

**INCORPORATED UNDER THE COMPANIES (GUERNSEY) LAWS, 1994 TO 1996
as amended**

ORGANISED UNDER THE COMPANIES (GUERNSEY) LAW, 2008

COMPANY LIMITED BY SHARES

**ARTICLES OF INCORPORATION
of
PHAUNOS TIMBER FUND LIMITED**

**Registered 28th day of September 2006
(as adopted by a special resolution on 17 August 2017)**

TABLE OF CONTENTS

Clause	Headings	Page
1.	INTERPRETATION	3
2.	BUSINESS	8
3.	SHARES.....	8
4.	CERTIFICATES.....	18
5.	LIEN.....	19
6.	CALLS ON SHARES.....	19
7.	FORFEITURE AND SURRENDER OF SHARES	20
8.	TRANSFER AND TRANSMISSION OF SHARES	21
9.	GENERAL RESTRICTIONS ON REGISTRATION OF SHARES.....	25
10.	ALTERATION OF CAPITAL.....	26
11.	GENERAL MEETINGS	27
12.	NOTICE OF GENERAL MEETINGS.....	28
13.	PROCEEDINGS AT GENERAL MEETINGS	29
14.	VOTES OF MEMBERS	30
15.	NUMBER AND APPOINTMENT OF DIRECTORS.....	32
16.	QUALIFICATION AND REMUNERATION OF DIRECTORS	33
17.	ALTERNATE DIRECTORS	34
18.	BORROWING POWERS OF THE BOARD	34
19.	OTHER POWERS AND DUTIES OF THE BOARD.....	34
20.	DISQUALIFICATION AND REMOVAL OF DIRECTORS	37
21.	PROCEEDINGS OF DIRECTORS.....	38
22.	EXECUTIVE DIRECTOR	38
23.	SECRETARY.....	39
24.	THE SEAL	39
25.	AUTHENTICATION OF DOCUMENTS.....	39
26.	DIVIDENDS	39
27.	RESERVES.....	41
28.	CAPITALISATION OF PROFITS	41
29.	ACCOUNTS	41
30.	AUDITORS	42
31.	NOTICES.....	42
32.	WINDING UP.....	42
33.	INDEMNITY.....	43
34.	INSURANCE	44
35.	INSPECTION OF DOCUMENTS	44
36.	COMPULSORY REDEMPTION MECHANISM.....	44

1. INTERPRETATION

The standard articles prescribed pursuant to Section 16(2) of the Law shall be excluded in their entirety.

In these Articles the following words shall bear the following meanings if not inconsistent with the subject or context:

"**Administrators**" means the administrator to the Company as appointed by the Directors from time to time.

"**AIM**" means the AIM Market of the London Stock Exchange.

"**Articles**" means these Articles of Incorporation as now framed and at any time altered.

"**Auditor**" means Ernst & Young LLP or such other firm of chartered accountants as the Directors may appoint for the purpose.

"**At any time**" means at any time or times and includes for the time being and from time to time.

"**Back Stop Date**" means such date as determined by the Directors and set out in the Specified Conversion Criteria.

"**Board**" means the Directors at any time or the Directors present at a duly convened meeting at which a quorum is present.

"**Business Day**" means any day other than a Saturday or Sunday or a day on which the major clearing banks are not open for business in London and Guernsey.

"**C Share**" means a redeemable convertible share of no par value in the capital of the Company issued as a C Share and having the rights and being subject to the restrictions set out in these articles.

"**C Share Surplus**" means the net assets of the Company attributable to the relevant C Share class (including, for the avoidance of doubt, any income and/or revenue (net of expenses) arising from or relating to such assets) less such proportion of the Company's liabilities as shall reasonably be allocated by the Directors to the assets of the Company attributable to that C Share class.

"**Calculation Date**" means the earliest of:

- (a) the close of business on a date specified by the Directors occurring on or after the day on which the Investment Manager shall have given notice to the Directors, and the Directors agree, that the Specified Proportion of the assets attributable to the relevant C Share class has been invested in timberland and timber related assets in accordance with the investment policy of the Company;
- (b) the close of business on such date as the Directors may decide is necessary to enable the Company to comply with its obligations in respect of Conversion of the relevant C Share class;
- (c) the close of business on the Back Stop Date; and
- (d) a date specified by the Directors falling after the date on which the Directors resolve that any Early Investment Condition in respect of a particular class of C Shares has been satisfied.

"**Certificate**" means any certificate, instrument or other document of, or evidencing, title to units of a Guernsey security.

"**clear days**" means in relation to the period of notice means that period excluding the day when notice given or deemed to be given and the day for which it is given or on which it is to take effect.

"Connected" means a person who is:

- (a) a spouse, child (under the age of eighteen) or step child (under the age of eighteen) of the Director; or
- (b) an associated body corporate which is a company in which the Director alone, or with connected persons, is directly or indirectly beneficially interested in 20 per cent. or more of the nominal value of the equity share capital or is entitled (alone or with connected persons) to exercise or control the exercise of more than 20 per cent. of the voting power at general meetings; or
- (c) a trustee (acting in that capacity) of any trust, the beneficiaries of which include the Director or persons falling within paragraphs (a) or (b) above excluding trustees of an employees' share scheme or pension scheme; or
- (d) a partner (acting in that capacity) of the Director or persons in categories (a) to (c) above.

"Conversion" means, in relation to any class of C Shares, conversion of that class of C Shares in accordance with Article 3.10 below.

"Conversion Date" means, in relation to any class of C Shares, a time falling after the Calculation Date at which the admission of the Ordinary Shares arising on Conversion to trading on one or more of: (i) AIM; (ii) the Official List of the UK Listing Authority; (iii) the Channel Islands Stock Exchange; or (iv) any other stock exchange on which the Ordinary Shares are listed at the Conversion Date, becomes effective and which is the opening of business on such Business Day as is selected by the Directors provided that such day shall not be more than 160 days after the Calculation Date.

"Conversion Ratio" is A divided by B calculated to four decimal places (with 0.00005 being rounded upwards) where:

$$A = \frac{C - D}{E}$$

and

$$B = \frac{F - G}{H}$$

and where "C" is the aggregate of:

- (a) the value of the timberland and timber related investments of the Company attributable to a relevant C Share class calculated by reference to (i) the most recently published audited annual accounts; or (ii) at the Directors' discretion (unless or until otherwise agreed in writing by the Directors in relation to a particular C Share class), accounts (whether audited or unaudited) drawn up as at such date as may be specified by the Directors, including any income accruing on the investments of the Company attributable to the C Shares of that class, from the date on which such investments are acquired for the benefit of the holders of C Shares of that class up to and including the Calculation Date;
- (b) the value of any investments of the Company attributable to a relevant C Share class which are listed or dealt on a stock exchange or on a similar market:
 - (i) calculated by reference to the middle-market quotations of, or, if appropriate, the daily average of the prices marked for, those investments at the Calculation Date on the principal stock exchange or market where the relevant investment is listed or dealt in as derived from the relevant stock exchange's or market's recognised method of publication of prices for such investments where such published prices are available; or
 - (ii) where such published prices are not available, calculated by reference to the Directors' belief as to a fair current trading price for those

investments, after taking account of any other price publication services reasonably available to the Directors;

- (c) all other investments of the Company attributable to the relevant C Share class as reflected in (i) the most recently published audited annual accounts; or (ii) at the Directors' discretion (unless or until otherwise agreed in writing by the Directors in relation to a particular C Share class), accounts (whether audited or unaudited) drawn up as at such date as may be specified by the Directors, subject to such adjustments as the Directors may deem appropriate to be made for any variations in the value of such investments between the date of acquisition and the Calculation Date; and
- (d) the amount which, in the Directors' opinion, fairly reflects, at the Calculation Date, the value of the other assets of the Company attributable to a relevant C Share class (including cash and deposits with or balances at bank and including any accrued income and other items of a revenue nature less accrued expenses);

"D" is the amount (to the extent not otherwise deduced in the calculation of "C") which, in the Directors' opinion, fairly reflects the amount of the liabilities attributable to a relevant C Share class at the Calculation Date (including, for the avoidance of doubt, the costs of acquisition of the relevant C Share class investments referred to above);

"E" is the number of C Shares of the relevant class in issue at the Calculation Date;

"F" is the aggregate of:

- (a) the value of the timberland and timber related investments of the Company attributable to Ordinary Shares, other than any investments attributable to C Shares, calculated by reference to (i) the most recently published audited annual accounts; or (ii) at the Directors' discretion (unless or until otherwise agreed in writing by the Directors in relation to a particular C Share class), accounts (whether audited or unaudited) drawn up as at such date as may be specified by the Directors, of such investments as at the Calculation Date;
- (b) the value of any investments of the Company attributable to Ordinary Shares, other than any investments attributable to C Shares, which are listed or dealt in on a stock exchange or on a similar market:
 - (i) calculated by reference to the middle-market quotations of, or, if appropriate, the daily average of the prices marked for, those investments at the Calculation Date on the principal stock exchange or market where the relevant investment is listed or dealt in as derived from the relevant stock exchange's or market's recognised method of publication of prices for such investments where such published prices are available; or
 - (ii) where such published prices are not available, calculated by reference to the Directors' belief as to a fair current trading price for those investments, after taking account of any other price publication services reasonably available to the Directors;
- (c) the value of all other investments of the Company as reflected in (i) the most recently published audited annual accounts; or (ii) at the Directors' discretion (unless or until otherwise agreed in writing by the Directors in relation to a particular C Share class), accounts (whether audited or unaudited) drawn up as at such date as may be specified by the Directors, attributable to Ordinary Shares, subject to such adjustments as the Directors may deem appropriate to be made for any variations in the value of such investments between the date of acquisition and the Calculation Date; and
- (d) the amount which, in the Directors' opinion, fairly reflects, at the Calculation Date, the value of the other assets of the Company (including cash and deposits with or balances at bank and including any accrued income or other items of a revenue nature less accrued expenses), attributable to Ordinary Shares;

"G" is the amount (to the extent not otherwise deducted in the calculation of "F") which, in the Directors' opinion, fairly reflects the amount of the liabilities of the Company less the amount of "D" representing the portion thereof as may be attributable to C Shares and the full amount of all dividends declared but not paid on the Ordinary Shares, at the Calculation Date;

"H" is the number of Ordinary Shares in issue at the Calculation Date;

"CREST Guernsey Requirements" means Rule 8 and such other of the rules and requirements of EUI as may be applicable to issuers as from time to time specified in the CREST Manual.

"CREST Manual" has the meaning given to such term in the CREST Glossary of Terms issued by EUI.

"CREST Rules" means the Rules from time to time issued by EUI governing the admission of securities to and the operation of the CREST UK system.

"CREST UK system" the facilities and procedures for the time being of the relevant system of which EUI has been approved as Operator pursuant to the Regulations.

"dematerialised instruction" means an instruction sent or received by means of the CREST UK system.

"Director" means a Director of the Company for the time being or, as the case may be, the directors assembled as a board or committee of such board.

"Disclosure Document" means any relevant disclosure document, or Prospectus (as the case may be) issued by the Company from time to time in connection with the issue of C Shares.

"dividend" includes bonus issue.

"Early Investment Condition" means the condition specified in the Specified Conversion Criteria.

"EUI" means Euroclear UK & Ireland Limited, a company registered in England and Wales with company number: 2878738, the operator of the CREST UK system.

"Executors" includes administrators.

"Group" means the Company any holding company of the Company and any subsidiary or subsidiary undertaking of such holding company and any subsidiary or subsidiary undertaking of the Company.

"Guernsey security" means a share in a company incorporated in Guernsey under the Law (or corresponding laws previously in force) and such other securities (if any) as EUI may from time to time specify in the CREST Manual.

"Investment Manager" means the manager from time to time of the Company's investments.

"Issue Date" means the date on which the Company receives the net proceeds of the issue of the relevant class of C Shares.

"Law" means The Companies (Guernsey) Law, 2008 as amended, extended or replaced and any ordinance, statutory instrument or regulation made thereunder.

"Liquidator" includes joint Liquidators.

"London Stock Exchange" means the London Stock Exchange plc.

"Member" includes a registered holder of a share and any person entitled on death, disability or insolvency of a member.

"Memorandum" means the memorandum of incorporation of the Company.

"Month" means calendar month.

"Net Asset Value" means the total assets of the Company less its total liabilities (including accrued but unpaid fees) valued in accordance with the Company's accounting policies adopted by the Company from time to time and expressed in US\$.

"Office" means the registered office at any time of the Company.

"Ordinary Share" means a redeemable ordinary share of no par value in the capital of the Company and a redeemable ordinary share of no par value in the capital of the Company arising on Conversion, as the context requires, in each case having the rights and being subject to such restrictions set out in these articles.

"Ordinary Share Surplus" means the net assets of the Company less the C Share Surplus of all C Share classes.

"Probate" includes Letters of Administration.

"Prohibited Person" means any person who by virtue of his holding of shares might, in the opinion of the Directors, cause or be likely to cause the Company:

- (a) some pecuniary, tax or regulatory disadvantage; or
- (b) to be in breach of the law or requirements of any country or governmental authority applicable to the Company including, without limitation, any exchange control regulations applicable thereto.

"Prospectus" means a prospectus prepared in accordance with the Listing Rules and the Prospectus Rules of the UK Listing Authority issued by the Company from time to time in connection with the issue of C Shares.

"Proxy" includes attorney.

"record date" means the date determined by the Board, when a dividend has been or is to be declared, by which a Member must be registered in the Register as a holder of shares in order to be entitled to a dividend.

"Redemption Announcement" means the announcements to be made by the Company to shareholders in advance of any compulsory redemption.

"Redemption Date" means the date on which a compulsory redemption becomes effective

"Redemption Price" means the net asset value per share of each class of shares that will be redeemed on a particular Redemption Date (as at a Net Asset Value Date selected by the directors), less the costs associated with the relevant redemption and as adjusted as the directors consider appropriate.

"Redemption Record Date" means the close of business on the relevant Redemption Date or as otherwise set out in the Redemption Announcement.

"Register" means the register of members kept pursuant to the Law.

"Regulations" means the UK Uncertificated Securities Regulations 2001 (SI 2001 No 3755) including any modification thereof and rules made thereunder or any regulations in substitution thereof made under Section 784 of the UK Companies Act 2006 for the time being in force.

"Relevant Percentage" means the percentage of each class of shares to be redeemed by the Company on a given Redemption Date.

"relevant system" means the computer-based system, and procedures, which enable title to units of a security to be evidenced and transferred without a written instrument, and which facilitate supplementary and incidental matters in accordance with the Regulations.

"RIS" has the meaning given to that term in the Listing Rules of the UK Listing Authority.

"Seal" means the common seal of the Company.

"Secretary" includes a temporary or assistant Secretary and any person appointed by the Board as such.

"shares" means Ordinary Shares and/or C Shares as the context may require.

"special resolution" means a resolution passed by a majority of not less than 75% in accordance with Section 178 of the Law.

"Specified Conversion Criteria" means such criteria as determined by the Directors and announced by the Company through a RIS, setting out, among other things, the Specified Proportion, the Back Stop Date and the Early Investment Condition.

"Specified Class Consent Event " means an event which is, in relation to any class of C Shares, determined by the Directors upon the issue of that class of C Shares to be a Specified Class Consent Event for the purpose of these Articles and which is set out in the Board resolution issuing the relevant class of C Shares.

"Specified Proportion" means a specified percentage of the assets attributable to the C Shares of the relevant class as determined by the Directors and set out in the Specified Conversion Criteria.

"Sponsor" means a company, person or firm admitted by EUI to act as Sponsor under the CREST Rules.

For the purposes of these provisions, other than in Article 3.6 below, assets or investments attributable to the C Shares of a particular class or the C Shareholders of a particular class shall mean the net cash proceeds (after all expenses relating thereto) of the issue of such C Shares as invested in or represented by investments or cash or other assets from time to time.

For the purposes of paragraph (a) of the definition of Calculation Date, the assets attributable to a relevant C Share class shall be treated as having been "invested" if they have been expended by or on behalf of the Company in the acquisition or making of an investment (whether by subscription or purchase) or if an obligation to make such payment has arisen or crystallised (in each case unconditionally or subject only to the satisfaction of normal pre-issue conditions) in relation to which the consideration amount has been determined or is capable of being determined by operation of an agreed contractual mechanic.

The singular includes the plural and vice versa.

The masculine includes the feminine.

Words importing persons include corporations.

A reference to a "subsidiary" or a "holding company" shall be construed in accordance with Section 531 of the Law excluding the provisions of Sections 531(6) and 531(7) of the Law.

Expressions referring to writing include any mode of representing or reproducing words.

Subject to the above any words defined in the Law shall if not inconsistent with the subject or context bear the same meaning in these Articles.

In the event of any conflict between the Articles and the mandatory provisions of the Law, the latter shall prevail.

Where a section of the Law is referred to and that section is amended or renumbered or supplemented, then the reference shall be deemed to refer to the same section as amended, renumbered or supplemented.

2. **BUSINESS**

- 2.1 Any branch or kind of business which by the Memorandum or by these Articles is either expressly or impliedly authorised to be undertaken may be undertaken or suspended at any time by the Board whether commenced or not.

3. **SHARES**

3.1

- 3.1.1 The Share Capital of the Company is an unlimited number of Ordinary Shares of no par value and 1,556,490,000 C Shares of no par value having the rights hereinafter described.

- 3.1.2 Subject to Article 3.4, Members are entitled to receive, and participate in, any dividends or other distributions of the Company resolved to be distributed in respect of any accounting period or other income or right to participate therein.
- 3.1.3 On a winding-up, Members shall be entitled to the surplus assets remaining after payment of all the creditors of the Company pursuant to Articles 3.6 and 32.1.
- 3.1.4 Subject to Article 3.7, Members shall have the right to receive notice of and to attend and vote at general meetings of the Company and each Member (other than the Company itself where it holds its own shares as treasury shares) being present in person or by proxy or by a duly authorised representative (if a corporation) at a meeting shall upon a show of hands have one vote and upon a poll each Member (other than the Company itself where it holds its own shares as treasury shares) present in person or by proxy or by a duly authorised representative (if a corporation) shall have one vote in respect of every share held by him.
- 3.1.5 Without prejudice to any special rights previously conferred on the holders of any existing shares or class of shares any share (or option, warrant or other right in respect of a share) in the Company may be issued with such preferred, deferred or other special rights or restrictions whether as to dividend, voting, return of capital or otherwise as the Company at any time by ordinary resolution may determine and subject to, and in default of, such determination as the Board may determine. To the extent required by Sections 292 and 293 of the Law, the Board is authorised to allot, issue or otherwise dispose of an unlimited number of Ordinary Shares and 1,556,490,000 C Shares (or options warrants or other rights in respect of such shares), to such persons and upon such terms and conditions and at such times as the Board determines, but so that no share shall be issued at a discount except in accordance with the Law and so that the amount payable on application on each share shall be fixed by the Board which authority shall expire 5 (five) years after 24 March 2011; in the event the restrictions in Section 292(3)(a) and/or (b)(i) are amended or removed, such authority shall be to the extent and for so long as is legally permissible. This authority may be further extended in accordance with the Law and is subject to the provisions of Article 3.2.
- 3.1.6 The Board may permit the holding of shares in uncertificated form and the transfer of title to shares in that class by means of a relevant system and may determine that any class of shares shall cease to be a participating security for the purposes of any regulations issued under the Law authorising transfers of shares in de-materialised form.
- 3.1.7 The Ordinary Shares and the C Shares shall be redeemable subject to compliance with the Law at the absolute discretion of the Board.
- 3.2 In this Article 3.2:
- "equity securities" means: (i) ordinary shares in the Company; or (ii) rights to subscribe for, or to convert securities into, shares in the Company;
- "ordinary shares" means shares in the capital of the Company (including C Shares) other than shares that as respects dividends and capital carry a right to participate only up to a specified amount in a distribution; and
- references to the allotment of equity securities include: (i) the grant of a right to subscribe for, or to convert any securities into, shares in the Company; and (ii) the sale of shares in the Company that immediately before the sale are held by the Company as treasury shares.
- 3.2.1 The Company shall not allot equity securities to a person on any terms unless:
- (A) it has made an offer to each person who holds equity securities of the same class in the Company to allot to him on the same or more favourable terms a proportion of those equity securities that is as nearly

- as practicable equal to the proportion of the total Net Asset Value of the Company represented by the Shares and/or C Shares; and
- (B) the period during which any such offer referred to in Article 3.2.1(A) may be accepted has expired or the Company has received notice of the acceptance or refusal of every offer so made.
- 3.2.2 Equity securities that the Company has offered to allot to a holder of equity securities may be allotted to him, or anyone in whose favour he has renounced his right to their allotment, without contravening Article 3.2.1.
- 3.2.3 Shares held by the Company as treasury shares shall be disregarded for the purposes of this Article 3.2, so that the Company is not treated as a person who holds shares; and the treasury shares are not treated as forming part of the share capital of the Company for these purposes.
- 3.2.4 Any offer required to be made by the Company pursuant to Article 3.2.1 should be made by a notice (given in accordance with Article 31) and such offer must state a period during which such offer may be accepted and such offer shall not be withdrawn before the end of that period. Such period must be a period of at least 21 days beginning on the date on which such offer is deemed to be delivered or received (as the case may be) pursuant to Article 31.
- 3.2.5 Article 3.2.1(A) shall not apply in relation to the allotment of bonus shares (including in accordance with Article 26.12) nor to a particular allotment of equity securities if these are, or are to be, wholly or partly paid otherwise than in cash.
- 3.2.6 The Company may by special resolution resolve that Article 3.2.1 shall be excluded or that such Article shall apply with such modifications as may be specified in the resolution:
- (A) generally in relation to the allotment by the Company of equity securities;
- (B) in relation to allotments of a particular description; or
- (C) in relation to a specified allotment of equity securities,
- and any such resolution must:
- (D) state the maximum number of equity securities in respect of which Article 3.2 is excluded or modified; and
- (E) specify the date on which such exclusion or modifications will expire, which must be not more than five years from the date on which the resolution is passed.
- 3.2.7 Any resolution passed pursuant to Article 3.2.6 may:
- (A) be renewed or further renewed by special resolution of the Company for a further period not exceeding five years; and
- (B) be revoked or varied at any time by special resolution of the Company.
- 3.2.8 Notwithstanding that any such resolution referred to in Article 3.2.6 or 3.2.7 has expired, the directors may allot equity securities in pursuance of an offer or agreement previously made by the Company if the resolution enabled the Company to make an offer or agreement that would or might require equity securities to be allotted after it expired.
- 3.2.9 In this Article 3.2, in relation to an offer to allot securities a reference (however expressed) to the holder of shares of any description is to whoever was the holder of shares of that description at the close of business on a date to be specified in the offer and the specified date must fall within the period of 28 days immediately before the date of the offer.

3.3 Issues of C Shares

- 3.3.1 Subject to the Law, the Directors are authorised to issue C Shares of such classes, of such number of tranches and on such terms as they determine provided that such terms are consistent with the provisions of this Article 3.3.
- 3.3.2 If there are in issue at the same time C Shares carrying different rights, each shall be deemed to be a separate class of shares. The Directors may, if they so decide, designate each class of C Shares in such manner as they see fit in order that each class of C Shares can be separately identified.

3.4 Dividends and pari passu ranking of C Shares and Ordinary Shares

- 3.4.1 Pending Conversion, the C Shareholders of a particular class shall be entitled to receive any dividends and other distributions declared in respect of the assets attributable to that class of C Shares only.
- 3.4.2 Pending Conversion, the Ordinary Shareholders shall be entitled to receive any dividends and other distributions declared in respect of the assets attributable to the Ordinary Shares only.
- 3.4.3 The new Ordinary Shares arising on Conversion shall rank in full for all dividends and other distributions declared, made or paid after the Conversion Date and otherwise pari passu with the Ordinary Shares in issue at the Conversion Date, save to the extent of any dividend limitation which may be specified by the Directors in the Specified Conversion Criteria.

3.5 Co-Investment Rights

- 3.5.1 Any class of C Shares shall rank pari passu with the Ordinary Shares for the purpose of participating in commitments to new timberland and timber related investments by the Company. For the purposes of this Article 3.5, commitments to new timberland and timber related investment shall exclude any commitment or investment that has been drawn down or invested, in whole or in part, as at the date of issue of any C Shares.
- 3.5.2 The amount to be invested from each of the relevant classes of C Share and the Ordinary Share pools in a new timberland and timber related investment shall be calculated pro rata by reference to the aggregate net asset value of the assets attributable to each of the Ordinary Shares and to the relevant classes of C Shares respectively, as reflected in the most recently published interim accounts or audited annual accounts or such other accounts as may be prepared by the Company for the purposes of this Article 3.5 at the expense of the C Shares as the Directors may, in their absolute discretion, determine having regard to the interests of the holders of Ordinary Shares and C shares (as the case may be), prior to the date on which the Company is required to commit funds to such new investment provided that the respective proportions to be invested will not exceed the value of the assets respectively attributable to the Ordinary Shares and to the relevant class of C Shares which is available for investment.
- 3.5.3 Co-investment rights will continue until such a time as the Ordinary Shares are fully committed, after which all new commitments (or portions of commitments above full commitment of the Ordinary Shares) will be allocated fully to the C Shares and apportioned as between any different classes of C Shares on the basis set out in Article 3.5.2. Fully committed for the purposes of this Article 3.5.3 shall mean such time as 85 per cent. of the net proceeds of any issue of Ordinary Shares have been committed for investment.

3.6 Rights as to Capital

- 3.6.1 The capital and assets of the Company shall, on a winding-up or on a return of capital prior, in each case, to Conversion, be applied as follows:

- (A) the Ordinary Share Surplus shall be divided amongst the Ordinary Shareholders pro rata according to their holdings of Ordinary Shares; and
 - (B) the C Share Surplus attributable to each class of C Shares shall be divided amongst the C Shareholders pro rata according to their holdings of C Shares of that class.
- 3.6.2 The capital and assets of the Company on a winding-up or on a return of capital (other than by way of purchase or redemption of own shares) after Conversion of all outstanding classes of C Shares, shall be divided amongst the Ordinary Shareholders pro rata according to their holdings of Ordinary Shares.

3.7 Voting and Transfer

3.7.1 Except as provided in Articles 3.7.1(A) and 3.8 below:

- (A) the C Shares shall have the same rights as Ordinary Shares in relation to attendance at, and receiving notice of, any general meetings of the Company;
- (B) in relation to voting at general meetings, except in the circumstances listed in Article 3.7.1(C) and Article 3.8 below:
 - (1) each holder of C Shares shall on a show of hands, have one vote; and
 - (2) on a poll, each holder of C Shares attending in person, by proxy or by corporate representative shall have such number of votes as results from all the C Shares of the relevant class in issue having in aggregate, such number of votes as is the same percentage or multiple of the votes attributable to all the Ordinary Shares then in issue as the net assets attributable to such C Shares bears to the net assets attributable to such Ordinary Shares, as determined by the Directors in their absolute discretion and stated in the circular accompanying the notice given to Shareholders of the relevant meeting;
- (C) where the C Shares or any class of C Shares is unlisted, the C Shares, or such class (as the case may be) shall not have the right to vote at a general meeting in relation to any of the following matters:
 - (1) authorising a general disapplication of UK statutory pre-emption rights;
 - (2) approving the cancellation of listing of any shares;
 - (3) approving an employee share scheme or long-term incentive scheme;
 - (4) approving the grant to a director or employee of the Company or a subsidiary undertaking of the Company of an option to subscribe, warrant to subscribe or other similar right to subscribe for shares in the Company or any of the Company's subsidiary undertakings if the price per share payable on the exercise of the option, warrant or other similar right to subscribe is less than whichever of the following is used to calculate the exercise price:
 - (a) the market value of the share on the date when the exercise price is determined; or
 - (b) the market value of the share the Business Day before that date; or
 - (c) the average of the market values for a number of dealing days within a period not exceeding 30 days immediately before that date.

- (5) specifically approving the terms of an open offer, placing, vendor consideration placing, offer for subscription of equity shares or an issue out of treasury of a class already listed (other than in respect of an employees' share scheme) for a price which is at a discount of more than ten per cent. to the middle market price of those shares at the time of announcing the terms of the offer or agreeing the placing;
 - (6) approving a "class one transaction" as defined under the Listing Rules;
 - (7) approving the Company entering into a "related party transaction" as defined under the Listing Rules;
 - (8) giving prior approval to any material change to the Company's published investment policy;
 - (9) giving prior approval to the conversion of an existing listed class of equity securities into a new class or an unlisted class;
 - (10) authorising the Company to issue further shares of the same class as existing shares (including issues of treasury shares) for cash at a price below the net asset value per share of those shares without those shares being first offered pro rata to existing holders of shares of that class; and
- (D) the C Shares shall be transferable in the same manner as the Ordinary Shares.

3.8 Class Consents and Variation Rights

Without prejudice to the generality of the Articles, until Conversion the consent of the holders of the relevant C Shares as a class shall be required for and, accordingly, the special rights attached to any class of C Shares shall be deemed to be varied, inter alia, by:

- 3.8.1 any alteration to the Memorandum or the Articles; or
- 3.8.2 any alteration, increase, consolidation, division, sub-division, cancellation, reduction or purchase by the Company of any issued or authorised share capital of the Company (other than on the issue of further C Shares of the same or any other class, or on Conversion); or
- 3.8.3 the passing of any resolution to wind up the Company; or
- 3.8.4 the selection of any accounting reference date other than that declared in the Disclosure Document; or
- 3.8.5 the occurrence of a Specified Class Consent Event.

3.9 UNDERTAKINGS

Until Conversion, and without prejudice to its obligations under the Law, the Company undertakes in relation to each class of C Shares to:

- 3.9.1 procure that the Company's records and bank accounts shall be operated so that the assets attributable to the C Shares of the relevant class can, at all times, be separately identified and, in particular but without prejudice to the generality of the foregoing, the Company shall procure that separate cash accounts shall be created and maintained in the books of the Company for the assets attributable to the C Shares of the relevant class;
- 3.9.2 allocate to the assets attributable to the C Shares such proportion of the expenses or liabilities of the Company incurred or accrued between the Issue Date and the Calculation Date (both dates inclusive) as the Directors fairly consider to be attributable to the C Shares of the relevant class including, without

prejudice to the generality of the foregoing, those liabilities specifically identified in the definition of "Conversion Ratio" above; and

- 3.9.3 give appropriate instructions to the Investment Manger to manage the Company's assets so that such undertakings can be complied with by the Company.

3.10 **CONVERSION**

- 3.10.1 The Directors shall procure that:
- (A) the Administrator shall be requested to calculate, within 135 (one hundred and thirty five) days after the Calculation Date, the Conversion Ratio as at the Calculation Date and the number of Ordinary Shares to which each holder of C Shares of that class shall be entitled on Conversion; and
 - (B) the Auditor shall be requested to certify, within 15 (fifteen) Business Days after the date on which the Conversion Ratio has been calculated, that such calculations:
 - (1) have been performed in accordance with the Articles; and
 - (2) are arithmetically accurate,
 - (C) whereupon such calculations shall become final and binding on the Company and all holders of Ordinary Shares and the relevant C Share class.
- 3.10.2 The Directors shall procure that, as soon as practicable following such certification, a RIS announcement is made advising holders of C Shares of that class of the Conversion Date, the Conversion Ratio and the aggregate number of new Ordinary Shares to which holders of C Shares of that class are entitled on Conversion.
- 3.10.3 The Ordinary Shares arising upon Conversion shall be divided amongst the former holders of the C Shares of the relevant class pro rata according to their respective former holdings of C Shares of the relevant class (provided always that the Directors may deal in such manner as they think fit with fractional entitlements to Ordinary Shares, including, without prejudice to the generality of the foregoing, selling any such shares representing such fractional entitlements and retaining the proceeds for the benefit of the Company) and for such purposes any Director is hereby authorised as agent on behalf of the former C Shareholders, in the case of a share in certificated form, to execute any stock transfer and to do any other act or thing as may be required to give effect to the same including, in the case of a share in uncertificated form, the giving of directions to or on behalf of the former C Shareholder whom shall be bound by them.
- 3.10.4 Forthwith upon Conversion, any certificates relating to the C Shares of the relevant class shall be cancelled and the Company shall issue to each such former C Shareholder new certificates in respect of the Ordinary Shares which have arisen upon Conversion unless such former C Shareholder elects to hold their Ordinary Shares in uncertificated form.
- 3.10.5 The Company will use its reasonable endeavours to procure that, upon Conversion, the Ordinary Shares are admitted to (i) AIM; or (ii) the Official List of the UK Listing Authority; or (iii) the Channel Islands Stock Exchange; or (iv) any such other stock exchange on which the Ordinary Shares are listed at that time.
- 3.10.6 In connection with any issue of a C Share class, the Directors shall state the Specified Conversion Criteria in:
- (A) any relevant Disclosure Document or press announcement published; and
 - (B) in a RIS release,

at the time of offer of such C Shares for subscription.

3.10.7 Subject to the provisions of the Law:

- (A) any shares may with the sanction either of the Board or an ordinary resolution of the Company be issued on terms that they are or at the option of the Company or the holder are liable to be redeemed on such terms and in such manner as the Company before the issue may by ordinary resolution determine and subject to and in default of such determination as the Board may determine;
- (B) the Company at the discretion of the Board may purchase any of its own shares whether or not they are redeemable and may pay the purchase price in respect of such purchase to the fullest extent permitted by the Law. The making and timing of any such purchase shall be at the absolute discretion of the Board;
- (C) shares repurchased by the Company may be held as treasury shares and dealt with by the Directors to the fullest extent permitted by the Law;
- (D) the Company and any of its subsidiary companies may at the discretion of the Board give financial assistance directly or indirectly for the purpose of or in connection with the acquisition of shares in the Company or in connection with reducing or discharging any liability incurred in connection with the purchase of shares in the Company; and
- (E) fractions of shares may be issued by the Company.

3.11

3.11.1 If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue) may, whether or not the Company is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued shares of that class or with the sanction of a special resolution of the holders of the shares of that class.

3.11.2 The quorum for a variation of class rights meeting is:

- (A) for a meeting other than an adjourned meeting, two (2) persons present holding at least one third of the voting rights of the class in question;
- (B) for an adjourned meeting, one (1) person holding shares of the class in question; or
- (C) where the class has only one Member, that Member.

3.11.3 For the purposes of Article 3.11.2 above, where a person is present by proxy or proxies, he is treated as holding only the shares in respect of which the proxies are authorised to exercise voting rights.

3.11.4 At a variation of class rights meeting, any holder of shares of the class in question present may demand a poll.

3.11.5 For the purposes of this Article:

- (A) any alteration of a provision contained in these Articles for the variation of rights attached to a class of shares, or the insertion of any such provision into the Articles, is itself to be treated as a variation of those rights; and
- (B) references to the variation of rights attached to a class of shares include references to their abrogation.

3.12 The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not (unless otherwise expressly provided by the terms of issue of the shares of that class) be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith.

- 3.13 The special rights conferred upon the holders of any shares or class of shares issued with preferred, deferred or other special rights shall not be deemed to be varied by the exercise of any powers under Article 3.16.
- 3.14 The Company may pay commission in money or shares to any person in consideration of his subscribing or agreeing to subscribe, whether absolutely or conditionally, for any shares in the Company or procuring or agreeing to procure subscriptions whether absolute or conditional for any shares in the Company provided that the rate or amount of commission shall be fixed by the Board and disclosed in accordance with the Law. The Company may also pay brokerages.
- 3.15 Without prejudice to Part XXIX of the Law, except as ordered by a court of competent jurisdiction or as required by law the Company shall not be affected or bound by or be compelled in any way to recognise (even when having notice) any equitable, contingent, future or partial interest in any share or fraction or (except only as by these Articles or by law otherwise provided) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder and whether or not such share shall be entered in the Register as held in trust, nor shall the Company be bound to see to the execution of any trust to which any share may be subject.
- 3.16
- 3.16.1 The Directors shall have power by notice in writing to require any Member to disclose to the Company the identity of any person other than the Member (an interested party) who has an interest in the shares held by the Member and the nature of such interest.
- 3.16.2 Any such notice shall require any information in response to such notice to be given in writing within the prescribed period set out below or within such reasonable time as the Directors shall determine.
- 3.16.3 The Company shall maintain a register of interested parties and whenever the Company is informed of an interested party in pursuance of a requirement imposed on a Member pursuant to Article 3.16.1 hereof, the identity of the interested party and the nature of his interest shall be promptly inscribed therein together with the date on which the notice was given.
- 3.16.4 (A) The Directors may be required to exercise their powers under Article 3.16.1 on a requisition of Members of the Company holding at the date of the deposit of such requisition not less than one-tenth of the paid-up capital of the Company which paid up capital carries the right to vote at general meetings of the Company.
- (B) The requisition must:
- (1) state that the requisitionists are requiring the Company to exercise its powers under this Article;
 - (2) specify the manner in which they require those powers to be exercised; and
 - (3) give reasonable grounds for requiring the Company to exercise those powers in the manner specified,
- and must be signed by the requisitionists and deposited at the Office.
- (C) The requisition may consist of several documents in like form each signed by one or more requisitionists.
- (D) On the deposit of a requisition complying with this section it is the Directors' duty to exercise their powers under Article 3.16.1 in the manner specified in the requisition.
- 3.16.5 If any Member has been duly served with a notice given by the Directors in accordance with Article 3.16.1 and is in default for the prescribed period in supplying to the Company the information thereby required, then the Directors

may in their absolute discretion at any time thereafter serve a notice (a "**direction notice**") upon such Member as follows:

- (A) a direction notice may direct that, in respect of:
 - (1) the shares comprising the shareholder account in the Register which comprises or includes the shares in relation to which the default occurred (all or the relevant number as appropriate of such shares being the "default shares"); and
 - (2) any other shares held by the Member;the Member shall have no right to attend or vote at a general meeting or meeting of the holders of any class of shares of the Company either personally or by proxy or to exercise any other right conferred by membership in relation to any such meetings; and
- (B) where the default shares represent at least 0.25 per cent. of the class of shares concerned, then the direction notice may additionally direct that:
 - (1) in respect of the default shares, any dividend or part thereof which would otherwise be payable on such shares shall be retained by the Company without any liability to pay interest thereon when such money is finally paid to the Member;
 - (2) no transfer other than an approved transfer (as set out in Article 3.16.8(C)) of any of the shares held by such Member shall be registered unless:
 - (a) the Member is not himself in default as regards supplying the information requested; and
 - (b) the transfer is of part only of the Member's holding and when presented for registration is accompanied by a certificate by the Member in a form satisfactory to the Directors to the effect that after due and careful enquiry the Member is satisfied that no person in default as regards supplying such information is interested in any of the shares the subject of the transfer.

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

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

3.16.7 Any direction notice shall have effect in accordance with its terms for as long as the default, in respect of which the direction notice was issued, continues but shall cease to have effect in relation to any shares which are transferred by such Member by means of an approved transfer as set out in Article 3.16.8(C). As soon as practical after the direction notice has ceased to have effect (and in any event within seven days thereafter) the Directors shall procure that the restrictions imposed by Articles 3.16.5 and 3.16.6 above shall be removed and that dividends and other monies withheld pursuant to Article 3.16.5(B)(1) above are paid to the relevant Member.

3.16.8 For the purpose of this Article:

- (A) a person shall be treated as appearing to be interested in any shares if the Member holding such shares has given to the Company a notification which either; (a) names such person as being so interested; or (b) fails to establish the identities of those interested in the shares and (after taking into account the said notification and any other relevant notification) the Company knows or has reasonable cause to believe that the person in question is or may be interested in the shares;
- (B) the prescribed period in respect of any particular Member is 28 (twenty eight) days from the date of service of the said notice in accordance with Article 3.16.1 except where the default shares represent at least 0.25 per cent. in value of the class of shares concerned in which case such period shall be 14 (fourteen) days;
- (C) a transfer of shares is an approved transfer if but only if:
 - (1) it is a transfer of shares to an offeror by way or in pursuance of acceptance of a public offer made to acquire all the issued shares in the capital of the Company not already owned by the Offeror or a connected person of the Offeror in respect of the Company; or
 - (2) the Directors are satisfied that the transfer is made pursuant to a sale of the whole of the beneficial ownership of the shares to a party unconnected with the Member and with other persons appearing to be interested in such shares; or
 - (3) the transfer results from a sale made through a recognised investment exchange (as defined in the Financial Services and Markets Act 2000 of the United Kingdom) or any stock exchange outside the United Kingdom on which the Company's shares are listed or normally traded.

For the purposes of this sub-Article any person Connected to Directors shall, *mutatis mutandis*, be included amongst the persons who are connected with the Member or any person appearing to be interested in such shares.

3.16.9 Any shareholder who has given notice of an interested party in accordance with Article 3.16.2 who subsequently ceases to have any party interested in his shares or has any other person interested in his shares shall notify the Company in writing of the cessation or change in such interest and the Directors shall instruct the registrar of the Company to amend the register of interested parties accordingly.

3.16.10 The provisions of Article 3.16 are without prejudice to Sections 488 and 489 of the Law, when applicable.

4. **CERTIFICATES**

4.1 Save for shares held in uncertificated form, every Member shall be entitled:

- 4.1.1 without payment to one certificate for all his shares of each class and when part only of the shares comprised in a certificate is sold or transferred to a balance certificate; or
- 4.1.2 upon payment of such sum as the Board may determine to several certificates each for one or more shares of any class.

4.2 Every certificate shall be issued within one month after allotment or lodgement of transfer (or within such other period as the conditions of issue shall provide) and shall specify the shares to which it relates and the amount paid up and the distinguishing numbers (if any).

- 4.3 All forms of certificate for shares or debentures or representing any other form of security (other than letters of allotment, scrip certificates and other like documents) shall be issued and may, if determined by the Board, be issued under the Seal of the Company and shall be signed autographically unless there shall be in force a resolution of the Board adopting some method of mechanical signature in which event the signatures (if authorised by such resolution) may be effected by the method so adopted.
- 4.4 The Company shall not be bound to register more than four persons as the joint holders of any share or shares and, in respect of a share held jointly, the Company shall not be bound to issue more than one certificate and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all such holders.
- 4.5 If a share certificate be defaced lost or destroyed it may be replaced or renewed without charge (other than exceptional out of pocket expenses) on such terms (if any) as to evidence and indemnity as the Board thinks fit.

5. LIEN

- 5.1 The Company shall have a first and paramount lien (extending to all dividends payable) on all shares (not being fully paid) for all moneys, whether presently payable or not, called or payable at a fixed time in respect of those shares and that whether the same shall have been incurred before or after notice to the Company of any equitable or other interest of any person (other than such holder) and whether the time for payment or discharge shall have arrived or not and notwithstanding that the same are joint debts or liabilities of such holder and any other person (whether a Member of the Company or not).
- 5.2 For the purpose of enforcing such lien the Company may sell, in such manner as the Directors think fit, any shares 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 served on the holder for the time being of the shares or the person entitled by reason of his death or bankruptcy to the shares. For the purpose of giving effect to any such sale the Directors may authorise some person to transfer to the purchaser thereof the shares so sold.
- 5.3 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 debt or liability in respect whereof the lien exists, so far as the same is presently payable and any residue shall (subject to a like lien for debts or liabilities not presently payable as existed upon the shares prior to the sale) be paid to the person entitled to the shares at the time of the sale. The purchaser shall be registered as the holder of the shares so transferred and he shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in relation to the sale.

6. CALLS ON SHARES

- 6.1 The Board may at any time make calls upon the Members in respect of any moneys unpaid on their shares (whether on account of the nominal value or by way of premium and not by the conditions of allotment made payable at fixed times) and each Member shall pay to the Company at the time and place appointed the amount called. A call may be revoked or postponed.
- 6.2 Joint holders shall be jointly and severally liable to pay calls.
- 6.3 If a sum called in respect of a share is not paid before or on the day appointed the person from whom the sum is due shall pay interest from the day appointed to the time of actual payment at such rate as the Board may determine.
- 6.4
- 6.4.1 Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date shall for the purposes of these Articles be deemed to be a call duly made and payable on the date on which by the terms of issue the same

becomes payable and 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.

6.4.2 The Directors may, if they think fit, receive from any Member willing to advance the same all or any part of the money uncalled and unpaid upon the shares held by him beyond the sums actually called up thereon as payment in advance of calls, and such payment in advance of calls shall extinguish, so far as the same shall extend, the liability upon the shares in respect of which it is advanced, and upon the money so received or so much thereof as from time to time exceeds the amount of the calls then made upon the shares in respect of which it has been received, the Company may (until the same would, but for such advance, become presently payable) pay interest at such rate as the Member paying such sum and the Directors agree upon PROVIDED THAT any amount paid up in advance of calls shall not entitle the holder of the shares upon which such amount is paid to participate in respect thereof in any dividend until the same would but for such advance become presently payable.

6.5 The Board may on an issue of shares differentiate between holders as to amount of calls and times of payment.

7. FORFEITURE AND SURRENDER OF SHARES

7.1 If a Member fails to pay any call or instalment on the day appointed the Board may at any time during such period as any part remains unpaid serve notice requiring payment of so much of the call or instalment as is unpaid together with any interest which may have accrued and any expenses which may have been incurred by the Company by reason of non-payment.

7.2 The notice shall state a further day on or before which the payment required by the notice is to be made and the place where the payment is to be made and that in the event of non-payment the shares in respect of which the call was made or instalment is payable will be liable to be forfeited. If the requirements of any such notice are not complied with any share in respect of which the notice has been given may at any time before payment has been made be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited share and not actually paid before the forfeiture.

7.3 Notice of forfeiture shall forthwith be given to the former holder and an entry of such notice and forfeiture shall forthwith be made and dated in the Register opposite the entry of the share; but no forfeiture shall be in any manner invalidated by any omission or neglect to give notice or to make entry.

7.4 A forfeited share shall be deemed to be the property of the Company and may be sold re-allotted or otherwise disposed of on such terms as the Board shall think fit with or without all or any part of the amount previously paid on the share being credited as paid and at any time before a sale or disposition the forfeiture may be cancelled.

7.5 A person whose shares have been forfeited shall cease to be a Member in respect of the forfeited shares, but shall notwithstanding the forfeiture remain liable to pay to the Company all monies which at the date of forfeiture were presently payable by him to the Company in respect of the shares with interest thereon from the date of forfeiture until payment at such rate as the Directors may determine and the Directors may enforce payment without any allowance for the value of the shares at the time of forfeiture.

7.6 The Board may accept from any Member on such terms as shall be agreed a surrender of any shares in respect of which there is a liability for calls. Any surrendered share may be disposed of in the same manner as a forfeited share.

7.7 A declaration in writing by a Director or the Secretary that a share has been duly forfeited or surrendered on the date stated in the declaration shall be conclusive evidence of the facts therein as against all persons claiming to be entitled to the shares.

- 7.8 The Company may receive the consideration given for any share on any sale or disposition and may execute a transfer of the share in favour of the person to whom the same is sold or disposed of and he shall thereupon be registered as the holder and shall not be bound to see to the application of the purchase money nor shall his title be affected by any irregularity or invalidity in forfeiture, sale, re-allotment or disposal.

8. **TRANSFER AND TRANSMISSION OF SHARES**

8.1

8.1.1

- (A) The Directors shall have power to implement such arrangements as they may, in their absolute discretion, think fit in order for any class of shares to be admitted to settlement by means of the CREST UK system. Where they do so, Articles 8.1.1(B) and 8.1.1(C) shall commence to have effect immediately prior to the time at which EUI admits the class to settlement by means of the CREST UK system.
- (B) In relation to any class of shares which, for the time being, EUI has admitted to settlement by means of the CREST UK system, and for so long as such class remains so admitted, no provision of these Articles shall apply or have effect to the extent that it is in any respect inconsistent with:
- (1) the holding of shares of that class in uncertificated form;
 - (2) the transfer of title to shares of that class by means of the CREST UK system; or
 - (3) the CREST Guernsey Requirements.
- (C) Without prejudice to the generality of Article 8.1.1(B) and notwithstanding anything contained in these Articles where any class of shares is, for the time being, admitted to settlement by means of the CREST UK system:
- (1) such securities may be issued in uncertificated form in accordance with and subject as provided in the CREST Guernsey Requirements;
 - (2) unless the Directors otherwise determine, such securities held by the same holder or joint holder in certificated form and uncertificated form shall be treated as separate holdings;
 - (3) such securities may be changed from uncertificated to certificated form, and from certificated to uncertificated form, in accordance with and subject as provided in the CREST Guernsey Requirements;
 - (4) title to such of the shares as are recorded on the register as being held in uncertificated form may be transferred only by means of the CREST UK system and as provided in the CREST Guernsey Requirements and accordingly (and in particular) no provision of these Articles shall apply in respect of such shares to the extent that those Articles require or contemplate the effecting of a transfer by an instrument in writing and the production of a Certificate for the security to be transferred;
 - (5) the Company shall comply in all respects with the CREST Guernsey Requirements including, without limitation, CREST Rule 7;
 - (6) no provision of these Articles shall apply so as to require the Company to issue a Certificate to any person holding such shares in uncertificated form;

- (7) the permitted number of joint holders of a share shall be four;
- (8) every transfer of shares from a CREST account of a CREST member to a CREST account of another CREST member shall vest in the transferee a beneficial interest in the shares transferred, notwithstanding any agreements or arrangements to the contrary however and whenever arising and however expressed. Accordingly, each CREST member who is for the time being registered as the holder of any shares in the capital of the Company shall hold such shares upon trust for himself and for those persons (if any) whose CREST accounts are duly credited with any such shares or in favour of whom shares are to be withdrawn from the CREST UK System pursuant to a settled stock withdrawal instruction; and the member and all such persons, to the extent respectively of the shares duly credited to their respective CREST accounts or the subject of a settled stock withdrawal instruction, shall accordingly have beneficial interests therein.
- (9) Where a dematerialised instruction is expressed to have been sent on behalf of a person by a Sponsor (as defined in the CREST Glossary of Terms issued by EUI) or by EUI:
 - (a) the person on whose behalf the instruction is expressed to have been sent shall not be able to deny to the addressee:
 - (i) that the instruction was sent with his authority; or
 - (ii) that the information contained in it is correct; and
- (10) the Sponsor or EUI, as the case may be, shall not be able to deny to the addressee:
 - (a) that he has authority to send the dematerialised instruction; or
 - (b) that he has sent the dematerialised instruction.
- (11) Where a dematerialised instruction is expressed to have been sent by a person, and it is not expressed to have been sent on behalf of another person, the first person shall not be allowed to deny to the addressee:
 - (a) That the information contained in the instruction is correct; or
 - (b) that he has sent it.
- (12) An addressee who receives a dematerialised instruction (whether directly, or by means of the facilities of a Sponsor acting on his behalf) may (subject to Articles 8.1.1(C)(13) and 8.1.1(C)(14)) accept that at the time when it was sent or at any time thereafter:
 - (a) the information contained in the instruction was correct;
 - (b) the user or authorised operator identified in the instruction as having sent the instruction did send it; and
 - (c) if the instruction was expressed to have been sent on behalf of a person, it was sent with the authority of that person.
- (13) Subject to Article 8.1.1(C)(15) an addressee shall not be allowed to accept any of the matters specified in Article 8.1.1(C)(12) where, at the time when he received the dematerialised instruction or at any time thereafter, he was a person who was

not either the Company or a Sponsor receiving (in either case) dematerialised instructions on behalf of the Company, and he had actual notice:

- (a) that any information contained in it was incorrect;
 - (b) that the user or EUI expressed to have sent the instruction did not send it; or
 - (c) if the instruction was expressed to have been sent on behalf of a person, that the person had not given to EUI or the Sponsor identified in the instruction as having sent it his authority to send the instruction on his behalf.
- (14) Subject to Article 8.1.1(C)(15) an addressee shall not be allowed to accept any of the matters specified in Article 8.1.1(C)(13) where, at the time when he received the dematerialised instruction, he was either the Company or a Sponsor receiving dematerialised instructions on behalf of the Company, and:
- (a) he had actual notice from EUI of any of the matters specified in Article 8.1.1(C)(12); and
 - (b) the instruction was an instruction from EUI requiring the registration of title in the circumstances specified in any of sub-paragraphs 8.1.1, 8.1.2, 8.1.3 and 8.1.4 of the CREST Guernsey Requirements.
- (15) However, where an addressee has received actual notice of a kind to which this Article refers in respect of a properly authenticated dematerialised instruction, he may accept the matters specified in Article 8.1.1(C)(12) if at the time when he received the actual notice it was not practicable for him to halt his processing of the instruction.
- (16) A person who is permitted by Articles 8.1.1(C)(12) or 8.1.1(C)(15) to accept any matter shall not be liable in damages or otherwise to any person by reason of his having relied on the matter that he was permitted to accept.
- (17) Except as provided in Article 8.1.1(C)(16), this Article does not affect any liability of a person for causing or permitting a dematerialised instruction:
- (a) to be sent without authority;
 - (b) to contain information that is incorrect; or
 - (c) to be expressed to have been sent by a person who did not send it.

8.1.2

- (A) Articles 8.1.1(C)(15) to 8.1.1(C)(17) are to be construed in accordance with the CREST Manual.
- (B) Words and expressions not specifically defined in Articles 8.1.1 and 8.1.2 shall bear the same meaning as those words and expressions defined in the CREST Manual.

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

- (A) any Member may transfer all or any of his uncertificated shares by means of a relevant system authorised by the Board in such manner provided for, and subject as provided, in any regulations issued for this purpose under the Law or such as may otherwise from time to time be adopted by the Board on behalf of the Company and the rules of any relevant system

and accordingly no provision of these Articles shall apply in respect of an uncertificated share to the extent that it requires or contemplates the effecting of a transfer by an instrument in writing or the production of a certificate for the shares to be transferred;

- (B) any Member may transfer all or any of his certificated shares by an instrument of transfer in any usual form or in any other form which the Board may approve; and
- (C) an instrument of transfer of a certificated share shall be signed by or on behalf of the transferor and, unless the share is fully paid, by or on behalf of the transferee. An instrument of transfer of a certificated share need not be under seal.

8.1.4 In the event that any Member becomes, or holds shares on behalf of a U.S. Person, such Member shall be required to notify the Secretary and registrar of the Company immediately and, if required by the Board, shall be required to dispose of those shares to a non-U.S. Person as soon as possible. Members agree to be bound by the requirement to transfer any shares which are or become owned, directly or indirectly, by a U.S. Person. The Board shall only exercise such a right if the Company itself would suffer a disadvantage if the Board were not to exercise such a right.

8.2 Every instrument of transfer of a certificated share shall be left at the Office or such other place as the Board may prescribe with the certificate of every share to be transferred and such other evidence as the Board may reasonably require to prove the title of the transferor or his right to transfer the shares; and the transfer and certificate shall remain in the custody of the Board but shall be at all reasonable times produced at the request and expense of the transferor or transferee or their respective representatives. A new certificate shall be delivered free of charge to the transferee after the transfer is completed and registered on his application and when necessary a balance certificate shall be delivered if required by him in writing.

8.3

8.3.1 The Board may in its absolute discretion and without giving a reason refuse to register a transfer of any share which is not fully paid or on which the Company has a lien or where the shares may be owned directly or indirectly by a U.S. Person or a Prohibited Person, provided, in the case of a listed share that this would not prevent dealings in the share from taking place on an open and proper basis. In addition, the Directors may refuse to register a transfer of shares which is prohibited by Article 3.16 and may also refuse to register a transfer of shares unless:

- (A) it is in respect of only one class of shares;
- (B) it is in favour of not more than four transferees; and
- (C) in the case of certificated shares, it is delivered for registration to the Office or such other place as the Board may decide, accompanied by the certificate for the shares to which it relates and such other evidence as the Board may reasonably require to prove title of the transferor and the due execution by him of the transfer or, if the transfer is executed by some other person on his behalf, the authority of that person to do so.

8.3.2 The Board may only decline to register a transfer of an uncertificated share in the circumstances set out in regulations issued for this purpose under the Law or such as may otherwise from time to time be adopted by the Board on behalf of the Company and the rules of any relevant system, and where, in the case of a transfer, to joint holders, the number of joint holders to whom the uncertificated share is to be transferred exceeds four.

- 8.3.3 If the Board refuse to register the transfer of a share they shall, within two months after the date on which the transfer was lodged with the Company, send notice of the refusal to the transferee.
- 8.3.4 Subject to the CREST Guernsey Requirements, the registration of transfers may be suspended at such times and for such periods (not exceeding 30 (thirty) days in any one year) as the Board may decide and either generally or in respect of a particular class of share.
- 8.3.5 No fee shall be payable to the Company in respect of the registration of any transfer, probate, letters of administration, certificate or marriage or death, power of attorney, instruction or other document relating to or affecting the title to any shares.
- 8.3.6 These Articles are subject to, and do not limit or restrict the Company's powers to transfer shares in accordance with the Uncertificated Securities (Enabling Provisions) (Guernsey) Law, 2005.
- 8.4
- 8.4.1 The Company shall keep the Register and index of Members in accordance with Sections 123-128 of the Law and allow inspection in accordance with Sections 127-128 of the Law. The Company may delegate the maintenance of its Register and index of Members upon such terms as the Board may think fit. In the absence of manifest error, the Register shall be conclusive evidence as to the persons entitled to the shares entered therein.
- 8.4.2 Each Member shall inform the Company by means of a notice addressed to the Office of any change in his address and immediately after receipt of that notice the entry of the address of that Member in the Register shall be altered in conformity with the notice given.
- 8.4.3 The Register may be closed during such periods as the Board thinks fit not exceeding in all 30 (thirty) days in any year.
- 8.5 On the death of a Member the survivors where the deceased was a joint holder and the executors of the deceased where he was a sole holder shall be the only persons recognised by the Company as having any title to or interest in his shares; but nothing herein shall release the estate of a deceased joint holder from any liability in respect of any share jointly held.
- 8.6 A person so becoming entitled to a share in consequence of the death, bankruptcy or incapacity of a Member shall have the right to receive and may give a discharge for all dividends and other money payable or other advantages due on or in respect of the share, but he shall not be entitled to receive notice of or to attend or vote at meetings of the Company, or save as aforesaid, to any of the rights or privileges of a Member unless and until he shall be registered as a Member in respect of the share PROVIDED ALWAYS that the Board may at any time give notice requiring any such person to elect either to be registered himself or to transfer the share and if the notice is not complied with within 90 (ninety) days the Board may thereafter withhold all dividends or other monies payable or other advantages due in respect of the share until the requirements of the notice have been complied with.
9. **GENERAL RESTRICTIONS ON REGISTRATION OF SHARES**
- 9.1 No shares in the Company shall be issued by the Company to or may be offered or sold, directly or indirectly, by or on behalf of any Member in the United States or to or for the account of any U.S. Person or a Prohibited Person or transferred to or beneficially owned by any U.S. Person or Prohibited Person.
- 9.2 The Directors and any of the Company's duly authorised agents shall have the right on behalf of the Company to require such evidence that the transferee is not a U.S. Person or Prohibited Person as the Directors or such agent shall in their discretion deem sufficient

and, subject to the CREST Guernsey Requirements, to refuse to register such transfer unless in receipt of and satisfied with such evidence.

- 9.3 Any holder of any shares in the Company intending to become a U.S. Person or Prohibited Person shall immediately notify the Company of such intention and a holder of any shares in the Company, prior to becoming a U.S. Person or Prohibited Person, shall transfer his shares to a person (including, without limitation, an existing shareholder) who is qualified under these Articles to hold the same.
- 9.4 If it shall come to the notice of the Directors that any shares are or become owned, directly or indirectly, by a U.S. Person or a Prohibited Person the Directors shall be entitled to give notice (the "**compulsory transfer notice**") to such person requiring him to transfer such shares to a person (including, without limitation, an existing Member) who is qualified under the Articles to hold the same at a price equal to the amount paid up on such shares or, in either such case, if no purchaser of the shares at the relevant price is found by the Company at the time the Company requires the transfer to be made, at the highest price as any purchaser found by the Company is willing to pay therefor. The Company shall have no obligation to the relevant Member to find the best price for the relevant shares.
- 9.5 The Directors and any of the Company's duly authorised agents may, upon application for a proposed transfer of any share or at any other time and from time to time require such evidence to be furnished to them or any other person in connection with the matters stated in this Article 9 including the identification of applicants, transferees or shareholders as they shall in their discretion deem sufficient.
- 9.6 A person who, being subject to the laws of a country, becomes aware that he holds or owns shares in contravention of any laws or requirement of that country or governmental authority thereof shall forthwith notify the Company and transfer such shares to a person duly qualified to hold the same unless he has already received notice under Article 9.4 (in which case he shall comply with such Article) and the provisions of Articles 9.3 and 9.4 shall apply to such persons as a Prohibited Person.
- 9.7 If any such person upon whom such a notice is served as aforesaid does not within 30 (thirty) days after such notice transfer such shares as aforesaid he shall forfeit or be deemed to have forfeited his shares in the Company immediately upon the expiration of such 30 (thirty) day period and the provisions of Articles 9.3 to 9.4 of these Articles inclusive shall apply thereto.
- 9.8 The Directors shall have power (but shall not be under any duty) to impose such other restrictions as they may think necessary for the purpose of ensuring that no shares are acquired, held by or transferred to any U.S. Person or a Prohibited Person.
- 9.9 The Directors, the Company and the duly authorised agents of the Company shall not be liable to any holder of shares or otherwise for any loss incurred by the Company as a result of any U.S. Person or Prohibited Person becoming a Member or the breach of any of the provisions of this Article 9. Any Member who breaches the provisions of this Article 9 or any restrictions imposed by the Directors pursuant to this Article 9 shall indemnify the Company for any loss to the Company caused by such breach.

10. **ALTERATION OF CAPITAL**

- 10.1 The Company may at any time by ordinary resolution increase its authorised share capital if such has been specified by such sum to be divided into shares of such amount as the resolution shall prescribe.
- 10.2 Any new shares shall be of such class and amount and have such preference or priority as regards dividends or in the distribution of assets or as to voting or otherwise over any other shares of any class whether then issued or not or be subject to such stipulations deferring them to any other shares with regard to dividends or in the distribution of the assets as the Board may determine.
- 10.3 Subject as provided elsewhere in these Articles, the Company may by ordinary resolution:

- 10.3.1 consolidate and divide all or any of its share capital into shares of larger or smaller amounts than its existing shares;
- 10.3.2 subdivide all or any of its shares into shares of smaller amounts than is fixed by the Memorandum provided however that in subdivision the proportion between the amount paid and the amount if any unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived and so that the resolution whereby any share is subdivided may determine that as between the holders of the shares resulting from subdivision one or more of the shares may have such preferred, deferred or other rights over the others as the Company has power to attach to unissued or new shares;
- 10.3.3 cancel any shares which at the date of the resolution have not been taken or agreed to be taken by any person and diminish the amount of its authorised share capital by the amount of the shares so cancelled.
- 10.3.4 convert all or any of its shares the nominal amount of which is expressed in a particular currency or former currency into shares of a nominal amount of a different currency, the conversion being effected at the rate of exchange (calculated to not less than three significant figures) current on the date of the resolution or on such other day as may be specified therein;
- 10.3.5 where its share capital is expressed in a particular currency or former currency, denominate or redenominate it, whether by expressing its amount in units or subdivisions of that currency or former currency, or otherwise.
- 10.4 The Board on any consolidation of shares may deal with fractions of shares in any manner.
- 10.5 The Company may reduce its share capital, any capital redemption reserve fund or any share premium account in any manner and with and subject to any authority and consent required by the Law.

11. GENERAL MEETINGS

11.1

- 11.1.1 The first general meeting of the Company shall be held within such time as may be required by the Law and thereafter general meetings shall be held once at least in each subsequent calendar year in accordance with Section 199 of the Law but so that not more than 15 (fifteen) months may elapse between one annual general meeting and the next. At each such annual general meeting shall be laid copies of the Company's most recent accounts, directors' report and, if applicable, the auditor's report in accordance with Section 252 of the Law. The requirement for an annual general meeting may be waived by the Members in accordance with Section 201 of the Law. Other meetings of the Company shall be called extraordinary general meetings. General meetings shall be held in Guernsey or elsewhere.
- 11.1.2 A Member participating by video link or telephone conference call or other electronic or telephonic means of communication in a meeting at which a quorum is present shall be treated as having attended that meeting provided that the Members present at the meeting can hear and speak to the participating Member and vice versa.
- 11.1.3 A video link or telephone conference call or other electronic or telephonic means of communication in which a quorum of Members participates and all participants can hear and speak to each other shall be a valid meeting which shall be deemed to take place where the Chairman is present unless the Members resolve otherwise.
- 11.2 Any general meeting convened by the Board unless its time shall have been fixed by the Company in general meeting or unless convened in pursuance of a requisition may be postponed by the Board by notice in writing and the meeting shall subject to any further

postponement or adjournment be held at the postponed date for the purpose of transacting the business covered by the original notice.

- 11.3 The Board may whenever it thinks fit and shall, on the requisition of Members who hold more than 10 (ten) per cent (%) of such capital of the Company as carries the right to vote at general meetings (excluding any capital held as treasury shares) in accordance with Sections 203 and 204 of the Law proceed to convene a general meeting.
- 11.4 The requisition shall be dated and shall state the object of the meeting and shall be signed by the requisitionists and deposited at the Office and may consist of several documents in like form each signed by one or more of the requisitionists.
- 11.5 If the Board does not proceed to cause a meeting to be held within 21 (twenty- one) days from the date of the requisition being so deposited the requisitionists or a majority of them in value may themselves convene the meeting.
- 11.6 Any meeting convened by requisitionists shall be convened in the same manner (as nearly as possible) as that in which meetings are convened by the Board.

12. **NOTICE OF GENERAL MEETINGS**

- 12.1 A general meeting of the Company (other than an adjourned meeting) must be called by notice of at least ten (10) clear days.
- 12.2 A general meeting may be called by shorter notice than otherwise required if all the Members entitled to attend and vote so agree.
- 12.3 Notices may be published on a website in accordance with Section 208 of the Law or communicated electronically in accordance with Article 31.6.
- 12.4 Notice of a general meeting of the Company must be sent to:
 - 12.4.1 every Member entitled to attend and vote thereat;
 - 12.4.2 every Director; and
 - 12.4.3 every Alternate Director registered as such.
- 12.5 In Article 12.4, the reference to Members includes only persons registered as a Member.
- 12.6 Notice of a general meeting of a company must:
 - 12.6.1 state the time and date of the meeting;
 - 12.6.2 state the place of the meeting;
 - 12.6.3 specify any special business to be put to the meeting;
 - 12.6.4 contain the information required under Section 178(6)(a) of the Law in respect of a resolution which is to be proposed as a special resolution at the meeting;
 - 12.6.5 contain the information required under Section 179(6)(a) of the Law in respect of a resolution which is to be proposed as a waiver resolution at the meeting; and
 - 12.6.6 contain the information required under Section 180(3)(a) of the Law in respect of a resolution which is to be proposed as a unanimous resolution at the meeting.
- 12.7 Notice of a general meeting must state the general nature of the business to be dealt with at the meeting.
- 12.8 Where, by any provision of the Law, special notice is required of a resolution, the resolution is not effective unless notice of the intention to move it has been given to the Company at least twenty-eight (28) clear days before the date of the meeting at which it is moved.
- 12.9 The Company must, where practicable, give its Members entitled to vote thereon notice of any such resolution in the same manner and at the same time as it gives notice of the meeting.
- 12.10 Where that is not practicable, the Company must give its Members entitled to vote thereon notice at least fourteen (14) clear days before the meeting:

- 12.10.1 by notice in La Gazette Officielle, or
- 12.10.2 in any other manner deemed appropriate by the Board.
- 12.11 If, after notice of the intention to move such a resolution has been given to the Company, a meeting is called for a date twenty-eight (28) clear days or less after the notice has been given, the notice is deemed to have been properly given, though not given within the time required.
- 12.12 In every notice calling a meeting of the Company there must appear a statement informing the Member of:
 - 12.12.1 his rights to appoint a proxy under these Articles and Section 222 of the Law; and
 - 12.12.2 the right to appoint more than one proxy.
- 12.13 The accidental omission to give notice of any meeting to or the non receipt of such notice by any Member shall not invalidate any resolution or any proposed resolution otherwise duly approved.

13. PROCEEDINGS AT GENERAL MEETINGS

- 13.1 The ordinary business of a general meeting shall be to receive and consider the profit and loss account and the balance sheet of the Company and the reports of the Directors and the Auditors, to elect Directors and appoint Auditors in the place of those retiring, to fix the remuneration of the Directors and Auditors, to sanction or declare dividends, and to transact any other ordinary business which ought to be transacted at such meeting. All other business shall be deemed special and shall be subject to notice as hereinbefore provided.
- 13.2 The quorum for a general meeting shall be 2 (two) or more Members (other than the Company itself where it holds its own shares as treasury shares) present in person or by proxy provided that, if the Company shall have only one (1) Member entitled to attend and vote at the general meeting that member shall constitute quorum.
- 13.3 If within half an hour after the time appointed for the meeting a quorum is not present the meeting if convened by or upon a requisition shall be dissolved. If otherwise convened it shall stand adjourned for 7 (seven) days at the same time and place or to such other day and at such other time and place as the Board may determine and (subject to Article 13.7) no notice of adjournment need be given. On the resumption of an adjourned meeting, those Members present in person or by proxy shall constitute the quorum.
- 13.4 The Chairman (if any) or, if absent, the Deputy Chairman (if any) of the Board or, failing him, some other Director nominated by the Directors shall preside as Chairman at every general meeting of the Company, but if at any meeting none of the Chairman nor the Deputy Chairman nor such other Director be present within fifteen minutes after the time appointed for holding the meeting, or if none of them be willing to act as Chairman, the Directors present shall choose some Director present to be Chairman, or if no Directors be present, or if all the Directors present decline to take the chair the Members present shall choose some Member present to be Chairman.
- 13.5 The Board may determine in respect of any general meeting or meetings or generally that a list of the names and addresses of the Members shall not be made available for inspection.
- 13.6 A Director of the Company shall be entitled to attend and speak at any general meeting and at any separate meeting of the holders of any class of shares in the Company regardless of whether that Director is a Member of the Company or a holder of the relevant class of shares.
- 13.7 The Chairman may with the consent of any meeting at which a quorum is present and shall if so directed by the meeting adjourn the meeting at any time and to any place but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. When a meeting is adjourned for 30 (thirty) days or more notice of the adjourned meeting shall be given as in

the case of an original meeting. Save as aforesaid it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

13.8

13.8.1 At any meeting a resolution put to the vote shall be decided by a show of hands or by a poll at the option of the Chairman. Nevertheless before or on the declaration of the result a poll may be demanded:

- (A) by the Chairman; or
- (B) by not less than 5 (five) Members having the right to vote on the resolution; or
- (C) by a Member or Members representing not less than 10 (ten) per cent. of the total voting rights of all Members having the right to vote on the resolution.

13.8.2 The demand for a poll may be withdrawn.

13.8.3 Unless a poll be demanded a declaration by the Chairman that a resolution has on a show of hands 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 the fact without proof of the number or proportion of the votes recorded.

13.9 A poll if demanded shall be taken at the meeting at which the same is demanded or at such other time and place as the Chairman shall direct and the result shall be deemed the resolution of the meeting.

13.10 The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which a poll has been demanded. The Chairman may, in the event of a poll 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.

13.11 A poll demanded on the election of a Chairman and a poll demanded on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken at such time and place as the Chairman directs not being more than 30 (thirty) days from the date of the meeting or adjourned meeting at which the poll was demanded.

13.12 In case of an equality of votes on a poll the Chairman shall have a second or casting vote.

14. **VOTES OF MEMBERS**

14.1 Subject to Article 3.16.1 and to any special rights or restrictions for the time being attached to any class of share:

14.1.1 On a show of hands every Member (other than the Company itself where it holds its own shares as treasury shares) (being an individual) present in person or (being a corporation) present by a duly authorised representative at a general meeting shall have one vote subject to any special voting powers of instructions.

14.1.2 On a poll every Member (other than the Company itself where it holds its own shares as treasury shares) (being an individual) present in person or by proxy or (being a corporation) present by a duly authorised representative at a general meeting shall have one vote for each share held by him.

14.2 Where there are joint registered holders of any shares such persons shall not have the right of voting individually in respect of such share but shall elect one of their number to represent them and to vote whether in person or by proxy in their name. In default of such election the person whose name stands first on the Register shall alone be entitled to vote.

14.3 Any Member being incapable or of unsound mind may vote by his curator or other legal guardian. Any of such persons may vote either personally or by proxy.

14.4 On a poll votes may be given either personally or by proxy and a Member entitled to more than one vote need not use all his votes or cast all the votes he uses in the same way. A

proxy need not be a Member. An instrument in writing appointing a proxy or an appointment contained in an electronic communication may be valid for one or more meetings.

- 14.5 No Member shall be entitled to be present or take part in any proceedings or vote either personally or by proxy or by a representative (if a corporation) at any meeting unless all amounts payable in respect of any shares held by him have been paid. No Member shall be entitled to vote in respect of any shares that he has acquired unless he has been registered as their holder.
- 14.6 No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered and every vote not disallowed shall be valid for all purposes. Any objection made in due time shall be referred to the Chairman whose decision shall be final and binding.
- 14.7 A Member is entitled to appoint another person as his proxy to exercise all or any of his rights to attend and to speak and vote at a meeting of the Company. A Member may appoint more than one proxy in relation to a meeting, provided that each proxy is appointed to exercise the rights attached to a different share or shares held by him.
- 14.8 The appointment of a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or if the appointor is a corporation under its common seal or under the hand of an officer or attorney duly authorised or any other form as which is usual or which the Directors may approve from time to time.
- 14.9 The appointment of a proxy and the power of attorney or other authority (if any) under which it is signed or a notarially certified copy, or some other form approved by the Board, of that power or authority shall :
 - 14.9.1 in the case of an instrument in writing be deposited at the Office or such other venue as the Board may specify not less than 48 (forty-eight) hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote and an appointment of proxy which is not deposited, delivered or received in a manner so permitted, unless the Board directs otherwise, shall not be treated as valid;
 - 14.9.2 in the case of an appointment contained in an electronic communication where an address has been specified for the purpose of receiving electronic communications:
 - (A) in the notice convening the meeting, or
 - (B) in any instrument of proxy sent out by the Company in relation to the meeting, or
 - (C) in any invitation contained in an electronic communication to appoint a proxy issued by the Company in relation to the meeting,be received at such address not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the appointment proposes to vote and an appointment of proxy which is not deposited, delivered or received in a manner so permitted, unless the Board directs otherwise, shall not be treated as valid; and
 - 14.9.3 in this Article 14.9 and Article 14.12 "address" in relation to electronic communications, includes any number or address (including, in the case of any Uncertificated Proxy Instructions permitted pursuant to Article 14.14, an identification number of a participant of the relevant system concerned) used for the purposes of such communications.
- 14.10 The appointment of a proxy may be in any form which the Board may approve and may include an instruction by the appointor to the proxy either to vote for or against any resolution to be put to the meeting.

- 14.11 The appointment of a proxy shall be deemed to confer authority to demand or join in demanding a poll and shall be as valid for any adjournment as for the meeting to which it relates.
- 14.12 Without prejudice to Section 226 of the Law, a vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or disability of the principal or revocation of the proxy or of the authority under which the proxy was executed provided that no intimation in writing of such death, disability or revocation shall have been received by the Company at the Office or such other venue as the Board may specify or where the appointment of the proxy was contained in an electronic communication, at the address at which such appointment was duly received before the commencement of the meeting or adjournment or the taking of the poll at which the proxy is used.
- 14.13 Any corporation which is a Member may by resolution of its Directors or other governing body authorise such person as it thinks fit to act as its representative at any meeting of the Company or of any class of Members of the Company or to approve any resolution submitted in writing and the person so authorised shall be entitled to exercise on behalf of the corporation which he represents the same powers (other than to appoint a proxy) as that corporation could exercise if it were an individual Member of the Company.
- 14.14 Without limiting the foregoing, in relation to any shares which are held in uncertificated form, the Directors may from time to time permit appointments of a proxy to be made by means of an electronic communication in the form of an Uncertificated Proxy Instruction, (that is, a properly authenticated dematerialised instruction, and/or other instruction or notification, which is sent by means of the relevant system concerned and received by 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 concerned)); and may in a similar manner permit supplements to, or amendments or revocations of, any such Uncertificated Proxy Instruction to be made by like means. The Directors may in addition prescribe the method of determining the time at which any such properly authenticated dematerialised instruction (and/or other instruction or notification) is to be treated as received by the Company or such participant. The Directors may treat any such Uncertificated Proxy Instruction which purports to be or is expressed to be sent on behalf of a holder of a share as sufficient evidence of the authority of the person sending that instruction to send it on behalf of that holder. In this Article 14.14 the terms "relevant system" and "properly authenticated dematerialised instruction" shall have the meaning given in the Regulations.

15. **NUMBER AND APPOINTMENT OF DIRECTORS**

- 15.1 The first Directors of the Company shall be appointed by the subscribers to the Memorandum. Unless such subscribers appoint a sole Director and until otherwise determined by the Board the number of Directors shall be not less than two.
- 15.2 Subject to Article 15.1 above, the Board shall have power at any time to appoint any person eligible in accordance with Section 137 of the Law to be a Director either to fill a casual vacancy or as an addition to the existing Directors but so that the total number of Directors shall not at any time exceed the number (if any) fixed pursuant to these Articles. Any Director so appointed shall hold office only until the next following annual general meeting and shall then be eligible for re-election but shall not be taken into account in determining the Directors or the number of Directors who are to retire by rotation at that meeting if it is an annual general meeting.
- 15.3
- 15.3.1 At the first annual general meeting of the Company all of the Directors shall retire from office. At each annual general meeting thereafter, one- third of the Directors (or if their number is not three or a multiple of three), the number nearest to, but (except where there are less than three Directors) not greater than one-third, shall retire from office.

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

15.4

15.4.1 No person other than a Director retiring at a general meeting shall unless recommended by the Directors be eligible for election by the Company to the office of Director unless not less than 7 (seven) nor more than 42 (forty two) clear days before the date appointed for the meeting there shall have been left at the Office, or such other venue as the Board may specify, notice in writing signed by a Member duly qualified to attend and vote at the meeting for which such notice is given of his intention to propose such person for election together with notice in writing signed by that person of his willingness to be elected.

15.4.2 The Company at the meeting at which a Director retires in the manner aforesaid may fill the vacated office by appointing a person thereto by ordinary resolution and in default the retiring Director shall, if willing to act, be deemed to have been re-appointed unless at such meeting it is expressly resolved not to fill the vacated office or a resolution for the re-appointment of such Director shall have been put to the meeting and lost. The Company at such meeting may also (subject to Article 15.1 and 15.2 hereof) fill up any other vacancies.

15.4.3 Without prejudice to the powers of the Board the Company in general meeting may appoint any person to be a Director either to fill a casual vacancy or as an additional Director.

15.4.4 At a general meeting a motion for the appointment of two or more persons as Directors of the Company by a single resolution shall not be made unless a resolution that it shall be so made has been first agreed to by the meeting without any vote being given against it.

16. **QUALIFICATION AND REMUNERATION OF DIRECTORS**

16.1 A share qualification for a Director may be fixed by the Company in general meeting and unless and until so fixed no qualification shall be required. A Director need not be a member of the Company.

16.2

16.2.1 The Directors shall be paid out of the funds of the Company by way of fees such sums not exceeding in the aggregate £200,000 per annum as the Directors shall determine or as may otherwise be approved by ordinary resolution of the Company. Directors' fees shall be deemed to accrue from day to day.

16.2.2 The Directors shall also be entitled to be repaid all reasonable out of pocket expenses properly incurred by them in or with a view to the performance of their duties or in attending meetings of the Board or of committees or general meetings.

- 16.2.3 If any Director having been requested by the Board shall render or perform extra or special services or shall travel or go to or reside in any country not his usual place of residence for any business or purpose of the Company he shall be entitled to receive such sum as the Board may think fit for expenses and also such remuneration as the Board may think fit either as a fixed sum or as a percentage of profits or otherwise and such remuneration may as the Board shall determine be either in addition to or in substitution for any other remuneration which he may be entitled to receive.

17. **ALTERNATE DIRECTORS**

- 17.1 Any Director may by notice in writing under his hand served upon the Company appoint any person (whether a Member of the Company or not) as an alternate Director to attend and vote in his place at any meeting of the Directors at which he is not personally present or to undertake and perform such duties and functions and to exercise such rights as he could personally and such appointment may be made generally or specifically or for any period or for any particular meeting and with and subject to any particular restrictions. Every such appointment shall be effective and the following provisions shall apply:

- 17.1.1 Every alternate Director while he holds office as such shall be entitled:

- (A) if his appointor so directs the Secretary, to notice of meetings (including committee meetings) of the Directors (unless he is absent from Guernsey, the United Kingdom or his usual residential address wherever located if previously notified to the Company); and
- (B) to attend and to exercise (subject to any restrictions) all the rights and privileges of his appointor at all such meetings at which his appointor is not personally present.

- 17.1.2 Every alternate Director shall ipso facto vacate office if and when his appointment expires by effluxion of time or his appointor vacates office as a Director or removes the alternate Director from office as such by notice in writing under his hand served upon the Company. If a Director retires by rotation or otherwise but is re-appointed or deemed to have been re-appointed at the meeting at which he retires, any appointment of an alternate director made by him which was in force immediately prior to his retirement shall continue after his re-appointment.

- 17.1.3 No alternate Director shall be entitled as such to receive any remuneration from the Company but every alternate Director shall be entitled to be paid all reasonable expenses incurred in exercise of his duties.

- 17.1.4 A Director may act as alternate Director for another Director and shall be entitled to vote for such other Director as well as on his own account but no Director shall at any meeting be entitled to act as alternate Director for more than one other Director.

18. **BORROWING POWERS OF THE BOARD**

- 18.1 The Board may exercise any and all the powers of the Company to borrow or raise money (including the power to borrow for the purpose of redeeming shares) or to give guarantees, mortgage, hypothecate, pledge or charge all or part of its undertaking property or assets and uncalled capital and to issue debentures and other securities whether outright or as collateral security for any liability or obligation of the Company or of any third party provided always that the aggregate principal amount of all borrowings (as defined in the Articles) by the Company shall not at the point of drawdown of any borrowings exceed 25 per cent. of the Net Asset Value.

19. **OTHER POWERS AND DUTIES OF THE BOARD**

- 19.1 The business of the Company shall be managed by the Board who may exercise all such powers of the Company as are not required to be exercised by the Company in general meeting subject nevertheless to these Articles and to the Law and to such regulations as

may be prescribed by the Company in general meeting but no regulation so made shall invalidate any prior act of the Board. The general powers given by this Article shall not be limited or restricted by any special authority or power given to the Board by any other Article.

- 19.2 The Board 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 the Board may on behalf of the Company make such arrangements as it thinks 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.
- 19.3 The Board may establish any local boards or committees or agencies for managing any of the affairs of the Company and may appoint any one or more of its number or any other persons to be members of such local boards or committees or any managers or agents and may fix their remuneration and may delegate to any local board manager or committee or agent any of the powers authorities and discretions vested in the Board with power to sub-delegate and may authorise the members of any local board or committee to fill any vacancies and to act notwithstanding vacancies and any such appointment or delegation may be made upon such terms and subject to such conditions as the Board may think fit and the Board 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.
- 19.4 The Board may at any time by power of attorney given under the hand of such person or persons duly authorised in that behalf appoint any person or any fluctuating body of persons whether nominated directly or indirectly by the Board to be the attorney of the Company for such purposes and with such powers and discretions and for such periods and subject to such conditions as the Board may think fit and any such power of attorney may contain such provisions for the protection and convenience of persons dealing with any attorney as the Board may think fit and may also authorise any attorney to sub-delegate all or any of his powers and discretions.
- 19.5 A Director must, immediately after becoming aware of the fact that he is interested in a transaction or proposed transaction with the Company, disclose to the Board in accordance with Section 162 of the Law:
- 19.5.1 if the monetary value of the Director's interest is quantifiable, the nature and monetary value of that interest; or
 - 19.5.2 if the monetary value of the Director's interest is not quantifiable, the nature and extent of that interest.
- 19.6 Article 19.5 does not apply if:
- 19.6.1 the transaction or proposed transaction is between the Director and the Company; and
 - 19.6.2 the transaction or proposed transaction is or is to be entered into in the ordinary course of the Company's business and on usual terms and conditions.
- 19.7 A general disclosure to the Board to the effect that a Director has an interest (as director, officer, employee, member or otherwise) in a party and is to be regarded as interested in any transaction which may after the date of the disclosure be entered into with that party is sufficient disclosure of interest in relation to that transaction.
- 19.8 Nothing in Articles 19.5, 19.6 and 19.7 applies in relation to:
- 19.8.1 remuneration or other benefit given to a Director;
 - 19.8.2 insurance purchased or maintained for a Director in accordance with Section 158 of the Law; or
 - 19.8.3 qualifying third party indemnity provision provided for a Director in accordance with Section 159 of the Law.

- 19.9 Subject to Article 19.10, a Director is interested in a transaction to which the Company is a party if the Director:
- 19.9.1 is a party to, or may derive a material benefit from, the transaction;
 - 19.9.2 has a material financial interest in another party to the transaction;
 - 19.9.3 is a director, officer, employee or member of another party (other than a party which is an associated company) who may derive a material financial benefit from the transaction;
 - 19.9.4 is the parent, child or spouse of another party who may derive a material financial benefit from the transaction; or
 - 19.9.5 is otherwise directly or indirectly materially interested in the transaction.
- 19.10 A Director is not interested in a transaction to which the Company is a party if the transaction comprises only the giving by the Company of security to a third party which has no connection with the Director, at the request of the third party, in respect of a debt or obligation of the Company for which the Director or another person has personally assumed responsibility in whole or in part under a guarantee, indemnity or security.
- 19.11 A Director, notwithstanding his interest, may be counted in the quorum present at any meeting whereat he or any other Director is appointed to hold any such office or place of profit under the Company, or whereat the terms of any such appointment are arranged or whereat any contract in which he is interested is considered, and he may vote on any such appointment or arrangement other than his own appointment or the arrangement of the terms thereof. Where proposals are under consideration concerning the appointment (including without limitation fixing or varying the terms of appointment or its termination) of two or more directors to offices or places of profit with the Company or a company in which the Company is interested, such proposals shall be divided and a separate resolution considered in relation to each Director. In such case each of the Directors concerned (if not otherwise debarred from voting under these provisions) is entitled to vote (and be counted in the quorum) in respect of each resolution except that concerning his own appointment.
- 19.12 A Director may hold any other office or place of profit under the Company (other than Auditor) in conjunction with his office of Director for such period and on such terms (as to remuneration and otherwise) as the Board may determine and no Director or intending Director shall be disqualified by his office from contracting with the Company either with regard to his tenure of any such other office or place of profit or as vendor, purchaser or otherwise nor shall any such contract or any contract or arrangement entered into by or on behalf of the Company in which any Director is in any way interested be liable to be avoided nor shall any Director so contracting or being so interested be liable to account to the Company for any profits realised by any such contract or arrangement by reason of such Director holding that office or of the fiduciary relationship thereby established.
- 19.13 Any Director may act by himself or his firm in a professional capacity for the Company, other than as auditor and he or his firm shall be entitled to remuneration for professional services as if he were not a Director.
- 19.14 Any Director may continue to be or become a director, managing director, manager or other officer or member of a company promoted by the Company in which the Company may be interested, and any such Director shall not be accountable to the Company for any remuneration or other benefits received by him as a director, managing director, manager or other officer or member of any such company. The Directors may exercise the voting power conferred by the shares in any other company held or owned by the Company or exercisable by them as directors of such other company, in such manner in all respects as they think fit (including the exercise thereof in favour of any resolution appointing themselves or any of them directors, managing directors, managers or other officers of such company, or voting or providing for the payment of remuneration to themselves as directors, managing directors, managers or other officers of such company) and any Director of the Company may vote in favour of the exercise of such voting rights in manner aforesaid, notwithstanding that he may be or be about to be appointed a director,

managing director, manager or other officer of such other company, and as such is or may become interested in the exercise of such voting rights in manner aforesaid.

- 19.15 All cheques promissory notes drafts bills of exchange and other negotiable instruments and all receipts for moneys paid to the Company shall be signed drawn, accepted, endorsed or otherwise executed in such manner as the Board shall at any time determine.
- 19.16 The Board shall cause minutes to be made in books provided for the purpose:
- 19.16.1 of all appointments of Officers;
 - 19.16.2 of the names of the Directors present at each meeting of the Board and of any committee;
 - 19.16.3 of all resolutions and proceedings at meetings of the Company and meetings of the Board and of committees in accordance with Section 154 of the Law.

Any such minutes if purporting to be signed by the Chairman of the meeting at which the proceedings took place, or by the Chairman of the next succeeding meeting, shall be evidence of their proceedings.

- 19.17 A Register of Directors' interests in shares shall be kept at the Office and shall be open to the inspection of any Member or holder of debentures of the Company between the hours of 10:00am and noon for a period beginning 14 (fourteen) days before and ending three days after the Annual General Meeting. The said register shall also be produced at the commencement of each Annual General Meeting and shall remain open and accessible during the continuance of the meeting to any person attending the meeting.
- 19.18 The Directors or Secretary shall cause to be maintained a register of Directors in accordance with Sections 143 and 147 of the Law.
- 19.19 The Board shall cause minutes and records of other corporate resolutions to be made and maintained at the Office, or in such other place in Guernsey as the Board may think fit, in accordance with Sections 228 and 230 of the Law, of all proceedings at general meetings or otherwise and all decisions of a sole Member.

20. **DISQUALIFICATION AND REMOVAL OF DIRECTORS**

- 20.1 A Director shall cease to hold office:
- 20.1.1 if he (not being a person holding for a fixed term an executive office subject to termination if he ceases from any cause to be a Director) resigns his office by written notice signed by him sent to or deposited at the Office;
 - 20.1.2 if he shall have absented himself (such absence not being absence with leave or by arrangement with the Board on the affairs of the Company) from meetings of the Board for a consecutive period of 6 (six) months and the Board resolves that his office shall be vacated;
 - 20.1.3 if he becomes of unsound mind or incapable;
 - 20.1.4 if he becomes insolvent suspends, payment or compounds with his creditors;
 - 20.1.5 if he is requested to resign by written notice signed by all his co-Directors;
 - 20.1.6 if the Company in general meeting by ordinary resolution shall declare that he shall cease to be a Director; or
 - 20.1.7 if he becomes ineligible to be a Director in accordance with Section 137 of the Law.
- 20.2 If the Company in general meeting removes any Director before the expiration of his period of office it may by an ordinary resolution appoint another person to be a Director in his stead who shall retain his office so long only as the Director in whose stead he is appointed would have held the same if he had not been removed. Such removal shall be without prejudice to any claims such Director may have for damages for breach of any contract of service between him and the Company.

21. PROCEEDINGS OF DIRECTORS

21.1

21.1.1 The Board may meet for the despatch of business, adjourn and otherwise regulate its meetings as it thinks fit. Questions arising at any meeting shall be decided by a majority of votes. In case of an equality of votes the Chairman at the meeting shall have a second or casting vote.

21.1.2 A video link or telephone conference call or other electronic or telephonic means of communication in which a quorum of Directors participates and all participants can hear and speak to each other shall be a valid meeting.

21.2 The Board shall also determine the notice necessary for its meetings and the persons to whom such notice shall be given. It shall not be necessary to give notice of a meeting to a Director who is absent from the United Kingdom or Guernsey unless the Director has notified the Company in writing of an address at which notice of meetings of Directors is to be given when he is so absent.

21.3 A meeting of the Board at which a quorum is present shall be competent to exercise all powers and discretions exercisable by the Board.

21.4 The continuing Directors may act notwithstanding any vacancy but if, and so long as, their number is reduced below the minimum number fixed pursuant to these Articles the continuing Directors may act for the purpose of increasing the number of Directors to that number or of summoning a general meeting but for no other purpose. If there be no Directors able or willing to act then any holder may summon a general meeting for the purpose of appointing Directors.

21.5 The Board may elect one of their number as Chairman of their meetings and determine the period for which he is to hold office. If no such Chairman be elected or if at any meeting the Chairman be not present within five minutes after the time appointed for holding the same the Directors present may choose one of their number to be Chairman of the meeting.

21.6 The Board may delegate any of their powers to committees consisting of such one or more Directors as they think fit. Any committee so formed shall in the exercise of the powers so delegated conform to any regulations that may be imposed on it by the Board.

21.7 The quorum necessary for the transaction of the business of the Board may be fixed by the Board and unless so fixed shall be two for the meeting of the Board and one for any committee of the Directors, provided that where the minimum number of Directors has been fixed at one a sole Director shall be deemed to form a quorum. For the purposes of this Article an alternate appointed by a Director shall be counted in a quorum at a meeting at which the Director appointing him is not present.

21.8 A resolution in writing signed by each Director (or his alternate) entitled to receive notice of a meeting of the Board or by all the members of a committee shall be as valid and effectual as a resolution passed at a meeting of the Board or committee. Such resolution may be contained in one document or in several documents in like form each signed by one or more of the Directors or members of the committee and may be transmitted to the Company by facsimile.

22. EXECUTIVE DIRECTOR

22.1 The Board may at any time appoint one or more of their body to be holder of any executive office including the office of Managing Director on such terms and for such periods as they may determine.

22.2 The appointment of any Director to any executive office shall be subject to termination if he ceases for any cause to be a Director but without prejudice to any claim for damages for breach of any contract of service between him and the Company.

22.3 The Board may entrust to and confer upon a Director holding any executive office any of the powers exercisable by the Board upon such terms and conditions and with such

restrictions as it thinks fit either collaterally with or to the exclusion of their own powers and may at any time revoke withdraw alter or vary all or any of such powers.

23. SECRETARY

- 23.1 A Secretary may be appointed by the Board for such term at such remuneration and upon such conditions as the Board may think fit; and any Secretary may be removed by the Board but without prejudice to any claim which he may have for damages for breach of any contract of service between him and the Company.
- 23.2 A Secretary shall have such duties as may be mandated by the Law and such other duties, responsibilities and powers as shall be agreed by the Board and the Secretary.
- 23.3 Any provision of the Law or these Articles requiring or authorising a thing to be done by a Director and the Secretary shall be satisfied by its being done by the same person acting both as Director and as or in the place of the Secretary.

24. THE SEAL

- 24.1 If the Board determines to maintain a Seal they shall provide for the safe custody of the Seal which shall only be used by authority of the Board or of a committee and every instrument to which the Seal shall be affixed shall be signed by any such persons as are authorised by the Board in that behalf. The Board may authorise the use of a duplicate or facsimile Seal for use outside Guernsey in such manner as the Board may at its discretion determine.

25. AUTHENTICATION OF DOCUMENTS

- 25.1 Any Director or the Secretary or any person appointed by the Board for the purpose shall have power to authenticate any documents affecting the Company (including the Memorandum and these Articles) and any resolutions passed by the Company or the Board and any books records documents and accounts relating to the business of the Company and to certify copies or extracts 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 their custody shall be deemed to be a person appointed by the Board as aforesaid.

26. DIVIDENDS

- 26.1 Subject to compliance with Section 304 of the Law, the Board may at any time declare and pay such dividends as appear to be justified by the position of the Company. The Board may also declare and pay any fixed dividend which is payable on any shares of the Company half-yearly or otherwise on fixed dates whenever the position in the opinion of the Board so justifies.
- 26.2 The method of payment of dividends shall be at the discretion of the Board.
- 26.3 No dividend shall be paid in excess of the amounts permitted by the Law or approved by the Board.
- 26.4 Unless and to the extent that the rights attached to any shares or the terms of issue thereof otherwise provide, all dividends shall be declared and paid pro rata according to the number of shares held by each Member.
- 26.5 The Board may deduct from any dividend payable to any Member on or in respect of a share all sums of money (if any) presently payable by him to the Company on account of calls or otherwise.
- 26.6 The Board 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 liabilities or obligations in respect of which the lien exists.
- 26.7 The Board may retain dividends payable upon shares in respect of which any person is entitled to become a Member until such person has become a Member.

- 26.8 Any dividend may be paid wholly or in part by the distribution of specific assets of the Company. Where any difficulty arises in regard to such distribution, the Board may settle the same as it thinks expedient and in particular may fix the value for distribution of such specific assets and 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 Members and may vest any such specific assets in trustees for the Members entitled as may seem expedient to the Board.
- 26.9 Any dividend, interest or other moneys payable in cash in respect of shares may be paid by cheque or warrant sent through the post at the risk of the person entitled to the money represented thereby to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the Register. Any one of two or more joint holders may give effectual receipts for any dividends, interest or other moneys payable in respect of their joint holdings.
- 26.10 No dividend or other moneys payable on or in respect of a share shall bear interest against the Company.
- 26.11 All unclaimed dividends may be invested or otherwise made use of by the Board for the benefit of the Company until claimed and the Company shall not be constituted a trustee in respect thereof. All dividends unclaimed for a period of six (6) years after having been declared shall be forfeited and shall revert to the Company.
- 26.12 The Directors may provide that Members will be entitled to receive an issue of additional shares credited as fully paid out of all or part of the capital reserve or such other reserves of the Company as are available for distribution from time to time (bonus shares). This Article shall apply, inter alia, where Members have elected by giving written notice to the registrar of the Company at least 15 (fifteen) Business Days prior to the payment date for any dividend, not to receive such dividend in respect of any of the shares owned by them but to receive bonus shares in lieu, and no Member who has so elected shall be entitled to receive such dividend in respect of any shares which are so elected. In any such case the following provisions shall apply:
- 26.12.1 the number of bonus shares, including fractional entitlements, to be issued out of all or part of the capital reserve or such other reserves of the Company as are available for distribution from time to time shall be equal to the amount resolved to be so distributed divided by the higher of (i) the volume weighted average of the middle market quotations for a fully paid share of the relevant class, as shown in the Official Daily List of the London Stock Exchange, for the day on which such shares are first quoted "ex" the relevant dividend and the four subsequent dealing days; (ii) the most recent Net Asset Value per share published by the Company; or, (iii) in such other manner as the Directors may determine in their absolute discretion;
- 26.12.2 the bonus shares so issued shall be allotted and distributed amongst the relevant Members and credited as fully paid and shall rank pari passu in all respects with the shares then in issue save that such shares shall, unless the Directors are instructed to the contrary by the relevant Members, carry an entitlement to further bonus shares rather than to receive dividends;
- 26.12.3 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 provision as they think fit in the case of bonus shares becoming distributable in fractions so that the fractional entitlements are disregarded or rounded up or the benefit of the fractional entitlements accrues to the Company; and
- 26.12.4 the Directors may on any occasion determine that rights of election shall not be made available to any Members with registered addresses in any territory where in the absence of a registration statement or compliance with other special formalities the circulation of an offer of bonus shares would or might be unlawful and in such event the provisions aforesaid shall be read and construed subject to such determination.

- 26.13 Members who have made an election to receive bonus shares in lieu of any dividend may change their election by giving written notice to the registrar of the Company at least 15 (fifteen) Business Days prior to the payment date for any dividend in respect of which the new election is to take effect.

27. RESERVES

- 27.1 The Board may, before recommending any dividend, set aside such sums (out of profits or otherwise) as it thinks proper as reserves which shall, at the discretion of the Board, be applicable for any purpose to which such sums may be properly applied and, pending such application, may either be employed in the business of the Company or be invested in such investments as the Board may at any time think fit. The Board may also, without placing the same to reserve, carry forward any profits or other sums which it may think prudent not to distribute.

28. CAPITALISATION OF PROFITS

- 28.1 The Company in general meeting may, upon the recommendation of the Board, resolve that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the Company's reserve accounts or to the credit of the profit and loss account or otherwise available for distribution and accordingly that such sums be set free for distribution amongst the Members who would have been entitled thereto if distributed and in the same proportions on condition that the same be not paid in cash but be applied either in or towards paying up any amounts for the time being unpaid on any shares held by such Members respectively or paying up in full unissued shares of the Company to be allotted and distributed credited as fully paid to and amongst such Members.

- 28.2 Whenever such resolution shall have been passed, the Board shall make all appropriations and applications of the reserves or profits resolved to be capitalised and all allotments and issues of fully-paid shares and generally shall do all things required to give effect thereto with full power to the Board to make such provision by payment in cash or otherwise as it thinks fit for the case of shares becoming distributable in fractions and also to authorise any person to enter on behalf of all Members entitled thereto into an agreement with the Company providing for the allotment to them respectively credited as fully paid of any further shares to which they may be entitled upon such capitalisation or (as the case may require) for the payment up by the Company on their behalf by the application thereto of their respective proportions of the amounts resolved to be capitalised of the amounts or any part of the amounts remaining unpaid on their existing shares and any agreement made under such authority shall be effective and binding on all such Members.

- 28.3 In connection with the issue of bonus shares as provided in Article 26.12 the Board shall carry an amount equal to the amount which would, in the absence of the relevant election, have been provided to the relevant Members by way of dividend to the capital reserve and any such sums carried to the capital reserve in respect of any accounting period, or part thereof, shall cease to be available for distribution as dividend and shall form part of the capital reserve. Such sum shall, however, be capable of being used to make an issue of bonus shares.

29. ACCOUNTS

- 29.1 The Board shall cause proper books of account to be kept with respect to all the transactions, assets and liabilities of the Company in accordance with the Law.

- 29.2 The books of account shall be kept at the Office or at such other place as the Board shall think fit and shall at all times be open to the inspection of the Directors but no person other than a Director or Auditor or other person whose duty requires and entitles him to do so shall be entitled to inspect the books accounts and documents of the Company except as provided by the Law or authorised by the Board or by the Company in general meeting.

- 29.3 A balance sheet shall be laid before the Company at its annual general meeting in each year and such balance sheet shall contain a general summary of the assets and liabilities of the Company. The balance sheet shall be accompanied by a report of the Directors as to

the state of the Company as to the amount (if any) which they recommend to be paid by way of dividend and the amount (if any) which they have carried or propose to carry to the capital reserve. The Auditors' report shall be attached to the balance sheet or there shall be inserted at the foot of the balance sheet a reference to the report.

- 29.4 A copy of every balance sheet and of all documents annexed thereto including the reports of the Directors and the Auditors shall at least twenty-one days before the date of the meeting be sent by post or made available to Members by their publishing on a website or communicated electronically in accordance with Article and to be sent by post to the Auditors.

30. **AUDITORS**

- 30.1 Auditors shall be engaged in accordance with Part XVI of the Law.

31. **NOTICES**

- 31.1 A notice may be given by the Company to any Member either personally or by publishing it on a website or communicating it electronically in accordance with Article 31.6 or by sending it by prepaid post addressed to such Member at his registered address or if he desires that notices shall be sent to some other address or person to the address or person nominated for such purpose. Notices to be posted to addresses outside the Channel Islands and the United Kingdom shall so far as practicable be forwarded by prepaid airmail.
- 31.2 Any notice or other document, if served by post, shall be deemed to have been served forty eight hours after the time when the letter containing the same is posted and in proving such service it shall be sufficient to prove that the letter containing the notice or document was properly addressed and duly posted. A notice given by advertisement shall be published in at least one UK national newspaper and shall be deemed to have been served before noon the day on which the advertisement appears.
- 31.3 Any notice or other document, if transmitted by electronic communication, facsimile transmission or other similar means which produce or enable the production of a document containing the text of the communication, shall be regarded as served when it is received.
- 31.4 A notice may be given by the Company to the joint holders of a share by giving the notice to the joint holder first named in the Register in respect of the share.
- 31.5 Any notice or document delivered or sent by post to or left at the registered address of any Member shall notwithstanding the death, disability or insolvency of such Member and whether the Company has notice thereof be deemed to have been duly served in respect of any share registered in the name of such Member as sole or joint holder and such service shall for all purposes be deemed a sufficient service of such notice or document on all persons interested (whether jointly with or as claiming through or under him) in any such share.
- 31.6 All Members shall be deemed to have agreed to accept communication from the Company by electronic means including, for the avoidance of doubt, via a website in accordance with Sections 524 and 526 and Schedule 3 of the Law unless a Member notifies the Company otherwise. Notice under this Article 31.6 must be in writing and signed by the Member and delivered to the Office or such other place as the Board directs.

32. **WINDING UP**

- 32.1 Subject to the provisions relating to C Shares set out in these Articles, if the Company shall be wound up whether voluntary or otherwise the surplus assets remaining after payment of the creditors shall, subject to the Law, be divided amongst the Members according to the number of shares held by each of them at the date thereof.
- 32.2 If the Company shall be wound up the Liquidator may with the authority of a special resolution divide among the members in specie the whole or any part of the assets of the Company and whether or not the assets shall consist of property of a single kind and may for such purposes 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 Member shall be compelled to accept any shares or other assets in respect of which there is any outstanding liability.

- 32.3 Where the Company is proposed to be or is in the course of being wound up and the whole or part of its business or property is proposed to be transferred or sold to another company (the "transferee") the Liquidator of the Company may, with the sanction of an ordinary resolution, conferring either a general authority on the Liquidator or an authority in respect of any particular arrangement, receive in compensation or part compensation for the transfer or sale, shares, policies or other like interests in the transferee for distribution among the Members of the Company or may enter into any other arrangement whereby the Members of the Company may, in lieu of receiving cash, shares, policies or other like interests, or in addition thereto, participate in the profits of or receive any other benefits from the transferee.

33. INDEMNITY

- 33.1 Subject to Article 33.4, the Directors, Secretary and officers for the time being of the Company and their respective heirs and executors shall, to the extent permitted by Section 157 of the Law, be fully indemnified out of the assets and profits of the Company from and against all actions expenses and liabilities which they or their respective heirs or executors may incur by reason of any contract entered into or any act in or about the execution of their respective offices or trusts except such (if any) as they shall incur by or through their own negligence, default, breach of duty or breach of trust respectively and none of them shall be answerable for the acts receipts neglects or defaults of the others of them or for joining in any receipt for the sake of conformity or for any bankers or other person with whom any moneys or assets of the Company may be lodged or deposited for safe custody or for any bankers or other persons into whose hands any money or assets of the Company may come or for any defects of title of the Company to any property purchased or for insufficiency or deficiency of or defect in title of the Company to any security upon which any moneys of the Company shall be placed out or invested or for any loss misfortune or damage resulting from any such cause as aforesaid or which may happen in or about the execution of their respective offices or trusts except the same shall happen by or through their own negligence, default, breach of duty or breach of trust.
- 33.2 Subject to Article 33.4, the Directors may agree to such contractual indemnities for the benefit of the Secretary, officers, employees and other agents and contracting parties as they may from time to time, deem fit.
- 33.3 Notwithstanding Article 33.1 and subject to Article 33.4, the Board may purchase and maintain, at the expense of the Company, insurance for the benefit of the Directors, Secretary, officers, employees and other agents and/or to cover corporate reimbursement of such Directors, Secretary, officers, employees and other agents.
- 33.4 The Company shall not provide any indemnity against:
- 33.4.1 any liability of a Director to pay:
- (A) a fine imposed in criminal proceedings; or
 - (B) a sum payable to a regulatory authority by way of a penalty in respect of non-compliance with any requirement of a regulatory nature (however arising); or
- 33.4.2 any liability incurred by a Director:
- (A) in defending criminal proceedings in which he is convicted; or
 - (B) in defending civil proceedings brought by the Company, or an associated company, in which judgment is given against him,

For the purposes of this Article 33.4, a conviction or a judgment shall mean a final non-appealable decision in such proceedings.

34. **INSURANCE**

- 34.1 Without prejudice to any other provisions of these Articles, the Directors may exercise all the powers of the Company to purchase and maintain insurance for or for the benefit of any persons who are or were at any time Directors, officers, employees or auditors of the Company, or of any other body (whether or not incorporated) which is or was its subsidiary of the Company (together "**Group Companies**") or otherwise associated with the Company or any Group Company or in which the Company or any such Group Company has or had any interest, whether direct or indirect, or of any predecessor in business of any of the foregoing, including (without prejudice to the generality of the foregoing) insurance against any costs, charges, expenses, losses or liabilities suffered or 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 the exercise or purported exercise of their powers and discretions and/or otherwise in relation to or in connection with their duties, powers or offices in relation to the Company or any such other body.

35. **INSPECTION OF DOCUMENTS**

- 35.1 The Board shall determine whether and to what extent and at what times and places and under what conditions the accounts, books and documents of the Company shall be open to inspection and no Member shall have any right of inspecting any account or book or document except as conferred by the Law or authorised by the Board.

36. **COMPULSORY REDEMPTION MECHANISM**

- 36.1 The Board may, at its discretion, choose to compulsorily redeem some or all of the shares consisting of the Ordinary Shares or the C Shares as the case may be.
- 36.2 Where the Board exercises its discretion to redeem compulsorily a given percentage of the shares of any class in issue, the Company will make a Redemption Announcement in advance of the relevant Redemption Date. The Redemption Announcement will include the following detail:
- 36.2.1 the aggregate amount to be distributed to shareholders of the relevant class;
 - 36.2.2 the Relevant Percentage of each class of shares to be redeemed (pro rata as between the holders of shares of the relevant class as at the Redemption Record Date);
 - 36.2.3 a timetable for the redemption and distribution of redemption proceeds, including the Redemption Date and the Redemption Record Date;
 - 36.2.4 the Redemption Price per share in respect of each class of shares;
 - 36.2.5 a new ISIN in respect of each class of shares which will continue to be listed following the relevant Redemption Date; and
 - 36.2.6 any additional information that the Board deems necessary in connection with the redemption.
- 36.3 Redemptions of shares will become effective on each Redemption Date, being a date chosen at the Directors' absolute discretion, as determined by the Directors to be in the best interest of shareholders as a whole. In determining the timing of any Redemption Date, the Directors will take into account the amount of cash available for payment of redemption proceeds and the costs associated with the redemption.
- 36.4 The shares redeemed will be the Relevant Percentage of the shares of the relevant class registered in the names of shareholders on the Redemption Record Date.
- 36.5 Shareholders will receive the Redemption Price per share of the relevant class in respect of each of their shares redeemed compulsorily.

- 36.6 The Directors shall be under no obligation to redeem shares pursuant to the above compulsory redemption mechanism.
- 36.7 The Directors may determine not to redeem compulsorily shares in accordance with the mechanism set out above, and instead make a tender offer to Shareholders to purchase their shares. In such circumstances, a tender offer will be made to Shareholders in accordance with market practice and in compliance with the Listing Rules and the Law.