

Company Number: SC172158

THE COMPANIES ACTS 1985 AND 1989

PUBLIC LIMITED COMPANY



IVORY & SIME OPTIMUM INCOME TRUST PLC

SPECIAL RESOLUTIONS

(PASSED ON 22 JANUARY 2003)

At an Extraordinary General Meeting of Ivory & Sime Optimum Income Trust plc (the "Company"), duly convened and held at One Charlotte Square, Edinburgh on 22 January 2003 at 12.15pm the following resolutions were duly passed as special resolutions:-

SPECIAL RESOLUTIONS

1. "That, conditional on the passing of the extraordinary resolutions set out in both the Notice of Separate General Meeting of the holders of Ordinary Shares of 10p each in the share capital of the Company and the Notice of Separate General Meeting of the holders of Zero Dividend Preference Shares of 100p each in the share capital of the Company, both dated 23 December 2002, the Articles of Association of the Company be amended by deleting Article 4.4(xi) and substituting therefor the following Article 4.4(xi) (new/amended text is underlined for ease of reference):

"(xi) pass any resolution which authorises the Directors to pay a dividend or other distribution out of the capital reserves of the Company otherwise than by way of redemption or purchase by the Company of its own shares in accordance with section 160 or 162 of the Act"; and"

2. "That, conditional on the passing of the extraordinary resolutions set out in both the Notice of Separate General Meeting of the holders of Ordinary Shares of 10p each in the share capital of the Company and the Notice of Separate General Meeting of the holders of Zero Dividend Preference Shares of 100p each in the share capital of the Company, both dated 23 December 2002, the Articles of Association of the Company be amended by deleting Article 146 and substituting therefor the following Article 146 (new/amended text is underlined for ease of reference):

"146. **Capital reserve**

The Directors shall establish a reserve to be called the "capital reserve" and shall either carry to the credit of such reserve from time to time all capital profits or appreciations arising on the sale, transposition, payment off or revaluation of any investment or other capital asset of the Company in excess of the book value thereof or apply the same in providing for depreciation or contingencies. For the avoidance of doubt, accrued but unpaid interest or any sum received in respect of accrued but unpaid interest shall not be treated as capital profits or appreciations arising on the sale, transposition, payment off or revaluation of any investment or other capital asset. Any losses realised on the sale, transposition, payment off or revaluation of any investment or other capital asset and any other expenses, loss or liability (or provision therefor) considered by the Directors to be of a capital nature may be carried to the debit of the capital reserve. Any increase or diminution in the amount of any index-linked stock or other index-linked obligation of the Company may be carried to the debit or credit of the capital reserve, except so far as the Directors decide to make good the same out of or credit the same to other funds or reserves of the Company. Subject to the Statutes and without prejudice to the foregoing generality, the Directors may also debit the capital reserve with the whole or such part of (i) any management fees incurred by the Company and (ii) any interest payable by the Company in respect of any borrowings of the Company as may be deemed appropriate by the Directors. The cost of the fixed capital growth on the Zero Dividend Preference Shares may

also be debited to the capital reserve. All sums carried and standing to the credit of the capital reserve may be applied for any of the purposes to which sums standing to any reserve under the provisions of Article 145 are applicable, except and provided that no part of the capital reserve or any other moneys in the nature of accretion to capital shall in any event be transferred to revenue account or be regarded or treated as profits of the Company available for distribution or be applied in paying dividends on any shares in the Company's capital otherwise than by way of redemption or purchase by the Company of its own shares in accordance with section 160 or 162 of the Act."

A handwritten signature in black ink, consisting of stylized, overlapping loops and curves, positioned above a dotted line.

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Director/Secretary
For and on behalf of
ISIS Asset Management plc
Secretary to
Ivory & Sime Optimum Income Trust plc