

J1216638

FINAL FORM

ARTICLES OF ASSOCIATION

of

STANDARD LIFE EUROPEAN PRIVATE EQUITY TRUST PLC

(Incorporated in Scotland on 9 March 2001 with registered number 216638)

(Adopted by special resolution passed on 30 January 2006 and amended by special resolution passed on 24 September 2007)



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THE COMPANIES ACT 1985

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PUBLIC COMPANY LIMITED BY SHARES

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ARTICLES OF ASSOCIATION

of

STANDARD LIFE EUROPEAN PRIVATE EQUITY TRUST PLC

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PART 1

Preliminary

1 Exclusion of Table A

The regulations contained in Table A in the Schedule to The Companies (Tables A to F) Regulations 1985 shall not apply to the Company except insofar as they are repeated or contained in these Articles

2. Definitions

In these Articles unless the context otherwise requires

"the 1985 Act"	means the Companies Act 1985 as amended and in force from time to time,
"the 2006 Act"	means the Companies Act 2006 as amended and in force from time to time,
"these Articles"	means these articles of association as altered from time to time and the expression "this Article" shall be construed accordingly,
"the Auditors"	means the auditors from time to time of the Company or, in the case of joint auditors, any one of them,
"the Board"	means the board of directors from time to time of the Company or the directors present at a meeting of the directors at which a quorum is present,
"certificated share"	means a share which is not an uncertificated share,
"clear days"	in relation to the period of a notice means that period excluding the day when the notice is served or deemed to be served and the day for which it is given or on which it is to take effect,

<b>"electronic signature"</b>	means anything in electronic form which the Board requires to be incorporated into or otherwise associated with an electronic communication for the purpose of establishing the authenticity or integrity of the communication,
<b>"employees' share scheme"</b>	has the meaning ascribed thereto by section 743 of the 1985 Act,
<b>"the holder"</b>	in relation to any shares means the member whose name is entered in the Register as the holder of those shares,
<b>"issuer instruction"</b>	means a properly authenticated instruction (sent or received by means of a relevant system) attributable to a body corporate which has issued a share or shares belonging to a participating class,
<b>"the London Stock Exchange"</b>	means London Stock Exchange plc,
<b>"the Office"</b>	means the registered office from time to time of the Company,
<b>"Operator"</b>	means a person approved as operator of a relevant system under the Uncertificated Securities Regulations,
<b>"Operator instruction"</b>	means a properly authenticated instruction (sent or received by means of a relevant system) attributable to an Operator,
<b>"paid up"</b>	means paid up or credited as paid up,
<b>"participating class"</b>	means a class of shares title to which may be transferred by means of a relevant system,
<b>"person entitled by transmission"</b>	means a person whose entitlement to a share in consequence of the death or bankruptcy of a member or of any other event giving rise to its transmission by operation of law has been noted in the Register,
<b>"the Register"</b>	means the register of members of the Company,
<b>"relevant system"</b>	means a computer based system and procedures which enable title to shares to be evidenced and transferred without a written instrument,
<b>"seal"</b>	means any common or official seal that the Company may be permitted to have under the Statutes,
<b>"the secretary"</b>	means the secretary, or (if there are joint secretaries) any one of the joint secretaries, of the Company and includes an assistant or deputy secretary and any person appointed by the Board to perform any of the duties of the secretary,



"sponsoring system participant"	means in relation to a relevant system a person who is permitted by an Operator to send properly authenticated instructions attributable to another person and to receive properly authenticated instructions on another person's behalf,
"Statutes"	means every statute (including any orders, regulations or other subordinate legislation made under it) from time to time in force concerning companies in so far as it applies to the Company,
"UKLA"	means the UK Listing Authority, a division of the Financial Services Authority,
"Uncertificated Securities Regulations"	means the Uncertificated Securities Regulations 2001 as amended from time to time and any provisions of or under the Statutes which supplement or replace such Regulations,
"uncertificated share"	means a share of a class which is for the time being a participating class title to which is recorded on the Register as being held in uncertificated form,
"United Kingdom"	means Great Britain and Northern Ireland

In the reference to "sponsoring system participant" above, the word "person" shall include any body corporate

The expression "debenture" shall include "debenture stock"

The words "subsidiary" and "holding company" shall be construed in accordance with sections 736 and 736A of the 1985 Act and "subsidiary" shall be construed to include "subsidiary undertaking" as that term is defined in sections 258 and 259 of the 1985 Act

Words importing the singular number only shall be deemed to include the plural, and *vice versa*

Words importing the masculine gender only shall be deemed to include the feminine and neuter genders and *vice versa*

Words importing individuals shall be deemed to include bodies corporate and unincorporated bodies or associations

Expressions referring to writing shall be construed as including references to any method of representing or reproducing words in a legible form including by way of electronic communication where specifically provided in a particular article or where permitted by the Board in its absolute discretion

Headings are for convenience of reference only and shall not affect the construction or interpretation hereof

Unless otherwise stated, any reference herein to the provisions of any statute shall extend to and include any amendment or re enactment of or substitution for the same effected by any subsequent statute provided that no modification or re enactment after the date of adoption of these Articles of any statutory provision, instrument, regulation or order in force at that date shall be construed as imposing on any person

any greater obligation than would have been the case if the statutory provision, instrument, regulation or order in force at the date of adoption of these Articles continued to apply

Subject as aforesaid, and unless the context otherwise requires, words and expressions defined in the 1985 Act or the Uncertificated Securities Regulations shall bear the same meanings in these Articles

Subject to the Statutes, where for any purpose an ordinary resolution of the Company is required, a special or extraordinary resolution shall also be effective and where for any purpose an extraordinary resolution is required a special resolution shall also be effective

A resolution in writing executed by or on behalf of each member who would have been entitled to vote upon it if it had been proposed at a general meeting at which he was present shall be as effectual as if it had been passed at a general meeting properly convened and held and may consist of several instruments in the like form each executed by or on behalf of one or more of the members

Unless otherwise stated, any reference to a company named in these Articles (other than the Company) shall be construed as including any company to which all or substantially all of the assets of the first mentioned company have been transferred pursuant to any re organisation, reconstruction or scheme of arrangement

## STANDARD LIFE NAME

### 3. Standard Life Name

- (A) If at any time (i) any agreement between the Company and Standard Life Investments (Private Equity) Limited or the LLP (or a subsidiary of the LLP) or any other member of the Standard Life Group for the management by Standard Life Investments (Private Equity) Limited or the LLP (or a subsidiary of the LLP) or such other member of the Standard Life Group of the Company's investments (a "Standard Life Management Agreement") is terminated (and is not immediately replaced by a new Standard Life Management Agreement), (ii) the member of the Standard Life Group which is a party to the Standard Life Management Agreement ceases to be a member of the Standard Life Group (an "SL Group Exit") and within 30 days of such SL Group Exit (or such longer time as may be agreed between the Company and Standard Life plc) such Standard Life Management Agreement is not assigned or novated, or the rights and obligations of the party which is the subject of the SL Group Exit are not otherwise transferred, to a party which is at that time a member of the Standard Life Group, or (iii) any offer is made to all the holders of the ordinary shares to acquire the whole or any part of the ordinary shares and the right to cast more than 50 per cent of the votes which may ordinarily be cast at a General Meeting of the Company has or will become vested in the offeror and/or any company controlled by the offeror and/or any person associated, or acting in concert, with the offeror then, in any such event, Standard Life plc and/or any other member of the Standard Life Group which is at the time a shareholder in the Company and which has an express written authorisation from Standard Life plc to take action in respect of this article 3 (a "Standard Life Shareholder") shall be entitled by notice in writing to the Company at any time thereafter to require that the name of the Company is changed to a name which does not contain the words "Standard Life" or any letters or words colourably or confusingly similar thereto

- (B) If within three months after the giving of such notice the name of the Company has not been so changed, Standard Life plc and/or a Standard Life Shareholder, as the case may be, shall be entitled to convene an Extraordinary General Meeting of the Company for the purpose of passing a special resolution (the "Name Change Resolution") adopting as the name of the Company a name selected by Standard Life plc (or the Standard Life Shareholder, as the case may be) and any member present in person or by proxy (or being a corporation by representative) and entitled to vote shall (in respect of the votes attached to his shares) vote in favour of the Name Change Resolution and any vote which is not cast or is cast against such Name Change Resolution shall be deemed to have been cast in favour by virtue of this paragraph (B)
- (C) In this Article 3 "the Standard Life Group" shall mean Standard Life plc and its subsidiaries from time to time and "member of the Standard Life Group" shall be construed accordingly and "the LLP" shall mean SL Capital Partners LLP, a limited liability partnership registered in Scotland with registered number SO301408, or any other limited liability partnership which is or becomes the successor to Standard Life Investments (Private Equity) Limited as the manager of the Company's investments and which at the time of its appointment as manager of the Company's investments is a member of the Standard Life Group

## SHARE CAPITAL

### 4. Authorised share capital

The authorised share capital of the Company at the date of adoption of this Article is £120,000 divided into 25,000,000 ordinary shares of 0.2 pence each, 17,500,000 founder A shares of 0.2 pence each and 17,500,000 founder B shares of 0.2 pence each<sup>1</sup>

### 5. Rights attached to shares

Subject to the provisions of the Statutes and to any rights previously conferred on the holders of any other shares, any share may be issued with or have attached to it such rights and restrictions as the Company may by ordinary resolution decide or, if no such resolution has been passed or so far as the resolution does not make specific provision, as the Board may decide

### 6. Redeemable shares

Subject to the provisions of the Statutes and to any rights previously conferred on the holders of any other shares, any share may be issued which is to be redeemed, or is liable to be redeemed at the option of the Company or the holder

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<sup>1</sup> On 15 May 2001, the authorised share capital of the Company was increased by £270,000 to £390,000 by the creation of an additional 135,000,000 ordinary shares of 0.2 pence each. On 30 January 2006, the authorised share capital of the Company was increased by £80,000 to £470,000 by the creation of an additional 40,000,000 ordinary shares of 0.2 pence each. On 29 June 2007, 672,567 founder A shares of 0.2 pence each were converted into an equal number of ordinary shares of 0.2 pence each. Accordingly, as at 24 September 2007, the authorised share capital of the Company is £470,000 divided into 200,672,567 ordinary shares of 0.2 pence each, 16,827,433 founder A shares of 0.2 pence each and 17,500,000 founder B shares of 0.2 pence each

**7 Purchase of own shares**

Subject to the provisions of the Statutes and to any rights previously conferred on the holders of any class of shares and to any requirements imposed by the UKLA in respect of securities admitted to listing, the Company may purchase or may enter into a contract under which it will or may purchase all or any of its shares of any class, including any redeemable shares. Neither the Company nor the Board shall be required to select the shares to be purchased rateably or in any other particular manner as between the holders of shares of the same class or as between them and the holders of shares of any other class or in accordance with the rights as to dividends or capital conferred by any class of shares.

**8 Variation of rights**

Subject to the provisions of the Statutes, all or any of the rights for the time being attached to any class of shares for the time being issued may from time to time (whether or not the Company is being wound up) be varied either with the consent in writing of the holders of not less than three fourths in nominal value of the issued shares of that class or with the sanction of an extraordinary resolution passed at a separate general meeting of the holders of those shares. All the provisions of these Articles as to general meetings of the Company shall, *mutatis mutandis*, apply to any such separate general meeting, but so that the necessary quorum shall be two persons holding or representing by proxy not less than one third in nominal value of the issued shares of the class, (but so that at any adjourned meeting one holder present in person or by proxy (whatever the number of shares held by him) shall be a quorum), that every holder of shares of the class present in person or by proxy shall be entitled on a poll to one vote for every share of the class held by him (subject to any rights or restrictions attached to any class of shares) and that any holder of shares of the class present in person or by proxy may demand a poll. The foregoing provisions of this Article shall apply to the variation of the special rights attached to some only of the shares of any class as if each group of shares of the class differently treated formed a separate class and their special rights were to be varied.

**9 *Pari passu* issues**

The rights conferred upon the holders of any shares shall not, unless otherwise expressly provided in the rights attaching to those shares, be deemed to be varied by the creation or issue of further shares ranking *pari passu* with them.

**10. Unissued shares**

Subject to the provisions of the Statutes and these Articles and without prejudice to any rights attached to existing shares, the unissued shares of the Company (whether forming part of the original or any increased capital) shall be at the disposal of the Board which may offer, allot, grant options over or otherwise deal with or dispose of them to such persons, at such times and for such consideration and upon such terms as the Board may decide.

**11. Payment of commission**

The Company may exercise the powers of paying commissions conferred by the Statutes to the full extent permitted by, and in accordance with, the Statutes. Such commission 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.

## 12. Trusts not recognised

No person shall be recognised by the Company, except as ordered by a court of competent jurisdiction or as required by law, as holding any share upon any trust and the Company shall not be bound by or required in any way to recognise (even when having notice of it) any interest in any share or (except only as by these Articles or by law otherwise provided) any other right in respect of any share other than an absolute right to the whole of the share in the holder

## 13. Suspension of rights where non disclosure of interest

- (A) Where the holder of any shares in the Company, or any other person appearing to be interested in those shares, fails to comply within the relevant period with any statutory notice in respect of those shares, the Company may give the holder of those shares a further notice (a "restriction notice") to the effect that from the service of the restriction notice those shares will be subject to some or all of the relevant restrictions, and from service of the restriction notice those shares shall, notwithstanding any other provision of these Articles, be subject to those relevant restrictions accordingly
- (B) If after the service of a restriction notice in respect of any shares the Board is satisfied that all information required by any statutory notice relating to those shares or any of them from their holder or any other person appearing to be interested in the shares the subject of the restriction notice has been supplied, the Company shall, within seven days, cancel the restriction notice. The Company may at any time at its discretion cancel any restriction notice or exclude any shares from it. A restriction notice shall automatically cease to have effect in respect of any shares transferred where the transfer is pursuant to an arm's length sale of those shares
- (C) Where any restriction notice is cancelled or ceases to have effect in relation to any shares, any moneys relating to those shares which were withheld by reason of that notice shall be paid without interest to the person who would but for the notice have been entitled to them or as he may direct.
- (D) Any new shares in the Company issued in right of any shares subject to a restriction notice shall also be subject to the restriction notice, and the Board may make any right to an allotment of the new shares subject to restrictions corresponding to those which will apply to those shares by reason of the restriction notice when such shares are issued
- (E) Any holder of shares on whom a restriction notice has been served may at any time request the Company to give in writing the reason why the restriction notice has been served, or why it remains uncanceled, and within 14 days of receipt of such a notice the Company shall give that information accordingly
- (F) If a statutory notice is given by the Company to a person appearing to be interested in any share, a copy shall at the same time be given to the holder, but the failure or omission to do so or the non receipt of the copy by the holder shall not invalidate such notice
- (G) This Article is in addition to, and shall not in any way prejudice or affect, the statutory rights of the Company arising from any failure by any person to give any information required by a statutory notice within the time specified in it. For the purpose of this Article a statutory notice need not specify the relevant period, and may require any information to be given before the

expiry of the relevant period

(H) In this Article

a sale is an "arm's length sale" if the Board is satisfied that it is a *bona fide* sale of the whole of the beneficial ownership of the shares to a party unconnected with the holder or with any person appearing to be interested in such shares and shall include a sale made by way of or in pursuance of acceptance of a takeover offer and a sale made through the London Stock Exchange or any other stock exchange outside the United Kingdom on which the Company's shares are normally traded. For this purpose an associate (within the definition of that expression in any statute relating to insolvency in force at the date of adoption of this Article) shall be included amongst the persons who are connected with the holder or any person appearing to be interested in such shares,

"person appearing to be interested" in any shares shall mean any person named in a response to a statutory notice or otherwise notified to the Company by a member as being so interested or shown in any Register kept by the Company under the Statutes as so interested or, taking into account a response or failure to respond in the light of the response to any other statutory notice and any other relevant information in the possession of the Company, any person whom the Company knows or has reasonable cause to believe is or may be so interested,

"person with a 0.25 per cent. interest" means a person who holds, or is shown in any Register kept by the Company under the Statutes as having an interest in, shares in the Company which comprise in total at least 0.25 per cent in number or nominal value of the shares of the Company, or of any class of such shares, in issue at the date of service of the statutory notice or the restriction notice (as the case may be) (calculated exclusive of treasury shares),

"relevant period" means a period of 14 days following service of a statutory notice,

"relevant restrictions" mean in the case of a restriction notice served on a person with a 0.25 per cent interest that

- (i) the shares shall not confer on the holder any right to attend or vote either personally or by proxy at any general meeting of the Company or at any separate general meeting of the holders of any class of shares in the Company or to exercise any other right conferred by membership in relation to general meetings,
- (ii) the Board may withhold payment of all or any part of any dividends (including shares issued in lieu of dividends) payable in respect of the shares,
- (iii) the Board may (subject to the requirements of the Uncertificated Securities Regulations) decline to register a transfer of the shares or any of them unless such a transfer is pursuant to an arm's length sale

and in any other case mean only the restriction specified in subparagraph (i) of this definition,

"statutory notice" means a notice served by the Company under the Statutes requiring particulars of interests in shares or of the identity of persons interested in shares

#### 14. Uncertificated shares

- (A) Pursuant and subject to the Uncertificated Securities Regulations, (referred to in this Article as "the Regulations"), the Board may permit title to shares of any class to be evidenced otherwise than by a certificate and title to shares of such a class to be transferred by means of a relevant system and may make arrangements for a class of shares (if all shares of that class are in all respects identical) to become a participating class. Title to shares of a particular class may only be evidenced otherwise than by a certificate where that class of shares is for the time being a participating class. The Board may also, subject to compliance with the Regulations and the rules of any relevant system, determine at any time that title to any class of shares may from a date specified by the Board no longer be evidenced otherwise than by a certificate or that title to such a class shall cease to be transferred by means of any particular relevant system. For the avoidance of doubt, shares which are uncertificated shares shall not be treated as forming a class which is separate from certificated shares with the same rights. The Company shall enter on the Register, in respect of any participating class, the number of shares that each member having both uncertificated and certificated shares of that class holds in uncertificated form and certificated form respectively.
- (B) In relation to a class of shares which is, for the time being, a participating class and for so long as it remains a participating class, no provision of these Articles shall apply or have effect to the extent that it is inconsistent in any respect with
  - (i) the holding of shares of that class in uncertificated form,
  - (ii) the transfer of title to shares of that class by means of a relevant system, and
  - (iii) any provision of the Regulations
- (C) Shares of a class which is for the time being a participating class may be changed from uncertificated to certificated form, and from certificated to uncertificated form, in accordance with and subject as provided in the Regulations and the rules of any relevant system.
- (D) Unless the Board otherwise determines or the Regulations or the rules of the relevant system concerned otherwise require, any shares issued or created out of or in respect of any uncertificated shares shall be uncertificated shares and any shares issued or created out of or in respect of any certificated shares shall be certificated shares.

#### 15. Right to share certificates

Subject to the provisions of the Uncertificated Securities Regulations, the rules of any relevant system and these Articles, every person (except a person to whom the Company is not by law required to issue a certificate) whose name is entered in the Register as a holder of any certificated shares shall be entitled, without payment, to receive within the time limits prescribed by the Statutes one certificate for all those shares of any one class or several certificates each for one or more of the shares of the class in question upon payment for every certificate after the first of such reasonable

out of pocket expenses as the Board may from time to time decide. In the case of a certificated share held jointly by several persons, the Company shall not be bound to issue more than one certificate and delivery of a certificate to one of several joint holders shall be sufficient delivery to all. A member who transfers some but not all of the shares comprised in a certificate shall be entitled to a certificate for the balance without charge. The Company shall not be bound to register more than four persons as the joint holders of a share. For the avoidance of doubt, the Company may issue a certificate in relation to uncertificated shares when required to do so by a holder of uncertificated shares.

**16. Replacement of share certificates**

If a share certificate is defaced, worn out, lost or destroyed, it may be replaced without charge but on such terms (if any) as to evidence and indemnity as the Board may decide and, where it is defaced or worn out, after delivery of the old certificate to the Company. Any two or more certificates representing shares of any one class held by any member shall at his request be cancelled and a single new certificate for such shares issued in lieu. Any certificate representing shares of any one class held by any member may at his request be cancelled and two or more certificates for such shares may be issued instead. The Board may require the payment of any exceptional out of pocket expenses of the Company incurred in connection with the issue of any certificates under this Article. Any one of two or more joint holders may request replacement certificates under this Article.

**17 Execution of share certificates**

Every share certificate shall be executed under a seal (or under a securities seal or, in the case of shares on a branch Register, an official seal for use in the relevant territory) or in such other manner as the Board having regard to the terms of issue and any listing requirements may authorise, and shall specify the number and class of the shares to which it relates and the amount or respective amounts paid up on the shares. The Board may by resolution decide, either generally or in any particular case or cases, that any signatures on any share certificates need not be autographic but may be applied to the certificates by some mechanical means or may be printed on them or that the certificates need not be signed by any person.

**LIEN**

**18. Company's lien on shares not fully paid**

The Company shall have a first and paramount lien on every share (not being a fully paid share) for all amounts payable to the Company (whether presently or not) in respect of that share. The Company's lien on a share shall extend to every amount payable in respect of it. The Board may at any time either generally or in any particular case waive any lien that has arisen or declare any share to be wholly or in part exempt from the provisions of this Article.

**19 Enforcing lien by sale**

The Company may sell, in such manner as the Board may decide, any share on which the Company has a lien if a sum in respect of which the lien exists is presently payable and is not paid within fourteen clear days after a notice in writing has been served on the holder of the share or the person who is entitled by transmission to the share and who has supplied the Company with an address within the United Kingdom for the service of notices, demanding payment and stating that if the notice is not complied with the share may be sold. For giving effect to the sale the Board may authorise some person to execute an instrument of transfer of the share sold to or in accordance with



the directions of the purchaser. The transferee shall not be bound to see to the application of the purchase money, nor shall his title to the share be affected by any irregularity or invalidity in relation to the sale.

**20. Application of proceeds of sale**

The net proceeds, after payment of the costs, of the sale by the Company of any share on which it has a lien shall be applied in or towards payment or discharge of the debt or liability in respect of which the lien exists so far as it is presently payable, and any residue shall (subject to a like lien for debts or liabilities not presently payable as existed upon the share prior to the sale and upon surrender, if required by the Company, for cancellation of the certificate for the share sold) be paid to the person who was entitled to the share at the time of the sale.

### **CALLS ON SHARES**

**21. Calls**

Subject to the terms of issue, the Board may from time to time make calls upon the members in respect of any moneys unpaid on their shares (whether on account of the nominal amount of the shares or by way of premium) and not payable on a date fixed by or in accordance with the terms of issue, and each member shall (subject to the Company serving upon him at least fourteen clear days' notice specifying when and where payment is to be made) pay to the Company as required by the notice the amount called on his shares. A call may be made payable by instalments. A call may be revoked or postponed, in whole or in part, as the Board may decide. A person upon whom a call is made shall remain liable for all calls made upon him notwithstanding the subsequent transfer of the shares in respect of which the call was made.

**22. Payment on calls**

A call shall be deemed to have been made at the time when the resolution of the Board authorising the call was passed.

**23. Liability of joint holders**

The joint holders of a share shall be jointly and severally liable to pay all calls in respect of the share.

**24. Interest due on non payment**

If a call remains unpaid after it has become due and payable, the person from whom it is due and payable shall pay interest on the amount unpaid from the day it is due and payable to the time of actual payment at such rate, not exceeding fifteen per cent per annum, as the Board may decide, and all expenses that have been incurred by the Company by reason of such non payment, but the Board shall be at liberty in any case or cases to waive payment of the interest or expenses wholly or in part.

**25. Sums due on allotment treated as calls**

Any amount which becomes payable in respect of a share on allotment or on any other date fixed by or in accordance with the terms of issue, whether in respect of the nominal amount of the share or by way of premium or as an instalment of a call, shall be deemed to be a call and, if it is not paid, all the provisions of these Articles shall apply as if the sum had become due and payable by virtue of a call.

**26. Power to differentiate**

Subject to the terms of issue, the Board may on the issue of shares differentiate between the allottees or holders as to the amount of calls to be paid and the times of payment of such calls.

**27. Payment of calls in advance**

The Board may, if it thinks fit, receive from any member who is willing to advance them all or any part of the moneys uncalled and unpaid upon any shares held by him and upon all or any of the moneys so advanced may (until they would, but for the advance, become presently payable) pay interest at such rate, not exceeding (unless the Company by ordinary resolution shall otherwise direct) fifteen per cent per annum, as the Board and the member paying such moneys in advance may agree

**FORFEITURE AND SURRENDER OF SHARES****28. Notice to pay unpaid calls and forfeiture**

If any member fails to pay in full any call or instalment on or before the day appointed for payment thereof, the Board may, at any time thereafter, serve a notice on him requiring him to pay so much of the call or instalment as is unpaid together with any interest which may have accrued and any expenses incurred by the Company by reason of such non payment. The notice shall name a further day (not earlier than the expiration of fourteen days from the date of service of the notice) on or before which, and the place within the United Kingdom where, such call or instalment and such interest and expenses as aforesaid are to be paid. The notice shall also state that, in the event of non payment at or before the time and at the place appointed, the shares in respect of which such call or instalment is payable will be liable to be forfeited. If the requirements of any such notice as aforesaid are not complied with, the Board may by resolution at any time thereafter, but before the payment of all calls or instalments and interest and expenses due in respect thereof has been made, forfeit any share in respect of which such notice has been given. Such forfeiture shall extend to all dividends declared in respect of the shares so forfeited and not actually paid before such forfeiture. Forfeiture shall be deemed to occur at the time of the passing of the said resolution of the Board. The Board may accept a surrender of any share liable to be forfeited hereunder and, in that event, reference in these Articles to forfeiture shall include surrender.

**29. Notice of forfeiture**

Any person whose shares have been forfeited or surrendered shall cease to be a member in respect of those shares. When any share has been forfeited in accordance with these Articles, notice of the forfeiture shall be served upon the person who was, before forfeiture, the holder of the share, or the person entitled to the share by transmission, and an entry of the forfeiture or surrender, with the date thereof, shall forthwith be made in the Register, but no forfeiture shall be invalidated by any failure to give such notice or make such entry as aforesaid.

**30. Forfeited shares to be the property of the Company**

A share so forfeited or surrendered shall become and be deemed to be the property of the Company, and may be sold, re-allotted or otherwise disposed of to such person (including the person who was before such forfeiture or surrender the holder thereof or entitled thereto) and in such manner and upon such terms, either subject to or discharged from all calls made or instalments due prior to the forfeiture or surrender, as the Board thinks fit, provided that the Company shall not exercise any voting rights

in respect of such share. Any such share not disposed of in accordance with the foregoing provision of this Article within a period of three years from the date of its forfeiture or surrender shall thereupon be cancelled in accordance with the provisions of the Statutes. For the purpose of giving effect to any such sale or other disposition the Board may authorise some person to transfer the share so sold or otherwise disposed of to the purchaser thereof or other person becoming entitled thereto

**31 Board may annul forfeiture**

The Board may, at any time before any share so forfeited or surrendered shall have been cancelled or sold, re allotted or otherwise disposed of, annul the forfeiture or surrender upon such terms as it thinks fit

**32 Forfeiture not to extinguish liability to pay**

Any person whose shares have been forfeited or surrendered shall, notwithstanding that he shall have ceased to be a member in respect of those shares, remain liable to pay to the Company all moneys which, at the date of the forfeiture or surrender, were presently payable by him to the Company in respect of the shares, together with interest thereon at the rate of fifteen per cent per annum (or such lower rate as the Board may determine) from the time of forfeiture or surrender until the time of payment, but his liability shall cease if and when the Company shall have received payment in full of all such moneys in respect of the shares, together with interest as aforesaid. The Board may at its absolute discretion enforce payment without any allowance for the value of the shares at the time of forfeiture or surrender or for any consideration received on their disposal or waive payment in whole or in part

**33 Statutory declaration as to forfeiture**

A statutory declaration that the declarant is a director of the Company or the secretary and that a share has been forfeited on a specified date shall be conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the share. The declaration shall (subject to the execution of an instrument of transfer if necessary) constitute a good title to the share and the person to whom the share is sold or otherwise disposed of shall not be bound to see to the application of the purchase money (if any) nor shall his title to the share be affected by any irregularity or invalidity in the proceedings relating to the forfeiture, sale or disposal

## TRANSFER OF SHARES

**34. Transfer**

Subject to such of the restrictions of these Articles as may be applicable

- (i) any member may transfer all or any of his uncertificated shares by means of a relevant system in such manner provided for, and subject as provided in the Uncertificated Securities Regulations and the rules of any relevant system, and accordingly no provision of these Articles shall apply in respect of an uncertificated share to the extent that it requires or contemplates the effecting of a transfer by an instrument in writing or the production of a certificate for the share to be transferred, and
- (ii) any member may transfer all or any of his certificated shares by an instrument of transfer in any usual form or in any other form which the Board may approve. The instrument of transfer shall be executed by or on behalf of the transferor and (in the case of a partly paid share) the transferee, and the transferor shall be deemed to remain the holder of the share concerned until

the name of the transferee is entered in the Register in respect of it All instruments of transfer, when registered, may be retained by the Company

**35. Rights to decline registration of partly paid shares**

Save as provided in Article 157 6, the Board may, in its absolute discretion and without giving any reason for so doing, decline to register any transfer of any share which is not a fully paid share provided that where such share is admitted to the Official List of the UKLA such discretion may not be exercised in such a way as to prevent dealings in shares of that class from taking place on an open and proper basis

**36 Other rights to decline registration**

(A) The Board may only decline to register a transfer of an uncertificated share in the circumstances set out in the Uncertificated Securities Regulations, and where, in the case of a transfer to joint holders, the number of joint holders to whom the uncertificated share is to be transferred exceeds four

(B) The Board may decline to register any transfer of a certificated share unless

(i) the instrument of transfer is left at the Office or such other place as the Board may from time to time determine accompanied (save in the case of a transfer by a person to whom the Company is not required by law to issue a certificate and to whom a certificate has not been issued) by the certificate for the share to which it relates and such other evidence as the Board may reasonably require to show the right of the person executing the instrument of transfer to make the transfer,

(ii) (if stamp duty is generally chargeable on transfers of certificated shares) the instrument of transfer is duly stamped or adjudged or certified as not chargeable, to stamp duty,

(iii) the instrument of transfer is in respect of only one class of share, and

(iv) in the case of a transfer to joint holders, the number of joint holders to whom the share is to be transferred does not exceed four

**37. Notice of refusal**

If the Board declines to register a transfer of a share it shall, within two months after the date on which the instrument of transfer was lodged or, in the case of uncertificated shares, within two months after the date on which the relevant Operator instruction is received, send to the transferee notice of the refusal

**38. No fee for registration**

No fee shall be charged by the Company for registering any transfer, document or instruction relating to or affecting the title to any share or for making any other entry in the Register

**39 Registration of transfers may be suspended**

Subject to the Statutes and the requirements of the UKLA, the registration of transfers may be suspended at such times and for such periods as the Board may from time to

time determine and either generally or in respect of any class of shares. The Register shall not be closed, either generally or otherwise, for more than thirty days in any year, nor shall the register of a participating security be closed without the consent of the Operator of the relevant system.

#### 40. **Untraced shareholders**

The Company may sell any certificated shares in the Company on behalf of the holder of, or person entitled by transmission to, the shares by instructing their sale on the London Stock Exchange, or on any other stock exchange outside the United Kingdom on which the Company's shares are normally traded, at the best price reasonably obtainable at the time of the sale if

- (i) the shares have been in issue either in certificated or uncertificated form throughout the qualifying period and at least three cash dividends have become payable on the shares during the qualifying period,
- (ii) no cash dividend payable on the shares has either been claimed by presentation to the paying bank of the relevant cheque or warrant or been satisfied by the transfer of funds to a bank account designated by the holder of, or person entitled by transmission to, the shares or by the transfer of funds by means of a relevant system at any time during the relevant period,
- (iii) so far as any director of the Company at the end of the relevant period is then aware, the Company has not at any time during the relevant period received any communication from the holder of, or person entitled by transmission to, the shares,
- (iv) the Company has caused two advertisements to be published, one in a newspaper with a national circulation and the other in a newspaper circulating in the area in which the last known address of the holder of, or person entitled by transmission to, the shares or the address at which service of notices may be effected under the Articles is located, giving notice of its intention to sell the shares and a period of three months has elapsed from the date of publication of the advertisements or of the last of the two advertisements to be published if they are published on different dates, and
- (v) the Company has given notice to the UKLA of its intention to make the sale

For the purpose of this Article

"the qualifying period" means the period of twelve years immediately preceding the date of publication of the advertisements referred to in sub paragraph (iv) above or of the first of the two advertisements to be published if they are published on different dates, and

"the relevant period" means the period beginning at the commencement of the qualifying period and ending on the date when all the requirements of sub paragraphs (i) to (v) above have been satisfied

If during any relevant period further shares have been issued in right of those held at the beginning of that relevant period or of any previously so issued during that relevant period and all the requirements of sub paragraphs (i) to (v) above have been satisfied in regard to the further shares, the Company may also sell the further shares

To give effect to any sale of shares pursuant to this Article the Board may authorise some person to transfer the shares in question and an instrument of transfer executed

by that person shall be as effective as if it had been executed by the holder of, or person entitled by transmission to, the shares. The purchaser shall not be bound to see to the application of the purchase moneys nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings relating to the sale. The net proceeds of sale shall belong to the Company and, upon their receipt, the Company shall become indebted to the former holder of, or person entitled by transmission to, the shares for an amount equal to the net proceeds. No trust shall be created in respect of the debt and no interest shall be payable in respect of it and the Company shall not be required to account for any moneys earned from the net proceeds which may be employed in the business of the Company or as it thinks fit.

## **TRANSMISSION OF SHARES**

### **41. Transmission on death**

If a member dies, the survivor or survivors, where he was a joint holder, and his personal representatives, where he was a sole holder or the only survivor of joint holders, shall be the only persons recognised by the Company as having any title to his shares, but nothing contained in these Articles shall release the estate of a deceased holder from any liability in respect of any share held by him solely or jointly with other persons.

### **42. Entry of transmission in register**

Where the entitlement of a person to a share in consequence of the death or bankruptcy of a member or of any other event giving rise to its transmission by operation of law is proved to the satisfaction of the Board, the Board shall within two months after proof cause the entitlement of that person to be noted in the Register.

### **43 Election of person entitled by transmission**

Any person entitled by transmission to a share may, subject as provided elsewhere in these Articles, elect either to become the holder of the share or to have some person nominated by him registered as the holder. If he elects to be registered himself he shall give notice to the Company to that effect. If he elects to have another person registered, he shall transfer title to the share to that person. The Board may at any time give notice requiring the person to elect either to be registered himself or to transfer the share and if the notice is not complied with within sixty days the Board 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. All the provisions of these Articles relating to the transfer of, and registration of transfers of, shares shall apply to the notice or transfer as if the death or bankruptcy of the member or other event giving rise to the transmission had not occurred and the notice or transfer was given or executed by the member.

### **44 Rights of person entitled by transmission**

Where a person becomes entitled by transmission to a share, the rights of the holder in relation to that share shall cease, but the person entitled by transmission to the share may give a good discharge for any dividends or other moneys payable in respect of it and shall have the same rights in relation to the share as he would have had if he were the holder of it save that, until he becomes the holder, he shall not be entitled in respect of the share (except with the authority of the Board) to attend or vote at any general meeting of the Company or at any separate general meeting of the holders of any class of shares in the Company.

## ALTERATION OF SHARE CAPITAL

### 45. Increase, consolidation, sub division and cancellation

The Company may from time to time by ordinary resolution

- (i) increase its share capital by such sum to be divided into shares of such amount as the resolution shall prescribe,
- (ii) consolidate, or consolidate and then divide, all or any of its share capital into shares of larger amount than its existing shares,
- (iii) sub divide all or any of its shares into shares of smaller amounts and the resolution may determine that, as between the shares resulting from the sub division, any of them may be given any preferred, deferred or other rights or be subject to any restrictions as the Company has power to attach to unissued or new shares as compared with the others, and
- (iv) cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled

### 46. Fractions

Subject to any direction by the Company in general meeting, whenever as a result of any consolidation and division or sub division of shares any members of the Company would become entitled to any issued shares of the Company in fractions, the Board may deal with such fractions as it shall determine and in particular may sell the shares to which members would become so entitled in fractions to any person (including, subject to the provisions of the Statutes, the Company) for the best price reasonably obtainable and pay and distribute to and amongst the members entitled to such shares, in due proportions, the net proceeds of the sale thereof provided that where the entitlement of a member is to a sum of less than £5 00 then such sum may be retained by the Company for its own benefit. For the purpose of giving effect to any such sale the Board may authorise some person to transfer or deliver the shares to, or in accordance with the directions of, the purchaser and may cause the name of the purchaser to be entered in the Register as the holder of the shares comprised in any such transfer and he shall not be bound to see to the application of the purchase money nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings relating to the sale. So far as the Statutes allow, the Board may treat certificated shares of a member and uncertificated shares of the same member as separate holdings in giving effect to subdivisions and/or consolidations and may cause any shares arising on consolidation or subdivision and representing fractional entitlements to be entered in the Register as certificated shares where this is desirable to facilitate the sale thereof.

### 47. Reduction of capital

The Company may by special resolution reduce its share capital, any capital redemption reserve, any share premium account or any other undistributable reserve in any manner permitted by, and in accordance with, the Statutes.

## GENERAL MEETINGS

### 48. Extraordinary general meetings

Any general meeting of the Company other than an annual general meeting shall be

called an extraordinary general meeting.'

**49 Annual general meetings**

The Board shall convene and the Company shall hold general meetings as annual general meetings in accordance with the requirements of the Statutes

**50. Convening of extraordinary general meetings**

The Board may convene an extraordinary general meeting whenever it thinks fit

**51. Separate general meetings**

The provisions of these Articles relating to general meetings shall apply, with any necessary modifications, to any separate general meeting of the holders of shares of a class convened otherwise than in connection with the variation or abrogation of the rights attached to the shares of that class. For this purpose, a general meeting at which no holder of a share other than an ordinary share may, in his capacity as a member, attend or vote shall also constitute a separate general meeting of the holders of the ordinary shares

### **NOTICE OF GENERAL MEETINGS**

**52 Length of notice**

An annual general meeting and an extraordinary general meeting convened for the passing of a special resolution or (save as provided by the Statutes) a resolution of which special notice has been given to the Company shall be convened by not less than twenty one clear days' notice in writing. All other extraordinary general meetings shall be convened by not less than fourteen clear days' notice in writing. The notice shall specify the place, day and time of the meeting, and the general nature of the business to be transacted. Notice of every general meeting shall be given to all members other than any who, under the provisions of these Articles or the terms of issue of the shares they hold, are not entitled to receive such notices from the Company, and also to the Auditors or, if more than one, each of them

In this Article, references to "notice in writing" include the use of electronic communications and/or publication on a website in accordance with the Statutes and subject to such terms and conditions as the Board may decide

**53. Omission or non receipt of notice**

The accidental omission to give any notice of a meeting or the accidental omission to send any document, including an instrument of proxy, relating to any meeting to, or the non receipt of any such notice or document by, any person entitled to receive the notice or document shall not invalidate the proceedings at that meeting

**54. Postponement of general meetings**

If the Board, in its absolute discretion, considers that it is impractical or unreasonable for any reason to hold a general meeting on the date or at the time or place specified in the notice calling the general meeting, it may postpone the general meeting to another date, time and/or place. The Board shall take reasonable steps to ensure that notice of the date, time and place of the postponed meeting is given to any member trying to attend the meeting at the original time and place. Notice of the date, time and place of the postponed meeting shall, if practicable, also be placed in at least two national newspapers in the United Kingdom. Notice of the business to be transacted



at such postponed meeting shall not be required. If a meeting is rearranged in this way, proxy forms will be valid if they are delivered in accordance with the provisions of these Articles as if the general meeting had been originally convened on the date for the holding of the postponed meeting.

#### **PROCEEDINGS AT GENERAL MEETINGS**

**55. Quorum**

No business shall be transacted at any general meeting unless a quorum is present when the meeting proceeds to business, but the absence of a quorum shall not preclude the choice or appointment of a chairman which shall not be treated as part of the business of the meeting. Save as otherwise provided by these Articles, two members present in person or by proxy and entitled to vote shall be a quorum for all purposes.

**56. Procedure if quorum not present**

If within five minutes (or such longer time not exceeding one hour as the chairman of the meeting may decide to wait) after the time appointed for the commencement of the meeting a quorum is not present, the meeting, if convened by or upon the requisition of members, shall be dissolved. In any other case it shall stand adjourned to such other day (being not less than three nor more than twenty eight days later) and at such other time or place as may have been specified for the purpose in the notice convening the meeting. Where no such arrangements have been so specified, the meeting shall stand adjourned to such other day (being not less than ten nor more than twenty eight days later) and at such other time or place as the chairman of the meeting may decide and, in this case, the Company shall give not less than seven clear days' notice in writing of the adjourned meeting. At any adjourned meeting one member present in person or by proxy (whatever the number of shares held by him) shall be a quorum and any notice of an adjourned meeting shall state that one member present in person or by proxy (whatever the number of shares held by him) shall be a quorum.

In this Article, references to "notice in writing" include the use of electronic communications and/or publication on a website in accordance with the Statutes and subject to such terms and conditions as the Board may decide.

**57. Security arrangements**

The Board may direct that persons wishing to attend any general meeting should submit to such searches or other security arrangements or restrictions as the Board shall consider appropriate in the circumstances and shall be entitled in its absolute discretion to, or to authorise some one or more persons who shall include a director or the secretary or the chairman of the meeting to, refuse entry to, or to eject from, such general meeting any person who fails to submit to such searches or otherwise to comply with such security arrangements or restrictions.

**58. Chairman of general meeting**

The chairman (if any) of the Board or, in his absence, the deputy chairman (if any) shall preside as chairman at every general meeting. If more than one deputy chairman is present they shall agree amongst themselves who is to take the chair or, if they cannot agree, the deputy chairman who has been in office as a director longest shall take the chair. If there is no chairman or deputy chairman, or if at any meeting neither the chairman nor any deputy chairman is present within five minutes after the time appointed for the commencement of the meeting, or if neither the chairman nor any

deputy chairman is willing to act as chairman, the directors present shall choose one of their number to act, or if one director only is present he shall preside as chairman if willing to act. If no director is present, or if each of the directors present declines to take the chair, the persons present and entitled to vote shall appoint one of their number to be chairman.

**59. Orderly conduct**

The chairman shall take such action or give directions for such action to be taken as he thinks fit to promote the orderly conduct of the business of the meeting as laid down in the notice of the meeting. The chairman's decision on matters of procedure or arising incidentally from the business of the meeting shall be final as shall be his determination as to whether any matter is of such a nature.

**60 Entitlement to attend and speak**

Each director shall be entitled to attend and speak at any general meeting and at any separate general meeting of the Company. The chairman may invite any person to attend and speak at any general meeting of the Company where he considers that this will assist in the deliberations of the meeting.

**61. Adjournments**

The chairman may at any time without the consent of the meeting adjourn any meeting (whether or not it has commenced or a quorum is present) either indefinitely or to another time or place where it appears to him that (a) the members wishing to attend cannot be conveniently accommodated in the place appointed for the meeting (b) the conduct of persons present prevents or is likely to prevent the orderly continuation of business or (c) an adjournment is otherwise necessary so that the business of the meeting may be properly conducted. In addition, the chairman may at any time with the consent of any meeting at which a quorum is present (and shall if so directed by the meeting) adjourn the meeting either indefinitely or to another time or place. When a meeting is adjourned indefinitely the time and place for the adjourned meeting shall be fixed by the Board. No business shall be transacted at any adjourned meeting except business which might properly have been transacted at the meeting had the adjournment not taken place.

**62 Notice of adjournment**

When a meeting is adjourned for three months or more, or indefinitely, notice of the adjourned meeting shall be given as in the case of an original meeting. Except where these Articles otherwise require, it shall not be necessary to give any notice of an adjourned meeting or of the business to be transacted at an adjourned meeting.

## **AMENDMENTS**

**63 Amendments to resolutions**

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 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 either at least forty eight hours prior to the time appointed for holding the meeting or adjourned meeting at which such ordinary 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 or the chairman in his absolute discretion decides that it may be considered or voted upon.

**64. Amendments ruled out of order**

If an amendment shall be proposed to any resolution under consideration but shall be ruled out of order by the chairman of the meeting the proceedings on the substantive resolution shall not be invalidated by any error in such ruling

**VOTING****65. Suspension of rights**

The following provisions of these Articles in relation to voting by members whether in person or by proxy shall be subject, when appropriate, to Article 13

**66. Votes of members**

Subject to any special terms as to voting upon which any shares may be issued or may for the time being be held and to any other provisions of these Articles, on a show of hands every member who is present in person at a general meeting of the Company shall have one vote. On a poll every member who is present in person or by proxy shall have one vote for every share of which he is the holder

**67. Method of voting**

At any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) a poll is properly demanded. Subject to the Statutes, a poll may be demanded by

- (i) the chairman of the meeting, or
- (ii) at least two members present in person or by proxy and entitled to vote, or
- (iii) any member or members present in person or by proxy and representing in the aggregate not less than one-tenth of the total voting rights of all the members having the right to attend and vote at the meeting, or
- (iv) any member or members present in person or by proxy and holding shares conferring a right to attend and vote at the meeting on which there have been paid up sums in the aggregate equal to not less than one tenth of the total sums paid up on all the shares conferring that right

Unless a poll is so demanded on a show of hands and the demand is not withdrawn, a declaration by the chairman that a resolution on a show of hands has been carried or carried unanimously or by a particular majority or not carried by a particular majority or lost shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded for or against the resolution

**68. Procedure if poll demanded**

If a poll is properly demanded it shall be taken in such manner as the chairman shall direct. The result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. The chairman 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.

**69. 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 forthwith or on such date (being not later than thirty days after the date of the demand) and at such time and place as the chairman shall direct. It shall not be necessary (unless the chairman otherwise directs) for notice to be given of a poll.

**70. Continuance of other business after poll demand**

The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll was demanded, and it may be withdrawn, with the consent of the chairman, at any time before the close of the meeting or the taking of the poll, whichever is the earlier, and in that event shall not invalidate the result of a show of hands declared before the demand was made.

**71. Votes on a poll**

On a poll votes may be given either personally or by proxy. A member may appoint more than one proxy to attend and vote on his behalf on the same occasion.

**72. Casting vote of the chairman**

In the case of an equality of votes at a general meeting, whether on a show of hands or on a poll, the chairman shall be entitled to an additional or casting vote.

**73. 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, 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 in respect of the joint holding.

**74. Voting on behalf of incapable member**

A member in respect of whom an order has been made by any competent court or official on the ground that he is or may be suffering from mental disorder or is otherwise incapable of managing his affairs may vote at any general meeting of the Company or at any separate general meeting of the holders of any class of shares in the Company and may exercise any other right conferred by membership in relation to general meetings by or through any person authorised in such circumstances to do so on his behalf (and that person may vote on a poll by proxy), provided that evidence to the satisfaction of the Board of the authority of the person claiming to exercise the right to vote or such other right has been delivered at the Office (or at such other place as may be specified in accordance with these Articles for the delivery of instruments appointing a proxy) not later than the last time at which an instrument of proxy should have been delivered in order to be valid for use at that meeting or on the holding of that poll.

**75. No right to vote where sums overdue on shares**

No member shall, unless the Board otherwise decides, be entitled in respect of any share held by him to vote (either personally or by proxy) at any general meeting of the Company or at any separate general meeting of the holders of any class of shares in the Company or to exercise any other right conferred by membership in relation to general meetings unless all calls or other sums presently payable by him in respect of

that share have been paid.

**76. Objections or errors in voting**

If

- (i) any objection shall be raised to the qualification of any voter, or
- (ii) any votes have been counted which ought not to have been counted or which might have been rejected, or
- (iii) any votes are not counted which ought to have been counted,

the objection or error shall not vitiate the decision of the meeting or adjourned meeting on any resolution unless it is raised or pointed out at the meeting or, as the case may be, the adjourned meeting at which the vote objected to is given or tendered or at which the error occurs. Any objection or error shall be referred to the chairman and shall only vitiate the decision of the meeting on any resolution if the chairman decides that the same may have affected the decision of the meeting. The decision of the chairman on such matters shall be conclusive.

**PROXIES**

**77. Execution of proxies**

An instrument appointing a proxy shall be signed by the appointor or his attorney duly authorised in writing or, if the appointor is a corporation, either under its seal or signed by an officer, attorney or other person authorised to sign it.

In this Article, references to "in writing" include the use of electronic communications subject to such terms and conditions as the Board may decide. References to "signed by" include electronic signatures or such other authorisation or authentication as the Board may decide.

**78. Delivery of proxies**

The instrument appointing a proxy must

- (i) in the case of an appointment which is not contained in an electronic communication, be delivered to the Office (or such other place in the United Kingdom as may be specified in the notice convening the meeting or in any notice of any adjournment, or in either case, in any accompanying document) together with (if required by the directors) any authority under which it is executed or a copy of the authority certified notarially or in some other manner approved by the Board, not less than forty eight hours before the time appointed for holding the meeting or adjourned meeting at which the person named in the instrument of appointment proposes to vote,
- (ii) in the case of an instrument of appointment contained in an electronic communication, where an address has been specified for the purposes of receiving electronic communications in the notice convening the meeting or in any notice of any adjournment or, in either case, in any accompanying document, be received at such address not less than forty eight hours before the time appointed for holding the meeting or adjourned meeting at which the person named in the instrument of appointment proposes to vote. Any authority pursuant to which an appointment contained in an electronic communication is made or a copy of the authority, certified notarially or in

some other manner approved by the Board, must, if required by the directors, be delivered to the Office (or such other place in the United Kingdom as may be specified in the notice convening the meeting or in any notice of any adjournment or, in either case, in any accompanying document) not less than forty eight hours before the time appointed for holding the meeting or adjourned meeting at which the person named in the instrument of appointment proposes to vote, or

- (iii) in the case of a poll taken subsequently to the date of the meeting or adjourned meeting, be received as aforesaid not less than twenty four hours before the time appointed for the taking of the poll,
- (iv) in the case of any instrument of appointment be received in the manner specified in (i), (ii) or (iii) above. If such instrument of appointment is not so received, the Company shall be entitled to treat such instrument as being invalid save that the directors may, in their absolute discretion, treat such an instrument as valid notwithstanding any default in complying with the requirements of this Article 78. When two or more valid but differing appointments of a proxy are received in respect of the same share for use at the same meeting, the one which is last delivered (regardless of its date or of the date of its signature) shall be treated as replacing and revoking the others as regards that share, if the Company is unable to determine which was last received, none of them shall be treated as valid in respect of that share.

In this Article, "address" in relation to electronic communications includes any number or address (including an identification number of a participant in the relevant system concerned) used for the purposes of such communications.

An instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed, or a notarially certified copy or a copy certified in accordance with the Powers of Attorney Act 1971 of that power or authority shall be deposited at the Office, or at such other place (if any) within the United Kingdom as is specified for that purpose in or by way of note to the notice convening the meeting, not less than forty eight hours before the time for holding the meeting at which the person named in the instrument proposes to vote.

Nothing in this Article shall prejudice the continuing authority of a validly appointed proxy to vote on a poll (demanded at a meeting in respect of which he is validly appointed) whenever taken or to attend and vote at an adjourned meeting (whose business has been adjourned from a meeting in respect of which he has been validly appointed) whenever held. Delivery of an instrument appointing a proxy shall not preclude a member from attending and voting in person at the meeting or poll concerned.

#### **79 Maximum validity of proxy**

No instrument appointing a proxy shall be valid after twelve months have elapsed from the date named in it as the date of its execution save that, unless the contrary is stated in it, an instrument of proxy shall be valid for use at an adjourned meeting or a poll after a meeting or an adjourned meeting even after twelve months, if it was valid for the original meeting.

#### **80 Form of proxy**

Instruments of proxy shall be in any usual form or in such other form, including electronic form, as the Board may approve and the Board may, if it thinks fit, but subject to the provisions of the Statutes, send out with the notice of any meeting forms

of instrument of proxy for use at the meeting. The instrument of proxy shall be deemed to confer authority to demand or join in demanding a poll and to vote on any amendment of a resolution put to the meeting for which it is given as the proxy thinks fit. The instrument of proxy shall, unless the contrary is stated in it, be valid as well for any adjournment of the meeting as for the meeting to which it relates.

**81. Cancellation of proxy's authority**

A vote given or poll demanded by a proxy or by the duly authorised representative of a corporation shall be valid notwithstanding the previous determination of the authority of the person voting or demanding a poll, or the previous death or insanity of the principal, unless notice in writing of the determination, death or insanity was received by the Company at the Office (or such other place in the United Kingdom as was specified for the delivery of instruments of proxy in the notice convening the meeting or other accompanying document) not later than the last time at which an instrument of proxy should have been delivered in order to be valid for use at the meeting or on the holding of the poll at which the vote was given or the poll demanded.

In this Article, references to "notice in writing" include the use of electronic communications subject to such terms and conditions as the Board may decide.

### **CORPORATIONS ACTING BY REPRESENTATIVES**

**82. Representatives of corporations**

Any corporation which is a member of the Company may by resolution of its Board of directors or other governing body authorise such person as it thinks fit to act as its representative at any meeting of the Company or of any class of members of the Company. The person so authorised shall be entitled to exercise the same powers on behalf of such corporation as the corporation could exercise if it were an individual member of the Company and such corporation shall for the purposes of these Articles be deemed to be present in person at any such meeting if a person so authorised is present thereat.

### **APPOINTMENT, RETIREMENT AND REMOVAL OF DIRECTORS**

**83. Number of directors**

Subject to the following provisions of these Articles, and unless otherwise determined by ordinary resolution of the Company, the number of directors (disregarding alternate directors) shall not be less than three nor more than ten.

**84. Directors' shareholding qualification**

No shareholding qualification for directors shall be required.

**85. Power of the Company to appoint directors**

Subject to the provisions of these Articles, the Company may by ordinary resolution appoint any person who is willing to act to be a director, either to fill a vacancy or as an addition to the existing Board, but so that the total number of directors shall not at any time exceed any maximum number fixed by or in accordance with these Articles.

**86. Power of the Board to appoint directors**

Without prejudice to the power of the Company in general meeting pursuant to any

of the provisions of these Articles to appoint any person to be a director, the Board may appoint any person who is willing to act to be a director, either to fill a vacancy or as an addition to the existing Board, but so that the total number of directors shall not at any time exceed any maximum number fixed by or in accordance with these Articles. Any director so appointed shall hold office only until the next general meeting and shall then be eligible for election but shall not be taken into account in determining the directors or the number of directors who are to retire by rotation at that meeting if it is an annual general meeting.

**87. Number to retire by rotation**

At each annual general meeting one third of the directors (or, if their number is not three or an integral multiple of three, then the number nearest to but not exceeding one third) shall retire from office.

**88. Identity of directors to retire**

Subject to the provisions of the Statutes and of these Articles, the directors to retire by rotation on each occasion shall be those of the directors subject to retirement by rotation who have been longest in office since their last appointment or reappointment but, as between persons who became or were last reappointed directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by lot. In addition, any director who would not otherwise be required to retire at any annual general meeting which is the third annual general meeting after the later of his last appointment by the Company in general meeting and re-election as a director of the Company in general meeting, shall nevertheless be required to retire at such annual general meeting. The directors to retire on each occasion (both as to number and identity) shall be determined by the composition of the Board at the start of business on the date of the notice convening the annual general meeting and no director shall be required to retire or be relieved from retiring by reason of any change in the number or identity of the directors after that time on the date of the notice but before the close of the meeting.

Notwithstanding any other provision of this Article 88, any director of the Company who is also a director, partner or employee of, or professional adviser to, the Company's investment manager (or of or to any other company in the same group as the Company's investment manager) and any non executive director who has served longer than nine years as a director of the Company shall retire and be subject to re-election by the members annually.

**89. Filling vacancies**

Subject to the provisions of these Articles, at the meeting at which a director retires the Company can pass an ordinary resolution to re-elect the director or to elect some other eligible person in his place.

**90. Power of removal by ordinary resolution**

Notwithstanding any power of removal conferred by the Statutes, the Company may by ordinary resolution remove any director before the expiration of his period of office and may (subject to these Articles) by ordinary resolution appoint another person who is willing to act to be a director in his place.

**91. Persons eligible as directors**

No person other than a director retiring at the meeting (whether by rotation or otherwise) or a person recommended by the Board shall be appointed or reappointed



as a director at any general meeting unless not less than seven nor more than forty two days before the day appointed for the meeting, notice executed by a member qualified to vote at the meeting (not being the person to be proposed) has been given to the secretary of the intention to propose that person for appointment or reappointment together with notice executed by that person of his willingness to be appointed or reappointed

**92. Position of retiring directors**

A director who retires (whether by rotation or otherwise) at a general meeting may, if willing to continue to act, be reappointed. If he is not reappointed, he shall retain office until the meeting appoints someone in his place or, if it does not do so, until the end of the meeting.

**93. Vacation of office by directors**

Without prejudice to the provisions for retirement by rotation or otherwise contained in these Articles, the office of a director shall be vacated if

- (i) he resigns his office by notice in writing delivered to the Office or tendered at a meeting of the Board, or
- (ii) by notice in writing delivered to the Office or tendered at a meeting of the Board he offers to resign and the Board resolves to accept such offer, or
- (iii) by notice in writing delivered to the Office or tendered at a meeting of the Board, his resignation is requested by all of the other directors and all of the other directors are not less than three in number, or
- (iv) he is or has been suffering from mental ill health or becomes a patient for any purpose of any statute relating to mental health and the Board resolves that his office is vacated, or
- (v) he is absent without the permission of the Board from meetings of the Board (whether or not an alternate director appointed by him attends) for six consecutive months and the Board resolves that his office is vacated, or
- (vi) he becomes bankrupt or compounds with his creditors generally, or
- (vii) he is prohibited by law from being a director, or
- (viii) he ceases to be a director by virtue of the Statutes or is removed from office pursuant to these Articles

If a director vacates his office for any reason, he shall cease to be a member of any committee or sub committee of the Board

**94. Alternate directors**

- (A) Each director may appoint any person to be his alternate and may at his discretion remove an alternate director so appointed. If the alternate director is not already a director, the appointment, unless previously approved by the Board, shall have effect only upon and subject to its being so approved. Any appointment or removal of an alternate director shall be effected by notice in writing executed by the appointor and delivered to the Office or tendered at a meeting of the Board, or in any other manner approved by the Board. An alternate director shall be entitled to receive notice of all meetings of the

Board or of committees of the Board of which his appointor is a member. He shall also be entitled to attend and vote as a director at any such meeting at which the director appointing him is not personally present and at such meeting to exercise and discharge all the functions, powers, rights 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.

- (B) Every person acting as an alternate director shall (except as regards power to appoint an alternate and remuneration) be subject in all respects to the provisions of these Articles relating to directors and shall during his appointment be an officer of the Company. An alternate director shall alone be responsible to the Company for his acts and defaults and shall not be deemed to be the agent of or for the director appointing him. An alternate director may be paid expenses and shall be entitled to be indemnified by the Company to the same extent as if he were a director. An alternate director shall not be entitled to receive from the Company any fee in his capacity as an alternate director but the Company shall, if so requested in writing by the appointor, pay to the alternate director any part of the fees or remuneration otherwise due to the appointor.
- (C) A director or any other person may act as an alternate director to represent more than one director. Every person acting as an alternate director shall have one vote for each director for whom he acts as alternate, in addition to his own vote if he is also a director but he shall count as only one for the purposes of determining whether a quorum is present. Execution by an alternate director of any resolution in writing of the Board or a committee of the Board shall, unless the notice of his appointment provides to the contrary, be as effective as execution by his appointor.
- (D) An alternate director shall automatically cease to be an alternate director if his appointor ceases for any reason to be a director except that, if at any meeting any director retires by rotation or otherwise but is reappointed or deemed to be reappointed at the same meeting, any appointment made by him pursuant to this Article which was in force immediately before his retirement shall remain in force as though he had not retired.

In this Article, references to "in writing" include the use of electronic communications subject to such terms and conditions as the Board may decide. References to "executed by" and "execution by" include electronic signatures or such other authorisation or authentication as the Board may decide.

## 95 Executive directors

The Board or any committee authorised by the Board may from time to time appoint one or more directors to hold any employment or executive office with the Company for such period (subject to the provisions of the Statutes) and upon such other terms as the Board or any committee authorised by the Board may in its discretion decide and may revoke or terminate any appointment so made. Any revocation or termination of the appointment shall be without prejudice to any claim for damages that the director may have against the Company or the Company may have against the director for any breach of any contract of service between him and the Company which may be involved in the revocation or termination. A director so appointed shall receive such remuneration (whether by way of salary, commission, participation in profits or otherwise) as the Board or any committee authorised by the Board may decide, and either in addition to or in lieu of his remuneration as a director.

## FEES, REMUNERATION, EXPENSES AND PENSIONS

### 96. Directors' fees

The fees paid to, and benefits in kind received by, the directors for their services in the office of director shall not exceed in aggregate £250,000 per annum or such higher amount as the Company may from time to time by ordinary resolution determine. Subject thereto, each such director shall be paid a fee (which shall be deemed to accrue from day to day) at such rate, and shall receive such benefits in kind, as may from time to time be determined by the directors and, in default to such determination within a reasonable period, such fees and benefits in kind shall be divided among the directors equally.

### 97. Fees distinct from other remuneration

Any fee payable pursuant to Article 96 shall be distinct from any salary, remuneration or other amounts payable to a director pursuant to any other provision of these Articles or any contract or arrangement between the Company and the relevant director.

### 98. Additional remuneration

Notwithstanding Article 96, any director who is appointed to any executive office or who performs services which in the opinion of the Board or any committee authorised by the Board go beyond the ordinary duties of a director may be paid such extra remuneration (whether by way of salary, commission, participation in profits or otherwise) as the Board or any committee authorised by the Board may in its discretion decide in addition to any remuneration provided for by or pursuant to any other Article.

### 99. Expenses

Each director may be paid his reasonable travelling, hotel and incidental expenses of attending and returning from meetings of the Board or committees of the Board or general meetings of the Company or any other meeting which as a director he is entitled to attend and shall be paid all other costs and expenses properly and reasonably incurred by him in the conduct of the Company's business or in the discharge of his duties as a director.

## DIRECTORS' INTERESTS

### 100. Permitted interests and voting

- (A) Subject to the provisions of the Statutes and of paragraph (J) of this Article, no director or proposed or intending director shall be disqualified by his office from contracting with the Company, either with regard to his tenure of any office or place of profit or as vendor, purchaser or in any other manner whatever, nor shall any contract in which any director is in any way interested be liable to be avoided, nor shall any director who is so interested be liable to account to the Company or the members for any remuneration, profit or other benefit realised by the contract by reason of the director holding that office or of the fiduciary relationship thereby established.
- (B) A director may hold any other office or place of profit with the Company (except that of Auditor) in conjunction with his office of director for such period (subject to the provisions of the Statutes) and upon such other terms as the Board may decide, and may be paid such extra remuneration for so doing.

(whether by way of salary, commission, participation in profits or otherwise) as the Board or any committee authorised by the Board may decide, and either in addition to or in lieu of any remuneration provided for by or pursuant to any other Article

- (C) A director may be or become a director or other officer of, or otherwise interested in, any company promoted by the Company or in which the Company may be interested or as regards which it has any power of appointment, and shall not be liable to account 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 the other company. The Board may also cause any voting power conferred by the shares in any other company held or owned by the Company or any power of appointment to be exercised in such manner in all respects as it thinks fit, including the exercise of the voting power or power of appointment in favour of the appointment of the directors or any of them as directors or officers of the other company, or in favour of the payment of remuneration to the directors or officers of the other company
- (D) A director may act by himself or his firm in a professional capacity (otherwise than as Auditor) and he or his firm shall be entitled to remuneration for professional services as if he were not a director
- (E) A director shall not vote on or be counted in the quorum in relation to any resolution of the Board concerning his own appointment, or the settlement or variation of the terms or the termination of his own appointment (including, without limitation, any remuneration payable), as the holder of any office or place of profit with the Company or any other company in which the Company is interested but, where proposals are under consideration concerning the appointment, or the settlement or variation of the terms or the termination of the appointment, of two or more directors to offices or places of profit with the Company or any other company in which the Company is interested, a separate resolution may be put in relation to each director and in that case each of the directors concerned shall be entitled to vote and be counted in the quorum in respect of each resolution unless it concerns his own appointment or the settlement or variation of the terms or the termination of his own appointment or the appointment of another director to an office or place of profit with a company in which the Company is interested and the director seeking to vote or be counted in the quorum owns one per cent or more of it
- (F) Save as otherwise provided by these Articles, a director shall not vote on, or be counted in the quorum in relation to, any resolution of the Board in respect of any contract in which he has an interest which (taken together with any interest of any person connected with him) is to his knowledge a material interest and, if he shall do so, his vote shall not be counted, but this prohibition shall not apply to any resolution where that material interest arises only from one or more of the following matters
  - (i) the giving to him of any guarantee, indemnity or security in respect of money lent or obligations undertaken by him or by any other person at the request of or for the benefit of the Company or any of its subsidiary undertakings,
  - (ii) the giving to a third party of any guarantee, indemnity or security 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;

- (iii) where the Company or any of its subsidiary undertakings is offering securities in which offer the director is or may be entitled to participate as a holder of securities or in the underwriting or sub underwriting of which the director is to participate,
  - (iv) any contract in which he is interested by virtue of his interest in shares or debentures or other securities of the Company or by reason of any other interest in or through the Company,
  - (v) any contract concerning any other company (not being a company in which the director owns one per cent or more of its issued share capital) in which he is interested directly or indirectly whether as an officer, shareholder, creditor or otherwise howsoever,
  - (vi) any contract concerning the adoption, modification or operation of a pension fund or retirement, death or disability benefits scheme which relates both to directors and employees of the Company or of any of its subsidiary undertakings and does not provide in respect of any director as such any privilege or advantage not accorded to the employees to which the fund or scheme relates,
  - (vii) any contract for the benefit of the employees of the Company or of any of its subsidiary undertakings under which he benefits in a similar manner to the employees and which does not accord to any director as such any privilege or advantage not accorded to the employees to whom the contract relates, and
  - (viii) any contract for the purchase or maintenance of insurance against any liability for, or for the benefit of, any director or for, or for the benefit of, persons who include directors
- (G) A company shall be deemed to be one in which a director owns one per cent or more if and so long as (but only if and so long as) he, taken together with any person connected with him, is to his knowledge (either directly or indirectly) the holder of or beneficially interested in one per cent or more of any class of the equity share capital of that company or of the voting rights available to members of that company. For the purpose of this paragraph of this Article there shall be disregarded any shares held by the director or any such person as bare or custodian trustee and in which he has no beneficial interest, any shares comprised in a trust in which his, or any such person's, interest is in reversion or remainder if and so long as some other person is entitled to receive the income of the trust and any shares comprised in an authorised unit trust scheme in which he, or any such person, is interested only as a unit holder
- (H) Where a company in which a director owns one per cent or more is materially interested in a contract, he also shall be deemed materially interested in that contract
- (I) If any question shall arise at any meeting of the Board as to the materiality of the interest of a director (other than the chairman of the meeting) or as to the entitlement of any director (other than the chairman of the meeting) to vote or be counted in the quorum and the question is not resolved by his voluntarily

agreeing to abstain from voting or not to be counted in the quorum, the question shall be referred to the chairman of the meeting and his ruling in relation to the director concerned shall be conclusive except in a case where the nature or extent of his interest (so far as it is known to him) has not been fairly disclosed to the Board. If any question shall arise in respect of the chairman of the meeting, the question shall be decided by a resolution of the Board (for which purpose the chairman shall be counted in the quorum but shall not vote on the matter) and the resolution shall be conclusive except in a case where the nature or extent of the interest of the chairman (so far as it is known to him) has not been fairly disclosed to the Board.

- (J) A director who to his knowledge is in any way, whether directly or indirectly, interested in a contract with the Company shall declare the nature of his interest at the meeting of the Board at which the question of entering into the contract is first taken into consideration, if he knows his interest then exists, or in any other case at the first meeting of the Board after he knows that he is or has become so interested. For the purposes of this Article, a general notice to the Board by a director to the effect that (a) he is a member of a specified company or firm and is to be regarded as interested in any contract which may after the date of the notice be made with that company or firm or (b) he is to be regarded as interested in any contract which may after the date of the notice be made with a specified person who is connected with him, shall be deemed to be a sufficient declaration of interest under this Article in relation to any such contract, provided that no such notice shall be effective unless either it is given at a meeting of the Board or the director takes reasonable steps to secure that it is brought up and read at the next Board meeting after it is given.
- (K) References in this Article to a contract include references to any proposed contract and to any transaction or arrangement whether or not constituting a contract.
- (L) Subject to the provisions of the Statutes, the Company may by ordinary resolution suspend or relax the provisions of this Article to any extent or ratify any contract not properly authorised by reason of a contravention of this Article provided that nothing in this Article shall permit the Company to cease to comply with the Listing Rules of the UKLA.

#### **POWERS AND DUTIES OF THE BOARD**

##### **101. General powers of the Company vested in the Board**

Subject to the provisions of the Statutes, the memorandum of association of the Company and these Articles and to any directions given by the Company in general meeting by special resolution, the business of the Company shall be managed by the Board which may exercise all the powers of the Company whether relating to the management of the business of the Company or not. No alteration of the memorandum of association or these Articles and no special resolution shall invalidate any prior act of the Board which would have been valid if that alteration had not been made or that resolution had not been passed. The powers given by this Article shall not be limited by any special power given to the Board by any other Article.

##### **102. Borrowing powers**

- (A) The Board may exercise all the powers of the Company to borrow money and to mortgage or charge all or any part of the undertaking, property and assets

(present and future) and uncalled capital of the Company and to issue debentures and other securities, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party

- (B) The Board shall restrict the borrowings of the Company and exercise all voting and other rights or powers of control exercisable by the Company in relation to its subsidiary undertakings so as to secure (but as regards subsidiary undertakings only in so far as by the exercise of the rights or powers of control the Board can secure) that the aggregate principal amount from time to time outstanding of all borrowings by the Group (exclusive of borrowings owing by one member of the Group to another member of the Group) shall not at any time without the previous sanction of an ordinary resolution of the Company exceed an amount equal to the adjusted capital and reserves
- (C) For the purposes of this Article, "the adjusted capital and reserves" means the aggregate from time to time of:
  - (a) the amount paid up on the issued share capital of the Company,
  - (b) the amount standing to the credit of the reserves (including any share premium account, capital redemption reserve and special reserve arising through the reduction or cancellation of share premium account) and any credit balance on the revenue account,
 all as shown by the then latest audited consolidated balance sheet but after
  - (c) deducting from the aggregate any debit balance on revenue account subsisting at the date of that audited consolidated balance sheet except to the extent that a deduction has already been made on that account, and
  - (d) making such adjustments as may be deemed appropriate by the Auditors to reflect any variation in the amount of the paid up share capital, share premium account, capital redemption reserve or special reserve arising through the reduction or cancellation of share premium account since the date of the audited consolidated balance sheet
- (D) For the purposes of this Article, "borrowings" include not only borrowings but also the following except in so far as otherwise taken into account
  - (a) the nominal amount of any issued and paid up share capital (other than equity share capital) of any subsidiary undertaking beneficially owned otherwise than by a member of the Group,
  - (b) the nominal amount of any other issued and paid up share capital and the principal amount of any debentures or borrowed moneys which is not for the time being beneficially owned by a member of the Group, the redemption or repayment of which is the subject of a guarantee or indemnity by a member of the Group or which any member of the Group may be required to purchase,
  - (c) the outstanding amount raised by acceptances by any bank or accepting house under any acceptance credit opened on behalf of and in favour of any member of the Group,

- (d) the principal amount of any debenture (whether secured or unsecured) of a member of the Group beneficially owned otherwise than by a member of the Group, and
- (e) any fixed or minimum premium payable by a member of the Group on final repayment of any borrowing or deemed borrowing,

but do not include

- (f) borrowings incurred by any member of the Group for the purpose of repaying within six months of the borrowing the whole or any part (with or without premium) of any borrowings of that or any other member of the Group for the time being outstanding, pending their application for that purpose within that period,
  - (g) the principal amount of any preference share capital of any subsidiary owned otherwise than by a member of the Group,
  - (h) borrowings of an undertaking which became a subsidiary undertaking of the Company after the date as at which the latest audited balance sheet was prepared, to the extent the amount of those borrowings does not exceed their amount immediately after it became such a subsidiary undertaking,
  - (i) the minority proportion of moneys borrowed by a partly owned subsidiary undertaking and not owing to another member of the Group (and for this purpose the minority proportion shall be a proportion equal to the proportion of its issued share capital which is not attributable to a member of the Group), or
  - (j) undrawn commitments by any member of the Group to any limited partnership or similar collective investment scheme
- (E) When the aggregate principal amount of borrowings required to be taken into account on any particular date is being ascertained, any particular borrowing then outstanding which is denominated or repayable in a currency other than sterling shall be notionally converted into sterling at the rate of exchange prevailing in London on the last business day before that date or, if it would result in a lower figure, at the rate of exchange prevailing in London on the last business day six months before that date and so that for these purposes the rate of exchange shall be taken as the spot rate in London recommended by a London clearing bank, selected by the Board, as being the most appropriate rate for the purchase by the Company of the currency in question for sterling on the day in question
- (F) Where under the terms of any borrowing the amount of money that would be required to discharge the borrowing in full if it fell to be repaid by reason of an event of default, the exercise of an option or for any other reason on the date as at which the calculation is being made is at a premium or discount to the principal amount the amount to be taken into account in respect of that borrowing shall be the amount (or the greater or greatest of two or more alternative amounts) which would be payable on such repayment as at the date on which the calculation is being made
- (G) For the purposes of calculating the limit of borrowings under this Article there shall be credited (subject, in the case of any item held or deposited by a



partly owned subsidiary, to the exclusion of a proportion thereof equal to the proportion the issued equity share capital of the partly owned subsidiary which is not attributable to the Company or any subsidiary of the Company) against the amount of any moneys borrowed the aggregate of

- (i) cash in hand of the Group,
  - (ii) cash deposits and the balance on each current account of any member of the Group with banks in the UK and/or elsewhere if the remittance of such cash is not prohibited by any law, regulation, treaty or official directive, however, if the remittance of such cash is prohibited it shall nonetheless be deducted from amounts borrowed but only to the extent that it may be set off against or act as security for any borrowings or amounts included in sub paragraph (D)(a), (b), (c), (d) and (e) of this Article,
  - (iii) the amount of all assets ("short term assets") as would be included in "Investments short term loans and deposits" in a consolidated balance sheet of the Group prepared as at the date of the relevant calculation in accordance with the principles with which the then latest published audited consolidated balance sheet of the Company was produced, and
  - (iv) the amount of any cash or short term assets securing the repayment by the Group of any amount borrowed by the Group deposited or otherwise placed with the trustee or similar entity in respect of the relevant borrowing except to the extent that such cash represents the proceeds of a borrowing not included pursuant to sub paragraph (D)(f) of this Article
- (H) The "Group" means the Company and its subsidiary undertakings, and "consolidated balance sheet" means the consolidated balance sheet of the Company and its subsidiary undertakings in respect of which the Company has prepared group accounts pursuant to the Statutes and "the then latest audited consolidated balance sheet" means in respect of a particular time the then most recently published audited consolidated balance sheet of the Company and its subsidiary undertakings
- (I) A certificate or report by the Auditors as to the amount of the adjusted capital and reserves or the amount of any borrowings or to the effect that the limit imposed by this Article has not been or will not be exceeded at any particular time or times shall be conclusive evidence of that amount or of that fact
- (J) For the avoidance of doubt, all references in this Article to reserves and revenue account shall be deemed to be references to consolidated reserves and consolidated revenue account respectively

### 103. Agents

The Board may, by power of attorney or otherwise, appoint any person or body of persons whether nominated directly or indirectly by the Board to be the agent of the Company upon such terms (including terms as to remuneration) as it may decide and may delegate to any person so appointed any of its powers, authorities and discretions (with power to sub-delegate) The Board may remove any person appointed under this Article and may revoke or vary the delegation but no person dealing in good faith and without notice of the revocation or variation shall be affected by it The power to delegate contained in this Article shall be effective in

relation to the powers, authorities and discretions of the Board generally and shall not be limited by the fact that in certain Articles, but not in others, express reference is made to particular powers, authorities or discretions being exercised by the Board or by a committee authorised by the Board.

**104 Delegation to individual directors**

The Board may entrust to and confer upon any director any of its powers, authorities and discretions (with power to sub delegate) upon such terms and conditions and with such restrictions as it thinks fit, and either collaterally with, or to the exclusion of, its own powers, authorities and discretions and may from time to time revoke or vary all or any of them but no person dealing in good faith and without notice of the revocation or variation shall be affected by it. The power to delegate contained in this Article shall be effective in relation to the powers, authorities and discretions of the Board generally and shall not be limited by the fact that in certain Articles, but not in others, express reference is made to particular powers, authorities or discretions being exercised by the Board or by a committee authorised by the Board.

**105. Official seals**

The Company may exercise all the powers conferred by the Statutes with regard to having official seals and those powers shall be vested in the Board.

**106 Registers**

Subject to the provisions of the Statutes, the Company may keep an overseas or local or other Register in any place and the Board may make and vary such regulations as it may think fit respecting the keeping of the Register.

**107. Provision for employees**

The Board may exercise any power conferred by the Statutes to make provision for the benefit of persons employed or formerly employed by the Company or any of its subsidiaries in connection with the cessation or the transfer to any person of the whole or part of the undertaking of the Company or that subsidiary.

## **PROCEEDINGS OF THE BOARD**

**108. Board meetings**

The Board may meet for the despatch of business, adjourn and otherwise regulate its meetings as it thinks fit. A director at any time may, and the secretary on the requisition of a director at any time shall, summon a Board meeting.

**109. Notice of board meetings**

Notice of a Board meeting shall be deemed to be properly 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 absent or intending to be absent from the United Kingdom may request the Board that notices of Board meetings shall during his absence be sent in writing to him at an address given by him to the Company for this purpose, but such notices need not be given any earlier than notices given to directors not so absent and if no request is made to the Board it shall not be necessary to give notice of a Board meeting to any director who is for the time being absent from the United Kingdom. A director may waive the requirement for him to receive notice of any meeting either prospectively or retrospectively.

In this Article, references to "in writing" include the use of electronic communications subject to such terms and conditions as the Board may decide "Address" in relation to electronic communications includes any number or address used for the purposes of such communications subject to such terms and conditions as the Board may decide

**110. Quorum**

The quorum necessary for the transaction of the business of the Board may be fixed by the Board and, unless so fixed at any other number, shall be two Subject to the provisions of these Articles, any director who ceases to be a director at a Board meeting may continue to be present and to act as a director and be counted in the quorum until the termination of the Board meeting if no other director objects and if otherwise a quorum of directors would not be present

**111 Directors below minimum through vacancies**

The continuing directors or a sole continuing director may act notwithstanding any vacancy in their number but, if and so long as the number of directors is reduced below the minimum number fixed by or in accordance with these Articles or is below the number fixed by or in accordance with these Articles as the quorum or there is only one continuing director, the continuing directors or director may act for the purpose of filling 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

**112. Appointment of chairman**

The Board may appoint a director to be the chairman or a deputy chairman of the Board, and may at any time remove him from that office The chairman or failing him a deputy chairman shall act as chairman at every meeting of the Board If more than one deputy chairman is present they shall agree amongst themselves who is to take the chair or, if they cannot agree, the deputy chairman who has been in office as a director longest shall take the chair But if no chairman or deputy chairman is appointed, or if at any meeting neither the chairman nor any deputy chairman is present within five minutes after the time appointed for holding the meeting, the directors present may choose one of their number to be chairman of the meeting

**113 Competence of meetings**

A meeting of the Board at which a quorum is present shall be competent to exercise all the powers, authorities and discretions for the time being vested in or exercisable by the Board

**114. Voting**

Questions arising at any meeting shall be determined by a majority of votes In the case of an equality of votes the chairman of the meeting shall have a second or casting vote

**115 Delegation to Committees**

- (A) The Board may delegate any of its powers, authorities and discretions (with power to sub delegate) to any committee, consisting of such person or persons (whether a member or members of its body or not) as it thinks fit, provided that the majority of persons on any committee or sub committee

must be directors. References in these Articles to committees include sub-committees permitted under this Article

- (B) Any committee so formed shall, in the exercise of the powers, authorities and discretions so delegated, conform to any regulations which may be imposed on it by the Board. The meetings and proceedings of any committee consisting of two or more members shall be governed by the provisions contained in these Articles for regulating the meetings and proceedings of the Board so far as the same are applicable and are not superseded by any regulations imposed by the Board.
- (C) The power to delegate contained in this Article shall be effective in relation to the powers, authorities and discretions of the Board generally and shall not be limited by the fact that in certain Articles, but not in others, express reference is made to particular powers, authorities or discretions being exercised by the Board or by a committee authorised by the Board.

**116. Participation in meetings by telephone**

All or any of the members of the Board or any committee of the Board may participate in a meeting of the Board or that committee by means of a conference telephone or any communication equipment which allows all persons participating in the meeting to speak to and hear each other. A person so participating shall be deemed to be present in person at the meeting and shall be entitled to vote or be counted in a quorum accordingly. Such a meeting shall be deemed to take place where the largest group of those participating is assembled, or, if there is no such group, where the chairman of the meeting then is.

**117. Resolution in writing**

A resolution in writing executed by all the directors for the time being entitled to receive notice of a meeting of the Board (if that number is sufficient to constitute a quorum) or by all the members of a committee for the time being so entitled shall be as valid and effectual as a resolution passed at a meeting of the Board or, as the case may be, of the committee properly called and constituted. The resolution may be contained in one document or in several documents in like form each executed by one or more of the directors or members of the committee concerned. The document or documents may be in any form including facsimile transmission.

In this Article, references to "in writing" include the use of electronic communications subject to such terms and conditions as the Board may decide.

**118. Validity of acts of the Board or a committee**

All acts done by the Board or by any committee or by any person acting as a director or member of a committee shall, notwithstanding that it is afterwards discovered that there was some defect in the appointment of any member of the Board or committee or person so acting or that they or any of them were disqualified from holding office or had vacated office or were not entitled to vote, be as valid as if each such member or person had been properly appointed and was qualified and had continued to be a director or member of the committee and had been entitled to vote.

**SECRETARY**

**119 Appointment and removal of the secretary**

Subject to the provisions of the Statutes, the secretary shall be appointed by the Board.

for such term and upon such conditions as the Board may think fit, and any secretary so appointed may be removed by the Board. The secretary shall receive such remuneration as the Board or any committee authorised by the Board shall decide.

## SEALS

### 120. Use of seals

The Board shall provide for the custody of every seal of the Company. A seal shall only be used by the authority of the Board or of a committee of the Board authorised by the Board in that behalf. Subject as otherwise provided in these Articles, and to any resolution of the Board or committee of the Board dispensing with the requirement for counter signature on any occasion, any instrument to which the common seal is applied shall be signed by at least one director and the secretary, or by at least two directors or by such other person or persons as the Board may approve. Any instrument to which an official seal is applied need not, unless the Board for the time being otherwise decides or the law otherwise requires, be signed by any person.

## DIVIDENDS AND OTHER PAYMENTS

### 121. Declaration of dividends by the Company

Subject to the provisions of the Statutes, the Company may by ordinary resolution from time to time declare dividends in accordance with the respective rights of the members, but no dividend shall exceed the amount recommended by the Board.

### 122. Payment of interim and fixed dividends by Board

Subject to the provisions of the Statutes, the Board may pay such interim dividends as appear to the Board to be justified by the financial position of the Company and may also pay any dividend payable at a fixed rate at intervals settled by the Board whenever the financial position of the Company, in the opinion of the Board, justifies its payment. If the Board acts in good faith, it shall not incur any liability to the holders of any shares for any loss they may suffer in consequence of the payment of an interim or fixed dividend on any other class of shares ranking *pari passu* with or after those shares.

### 123. Calculation and currency of dividends

Except in so far as the rights attaching to, or the terms of issue of, any share otherwise provide

- (i) all dividends shall be declared and paid according to the amounts paid up on the share in respect of which the dividend is paid, but no amount paid up on a share in advance of calls shall be treated for the purposes of this Article as paid up on the share,
- (ii) all dividends shall be apportioned and paid *pro rata* according to the amounts paid up on the share during any portion or portions of the period in respect of which the dividend is paid, and
- (iii) dividends may be declared or paid in any currency

The Board may agree with any member that dividends which may at any time or from time to time be declared or become due on his shares in one currency shall be paid or satisfied in another, and may agree the basis of conversion to be applied and how and when the amount to be paid in the other currency shall be calculated and

paid and for the Company or any other person to bear any costs involved

**124. Amounts due on shares may be deducted from dividends**

The Board may deduct from any dividend or other moneys payable to a member by the Company on or in respect of any shares all sums of money (if any) presently payable by him to the Company on account of calls or otherwise in respect of shares of the Company. Sums so deducted can be used to pay amounts owing to the Company in respect of the shares.

**125. No interest on dividends**

Subject to the rights attaching to, or the terms of issue of, any shares, no dividend or other moneys payable by the Company on or in respect of any share shall bear interest against the Company.

**126. Payment procedure**

Any dividend or other sum payable in cash by the Company in respect of a share may be paid by cheque, warrant or similar financial instrument sent by post addressed to the holder at his registered address or, in the case of joint holders, addressed to the holder whose name stands first in the Register in respect of the shares at his address as appearing in the Register or addressed to such person and at such address as the holder or joint holders may in writing direct. Every cheque, warrant or similar financial instrument shall, unless the holder or joint holders otherwise direct, be made payable to the holder or, in the case of joint holders, to the holder whose name stands first on the Register in respect of the shares, and shall be sent at his or their risk and payment of the cheque, warrant or similar financial instrument by the financial institution on which it is drawn shall constitute a good discharge to the Company. In addition, any such dividend or other sum may be paid by any bank or other funds transfer system or such other means including, in respect of uncertificated shares, by means of the facilities and requirements of a relevant system and to or through such person as the holder or joint holders may in writing direct, and the Company shall have no responsibility for any sums lost or delayed in the course of payment by any such system or other means or where it has acted on any such directions. Any one of two or more joint holders may give effectual receipts for any dividends or other moneys payable or property distributable on or in respect of the shares held by them. Where a person is entitled by transmission to a share, any dividend or other sum payable by the Company in respect of the share may be paid as if he were a holder of the share and his address noted in the Register were his registered address.

In this Article, references to "in writing" include the use of electronic communications subject to such terms and conditions as the Board may decide. "Address" in relation to electronic communications includes, where appropriate, an address for the time being notified by the member concerned to the Company for the purpose of electronic communication, or publication on a website in accordance with the Statutes or in any other manner provided by these Articles, subject always to such terms and conditions as the Board may decide.

**127. Uncashed dividends**

The Company may cease to send any cheque, warrant or similar financial instrument through the post or to employ any other means of payment, including payment by means of a relevant system, for any dividend payable on any shares in the Company which is normally paid in that manner on those shares if in respect of at least two consecutive dividends payable on those shares the cheques, warrants or similar financial instruments have been returned undelivered or remain uncashed during or

at the end of the period for which the same are valid or that means of payment has failed. In addition, the Company may cease to send any cheque, warrant or similar financial instrument through the post or may cease to employ any other means of payment if, in respect of one dividend payable on those shares, the cheque, warrant or similar financial instrument has been returned undelivered or remains uncashed during or at the end of the period for which the same is valid or that means of payment has failed and reasonable enquiries have failed to establish any new address or account of the registered holder. Subject to the provisions of these Articles, the Company may recommence sending cheques, warrants or similar financial instruments or employing such other means in respect of dividends payable on those shares if the holder or person entitled by transmission requests such recommencement in writing.

#### **128 Forfeiture of unclaimed dividends**

All dividends or other sums payable on or in respect of any shares which remain unclaimed may be invested or otherwise made use of by the Board for the benefit of the Company until claimed. Any dividend unclaimed after a period of twelve years from the date when it was declared or became due for payment shall be forfeited and shall revert to the Company and the payment by the Board of any unclaimed dividend or other sum payable on or in respect of a share into a separate account shall not constitute the Company a trustee in respect of it.

#### **129 Distribution of specific assets**

Any general meeting declaring a dividend may, upon the recommendation of the Board, by ordinary resolution direct that it shall be satisfied wholly or partly by the distribution of assets, and in particular of paid up shares or debentures of any other company, and where any difficulty arises in regard to the distribution the Board may settle it as it thinks expedient, and in particular may authorise any person to sell and transfer any fractions or may ignore fractions altogether, and may fix the value for distribution purposes of any assets or any part thereof to be distributed and may determine that cash shall be paid to any members upon the footing of the value so fixed in order to secure equality of distribution and may vest any assets to be distributed in trustees as may seem expedient to the Board.

#### **130 Scrip dividends**

The Board may, if authorised by an ordinary resolution of the Company, offer any holders of ordinary shares the right to elect to receive ordinary shares, credited as fully paid, instead of cash in respect of the whole (or some part, to be determined by the Board) of any dividend specified by the ordinary resolution. The following provisions shall apply:

- (i) an ordinary resolution may specify a particular dividend (whether or not already declared) or may specify all or any dividends declared or paid within a specified period, but such period may not end later than the fifth anniversary of the date of the meeting at which the ordinary resolution is passed,
- (ii) the entitlement of each holder of ordinary shares to new ordinary shares shall be such that the relevant value of the entitlement shall be as nearly as possible equal to (but not greater than) the cash amount of the dividend that such holder elects to forego. For this purpose "relevant value" shall be calculated by reference to the average of the middle market quotations for the Company's ordinary shares as derived from the Daily Official List, on the day on which the ordinary shares are first quoted "ex" the relevant dividend and

the four subsequent dealing days, or in such other manner as may be determined by or in accordance with the ordinary resolution. A certificate or report by the Auditors as to the amount of the relevant value in respect of any dividend shall be conclusive evidence of that amount and in giving such a certificate or report the Auditors may rely on advice or information from brokers or other sources of information as they think fit,

- (iii) no fraction of any ordinary share shall be allotted. The Board may make such provision as it thinks fit for any fractional entitlements including provisions whereby, in whole or in part, the benefit thereof accrues to the Company and/or under which fractional entitlements are accrued and/or retained and in each case accumulated on behalf of any member and such accruals or retentions are applied to the allotment by way of bonus to or cash subscription on behalf of such member of fully paid ordinary shares and/or provisions whereby cash payments may be made to members in respect of their fractional entitlements,
- (iv) the Board, if it intends to offer an election in respect of any dividend, shall give notice to the holders of ordinary shares of the right of election offered to them, and specify the procedure to be followed which, for the avoidance of doubt, may include an election by means of a relevant system and the place at which, and the latest time by which, elections must be lodged in order for elections to be effective,
- (v) the Board shall not proceed with any election unless the Company has sufficient unissued shares authorised for issue and sufficient reserves or funds that may be capitalised to give effect to it after the basis of allotment is determined,
- (vi) the Board may exclude from any offer or make other arrangements in relation to any holders of ordinary shares where the Board believes that such exclusion or arrangement is necessary or expedient in relation to legal or practical problems under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory, or the Board believes that for any other reason the offer should not be made to them,
- (vii) the dividend (or that part of the dividend in respect of which a right of election has been offered) shall not be payable on ordinary shares in respect of which an election has been made (for the purposes of this Article "the elected ordinary shares") and, instead additional ordinary shares shall be allotted to the holders of the elected ordinary shares on the basis of allotment calculated as stated. For such purpose, but subject always to the restrictions of Article 132, the Board shall capitalise, out of any amount for the time being standing to the credit of any reserve or fund (including the revenue account) whether or not the same is available for distribution as the Board may determine, a sum equal to the aggregate nominal amount of the additional ordinary shares to be allotted on that basis and apply it in paying up in full the appropriate number of unissued ordinary shares for allotment and distribution to the holders of the elected ordinary shares on that basis,
- (viii) the additional ordinary shares when allotted shall rank *pari passu* in all respects with the fully paid ordinary shares then in issue except that they will not be entitled to participation in the relevant dividend,
- (ix) unless the Board otherwise determines, or unless the Uncertificated Securities Regulations and/or the rules of the relevant system concerned otherwise require, the new ordinary share or shares which a member has elected to



receive instead of cash in respect of the whole (or some part) of the specified dividend declared or paid in respect of his elected ordinary shares shall be in uncertificated form (in respect of the member's elected ordinary shares which were in uncertificated form on the date of the member's election) and in certificated form (in respect of the member's elected ordinary shares which were in certificated form on the date of the member's election), and

- (x) the Board may also from time to time establish or vary a procedure for election mandates, which, for the avoidance of doubt, may include an election by means of a relevant system, under which a holder of ordinary shares may elect in respect of future rights of election offered to that holder under this Article until the election mandate is revoked in accordance with the procedure, and
- (xi) notwithstanding the foregoing, the Board may at any time prior to payment of the relevant dividend determine, if it appears to them desirable to do so because of a change in circumstances, that the relevant dividend shall be payable wholly in cash after all and if they so determine then all elections made shall be disregarded. The relevant dividend shall be payable wholly in cash if the ordinary share capital of the Company ceases to be listed in the Official List of the UKLA at any time prior to the due date of issue of the additional shares or if the listing is suspended and not reinstated by the date immediately preceding the due date of such issue

## RESERVES

### 131. Sums carried to reserves

The Board may, before recommending any dividend, from time to time set aside out of the profits of the Company and carry to reserves such sums as it thinks proper which shall, at the discretion of the Board, 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 as the Board thinks fit. The Board may divide the reserves into such special funds as it thinks fit and may consolidate into one fund any special funds or any parts of any special funds into which the reserves may have been divided. The Board may also, without placing the same to reserves, carry forward any profits. In carrying funds to reserves and in applying the same the Board shall comply with the provisions of the Statutes.

### 132. Capital reserve

The directors shall establish a reserve to be called the "capital reserve" and shall either, at the discretion of the directors, carry to the credit of such reserve from time to time all capital profits or appreciations arising on the sale, realisation, repayment 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, realisation, repayment or revaluation of any investment or other capital asset. Any losses realised on the sale, realisation, repayment 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 finance costs (including, without limitation, any interest payable by the Company in respect of any borrowings of the Company) as may be deemed appropriate by the directors. 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 131 are applicable, provided that no part of the capital reserve or any other moneys in the nature of accretion to capital shall in any event be available for distribution (within the meaning ascribed thereto by section 263(2) of the 1985 Act), otherwise than by way of the redemption or purchase of any of the Company's own shares in accordance with section 160 or section 162 of the Act, or be applied in paying dividends on any shares in the capital of the Company.

### CAPITALISATION OF PROFITS AND RESERVES

#### 133 Capitalisation of profits and reserves

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

- (i) 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, capital redemption reserve or special reserve arising on the cancellation or reduction of share premium account),
- (ii) appropriate the sum resolved to be capitalised to the members in proportion to the nominal values 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 up and the sum was then distributable and was 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 (of more than one class, if appropriate) or debentures of the Company of a nominal amount equal to that sum, and allot the shares or debentures credited as fully paid up 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 133, only be applied in paying up unissued shares to be allotted to members credited as fully paid up,
- (iii) 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,
- (iv) 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,
- (v) 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

- (vi) generally do all acts and things required to give effect to such resolution as aforesaid

#### **RECORD DATES**

**134. Power to choose any record date**

Notwithstanding any other provision of these Articles, the Company or the Board may fix any date as the record date for any dividend, distribution, allotment or issue and such record date may be on or at any time before or after any date on which the dividend, distribution, allotment or issue is declared, paid or made. The power to fix any such record date shall include the power to fix a time on the chosen date.

#### **ACCOUNTING RECORDS**

**135. Records to be kept**

The Board shall cause to be kept at the Office, or such other place as the directors think fit, accounting records sufficient to show and explain the Company's transactions, and such as to disclose with reasonable accuracy at any time the financial position of the Company at that time, and which accord with the Statutes.

**136. Inspection of records**

No member in his capacity as such shall have any right of inspecting any accounting record or book or document of the Company except as conferred by law, ordered by a court of competent jurisdiction or authorised by the Board or by ordinary resolution of the Company.

#### **SUMMARY FINANCIAL STATEMENTS**

**137. Summary financial statements**

Subject to the statutes and the Listing Rules of the UKLA, the Company may send summary financial statements to members of the Company instead of copies of its full accounts and reports.

#### **AUDITORS**

**138. Validity of acts of Auditors**

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.

**139. Attendance at general meetings**

The Auditors shall be entitled to attend any general meeting of the Company 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 the Auditors.

## SERVICE OF NOTICES AND DOCUMENTS

### 140. Service of notices

Any notice or document (including a share certificate) may be served on or delivered to any member by the Company either personally or by sending it through the post addressed to the member at his registered address or by leaving it at that address addressed to the member or by means of a relevant system or, where appropriate, by sending it using electronic communications to an address for the time being notified by the member concerned to the Company for that purpose or by publication on a website in accordance with the Statutes or in any other manner provided by these Articles subject always to such terms and conditions as the Board may decide

In the case of joint holders of a share, service or delivery of any notice or document on or to one of the joint holders shall for all purposes be deemed a sufficient service on or delivery to all the joint holders

### 141. Record date for service

Any notice or document may be served or delivered by the Company by reference to the Register as it stands at any time not more than fifteen days before the date of service or delivery. No change in the Register after that time shall invalidate that service or delivery. Where any notice or document is served on or delivered to any person in respect of a share in accordance with these Articles, no person deriving any title or interest in that share shall be entitled to any further service or delivery of that notice or document

### 142. Members resident abroad

Any member whose registered address is not within the United Kingdom and who gives to the Company an address within the United Kingdom at which notices or documents may be served upon him shall be entitled to have notices or documents served upon him at that address. Any member whose registered address is not within the United Kingdom and who gives to the Company an address for the purposes of electronic communications may, at the absolute discretion of the Board, be entitled to have notices or documents served upon, or delivered to, him at that address. Otherwise, a member whose registered address is not within the United Kingdom shall not, subject to the requirements of The Listing Rules of the UKLA, be entitled to receive any notice or document from the Company

### 143. Service of notice on person entitled by transmission

Subject to the requirements of The Listing Rules of the UKLA, a person who is entitled by transmission to a share, upon supplying the Company with an address within the United Kingdom for the service of notices, shall be entitled to have served upon or delivered to him at such address any notice or document to which he would have been entitled if he were the holder of that share, 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 claimants through or under him) in the share. Any person who is entitled by transmission to a share, upon supplying the Company with an address for the purposes of electronic communications may, at the absolute discretion of the Board, be entitled to have served upon or delivered to him at such address any notice or document to which he would have been entitled if he were the holder of that share, 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 claimants through or under him) in the share. Otherwise (but subject always to the requirements of The Listing Rules of the UKLA), any notice or other document served

on or delivered to any member pursuant to these Articles shall, notwithstanding that the member is then dead or bankrupt or that any other event giving rise to the transmission of the share by operation of law has occurred and whether or not the Company has notice of the death, bankruptcy or other event, be deemed to have been properly served or delivered in respect of any share registered in the name of that member as a sole or joint holder

**144. When notice deemed served**

Any notice or document, if sent by the Company by post, shall be deemed to have been served or delivered on the day following that on which it was put in the post and, in proving service or delivery, it shall be sufficient to prove that the notice or document was properly addressed, prepaid and put in the post. Any notice or document not sent by post but left by the Company at a registered address (other than an address for the purposes of electronic communications) shall be deemed to have been served or delivered on the day it was so left. Any notice served or delivered by the Company by means of a relevant system shall be deemed to have been served or delivered when the Company or any sponsoring system participant acting on its behalf sends the issuer instruction relating to the notice. Any notice or document sent by the Company using electronic communications shall be deemed to have been received on the day following that on which it was sent. Proof that a notice contained in an electronic communication was sent in accordance with guidance issued from time to time by The Institute of Chartered Secretaries and Administrators shall be conclusive evidence that the notice was given.

**145. Notice when post not available**

If at any time by reason of the suspension or curtailment of postal services within the United Kingdom or some part of the United Kingdom (the "affected area") the Company is unable effectively to serve notice on members with an address in the affected area, a general meeting may be convened by a notice to such members advertised in at least one newspaper with a circulation throughout the affected area. Notice published in this way shall be deemed to have been properly served on all members and persons entitled by transmission, who are entitled to have notice of the meeting served upon them, on the day when the advertisement has appeared in at least one such paper. If at least six clear days prior to the meeting the posting of notices to addresses throughout the affected area has again become practicable, the Company shall send confirmatory copies of the notice by post to the persons entitled to receive them.

## **DESTRUCTION OF DOCUMENTS**

**146. Company may destroy old instruments of transfer and other documents**

The Company shall be entitled to destroy

- (i) any instrument of transfer of shares or Operator instruction for the transfer of shares which has been registered at any time after the expiration of six years from the date of registration thereof,
- (ii) any instruction concerning the payment of dividends or other moneys in respect of any share or any variation or cancellation thereof or any notification of change of address, at any time after the expiration of two years from the date of recording thereof or, as the case may be, the date of such cancellation or cessation,
- (iii) any share certificate which has been cancelled, at any time after the expiration

of one year from the date of such cancellation, and

- (iv) any other document on the basis of which any entry in the Register has been made at any time after the expiration of six years from the date of the first entry in the Register in respect thereof,

and it shall conclusively be presumed in favour of the Company that every entry in the Register purporting to have been made on the basis of an instrument of transfer or other document so destroyed was duly and properly made, that every instrument of transfer so destroyed was a valid and effective instrument duly and properly registered, that every share certificate so destroyed was a valid certificate duly and properly cancelled and that every other document destroyed hereunder was a valid and effective document in accordance with the recorded particulars thereof in the books or records of the Company, provided always that

- (a) the provisions aforesaid shall apply only to the destruction of a document in good faith and without express notice to the Company that the preservation of such document was relevant to any claim (regardless of the parties thereto),
- (b) nothing contained in this Article 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 case where the conditions of paragraph (a) above are not fulfilled, and
- (c) references in this Article to the destruction of any document include references to its disposal in any manner

## WINDING UP

### 147. Distribution of assets otherwise than in cash

If the Company shall be wound up (whether the liquidation is voluntary, under supervision or by the court), the liquidator may, with the sanction of an extraordinary resolution of the Company and any other sanction required by the Statutes

- (i) divide among the members in kind the whole or any part of the assets of the Company (whether they shall consist of property of the same kind or not) and, for that purpose, set such values as he deems fair upon any property to be divided and determine how the division shall be carried out as between the members or different classes of members, or
- (ii) vest the whole or any part of the assets in trustees upon such trusts for the benefit of the contributories as the liquidator, with the like sanction, shall think fit,

but no member shall be compelled to accept any shares or other assets upon which there is any liability

## INDEMNITY

### 148. Indemnity of officers

Subject to the provisions of the Statutes, the Company may maintain for any director or other officer insurance against any liability Subject to the provisions of the Statutes, but without prejudice to any indemnity (including from the Company) to which the person concerned may otherwise be entitled, every director or other officer

of the Company may, if a majority of the Board so determines, be indemnified out of the assets of the Company against any liability incurred by him as a director or other officer of the Company to the extent permitted by the Statutes

For the purposes of this Article no person appointed or employed by the Company as an Auditor is an officer of the Company

**149. Indemnity against claims in respect of shares**

Whenever any law for time being of any country, state or place imposes or purports to impose any immediate or future or possible liability upon the Company to make any payment or empowers any government or taxing authority or government official to require the Company to make any payment in respect of any shares registered in any of the Company's registers as held either jointly or solely by any member or in respect of any dividends, bonuses or other moneys due or payable or accruing due or which may become due or payable to such member by the Company or in respect of any shares registered as aforesaid or for or on account or in respect of any member and whether in consequence of

- (i) the death, bankruptcy or any other event giving rise to the transmission of a person's entitlement to a share by operation of law,
- (ii) the non payment of any income tax or other tax by such member,
- (iii) the non payment of inheritance tax or any estate, probate, succession, death, stamp or other duty by the executors or administrators or other legal personal representatives of such member or by or out of his estate, or
- (iv) any other act or thing,

the Company in every such case

- (a) shall be fully indemnified by such member or his executors or administrators or his other legal representatives from all liability, and
- (b) may recover as a debt due from such member or his executors or administrators or his other legal representatives wherever constituted or residing any moneys paid by the Company under or in consequence of any such law together with interest thereon at such rate (not exceeding, without the sanction of the Company given by ordinary resolution, fifteen per cent per annum) as the Directors may determine from the date of payment by the Company to the date of repayment by the member or his executors or administrators or his other legal representatives

Nothing herein contained shall prejudice or affect any right or remedy which any law may confer or purport to confer on the Company and as between the Company and every such member as aforesaid, his executors, administrators or other legal representatives and estate wheresoever constituted or situated, any right or remedy which such law shall confer or purport to confer on the Company shall be enforceable by the Company.

## Part 2

## FOUNDER SHARES

## 150. Definitions

In Part 2 of these Articles unless the context otherwise requires

"A Conversion Period" the period during which the Founder A Shares are capable of conversion, commencing upon the expiry of the Performance Period in respect of the Founder A Shares and expiring on 31 December 2013,

"B Conversion Period" the period during which the Founder B Shares are capable of conversion, commencing upon the expiry of the Performance Period in respect of the Founder B Shares and expiring on 30 September 2016,

"Bad Leaver" means a Leaver where the cessation of employment, or of membership of the LLP, is as a result of the relevant Founder Shareholder

- (a) withdrawing as a member or resigning, as the case may be (other than in a Permitted Circumstance), or
- (b) being dismissed in circumstances where his employer is not liable to pay him compensation for the cessation of his employment, or
- (c) being expelled as a member of the LLP in circumstances where he has been lawfully and fairly dismissed or removed as a member of the LLP, as the case may be, on the grounds of wilful misconduct, gross negligence or fraud,

for the avoidance of doubt a Leaver is not a Bad Leaver

- (i) if he ceases to be employed, or to be a member of the LLP, as a result of his death, or
- (ii) if he is dismissed, or is expelled as a member of the LLP, by reason of his being absent from his duties due to permanent or long term ill health (save for ill health which arises as a result of an abuse of drink or drugs), or
- (iii) if he retires once he has reached the normal retirement age for an employee or a member of the LLP (as the case may be) or at an earlier retirement age agreed with his employer or with the LLP, or
- (iv) where the relevant employer has given notice to terminate the Leaver's employment other than in the circumstances described in (b) above or (as



the case may be) where the LLP expels the Leaver as a member of the LLP other than in the circumstances described in (c) above, or

- (v) where the relevant employer dismisses the Leaver in breach of the Leaver's contract of employment or (as the case may be) where the LLP expels the Leaver as a member of the LLP in breach of the agreement constituting the LLP,

"Cash Flow"

means (a) 98 6p per ordinary share in the case of the A Performance Period and the higher of Fully Diluted NAV as at the commencement of the B Performance Period and 98 6p in the case of the B Performance Period (b) dividends declared or paid on each ordinary share during the relevant Performance Period (c) capital repayments on each ordinary share during the relevant Performance Period (d) any other distribution on each ordinary share during the relevant Performance Period which is not within (b) or (c) (provided that repurchases of ordinary shares by the Company shall be ignored and not treated as a Cash Flow item) and (e) the Undiluted NAV on the last day of the A Performance Period in the case of the A Performance Period and the Fully Diluted NAV on the last day of the B Performance Period in the case of the B Performance Period or in the case of a Takeover or a Standard Life Takeover the value of the consideration per ordinary share under the offer, where (a) will be treated as negative and (b) to (e) will be treated as positive and where each item within Cash Flow shall be deemed to arise in the month in which its date of payment or receipt occurs save that (a) shall be deemed to occur in the month in which the relevant Performance Period commences and (e) shall be deemed to occur in the month in which the relevant Performance Period ends,

"Compound Annual Growth Rate"

the annualised discount rate in respect of a Performance Period, which when applied to a series of cash flows on a monthly basis produces an aggregate net present value of the Cash Flow as at the commencement of the relevant Performance Period equal to zero,

"conversion"

means the conversion of Founder Shares into ordinary shares in accordance with Article 155 (ignoring for this purpose the matters referred to in Articles 155 1 2(a)(i) and (ii) and 155 2 2(a)(i) and (ii)) and the expression "capable of conversion" and the adjectives "converted" and "unconverted" shall be construed accordingly,

"Conversion Date"

means the last business day in each calendar month during the A Conversion Period or the B Conversion Period,

"conversion notice"

means a notice to the Company in the same form or

	substantially the same form as set out in the Schedule,
"Conversion Price"	means the amount per Founder Share determined in accordance with Articles 155 1 4 or 155 2 4 as the case may be,
"Deferred Shares"	means deferred ordinary shares of 0 2 pence each in the capital of the Company,
"Deferred Shareholder"	means a holder of Deferred Shares,
"Family Trust"	in relation to a Founder Shareholder means a trust under which no immediate beneficial interest in the shares in question is for the time being vested in any person other than the holder or his Privileged Relations and no power of control over the voting powers conferred by such shares is for the time being exercisable by or subject to the consent of any person other than the trustees of such holder or his Privileged Relations,
"Founder Shares"	means Founder A Shares and/or Founder B Shares,
"Founder A Shares"	means founder A shares of 0 2 pence each in the capital of the Company,
"Founder B Shares"	means founder B shares of 0 2 pence each in the capital of the Company,
"Founder Shareholder"	means a holder of Founder Shares;
"Founder A Shareholder"	means a holder of Founder A Shares,
"Founder B Shareholder"	means a holder of Founder B Shares,
"Fully Diluted NAV"	the net asset value of an ordinary share (including, unless otherwise stated, current period revenue items and, for so long as any Founder A Shares are capable of conversion but remain unconverted and the net asset value exceeds the Conversion Price, treating such Founder A Shares as converted and the Conversion Price in respect thereof as paid),
"Further Issue"	means an issue of ordinary shares by the Company during a Performance Period (other than any reissue of ordinary shares out of treasury),
"Further Issue Price"	means the consideration per ordinary share payable by an allottee in respect of a Further Issue (valuing any non cash element of such consideration at the sum which is certified by the Auditors as being in their opinion the market value of the non cash element) and where no price is payable (for example on a bonus issue of fully paid ordinary shares) the Further Issue Price shall be nil,
"Good Leaver"	means a Leaver who is not a Bad Leaver,

"Investment Manager"	means the manager from time to time of the Company's investments,
"Leaver"	means any holder of Founder Shares (or deemed holder under Article 158 1) who is employed by or is a director of any company within the Standard Life Group or who is an individual who is a member or employee of the LLP or an employee of a subsidiary of the LLP and who dies or who ceases to be an employee or director of any such company or to be a member or employee of the LLP or an employee of a subsidiary of the LLP and does not continue (or is not immediately re-employed or admitted) as an employee or director of any other such company or as a member or employee of the LLP or as an employee of a subsidiary of the LLP,
"Liquidation"	means the making of a winding up order by the court or the passing of a resolution by the Company's shareholders that the Company be wound up,
"LLP"	means SL Capital Partners LLP, a limited liability partnership registered in Scotland with registered number SO301408, or any other limited liability partnership which is the successor to SLI(PE) as the Investment Manager and which at the time of its appointment as Investment Manager is a member of the Standard Life Group,
"Manager Resignation"	means the termination of the appointment of SLI(PE) or the LLP (including any subsidiary of the LLP) or any other member of the Standard Life Group as Investment Manager of the Company by reason of that party giving notice of termination to the Company (other than where the party giving notice is immediately replaced as Investment Manager of the Company by SLI(PE) or the LLP (including any subsidiary of the LLP) or another member of the Standard Life Group) provided that such termination shall be deemed to take place upon the expiry of the required period of notice, whether or not such notice has been served,

"Manager Termination for Cause"	means the termination of the appointment of SLI(PE) as Investment Manager by the Company for Cause (as Cause is defined in the investment management agreement entered into between the Company and SLI(PE) on or around 16 May 2001) or, in the event that SLI(PE) is replaced as Investment Manager by the LLP (or a subsidiary of the LLP), the termination of such appointment by the Company for Cause (as Cause is defined in the investment management agreement to be entered into between the Company and the LLP (or its subsidiary)) or, in the event that any other member of the Standard Life Group is appointed as Investment Manager of the Company from time to time, the termination of such appointment by the Company for Cause (as Cause shall be defined in the relevant investment management agreement to be entered into between the Company and such other member of the Standard Life Group),
"Manager Termination other than for Cause"	means the termination of the appointment of SLI(PE) as Investment Manager by the Company other than for Cause (as Cause is defined in the investment management agreement entered into between the Company and SLI(PE) on or around 16 May 2001) or, in the event that SLI(PE) is replaced as Investment Manager by the LLP (or a subsidiary of the LLP), the termination of such appointment by the Company other than for Cause (as Cause is defined in the investment management agreement to be entered into between the Company and the LLP (or its subsidiary)) or, in the event that any other member of the Standard Life Group is appointed as Investment Manager of the Company from time to time, the termination of such appointment by the Company other than for Cause (as Cause shall be defined in the relevant investment management agreement to be entered into between the Company and such other member of the Standard Life Group), provided that where such termination requires notice to be served by either party it shall be deemed to take place upon the expiry of the required period of notice, whether or not such period of notice has been served,
"ordinary shares"	means ordinary shares of 0.2 pence each in the capital of the Company,
"Ordinary Shareholder"	means a holder of ordinary shares,
"Outperformance"	means the percentage points (expressed to three decimal places of a percentage point) by which the Compound Annual Growth Rate in respect of a Performance Period (or such other period as may be specified in Article 155) exceeds 10 per cent provided that in the event that the Outperformance is greater than 5 000 per cent it shall be deemed to be 5 000 per cent,

"A Performance Period"	means the period from the date of Admission until 30 September 2006 or such earlier date determined in accordance with Article 155 1 5 (both commencement and expiry dates inclusive),
"B Performance Period"	the period from 1 October 2006 until 30 September 2011 or such earlier date determined in accordance with Article 155 2 5 (both commencement and expiry dates inclusive) provided that in the event that the Performance Period for the Founder A Shares expires in accordance with Article 155 1 5(c), there shall be no Performance Period for the Founder B Shares,
"Performance Period"	means the A Performance Period or the B Performance Period, as the case may be,
"Permitted Circumstances"	means <ul style="list-style-type: none"> <li>(a) permanent or long term ill health of the Founder Shareholder (save where such ill health arises as a result of an abuse of drink or drugs), or</li> <li>(b) permanent or long term ill health of the spouse or long term co habitee of the Founder Shareholder (save where the Founder Shareholder's employer or the LLP (as the case may be) has offered or is willing to offer the Founder Shareholder leave of absence), or</li> <li>(c) resignation where the Founder Shareholder has been constructively dismissed by his employer or, as the case may be, where the LLP is in material breach of any material provision of the limited liability partnership agreement constituting the LLP which amounts to a repudiation of the LLP's obligations to the Founder Shareholder (in the Founder Shareholder's capacity as a member of the LLP) under such limited liability partnership agreement,</li> </ul>
"Privileged Relation"	in relation to a Founder Shareholder means the spouse or long term co habitee of such shareholder and the children and grandchildren (including step and adopted children and grandchildren) of such shareholder,
"Relevant Percentage"	means, in respect of the occurrence of an event, the percentage determined by the following formula

$$\text{relevant percentage} = \frac{m}{n} \times \frac{100}{1}$$

Where	<p>m is 64 in the case of the A Performance Period and 60 in the case of the B Performance Period; and</p> <p>n is the whole number of calendar months of the Performance Period in which the event occurs which have expired prior to its occurrence ,</p>
"Schedule"	means the schedule annexed to and forming part of this Part 2 of these Articles;
"Section 979 Period"	means, following a Takeover or a Standard Life Takeover, the period, if any, during which the offeror shall be entitled or bound to acquire the shares of Ordinary Shareholders under the terms of sections 979 983 of the 2006 Act,
"Settlor"	means the trustor or settlor in relation to a Family Trust and shall include a trustor <i>inter vivos</i> or testator or an intestate,
"SLI"	means Standard Life Investments Limited
"SLI(PE)"	means Standard Life Investments (Private Equity) Limited,
"Standard Life Group"	means Standard Life plc and its subsidiaries from time to time,
"Standard Life Takeover"	means an offer by a member of the Standard Life Group, or any person acting in concert with any member of the Standard Life Group, to acquire ordinary shares becoming unconditional in all respects,
"Takeover"	means an offer, other than by any member of the Standard Life Group or any person acting in concert with a member of the Standard Life Group, to acquire not less than 50 per cent of the ordinary shares in issue becoming unconditional in all respects,
"Transfer Percentage"	<p>means, in respect of a Founder Shareholder becoming a Good Leaver, the percentage determined by the following formula</p> $\text{transfer percentage} = \frac{m}{n} \times \frac{100}{1}$ <p>Where m is 64 in the case of the Founder A Shares and 124 in the case of the Founder B Shares, and</p>

n is the whole number of calendar months in the period from Admission to the date upon which the Founder Shareholder becomes a Good Leaver,

"Undiluted NAV" means the net asset value of an Ordinary Share (including, unless otherwise stated, current period revenue items) but taking no account of the conversion rights attached to any unconverted Founder Shares

Reference in this Part 2 of the Articles to the Auditors certifying any matter shall be construed to mean certification of their opinion as to such matter

## 151 Dividend

- 151 1 The Founder Shares shall entitle the holders thereof to a fixed non cumulative dividend of 0.05 per cent per annum of the nominal amount paid up thereon, to accrue daily and to be payable annually in arrears on 30th September in each year with the first such dividend being payable on 30 September 2002. Notwithstanding such right to dividend, the Company shall not be required to issue or pay any dividend entitlement to any Founder Shareholder if this is less than £3.00. The Founder Shares shall not confer any other right of participation in the profits of the Company.
- 151 2 The Ordinary Shareholders shall be entitled to receive, in that capacity, any dividend in respect of any financial year of the Company which is declared in accordance with the provisions of Part 1 of the Articles.
- 151 3 The Deferred Shares (to the extent that they are in issue) shall entitle the holders thereof to a fixed non cumulative dividend of 1 per cent of the nominal amount thereof ("the Deferred Dividend") on the date 6 months after the Deferred Shares arise by virtue of conversion of Founder Shares, payable to the holders of such Deferred Shares on the Register of Members as holders of Deferred Shares on that date but shall confer no other right to the holders thereof to share in the profits of the Company. The Deferred Dividend shall not accrue or become payable in any way until the date due for payment.

## 152. Rights as to capital

Subject to Article 155.4 below the capital and assets of the Company shall on a winding up or on a return of capital be applied as follows:

- 152.1 first, if there are for the time being Deferred Shares in issue, in paying to the Deferred Shareholders an aggregate amount of 1p in respect of each holding of Deferred Shares,
- 152.2 second, in paying to the Founder Shareholders the amount of nominal value paid up on each Founder Share held, and
- 152.3 third, the surplus shall be divided amongst the ordinary shareholders *pro rata* according to their holdings of ordinary shares.

## 153. Voting rights

- 153 1 Save as provided in Article 156 below, the Founder Shares shall not carry any right to attend or vote at any general meeting of the Company.

153 2 The Deferred Shares shall not carry any right to attend or vote at any general meeting of the Company

**154. Purchase of Deferred Shares**

154 1 The special resolution of the Company passed to adopt these Articles shall be deemed to confer irrevocable authority on the Company to appoint any person to execute on behalf of the Deferred Shareholders a transfer of the Deferred Shares and/or agreement to transfer such shares, without making any payment to such shareholders, to such person (including the Company) as the Company may determine as custodian thereof and to cancel and/or acquire such shares (in accordance with the provisions of the Statutes) without making any payment to, or obtaining the sanction of, the relevant Deferred Shareholders

154 2 The Company shall not be obliged to issue share certificates to the Deferred Shareholders in respect of the Deferred Shares unless it shall have received a written request from a holder of Deferred Shares for the issue of the certificate in respect of such Deferred Shares. The Company shall not be obliged to account to any Deferred Shareholder for the redemption proceeds in respect of such shares

**Conversion**

**155 1 Founder A Shares**

155 1 1 The board shall procure that within 60 days of the commencement of the A Conversion Period

(a) the Investment Manager shall calculate (i) the Compound Annual Growth Rate (to three decimal places of a percentage point) as at the end of the A Performance Period and (ii) the total number of Founder A Shares capable of conversion (determined in accordance with Article 155 1 3),

(b) the Auditors shall certify that such calculations

(i) have been performed in accordance with these Articles, and

(ii) are arithmetically accurate,

whereupon such calculations shall become final and binding on the Company, all Ordinary Shareholders and Founder Shareholders, and

(c) a notice is sent to each Founder Shareholder at his registered address specifying the number of such Founder Shareholder's Founder A Shares which are capable of conversion and the Conversion Price(s) in respect of such shares.

155 1 2 (a) A Founder A Shareholder shall be entitled at any time during the A Conversion Period, by serving a conversion notice on the Company, to request conversion at the next Conversion Date of such of his Founder A Shares capable of conversion as is specified in the conversion notice (unless the next Conversion Date is less than six business days following the service of the conversion notice in which case conversion shall take place at the next again following Conversion Date) and upon such Conversion Date such



number of Founder A Shares shall automatically convert, on a one for one basis, into fully paid ordinary shares conditional upon

- (i) the Company having received from the Founder A Shareholder the Conversion Price for each Founder A Share to be converted, and
  - (ii) the admission to the Official List of the UKLA and to trading on the London Stock Exchange of the ordinary shares arising upon such conversion
- (b) The ordinary shares arising on conversion of the Founder A Shares shall not rank for any dividends or other distributions for which the record date is a date prior to the relevant Conversion Date but subject thereto shall rank in full for all dividends and other distributions declared, made or paid after the Conversion Date and in all other respects *pari passu* with the ordinary shares in issue at that date
- (c) The Company will apply to the UKLA for the new ordinary shares which will arise upon conversion to be admitted to the Official List of the UKLA and to the London Stock Exchange for such shares to be admitted to trading and the Company will use its best endeavours to obtain such admissions not later than five business days following the relevant Conversion Date
- (d) A conversion notice, once served, shall be irrevocable
- (e) Each Founder A Share which is capable of conversion but which remains unconverted as at the end of the A Conversion Period shall with effect from that date automatically cease to be capable of conversion

155 1 3 Save as provided in Article 155 1 5 the total number of Founder A Shares which, as a class, shall be capable of conversion is the aggregate of

- (a) such number of Founder A Shares (ignoring fractions) equal to the number of ordinary shares which is the product of the following formula

$$\frac{C}{1 + D} \times D$$

where

C is the total number of ordinary shares in issue as at the commencement of the A Performance Period, and

D is the Outperformance for the A Performance Period expressed as a decimal (e.g. 4.123 per cent expressed as 0.04123), and

- (b) for each Further Issue which has taken place during the A Performance Period such number of Founder A Shares (ignoring fractions) equal to the number of ordinary shares which is the product of the following formula

$$\frac{E}{1 - D} \times D \times RP$$

where

D is as defined in Article 155 1 3(a) above,

E is the number of ordinary shares comprised in such Further Issue, and

RP is the Relevant Percentage in respect of such Further Issue expressed as a decimal (e g 6 125 per cent expressed as 0 06125)

- 155 1 4 (a) Subject to Article 155 5 the Conversion Price for each Founder A Share which is capable of conversion by virtue of Article 155 1 3(a) shall be 100p less the amount paid up on such share
- (b) Subject to Article 155 5 the Conversion Price for each Founder A Share which is capable of conversion by virtue of Article 155 1 3 (b) in respect of a particular Further Issue shall be the Further Issue Price less the amount paid up on such share
- (c) The Company shall apply the Conversion Price received from a Founder Shareholder in respect of each Founder A Share to be converted as follows
- (i) first, in paying up the unpaid nominal capital, if any, on the Founder A Share to be converted, and
- (ii) secondly, in crediting to the Company's share premium account any balance remaining
- 155 1 5 (a) Upon a Manager Termination other than for Cause taking place during the A Performance Period the A Performance Period shall immediately cease (and the A Conversion Period duly commence) and for the purposes of Article 155 1 3 the Outperformance shall be deemed to be 5 000 per cent adjusted by being multiplied by the following fraction.

$$\frac{n}{m}$$

where

m, for the purposes of Article 155 1 3(a), is 64 and, for the purposes of a Further Issue as referred to in Article 155 1 3(b), is 64 multiplied by the Relevant Percentage in respect of such Further Issue (rounded to the nearest whole number), and

n, for the purposes of Article 155 1 3(a), is the whole number of calendar months of the A Performance Period prior to the occurrence of the Manager Termination other than for Cause and, for the purposes of a Further Issue as referred to in Article 155 1 3(b) is the whole number of calendar months which have expired since the Further Issue prior to the occurrence of the Manager Termination other than for Cause

- (b) Upon a Manager Resignation taking place during the A Performance Period all Founder A Shares held by any member of the Standard Life Group (and any held by any permitted transferee of any such holder) shall thereupon automatically be reclassified as Deferred Shares on a one for one basis and in respect of all remaining Founder A Shares the A Performance Period shall immediately cease (and the A Conversion Period duly commence) and for the purposes of Article 155 1 3 the Outperformance shall be adjusted by being multiplied by the following fraction

$$\frac{n}{m}$$

where both m and n are as defined in Article 155 1 5(a) above

- (c) Upon a Manager Termination for Cause taking place during the A Performance Period the A Performance Period shall immediately cease and no Founder A Shares shall be capable of conversion

155 1 6 Subject to Article 155 1 7 the number of Founder A Shares held by each Founder Shareholder which shall be capable of conversion at a particular Conversion Price shall be the proportion of the total number of Founder A Shares capable of conversion at such Conversion Price equal to the proportion which such Founder Shareholder's holding of Founder A Shares bears to the total number of Founder A Shares as at the expiry of the A Performance Period

155 1 7 In the event of any Founder A Shares becoming capable of conversion pursuant to Article 155 1 5(b) the total number of Founder A Shares capable of conversion for the purposes of Article 155 1 6 only shall be such number of Founder A Shares which would be capable of conversion ignoring the reclassification of Founder A Shares pursuant to Article 155 1 5(b)

## 155.2 Founder B Shares

155 2 1 The board shall procure that within 60 days of the commencement of the B Conversion Period

- (a) the Investment Manager shall calculate (i) the Compound Annual Growth Rate (to three decimal places of a percentage point) as at the end of the B Performance Period and (ii) the total number of Founder B Shares capable of conversion (determined in accordance with Article 155 2 3),

- (b) the Auditors shall certify that such calculations
  - (i) have been performed in accordance with these Articles, and
  - (ii) are arithmetically accurate,

whereupon such calculations shall become final and binding on the Company, all Ordinary Shareholders and Founder Shareholders, and

- (c) a notice is sent to each Founder Shareholder at his registered address specifying the number of such Founder Shareholder's Founder B Shares which are capable of conversion and the Conversion Price(s) in respect of such shares

155 2 2 (a) A Founder B Shareholder shall be entitled at any time during the B Conversion Period, by serving a conversion notice on the Company, to request conversion at the next Conversion Date of such of his Founder B Shares capable of conversion as is specified in the conversion notice (unless the next Conversion Date is less than six business days following the service of the conversion notice in which case conversion shall take place at the next again following Conversion Date) and upon such Conversion Date such number of Founder B Shares shall automatically convert, on a one for one basis, into fully paid ordinary shares conditional upon

- (i) the Company having received from the Founder B Shareholder the Conversion Price for each Founder B Share to be converted, and
- (ii) the admission to the Official List of the UKLA and to trading on the London Stock Exchange of the ordinary shares arising upon such conversion

- (b) The ordinary shares arising on conversion of the Founder B Shares shall not rank for any dividends or other distributions for which the record date is a date prior to the relevant Conversion Date but subject thereto shall rank in full for all dividends and other distributions declared, made or paid after the Conversion Date and in all other respects *pari passu* with the ordinary shares in issue at that date

- (c) The Company will apply to the UKLA for the new ordinary shares which will arise upon conversion to be admitted to the Official List of the UKLA and to the London Stock Exchange for such shares to be admitted to trading and the Company will use its best endeavours to obtain such admissions not later than five business days following the relevant Conversion Date

- (d) A conversion notice, once served, shall be irrevocable

- (e) Each Founder B Share which is capable of conversion but which remains unconverted as at the end of the B Conversion Period shall with effect from that date automatically be reclassified as a Deferred Share

155 2 3 Save as provided in Article 155 2 5 the total number of Founder B Shares which, as a class, shall be capable of conversion is the aggregate of

- (a) such number of Founder B Shares (ignoring fractions) equal to the number of ordinary shares which is the product of the following formula

$$\frac{F}{1 - G} \times G$$

where

F is the total number of ordinary shares in issue as at the commencement of the A Performance Period plus the total number of Founder A Shares capable of conversion pursuant to Article 155 1 3(a), and

G is the Outperformance for the B Performance Period expressed as a decimal (e g 4 123 per cent expressed as 0 04123),

- (b) for each Further Issue which has taken place during the A Performance Period such number of Founder B Shares (ignoring fractions) equal to the number of ordinary shares which is the product of the following formula

$$\frac{H}{1 - G} \times G$$

where

G is as defined in Article 155 2 3(a), and

H is the number of ordinary shares comprised in such Further Issue plus the total number of Founder A Shares capable of conversion in respect of such Further Issue pursuant to Article 155 1 3(b),

- (c) for each Further Issue which has taken place during the B Performance Period such number of Founder B Shares (ignoring fractions) equal to the number of ordinary shares which is the product of the following formula

$$\frac{K}{1 - G} \times G \times RP$$

where

K is the number of ordinary shares comprised in such Further Issue,

G is as defined in Article 155 2 3(a) above, and

RP is the Relevant Percentage in respect of such Further Issue expressed as a decimal (e g 6 125 per cent expressed as 0 06125)

- 155 2 4 (a) Subject to Article 155 5 the Conversion Price for each Founder B Share which is capable of conversion by virtue of Article 155 2 3(a) shall be 100p less the amount paid up on such share
- (b) Subject to Article 155 5 the Conversion Price for each Founder B Share which is capable of conversion by virtue of Article 155 2 3(b) in respect of a particular Further Issue in the A Performance Period shall be the Further Issue Price less the amount paid up on such share.
- (c) Subject to Article 155 5 the Conversion Price for each Founder B Share which is capable of conversion by virtue of Article 155 2 3(c) in respect of a particular Further Issue in the B Performance Period shall be the Further Issue Price less the amount paid up on such share
- (d) The Company shall apply the Conversion Price received from a Founder Shareholder in respect of each Founder B Share to be converted as follows
- (i) first, in paying up the unpaid nominal capital, if any, on the Founder B Share to be converted, and
- (ii) secondly, in crediting to the Company's share premium account any balance remaining
- 155 2 5 (a) Upon a Manager Termination other than for Cause taking place during the A Performance Period the B Performance Period shall be deemed to have commenced and shall immediately cease (and the B Conversion Period duly commence) and for the purposes of Article 155 2 3 the Outperformance shall be deemed to be 5 000 per cent adjusted by being multiplied by the following fraction

$$\frac{n}{m}$$

where

m, for the purposes of Article 155 2 3(a) is 124 and, for the purposes of a Further Issue as referred to in Article 155 2 3(b) is the aggregate (rounded to the nearest whole number) of (i) 60 and (ii) 64 multiplied by the Relevant Percentage in respect of such Further Issue, and

n, for the purposes of Article 155 2 3(a), is the whole number of calendar months since the commencement of the A Performance Period prior to the occurrence of the Manager Termination other than for Cause and, for the purposes of a Further Issue as referred to in Article 155 2 3(b) is the whole number of calendar months which have expired since the Further Issue prior to the occurrence of the Manager Termination other than for Cause

- (b) Upon a Manager Termination other than for Cause taking place during the B Performance Period the B Performance Period shall immediately cease (and the B Conversion Period duly commence) and for the purposes of Article 155 2 3 the Outperformance shall be calculated in respect of the whole period from Admission to the date of the Manager Termination other than for Cause and shall also be multiplied by the following fraction

$$\frac{n}{m}$$

where

m, for the purposes of Articles 155 2 3(a) and (b) above, is as defined in Article 155 2 5(a) above and, for the purposes of a Further Issue as referred to in Article 155 2 3(c) above, is 60 multiplied by the Relevant Percentage in respect of such Further Issue (rounded to the nearest whole number), and

n, for the purposes of Articles 155 2 3(a) and (b) above, is as defined in Article 155 2 5(a) above and, for the purposes of a Further Issue as referred to in Article 155 2 3(c) above, is the whole number of calendar months which have expired since the Further Issue prior to the occurrence of the Manager Termination other than for Cause

- (c) Upon a Manager Resignation taking place during the A Performance Period all Founder B Shares held by any member of the Standard Life Group (and any held by any permitted transferee of any such holder) shall thereupon automatically be reclassified as Deferred Shares on a one for one basis and in respect of all remaining Founder B Shares the B Performance Period shall be deemed to commence and immediately cease (and the B Conversion Period duly commence) and for the purposes of Article 155 2 3 the Outperformance shall be calculated in respect of the whole period from Admission to the date of the Manager Resignation and shall also be multiplied by the following fraction

$$\frac{n}{m}$$

where m and n are as defined in Article 155 2 5(a) above (substituting references to the Manager Termination other than for Cause with references to the Manager Resignation)

- (d) Upon a Manager Resignation taking place during the B Performance Period all Founder B Shares held by any member of the Standard Life Group (and any held by any permitted transferee of any such holder) shall thereupon automatically be reclassified as Deferred Shares on a one for one basis and in respect of all remaining Founder B Shares the B Performance Period shall immediately cease (and the B Conversion Period duly commence) and for the purposes of Article 155 2 3 the

Outperformance shall be calculated in respect of the whole period from Admission to the date of the Manager Resignation and shall also be adjusted by being multiplied by the following fraction

$$\frac{n}{m}$$

where m and n are as defined in Article 155 2 5(b) above (substituting references to the Manager Termination other than for Cause with references to the Manager Resignation)

- (e) Upon a Manager Termination for Cause taking place during the A Performance Period or the B Performance Period, the B Performance Period shall immediately cease and no Founder B Shares shall be capable of conversion

155 2 6 Subject to Article 155 2 7 below the number of Founder B Shares held by each Founder Shareholder which shall be capable of conversion at a particular Conversion Price shall be the proportion of the total number of Founder B Shares capable of conversion at such Conversion Price equal to the proportion which such Founder Shareholder's holding of Founder B Shares bears to the total number of Founder B Shares as at the expiry of the B Performance Period and each other Founder B Share held by such Founder Shareholder which is not capable of conversion and all Founder A Shares which are not capable of conversion or which remain unconverted shall upon and with effect from the date which is six months following the expiry of the B Performance Period automatically be reclassified as a Deferred Share

155 2 7 In the event of any Founder B Shares becoming capable of conversion pursuant to Article 155 2 5(c) or (d) the total number of Founder B Shares capable of conversion for the purposes of Article 155 2 6 only shall be such number of Founder B Shares which would be capable of conversion ignoring the reclassification of Founder B Shares pursuant to Articles 155 2 5(c) or (d)

- 155 3 (a) In the event of a Takeover taking place during the A Performance Period, the A Performance Period shall immediately cease and each of the A Conversion Period and the B Conversion Period shall commence concurrent with each other and for the purpose of each of Articles 155 1 3 and 155 2 3 the Outperformance shall be deemed to be 5 000 per cent
- (b) In the event of a Takeover taking place during the B Performance Period, the B Performance Period shall immediately cease and the B Conversion Period shall duly commence and for the purpose of Article 155 2 3 the Outperformance shall be deemed to be 5 000 per cent
- (c) In the event of a Standard Life Takeover taking place during the A Performance Period, the A Performance Period shall immediately cease and each of the A Conversion Period and the B Conversion Period shall commence concurrent with each other and for the purpose of Articles 155 1 3 and 155 2 3 the Outperformance shall be calculated from the date of Admission
- (d) In the event of a Standard Life Takeover taking place during the B Performance Period the B Performance Period shall immediately cease and the B Conversion Period shall duly commence and for the purpose of Article 155 2 3 the Outperformance shall be calculated from Admission In addition, the A Conversion Period shall be deemed to have re commenced upon the



occurrence of a Standard Life Takeover taking place and for the purposes of Article 155 1 3 the Outperformance shall be calculated for the period from Admission to the date of such Standard Life Takeover and in the event that the Outperformance as so calculated is greater than the Outperformance which was previously calculated in respect of the A Performance Period, such additional number of Founder A Shares which would have become capable of conversion under Article 155 1 3 in respect of the excess (had such greater Outperformance been the actual Outperformance for the A Performance Period) shall become capable of conversion pursuant to Article 155 1 3

- (e) In the event of a Takeover or a Standard Life Takeover each Founder Share which is capable of conversion and has not been converted prior to the expiry of the Section 429 Period shall upon the expiry of the Section 429 Period cease to be capable of conversion and shall thereupon be reclassified as a Deferred Share
- 155 4 (a) In the event of a Liquidation taking place during the A Performance Period, the A Performance Period shall immediately cease and notwithstanding any other provision of these Articles each Founder Shareholder shall be treated as if, immediately before such Liquidation taking effect, such number of his Founder A Shares and Founder B Shares which would become capable of conversion pursuant to Articles 155 1 3 and 155 2 3 respectively if the Outperformance was 5 000 per cent shall have automatically become capable of conversion and were so converted and the Founder Shareholder shall be entitled to receive out of the assets available in the Liquidation *pari passu* with the holders of ordinary shares such a sum as he would have received had the conversion been effected in full and he had become the holder of the ordinary shares to which he would have become entitled upon such conversion after deducting a sum for each ordinary share equal to the Conversion Price in respect of the Founder Share from which such ordinary share arose
- (b) In the event of a Liquidation taking place during the B Performance Period, the B Performance Period shall immediately cease and notwithstanding any other provision of these Articles each Founder Shareholder shall be treated as if, immediately before such Liquidation taking effect, such number of his Founder B Shares which would become capable of conversion pursuant to Article 155 2 3 if the Outperformance was 5 000 per cent shall have automatically become capable of conversion and, together with any of his Founder A Shares remaining capable of conversion, were so converted and the Founder Shareholder shall be entitled to receive out of the assets available in the Liquidation *pari passu* with the holders of ordinary shares such a sum as he would have received had the conversion been effected in full and he had become the holder of the ordinary shares to which he would have become entitled upon such conversion after deducting a sum for each ordinary share equal to the Conversion Price in respect of the Founder Share from which such ordinary share arose
- 155 5 In the event of any consolidation, consolidation and subdivision, reduction of the ordinary share capital of the Company or distribution (other than a distribution of revenue reserves or repurchases of shares) the number of Founder Shares capable of conversion in the A Conversion Period or the B Conversion Period and/or the Conversion Price will be adjusted by the board in such manner as the Auditors have confirmed to the board in writing to be, in their opinion, fair and reasonable

#### 156. Class consents and variation of rights

Without prejudice to the generality of Article 8 of these Articles, for so long as any

Founder Shares remain unconverted, the consent of each of (i) the holders of the Founder Shares as a single class and, (ii) the holders of the ordinary shares as a class shall be required for, and accordingly the special rights attached to the Founder Shares and the ordinary shares shall be deemed to be varied by, any alteration to this Part 2 of the Articles

**157. Restrictions on transfer of Founder Shares**

- 157 1 Notwithstanding any other provisions of these Articles regarding the transfer of shares, save for a transfer approved by the board pursuant to Article 157 7, Founder Shareholders may only transfer Founder Shares in accordance with Articles 157 and 158 and for these purposes any direction (by way of renunciation, nomination or otherwise) by a member entitled to an allotment of Founder Shares to the effect that such shares or any of them be allotted or issued to or registered in the name of some person other than himself shall for the purpose of these Articles be deemed to be a transfer of shares
- 157 2 A Founder Shareholder being a body corporate may at any time transfer all or any of its Founder Shares to a member of the same group For the purposes of this Article, the expression "a member of the same group" means in relation to the transferor company, a company which is for the time being a holding company (as defined in section 736 of the 1985 Act) of the transferor company or a subsidiary (as defined in that section) of the transferor company or of any such holding company provided that, unless prior consent in writing to the contrary shall have been given by the board, if and when such corporate relationship shall cease to apply to the transferor and transferee then such Founder Shares shall be transferred to the transferor or to another member of the same group as the transferor and in default of such transfer taking place within two months of the cessation of such corporate relationship such Founder Shares shall be deemed to be offered for transfer pursuant to Article 158 4
- 157 3 Any Founder Shareholder being an individual may at any time transfer all or any Founder Shares held by him
- (a) to a Privileged Relation, or
  - (b) to trustees to be held upon a Family Trust
- 157 4 Where Founder Shares are held by trustees upon a Family Trust
- (a) such shares may on any change of trustees be transferred to the new trustees,
  - (b) such shares may at any time be transferred to any person to whom under Article 157 3 they could have been transferred by the Settlor if he had remained the holder thereof,
  - (c) such shares may be transferred to the Settlor of the Family Trust, and
  - (d) if and whenever any such shares cease to be held upon a Family Trust (otherwise than in consequence of a transfer authorised by Articles 157.4(b) or (c)) the trustees shall forthwith be obliged to offer the Founder Shares for transfer pursuant to Article 158 4 and such shares may not otherwise be transferred
- 157 5 Founder Shares may be transferred by a Founder Shareholder without restriction to a person to hold such shares as a nominee or bare or simple trustee but any transfers by such nominee or bare or simple trustee shall be subject to the same restrictions as though they were by the Founder Shareholder himself (as if he had not ceased to be

the holder) Founder Shares may be transferred without restriction by a nominee or bare or simple trustee to the beneficial owner thereof. If at any time when Founder Shares are registered other than in the name of the beneficial owner and an event occurs to the beneficial owner which, had he been the registered holder, would have obliged him to offer such Founder Shares (or any of them) for transfer pursuant to Article 158.4, Article 158.4 shall apply to such Founder Shares then held by the nominee or bare or simple trustee as if the shares were held by the beneficial owner.

157.6 The board shall register a transfer in accordance with the foregoing provisions of this Article 157.

157.7 Except in the case of a transfer of shares expressly authorised by this Article 157 or pursuant to Article 158, any transfer of Founder Shares in the Company shall be subject to the prior approval of the board in its absolute discretion.

#### **158. Compulsory transfer of Founder Shares**

158.1 Any Founder Shareholder who transfers any Founder Shares in accordance with Article 157 shall, for the purposes of this Article 158, be deemed to continue to hold such Founder Shares and to be a Founder Shareholder.

158.2 (a) Any Bad Leaver shall, on the date of cessation of employment by or directorship of the relevant company within the Standard Life Group or of membership of or employment by the LLP or of employment by the relevant subsidiary of the LLP (as the case may be), be obliged to offer for transfer pursuant to Article 158.4 all of the Founder Shares then held by him or deemed to be held by him which are not, at the time of such cessation, capable of conversion provided that the board shall be entitled but not required at any time in the one month following such cessation to specify a smaller percentage of Founder Shares to be offered for transfer.

(b) In the event of a Founder Shareholder (being a body corporate, partnership or an individual) becoming insolvent, going into liquidation (other than for the purposes of reconstruction or amalgamation), receivership, administration, company voluntary arrangement, sequestration or other form of insolvency or bankruptcy, such Founder Shareholder shall on the date of such event occurring, be obliged to offer for transfer pursuant to Article 158.4 all of the Founder Shares then held by him or deemed to be held by him which are not, at such time, capable of conversion).

(c) The holder of any Founder Shares which, under Articles 158.2(a) or (b) are not obliged to be offered for transfer pursuant to Article 158.4 because they are capable of conversion shall be obliged to serve a conversion notice in respect of such Founder Shares within 30 days of becoming obliged to transfer any shares pursuant to Article 158.4 and in default of serving such conversion notice all of such Founder Shares capable of conversion shall automatically cease to be capable of conversion for the purposes of Articles 155.1.6 and 155.2.6.

158.3 Any Good Leaver, or if he becomes a Leaver on his death his personal representative, shall be obliged to offer for transfer pursuant to Article 158.4 the Transfer Percentage of the Founder A Shares and Founder B Shares respectively then held by him or deemed to be held by him which are not, at the time of such cessation, capable of conversion provided that the board shall be entitled but not required at any time in the one month following such cessation to specify a smaller percentage of Founder Shares to be offered for transfer.

- 158 4 In respect of any Founder Shares required to be offered, or deemed to be offered for transfer pursuant to this Article 158 4, the board shall be deemed to be the agent of the Founder Shareholder concerned and each of his transferees in accordance with Article 157 and shall forthwith give written notice to the other Founder Shareholders of the number and description of the Founder Shares required to be transferred (the "Sale Shares") inviting each of such holders and other persons to state by notice in writing to the Company within 60 days whether he is willing to purchase any and, if so, what maximum number of the Sale Shares he is willing to purchase, and shall also propose to give a copy of such notice to the proposing transferor. A person who expresses a willingness to purchase Sale Shares by notice to the Company within such period of 60 days is referred to below as a "Purchaser"
- 158 5 Within 10 days of the expiry of such period of 60 days the board shall allocate the Sale Shares to or amongst the Purchasers and such allocation shall be made so far as practicable as follows
- (a) first, amongst the Founder Shareholders who are employees or directors of any company within the Standard Life Group or who are individuals who are members or employees of the LLP or employees of any subsidiary of the LLP,
  - (b) secondly, if any Sale Shares remain unallocated, to all Founder Shareholders not falling within (a) above, and
  - (c) thirdly, the Company, treating the Company as if it were a Founder Shareholder
- 158 6 Each allocation of Sale Shares among the Founder Shareholders shall, in the case of competition, be made *pro rata* to the number of Founder Shares held by them but individual allocations of Sale Shares shall not exceed the maximum number of Sale Shares which the relevant Purchaser shall have expressed a willingness to purchase
- 158 7 Forthwith upon such allocation being made, the Purchasers to or amongst whom such allocation has been made shall be bound to pay to the Company (as agent for the proposing transferor) the price per Sale Share (being in all cases the nominal value paid up on such share) for, and to accept a transfer of, the Sale Shares so allocated to them respectively and the proposing transferor shall be bound forthwith upon payment of the price as aforesaid to deliver to the Company (as agent for the Purchasers) such documents as are required to transfer such Sale Shares to the respective Purchasers
- 158 8 If in any case the proposing transferor, after having become bound to transfer Sale Shares as aforesaid, makes default in so doing the Company may receive the price therefor and the board may appoint some person to execute instruments of transfer of such Sale Shares in favour of the Purchasers and shall thereupon, subject to such transfers being properly stamped, cause the name of each of the Purchasers to be entered in the Register as the holder of those Sale Shares so allocated to him and shall hold the price therefor in trust for the proposing transferor. The receipt of the Company therefor shall be a good discharge to the Purchasers and after their names shall have been entered in the Register in exercise of the power conferred hereby the validity of the transactions shall not be questioned by any person
- 158 9 If, at the expiry of the period of 10 days referred to in Article 158 5 above, any of the Sale Shares have not been allocated in accordance with the provisions of this Article 158, the proposing transferor shall be entitled to retain such Sale Shares

**159. General**

- 159 1 In the event of any conflict between any provision of Part 1 of these Articles and any provision of Part 2 of these Articles, the provision of Part 2 of these Articles shall prevail
- 159 2 Forthwith upon the conversion of all Founder Shares into ordinary shares or Deferred Shares as the case may be, the rights and restrictions attaching to the Founder Shares under these Articles shall lapse and, forthwith upon repurchase of the Deferred Shares and the redesignation and reclassification of the authorised but unissued share capital arising on such repurchase, Part 2 of these Articles (including the Schedule) shall be deemed to be deleted

**SCHEDULE**  
**FORM OF CONVERSION NOTICE**

To     The Directors  
Standard Life European Private Equity Trust PLC  
1 George Street  
Edinburgh  
EH2 2LL

I/we  
(*name*)  
of  
(*address*)  
being a holder of Founder Shares in Standard Life European Private Equity Trust PLC (the "Company") hereby give notice of conversion of the following numbers and classes of Founder Shares and at the following Conversion Prices

	Number of Shares	Class (insert A or B)	Conversion Price per Share	Aggregate Conversion Price
TOTAL			TOTAL	

in each case in accordance with and subject to the articles of association of the Company and I/we hereby enclose the share certificates in respect of the Founder Shares to be converted and payment of the aggregate conversion price payable in respect of such shares

\_\_\_\_\_  
Signature of Founder Shareholder

\_\_\_\_\_  
Date