775517 per cent. per annum (compounding annually on 26 March in each year from 1998 to 2004), the first such increase occurring on 26 April 1997 (in respect of the period from 26 March 1997) and the last on 26 March 2004; and
- (ii) secondly, there shall be paid to the holders of the Ordinary Shares all further surplus assets of the Company available for distribution."

9. "That, conditional on the passing of extraordinary resolution 3 set out in both the Notice of a Separate General Meeting of the holders of Ordinary Shares of 10p each in the share capital of the Company and the Notice of a Separate General Meeting of the holders of Zero Dividend Preference Shares of 100p each in the share capital of the Company, both dated 2 August 2002, the Articles of Association of the Company be amended by deleting article 4.4(iv) and substituting therefor the following article 4.4(iv) (new/amended text is underlined for ease of reference):-

"4.4 Class Consents

Notwithstanding Article 7, the Company shall not, without the previous sanction of extraordinary resolutions passed at separate general meetings of the holders of the Ordinary Shares and of the Zero Dividend Preference Shares, in each case duly convened and held in accordance with the provisions of these Articles:-

- (iv) pass a resolution to reduce the capital of the Company in any manner including any resolution authorising the Directors to purchase shares in the Company save for a resolution authorising the Directors to purchase shares in the Company in the ratio of one Ordinary Share to one Zero Dividend Preference Share;"



Director/Secretary,
For and on behalf of
Friends Ivory & Sime plc
Secretary to
Ivory & Sime Optimum Income Trust plc

- (iv) for every one Ordinary Share purchased by the Company pursuant to the authority set-out in this Resolution 6(a) the Company shall purchase one ZDP Share pursuant to the authority set-out in Resolution 6(b) below;

such authority to expire on the earlier of 10 March 2004 or at the conclusion of the annual general meeting of the Company to be held in 2003, unless previously revoked, varied or renewed by the Company in general meeting, save that the Company may at any time prior to the expiry of such authority enter into a contract or contracts to purchase Ordinary Shares under such authority which will or might be completed or executed wholly or partly after the expiration of such authority and may make a purchase of Ordinary Shares in pursuance of any such contract or contracts; and

- (b) the Company be and is hereby generally and unconditionally authorised, pursuant to and in accordance with section 166 of the Companies Act 1985 (the "Act"), to make market purchases (within the meaning of section 163(3) of the Act) of fully paid ZDP Shares, provided that:-

- (i) the maximum aggregate number of ZDP Shares hereby authorised to be purchased is 14.99 per cent of the issued Zero Dividend Preference Share capital of the Company as at the date of the passing of this resolution;
- (ii) the minimum price which may be paid for a ZDP Share is 100p (exclusive of expenses);
- (iii) the maximum price (exclusive of expenses) which may be paid for a ZDP Share is an amount equal to 105 per cent of the average of the middle market quotations (as derived from the Daily Official List of the London Stock Exchange) for the ZDP Shares for the five business days immediately preceding the date of purchase; and
- (iv) for every one ZDP Share purchased by the Company pursuant to the authority set-out in this Resolution 6(b) the Company shall purchase one Ordinary Share pursuant to the authority set-out in Resolution 6(a) above;

such authority to expire on the earlier of 10 March 2004 or at the conclusion of the annual general meeting of the Company to be held in 2003, unless previously revoked, varied or renewed by the Company in general meeting, save that the Company may at any time prior to the expiry of such authority enter into a contract or contracts to purchase ZDP Shares under such authority which will or might be completed or executed wholly or partly after the expiration of such authority and may make a purchase of ZDP Shares in pursuance of any such contract or contracts."

- 7. "That, conditional on the passing of extraordinary resolution 2 set out in both the Notice of a Separate General Meeting of the holders of Ordinary Shares of 10p each in the share capital of the Company and the Notice of a Separate General Meeting of the holders of Zero Dividend Preference Shares of 100p each in the share capital of the Company, both dated 2 August 2002:-

- (a) the amount standing to the credit of the share premium account of the Company be reduced by £40,607,000, subject to the confirmation of the Court of Session; and
- (b) the Directors be and they are hereby authorised to do or procure to be done all such acts and things on behalf of the Company as they consider necessary or expedient to implement the share premium account reduction."