

THE COMPANIES (GUERNSEY) LAWS, 1994 to 2001

COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

of

RAB SPECIAL SITUATIONS COMPANY LIMITED

Registered on 18th day of April, 2005

(Adopted by a special resolution on 20 May 2005)

(Articles amended by special resolution dated 17 July 2007)

(Articles amended by special resolution dated 23 July 2008)

TABLE OF CONTENTS

1.	PRELIMINARY	1
2.	BUSINESS	5
3.	POWER TO REQUIRE DISCLOSURE OF BENEFICIAL INTEREST AND SHARE WARRANTS	6
4.	SHARE CAPITAL	9
5.	LIEN ON SHARES	12
6.	CALLS ON SHARES	13
7.	TRANSFER OF SHARES	14
8.	MANDATORY SALES AND REPURCHASES	20
9.	TRANSMISSION OF SHARES	22
10.	FORFEITURE OF SHARES	22
11.	CONVERSION OF SHARES INTO STOCK	24
12.	ALTERATIONS OF CAPITAL AND PURCHASE OF SHARES	26
13.	INCREASE OF CAPITAL	27
14.	MODIFICATION OF CLASS RIGHTS	27
15.	GENERAL MEETINGS	28
16.	PROCEEDINGS AT GENERAL MEETINGS	29
17.	VOTING	31
18.	CORPORATIONS ACTING BY REPRESENTATIVES	34
19.	DIRECTORS	34
20.	DIRECTORS' CONTRACTING WITH THE COMPANY	35
21.	POWERS AND DUTIES OF DIRECTORS	38
22.	BORROWING POWERS	39

23.	MANAGING DIRECTOR AND OTHER APPOINTMENTS	39
24.	ROTATION, APPOINTMENT AND REMOVAL OF DIRECTORS	39
25.	DIVISIONAL DIRECTORS	41
26.	ALTERNATE DIRECTORS	42
27.	PROCEEDINGS OF DIRECTORS	43
28.	MINUTES	46
29.	THE SEAL	46
30.	SECRETARY	47
31.	RECORD DATES	48
32.	DIVIDENDS AND RESERVES	48
33.	CAPITALISATION OF RESERVES	51
34.	ACCOUNTS	53
35.	AUDIT	53
36.	AUTHENTICATION OF DOCUMENTS	54
37.	AUDITORS	54
38.	UNTRACED SHAREHOLDERS	54
39.	DESTRUCTION OF DOCUMENTS	55
40.	NOTICES	56
41.	DIVISION OF ASSETS IN SPECIE	57
42.	INDEMNITY	57
43.	THE REGISTER	58
44.	INSPECTION OF REGISTERS AND OTHER RECORDS	58

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1. PRELIMINARY

1.1 In these Articles the following words and expressions have the following meanings:

<u>Expression</u>	<u>Meaning</u>
Act	the Companies Act 1985 including any statutory modification or re-enactment thereof for the time being in force;
AIM	the Alternative Investment Market of the London Stock Exchange;
Auditors	the auditors for the time being of the Company;
Board	the Board of Directors for the time being of the Company or the Directors present at a duly convened meeting of Directors at which a quorum is present and acting by resolution duly passed at a meeting of the Directors or otherwise as permitted by these Articles;
Certificated Share	a share which is not an uncertificated share and reference to a share being held in certificated form should be construed accordingly;
clear days	in relation to the period of a notice, the period excluding the day on which the notice is given or deemed to be given, Saturday, Sunday, any Bank Holidays and the day for which it is given or on which it takes effect;
Company	RAB Special Situations Company Limited;

CRESTCo	CRESTCo Limited, the operator of the CREST UK system;
CREST Guernsey Requirements	Rule 22 and such other of the rules and requirements of CRESTCo as may be applicable to issuers as from time to time specified in the CREST Manual;
CREST Manual	the compendium of documents entitled “CREST Manual” issued by CRESTCo and comprising the CREST Reference Manual, the CREST Central Counterparty Service Manual, the CREST International Manual, CREST Rules, CCSS Operations Manual and the CREST Glossary of Terms;
CREST Rules	the Rules from time to time issued by CRESTCo governing the admission of securities to and the operation of the CREST UK system;
CREST UK system	the facilities and procedures for the time being of the relevant system of which CRESTCo has been approved as Operator pursuant to the Regulations 1995;
Director	a director of the Company for the time being;
dividend	includes bonus, if not inconsistent with the subject or context;
Group	the Company and its subsidiaries (within the meaning of section 736 of the Act) for the time being;
Holder	any beneficial holder of any Securities;
Investment Company Act	The United States Investment Company Act of 1940;
Investment Manager	RAB Capital plc;
Law	The Companies (Guernsey) Law, 1994-2001, as amended;
Member	in relation to the Securities means the person whose name is entered in the Register as the holder of the Securities;

month	calendar month;
Office	the registered office for the time being of the Company;
Operator	has the meaning given in the CREST Rules;
Ordinary Resolution	A resolution of the Company passed by a simple majority of the votes of the Members entitled to vote and voting in person or by attorney or by proxy at the meeting;
paid up	paid up or credited as paid up in respect of the nominal amount of a Share;
Register	the register of Members of the Company;
Regulations	the UK Uncertificated Securities Regulations 2001 (S12001 No 3755) including any modification thereof and rules made thereunder or any regulations in substitution thereof made under section 207 Companies Act 1989 for the time being in force;
Relevant System	the computer-based system, and procedures, which enable title to units of a security to be evidenced and transferred without a written instrument, and which facilitate supplementary and incidental matters in accordance with the Regulations;
Seal	the common seal of the Company;
Secretary	subject to the provisions of the Statutes includes joint Secretaries, a temporary or an assistant Secretary and any person appointed by the Board pursuant to Article 30.1 to perform any of the duties of the Secretary;
Securities	the Shares, the Warrants or any Shares issued pursuant to the Warrants;
Special Resolution	A resolution of the Members passed as a special resolution in accordance with the Statutes by a majority of not less than seventy five per cent of the votes of the Members entitled to vote and voting in person or by

	attorney or by proxy at the meeting;
Sponsor	has the meaning given in the CREST Rules;
Statutes	the Law and every other Order in Council, Ordinance or Statute for the time being in force concerning companies registered in Guernsey and affecting the Company including any statutory re-enactment or modification of the Law and every other Order in Council, Statute or Ordinance;
System’s Rules	the rules, regulations, procedures, facilities and requirements of the relevant system concerned;
these Articles	these Articles of Association of the Company as altered from time to time;
Uncertificated	a unit of a Guernsey security title to which is recorded on the relevant register of securities as being held in uncertificated form, and title to which may be transferred by means of the CREST UK system; and “certificated unit of a security” means a unit of security which is not an uncertificated unit;
United Kingdom	Great Britain and Northern Ireland;
US Person	a citizen or resident of the United States, a corporation, partnership or other entity created or organised in or under the laws of the United States or any person (i) falling within the definition of the term “United States Person” in Regulation S promulgated under the United States Securities Act of 1933, as amended or (ii) who is not a “Non-United States person” as that term is defined in Rule 4.7 promulgated under the US Commodity Exchange Act;
writing	includes printing, typewriting, lithography, photography and any other mode or modes of presenting or reproducing words in a visible form;
year	year from the 1st January to the 31st December inclusive.

- 1.2 Words importing:
- 1.2.1 the singular number only include the plural number and vice versa;
 - 1.2.2 the masculine gender only include the feminine gender;
 - 1.2.3 persons include corporations.
- 1.3 References to:
- 1.3.1 "mental disorder" mean mental disorder as defined in section 1 of the Mental Health Act 1983 and "mentally disordered" shall be construed accordingly;
 - 1.3.2 any section or provision of the Law, if not inconsistent with the subject or context, include any corresponding or substituted section or provision of any Statute amending consolidating or replacing the Law;
 - 1.3.3 an Article by number are to the particular Article of these Articles;
 - 1.3.4 *share* includes a fraction of a share and save where these Articles otherwise provide, a fraction of a share shall rank *pari passu* and proportionately with a whole share of the same class.
- 1.4 Subject as aforesaid, any word or expression defined in the Statutes shall, if not inconsistent with the subject or context, bear the same meaning in these Articles.
- 1.5 The headings are inserted for convenience only and shall not affect the construction of these Articles.
- 1.6 No regulations for management of a company set out in any regulations or in any schedule to any statute concerning companies registered in Guernsey or the United Kingdom shall apply to the Company, but the following shall be the Articles of Association of the Company.
2. **BUSINESS**
- 2.1 Any branch or kind of business which the company is either expressly or by implication authorised to undertake may be undertaken by the board at such time or times as it shall think fit, and further may be suffered by it to be in abeyance, whether such branch or kind of business may have been actually commenced or not, so long as the board may deem it expedient not to commence or proceed with the same.

3. **POWER TO REQUIRE DISCLOSURE OF BENEFICIAL INTEREST AND SHARE WARRANTS**

- 3.1 The Directors shall have power by notice in writing to require any Member to disclose to the Company the identity of any person other than the Member (an "**interested party**") who has any interest in the shares held by the Member and the nature of such interest.
- 3.2 Any such notice shall require any information in response to such notice to be given in writing within such reasonable time as the Directors shall determine.
- 3.3 The Company shall maintain a register of interested parties to which the provisions of Sections 55 and 58 of the Laws shall apply *mutatis mutandis* as if the register of interested parties was the Register of Members and whenever in pursuance of a requirement imposed on a Member as aforesaid, the Company is informed of an interested party, the identity of the interested party and the nature of the interest shall be promptly inscribed therein together with the date of the request.
- 3.4 Directors may be required to exercise their powers under Article 3.1 on the requisition of Members holding at the date of the deposit of the requisition not less than one-tenth of such of the paid-up capital of the Company.
- 3.5 A requisition under Article 3.1 must:-
- 3.5.1 state that the requisitionists are requiring the Company to exercise its powers under this Article;
 - 3.5.2 specify the manner in which they require those powers to be exercised;
 - 3.5.3 give reasonable grounds for requiring the Company to exercise those powers in the manner specified; and
 - 3.5.4 be signed by the requisitionists and deposited at the Office.
- 3.6 A requisition may consist of several documents in like form each signed by one or more requisitionists.
- 3.7 On the deposit of a requisition complying with Article 3.5, it is the Directors' duty to exercise their powers under Article 3.1 in the manner specified in the requisition.
- 3.8 If any Member has been duly served with a notice given by the Directors in accordance with Article 3.1 and is in default for the prescribed period in supplying to the Company the information thereby required, then the Directors may in their absolute discretion at any time thereafter serve a notice (a "**direction notice**") upon such Member.

3.9 A direction notice may direct that, in respect of:-

3.9.1 any shares in relation to which the default occurred (all or the relevant number as appropriate of such shares being the "**default shares**"); and

3.9.2 any other shares held by the Member;

the Member shall not be entitled to vote at a general meeting or meeting of the holders of any class of shares of the Company either personally or by proxy to exercise any other right conferred by membership in relation to meetings of the Company or of the holders of any class of shares of the Company.

3.10 Where the default shares represent at least 0.25% of the class of shares concerned, the direction notice may additionally direct that in respect of the default shares:-

3.10.1 any dividend or part thereof which would otherwise be payable on such shares shall be retained by the Company without any liability to pay interest thereon when such money is finally paid to the Member;

3.10.2 no transfer other than an approved transfer (as set out in Article 3.13.3) of the default shares held by such Member shall be registered unless:-

(a) the Member is not himself in default as regards supplying the information requested; and

(b) when presented for registration the transfer is accompanied by a certificate by the Member in a form satisfactory to the Directors to the effect that after due and careful enquiry the Member is satisfied that no person in default as regards supplying such information is interested in any of the shares the subject of the transfer.

The Company shall send to each other person appearing to be interested in the shares the subject of any direction notice a copy of the notice, but failure or omission by the Company to do so shall not invalidate such notice.

3.11 If shares are issued to a Member as a result of that Member holding other shares in the Company and if the shares in respect of which the new shares are issued are default shares in respect of which the Member is for the time being subject to particular restrictions, the new shares shall on issue become subject to the same restrictions whilst held by that Member as such default shares. For this purpose, shares which the Company procures to be offered to Members *pro rata* (or *pro rata* ignoring fractional entitlements and shares not offered to certain Members by reason of legal or practical problems associated with offering shares

outside the United Kingdom or Guernsey) shall be treated as shares issued as a result of a Member holding other shares in the Company.

3.12 Any direction notice shall have effect in accordance with its terms for as long as the default, in respect of which the direction notice was issued, continues but shall cease to have effect in relation to any shares which are transferred by such Member by means of an approved transfer as set out in Article 3.13.3. As soon as practical after the direction notice has ceased to have effect (and in any event within 7 days thereafter) the Directors shall procure that the restrictions imposed by Articles 3.10 and 3.11 above shall be removed and that dividends withheld pursuant to Article 3.10.1 above are paid to the relevant Member.

3.13 For the purpose of this Article:-

3.13.1 a person shall be treated as appearing to be interested in any shares if the Member holding such shares has given to the Company a notification which either (a) names such person as being so interested or (b) fails to establish the identities of those interested in the shares and (after taking into account the said notification and any other relevant notification) the Company knows or has reasonable cause to believe that the person in question is or may be interested in the shares;

3.13.2 the prescribed period in respect of any particular Member is 28 days from the date of service of the said notice in accordance with Article 3.1 except where the default shares represent at least 0.25% of the class of shares concerned in which case such period shall be 14 days;

3.13.3 a transfer of shares is an approved transfer if but only if:-

- (a) it is a transfer of shares to an offeror by way or in pursuance of acceptance of a public offer made to acquire all the issued shares in the capital of the Company not already owned by the offeror or connected person of the offeror in respect of the Company; or
- (b) the Directors are satisfied that the transfer is made pursuant to a sale of the whole of the beneficial ownership of the shares to a party unconnected with the Member and with other persons appearing to be interested in such shares; or
- (c) the transfer results from a sale made through a recognised investment exchange (as defined in the Financial Services and Markets Act 2000) or any stock exchange outside the United Kingdom on which the Company's shares are listed or normally traded.

3.14 Any Member who has given notice of an interested party in accordance with Article 3.1 who

subsequently ceases to have any party interested in his shares or has any other person interested in his shares shall notify the Company in writing of the cessation or change in such interest and the Directors shall promptly amend the register of interested parties accordingly.

3.15 The Company may with respect to any fully paid shares, issue a warrant ("**a share warrant**") stating that the bearer of the warrant is entitled to the number of shares specified in the warrant and may provide (by coupons or otherwise) for the payment of future dividends on the shares included in a share warrant.

3.16 The powers referred to in Article 3.15 may be exercised by the Board, which may determine and vary the conditions on which share warrants shall be issued and in particular on which:

3.16.1 a new share warrant or coupon will be issued in the place of one damaged, defaced, worn out or lost (provided that no new share warrant shall be issued to replace one that has been lost unless the Board is satisfied beyond reasonable doubt that the original has been destroyed);

3.16.2 the bearer of a share warrant shall be entitled to receive notice of and to attend, vote and demand a poll at general meetings;

3.16.3 dividends will be paid; and

3.16.4 a share warrant may be surrendered and the name of the holder entered in the Register in respect of the shares specified in it.

3.17 Subject to such conditions and to these Articles, the bearer of a share warrant shall be deemed to be a member for all purposes. The bearer of a share warrant shall be subject to the conditions for the time being in force and applicable thereto whether made before or after the issue of such share warrant.

3.18 Notwithstanding any other provision of this Article, any member who acquires an interest in the Company equal to or exceeding 3% of the issued shares (a "**Notifiable Interest**") shall forthwith notify the Company of such interest and having acquired a Notifiable Interest, a Member shall forthwith notify the Company if he ceases to hold such interest and of any increase or decrease to the nearest whole percentage number in his Notifiable Interest.

4. **SHARE CAPITAL**

4.1 The authorised share capital of the Company is £3,000,000 divided into 300,000,000 Ordinary Shares of £0.01 each (the "**Ordinary Shares**"). All the Ordinary Shares created hereunder shall constitute one class and rank *pari passu* in all respects.

- 4.2 For the purposes of Section 29 of the Law, the minimum subscription upon which the Company may proceed to allotment shall be two shares.
- 4.3 Without prejudice to any special rights previously conferred on the holders of any existing shares or class of shares (which special rights shall not be affected, modified or abrogated except with such consent or sanction as is provided in these Articles), any shares unissued at the date of adoption of these Articles and any shares hereafter created shall be under the control of the Board, which may issue, allot, grant option over and attach to such shares preferred, deferred or other special rights or such restrictions, whether in regard to dividend, voting, return of capital or otherwise but so that no share shall be issued at a discount to its prevailing net asset value and so that the amount payable on application on each share shall be fixed by the Board.
- 4.4 The Company may issue fractions of shares in accordance with and subject to the Statutes, provided that:
- 4.4.1 A fraction of a share shall be taken into account in determining the entitlement of a Member as regards dividends or on a winding up; and
- 4.4.2 A fraction of a share shall not entitle a Member to a vote in respect thereof.
- 4.5 Subject to the Statutes, any preference shares may, with the sanction of an Ordinary Resolution, be issued on the terms that they are, or at the option of the Company are, liable to be redeemed on such terms and in such manner as the Company before the issue of the shares may by Ordinary Resolution determine.
- 4.6 The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith.
- 4.7 The Company may in connection with the issue of any shares exercise all powers of paying commission and brokerage conferred or permitted by the Statutes provided that the rate per cent or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by the Statutes and the rate of commission shall not exceed the rate of 10 per cent of the price at which the shares in respect whereof the same is paid are issued or an amount equal to 10 per cent of such price (as the case may be). 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.
- 4.8 The Company shall have power, subject to and in accordance with the Statutes, to purchase

any of its own shares, whether or not they are redeemable and may make a payment out of capital in respect of such purchase.

- 4.9 Subject to the Statutes, the Company may give financial assistance directly or indirectly for the purpose of, or in connection with, the acquisition made or to be made by any person of any shares in the Company or its holding company (if any).
- 4.10 If two or more persons are registered as joint holders of any share any one of such persons may give effective receipts for any dividends or other moneys payable in respect of such share, but such power shall not apply to the legal personal representatives of a deceased member.
- 4.11 The Company shall not be bound to register more than four persons as joint holders of any share.
- 4.12 Except as otherwise expressly provided by these Articles or as required by law or as ordered by a Court of competent jurisdiction, no person shall be recognised by the Company as holding any share on any trust, and the Company shall not be bound by or required to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share or any right whatsoever in respect of any share or any interest in any fractional part of a share other than an absolute right to the entirety thereof in the registered holder.
- 4.13 Every Member (except a recognised clearing house or nominee and a holder of shares in respect of whom the Company is not by law required to complete and have ready for delivery a certificate) shall be entitled, without payment, to receive within two months after allotment or lodgement of a transfer (unless the conditions of issue provide for a longer interval) one certificate under the Seal for all the shares of each class registered in his name, specifying the number, class, and distinguishing numbers (if any) of the shares in respect of which it is issued and the amount paid up thereon.
- 4.14 If and so long as all the issued shares in the capital of the Company or all the issued shares of a particular class are fully paid up and rank *pari passu* for all purposes, then none of those shares shall bear a distinguishing number. In all other cases each share shall bear a distinguishing number.
- 4.15 In the case of joint holders the Company shall not be bound to issue more than one certificate to all the joint holders, and delivery of such certificate to any one of them shall be sufficient delivery to all.
- 4.16 Where a member has transferred part only of the shares comprised in a certificate, the old certificate shall be cancelled and he shall be entitled without charge to a certificate for the

balance of his shares.

- 4.17 Every certificate for shares or debentures or representing any other form of security of the Company shall in accordance with Article 29.1 be issued under the Seal, or an official seal kept by the Company or, in the case of shares on a branch register, an official seal for use in the relevant territory.
- 4.18 No certificate shall be issued representing shares of more than one class, or in respect of shares held by a recognised clearing house or nominee or a holder of shares in respect of which the Company is not required by law to complete and have ready a certificate.
- 4.18.1 Any two or more certificates representing shares of any one class held by any member may at his request be cancelled and a single new certificate for such shares issued in lieu without charge.
- 4.18.2 If any member shall surrender for cancellation a share certificate representing shares held by him and request the Company to issue in lieu two or more share certificates representing such shares in such proportions as he may specify, the Board may, if it thinks fit, comply with such request.
- 4.18.3 If any share certificate shall be defaced, worn out, destroyed or lost, it may on request be renewed on such evidence being produced and such indemnity (if any) being given as the Board shall require, and on payment of any exceptional out-of-pocket expenses of the Company of investigating such evidence and (in the case of defacement or wearing out) on delivery up of the old certificate, but without any further charge.
- 4.18.4 In the case of shares held jointly by several persons any such request mentioned in this Article may be made by any one of the joint holders.
- 4.19 The Company may hold any shares purchased by it as treasury shares in accordance with The Companies (Purchase of Own Shares) (Treasury Shares) Ordinance, 2006, as amended from time to time.

5. **LIEN ON SHARES**

- 5.1 The Company shall have a first and paramount lien upon the shares registered in the name of each Member (whether solely or jointly with others) and upon the proceeds of sale thereof for his debts, liabilities and engagements, solely or jointly with any other person, to or with the Company, whether the period for the payment, fulfilment or discharge thereof shall have actually arrived or not and such lien shall extend to all dividends from time to time declared in respect of such shares and to all moneys paid in advance of calls thereon; unless otherwise

agreed, the registration of a transfer of shares shall operate as a waiver of the Company's lien (if any) on such shares.

- 5.2 The Board may sell all or any of the shares subject to any lien at such time or times and in such manner as it may think fit but no sale shall be made until such time as the moneys in respect of which such lien exists or some part thereof are or is presently payable or the liability or engagement in respect of which such lien exists is liable to be presently fulfilled or discharged, and until a demand and notice in writing stating the amount due or specifying the liability or engagement and demanding payment or fulfilment or discharge thereof and giving notice of intention to sell in default shall have been served on such member or the persons (if any) entitled by reason of death or bankruptcy by transmission to the shares, and default in payment, fulfilment or discharge shall have been made by him or them for seven days after service of such notice.
- 5.3 The net proceeds of any sale of shares subject to any lien shall be applied in or towards satisfaction of the amount due to the Company, or of the liability or engagement, as the case may be, and the balance (if any) shall be paid to the member or the person (if any) entitled by reason of death or bankruptcy by transmission to the shares so sold.
- 5.4 Upon any such sale as aforesaid, the Board may authorise a person to transfer the shares sold to the purchaser and may enter the purchaser's name in the Register as holder of the shares, and the purchaser 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 in reference to the sale.

6. **CALLS ON SHARES**

- 6.1 Subject to the provisions of these Articles and to the terms of allotment of the shares, the Board may from time to time make such calls on the Members in respect of all moneys unpaid on their shares (whether on account of the nominal amount of the shares or by way of premium) as it may think fit, provided that fourteen days' notice at least is given of each call. Each Member shall be liable to pay the amount of every call so made on him to the persons, by the instalments (if any) and at the times and places appointed by the Board. A call may be revoked or the time fixed for its payment postponed by the Board.
- 6.2 A call shall be deemed to have been made at the time when the resolution of the Board authorising such call was passed.
- 6.3 The joint holders of a share shall be jointly and severally liable for the payment of all calls and instalments in respect thereof.
- 6.4 If before or on the day appointed for payment thereof a call or instalment payable in respect

of a share is not paid, the person from whom the same is due shall pay interest on the amount of the call or instalment at such rate not exceeding 15 per cent. per annum as the Board shall fix from the day appointed for payment thereof to the time of actual payment, but the Board may waive payment of such interest wholly or in part.

- 6.5 No member shall be entitled to receive any dividend or to be present and vote at any General Meeting either personally or (save as proxy for another member) by proxy, or be reckoned in a quorum, or to exercise any other privilege as a member until he shall have paid all calls for the time being due and payable on every share held by him, whether alone or jointly with any other person, together with interest and expenses (if any).
- 6.6 Any sum which by the terms of issue of a share is made payable upon allotment or at any fixed date, whether on account of the amount of the share or by way of premium, shall for all purposes of these Articles be deemed to be a call duly made and payable on the date fixed for payment, and in case of non-payment the provisions of these Articles as to payment of interest and expenses, forfeiture and the like, and all other relevant provisions of these Articles, shall apply as if such sum were a call duly made and notified.
- 6.7 The Board may from time to time make arrangements on the issue of shares for a difference between the holders of such shares in the amount of calls to be paid and in the time of payment of such calls.
- 6.8 The Board may, if it thinks fit, receive from any member willing to advance the same all or any part of the moneys due on his shares beyond the sums actually called up thereon, and on the moneys so paid in advance, or so much thereof as exceeds the amount for the time being called up on the shares in respect of which such advance has been made, the Board may pay or allow such interest as may be agreed between it and such member, in addition to the dividend payable upon such part of the share in respect of which such advance has been made as is actually called up: Provided that no dividend shall be payable on so much of the moneys paid up on a share as exceeds the amount for the time being called up thereon. The Board may at any time repay the amount so advanced on giving to such Member not less than three months' notice in writing of its intention in that behalf, unless before the expiration of such notice the amount so advanced shall have been called up on the share in respect of which it was advanced.

7. TRANSFER OF SHARES

- 7.1 The Board shall have power to implement such arrangements as they may, in their absolute discretion, think fit in order for any class of shares to be admitted to settlement by means of the CREST UK systems. Where they do so, Articles 7.2 and 7.3 shall commence to have effect immediately prior to the time at which CRESTCo admits the class to settlement by

means of the CREST UK system.

7.2 In relation to any class of shares which, for the time being, CRESTCo has admitted to settlement by means of the CREST UK system, and for so long as such class remains so admitted, no provision of these Articles shall apply or have effect to the extent that it is in any respect inconsistent with:

7.2.1 the holding of shares of that class in Uncertificated form;

7.2.2 the transfer of title to shares of that class by means of the CREST UK system; or

7.2.3 the CREST Guernsey Requirements.

7.3 Without prejudice to the generality of Article 7.2 and notwithstanding anything contained in these Articles where any class of shares is, for the time being, admitted to settlement by means of the CREST UK system:

7.3.1 such securities may be issued in Uncertificated form in accordance with and subject as provided in the CREST Guernsey Requirements;

7.3.2 unless the Board otherwise determines, such securities held by the same holder or joint holder in certificated form and Uncertificated form shall be treated as separate holdings;

7.3.3 such securities may be changed from Uncertified to certificated form, and from certificated to Uncertificated form, in accordance with and subject as provided in the CREST Guernsey Requirements;

7.3.4 title to such of the shares as are recorded on the Register as being held in Uncertificated form may be transferred only by means of the CREST UK system and as provided in the CREST Guernsey Requirements and accordingly (and in particular) no provision of these Articles shall apply in respect of such shares to the extent that those Articles require or contemplate the effecting of a transfer by an instrument in writing and the production of a certificate for the security to be transferred;

7.3.5 the Company shall comply in all respects with the CREST Guernsey Requirements including, without limitation, CREST Rules 21 and 22;

7.3.6 no provision of these Articles shall apply so as to require the Company to issue a certificate to any person holding such shares in Uncertificated form;

7.3.7 the permitted number of joint holders of a share shall be four;

7.3.8 every transfer of shares from a CREST account of a CREST member to a CREST account of another CREST member shall vest in the transferee a beneficial interest in the shares transferred, notwithstanding any agreements or arrangements to the contrary however and whenever arising and however expressed. Accordingly, each CREST member who is for the time being registered as the holder of any shares in the capital of the Company shall hold such shares upon trust for himself and for those persons (if any) whose CREST accounts are duly credited with any such shares or in favour of whom shares are to be withdrawn from CRESTCo pursuant to a settled stock withdrawal instruction; and the member and all such persons, to the extent respectively of the shares duly credited to their respective CREST accounts or the subject of a settled stock withdrawal instruction, shall accordingly have beneficial interest therein.

7.4 Where a dematerialised instruction is expressed to have been sent on behalf of a person by a Sponsor or by CRESTCo:

7.4.1 the person on whose behalf the instruction is expressed to have been sent shall not be able to deny to the addressee:

- (a) that the instruction was sent with his authority; or
- (b) that the information contained in it is correct; and

7.4.2 the Sponsor or CRESTCo, as the case may be, shall not be able to deny to the addressee:

- (a) that he has authority to send the dematerialised instruction; or
- (b) that he has sent the dematerialised instruction.

7.4.3 Where a dematerialised instruction is expressed to have been sent by a person, and it is not expressed to have been sent on behalf of another person, the first person shall not be allowed to deny to the addressee:

- (a) that the information contained in the instruction is correct; or
- (b) that he has sent it.

7.4.4 An addressee who received a dematerialised instruction (whether directly, or by means of the facilities of a Sponsor acting on his behalf) may (subject to Articles 7.4.5 and 7.4.6 accept that at the time when it was sent:

- (a) the information contained in the instruction was correct;

- (b) the user or authorised Operator identified in the instruction as having sent the instruction did send it; and
- (c) if the instruction was expressed to have been sent on behalf of a person, it was sent with the authority of that person.

7.4.5 An addressee shall not be allowed to accept any of the matters specified in Article 7.4.4 where, at the time when he received the dematerialised instruction, he was a person who was not either the Company or a Sponsor receiving (in either case) dematerialised instructions on behalf of the Company, and he had actual notice:

- (a) that any information contained in it was incorrect;
- (b) that the user or CRESTCo expressed to have sent the instruction did not sent it; or
- (c) if the instruction was expressed to have been sent on behalf of a person, that the person had not given to CRESTCo or the Sponsor identified in the instruction as having sent it his authority to send the instruction on his behalf.

7.4.6 An addressee shall not be allowed to accept any of the matters specified in Article 7.4.4 where, at the time when he received the dematerialised instruction, he was either the Company or a Sponsor receiving dematerialised instructions on behalf of the Company, and:

- (a) he had actual notice from CRESTCo of any of the matters specified in Article 7.4.5; and
- (b) the instruction was an instruction from CRESTCo requiring the registration of title in the circumstances specified in any of sub-paragraphs 8.1.1, 8.1.2, 8.1.3 and 8.1.4 of the CREST Guernsey Requirements.

7.4.7 However, where an addressee has received actual notice of a kind to which Articles 7.1, 7.2 and 7.3 refer in respect of a properly authenticated dematerialised instruction, he may accept the matters specified in Article 7.4.4 if at the time when he received the actual notice it was not practicable for him to halt his processing of the instruction.

7.4.8 A person who is permitted by Articles 7.4.4 or 7.4.7 to accept any matter shall not be liable in damages or otherwise to any person by reason of his having relied on the matter that he was permitted to accept.

- 7.4.9 Except as provided in Article 7.4.8, Articles 7.1, 7.2 and 7.3 do not affect any liability of a person for causing or permitting a dematerialised instruction:
- (a) to be sent without authority;
 - (b) to contain information that is incorrect; or
 - (c) to be expressed to have been sent by a person who did not send it.
- 7.5 Articles 7.4.7 to 7.4.9 are to be construed in accordance with the CREST Manual.
- 7.6 Words and expressions not specifically defined in Articles 7.1, 7.2 and 7.3 shall bear the same meaning as those words and expressions defined in the CREST Manual.
- 7.7 Subject to such of the restrictions of these Articles as may be applicable any member may transfer all or any of his uncertified shares by means of a Relevant System authorised by the Board in such manner provided for, and subject as provided, in any regulations issued for this purpose under the statutes or such as may otherwise from time to time be adopted by the Board on behalf of the Company and the rules of any Relevant System and accordingly no provisions 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 shares to be transferred.
- 7.8 Subject to such of the restrictions contained in these Articles as may be applicable, any Member may transfer all or any of his Certificated Shares by instrument in writing in any usual or common form, or in such other form as the Board shall from time to time approve. The Board may at any time after the allotment of any share but before any person has been entered in the Register as the holder thereof recognise a renunciation thereof by the allottee in favour of some other person and may accord to any allottee of a share a right to effect such renunciation upon and subject to such terms and conditions as the Board may think fit to impose.
- 7.9 Such instrument of transfer must (if so required by law) be duly stamped and be left at the Office, or at such other place as the Board may appoint, accompanied by the certificate for the shares to be transferred and such other evidence (if any) as the Board may require to prove the title of the intending transferor (and if the instrument of transfer is executed by some other person on his behalf, the authority of that person to do so).
- 7.10 Every instrument of transfer must be in respect of only one class of share.
- 7.11 The instrument of transfer of a share shall be signed by or on behalf of the transferor, and the transferor shall be deemed to remain the holder of the share until the name of the transferee is

entered in the Register in respect thereof.

- 7.12 In the case of a partly paid up share the instrument of transfer must also be signed by or on behalf of the transferee.
- 7.13 All instruments of transfer which shall be registered shall be retained by the Company, but any instrument of transfer which the Board may refuse to register shall (except in case of fraud) be returned to the party presenting the same.
- 7.14 The Board may only decline to register a transfer of an Uncertificated share in the circumstances set out in regulations issued for this purpose under the Law, 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.
- 7.15 The Board may, in its absolute discretion, and without assigning any reason refuse to register a transfer of any share (not being a fully paid up share) to a person of whom it does not approve and refuse to register any transfer of any share to more than four joint holders or any transfer of any share (not being a fully paid up share) on which the Company has a lien
- 7.16 If the Board shall refuse to register a transfer of any share, it shall, within two months after the date on which the transfer was lodged with the Company or (in the case of an Uncertificated share) the date on which the Operator instruction was received by the Company, send to the transferee notice of such refusal.
- 7.17 The registration of transfers of shares or of any class of shares may be suspended at such times and for such periods as the Board may from time to time determine provided that such registration shall not be suspended for more than thirty days in any year.
- 7.18 No fee shall be charged:
- 7.18.1 for registration of a transfer; or
- 7.18.2 on the registration of any probate, letters of administration, certificate of death or marriage, power of attorney, notice or other instrument relating to or affecting the title to any shares.
- 7.19 Nothing in these Articles shall prevent title to any securities of the Company from being evidenced and transferred without a written instrument in accordance with statutory regulations from time to time made under the Statutes and the Board shall have power to implement any arrangements it may think fit for such evidencing and transfer which accord with those regulations.

7.20 The Directors may, in their absolute discretion, decline to register any transfer of Shares or other outstanding Securities and in particular may decline to register:

- (a) any transfer to a person which could result in legal, pecuniary, regulatory, tax or material administrative disadvantage to the Company, the Investment Manager or to any Member or Holder,
- (b) any transfer to a US Person or any transfer which may result in Securities being beneficially owned by a US Person,
- (c) any transfer which the Directors determine, in their absolute discretion, has been or would be in violation of applicable securities laws,
- (d) any transfer to a person to whom a transfer of Securities or whose ownership or holding of any Securities might in the opinion of the Directors require registration of the Company as an “investment company” under the United States Investment Company Act,
- (e) any transfer that would result in the Investment Manager being required to register as an “investment adviser” under the United States Investment Advisers Act of 1940, or
- (f) any transfer to any person or entity if such transfer would make the Investment Manager ineligible to operate the Company pursuant to an exemption from certain disclosure, reporting and record keeping requirements of the United States Commodities Futures Trading Commission pursuant to Advisory 18-96 promulgated by the United States Commodities Futures Trading Commission under the United States Commodity Exchange Act or any other then-applicable exemption claimed by the Investment Manager.

7.21 The Directors may also, in their absolute discretion and without giving any reason therefor, decline to register any transfer to any person unless the instrument of transfer, and any application form and any other requested documentation are deposited at the Company’s registered office or such other place as the Directors may require together with such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer, including such certifications, notifications, agreements and warranties and legal opinions of duly qualified counsel as the Directors may reasonably require to ensure the proposed transferee would be entitled to hold the same in accordance with these Articles and that all applicable laws will be or would have been complied with.

8. MANDATORY SALES AND REPURCHASES

8.1 The Company may at any time require a shareholder to sell some or all of the Securities held by it within a specified period at the prevailing market price for the Securities. If a shareholder does not comply with such a demand within the period specified and, in any event, the Company may repurchase the Securities at the prevailing market price subject to the Statutes. The Company may exercise this right at any time but may, in particular, do so if it shall come to the attention of the Directors that:

- (a) any Security is or may be held directly or beneficially by any person or persons whose ownership or holding or continued ownership or holding of such Security (whether on its own or in conjunction with any other circumstances appearing to the Directors to be relevant) might in the opinion of the Directors cause a legal, pecuniary, regulatory, tax or material administrative disadvantage to the Company, any Member or Holder or the Investment Manager;
- (b) any Security is or may be held directly or beneficially by a US Person;
- (c) any Security has been or may have been acquired, as the Directors may determine in their absolute discretion, in violation of applicable securities laws;
- (d) any Security is held by a person whose ownership or holding of any Securities might in the opinion of the Directors require registration of the Company as an Investment Company under the US Investment Company Act;
- (e) any Security is held by a person that would result in the Investment Manager being required to register as an “investment adviser” under the United States Investment Advisers Act;
- (f) any Security is held by a person that would make the Investment Manager ineligible to operate the Company pursuant to an exemption from certain disclosure, reporting and record keeping requirements of the United States Commodity Futures Trading Commission pursuant to Advisory 18-96 promulgated by the United States Commodity Futures Trading Commission under the United States Commodity Exchange Act or any other then-applicable exemption claimed by the Investment Manager; or
- (g) the value of a Member’s or Holder’s shares falls below the minimum holding requirement of £25,000.

9. **TRANSMISSION OF SHARES**

- 9.1 In the case of the death of a Member, the survivors or survivor, where the deceased was a joint holder, and the executors or administrators of the deceased, where he was a sole or only surviving holder, shall be the only persons recognised by the Company as having any title to his shares, but nothing herein contained shall release the estate of a deceased holder (whether sole or joint) from any liability in respect of any share solely or jointly held by him.
- 9.2 Subject to the provisions of these Articles, any person becoming entitled to a share in consequence of the death or bankruptcy of a Member may, on such evidence as to his title being produced as the Board may require, elect either to be registered himself as holder of the share or to have some person nominated by him registered as the transferee thereof.
- 9.3 If the person so becoming entitled shall elect to be registered himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects. If he shall elect to have another person registered, he shall testify his election by executing a transfer of such share to such person. All the provisions of these Articles relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or bankruptcy of the member had not occurred and the notice or transfer were a transfer executed by such member.
- 9.4 A person entitled to a share by death or bankruptcy by transmission shall be entitled to receive, and may give a discharge for, any dividends or other moneys payable in respect of the share, but he shall not be entitled in respect of it to receive notices of, or to attend or vote at meetings of the Company, or, save as aforesaid, to exercise any of the rights or privileges of a member unless and until he shall become a member in respect of the share. The Board may at any time give notice requiring any such person to elect either to be registered himself or to transfer the share and if the notice is not complied with within 60 days the Board may thereafter withhold payment of all dividends or other moneys payable in respect of the share until the requirements of the notice have been complied with.

10. **FORFEITURE OF SHARES**

- 10.1 If a member fails to pay the whole or any part of any call or instalment of a call on or before the day appointed for the payment thereof, the Board may at any time thereafter, during such time as the call or instalment or any part thereof remains unpaid, serve a notice on him or on the person entitled to the share by death or bankruptcy by transmission requiring payment of such call or instalment or such part thereof as remains unpaid, together with interest at such rate not exceeding 15 per cent. per annum as the Board shall determine and any expenses incurred by the Company by reason of such non-payment.

10.1.1 The notice shall:

- (a) name a further day (not earlier than the expiration of seven days from the date of the notice) on or before which such call or instalment or part thereof and all interest and expenses that have accrued by reason of such non-payment are to be paid;
- (b) name the place where the payment is to be made; and
- (c) 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 was made or instalment was due will be liable to be forfeited.

10.1.2 If the requirements of any such notice as aforesaid are not complied with, any share in respect of which such notice has been given may at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect. A forfeiture of shares shall include all dividends in respect of the shares not actually paid before the forfeiture, notwithstanding that they shall have been declared.

10.2 When any share has been forfeited in accordance with these Articles, notice of the forfeiture shall forthwith be given to the holder of the share or to the person entitled to the share by reason of death or bankruptcy by transmission, as the case may be, and an entry of such notice having been given and of the forfeiture with the date thereof shall forthwith be made in the Register in respect of such share; but the provisions of this Article are directory only, and no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice or to make such entry as aforesaid.

10.3 Notwithstanding any such forfeiture as aforesaid, the Board may, at any time before the forfeited shares have been otherwise disposed of, annul the forfeiture, on the terms of payment of all calls and interest due thereon and all expenses incurred in respect of the share and on such further terms (if any) as it shall see fit.

10.4 The Board may accept a surrender of any share liable to be forfeited hereunder.

10.5 Every share which shall be forfeited or surrendered shall thereupon become the property of the Company and within three years of such forfeiture may be sold, cancelled, re-allotted or otherwise disposed of either to the person who was before forfeiture or surrender the holder thereof or entitled thereto or to any other person on such terms and in such manner as the Board shall think fit, and the Board may if necessary authorise a person to transfer the same to such other person as aforesaid.

- 10.6 A shareholder whose shares have been forfeited or surrendered shall cease to be a Member but nevertheless be liable to pay to the Company all calls made and not paid on such shares at the time of forfeiture or surrender, and interest thereon to the date of payment in the same manner in all respects as if the shares had not been forfeited or surrendered, and to satisfy all (if any) the claims and demands which the Company might have enforced in respect of the shares at the time of forfeiture or surrender without any reduction or allowance for the value of the shares at the time of forfeiture.
- 10.7 The forfeiture or surrender of a share shall involve the extinction at the time of forfeiture or surrender of all interest in and all claims and demands against the Company in respect of the share as between the shareholder whose share is forfeited or surrendered and the Company, except only such of those rights and liabilities as are by these Articles expressly saved, or as are by the Statutes given or imposed in the case of past Members.
- 10.8 A declaration in writing that the declarant is a Director or Secretary of the Company and that a share has been duly forfeited or surrendered in pursuance of these Articles, and stating the date on which it was forfeited or surrendered, shall, as against all persons claiming to be entitled to the share adversely to the forfeiture or surrender thereof, be conclusive evidence of the facts therein stated and such declaration, together with the receipt of the Company for the consideration (if any) given for the share on the sale or disposition thereof and a certificate for the share under the Seal delivered to the person to whom the same is sold or disposed of, shall constitute a good title to the share. Subject to the execution of any necessary transfer such person shall be registered as the holder of the share and shall be discharged from all calls made prior to such sale or disposition and shall not be bound to see to the application of the purchase money or other consideration (if any), nor shall his title to the share be affected by any act, omission or irregularity relating to or connected with the proceedings in reference to the forfeiture or surrender, sale, re-allotment or disposal of the share.

11. **CONVERSION OF SHARES INTO STOCK**

- 11.1 The Company may by Ordinary Resolution convert any paid up shares into stock and reconvert any stock into paid up shares of any denomination. After the passing of any resolution converting all the paid up shares of any class into stock any shares of that class which subsequently become fully paid and rank pari passu in all respects with such shares shall by virtue of this Article and such resolution be converted into stock transferable in the same units as the shares already converted.
- 11.2 The holders of stock may transfer the same, or any part thereof, in the same manner and subject to the same regulations, as and subject to which the shares from which the stock arose might previously to conversion have been transferred, or as near thereto as circumstances admit; and the Board may from time to time fix the minimum amount of stock transferable

and restrict or forbid the transfer of fractions of that minimum, but so that such minimum shall not exceed the nominal amount of the shares from which the stock arose.

11.3 The holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at General Meetings of the Company and other matters, and be subject to the same provisions of these Articles as if they held the shares from which the stock arose, but no such privilege or advantage shall be conferred by an amount of stock which would not, if existing in shares, have conferred that right, privilege or advantage.

11.4 Such of the provisions of these Articles as are applicable to paid up shares shall apply to stock and the words "share" and "stock" shall include "stock" and "stockholder" respectively.

12. ALTERATIONS OF CAPITAL AND PURCHASE OF SHARES

12.1 The Company in General Meeting may from time to time:

12.1.1 by Ordinary Resolution:

- (a) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares. On any consolidation of fully paid shares into shares of larger amount, the Board may settle any difficulty which may arise as it thinks expedient and in particular (but without prejudice to the generality of the foregoing) may as between the holders of shares to be consolidated determine which particular shares are to be consolidated into each consolidated share and in the case of any share registered in the name of one holder or joint holders being consolidated with shares registered in the name of another holder or joint holders may make such arrangements as may be thought fit for the sale of the consolidated share or any fractions thereof and for such purpose may appoint some person to transfer the consolidated share to the purchaser and arrange either for the distribution among the persons entitled thereto of the net proceeds of such sale after deduction of the expenses of sale or (when such net proceeds in respect of any holding do not exceed £2) for the payment of such net proceeds to the Company. Provided that the necessary unissued shares are available the Board may alternatively in each case where the number of shares held by any holder is not an exact multiple of the number of shares to be consolidated into a single share issue to each such holder credited as fully paid up by way of capitalisation the minimum number of shares required to round up his holding to such a multiple (such issue being deemed to have been effected immediately prior to consolidation) and the amount required to pay up such shares shall be appropriated at its discretion from any of the sums standing to the credit of any of the Company's reserve accounts (including shares premium account and capital redemption reserve) or to the credit of profit and loss account and capitalised by applying the same in paying up such shares;
- (b) 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; and
- (c) subject to the Statutes sub-divide its shares or any of them into shares of smaller amount than is fixed by the Memorandum of Association and so that the resolution whereby any share is sub-divided may determine that, as between the holders of the shares resulting from such sub-division, one or

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

- (d) convert the whole, or any particular class, of its preference shares into redeemable preference shares;
- (e) issue shares which shall entitle the holder to no voting right or entitle the holder to a restricted voting right;
- (f) convert all or any of its fully paid shares the nominal amount of which is expressed in a particular currency into fully paid shares of a nominal amount of a different currency, the conversion being effected at the rate of exchange (calculated to not less than three significant figures) current on the date of the resolution or on such other date as may be specified therein.

12.1.2 by Special Resolution reduce its share capital or any capital redemption reserve or share premium account in any manner authorised and subject to any conditions prescribed by the Statutes.

13. INCREASE OF CAPITAL

13.1 The Company in General Meeting may from time to time by Ordinary Resolution increase its share capital by the creation of new shares, such new capital to be of such amount and to be divided into shares of such respective amounts and to carry such special rights (if any) or to be subject to such restrictions (if any) as are referred to in Article 4.3 as the General Meeting resolving on such increase may direct. Subject to any directions made by the Company when resolving on the increase of capital, any new shares shall, subject to the provisions of Article 4.3, be at the disposal of the Board and shall be considered as part of the original capital and shall be subject to the same provisions with reference to the payment of calls and the forfeiture of shares on non-payment of calls transfer and transmission of shares, lien or otherwise as if they had been part of the original capital.

14. MODIFICATION OF CLASS RIGHTS

14.1 All or any of the rights, privileges, or conditions for the time being attached to any class or group of shares may be affected, altered, modified, commuted, abrogated or dealt with, subject to the right (if any) of aggrieved Members to apply to the Court for a variation or cancellation as provided in the Statutes, with the consent in writing of the holders of three-fourths of the issued shares of that class or with the sanction of a resolution passed by a majority of three-fourths of the votes of the holders of shares of the class or group affected

entitled to vote and voting in person or by attorney or proxy and passed at a separate meeting of the holders of such shares, but not otherwise. To any such meeting all the provisions of these Articles shall mutatis mutandis apply, but so that the necessary quorum shall be Members of the class or group affected, holding or representing by proxy one-third of the capital paid on the issued shares of the class or group affected (but so that if at any adjourned meeting of such holders a quorum as above defined is not present, those Members who are present shall be a quorum) provided that this paragraph is not to derogate from any power the Company would have had if this paragraph were omitted. The rights attached to any class of shares shall be deemed to be varied by (*inter alia*):

14.1.1 any amendment to or deletion of this Article; and

14.1.2 any material change in the investment policy attributable to the relevant class.

15. GENERAL MEETINGS

15.1 The first general meeting of the Company shall be held within a period of not more than eighteen months from the day on which the Company shall have the right to commence business

15.2 The Company shall in each year hold a General Meeting as its Annual General Meeting in addition to any other meetings in that year. Not more than fifteen months shall elapse between the date of one Annual General Meeting of the Company and that of the next. The Annual General Meeting shall be held at such time and place as the Board shall determine. All General Meetings, other than Annual General Meetings, shall be called Extraordinary General Meetings.

15.3 The Board may call an Extraordinary General Meeting whenever it thinks fit, and Extraordinary General Meetings shall also be convened on such requisition, or in default may be convened by such requisitionists, as provided by the Statutes. In the case of an Extraordinary General Meeting called in pursuance of a requisition, unless such meeting shall have been called by the Board, no business other than that stated in the requisition as the objects of the meeting shall be transacted.

15.4 All general meetings shall be called by fourteen days' notice in writing at the least. The notice shall be exclusive of the day on which it is served or deemed to be served and of the day for which it is given, and shall specify the place, the day and the hour of the meeting, and in the case of special business, the general nature of that business and shall be given in the manner hereinafter mentioned or in such other manner, if any, as may be prescribed by the Company by Ordinary Resolution, to such persons as are, by these Articles, entitled to receive such notices from the Company, provided that a meeting of the Company shall, notwithstanding

that it is called by shorter notice than that specified in this Article, be deemed to have been duly called if it is so agreed by all the Members entitled to attend and vote thereat. The accidental omission to give such notice to, or the non-receipt of such notice by, any such person shall not invalidate any resolution passed or proceeding at any such meeting. Every notice convening an Annual General Meeting of the Company shall describe the meeting as an Annual General Meeting.

15.5 In every notice calling a General Meeting of the Company there shall appear with reasonable prominence a statement that a Member entitled to attend and vote is entitled to appoint one or more proxies to attend and (on a poll) vote instead of him and that a proxy need not also be a Member.

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

16. **PROCEEDINGS AT GENERAL MEETINGS**

16.1 All business that is transacted at an Extraordinary General Meeting shall be deemed special and all business that is transacted at an Annual General Meeting shall also be deemed special, with the exception of the declaration of a dividend, the consideration of the accounts and balance sheet and the reports of the Directors and the Auditors and any other documents required to be annexed to the balance sheet, the election of Directors in place of those retiring, the re-appointment of the Auditors retiring and the fixing of the remuneration of the Directors and the Auditors.

16.2 No business shall be transacted at any General Meeting unless a quorum is present when the meeting proceeds to business. For all purposes the quorum shall be not less than two Members present in person or by proxy.

16.3 If within fifteen minutes from the time appointed for the holding of a General Meeting a quorum is not present, the meeting if convened on the requisition of Members shall be dissolved. In any other case it shall stand adjourned to the same day in the next week at the same time and place, or to such other day and at such time and place as the Board may determine, and if at such adjourned meeting a quorum is not present within fifteen minutes from the time appointed for holding the meeting, the Members present in person or by proxy shall be a quorum.

16.4 The Chairman (if any) of the Board shall preside at every General Meeting of the Company. If there be no such Chairman or if at any meeting he shall not be present within fifteen minutes after the time appointed for holding the same, or shall be unwilling to act as

Chairman, the Deputy Chairman (if any) shall if present and willing to act preside at such meeting but if the Chairman and Deputy Chairman shall not be so present and willing to act the Directors present shall choose one of their number to act, or if there be only one Director present he shall be Chairman if willing to act. If there be no Director present and willing to act, the Members present and entitled to vote shall choose one of their number to be Chairman of the Meeting.

- 16.5 The Chairman may, with the consent of any General Meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn any meeting from time to time and from place to place as the meeting shall determine. Whenever a meeting is adjourned for fourteen days or more, seven clear days' notice at the least, specifying the place, the day, and the hour of the adjourned meeting shall be given in the same manner as in the case of an original meeting, but it shall not be necessary to specify in such notice the nature of the business to be transacted at the adjourned meeting. Save as aforesaid, no member shall be entitled to any notice of an adjournment or of the business to be transacted at any adjourned meeting. No business shall be transacted at any adjourned meeting other than the business which might have been transacted at the meeting from which the adjournment took place.
- 16.6 At any General Meeting a resolution put to a vote of the meeting shall be decided on a show of hands, unless before or upon the declaration of the result of the show of hands a poll be demanded by:
- 16.6.1 the Chairman; or
- 16.6.2 in writing by at least three persons entitled to vote at the meeting; or
- 16.6.3 in writing by a Member or Members representing one-tenth of the total voting rights of all the Members having the right to vote at the meeting; or
- 16.6.4 in writing by a Member or Members holding shares conferring a right to vote at the meeting, being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the shares conferring that right.
- 16.7 Unless a poll be so demanded, a declaration by the Chairman of the meeting that a resolution has on a show of hands been carried, or carried unanimously or by a particular majority, or lost, or not carried by a particular majority, shall be conclusive, and an entry to that effect in the minute book of the Company shall be conclusive evidence thereof, without proof of the number or proportion of the votes recorded in favour of or against such resolution.
- 16.8 If:
- 16.8.1 any objection is raised to the qualification of any voter; or

16.8.2 any votes have been counted which ought not to have been counted or which might have been rejected; or

16.8.3 any votes are not counted which ought to have been counted

the objection or error shall not vitiate the decision of the meeting on any resolution unless the same is raised or pointed out at the meeting or 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 of the meeting and shall only vitiate the decision of the meeting on any resolution if the Chairman decides that the same is of sufficient magnitude to vitiate the resolution or may otherwise have affected the decision of the meeting. The decision of the Chairman on such matters shall be final and conclusive.

16.9 If a poll be demanded in the manner aforesaid, it shall (subject as provided in Article 16.6) be taken in such manner (including the use of ballot or voting papers or tickets) and at such time and place, not being more than thirty days from the date of the meeting or adjourned meeting at which the poll was demanded, as the Chairman shall direct. No notice need be given of a poll not taken immediately. The result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.

16.10 A poll demanded on the election of a Chairman or on a question of adjournment shall be taken forthwith.

16.11 In the case of an equality of votes, either on a show of hands or on a poll, the Chairman of the meeting at which the show of hands takes place or at which the poll was demanded shall be entitled to a second or casting vote.

16.12 The demand for a poll shall not prevent the continuance of the meeting for the transaction of any business, other than the question on which a poll has been demanded. The demand for a poll may be withdrawn.

17. **VOTING**

17.1 Subject to any rights or restrictions for the time being attached to any class or classes of shares on a show of hands every member present in person shall have one vote, and on a poll every member shall have one vote for each share of which he is the holder.

17.2 Where in Guernsey, England or elsewhere a liquidator, receiver or other person (by whatever name called) has been appointed by any court claiming jurisdiction in that behalf to exercise powers with respect to the property or affairs of any Member on the grounds (however formulated) of mental disorder, the Board may in its absolute discretion, on or subject to production of such evidence of the appointment as the Board may require, permit such

receiver or other person to vote in person or by proxy on behalf of such member at any General Meeting.

17.3 If two or more persons are jointly entitled to a share, then in voting on any question the vote of the senior who tenders the vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other registered holders of the share, and for this purpose seniority shall be determined by the order in which the names stand in the Register.

17.4 No member shall, unless the Board otherwise determines be entitled to vote at a General Meeting either personally or by proxy or to exercise any privilege as a member unless all calls or other sums presently payable by him in respect of shares in the Company have been paid

17.5 On a poll:

17.5.1 votes may be given either personally or by proxy (a proxy not being entitled to vote except on a poll); and

17.5.2 a member entitled to more than one vote need not use all his votes or cast all the votes he uses in the same way.

17.6 Any person (whether a member of the Company or not) may be appointed to act as a proxy. A member may appoint two or more persons as proxies in the alternative but if he shall do so only one of such proxies may attend as such and vote instead of such member on any one occasion.

17.7 An instrument appointing a proxy :

17.7.1 shall:

(a) be in writing under the hand of the appointor or of his attorney duly authorised in writing, or if such appointor is a corporation, either under its common seal or under the hand of some officer or attorney duly authorised in that behalf;

(b) be deemed to include the power to demand or to concur 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 but shall not confer any further right to speak at the meeting except with the permission of the Chairman; and

(c) unless the contrary is stated therein, be valid as well for any adjournment of the meeting as for the meeting to which it relates;

17.7.2 may be in any common form or in such other form as the Board shall approve provided that it shall be so worded as to enable the proxy to vote either for or against

the resolutions to be proposed at the meeting at which the proxy is to be used; and

17.7.3 need not be witnessed.

- 17.8 The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed, or a notarially certified or office copy of such power or authority, shall be deposited at or delivered by facsimile transmission to the Office, or at such other place in Guernsey or the United Kingdom as is specified in the notice of meeting or in the instrument of proxy issued by the Company, 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 proposes to vote, or, in the case of a poll, not less than twenty four hours before the time appointed for the taking of the poll, and in default the instrument of proxy shall not be treated as valid. No instrument appointing a proxy shall be valid after the expiration of twelve months from the date named in it as the date of its execution, except at an adjourned meeting or on a poll demanded at a meeting or an adjourned meeting in cases where the meeting was originally held within twelve months from such date. An instrument of proxy relating to more than one meeting (including any adjournment thereof) having once been so delivered for the purposes of any meeting shall not require again to be delivered for the purposes of any subsequent meeting to which it relates.
- 17.9 The Board may at the expense of the Company send, by post or otherwise, instruments of proxy (reply-paid or otherwise) to Members for use at any General Meeting or at any meeting of any class of Members of the Company, either in blank or nominating in the alternative any one or more of the Directors or any other persons. If for the purpose of any meeting invitations to appoint as proxy a person or one of a number of persons specified in the invitations are issued at the expense of the Company, such invitations shall be issued to all (and not some only) of the Members entitled to be sent a notice of the meeting and to vote thereat by proxy.
- 17.10 A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the death or mental disorder of the principal or the revocation of the instrument of proxy, or of the authority under which the instrument of proxy was executed, or the transfer of the share in respect of which the instrument of proxy is given, provided that no intimation in writing of such death, mental disorder, revocation or transfer shall have been received by the Company at the Office, or at such other place as is referred to in Article 17.2, at least one hour before the commencement of the meeting or adjourned meeting or the taking of the poll at which the instrument of proxy is used.
- 17.11 Subject to the Statutes, a resolution in writing signed by or on behalf of the Members who, on the date when the resolution is to be passed, would be entitled to vote on the resolution if it were proposed at a meeting, shall be as effective as if the same had been duly passed at a

general meeting.

18. **CORPORATIONS ACTING BY REPRESENTATIVES**

18.1 Any corporation which is a member of the Company may, by resolution of its directors or other governing body, authorise such person as it thinks fit to act as its representative at any meeting of the Company, or at any meeting of any class of Members of the Company, and the person so authorised shall be entitled to exercise the same powers on behalf of the corporation which he represents as that corporation could exercise if it were an individual member of the Company.

19. **DIRECTORS**

19.1 Unless determined otherwise by ordinary resolution, the number of Directors shall not be less than two.

19.2 The majority of the Directors shall not be resident in the United Kingdom for the purposes of United Kingdom taxation or the United States of America for the purposes of United States of America taxation.

19.3 A Director shall not be required to hold any qualification shares but shall be entitled to receive notice of, attend and speak at all General Meetings of the Company and of any class of Members of the Company.

19.4 Each of the Directors shall be entitled to receive such remuneration for his services as the Board may determine provided always that the aggregate remuneration of all Directors shall not exceed £100,000 per annum or such higher amount as may be approved by the Company in general meeting. The remuneration may be made payable by way of salary, commission, participation in profits, share options or by all or any of those modes, or otherwise as may be thought expedient and it may be a term of his appointment that he shall receive a pension, gratuity or other benefit on his retirement. The Directors shall also be entitled to be repaid all reasonable expenses reasonably incurred by them in or about the performance of their duties as Directors.

19.5 Subject as herein otherwise provided, the office of a Director shall be vacated:

19.5.1 if a receiving order is made against him or he makes any arrangement or composition with his creditors generally;

19.5.2 if he absents himself from the meetings of the Board during a continuous period of twelve months without special leave of absence from the Board, and the Board passes a resolution that he has by reason of such absence vacated his office;

- 19.5.3 if he is prohibited from being a Director by any order made under any provision of the Statutes;
- 19.5.4 if in England or Guernsey or elsewhere an order shall be made by any court claiming jurisdiction in that behalf on the ground (however formulated) of mental disorder for his detention or for the appointment of a guardian or for the appointment of a receiver or other person (by whatever name called) to exercise powers with respect to his property or affairs;
- 19.5.5 if by notice in writing given to the Company he resigns his office or if he is requested so to resign by all of the other Directors; or
- 19.5.6 if he is removed from office pursuant to Article 24.10; or
- 19.5.7 if, subsequent to his appointment, he becomes resident for tax purposes in the United Kingdom or the United States of America and as a result thereof a majority of the Directors are so resident in the United Kingdom or the United States of America as the case may be

but any act done in good faith by a Director whose office is vacated as aforesaid shall be valid unless, prior to the doing of such act, written notice shall have been served upon the Company or an entry shall have been made in the Directors' minute book stating that such Director has ceased to be a Director of the Company. If such a vacation of office would cause or permit the aggregate of the remaining number of Directors resident in the United Kingdom for the purposes of United Kingdom taxation to constitute a majority of Directors, the remaining Directors shall forthwith appoint a replacement Director who is not resident in the United Kingdom for the purposes of United Kingdom taxation. Similarly, if such a vacation of office would cause or permit the Directors resident in the United States of America for the purposes of United States of America taxation to constitute a majority of Directors, the remaining Directors shall also forthwith appoint a replacement Director who is not resident in the United States of America for the purposes of United States of America taxation

20. **DIRECTORS' CONTRACTING WITH THE COMPANY**

- 20.1 Subject to the provisions of the Statutes, no Director or intending Director shall be disqualified by his office from contracting with the Company either as vendor, purchaser or otherwise, nor shall any such contract or any contract or arrangement entered into on behalf of the Company in which any Director is in any way directly or indirectly interested be liable to be avoided, nor shall any Director so contracting or being so interested be liable to account to the Company for any profit realised by any such contract or arrangement by reason of such Director holding that office, or of the fiduciary relationship thereby established, provided that

the nature of this interest has been declared by him at the meeting of the Board at which the question of entering into the contract or arrangement is first taken into consideration, or if the Director was not at the date of that meeting interested in the proposed contract or arrangement, then at the next meeting of the Board held after he became so interested, and in a case where the Director becomes interested in a contract or arrangement after it is made, then at the first meeting of the Board held after he becomes so interested. A general notice in writing given to the Board by any Director to the effect that he is a member of any specified company or firm, and is to be regarded as interested in any contract which may thereafter be made with such company or firm, shall (if such Director shall give the same at a meeting of the Board or shall take reasonable steps to secure that the same is brought up and read at the next meeting of the Board after it is given) be deemed a sufficient declaration of interest in relation to any contract so made. An interest of which a Director has no knowledge and of which it is unreasonable to expect him to have knowledge shall not be treated as an interest of his.

- 20.2 Save as hereinafter in these Articles provided a Director shall not vote in respect of any contract or arrangement or any other proposal whatsoever in which he has any material interest otherwise than by virtue of his interests in shares or debentures or other securities of or otherwise in or through the Company. A Director shall not be counted in the quorum of a meeting in relation to any resolution on which he is debarred from voting.
- 20.3 A Director shall (in the absence of some other material interest than is indicated below) be entitled to vote (and be counted in the quorum) in respect of any resolution concerning any of the following matters, namely:
- 20.3.1 the giving of a guarantee, security or indemnity to him in respect of money lent or obligations incurred by him at the request of or for the benefit of the Company or any of its subsidiaries;
 - 20.3.2 the giving of a guarantee, security or indemnity to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which he himself has assumed responsibility in whole or in part under a guarantee or indemnity or by the giving of security;
 - 20.3.3 any contract, arrangement, transaction or proposal concerning an offer of shares or debentures or other securities of or by the Company or any of its subsidiaries for subscription or purchase in which offer he is or is to be interested as a participant in the underwriting or sub-underwriting thereof;
 - 20.3.4 any contract, arrangement, transaction or proposal concerning any other company in which he is interested directly or indirectly and whether as an officer or shareholder

or otherwise howsoever, provided that he is not the holder of or beneficially interested in one per cent. or more of any class of the equity share capital of such company (or of any third company through which his interest is derived) or of the voting rights available to Members of the relevant company (any such interest being deemed for the purpose of this Article to be a material interest in all the circumstances);

- 20.3.5 any contract, arrangement, transaction or proposal relating to any arrangement for the benefit of employees under which he benefits or may benefit in a similar manner as the employees and which does not accord to him as a Director any privilege or advantage not generally accorded to the employees to whom the arrangement relates;
or
- 20.3.6 any contract, arrangement, transaction or proposal concerning the purchase or maintenance of any insurance policy under which a Director may benefit.
- 20.4 Where proposals are under consideration concerning the appointment (including fixing or varying the terms of appointment) of two or more Directors to offices or employments with the Company or any company in which the Company is interested, such proposals may be divided and considered in relation to each Director separately. In such case each of the Directors concerned (if not debarred from voting under Article 20.2) shall be entitled to vote (and be counted in the quorum) in respect of each resolution except that concerning his own appointment.
- 20.5 If any question shall arise at any meeting as to the materiality of a Director's interest or as to the entitlement of any Director to vote and such question is not resolved by his voluntarily agreeing to abstain from voting, such question shall be referred to the Chairman of the meeting and his ruling in relation to any other Director shall be final and conclusive, except in a case where the nature or extent of the interest of the Director concerned has not been fairly disclosed.
- 20.6 Any Director may act by himself or his firm in a professional capacity for the Company and he or his firm shall be entitled to a remuneration for professional services as if he were not a Director Provided that nothing herein contained shall authorise a Director or his firm to act as the Auditors.
- 20.7 Any Director may continue to be or become a director of, or hold any other office or place of profit under, any other company in which the Company may be interested, and no such Director shall be accountable for any remuneration, salary, commission, participation in profits, pension, superannuation or other benefits received by him as a director of, or holder of any other office or place of profit under, or member of, any such other company. The

Board may exercise the voting power conferred by the shares in any company held or owned by the Company in such manner in all respects as it may think fit (including the exercise thereof in favour of any resolution appointing the Directors or any of them directors of such company, or voting or providing for the payment of remuneration to the directors of such company).

21. **POWERS AND DUTIES OF DIRECTORS**

- 21.1 The business of the Company shall be managed by the Board, which may exercise all such powers of the Company and do on behalf of the Company all such acts as may be exercised and done by the Company and as are not by the Statutes or by these Articles required to be exercised or done by the Company in General Meeting, subject nevertheless to the provisions of the Statutes and of these Articles and to such regulations (not being inconsistent with such aforesaid provisions) as may be prescribed by the Company in General Meeting, but no regulation made by the Company on General Meeting shall invalidate any prior act of the Board which would have been valid if such regulation had not been made. The general powers given by this Article shall not be limited or restricted by any special authority or power given to the Board by any other Article.
- 21.2 The Directors shall have discretion to demand such reasonable information as they may require to be provided to the Company by a shareholder or warrant holder or prospective warrant holder or shareholder within such reasonable time as the Directors shall determine.
- 21.3 The Board may at any time and from time to time and by power of attorney under the Seal appoint any company, firm or person or any fluctuating body of persons, whether nominated directly or indirectly by the Board, to be the attorney or attorneys of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Board under these Articles) and for such period and subject to such conditions as it may think fit, and any such power of attorney may contain such provisions for the protection and convenience of persons dealing with any such attorney as the Board may think fit, and may also authorise any such attorney to sub-delegate all or any of the powers, authorities and discretions vested in him.
- 21.4 The continuing Directors may act as a Board at any time notwithstanding any vacancy but if and so long as (i) their number is reduced to less than the minimum number prescribed by or in accordance with these Articles or (ii) a majority or quorum of the Directors cannot be attained without counting any Directors who are resident for tax purposes in the United Kingdom or (iii) a majority or quorum of the Directors cannot be attained without counting any Directors who are resident for tax purposes in the United States, it shall be lawful for them to act as a Board for the purpose of filling any vacancies in their body or of summoning a General Meeting of the Company, but not for any other purpose.

21.5 All cheques, promissory notes, drafts, bills of exchange and other negotiable instruments, and all receipts for moneys paid to the Company shall be signed, drawn, accepted, endorsed or otherwise executed (as the case may be) in such manner as the Board shall from time to time by resolution determine.

22. **BORROWING POWERS**

22.1 The Board may exercise all the powers of the Company to borrow money of an amount up to such limit and subject to such restrictions either in respect of the Company as a whole as may be set out in a prospectus published from time to time and to guarantee mortgage, hypothecate, pledge or charge its undertaking, property and uncalled capital or any part thereof 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.

22.2 Any person lending money to the Company shall be entitled to assume that the Company is acting in accordance with these Articles and shall not be concerned to enquire whether such provisions have in fact been complied with

23. **MANAGING DIRECTOR AND OTHER APPOINTMENTS**

23.1 The Board may from time to time appoint any one or more of its body to the office of Managing Director and/or such other office in the management of the business of the Company or place of profit under the Company, except that of the Auditors, as it may decide for such period and on such terms as it thinks fit, and may vest in such Managing Director or such other officer such of the powers hereby vested in the Board as it may think fit, and such powers may be made exercisable for such period or periods, and on such conditions and subject to such restrictions, and generally on such terms as to remuneration and otherwise, as it may determine. The remuneration of a Managing Director or such other officer may be made payable by way of salary or commission or participation in profits, or by any or all of those modes, or otherwise as may be thought expedient and it may be made a term of his appointment that he shall receive a pension, gratuity or other benefit on his retirement.

23.2 A Managing Director or such other officer as is referred to in Article 23.1 shall be subject to annual retirement pursuant to Article 24.1 and in all other respects he shall be subject to the same provisions as to removal as the other Directors of the Company, and he shall (subject to the provisions of any contract of service between him and the Company) ipso facto and immediately cease to be Managing Director or holder of such other office if he ceases to hold the office of Director for any cause.

24. **ROTATION, APPOINTMENT AND REMOVAL OF DIRECTORS**

24.1 At each Annual General Meeting one-third of the Directors for the time being, (or, if their

number is not a multiple of three, the number nearest one-third) shall retire from office. The Directors to retire by rotation shall include (so far as necessary to obtain the number required) any Director who wishes to retire and not offer himself for re-election. Any further Directors so to retire shall be those of the other Directors subject to retirement by rotation who have been longest in office since their last re-election or appointment and so that as among persons who became or were last re-elected Directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot. A retiring Director shall be eligible for re-election.

- 24.2 Unless and until otherwise determined by the Company by Ordinary Resolution, either generally or in any particular case, no Director shall vacate or be required to vacate his office as a Director on or by reason of his attaining or having attained the age of seventy, and any Director retiring or liable to retire under the provisions of these Articles and any person proposed to be appointed a Director shall be capable of being re-appointed or appointed, as the case may be, as a Director notwithstanding that at the time of such re-appointment or appointment he has attained the age of seventy and no special notice need be given of any resolution for the re-appointment or appointment or approving the appointment as a Director of a person who shall have attained the age of seventy, and it shall not be necessary to give to the Members notice of the age of any Director or person proposed to be re-appointed or appointed as such.
- 24.3 Article 24.1 shall not apply to any Director exempted from its requirements either generally or for a specified period of time by these Articles of Association or by Ordinary Resolution of the Company.
- 24.4 A retiring Director shall be eligible for re-election.
- 24.5 The Company at the meeting at which a Director retires in manner aforesaid may fill the vacated office by electing a person thereto, and in default the retiring Director shall if offering himself for re-election be deemed to have been re-elected except in any of the following cases:
- 24.5.1 at such meeting it is expressly resolved not to fill such vacated office or a resolution for the re-election of such Director is put to the meeting and lost; or
- 24.5.2 such Director has given notice in writing to the Company that he is unwilling to be re-elected; or
- 24.5.3 such Director has attained any retiring age applicable to him as Director pursuant to the Statutes.
- 24.6 A resolution for the appointment of two or more persons as Directors by a single resolution

shall not be moved at any General Meeting unless a resolution that it shall be so moved has first been agreed to by the meeting without any vote being given against it; and any resolution moved in contravention of this provision shall be void.

- 24.7 No person other than a Director retiring at the meeting shall, unless recommended by the Board, be eligible for election to the office of Director at any General Meeting unless not less than seven nor more than twenty one days before the date appointed for the meeting there shall have been left at the Office notice in writing signed by a member duly qualified to attend and vote at the meeting for which such notice is given of his intention to propose such person for election, and also notice in writing signed by that person of his willingness to be elected.
- 24.8 The Board shall have power at any time and from time to time to appoint any person to be a Director, either to fill a casual vacancy or as an addition to the existing Directors PROVIDED THAT no person shall be appointed as a Director under any provision of these Articles if his appointment would cause or permit the aggregate of the number of Directors resident in the United Kingdom for the purpose of United Kingdom taxation to constitute a majority of Directors or if his appointment would cause or permit the aggregate of the number of Directors resident in the United States of America for the purposes of United States of America taxation to constitute a majority of Directors.
- 24.9 Any Director appointed to fill a casual vacancy or as an addition to the existing Directors shall hold office only until the conclusion of the next following Annual General Meeting and shall then be eligible for re-election.
- 24.10 The Company may by Ordinary Resolution remove any Director before the expiration of his period of office notwithstanding anything in these Articles or in any agreement between the Company and such Director. Such removal shall be without prejudice to any claim which such Director may have for damages for breach of any contract of service between him and the Company.
- 24.11 The Company may by Ordinary Resolution appoint another person in place of a Director removed from office under Article 24.10 and without prejudice to the powers of the Directors under Article 24.8 the Company in General Meeting may appoint any person to be a Director either to fill a casual vacancy or as an additional Director. A person appointed in place of a Director so removed or to fill such a vacancy shall be subject to retirement at the same time as if he had become a Director on the day on which the Director in whose place he is appointed was last elected a Director.

25. **DIVISIONAL DIRECTORS**

- 25.1 The Board may from time to time appoint any manager or other officer or person in the

employment of any company in the Group for the time being to be a Divisional Director of the Company.

- 25.2 The appointment of a person to be a Divisional Director shall not, save as otherwise agreed between him and the Company or the subsidiary (if any) in whose service he may be, affect the terms and conditions of his employment by the Company or by any such subsidiary, whether as regards duties, remuneration, pension or otherwise, and his office as a Divisional Director shall be vacated in the event of his being removed from office by a resolution of the Board.
- 25.3 The appointment, removal and remuneration of a Divisional Director shall be determined by the Board with full powers to make such arrangements as the Board may think fit, and the Board shall have the right to enter into any contract on behalf of the Company or to transact any business of any description without the knowledge or approval of any Divisional Director, except that no act shall be done that would impose any personal liability on any or all of the Divisional Directors except with his or their knowledge and consent.
- 25.4 In calculating the number to form a quorum at any meeting of the Board any Divisional Director shall not be counted.
- 25.5 A Divisional Director shall not be entitled to receive notice of or to vote at a meeting of the Board or (except when expressly invited by the Board to do so) to attend a meeting of the Board. He shall not require any share qualification and shall not be deemed to be a Director for the purposes of the Statutes or these Articles.

26. **ALTERNATE DIRECTORS**

- 26.1 Each Director shall have the power to nominate any other Director or any person approved for that purpose by Resolution of the Board to act as alternate Director at Meetings of the Board in his place during his absence and, at his discretion, to revoke such nomination PROVIDED THAT no person who is resident for tax purposes in the United Kingdom or the United States shall be appointed an alternate Director unless his appointor is also resident there.
- 26.2 Any appointment or removal of an alternate Director shall be effected by an instrument in writing delivered at the Office and signed by the appointor.
- 26.3 An alternate Director shall be entitled to receive notice of meetings of the Board and of any committee of the Board of which the appointor is a member and to attend and to vote at any such meeting and to perform thereat all the functions of his appointor. An alternate Director shall have one vote for each Director whom he represents, in addition to his own vote if he is a Director, but he shall not be counted more than once in the quorum. If his appointor is for the time being absent from Guernsey or otherwise not available the appointee's signature to

any resolution in writing of the Directors shall be as effective as the signature of his appointor. Save as otherwise provided in these Articles, an alternate Director shall be deemed for all purposes to be a Director and shall alone be responsible for his own acts and defaults and he shall not be deemed to be the agent of the Director appointing him.

- 26.4 An alternate Director shall be entitled to contract and to be interested in and to benefit from contracts or arrangements with the Company and to be repaid expenses and to be indemnified to the same extent mutatis mutandis as if he were a Director, but he shall not be entitled to receive from the Company in respect of his appointment as alternate Director any remuneration except such part (if any) of the remuneration otherwise payable to his appointor as such appointor may by notice in writing to the Company from time to time direct.
- 26.5 An alternate Director shall ipso facto cease to be an alternate Director if his appointor ceases for any reason to be a Director, provided that if any Director retires by rotation or otherwise but is re-elected 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.

27. **PROCEEDINGS OF DIRECTORS**

- 27.1 A Director may, and on request of a Director the Secretary shall, at any time summon a meeting of the Board.
- 27.2 Notice of a Meeting of the Board shall be deemed to be duly given to a Director if it is given to him either personally or by sending the same through the post addressed to him at the address given to the Company by him for this purpose. It shall not be necessary to give notice of a Board Meeting to any Director for the time being absent from Guernsey or the United Kingdom, but where such Director is represented by an alternate Director, due notice of such meeting shall be given to such alternate Director either personally or by sending the same through the post addressed to him at the address in Guernsey or the United Kingdom given to the Company.
- 27.3 The Board may meet together for the despatch of business, adjourn and otherwise regulate its meetings as it thinks fit and determine the quorum necessary for the transaction of business. Board meetings may not be held in the United Kingdom or the United States of America. Any Director may participate in a meeting of the Board by means of conference telephone or similar communication equipment whereby all the Directors participating in the meeting can hear each other and the Directors participating in this manner shall be deemed to be present in person at such 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 PROVIDED THAT a majority of persons participating in the meeting are not resident in the

United Kingdom for the purposes of United Kingdom taxation or that a majority of persons participating in the meeting are not resident in the United States for the purposes of United States of America taxation and any such meeting shall be deemed to be held in the place in which the chairman of the meeting is.

- 27.4 Until otherwise determined, two Directors shall be a quorum PROVIDED THAT if a majority of the Directors present are resident for tax purposes in the United Kingdom or a majority are resident for tax purposes in the United States of America, then the Directors present, irrespective of their number, shall not constitute a quorum otherwise than for the purposes of Article 21.4.
- 27.5 Questions arising at any meeting shall be decided by a majority of votes.
- 27.6 In case of an equality of votes the Chairman shall have a second or casting vote but only if the effect of the exercise of such vote is not to render the decision or vote in question one that is reached or passed by a majority of Directors who are resident for tax purposes in the United Kingdom or the United States of America.
- 27.7 For the purpose of these Articles an alternate Director shall be counted in a quorum provided that at least one other Director or person duly appointed as an alternate Director is also present and a Director who is an alternate Director shall be entitled to a separate vote on behalf of the Director whom he is representing in addition to his own vote.
- 27.8 A resolution in writing signed by all the Directors for the time being in Guernsey or the United Kingdom, if constituting a majority of the Directors, shall be as effective for all purposes as a resolution passed at a meeting of the Board duly convened, held and constituted and may consist of several documents in like form each signed by one or more of the Directors PROVIDED THAT a majority of Directors signing the resolutions are outside the United Kingdom and the United States of America at the time of such signing.
- 27.9 The Board may from time to time elect or otherwise appoint a Director to be Chairman or Deputy Chairman and determine the period for which each of them is to hold office.
- 27.10 The Chairman, or in his absence the Deputy Chairman, shall preside at meetings of the Board, but if no such Chairman or Deputy chairman be elected or appointed, or if at any meeting the Chairman or Deputy Chairman be not present within five minutes after the time appointed for holding the same, the Directors present shall choose one of their number to be Chairman of such meeting.
- 27.11 Except as provided in Article 27.12 the Board may delegate to:

27.11.1 any committee appointed under Article 27.13;

27.11.2 any executive Director (within the scope of Article 23.1);

27.11.3 the Secretary; and

27.11.4 any attorney or attorneys appointed under Article 21.3

such of the powers, authorities or discretions vested in it as the Board thinks fit but the Board must retain overall authority for the transaction and must consider and approve the transaction prior to signature. Such delegation may include power to sub-delegate and may be annulled or varied by the Board at any time, but no person dealing in good faith and without notice of such annulment or variation shall be affected thereby.

- 27.12 The following powers of the Board may not be delegated except to a committee of the Board appointed under Article 27.13, namely:- issuing shares; making calls; declining to register transfers; determining Directors' remuneration; appointing and removing executive Directors (within the scope of Article 23.2); appointing Directors under Article 24.9; borrowing; recommending and declaring dividends; forfeiting shares or accepting surrenders.
- 27.13 The Board may delegate any of its powers to committees consisting of such member or members of its body as it thinks fit provided that each committee consists of a majority of non-United Kingdom and non-United States of America resident directors, but the Board must retain overall authority for the transaction and must consider and approve the transaction prior to signature.
- 27.14 Any committee so formed shall in the exercise of the power so delegated conform to any regulations that may be imposed on it by the Board.
- 27.15 Any committee shall have power unless the Board directs otherwise to co-opt as a member or members of the committee for any specific purpose any person or persons although not being members of the Board or of the Company provided that the number of such co-opted persons shall be less than one half of the total number of the committee, and no resolution of the committee shall be effective unless the majority of the members of the committee present at the meeting at which the resolution is passed are Directors.
- 27.16 A committee may elect a Chairman of its meetings. If no such Chairman is elected, or if at any meeting the Chairman is not present within five minutes after the time appointed for holding the same, the members present may choose one of their number to be Chairman of the meeting.

- 27.17 A committee may meet and adjourn as its members think fit. Questions arising at any meeting shall be determined by a majority of votes. In the case of an equality of votes the Chairman shall have a second or casting vote.
- 27.18 The meetings and proceedings of a committee shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Board, so far as the same are applicable thereto and are not suspended by any regulations imposed by the Board under or by the provisions of Article 27.14.
- 27.19 All acts bona fide done by any meeting of the Board, or of a committee of the Board, or by any person acting as a Director or by an alternate Director shall, notwithstanding that it be afterwards discovered that there was some defect in the appointment of any such Director or person acting as aforesaid, or that they or any of them were disqualified, or had vacated office or was not entitled to vote, be as valid as if every such person had been duly appointed or had duly continued in office and was qualified and had continued to be a Director or, as the case may be, an alternate Director and had been entitled to vote.

28. **MINUTES**

- 28.1 The Board shall cause minutes to be made:
- 28.1.1 of all appointments of officers made by the Board;
- 28.1.2 of the names of the Directors present at each meeting of the Board and of committees of the Board; and
- 28.1.3 of all resolutions and proceedings at all meetings of the Company and of the Board and of committees of the Board.
- 28.2 Any such minutes shall be conclusive evidence of any such proceedings, if they purport to be signed by the Chairman of the meeting at which the proceedings were had or by the Chairman of the next succeeding meeting.

29. **THE SEAL**

- 29.1 Subject to Article 29.2, the Board shall provide for the safe custody of the Seal outside the United Kingdom, which shall only be used by the authority of the Board or of a committee of the Board authorised by the Board in that behalf, and every instrument to which the Seal shall be affixed shall be signed by a Director and shall be countersigned by the Secretary or by a second Director or by some other person appointed by the Board for the purpose: Provided that the Board may either generally or in any particular case or cases resolve (subject to such restrictions as to the manner in which the Seal may be affixed as the Board may determine)

that such signatures or any of them may be affixed to certificates for shares or debentures or representing any other form of security by some mechanical means other than autographic to be specified in such resolution or that such certificates need not be signed by any person.

29.2 Subject to the Statutes, the Company may dispense with the need for the Seal, either generally or in respect of particular classes of documents, at the Board's discretion, and, whether it does or does not dispense with the Seal, a document signed by a Director and the Secretary or by any two Directors and expressed (in whatever form of words) to be executed by the Company shall have the same effect as if executed under the Seal, and a document so executed by the Company which makes it clear on its face that it is intended to be a deed shall have effect upon delivery as a deed.

29.3 The Company may have:

29.3.1 an official seal in accordance with the Statutes; and

29.3.2 an official seal for use abroad under the provisions of the Statutes, where and as the Board shall determine, and the Company may by writing under the Seal appoint any agents or agent, committees or committee abroad to be the duly authorised agents of the Company for the purpose of affixing and using such official seal and may impose such restrictions on the use thereof as may be thought fit.

Wherever in these Articles reference is made to the Seal, the reference shall, when and so far as may be applicable, be deemed to include any of such official seals as aforesaid.

30. **SECRETARY**

30.1 The Secretary shall be appointed by the Board for such term, at such remuneration and on such conditions as it may think fit, and any Secretary so appointed may be removed by the Board.

30.2 Anything by the Statutes or these Articles required or authorised to be done by or to the Secretary, if the office is vacant or there is for any reason no Secretary capable of acting, may be done by or to any assistant or deputy Secretary, or if there is no assistant or deputy Secretary capable of acting, by or to any officer of the Company authorised generally or specially in that behalf by the Board.

30.3 No person shall be appointed to hold office as Secretary who is:

30.3.1 the sole Director of the Company; or

30.3.2 a corporation the sole director of which is the sole Director of the Company; or

- 30.3.3 the sole director of a corporation which is the sole Director of the Company.
- 30.4 A provision of the Statutes or of these Articles requiring or authorising a thing to be done by or to a Director and the Secretary shall not be satisfied by its being done by or to the same person acting both as Director and as, or in place of, the Secretary.
31. **RECORD DATES**
- 31.1 Notwithstanding any other provision of these Articles the Board may fix a date as the record date for any dividend, distribution, allotment or issue and such record date may be on or at any time within six months before or after any date on which such dividend, distribution, allotment or issue is declared, paid or made.
32. **DIVIDENDS AND RESERVES**
- 32.1 The Company in General Meeting may declare dividends but no dividends shall exceed the amount recommended by the Board. The Board may, before recommending any dividend, set aside out of profits of the Company such sums as it thinks fit as a reserve to, inter alia, meet any claim on, or liabilities of, the Company or for paying off any loan capital or for any other purpose.
- 32.2 The Board may from time to time pay to the members such interim dividends as appear to the Board to be justified by the profits of the Company and in particular (but without prejudice to the generality of the foregoing) if at any time the share capital of the Company is divided into different classes the Board may pay such interim dividends in respect of those shares in the capital of the Company which confer on the holders thereof deferred or non-preferential rights as well as in respect of those shares which confer on the holders thereof preferential rights with regard to dividend but no interim dividend shall be paid on shares carrying deferred or non-preferential rights if at the time of payment any preferential dividend is in arrear. Provided that the Board acts bona fide the Board shall not incur any responsibility to the holders of shares conferring any preference for any damage that they may suffer by reason of the payment of an interim dividend on any shares having deferred or non-preferential rights.
- 32.3 The Board may also pay half-yearly or at other suitable intervals to be settled by it any dividend which may be payable at a fixed rate if the Board is of the opinion that the profits justify the payment.
- 32.4 No dividend shall be paid otherwise than out of profits available for distribution in accordance with the Statutes.
- 32.5 No dividend shall bear interest against the Company.

- 32.6 Any dividend unclaimed for a period of twelve years after having been declared (or, in the case of an interim dividend, remaining uncashed for a period of twelve years after having been sent) shall be forfeited and shall revert to the Company.
- 32.7 The Board may, before recommending any dividend (whether preferential or otherwise), set aside out of the profits of the Company such sums as it thinks fit as a reserve or reserves which shall (subject to the Statutes) at the discretion of the Board, be applicable for meeting claims on or liabilities of the Company or contingencies or for paying off any loan capital or for equalising dividends or for any other purpose to which the profits of the Company may be properly applied, and pending such application may, at the like discretion, either be employed in the business of the Company or be invested in such investments (other than shares of the Company) as the Board may from time to time think fit, and so that it shall not be necessary to keep any investments constituting the reserve or reserves separate or distinct from any other investments of the Company. The Board may also without placing the same to reserve carry forward any profits which it may think prudent not to divide.
- 32.8 Subject to the rights of persons, if any, entitled to shares with special rights as to dividend, all dividends shall be declared and paid according to the amounts paid up on the shares in respect whereof 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.
- 32.9 All dividends shall be apportioned and (subject to any lien of the Company) paid to Members on the register on the date the dividend is declared, made or paid notwithstanding any subsequent transfer or transmission of shares proportionately to the amounts paid up on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.
- 32.10 The Board may deduct from any dividend payable to any member all sums of money (if any) presently payable by him to the Company on account of calls or otherwise in relation to the shares of the Company.
- 32.11 Subject to the provisions of the Statutes, any General Meeting declaring a dividend may upon the recommendation of the Board direct payment of such dividend wholly or partly by the distribution of specific assets and in particular of paid up shares or debentures of any other company or in any one or more of such ways, and the Board shall give effect to such resolution, and where any difficulty arises in regard to such distribution, the Board may settle the same as it thinks expedient, and in particular may issue fractional certificates and fix the value for distribution of such specific assets or any part thereof and may determine that cash payments shall be made to any Members on the footing of the value so fixed in order to adjust the rights of all parties, and may vest any such specific assets in trustees as may seem

expedient to the Board.

- 32.12 Any dividend, interest or other moneys payable in cash in respect of shares may be paid by cheque, direct debit, bank transfer, money order, or warrant sent through the post directed to the registered address of the holder or person entitled thereto or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the Register or to such person and to such address as the holder or joint holders may in writing direct. Every such cheque, direct debit, bank transfer, money order, or warrant shall be made payable to the order of the person to whom it is sent. Any one of two or more joint holders may give effectual receipts for any dividends or other moneys payable in respect of the shares held by them as joint holders.
- 32.13 In respect of shares in Uncertificated form, where the Company is authorised to do so by or on behalf of the holder or joint holders in such manner as the Board shall from time to time consider sufficient, the Company may pay any such dividends, interest or other monies by means of the Relevant System. Every such payment shall be made in such manner as may be consistent with the System's Rules and, without prejudice to the generality of the foregoing, may include the sending by the Company or by any person on its behalf of an instruction to the Operator to credit the cash memorandum account of the holder or joint holders or, if permitted by the Company, of such person as the holder or joint holders may in writing direct.
- 32.14 The Company shall not be responsible for any loss of any cheque, warrant or order and any payment made in any manner permitted by these Articles shall be at the sole risk of the holder or joint holders. Without prejudice to the generality of the foregoing, if any such cheque, warrant or order has been, or is alleged to have been, lost, stolen or destroyed, the Board may, on request of the person entitled thereto, issue a replacement cheque, warrant or order subject to compliance with such conditions as to evidence and indemnity and the payment of out of pocket expenses of the Company in connection with the request as the Board may think fit.
- 32.15 The issue of such cheque, warrant or order, the collection of funds from or transfer of funds by a bank in accordance with such direct debit or bank transfer or, in respect of shares in Uncertificated form, the making of payment in accordance with the System's Rules, shall be a good discharge to the Company.
- 32.16 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 which has remained unclaimed for six years from the date when it became due for payment shall, if the Board so resolves, be forfeited and cease to remain owing by the Company. The payment by the Board of any unclaimed dividend or other sums payable on or in respect of a share into a separate account shall not constitute the Company a trustee in respect of it.

32.17 A general meeting declaring a dividend may, upon the recommendation of the Board, 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 the same as it thinks expedient and in particular may issue fractional certificates or authorise any person to sell and transfer any fractions or may ignore fractions altogether, and may fix the value for distribution of any assets and may determine that cash shall be paid to any Member upon the footing of the value so fixed in order to adjust the rights of Members and may vest any assets in trustees as may seem expedient to the Board.

33. CAPITALISATION OF RESERVES

33.1 The Company may, upon recommendation of the Board, resolve to capitalise any part of the amount for the time being standing to the credit of any of the Company's reserve accounts or to the credit of the profit and loss account and not required for payment of dividend on any shares with a preferential right to dividend and accordingly that such sum be set free for distribution amongst the Members on the record date specified in the relevant resolution who would have been entitled thereto if distributed by way of dividend and in the same proportion, on condition that the same be not paid in cash but be applied either in or towards paying up any amounts for the time being unpaid on any shares held by such Members respectively or paying up in full unissued shares or debentures of the Company to be allotted and distributed credited as fully paid up to and amongst such Members on the record date specified in the relevant resolution in the proportion aforesaid, or partly in the one way and partly in the other, and the Board may give effect to such resolution: Provided that a share premium account and a capital redemption reserve may, for the purposes of this Article, only be applied in the paying up of unissued shares to be issued to Members of the Company as fully paid up shares, and that no unrealised profits shall be used in paying up any amounts unpaid on any issued shares.

33.2 Subject to approval by the Company in General Meeting and subject as hereinafter provided, the Board may at their discretion resolve (at the same time as they resolve to recommend or to pay any dividend in respect of shares in the capital of the Company) that the holders of such fully paid shares will have the option to elect to receive in lieu of such dividend (or part thereof) an allotment of additional shares in the capital of the Company credited as fully paid provided that:

33.2.1 an adequate number of unissued shares is available for the purpose;

33.2.2 the approval by the Company in General Meeting may only be given in respect of a specified dividend or of any dividends declared or to be declared or paid in respect of a specified financial year;

- 33.2.3 the number of shares to be allotted in lieu of any amount of dividend as aforesaid shall be determined by the Board so that the value of such shares shall equal (as nearly as may be without exceeding) such amount and for this purpose the value of a share shall, if the shares are admitted to trading on AIM, be deemed to be the average of the middle market quotations of such shares on AIM (adjusted as below) on the ex-dividend date and on the next four business days and each such middle market quotation shall be adjusted by deducting therefrom the cash amount of such dividend per share except in the case of any "ex-dividend" quotation;
- 33.2.4 the Board after determining the number of shares to be allotted as aforesaid shall give notice in writing to the Members of the option to elect accorded to them and shall send with such notice forms of election which specify the procedure to be followed and the place at which duly completed forms of election must be lodged in order to be effective;
- 33.2.5 following the receipt of a notice or notices of election pursuant to Article 33.2.4 the Board shall allot to the holders of those shares in respect of which the share election has been or is duly exercised in lieu of the dividend (or that part of the dividend in respect of which the right of election has been accorded) such number of additional shares determined as aforesaid and for such purpose the Board shall appropriate and capitalise out of any reserve or fund which is available for distribution (including any share premium account or capital redemption reserve or profit and loss account) as they shall determine an amount equal to the aggregate nominal amount of the additional shares so to be allotted and apply the same in paying up in full the appropriate number of unissued shares for allotment and distribution to and amongst those Members who have given notices of election as aforesaid, such additional shares to rank pari passu in all respects with the fully paid shares then in issue save only as regards participation in the relevant dividend.
- 33.3 Whenever such a capitalisation as aforesaid shall have been resolved upon the Board shall make all appropriations and applications of the reserves or undivided profits resolved to be capitalised thereby and all allotments and issues of fully paid up shares or debentures, if any, and generally shall do all acts and things required to give effect thereto, with full power to make such provision by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit including the right of the Company to retain amounts the cost of apportionment of which would be disproportionate to the amounts involved in the case of shares or debentures becoming distributable in fractions and also to authorise any person to enter on behalf of all the Members entitled thereto into an agreement with the Company providing for the allotment to them respectively, credited as fully paid up, of any shares or debentures to which they may be entitled on such capitalisation and (as the case may require) for the

payment up by the Company on their behalf by the application thereto of their respective proportions of the reserves or profits resolved to be capitalised, of the amounts or any part of the amounts remaining unpaid on their existing shares. Any agreement made under such authority shall be effective and binding on all such Members.

34. ACCOUNTS

- 34.1 The Board shall cause accounting records to be kept in accordance with the Statutes.
- 34.2 The Board shall from time to time determine whether, in any particular case or class of cases, or generally, and to what extent, and at what times and places and under what conditions or regulations the accounts and books of the Company, or any of them, shall be open to the inspection of Members, and no member (not being a Director) shall have any right of inspecting any account or book or document of the Company, except as conferred by the Statutes or as authorised by the Board or by resolution of the Company in General Meeting.
- 34.3 The Board shall from time to time, in accordance with the Statutes, cause to be prepared and to be laid before the Company in General Meeting such profit and loss accounts, balance sheets, group accounts (if any) and reports as are referred to in the Statutes. The Board shall in its report state the amount which it recommends to be paid by way of dividend.
- 34.4 Subject to Article 34.5, copies of all such documents as are referred to in Article 34.3 and any other documents required by law to be annexed thereto shall not less than twenty one days before the date of the meeting before which they are to be laid be sent to all the Members at their registered address and to all holders of debentures of the Company and to the Auditors as required by and subject to the provisions of the Statutes.
- 34.5 Instead of the documents referred to in Article 34.4, the Company may send a summary financial statement prepared in accordance with the Statutes and any relevant regulations to Members where permitted by the Statutes and any such regulations, subject to such exclusions or other arrangements as the Board may deem necessary or expedient to deal with legal or practical problems arising in any overseas territory or by virtue of shares being represented by depositary receipts or the requirements of any regulatory body or stock exchange.
- 34.6 This Article shall not require a copy of the documents referred to in Articles 34.4 and 34.5 to be sent to any person of whose address the Company is not aware or to more than one of the joint holders of any shares or debentures.

35. AUDIT

- 35.1 The accounts of the Company shall be examined and audited by the Auditors in accordance

with the Statutes.

36. AUTHENTICATION OF DOCUMENTS

36.1 Any Director or the Secretary or any person appointed by the Board for the purpose shall have power to authenticate any documents affecting the constitution of the Company and any resolutions passed by the Company or the Board and any books, records, documents and accounts relating to the business of the Company, and to certify copies thereof or extracts therefrom as true copies or extracts; and where any books, records, documents or accounts are elsewhere than at the Office the officer of the Company having the custody thereof shall be deemed to be a person appointed by the Board as aforesaid.

36.2 A document purporting to be a copy of a resolution of the Board or an extract from the minutes of a meeting of the Board or any committee which is certified as aforesaid shall be conclusive evidence in favour of all persons dealing with the Company upon the faith thereof that such resolution has been duly passed or, as the case may be, that such minutes or extract is a true and accurate record of the proceedings at a duly constituted meeting.

37. AUDITORS

37.1 Subject to the provisions of the Statutes, all acts done by any person or persons acting as Auditors shall, as regards all persons dealing in good faith with the Company, be valid, notwithstanding that there was some defect in their appointment or that they have at the time of their appointment not qualified for appointment.

37.2 The Auditors shall be entitled to attend any General Meeting and to receive all notices of and other communications relating to any General Meeting which any member is entitled to receive, and to be heard at any General Meeting on any part of the business of the meeting which concerns them as Auditors.

38. UNTRACED SHAREHOLDERS

38.1 The Company shall be entitled to sell at the best price reasonably obtainable any share or stock of a Member or any share or stock to which a person is entitled by transmission if and provided that: -

38.1.1 for a period of twelve years no cheque or warrant sent by the Company through the post in a pre-paid letter addressed to the Member or to the person entitled by transmission to the share or stock at his address on the Register, or other the last known address given by the Member or the person entitled by transmission to which cheques and warrants are to be sent, has been cashed; at least three dividends in respect of the shares in question have become payable and no dividend has been

claimed, and no communication has been received by the Company from the Member or the person entitled by transmission; and

38.1.2 the Company has at the expiration of the said period of twelve years by advertisement in two national daily newspapers and in a newspaper circulating in the area in which the address referred to in Article 38.1.1 is located given notice of its intention to sell such share or stock; and

38.1.3 the Company has not during the further period of three months after the date of the advertisement and prior to the exercise of the power of sale received any communication from the Member or person entitled by transmission.

To give effect to any such sale the Company may appoint any person to execute as transferor an instrument of transfer of such share or stock and such instrument of transfer shall be as effective as if it had been executed by the registered holder of or person entitled by transmission to such share or stock. The company shall account to the Member or other person entitled to such share or stock for the net proceeds of such sale and shall be deemed to be his debtor, and not a trustee for him in respect of the same. Any monies not accounted for to the Member or other person entitled to such share or stock shall be carried to a separate account and shall be a permanent debt of the Company. Monies carried to such separate account may either be employed in the business of the Company or invested in such investments (other than shares of the Company or its holding company if any) as the Directors may from time to time think fit.

39. **DESTRUCTION OF DOCUMENTS**

39.1 The Company may destroy:

39.1.1 any share certificate which has been cancelled at any time after the expiry of one year from the date of such cancellation;

39.1.2 any dividend mandate or any variation or cancellation thereof or any notification of change of name or address at any time after the expiry of two years from the date such mandate, variation, cancellation or notification was recorded by the Company;

39.1.3 any instrument of transfer of shares which has been registered at any time after the expiry of six years from the date of registration; and

39.1.4 any other document on the basis of which any entry in the Register is made, at any time after the expiry of six years from the date on which an entry in the Register was first made in respect of it;

and it shall conclusively be presumed in favour of the Company that every share certificate so

destroyed was a valid certificate duly and properly sealed and that every instrument of transfer so destroyed was a valid and effective instrument duly and properly registered 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:

39.1.5 the foregoing provisions of this Article 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 a claim;

39.1.6 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 proviso (a) above are not fulfilled; and

39.1.7 references in this Article to the destruction of any document include references to its disposal in any manner.

40. **NOTICES**

40.1 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 in a prepaid cover addressed to such member at his registered address, or (if he has no registered address within Guernsey) to the address, if any, within Guernsey supplied by him to the Company as his address for the service of notice, or by delivering it to such address addressed as aforesaid. Where a notice or other document is served or sent by post, to an address in the Channel Islands, service or delivery shall be deemed to be effected on the third clear day after the time when the cover containing the same is posted in the case of a notice or document sent elsewhere by airmail on the seventh clear day after the day of posting and in proving such service or delivery it shall be sufficient to prove that such cover was properly addressed, stamped and posted. If at any time by reason of the suspension or curtailment of postal services within Guernsey the Company is unable effectively to convene a General Meeting by notices sent through the post, a General Meeting may be convened by notice advertised on the same date in at least two leading national daily newspapers, at least one of which shall be published in London with appropriate circulation and such notice shall be deemed to have been duly served on all Members entitled thereto at noon on the day when the advertisement appears. In any such case the Company shall send confirmatory copies of the notice by post if at least seven days prior to the meeting the posting of notices to addresses throughout Guernsey again becomes available.

40.2 All notices directed to be given to the Members shall with respect to any share to which persons are jointly entitled, be given to whichever of such persons is named first in the

Register, and notice so given shall be sufficient notice to all the holders of such share.

- 40.3 A person entitled to a share in consequence of the death or bankruptcy of a member upon supplying to the Company such evidence as the Board may reasonably require to show his title to the share, and upon supplying also an address within Guernsey or 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 the member but for his death or bankruptcy would be entitled, and such service or delivery shall for all purposes be deemed to be sufficient service for delivery of such notice or document on all persons interested (whether jointly with or as claiming through or under him) in the share. Save as aforesaid any notice or document delivered or sent by post to or left at the address of any member in pursuance of these presents shall, notwithstanding that such member be then dead or bankrupt, and whether or not the Company have notice of his death or bankruptcy, be deemed to have been duly served or delivered in respect of any share registered in the name of such member as sole or first-named joint holder.
- 40.4 A member who (having no registered address within Guernsey) has not supplied to the Company an address within Guernsey for the service of notices shall not be entitled to receive notices from the Company.

41. **DIVISION OF ASSETS IN SPECIE**

- 41.1 The Liquidator on any winding-up of the Company (whether voluntary or under supervision or compulsory) may with the authority of a Special Resolution, divide among the Members in kind the whole or any part of the assets of the Company whether or not the assets shall consist of property of one kind, or shall consist of properties of different kinds, and for such purposes may set such value as he deems fair upon any one or more class or classes of property, and may determine how such division shall be carried out as between Members or classes of Members. The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories as the liquidator, with the like sanction, shall think fit, but so that no Member shall be compelled to accept any shares or other securities whereon there is any liability.

42. **INDEMNITY**

- 42.1 The Directors, secretary and other officers or servants or agents for the time being of the Company shall be indemnified out of the assets of the Company from and against all actions, costs, charges, losses, damages and expenses in respect of which they may lawfully be indemnified which they or any of them shall or may incur or sustain by reason of any contract entered into or any act done, concurred in, or omitted, in or about the execution of their duty or supposed duty or in relation thereto, except such (if any) as they shall incur or sustain by or

through their own wilful act, negligence or default respectively, and none of them shall be answerable for the acts, receipts, negligence or defaults of the other or others of them, or for joining in any receipt for the sake of conformity, or for any bankers or other persons with whom any moneys or effects belonging to the Company shall or may be lodged or deposited for safe custody, or for any bankers, brokers, or other persons into whose hands any money or assets of the Company may come, or for any defect of title of the Company to any property purchased, or for the insufficiency or deficiency or defect of title of the Company, to any security upon which any moneys of the Company shall be invested, or for any loss or damage occasioned by an error of judgement or oversight on their part, or for any other loss, damage or misfortune whatsoever which shall happen in the execution of their respective offices or in relation thereto, except the same shall happen by or through their own wilful neglect or default respectively.

- 42.2 The Company may purchase and maintain insurance for the benefit of the Directors and other officers of the Company or any subsidiary including insurance against costs, charges, expenses, losses or liabilities suffered or incurred by such persons in respect of any act or omission in the actual or purported discharge of their respective duties, powers and discretions in relation to the Company.

43. **THE REGISTER**

- 43.1 The Company shall keep a Register in accordance with the Statutes. The Register may be closed during such time as the Directors think fit, not exceeding in the whole thirty days in any one year.

- 43.2 In the case of the death of a Member, the survivors or survivor where the deceased was a joint holder, and the executors or administrators of the deceased where he was a sole holder, shall be the only persons or person recognised by the Company as having any title to or interest in his shares; but nothing herein contained shall release the estate of a deceased joint holder from any liability in respect of any share jointly held by him.

- 43.3 A person entitled to shares in consequence of the death or bankruptcy of a Member shall not be entitled to receive notice of or attend or vote at any meeting, or, save as aforesaid and save as regards the receipt of such dividends as the Directors shall not elect to retain, to exercise any of the rights and privileges of a Member, unless and until he shall have been registered as the holder of the shares.

44. **INSPECTION OF REGISTERS AND OTHER RECORDS**

- 44.1 A Director shall be entitled at any time to inspect the Register, the minute books, the annual return, the register of Directors and secretaries and the index, if any, of Members.

- 44.2 A Member shall be entitled on giving not less than one day's notice to inspect the Register and the other documents mentioned in Article 44.1 other than the minutes of proceedings at Directors' meetings.
- 44.3 Any person who is not a Director or a Member shall be entitled on giving not less than three days' notice to inspect the Register, the register of Directors and secretaries and the index, if any, of Members.
- 44.4 The rights of inspection herein referred to shall be exercisable between 2.30 pm and 4.30 pm on any weekday when banks in Guernsey are open for business.
- 44.5 Subject to Article 44.2, no Member shall (as such) have any right of inspecting any accounting records or other books or documents of the Company except as conferred by the Statutes or authorised by the Directors or by Ordinary Resolution.