

**ARTICLES OF ASSOCIATION**

**of**

**TEMPLETON EMERGING MARKETS INVESTMENT TRUST  
PUBLIC LIMITED COMPANY**

**(as adopted by special resolution passed on 23 July 2010)**

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FAS: 1310  
Ref: IB//MBP/TEM004.0016

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**THE COMPANIES ACTS 1985 & 2006**

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**COMPANY LIMITED BY SHARES**

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**NEW ARTICLES OF ASSOCIATION**

of

**TEMPLETON EMERGING MARKETS**

**INVESTMENT TRUST PUBLIC LIMITED COMPANY**

(as adopted by special resolution passed on 23 July 2010)

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**PRELIMINARY**

1. No regulations or articles for the management of a company set out in, or in any subordinate legislation made under, any Statute shall apply as the articles or regulations of the Company.
2. In these Articles (if not inconsistent with the subject or context) the words and expressions set out in the first column below shall bear the meanings set opposite to them respectively:

**2006 Act** means the Companies Act 2006 to the extent in force from time to time;

**address** means the postal address used for the purposes of sending or receiving documents or any number or address used for the purposes of sending or receiving documents or information by Electronic Means;

**Annual General Meeting** has the meaning given to it in Section 336 of the 2006 Act;

**Articles** means these articles of association as from time to time altered;

**Associated Company** means the Company or any parent undertaking of the Company, or a subsidiary undertaking of the Company or any subsidiary undertaking of any such parent undertaking;

**Auditor** means the auditor of the Company duly appointed from time to time;

**Board** means the board of Directors;

**Directors** means the directors of the Company duly appointed from time to time;

**Chairman** means the chairman of the Board duly appointed from time to time

**Company** means Templeton Emerging Markets Investment Trust PLC;

**Court** means the Court of Session in Scotland or any other Scottish court as the circumstances require;

**Crest Regulations** means The Uncertificated Securities Regulations 2001;

**Electronic Form** has the meaning given to it in Section 1168 of the 2006 Act;

**Electronic Means** has the meaning given to it in Section 1168 of the 2006 Act;

**General Meeting** means any meeting of the Members of the Company other than an Annual General Meeting;

**in writing** means in writing or produced by any legible and non-transitory form and documents and information sent or supplied in Electronic Form or being made available on a website in accordance with the Statutes;

**Meeting** means an Annual General Meeting or a General Meeting;

**Members** mean the members of the Company from time to time;

**month** means calendar month;

**Office** means the registered office for the time being of the Company, or in the case of sending or supplying documents or information by Electronic Means, the address specified by the Directors for the purpose of receiving documents or information by Electronic Means;

**Ordinary Resolution** has the meaning given to it in Section 282 of the 2006 Act;

**recognised person** means a financial institution as defined in Section 778(2) of the 2006 Act;

**Register or Register of Members** means the register of members of the Company;

**relevant system** means a computer system which allows shares without share certificates to be transferred without using transfer forms;

**Seal** means the common seal of the Company;

**Securities Seal** means an official seal kept by the Company by virtue of section 50 of the 2006 Act;

**the Statutes** means the 2006 Act and every other statute for the time being in force concerning companies and affecting the Company;

**Special Resolution** has the meaning given to it in Section 283 of the 2006 Act;

**Transfer Office** means the place where the Register of Members is situated for the time being;

**UKLA** means the UK Listing Authority, a division of the Financial Services Authority;

**United Kingdom** means Great Britain and Northern Ireland; and

**year** means calendar year.

In these Articles unless the context requires otherwise:

- (a) The expressions **debenture** and **debenture holder** shall respectively include **debenture stock** and **debenture stockholder**.
- (b) The expression **recognised investment exchange** shall mean any investment exchange granted recognition under the Financial Services and Markets Act 2000.
- (c) The expression **Secretary** shall include any person appointed by the Directors to perform any of the duties of the Secretary including, but not limited to, a joint, assistant or deputy Secretary.
- (d) The words “subsidiary undertaking” and “parent undertaking” shall be construed in accordance with section 1162 of the 2006 Act and “subsidiary undertaking” shall be construed to include “subsidiary” as that term is defined in section 1159 of the 2006 Act;
- (e) Words denoting the singular shall include the plural and *vice versa*. Words denoting the masculine shall include the feminine. Words denoting persons shall include corporations.

- (f) References to any statute or statutory provision shall be construed as relating to any statutory modification or re-enactment thereof for the time being in force.
- (g) The expression **shareholders' meeting** includes an Annual General Meeting, a General Meeting and a meeting of the holders of any class of shares of the Company.
- (h) Words denoting one gender include all other genders and words denoting the singular include the plural and vice versa.
- (i) References to a person include individuals, undertakings, bodies corporate, unincorporated associations, partnerships, joint ventures and government departments or agencies, and references to any of the same include the others as required in the context.
- (j) The words **include** and **including** shall be construed as if they were immediately followed by the words **but not limited to**.
- (k) Subject as aforesaid any words or expressions defined in the Crest Regulations or in the Statutes shall (if not inconsistent with the subject or context) bear the same meanings in these Articles.
- (l) A Special Resolution shall be effective for any purpose for which an Ordinary Resolution is expressed to be required under any provision of these Articles.
- (m) In these Articles the headings are for convenience only and do not affect the construction or interpretation of these Articles.

### **LIABILITY OF MEMBERS**

- 3. The liability of the Members is limited to the amount, if any, unpaid on the shares held by them.

### **VARIATION OF RIGHTS**

- 4. Whenever the share capital of the Company is divided into different classes of shares, the special rights attached to any class may, subject to the provisions of the Statutes, be varied or abrogated either with the consent in writing of the holders of three-quarters in nominal value of the issued shares of the class or with the sanction of a Special Resolution passed at a separate Meeting of the holders of the shares of

the class (but not otherwise) and may be so varied or abrogated either whilst the Company is a going concern or during or in contemplation of a winding-up. To every such separate Meeting all the provisions of these Articles relating to Meetings of the Company and to the proceedings thereat shall *mutatis mutandis* apply, except that the necessary quorum shall be two persons at least holding or representing by proxy at least one-third in nominal value of the issued shares of the class (but so that at any adjourned Meeting any holder of shares of the class present in person or by proxy shall be a quorum) and that any holder of shares of the class present in person or by proxy may demand a poll and that every such holder shall on a poll have one vote for every share of the class held by him. The foregoing provisions of this Article shall apply to the variation or abrogation of the special rights attached to some only of the shares of any class as if each group of shares of the class differently treated formed a separate class the special rights whereof are to be varied.

5. The special rights attached to any class of shares having preferential rights shall not unless otherwise expressly provided by the terms of issue thereof be deemed to be varied by the creation or issue of further shares ranking as regards participation in the profits or assets of the Company in some or all respects pari passu therewith but in no respect in priority thereto.

#### **ALTERATION OF SHARE CAPITAL**

6. The Company may by Ordinary Resolution:
  - (a) consolidate and divide all or any of its share capital;
  - (b) sub-divide its shares, or any of them, (subject, nevertheless, to the provisions of the Statutes), 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, as compared with the others, have any such preferred, deferred or other special rights, or be subject to any such restrictions, as the Company has power to attach to new shares.
  
7.
  - 7.1 Subject to the provisions of the Statutes, the Company may purchase any of its own shares (including any redeemable shares). Every contract for the purchase by the Company of, or under which it may become entitled or obliged to purchase its own share shall, in addition to such authorisation as may be required by the Statutes, be



sanctioned by a Special Resolution passed at a separate Meeting of the holders of each class of shares in issue convertible into equity share capital of the Company.

- 7.2 Subject to the provisions of the Statutes, the Company may purchase any of its loan stock (convertible or otherwise) on such terms (including as to price) and conditions as the Directors may determine.
8. The Company may reduce its share capital or any capital redemption reserve, share premium account or other undistributable reserve in any manner and with and subject to any incident authorised and consent required by law.

## SHARES

9. Subject to the provisions of the Statutes:
- 9.1 shares may be issued on terms that they are, or are to be liable, to be redeemed at the option of the Company or the holder and the Directors are authorised to determine such terms, conditions and manner of redemption of any such shares;
- 9.2 in the event that rights and restrictions attaching to shares are determined by the Directors pursuant to this Article, those rights and restrictions shall apply, in particular in place of any rights or restrictions that would otherwise apply by virtue of the 2006 Act in the absence of any provisions in the articles of a company, as if those rights and restrictions were set out in these Articles; and
- 10.
- 10.1 Without prejudice to any rights attached to any existing shares, any share may be issued with such rights or restrictions as the Company may by Ordinary Resolution determine or, if the Company has not so determined as the Directors may determine.
- 10.2 In the event that rights and restrictions attaching to shares are determined by Ordinary Resolution pursuant to this Article, those rights and restrictions shall apply, in particular in place of any rights or restrictions that would otherwise apply by virtue of the 2006 Act in the absence of any provisions in the articles of a company, as if those rights and restrictions were set out in these Articles.
11. Subject to the provisions of the Statutes relating to authority, pre-emption rights and otherwise and of any resolution of the Company passed pursuant thereto, new shares shall be at the disposal of the Directors and they may allot (with or without

conferring a right of renunciation), grant options over or otherwise dispose of them to such persons, at such times and on such terms as they think proper.

12. The Company may exercise the powers of paying commissions conferred by the Statutes to the full extent thereby permitted. The Company may also on any issue of shares pay such brokerage as may be lawful.
13. The Directors may at any time after the allotment of any share but before any person has been entered in the Register of Members as the holder 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 Directors may think fit to impose.
14. Except as required by law, no person shall be recognised by the Company as holding any share upon any trust, and the Company shall not be bound by or compelled in any way to recognise any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or (except only as by these Articles or by law otherwise provided) any other right in respect of any share, except an absolute right to the entirety thereof in the registered holder.
15. The Directors may refuse to register any transfer of shares held in certificated form (not being fully-paid shares) provided that where such shares are admitted to the Official List of the UKLA, such discretion may not be exercised in such a way as to prevent dealings in shares of that class from taking place on an open and proper basis. The Directors may also refuse to register an allotment or transfer of shares (whether fully-paid or not) in favour of more than four persons jointly. If the Directors refuse to register an allotment or transfer they shall within two months after the date on which (i) the letter of allotment or transfer was lodged with the Company (in the case of shares held in certificated form); or (ii) the operator instruction was received by the Company (in the case of shares held in uncertificated form), send to the allottee or transferee notice of the refusal.

**UNCERTIFICATED SHARES - GENERAL POWERS**

16.

16.1 Subject to the Crest Regulations, the Directors may permit any class of shares to be held in uncertificated form and to be transferred by means of a relevant system and may revoke any such permission.

16.2 In relation to any share which is for the time being held in uncertificated form:

16.2.1 the Company may utilise the relevant system in which it is held to the fullest extent available from time to time in the exercise of any of its powers or functions under the Statutes or these Articles or otherwise in effecting any actions and the Directors may from time to time determine the manner in which such powers, functions and actions shall be so exercised or effected;

16.2.2 any provision in these Articles which is inconsistent with:

- (a) the holding or transfer of that share in the manner prescribed or permitted by the Statutes;
- (b) any other provision of the Statutes relating to shares held in uncertificated form; or
- (c) the exercise of any powers or functions by the Company or the effecting by the Company of any actions by means of a relevant system,

shall not apply;

16.2.3 the Company may, by notice to the holders of that share, require the holder to change the form of such share to certificated form within such period as may be specified in the notice;

16.2.4 the Company may require that share to be converted into certificated form in accordance with the Statutes; and

16.2.5 the Company shall not issue a certificate.

16.3 The Company may, by notice to the holder of any share in certificated form, direct that the form of such share may not be changed to uncertificated form for a period specified in such notice.

- 16.4 For the purpose of effecting any action by the Company, the Directors may determine that shares held by a person in uncertificated form shall be treated as a separate holding from shares held by that person in certificated form but shares of a class held by a person in uncertificated form shall not be treated as a separate class from shares of that class held by that person in certificated form.

## **SHARE CERTIFICATES**

17. Every share certificate in respect of shares held in certificated form shall be issued under the Seal (or under a Securities Seal) and shall specify the number and class of shares to which it relates and the amount paid up thereon. No certificate in respect of shares held in certificated form shall be issued representing shares of more than one class. No certificate in respect of shares held in certificated form shall normally be issued in respect of shares held by a recognised person. This article shall not apply in relation to shares in uncertificated form.
18. In the case of a share held in certificated form jointly by several persons the Company shall not be bound to issue more than one certificate therefor and delivery of a certificate to one of the joint holders shall be sufficient delivery to all.
19. Any person (subject as aforesaid) whose name is entered in the Register of Members in respect of any shares of any one class held in certificated form upon the issue or transfer thereof shall be entitled without payment to a certificate therefor (in the case of issue) within one month (or such longer period as the terms of issue shall provide) after allotment or (in the case of a transfer of fully-paid shares) within fourteen days after lodgement of a transfer or (in the case of a transfer of partly-paid shares) within two months after lodgement of a transfer.
20. Where some only of the shares comprised in a share certificate in respect of shares held in certificated form are transferred the old certificate shall be cancelled and a new certificate for the balance of such shares held in certificated form issued in lieu without charge.
- 21.
- 21.1 In respect of shares held in certificated form, 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 consolidated certificate for such shares held in certificated form issued in lieu without charge.

- 21.2 If any Member shall surrender for cancellation a share certificate representing shares held by him in certificated form and request the Company to issue in lieu two or more share certificates representing such shares held in certificated form in such proportions as he may specify, the Directors may, if they think fit, comply with such request.
- 21.3 If a share certificate in respect of shares held in certificated form shall be worn out, damaged, defaced or alleged to have been lost, stolen or destroyed, a new certificate representing the same shares will be issued to the holder upon request, without charge, subject to delivery up of the old certificate or (if alleged to have been lost, stolen or destroyed) compliance with such conditions as to evidence and indemnity and the payment of any exceptional out-of-pocket expenses of the Company in connection with the request as the Directors may think fit.
- 21.4 In the case of shares held jointly by several persons any such request may be made by any one of the joint holders.
- 21.5 When a Member's holding of shares of a particular class increases, the Company may issue that Member with:
- (a) a single consolidated certificate in respect of all the shares of a particular class which that Member holds; or
  - (b) a separate certificate in respect of only those shares by which that Member's holding has increased.

## **CALLS ON SHARES**

22. The Directors may from time to time make calls upon the Members in respect of any moneys unpaid on their shares (whether on account of the nominal value of the shares or, when permitted, by way of premium) but subject always to the terms of allotment of such shares. A call shall be deemed to have been made at the time when the resolution of the Directors authorising the call was passed and may be made payable by instalments.
23. Each Member shall (subject to receiving at least fourteen days' notice specifying the time or times and place of payment) pay to the Company at the time or times and place so specified the amount called on his shares. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof. A call may be revoked or postponed as the Directors may determine.

24. If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest on the sum from the day appointed for payment thereof to the time of actual payment at such rate (not exceeding 17 per cent. per annum) as the Directors determine but the Directors shall be at liberty in any case or cases to waive payment of such interest wholly or in part. A call may be revoked or postponed as the Directors may determine.
25. Any sum (whether on account of the nominal value of the share or by way of premium) which by the terms of issue of a share becomes payable upon allotment or at any fixed date shall for all the purposes of these Articles be deemed to be a call duly made and payable on the date on which by the terms of allotment the same becomes payable. In the case of non-payment all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.
26. The Directors may on the allotment of shares differentiate between the holders as to the amount of calls to be paid and the times of payment.
27. The Directors may if they think fit receive from any Member willing to advance the same all or any part of the moneys (whether on account of the nominal value of the shares or by way of premium) uncalled and unpaid upon the shares held by him and such payment in advance of calls shall extinguish pro tanto the liability upon the shares in respect of which it is made and upon the money so received (until and to the extent that the same would but for such advance become payable) the Company may pay interest at such rate (not exceeding 17 per cent. per annum) as the Member paying such sum and the Directors may agree. No sum paid up in advance of a call shall entitle the Member or person entitled to the share by transmission to any portion of a dividend, or other payment or distribution, subsequently declared in respect of any period prior to the date on which such sum would, but for such payment, become payable.

#### **FORFEITURE AND LIEN**

28. If a Member fails to pay in full any call or instalment of a call on or before the due date for payment thereof, the Directors may at any time thereafter serve a notice on him requiring payment of so much of the call or instalment as is unpaid together with any interest which may have accrued thereon and any expenses incurred by the Company by reason of such non-payment.

29. The notice shall name a further day (not being less than seven days from the date of service of the notice) on or before which and the place where the payment required by the notice is to be made, and shall state that in the event of non-payment in accordance therewith the shares on which the call has been made will be liable to be forfeited.
30. 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 payment of all calls and interest and expenses due in respect thereof has been made, be forfeited by a resolution of the Directors to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited share and not actually paid before forfeiture. The Directors may accept a surrender of any share liable to be forfeited hereunder.
31. A share so forfeited or surrendered shall become the property of the Company and may be sold, re-allotted or otherwise disposed of either to the person who was before such forfeiture or surrender the holder thereof or entitled thereto or to any other person upon such terms and in such manner as the Directors shall think fit and at any time before a sale, re-allotment or disposal the forfeiture or surrender may be cancelled on such terms as the Directors think fit. The Directors may, if necessary, authorise some person to transfer a forfeited or surrendered share to any such other person as aforesaid.
32. A Member whose shares have been forfeited or surrendered shall cease to be a Member in respect of the shares but shall notwithstanding the forfeiture or surrender remain liable to pay to the Company all moneys which at the date of forfeiture or surrender were presently payable by him to the Company in respect of the shares with interest thereon at 17 per cent. per annum (or such lower rate as the Directors may determine) from the date of forfeiture or surrender until payment and the Directors may at their absolute discretion enforce payment without any allowance for the value of the shares at the time of forfeiture or surrender or for any consideration received on their disposal or waive payment in whole or in part.
33. The Company shall have a first and paramount lien on every share (not being a fully-paid share) for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such share and the Directors may waive any lien which has arisen and may resolve that any share shall for some limited period be exempt wholly or partially from the provisions of this Article.

34. The Company may sell in such manner as the Directors think fit any share on which the Company has a lien, but no sale shall be made unless some sum in respect of which the lien exists is presently payable nor until the expiration of fourteen days after a notice in writing stating and demanding payment of the sum presently payable and giving notice of intention to sell in default shall have been given to the holder for the time being of the share or the person entitled thereto by reason of his death or bankruptcy or otherwise by operation of law.
35. The net proceeds of such sale after payment of the costs of such sale shall be applied in or towards payment or satisfaction of the amount in respect whereof the lien exists so far as the same is then payable and any residue shall, upon surrender to the Company for cancellation of the certificate for the shares sold (in the case of shares held in certificated form) and subject to a like lien for sums not presently payable as existed upon the shares prior to the sale, be paid to the person entitled to the shares at time of the sale. For the purpose of giving effect to any such sale the Directors may authorise some person to transfer the shares sold to, or in accordance with the directions of, the purchaser.
36. A statutory declaration in writing that the declarant is a Director or the Secretary of the Company and that a share has been duly forfeited or surrendered or sold to satisfy a lien of the Company on a date stated in the declaration shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share. Such declaration shall (subject to the execution of a transfer if the same be required) constitute a good title to the share and the person to whom the share is sold, re-allotted or disposed of shall not be bound to see to the application of the consideration (if any) nor shall his title to the share be affected by any irregularity or invalidity in the proceedings relating to the forfeiture, surrender, sale, re-allotment or disposal of the share.

## **TRANSFER OF SHARES**

37. All transfers of shares held in certificated form shall be effected by transfer in writing in any usual or common form or in any other form acceptable to the Directors. The instrument of transfer in respect of shares held in certificated form shall be signed by or on behalf of the transferor and (except in the case of fully-paid shares) by or on behalf of the transferee. The transferor shall remain the holder of the shares concerned until the name of the transferee is entered in the Register of Members in



respect thereof. All transfers of shares which are in uncertificated form shall, unless the Crest Regulations otherwise provide, be effected by means of a relevant system.

38. The Directors may decline to recognise any instrument of transfer in respect of shares held in certificated form if the instrument of transfer is:
- (a) in respect of more than one class of share; or
  - (b) not duly stamped and not lodged at the Transfer Office accompanied by the relevant share certificate(s) and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer (and, if the instrument of transfer is executed by some other person on his behalf, the authority of that person so to do).

For the avoidance of doubt, in the case of a transfer by a recognised clearing house or a nominee of a recognised clearing house or of a recognised investment exchange the lodgement of share certificates will only be necessary if and to the extent that certificates have been issued in respect of the shares in question.

39. All instruments of transfer in respect of shares held in certificated form which are registered may be retained by the Company.
40. No fee will be charged by the Company in respect of the registration of any instrument of transfer in respect of shares held in certificated form or other document relating to or affecting the title to any shares or otherwise for making any entry in the Register of Members affecting the title to any shares.
41. The Company shall be entitled to destroy all instruments of transfer or other documents which have been registered or on the basis of which registration was made at any time after the expiration of six years from the date of registration thereof and all dividend mandates and notifications of change of address at any time after the expiration of two years from the date of recording thereof and all share certificates which have been cancelled at any time after the expiration of one year from the date of the cancellation thereof and it shall conclusively be presumed in favour of the Company that every entry in the register purporting to have been made on the basis of an instrument of transfer or other document so destroyed was duly and properly made and every instrument of transfer so destroyed was a valid and effective instrument duly and properly registered and every share certificate so destroyed was a valid and effective certificate duly and properly cancelled and every

other document hereinbefore mentioned so destroyed was a valid and effective document in accordance with the recorded particulars thereof in the books or records of the Company. Provided always that:

- (a) the provisions aforesaid shall apply only to the destruction of a document in good faith and without notice of any claim (regardless of the parties thereto) to which the document might be relevant;
- (b) nothing herein contained 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 other circumstances which would not attach to the Company in the absence of this Article; and
- (c) references herein to the destruction of any document include references to the disposal thereof in any manner.

#### **TRANSMISSION OF SHARES**

- 42. In case of the death of a shareholder, 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 interest in the shares, but nothing in this Article shall release the estate of a deceased holder (whether sole or joint) from any liability in respect of any share held by him.
- 43. Any person becoming entitled to a share in consequence of the death or bankruptcy of a Member or otherwise by operation of law may (subject as hereinafter provided) upon supplying to the Company such evidence as the Directors may reasonably require to show his title to the share either be registered himself as holder of the share or may, upon giving to the Company notice in writing of his desire to do so, transfer such share to some other person. All the limitations, restrictions and 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 notice or transfer were a transfer executed by the said Member (provided that if the share is held in uncertificated form, the transfer shall be effected by means of a relevant system).
- 44. Save as otherwise provided by or in accordance with these Articles, a person becoming entitled to a share in consequence of the death or bankruptcy of a Member

or otherwise by operation of law (upon supplying to the Company such evidence as the Directors may reasonably require to show his title to the share) shall be entitled to the same dividends and other advantages as those to which he would be entitled if he were the registered holder of the share except that he shall not be entitled in respect thereof (except with the authority of the Directors) to exercise any right conferred by membership in relation to Meetings of the Company until he shall have been registered as a Member in respect of the share.

## **UNTRACED SHAREHOLDERS**

45.

45.1 The Company shall be entitled to sell at the best price reasonably obtainable at the time of sale the shares of a Member or the shares to which a person is entitled by virtue of transmission on death or bankruptcy or otherwise by operation of law if and provided that:

45.1.1 during the period of twelve years prior to the date of the publication of the advertisements referred to in Article 45.1.2 below (or, if published on different dates, the first thereof) no communication has been received by the Company from the Member or the person entitled by transmission and 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 shares at his address on the Register or other 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 and at least three dividends in respect of the shares in question have become payable and no dividend in respect of those shares has been claimed; and

45.1.2 the Company shall on expiry of the said period of twelve years have inserted advertisements in both a leading national daily newspaper and in a newspaper circulating in the area in which the address referred to in Article 45.1.1 above is located giving notice of its intention to sell the said shares; and

45.1.3 during the said period of twelve years and the period of three months following the publication of the said advertisements the Company shall have received no communication from such Member or person; and

45.1.4 notice shall have been given to the UKLA of its intention to make such sale.

- 45.2 To give effect to any such sale the Company may appoint any person (i) to execute as transferor an instrument of transfer of the said shares if such shares are held in certificated form; or (ii) to transfer such shares by means of a relevant system if such shares are held in certificated form and such instrument of transfer or such transfer, as the case may be, shall be as effective as if it had been executed or effected, as the case may be, by the registered holder of or person entitled by transmission to such shares and the title of the transferee shall not be affected by any irregularity or invalidity in the proceedings relating thereto. The net proceeds of sale shall belong to the Company which shall be obliged to account to the former member or other person previously entitled as aforesaid for an amount equal to such proceeds and shall enter the name of such former member or other person in the books of the Company as a creditor for such amount which shall be a permanent debt of the Company. No trust shall be created in respect of the debt, no interest shall be payable in respect of the same and the Company shall not be required to account for any money earned on the net proceeds, which may 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.

## **MEETINGS**

46. An Annual General Meeting shall be held once in every year, at such time (within a period of not less than the minimum period of notice as is prescribed by the 2006 Act) and place as may be determined by the Directors. All other meetings shall be called General Meetings.
47. The Directors may whenever they think fit, and shall on requisition in accordance with the Statutes, proceed with proper expedition to convene a General Meeting.

## **NOTICE OF MEETINGS**

48. An Annual General Meeting shall be called by twenty-one days' notice in writing at the least. Subject to the Statutes, a General Meeting shall be called by fourteen days' notice in writing at the least. The period of notice shall in each case be exclusive of the day on which it is served or deemed to be served and of the day on which the Meeting is to be held and shall be given in manner hereinafter mentioned to all Members other than such as are not under the provisions of these Articles entitled to receive such notices from the Company: provided that a Meeting

notwithstanding that it has been called by a shorter notice than that specified above shall be deemed to have been duly called if it is so agreed:

- (a) in the case of an Annual General Meeting by all the Members entitled to attend and vote thereat; and
  - (b) in the case of a General Meeting by a majority in number of the Members having a right to attend and vote thereat, being a majority together holding not less than ninety-five per cent. in nominal value of the shares giving that right.
49. The contents of every notice calling a Meeting shall conform to the requirements of the Statutes.
50. Routine business shall mean and include only business transacted at an Annual General Meeting of the following classes, that is to say:
- (a) declaring dividends;
  - (b) receiving and/or adopting the accounts, the reports of the Directors and Auditors and other documents required to be attached or annexed to the accounts;
  - (c) appointing or re-appointing Directors to fill vacancies arising at the Annual General Meeting or retirement whether by rotation or otherwise;
  - (d) re-appointing the retiring Auditors (unless they were last appointed otherwise than by the Company in General Meeting); or
  - (e) fixing the remuneration of the Auditors or determining the manner in which such remuneration is to be fixed.

#### **ATTENDANCE AND PARTICIPATION AT DIFFERENT PLACES AND BY ELECTRONIC MEANS**

51. In the case of any Meeting, the Directors may, notwithstanding the specification in the notice convening the Meeting of the place at which the chairman of the Meeting shall preside (the **Principal Place**), make arrangements for simultaneous attendance and participation by Electronic Means allowing persons not present together at the same place to attend, speak and vote at the Meeting (including the use of satellite meeting places). The arrangements for simultaneous attendance and participation at any place at which persons are participating, using Electronic Means may include

arrangements for controlling or regulation the level of attendance at any particular venue provided that such arrangements shall operate so that all Members and proxies wishing to attend the Meeting are able to attend at one or other of the venues.

52. The Members or proxies at the place or places at which persons are participating via Electronic Means shall be counted in the quorum for, and be entitled to vote at, the Meeting in question, and that Meeting shall be duly constituted and its proceedings valid if the chairman of the Meeting is satisfied that adequate facilities are available throughout the Meeting to ensure that the Members or proxies attending at the places at which persons are participating via Electronic Means are able to:
- (a) participate in the business for which the Meeting has been convened; and
  - (b) see and hear all persons who speak (whether through the use of microphones, loud speakers, audiovisual communication equipment or otherwise) in the Principal Place (and any other place at which persons are participating via Electronic Means).

For the purposes of all other provisions of these Articles (unless the context requires otherwise), the Members shall be treated as meeting at the Principal Place.

If it appears to the chairman of the Meeting that the facilities at the Principal Place or any place at which persons are participating via Electronic Means have become inadequate for the purposes set out in sub-paragraphs (a) and (b) above, the chairman of the Meeting may, without the consent of the Meeting, interrupt or adjourn the Meeting. All business conducted at the Meeting up to the point of the adjournment shall be valid. The provisions of Article 55 shall apply to that adjournment

**PROCEEDINGS AT MEETINGS**

53. The Chairman, failing whom a deputy Chairman, shall preside as chairman at a Meeting. If there be no such Chairman or deputy Chairman, or if at any Meeting neither be present within five minutes after the time appointed for holding the Meeting and willing to act, the Directors present shall choose one of their number (or, if no Director be present or if all the Directors present decline to take the chair, the Members present shall choose one of their number) to be Chairman of the Meeting.
54. No business other than the appointment of a Chairman shall be transacted at any Meeting unless a quorum is present at the time when the Meeting proceeds to business. Two Members present in person or by proxy (unless, if there are only attendees by proxy, there are at least two proxies appointed by different Members) or by a duly authorised representative (unless, if there are only corporate representatives attending, there are at least two duly appointed corporate representatives appointed by different Members) and entitled to vote shall be a quorum for all purposes.
55. If within five minutes from the time appointed for a Meeting (or such longer interval as the Chairman of the Meeting may think fit to allow) 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 until at least ten clear days after the date of the original Meeting at such time and place as may have been specified for the purpose in the notice convening the Meeting or (if not so specified) as the Chairman of the Meeting may determine and in the latter case not less than seven days' notice of the adjourned Meeting shall be given in like manner as in the case of the original Meeting. At the adjourned Meeting two Members present in person or by proxy and entitled to vote shall be a quorum for all purposes.
56. The Chairman of any Meeting at which a quorum is present may with the consent of the Meeting (and shall if so directed by the Meeting) adjourn the Meeting from time to time (or sine die) and from place to place, but no business shall be transacted at any adjourned Meeting except business which might lawfully have been transacted at the Meeting from which the adjournment took place. Where a Meeting is adjourned sine die the time and place for the adjourned Meeting shall be fixed by the Directors. When a Meeting is adjourned for thirty days or more or sine die not less than seven days' notice of the adjourned Meeting shall be given in like manner as in the case of the original Meeting.

57. Save as hereinbefore expressly provided, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.
58. If an amendment shall be proposed to any resolution under consideration but shall in good faith be ruled out of order by the Chairman of the Meeting the proceedings on the substantive resolution under consideration shall not be invalidated by any error in such ruling. In the case of a resolution duly proposed as a Special Resolution no amendment thereto (other than a mere clerical amendment to correct a patent error) may in any event be considered or voted upon.
59. At any Meeting a resolution put to the vote of the Meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands) demanded by:
- (a) the Chairman of the Meeting; or
  - (b) not less than three Members or, in the case of a Special Resolution for the voluntary winding up of the Company pursuant to Article 152.1, one Member, present in person or by proxy and entitled to vote; or
  - (c) a Member or Members present in person or by proxy and representing not less than one-tenth of the total voting rights of all the Members having the right to vote at the Meeting; or
  - (d) a Member or Members present in person or by proxy and holding shares in the Company 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.
60. A demand for a poll may be withdrawn only with the approval of the Meeting. Unless a poll is demanded, a declaration by the Chairman of the Meeting that a resolution has been carried, or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the minute book, shall be conclusive evidence of that fact without proof of the number or proportion of the votes recorded for or against such resolution. If a poll is demanded, it shall be taken in such manner (including the use of ballot or voting papers or tickets or by Electronic Means) as the Chairman of the Meeting may direct, and the result of the poll shall be deemed to be the resolution of the Meeting at which the poll was demanded. The Chairman of the Meeting may (and if so directed by the meeting shall) appoint scrutineers and may adjourn the



Meeting to some place and time fixed by him for the purpose of declaring the result of the poll.

61. In the case of an equality of votes, whether 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 is demanded shall be entitled to a casting vote.
62. A poll demanded on the choice of a Chairman or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken either immediately or at such subsequent time (not being more than thirty days from the date of the Meeting) and place as the Chairman may direct. No notice need be given of a poll not taken immediately. The demand for a poll shall not prevent the continuance of the Meeting for the transactions of any business other than the question on which the poll has been demanded.

#### **VOTES OF MEMBERS**

63.

63.1 Subject to any special rights or restriction as to voting attached by or in accordance with these Articles to any class of shares and, as applicable, to the provisions of Article 152.1, on a show of hands:

63.1.1 every Member who is present in person or by proxy and entitled to vote shall have one vote;

63.1.2 notwithstanding the foregoing, if a proxy has been duly appointed by more than one Member entitled to vote on the resolution and has been instructed by one or more of those Members to vote for the resolution and by one or more other of those Members to vote against it, or is instructed by one or more of those Members to vote in one way and is given discretion as to how to vote by one or more Members (and wishes to use that discretion to vote in the other way) he has one vote for and one vote against the resolution; and

63.1.3 every corporate representative present who has been duly authorised by a corporation has the same voting rights as the corporation would be entitled to.

63.2 On a poll, every Member who is present in person or so deemed present in person or by proxy and entitled to vote shall have one vote for every share held by him.

64. For the purposes of determining which persons are entitled to attend or vote at a Meeting and how many votes such person may cast, the Company may specify in the notice convening the Meeting a time, being not more than 48 hours before the time fixed for the Meeting (and for this purpose no account shall be taken of any part of a day that is not a business day), by which a person must be entered on the register in order to have the right to attend or vote at the Meeting.
65. In the case of joint holders of a share the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders and for this purpose seniority shall be determined by the order in which the names stand in the Register of Members in respect of the share.
66. A Member who is a patient for any purpose of any statute relating to mental health or in respect of whom an order has been made by any court having jurisdiction for the protection or management of the affairs of persons incapable of managing their own affairs, may vote, whether on a show of hands or on a poll, by his committee, receiver, *curator bonis* or other person in the nature of a committee, receiver or *curator bonis* appointed by such court, and any such committee, receiver, *curator bonis*, or other person may, on a poll, vote by proxy provided that such evidence as the Directors may require of the authority of the person claiming to vote shall have been deposited at the Transfer Office, or at such other place (if any) as is specified for the delivery of instruments of proxy in accordance with these Articles, not less than forty eight hours before the time appointed for holding the Meeting or adjourned Meeting or (in the case of a poll taken otherwise than at, or on the same day as, the Meeting or adjourned meeting) for the taking of the poll at which it is desired to vote.
- 67.
- 67.1 No Member shall, unless the Directors otherwise determine, be entitled in respect of shares held by him to vote at a Meeting either personally or by proxy or to exercise any other right conferred by membership in relation to Meetings of the Company if any call or other sum presently payable by him to the Company in respect of such shares remains unpaid.
- 67.2
- 67.2.1 Without prejudice to any other rights or remedies of the Company where, in respect of any shares in the Company, any registered holder of such shares or other person appearing to be interested (within the meaning of Part 22 of

the 2006 Act) in such shares fails to comply with any notice (in this Article called a **statutory notice**) given to that holder or other person by the Company pursuant to section 793 of the 2006 Act or, in purported compliance with such a statutory notice, makes a statement which is false in a material particular, then not earlier than fourteen days after the service of such statutory notice, the Directors may in their absolute discretion serve upon such registered holder a notice (in this Article called a **disenfranchisement notice**) stating or to the effect that until the expiry of a period of not more than seven days after the earlier of (i) receipt by the Company of a notice that the shareholding has been the subject of an approved transfer; or (ii) due compliance, to the satisfaction of the Company, with the statutory notice, such shares (which term shall include any further shares which are issued in respect of such shares) shall from the service of the disenfranchisement notice confer on him no right to attend or vote, in person or by proxy, either at a Meeting or at any separate Meeting of the holders of the shares of the relevant class or to exercise any other rights conferred by membership in relation to Meetings of the Company or of the holders of the relevant class of shares.

67.2.2 Where the shares in question are shares of any class representing at least 0.25 per cent. in nominal value of the issued share capital of that class, the disenfranchisement notice may also at the discretion of the Directors direct that, until the expiry of a period of not more than seven days after the earlier of (i) receipt by the Company of a notice that the shareholding has been the subject of an approved transfer; or (ii) due compliance, to the satisfaction of the Company, with the statutory notice, all or any of the following restrictions shall also apply in respect of all or any of such shares:

- (a) no transfer of any of the shares held by such registered holder shall be registered unless (a) such registered holder is not himself in default as regards supplying the information requested and the transfer is part only of such registered holder's holding and, when presented for registration, is accompanied by a certificate by such registered holder in a form satisfactory to the Directors to the effect that, after due and careful enquiry, such registered holder is satisfied that no person in default as regards supplying such information is interested in any of the shares the subject of the transfer provided that, in the case of uncertificated securities, the Directors may only exercise their discretion not to register a transfer if permitted to do so

by regulation 27 of the Crest Regulations or (b) such transfer is an approved transfer; and

- (b) any dividend (including shares issued in lieu of dividend) which would otherwise be payable on such shares shall be retained by the Company in whole or in part without any liability to pay interest thereon when such moneys are finally paid to such registered holder.

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

67.2.3 The Directors may cancel a disenfranchisement notice, in whole or in part, at any time.

67.2.4 A disenfranchisement notice shall cease to have effect in relation to any shares which are transferred by such Member by means of an approved transfer, on the date of transfer thereof. A transfer of shares is an approved transfer if, but only if:

- (a) it is a transfer to an offeror by way of or in pursuance of acceptance of a take over offer for a company (as defined in section 974 of the 2006 Act); or
- (b) the Directors are satisfied that the transfer is made pursuant to a bona fide sale of the whole of the beneficial ownership of the shares to a person unconnected with the registered holder or with any other person appearing to be interested in such shares including any such sale made through a recognised investment exchange or any other stock exchange outside the United Kingdom on which the Company's shares are normally traded. For the purposes of this sub-paragraph (b), any associate (as defined in section 435 of the Insolvency Act 1986) shall be included amongst the persons who are connected with the registered holder or any person appearing to be interested in such shares.

67.2.5 For the purpose of this Article 67.2 a person shall be treated as appearing to be interested in any shares if the registered holder of such shares has given to the Company a notification under section 793 of the 2006 Act which either (a) names such person as being so interested or (b) fails to establish the

identities of those interested in the shares and if (after taking into account the said notification and any other relevant notification(s) under the said section 793) the Company knows or has reasonable cause to believe that the person in question is or may be interested in the shares.

- 67.2.6 For the purposes of section 808 of the 2006 Act any information received by the Company following the service of a notice on a Member pursuant to Article 67.2 is deemed to have been received by the Company as though the Member had been required to provide the information under section 793 of the 2006 Act.
68. No objection shall be raised as to the admissibility of any vote except at the Meeting or adjourned Meeting at which the vote objected to is or may be given or tendered and every vote not disallowed at such Meeting shall be valid for all purposes. Any such objection shall be referred to the Chairman of the Meeting whose decision shall be final and conclusive.
69. The Company shall not be bound to enquire whether any proxy or corporate representative votes in accordance with the instructions given to him by the Member he represents and if a proxy or corporate representative does not vote in accordance with the instructions of the Member he represents the vote or votes cast shall nevertheless be valid for all purposes.
70. On a poll votes may be given either personally or by proxy and a person entitled to more than one vote need not use all his votes or cast all the votes he uses in the same way.
71. A proxy need not be a Member of the Company and a Member may appoint more than one proxy to attend on the same occasion provided that each proxy is appointed to exercise the rights attached to a different share or shares held by him. References in these Articles to an appointment of proxy include references to an appointment of multiple proxies.
72. An instrument appointing a proxy shall be in writing in any usual or common form or in any other form which the Directors may approve and:
- (a) in the case of an individual shall be signed by the appointor or his attorney;  
and

- (b) in the case of a corporation shall be either given under its common seal or signed on its behalf by an attorney or a duly authorised officer of the corporation.

The signature on such instrument need not be witnessed. Where an instrument appointing a proxy is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy pursuant to the next following article, failing which the instrument may be treated as invalid.

73. An instrument appointing a proxy must be left (or where relevant, delivered or received in Electronic Form subject to any conditions the Company may specify) at such place or one of such places (if any) as may be specified for that purpose in or by way of note to or in any document accompanying the notice convening the Meeting (or, if no place is so specified, at the Transfer Office) not less than forty-eight hours before the time appointed for the holding of the Meeting or adjourned Meeting or (in the case of a poll taken otherwise than at or on the same day as the Meeting or adjourned Meeting) not less than twenty four hours before the time appointed for the taking of the poll at which it is to be used. The instrument shall, unless the contrary is stated thereon, be valid as well for any adjournment of the Meeting as for the Meeting to which it relates. The Directors may specify in the notice convening the Meeting that in determining the time for delivery of proxies pursuant to this Article, no account shall be taken of any part of a day which is not a business day. An appointment of proxy which is not received or delivered in a manner so permitted shall be invalid, provided that 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. Delivery of an instrument appointing a proxy shall not preclude a Member from attending and voting in person at the Meeting or in the poll concerned.
74. Without limiting the foregoing, in relation to any shares in uncertificated form the Directors may permit a proxy to be appointed by Electronic Means in the form of an uncertificated proxy instruction (that is, a properly authenticated dematerialised instruction, and/or other instruction or notification, sent by means of a relevant system to such participant in that system acting on behalf of the Company as the Directors may prescribe, in such form and subject to such terms and conditions as may from time to time be prescribed by the Directors (subject always to the facilities and requirements of the relevant system)); and may permit any supplement to, or amendment or revocation of, any such uncertificated proxy instruction to be made by

a further uncertificated proxy instruction. The Directors may in addition prescribe the method of determining the time at which any such instruction or notification is to be treated as received by the Company. The Directors may treat any such instruction or notification purporting or expressed to be sent on behalf of a holder of a share as sufficient evidence of the authority of the person sending the instruction to send it on behalf of that holder.

75. An instrument appointing a proxy shall be deemed to include the right to demand or join in demanding a poll, to vote on a show of hands or on a poll, to speak at the Meeting and to vote on any amendment of a resolution put to the Meeting for which it is given as the proxy thinks fit.

76. A vote cast by proxy shall not be invalidated by the previous death or insanity of the principal or by the revocation of the appointment of the proxy or of the authority under which the appointment was made provided that no intimation in writing of such death, insanity or revocation shall have been received by the Company at the Transfer Office, or at such other place or address (if any) as is specified for the delivery of instruments of proxy in accordance with these Articles, including the address where an appointment in Electronic Form may be received, at least one hour before the commencement of the Meeting or adjourned Meeting or (in the case of a poll taken otherwise than at or on the same day as the Meeting or adjourned Meeting) the time appointed for the taking of the poll at which the vote is cast.

77. Electronic Form of Proxy

The Directors may allow the appointment of a proxy to be sent or supplied in Electronic Form subject to any requirements as to authentication of the appointment and any restrictions, limitations or conditions as the Directors may think fit and where the Company includes an electronic address in any notice of Meeting, appointment of proxy or invitation to appoint a proxy, any documentation or information relating to proceedings at the Meeting or proxies for the Meeting may be sent by Electronic Means to that address, subject to any conditions or limitations specified in the notice.

#### **CORPORATIONS ACTING BY REPRESENTATIVES**

78. Any corporation which is a Member of the Company may by resolution of its directors or other governing body authorise such person or persons as it thinks fit to act as its representative at any Meeting of the Company or of any class of Members of the Company. The person or persons so authorised shall be entitled to exercise the

same powers on behalf of such corporation as the corporation could exercise if it were an individual Member of the Company and such corporation shall for the purposes of these Articles be deemed to be present in person at any such Meeting if a person so authorised is present thereat. Where more than one person is so authorised, any one of them is entitled to exercise the same powers on behalf of the grantor of the authority as the grantor could exercise if it were an individual Member of the Company. Where the corporation authorises more than one person and more than one of them purport to exercise a power, their power shall be exercised in accordance with the provisions of the 2006 Act.

## **DIRECTORS**

79. Subject as hereinafter provided the Directors shall not be less than three nor more than ten. The Company may by Ordinary Resolution from time to time vary the minimum number and/or the maximum number of Directors.
80. A Director shall not be required to hold any shares of the Company by way of qualification. A Director who is not a Member of the Company shall nevertheless be entitled to attend and speak at Meetings.
81. Any Director who holds any office or who serves on any committee of the Directors, or who otherwise performs services which in the opinion of the Directors are outside the scope of the ordinary duties of a Director, may be paid such extra remuneration by way of salary, commission or otherwise as the Directors may determine.
82. The Directors may repay to any Director all such reasonable expenses as he may incur in attending and returning from meetings of the Directors or of any committee of the Directors or Meetings or otherwise in connection with the business of the Company.
83. Without prejudice to the provisions of Article 156 and to the extent permitted by the Statutes, the Directors shall have power to purchase and maintain insurance for or for the benefit of any persons who are or were at any time Directors, officers or agents of the Company, or of any Associated Company including (without prejudice to the generality of the foregoing) insurance against any liability incurred by such persons in respect of any act or omission in the actual or purported execution and/or discharge of their duties and/or in the exercise or purported exercise of their powers



and/or otherwise in relation to their duties, powers or offices in relation to the Company or any Associated Company.

84. A Director may be party to or in any way interested in any contract or arrangement or transaction to which the Company is a party or in which the Company is in any way interested and he may hold and be remunerated in respect of any office or place of profit (other than the office of Auditor of the Company or any subsidiary thereof) under the Company or any other company in which the Company is in any way interested and he (or any firm of which he is a member) may act in a professional capacity for the Company or any such other company and be remunerated therefor and in any such case as aforesaid (save as otherwise agreed by him) he may retain for his own absolute use and benefit all profits and advantages accruing to him thereunder or in consequence thereof.
- 85.
- 85.1 The Directors may from time to time appoint one or more of their body to be the holder of any office (including, where considered appropriate, the office of Chairman or deputy Chairman) on such terms and for such period as they may (subject to the provisions of the Statutes) determine and, without prejudice to the terms of any contract entered into in any particular case, may at any time revoke or vary the terms of any such appointment.
- 85.2 The appointment of any Director to the office of Chairman or deputy Chairman or managing or joint managing or deputy or assistant managing Director shall automatically determine if he ceases to be a Director but without prejudice to any claim for damages for breach of any contract of service between him and the Company.
- 85.3 The appointment of any Director to any other office shall not automatically determine if he ceases from any cause to be a Director, unless the contract or resolution under which he holds office shall expressly state otherwise in which event such determination shall be without prejudice to any claim for damages for breach of any contract of service between him and the Company.
86. The Directors may entrust to and confer upon any Director holding any office any of the powers exercisable by them as Directors upon such terms and conditions and with such restrictions as they think fit, and either collaterally with or to the exclusion of

their own powers, and may from time to time revoke, withdraw, alter or vary all or any of such powers.

#### **APPOINTMENT AND RETIREMENT OF DIRECTORS**

87. Any provisions of the Statutes which, subject to the provisions of these Articles, would have the effect of rendering any person ineligible for appointment as a Director or liable to vacate office as a Director on account of his having reached any specified age or of requiring special notice or any other special formality in connection with the appointment of any Director over a specified age, shall not apply to the Company.
88. The office of a Director shall be vacated in any of the following events, namely:
- (a) if he shall become prohibited by law from acting as a Director;
  - (b) if he shall resign by writing under his hand left at the Office or if he shall in writing offer to resign and the Directors shall resolve to accept such offer;
  - (c) if he becomes apparently insolvent (within the meaning of the Bankruptcy (Scotland) Act 1985) or shall have a bankruptcy order made against him or shall make any arrangement with his creditors generally or shall apply to the court for an interim order under section 253 of the Insolvency Act 1986 in connection with a voluntary arrangement under that Act;
  - (d) if in Scotland 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 curator bonis, 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;
  - (e) if he shall be removed from office by notice in writing served upon him signed by all his co-Directors, but so that if he holds an appointment to an office which thereby automatically determines such removal shall be deemed an act of the Company and shall have effect without prejudice to any claim for damages for breach of any contract of service between him and the Company.
89. Each Director shall retire from office and may offer himself for re-election at the first Annual General Meeting or other available opportunity following his appointment.

Thereafter, each Director shall retire at the Annual General Meeting held in the third calendar year following the year in which he was elected or last re-elected.

90. The Company at the meeting at which a Director retires under any provision of these Articles may by Ordinary Resolution fill the office being vacated by electing thereto the retiring Director or some other person eligible for appointment. In default the retiring Director shall be deemed to have been re-elected except in any of the following cases:
- (a) where at such meeting it is expressly resolved not to fill such office or a resolution for the re-election of such Director is put to the meeting and lost;
  - (b) where such Director has given notice in writing to the Company that he is unwilling to be re-elected; or
  - (c) where the default is due to the moving of a resolution in contravention of the next following Article.

The retirement shall not have effect until the conclusion of the meeting except where a resolution is passed to elect some other person in the place of the retiring Director or a resolution for his re-election is put to the meeting and lost and accordingly a retiring Director who is re-elected or deemed to have been re-elected will continue in office without a break.

91. A resolution for the appointment of two or more persons as Directors by a single resolution shall not be moved at any 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.
92. No person other than a Director retiring at the Meeting shall, unless recommended by the Directors for election be eligible for appointment as a Director at any Meeting unless not less than seven nor more than forty-two days (inclusive of the date on which the notice is given) before the date appointed for the Meeting there shall have been lodged at the Office notice in writing signed by some Member (other than the person to be proposed) 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 the person to be proposed of his willingness to be elected.
93. The Company may in accordance with and subject to the provisions of the Statutes by Ordinary Resolution of which special notice has been given remove any Director

from office (notwithstanding any provision of these Articles or of any agreement between the Company and such Director, but without prejudice to any claim he may have for damages for breach of any such agreement) and appoint another person in place of a Director so removed from office. In default of such appointment the vacancy arising upon the removal of a Director from office may be filled as a casual vacancy.

94. The Company may by Ordinary Resolution appoint any person to be a Director either to fill a casual vacancy or as an additional Director. Without prejudice thereto the Directors shall have power at any time so to do, but so that the total number of Directors shall not thereby exceed the maximum number (if any) fixed by or in accordance with these Articles. Any person so appointed by the Directors shall hold office only until the next Annual General Meeting and shall then be eligible for re-election.

#### **MEETINGS AND PROCEEDINGS OF DIRECTORS**

95.

- 95.1 Subject to the provisions of these Articles the Directors may meet together for the despatch of business, adjourn and otherwise regulate their meetings as they think fit. At any time any Director may, and the Secretary on the requisition of a Director shall, summon a meeting of Directors. Notice of a meeting of Directors shall be given to all Directors including those not within the United Kingdom either personally or by word of mouth or given in writing to him at such address as he may from time to time specify for this purpose (or if he does not specify an address, at his last known address). Any Director may waive notice of any meeting and any such waiver may be retroactive.
- 95.2 The quorum necessary for the transaction of business of the Directors may be fixed from time to time by the Directors and unless so fixed at any other number shall be two. A meeting of the Directors at which a quorum is present shall be competent to exercise all powers and discretions for the time being exercisable by the Directors.
- 95.3 A Director who is unable to attend any meeting of the Directors may authorise any other Director to vote for him at that meeting and in that event the Director so authorised shall at such meeting have a vote for each absent Director by whom he is so authorised in addition to his own vote. Any such authority must be in writing or by

facsimile message delivered to or lodged with the Secretary prior to or at the meeting.

96. All or any of the Directors or any committee of the Directors may participate in a meeting of the Directors or that committee by means of a conference telephone or any communication equipment which allows all persons participating in the meeting to hear each other. A person so participating shall be deemed to be present in person at the meeting and shall be entitled to vote or be counted in a quorum accordingly. Such a meeting shall be deemed to take place where the largest group of those participating is assembled, or, if there is no such group, where the Chairman of the meeting is present.
97. Questions arising at any meeting of the Directors shall be determined by a majority of votes. In case of an equality of votes the Chairman of the meeting shall have a second or casting vote.
98.
  - 98.1 Save as herein provided, a Director shall not vote in respect of any contract or arrangement or any other proposal whatsoever in which he (or any person connected with him) has any material interest. A Director shall not be counted in the quorum at a meeting in relation to any resolution on which he is debarred from voting. The foregoing shall not prevent the Director from being counted in the quorum at that same meeting in relation to a resolution on which he is not debarred from voting.
  - 98.2 If any question shall arise at any time 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 such Director has not been fairly disclosed. If any question as aforesaid shall arise in respect of the Chairman of the meeting such question shall be decided by a resolution of the Directors (for which purpose such Chairman shall be counted in the quorum but shall not vote thereon) and such resolution shall be final and conclusive except in a case where the nature or extent of the interest of such has not been fairly disclosed to the Directors.

99.

99.1 For the purposes of section 175 of the 2006 Act, the Directors shall have the power to authorise any matter which would or might otherwise constitute or give rise to a breach of the duty of a Director under that section to avoid a situation in which he has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Company.

99.2 Authorisation of a matter under this Article shall be effective only if:

99.2.1 the matter in question shall have been proposed in writing for consideration at a meeting of the Directors, in accordance with the Board's normal procedures or in such other manner as the Directors may approve;

99.2.2 any requirement as to the quorum at the meeting of the Directors at which the matter is considered is met without counting the Director in question and any other interested Director (together the **Interested Directors**); and

99.2.3 the matter was agreed to without the Interested Directors voting or would have been agreed to if the votes of the Interested Directors had not been counted;

99.3 Any authorisation of a matter pursuant to this Article shall extend to any actual or potential conflict of interest which may reasonably be expected to arise out of the matter so authorised.

99.4 Any authorisation of a matter under this Article shall be subject to such conditions or limitations as the Directors may determine, whether at the time such authorisation is given or subsequently, and may be terminated by the Directors at any time. A Director shall comply with any obligations imposed on him by the Directors pursuant to any such authorisation.

99.5 A Director shall not be required to disclose any confidential information to the Company where such information relates to any matter which has been authorised under this Article if disclosure of such information would result in breach of a duty or obligation of confidence owed by him in relation to or in connection with that matter.

99.6 A Director may absent himself from meetings of the Directors or committees of Directors at which anything relating to that matter will or may be discussed.

- 99.7 A Director may make such arrangements as such Director and the Board think fit for Board and committee papers to be received and read by or on behalf of that Director in respect of whom a matter has been authorised under this Article.
- 99.8 A Director shall not, save as otherwise agreed by him, be accountable to the Company for any benefit which he (or a person connected with him) derives from any matter authorised by the Directors under this Article and any contract, transaction or arrangement relating thereto shall not be liable to be avoided on the grounds of any such benefit.
100. The continuing Directors may act notwithstanding any vacancies, but if and so long as the number of Directors is reduced below the minimum number fixed by or in accordance with these Articles the continuing Directors or Director may act for the purpose of filling such vacancies or of summoning General Meetings, but not for any other purpose. If there be no Directors or Director able or willing to act, then any two Members may summon a General Meeting for the purpose of appointing Directors.
101. The Directors may elect from their number a Chairman and a deputy Chairman (or two or more deputy Chairmen) and determine the period for which each is to hold office. If no Chairman or deputy Chairman shall have been appointed or if at any meeting of the Directors no Chairman or deputy Chairman shall be present within five minutes after the time appointed for holding the meeting, the Directors present may choose one of their number to be Chairman of the meeting.
102. A resolution in writing signed by all the Directors for the time being in the United Kingdom shall be as effective as a resolution duly passed at a meeting of the Directors and may consist of several documents or communication in Electronic Form each signed by one or more Directors.
103. The Directors may delegate any of their powers or discretions to committees consisting of one or more members of their body and (if thought fit) one or more other persons co-opted as hereinafter provided. To the extent that any such power or discretion is so delegated any reference in these Articles to the exercise by the Directors of such power or discretion shall be read and construed as if it were a reference to the exercise by any such committee. Any committee so formed shall in the exercise of the powers so delegated conform to any regulations which may from time to time be imposed by the Directors. Any such regulations may provide for or authorise the co-option to the committee of persons other than Directors and for such co-opted members to have voting rights as members of the committee but so that (a)

the number of co-opted members shall be less than one-half of the total number of members of the committee and (b) no resolution of the committee shall be effective unless a majority of the members of that committee present throughout the meeting are Directors.

104. The meetings and proceedings of any such committee consisting of two or more members shall be governed *mutatis mutandis* by the provisions of these Articles regulating the meetings and proceedings of the Directors, so far as the same are not superseded by any regulations made by the Directors under the last preceding Article.
105. All acts done by any meeting of Directors, or of any such committee, or by any person acting as a Director or as a member of any such committee, shall as regards all persons dealing in good faith with the Company, notwithstanding that there was some defect in the appointment of any of the persons acting as aforesaid, or that any such persons were disqualified or had vacated office, or were not entitled to vote, be as valid as if every such person had been duly appointed and was qualified and had continued to be a Director or member of the committee and had been entitled to vote.

#### **BORROWING POWERS**

106.

- 106.1 Subject as hereinafter provided and to the provisions of the Statutes, the Directors may exercise all the powers of the Company to borrow money, and to mortgage, charge, pledge or grant any security over its undertaking, property (present and future) and uncalled capital or any part or parts 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.
- 106.2 The Directors shall restrict the borrowings of the Company and exercise all voting and other rights or powers of control exercisable by the Company in relation to its subsidiary companies (if any) so as to secure (so far, as regards subsidiaries, as by such exercise they can secure) that the aggregate amount for the time being remaining outstanding of all moneys borrowed by the Group (which expression in this Article means and includes the Company and its subsidiaries for the time being) and for the time being owing to persons outside the Group shall not at any time without the previous sanction of an Ordinary Resolution of the Company exceed an amount equal to two and half times the Adjusted Capital and Reserves.



106.3 For the purpose of the foregoing limit the following provisions shall apply:

106.3.1 there shall be deemed, subject as hereinafter provided, to have been borrowed and to be outstanding as borrowed moneys of the relevant member of the Group (to the extent that the same would not otherwise fall to be taken into account):

- (a) the principal amount of all debentures of any member of the Group which are not for the time being beneficially owned within the Group;
- (b) the outstanding amount of acceptances (not being acceptances of trade bills in respect of the purchase or sale of goods in the ordinary course of trading) by any member of the Group or by any bank or accepting house under any acceptance credit opened on behalf of and in favour of any member of the Group;
- (c) the nominal amount of any issued and paid up share capital (other than equity share capital) of any subsidiary of the Company not for the time being beneficially owned by other members of the Group;
- (d) the nominal amount of any other issued and paid up share capital and the principal amount of any other debentures or other borrowed moneys (not being shares or debentures which are, or borrowed moneys the indebtedness in respect of which is, for the time being beneficially owned within the Group) the redemption whereof is guaranteed or wholly or partly secured by any member of the Group;
- (e) any fixed or minimum premium payable on final redemption or repayment of any debentures, share capital or other borrowed moneys falling to be taken into account;

106.3.2 moneys borrowed by any member of the Group for the purpose of repaying or redeeming (with or without premium) in whole or in part any other borrowed moneys falling to be taken into account and intended to be applied for such purpose within six months after the borrowing thereof shall not during such period, except to the extent so applied, themselves be taken into account;

106.3.3 moneys borrowed by a partly-owned subsidiary and not owing to another member of the Group shall be taken into account subject to the exclusion of a proportion thereof equal to the minority proportion and moneys borrowed

and owing to a partly-owned subsidiary by another member of the Group shall be taken into account to the extent of a proportion thereof equal to the minority proportion; for the purposes aforesaid **minority proportion** shall mean the proportion of the issued equity share capital of such partly-owned subsidiary which is not attributable to the Company;

106.3.4 when the aggregate principal amount of borrowings required to be taken into account for the purposes of this Article on any particular date is being ascertained any of such moneys denominated or repayable in a currency other than sterling shall be converted for the purpose of calculating the sterling equivalent at the rate of exchange prevailing on such date in London provided that any of such moneys shall be converted at the rate of exchange prevailing in London six months before such date if thereby such aggregate amount would be less (and so that for this purpose the rate of exchange shall be taken as the middle market rate as at the close of business).

106.4 In this Article the expression **Adjusted Capital and Reserves** means at any material time a sum equal to the aggregate of:

106.4.1 the amount paid up on the issued share capital of the Company (excluding any share capital presented as debt; and

106.4.2 the amount standing to the credit of the reserves of the Company and its subsidiaries (including any share premium account or capital redemption reserve) after adding thereto or deducting therefrom any balance to the credit or debit of profit and loss account;

all based on a consolidation of the then latest available audited balance sheets of the Company and its subsidiaries but after:

(a) excluding any sums set aside for taxation (other than deferred taxation) less any sum properly added back in respect thereof;

(b) making such adjustments as may be appropriate in respect of any variation in the amount of such paid up share capital or any such reserves subsequent to the relevant balance sheet date and so that for this purpose any share capital called up or payable at any fixed future date within the following six months shall be treated as already paid and if any issue or proposed issue of shares by the Company for cash has been underwritten then such shares shall be deemed to have been issued and the amount (including any premium) of the

subscription moneys payable in respect thereof (not being moneys payable later than six months after the date of allotment) shall to the extent so underwritten be deemed to have been paid up on the date when the issue of such shares was underwritten (or, if such underwriting was conditional on the date when it became unconditional);

- (c) making such adjustments as may be appropriate in respect of any distributions declared, recommended or made by the Company or its subsidiaries (otherwise than attributable directly or indirectly to the Company) out of profits earned up to and including the date of the latest audited balance sheet of the Company or subsidiary (as the case may be) to the extent that such distribution is not provided for in such balance sheet;
- (d) making such adjustments as may be appropriate in respect of any variation in the interests of the Company in its subsidiaries since the date of the latest audited balance sheet of the Company;
- (e) if the calculation is required for the purposes of or in connection with a transaction under or in connection with which any company is to become or cease to be a subsidiary, making all such adjustments as would be appropriate if such transaction had been carried into effect;

106.4.3 excluding minority interests in subsidiaries; and

106.4.4 making such other adjustments (if any) as the Auditors may consider appropriate.

The determination of the Auditors as to the amount of the Adjusted Capital and Reserves at any time shall be conclusive and binding on all concerned.

106.5 No person dealing with the Company or any of its subsidiaries shall by reason of the foregoing provision be concerned to see or inquire whether the said limit is observed and no debt incurred or security given in excess of such limit shall be invalid or ineffectual unless the lender or the recipient of the security had at the time when the debt was incurred or security given express notice that the said limit had been or would thereby be exceeded.

**GENERAL POWERS OF DIRECTORS**

107. The business and affairs of the Company shall be managed by the Directors, who may pay all expenses incurred in forming and registering the Company, and may exercise all such powers of the Company as are not by the Statutes or by these Articles required to be exercised by the Company in a Meeting subject nevertheless to any regulations of these Articles, to the provisions of the Statutes and to such regulations, whether or not consistent with these Articles, as may be prescribed by Special Resolution of the Company, but no regulations so made by the Company shall invalidate any prior act of the Directors 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 Directors by any other Article.
108. The Directors may arrange that any branch of the business carried on by the Company or any other business in which the Company may be interested shall be carried on by or through one or more subsidiary companies, and they may on behalf of the Company make such arrangements as they think advisable for taking the profits or bearing the losses of any branch or business so carried on or for financing, assisting or subsidising any such subsidiary company or guaranteeing its contracts, obligations or liabilities, and they may appoint, remove and re-appoint directors or managers of any such company or any other company in which the Company may be interested and may determine the remuneration (whether by way of salary, commission or profits or otherwise) of any person so appointed.
109. The Directors may establish any local boards or agencies for managing any of the affairs of the Company, either in the United Kingdom or elsewhere, and may appoint any persons to be members of such local boards, or any managers or agents, and may fix their remuneration, and may delegate to any local board, manager or agent any of the powers, authorities and discretions vested in the Directors, with power to sub-delegate, and may authorise the members of any local boards, or any of them, to fill any vacancies therein, and to act notwithstanding vacancies, and any such appointment or delegation may be made upon such terms and subject to such conditions as the Directors may think fit, and the Directors may remove any person so appointed, and may annul or vary any such delegation but no person dealing in good faith and without notice of any such annulment or variation shall be affected thereby.

110. The Directors may from time to time and at any time by power of attorney or otherwise appoint any company, firm or person or any fluctuating body of persons, whether nominated directly or indirectly by the Directors, 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 Directors under these Articles) and for such period and subject to such conditions as they may think fit, and any such appointment may contain such provisions for the protection and convenience of persons dealing with any such attorney as the Directors 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.
111. The Directors may from time to time elect a president of the Company and may determine the period for which he shall hold office. Such president may be either honorary or paid such remuneration as the Directors in their discretion shall think fit, and need not be a Director but shall, if not a Director, be entitled to receive notice of and attend and speak, but not to vote, at all meetings of the Board of Directors.
112. Subject to and to the extent permitted by the Statutes the Company or the Directors on behalf of the Company, may cause to be kept in any territory a branch register of Members resident in such territory, and the Directors may make and vary such regulations as they may think fit respecting the keeping of any such register.
113. All cheques, promissory notes, drafts, bills of exchange, and other negotiable or transferable 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 Directors shall from time to time by resolution determine.

## **SECRETARY**

114. The Secretary shall be appointed by the Directors on such terms and for such period as they may think fit. Any Secretary so appointed may at any time be removed from office by the Directors, but without prejudice to any claim for damages for breach of any contract of service between him and the Company. If thought fit two or more persons may be appointed as Joint Secretaries. The Directors may also appoint from time to time on such terms as they may think fit one or more Assistant Secretaries.

**THE SEAL**

115.

115.1 The Directors shall provide for the safe custody of the Seal and any Securities Seal and neither shall be used without the authority of the Directors or of a committee authorised by the Directors in that behalf including by Electronic Means.

115.2 Every deed, contract, document, instrument or other writing to which the Seal shall be affixed shall be signed autographically by one Director and the Secretary or by two Directors or by at least one person authorised to sign on its behalf in the presence of a witness who attests the signature save that as regards any certificates for shares or debentures or other securities of the Company the Directors may by resolution determine that such signatures or either of them shall be dispensed with or affixed by some method or system of mechanical signature.

115.3 The Securities Seal shall be used only for sealing securities issued by the Company and documents creating or evidencing securities so issued. Any such securities or documents sealed with the Securities Seal shall not require to be signed.

**AUTHENTICATION OF DOCUMENTS**

116. Any Director or the Secretary or any person appointed by the Directors 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 Directors or any committee, 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 local manager or other officer of the Company having the custody thereof shall be deemed to be a person appointed by the Directors as aforesaid. A document purporting to be a copy of a resolution, or an extract from the minutes of a meeting, of the Company or of the Directors 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 any minute so extracted is a true and accurate record of proceedings at a duly constituted meeting.

## RESERVES

117.

117.1 The Directors may from time to time set aside out of the profits of the Company and carry to reserve such sums as they think proper which at the discretion of the Directors, shall be applicable for any purpose to which the profits of the Company may properly be applied and pending such application may either be employed in the business of the Company or be invested. The Directors may divide the reserve into such special funds as they think fit and may consolidate into one fund any special funds or any parts of any special funds into which the reserve may have been divided. The Directors may also without placing the same to reserve carry forward any profits. In carrying sums to reserve and in applying the same the Directors shall comply with the provisions of the Statutes.

117.2 The Directors shall establish a reserve to be called the capital reserve (the **Capital Reserve**). All surpluses arising from the realisation or revaluation of investments and all other monies realised on or derived from the realisation, payment off of or other dealing with any capital asset in excess of the book value thereof and all other monies which are considered by the Directors to be in the nature of accretion to capital shall be credited to the Capital Reserve. Subject to the provisions of the Statutes, the Directors may determine whether any amount received by the Company is to be dealt with as income or capital or partly one way and partly the other. Any loss realised on the realisation or payment off of or other dealing with any investment or other capital assets and, subject to the Statutes, any expenses, loss or liability (or provision therefor) which the Directors consider to relate to a capital item or which the Directors otherwise consider appropriate to be debited to the Capital Reserve shall be carried to the debit of the Capital Reserve. All sums carried and standing to the credit of the Capital Reserve may be applied for any of the purposes to which sums standing to any revenue reserve are applicable except and provided that notwithstanding any other provision of these presents (but subject to Article 117.3) no part of the Capital Reserve or any other money in the nature of accretion to capital shall be transferred to the revenue reserves of the Company or be regarded or treated as profits of the Company available for distribution (as defined by sections 829(1) and (2) of the 2006 Act) or be applied in paying dividends on any shares in the Company.

117.3 If the Directors shall determine that the Company should cease to meet the conditions for being an investment company within the meaning of the Statutes

(section 833 of the 2006 Act) and a notice has been given to the registrar of companies in accordance with the Statutes (section 833(4) of the 2006 Act) then, for such period as the Company is not an investment company and until the Directors determine that the Company should carry on business as an investment company as provided below and the Company has given notice to that effect to the registrar of companies in the prescribed form, Article 117.2 shall have effect as if the words "or be regarded or treated as profits of the Company available for distribution (as defined by sections 829(1) and (2) of the 2006 Act)" were omitted therefrom. The Directors may at any time when the Company is not an investment company within the meaning of the Statutes determine that the Company should carry on business as an investment company and, upon the date of the notice given by the Company to the registrar of companies in the prescribed form in accordance with the Statutes, Article 117.2 shall apply as if the said words were not omitted.

- 117.4 If, at any time when the Company is carrying on business as an investment company within the meaning of the Statutes, the terms of the Statutes cease to, or otherwise do not, require a prohibition to be contained in these Articles or elsewhere, on the distribution by the Company of its capital profits in a way which would prevent such distribution by way of the redemption or purchase by the Company of its own shares, then, Article 117.2 shall have effect as if the words "or be regarded or treated as profits of the Company available for distribution (as defined by sections 829(1) and (2) of the 2006 Act)" were replaced by the words "or be regarded or treated as profits of the Company available for distribution (other than by way of redemption or purchase of any of the Company's own shares in accordance with the Statutes)".

## **DIVIDENDS**

118. The Company may by Ordinary Resolution declare dividends but no such dividend shall exceed the amount recommended by the Directors.
119. If and so far as in the opinion of the Directors the profits of the Company justify such payments, the Directors may pay the fixed dividends on any class of shares carrying a fixed dividend expressed to be payable on fixed dates on the half-yearly or other dates prescribed for the payment thereof and may also from time to time pay interim dividends on shares of any class of such amounts and on such dates and in respect of such periods as they think fit.



120. Unless and to the extent that the rights attached to any shares or the terms of issue thereof otherwise provide, all dividends shall (as regards any shares not fully paid throughout the period in respect of which the dividend is paid) be apportioned and paid *pro rata* according to the amounts paid on the shares during any portion or portions of the period in respect of which the dividend is paid. For the purposes of this Article no amount paid on a share in advance of calls shall be treated as paid on the share.
121. No dividend shall be paid otherwise than out of profits available for distribution under the provisions of the Statutes.
122. Subject to the provisions of the Statutes, where any asset, business or property is bought by the Company as from a past date (whether such date be before or after the incorporation of the Company) the profits and losses thereof as from such date may at the discretion of the Directors in whole or in part be carried to revenue account and treated for all purposes as profits or losses of the Company. Subject as aforesaid, if any shares or securities are purchased cum dividend or interest, such dividend or interest may at the discretion of the Directors be treated as revenue, and it shall not be obligatory to capitalise the same or any part thereof.
123. No dividend or other moneys payable on or in respect of a share shall bear interest as against the Company.
- 124.
- 124.1 The Directors may retain any dividend or other moneys payable on or in respect of a share on which the Company has a lien and may apply the same in or towards satisfaction of the moneys payable to the Company in respect of that share.
- 124.2 The Directors may retain the dividends payable upon shares in respect of which any person is under the provisions as to the transmission of shares hereinbefore contained entitled to become a Member, or which any person is under those provisions entitled to transfer, until such person shall become a Member in respect of such shares or shall transfer the same.
125. The waiver in whole or in part of any dividend on any share by any document (whether or not under seal) shall be effective only if such document is signed by the shareholder (or the person entitled to the share in consequence of the death or bankruptcy of the holder or otherwise by operation of law) and delivered to the

Company and if or to the extent that the same is accepted as such or acted upon by the Company.

126. The payment by the Directors of any unclaimed dividend or other moneys payable on or in respect of a share into a separate account shall not constitute the Company a trustee in respect thereof and any dividend unclaimed after a period of twelve years from the date of declaration of such dividend shall be forfeited and shall revert to the Company.
127. The Company may upon the recommendation of the Directors by Ordinary Resolution direct payment of a dividend in whole or in part by the distribution of specific assets (and in particular of paid-up shares or debentures of any other company) and the Directors shall give effect to such resolution. Where any difficulty arises in regard to such distribution, the Directors may settle the same as they think expedient and in particular may issue fractional certificates, may fix the value for distribution of such specific assets or any part thereof, may determine that cash payments shall be made to any Members upon 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 Directors.
128. Any dividend or other moneys payable in cash on or in respect of a share may be paid by cheque or warrant sent through the post to the registered address of the Member or person entitled thereto (or, if two or more persons are registered as joint holders of the share or are entitled thereto in consequence of the death or bankruptcy of the holder or otherwise by operation of law, to any one of such persons) or to such person and such address as such Member or person or persons may by writing direct. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent or to such person as the holder or joint holders or person or persons entitled to the share in consequence of the death or bankruptcy of the holder or otherwise by operation of law may direct and payment of the cheque or warrant by the banker upon whom it is drawn shall be a good discharge to the Company. Every such cheque or warrant shall be sent at the risk of the person entitled to the money represented thereby.
129. If two or more persons are registered as joint holders of any share, or are entitled jointly to a share in consequence of the death or bankruptcy of the holder or otherwise by operation of law, any one of them may give effectual receipts for any

dividend or other moneys payable or property distributable on or in respect of the share.

130. Any resolution for the declaration or payment of a dividend on shares of any class, whether a resolution of the Company in a Meeting or a resolution of the Directors, may specify that the same shall be payable to the persons registered as the holders of such shares at the close of business on a particular date, notwithstanding that it may be a date prior to that on which the resolution is passed, and thereupon the dividend shall be payable to them in accordance with their respective holdings so registered, but without prejudice to the rights *inter se* in respect of such dividend of transferors and transferees of any such shares.

131. **CAPITALISATION OF PROFITS AND RESERVES**

132. The Directors may, with the sanction of an Ordinary Resolution of the Company, capitalise any sum standing to the credit of any of the Company's reserve accounts (including any share premium account, capital redemption reserve or other undistributable reserve) or any sum standing to the credit of profit and loss account by appropriating such sum to the holders of Ordinary Shares on the Register at the close of business on the date of the Resolution (or such other date as may be specified therein or determined as therein provided) in proportion to their then holdings of Ordinary Shares and applying such sum on their behalf in paying up in full unissued Ordinary Shares (or, subject to any special rights previously conferred on any shares or class of shares for the time being issued, new shares of any other class not being redeemable shares) for allotment and distribution credited as fully paid up to and amongst them as bonus shares in the proportion aforesaid. The Directors may do all acts and things considered necessary or expedient to give effect to any such capitalisation, with full power to the Directors to make such provisions as they think fit for any fractional entitlements which would arise on the basis aforesaid (including provisions whereby fractional entitlements are disregarded or the benefit thereof accrues to the Company rather than to the Members concerned). The Directors may authorise any person to enter on behalf of all the Members interested into an agreement with the Company providing for any such capitalisation and matters incidental thereto and any agreement made under such authority shall be effective and binding on all concerned.

**ACCOUNTS**

133. No Member of the Company or other person shall have any right of inspecting any account or book or document of the Company except as conferred by Statutes or ordered by a court of competent jurisdiction or authorised by the Directors.
134. A copy of every balance sheet and profit and loss account which is to be laid before a Meeting of the Company (including every document required by law to be comprised therein or attached or annexed thereto) or (where permitted by the Statutes and/or any applicable regulations and if the Directors so resolve from time to time) a copy of a summary financial statement instead of such balance sheet and profit and loss account shall not less than twenty one days before the date of the Meeting be sent to every Member of, and every holder of debentures of, the Company and to every other person who is entitled to receive notices of Meetings from the Company under the provisions of the Statutes or of these Articles. Provided that this Article shall not require a copy of these documents or this statement to be sent to more than one of the joint holders or to any person of whose address the Company is not aware, but any Member or holder of debentures to whom a copy of these documents or this statement has not been sent shall be entitled to receive a copy free of charge on application at the Office.

**AUDITORS**

135. Subject to the provisions of the Statutes, all acts done by any person acting as an Auditor shall, as regards all persons dealing in good faith with the Company, be valid, notwithstanding that there was some defect in his appointment or that he was at the time of his appointment not qualified for appointment or subsequently became disqualified.
136. An Auditor shall be entitled to attend any Meeting and to receive all notices of and other communications relating to any Meeting which any Member is entitled to receive and to be heard at any Meeting on any part of the business of the Meeting which concerns him as Auditor.

**NOTICES**

137. Any notice or document (including a share certificate) may be served on or delivered to any Member by the Company either:

- (a) personally;
- (b) 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 the United Kingdom) to the address, if any, within the United Kingdom supplied by him to the Company as his address for the service of notices;
- (c) by delivering it to such address addressed as aforesaid;
- (d) by giving it in Electronic Form to a person who has agreed (generally or specifically) that the notice, document or information may be sent or supplied in that form (and has not yet revoked that agreement); or
- (e) subject to the provisions of the Statutes, by making it available on a website, provided that the following requirements are satisfied:
  - (i) the Member has agreed (generally or specifically) that the notice, document or information may be sent or supplied to him by being made available on a website (and has not revoked that agreement), or the Member has been asked by the Company to agree that the Company may send or supply notices, documents and information generally, or the notice, document or information in question, to him by making it available on a website and the Company has not received a response within the period of 28 days beginning on the date on which the Company's request was sent and the Member is therefore taken to have so agreed (and has not revoked that agreement);
  - (ii) the Member is sent a notification of the presence of the notice, document or information on a website, the address of that website, the place on that website where it may be accessed, and how it may be accessed (**notification of availability**);
  - (iii) in the case of a notice of a Meeting, the notification of availability states that it concerns a notice of a Meeting, specifies the place, time

and date of the Meeting, and states whether it will be an Annual General Meeting or a General Meeting; and

- (iv) the notice, document or information continues to be published on that website, in the case of a notice of Meeting, throughout the period beginning with the date of the notification of availability and ending with the conclusion of the Meeting, and in all other cases throughout the period specified by any applicable provision of the Statutes, or, if no such period is specified, throughout the period of 28 days beginning with the date on which the notification of availability is sent to the Member, save that if the notice, document or information is made available for part only of that period then failure to make it available throughout that period shall be disregarded where such failure is wholly attributable to circumstances which it would not be reasonable to have expected the Company to prevent or avoid.

- 138. In the case of a Member registered on a branch register any such notice or document may be posted either in the United Kingdom or in the territory in which such branch register is maintained.
- 139. Where a notice or other document is served or sent by post, service or delivery shall be deemed to be effected at the expiration of twenty-four hours (or, where second-class mail is employed, forty-eight hours) after the time when the cover containing the same is posted and in proving such service or delivery it shall be sufficient to prove that such cover was properly addressed, stamped and posted.
- 140. Where a notice or document is served or delivered by Electronic Means, service or delivery shall be deemed to, be effected forty-eight hours after the time it was sent. Proof that a notice or other document was sent by Electronic Means in accordance with the Institute of Chartered Secretaries and Administrators' Guidance (in issue at the time the relevant notice or document was sent) shall be conclusive evidence that the notice or document was sent.
- 141. The Company may at any time and at its sole discretion choose to given, send or supply notices, documents and information only in hard copy form to some or all Members.
- 142. Where a notice or document is made available on a website, service or delivery shall be deemed to have been effected when notification of availability on the website is

deemed to have been received in accordance with Articles 138 and 139 or, if later, the date on which it is first made available on the website.

143. Where a document is left at a registered address in the United Kingdom, it shall be deemed to have been received on the date it was so left.
144. The accidental omission (or the failure due to circumstances beyond the Company's control) to send, or the non-receipt by any person entitled to, any notice of or other document relating to any Meeting or other proceeding shall not invalidate the relevant Meeting or other proceeding.
145. Any notice given to that one of the joint holders of a share whose name stands first in the Register of Members in respect of the share shall be sufficient notice to all the joint holders in their capacity as such. For such purpose a joint holder having no registered address in the United Kingdom and not having supplied an address within the United Kingdom for the service of notices shall be disregarded.
146. A person entitled to a share in consequence of the death or bankruptcy of a Member or otherwise by operation of law upon supplying to the Company such evidence as the Directors may reasonably require to show his title to the share, and upon supplying also an address within the United Kingdom for the service of notices, shall be entitled to have served upon or delivered to him at such address any notice or document to which the said Member would have been entitled, and such service or delivery shall for all purposes be deemed a sufficient service or delivery of such notice or document on all persons interested (whether jointly with or as 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 Articles shall, notwithstanding that such Member be then dead or bankrupt or in liquidation, and whether or not the Company have notice of his death or bankruptcy or liquidation 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.
147. A Member who (having no registered address within the United Kingdom) has not supplied to the Company an address within the United Kingdom for the service of notices shall not be entitled to receive notices from the Company.
148. Subject to the Statutes, where, by reason of the suspension or curtailment of postal services within the United Kingdom the Company is unable effectively to convene a

Meeting, a Meeting may be convened by a notice advertised on the same date in at least one leading Scottish and one leading national daily newspaper with appropriate circulation and such notice shall be deemed to have been duly served on all Members entitled thereto on the day when the advertisement appears. In any such case the Company shall send confirmatory copies of the notice by post or Electronic Means, if at least seven days prior to the Meeting the posting of notices to addresses throughout the United Kingdom again becomes practicable.

149. Nothing in any of the preceding eleven Articles shall affect any requirement of the Statutes that any particular offer, notice or other document be served in any particular manner.

### **SIGNING OF DOCUMENTS**

150. Where under these Articles a notice or document requires to be signed by a Member or other person then, if in Electronic Form, it must to be valid incorporate the electronic signature or personal identification details (which may be details previously allocated by the Company) of that Member or other person, in such form as the Directors may approve, or be accompanied by such other evidence as the Directors may require to satisfy themselves that the document is genuine. The Company may designate mechanisms for validating any such document, and any such document not so validated by use of such mechanisms shall be deemed not to have been received by the Company.

### **WINDING UP**

151. The Directors shall have power in the name and on behalf of the Company to present a petition to the Court for the Company to be wound up.
152. If the Company shall be wound up (whether the liquidation is voluntary, under supervision, or by the Court) the Liquidator may, with the authority of a Special Resolution divide among the Members *in specie* or kind the whole or any part of the assets of the Company and whether or not the assets shall consist of property of one kind or shall consist of properties of different kinds, and may for such purpose 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 the Members or different classes of Members. The Liquidator may, with the like authority, vest any part of the assets in trustees upon such trusts for the benefit of Members as the



Liquidator with the like authority shall think fit, and the liquidation of the Company may be closed and the Company dissolved, but so that no contributory shall be compelled to accept any shares or other property in respect of which there is a liability.

## **DURATION OF THE COMPANY**

153.

153.1 The Directors shall procure that, at every Relevant General Meeting, an Ordinary Resolution is proposed to the effect that the Company shall continue in being as an investment trust for the period expiring at the end of the next following Relevant General Meeting. If at any such Relevant General Meeting, such an Ordinary Resolution is not passed, the Directors shall within four months of such Relevant General Meeting convene a General Meeting of the Company at which the following resolutions shall be proposed:

153.1.1 a Special Resolution for the reconstruction of the Company and incorporating proposals for shareholders to elect either

- (a) to continue their investment in a closed-ended company or
- (b) to receive a cash alternative; and

153.1.2 if the Special Resolution referred to in (i) above shall not be passed, a Special Resolution requiring the Company to be wound up voluntarily.

In the case of the Special Resolution relating to voluntary winding up only, any Member may demand a poll and each holder of shares present in person or by proxy and who votes in favour of the Special Resolution shall have such number of votes in respect of each share held by him (including fractions of a vote) that the aggregate number of votes cast in favour of the resolution is four times the aggregate number of shares in respect of which votes are cast against the resolution and each holder of shares who votes against the resolution shall have one vote for each share held by him.

153.2 For the purposes of this Article, a Relevant General Meeting means the Annual General Meeting of the Company to be held in 2014 and in every fifth year thereafter.

**CHANGE IN INVESTMENT POLICY**

154. Any change in the policy of the Company of investment in the emerging markets (as defined in the Listing Particulars dated 25 May 1989 issued by the Company) shall require the consent by way of Special Resolution of shareholders of the Company.

**EXCLUSIVE JURISDICTION**

155. Every Member submits, with regard to all litigation and any disputes between such Member and the Company, any of the directors or other officers or agents of the Company or any subsidiaries of the Company (or any former directors or other officers or agents of the Company or its subsidiaries) in their capacity as such or any of its Members (in their capacity as directors or other officers or agents of the Company or its subsidiaries (or any former directors or other officers or agents of the Company or its subsidiaries)), to the exclusive jurisdiction of the courts of Scotland and the Company shall be entitled to enforce this submission to the exclusive jurisdiction of the courts of Scotland for, or on behalf of, each such person.

**PROVISIONS FOR EMPLOYEES**

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

**INDEMNITY**

157. Subject to the provisions of and so far as may be permitted by the Statutes every Director, Secretary or other officer of the Company or of any Associated Company shall be entitled to be indemnified by the Company against all costs, charges, losses, expenses and liabilities incurred by him in the actual or purported execution and/or discharge of his duties and/or the exercise or purported exercise of his powers and/or otherwise in relation to or in connection with his duties, powers or office.

**CHANGE OF NAME**

158. The Company may change its name by resolution of the Directors.