

**THE COMPANIES ACT 1985  
AND  
THE COMPANIES ACT 1989  
RESOLUTIONS  
OF  
MERRILL LYNCH INVESTMENT MANAGERS GROUP LIMITED**

The following resolutions were passed as ordinary and special resolutions by the sole Shareholder of the Company for the time being on 18 September 2006.

**ORDINARY RESOLUTIONS**

1. THAT pursuant to the Companies Act 1985 (as amended):
  - a. 504,135,374 of the authorised and unissued shares of the Company be and are hereby re-designated as Participating Preference Shares of £0.05 each
  - b. 1,121,663,969 of the ordinary shares of £0.05 currently in issue and registered in the name of Merrill Lynch & Co., Inc. be and are hereby re-designated as 1,121,663,969 Participating Preference Shares of £0.05 eachwith the rights of both the ordinary and Participating Preference Shares to be as set out in the Articles of Association be adopted in terms of paragraph 2 below, following which the authorised share capital of the Company shall comprise £162,579,935.35 divided into 1,625,799,343 Ordinary shares of £0.05 each and 1,625,799,344 Participating Preference Shares of £0.05 each, of which 1,121,663,969 ordinary shares of £0.05 each and 1,121,663,969 Participating Preference Shares of £0.05 each shall be in issue;
2. THAT the directors of the Company be generally and unconditionally authorised in accordance with section 80 of the Companies Act 1985 to allot shares up to the amount of the authorised share capital of the Company at any time or times during the period of 5 years from the date of this resolution.



**SPECIAL RESOLUTION**

3. THAT the regulations contained in the document attached hereto be approved and adopted as the Company's Articles of Association and in substitution for, and to the exclusion of, all existing Articles of Association."

A handwritten signature in black ink, appearing to read "J. Kewichu", is written over a horizontal line.

**For and on behalf of Merrill Lynch Corporate Services Limited**  
**Company Secretary**

Dated: 18 September 2006

**THE COMPANIES ACT 1948**

**And**

**THE COMPANIES ACTS 1985-9**

**COMPANY LIMITED BY SHARES**

**NEW**

**ARTICLES OF ASSOCIATION**

**of**

**MERRILL LYNCH INVESTMENT MANAGERS GROUP LIMITED \***

**(Adopted by Special Resolution  
passed on 18 September 2006)**

**ADOPTION OF TABLE A**

1. In these articles "Table A" means Table A scheduled to the Companies (Tables A to F) Regulations 1985 as amended by the Companies (Tables A to F) (Amendment) Regulations 1985 and by any other subordinate legislation coming into operation thereafter but not, where applicable, prior to the date of incorporation of the Company.
2. The regulations contained in Table A shall, except where they are excluded or to the extent that they are modified by these articles, apply to the Company and, together with these articles, shall constitute the articles of the Company.
3. Save as required by law no regulations scheduled to any statute concerning companies shall apply to the Company.

\* The Company was incorporated on 28th March 1969 with the name "Warburg Investment Management Ltd", which was changed on 14th October 1986 to "Mercury Warburg Investment Management Ltd". The name was subsequently changed on 1st October 1986 to "Mercury Asset Management Holdings Ltd" and, on 3rd March 1987 to "Mercury Asset Management plc", on re-registration as a public company. The name was changed on 3rd March 1987 to "Mercury Asset Management Group plc". The Company was again re-registered as a private limited company on 9th March 1998 under the name "Mercury Asset Management Group Ltd". The Company's name was again changed on 29 September 2000 to "Merrill Lynch Investment Managers Limited."

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## INTERPRETATION

- 4 (A) In these articles, unless the contrary intention appears:
- (i) the "Statutes" means the Act and every other statute, statutory instrument, regulation or order for the time being in force concerning companies registered under the Act; and
  - (ii) words importing the singular number include the plural number and vice versa, words importing one gender include all genders and words importing persons include bodies corporate and unincorporated associations.
- (B) Headings to these articles are inserted for convenience only and shall not affect construction.
5. References in Table A and in these articles to writing include references to any method of representing or reproducing words in a legible and non-transitory form.
6. Save as provided in the last preceding article, words and expressions which bear particular meanings in Table A shall bear the same respective meanings in these articles.

## SHARE CAPITAL

7. The authorised share capital of the Company at the date of adoption of these Articles is £162,579,934.35 divided into 1,625,799,343 Ordinary Shares of 5p each and 1,625,799,344 Participating Preference Shares of 5p each.\*

- \* (i) The authorised share capital of the Company at the date of incorporation (28th March 1969) was £500,000, divided into 500,000 ordinary shares of £1 each.
- (i) On 1st October 1986, the authorised share capital was increased to £2,000,000 by the creation of 1,500,000 ordinary shares of £1 each and each such ordinary share was then sub-divided into ten ordinary shares of 10p each.
- (ii) Pursuant to a further special resolution passed on 2nd March 1987, each of the ordinary shares of 10p each in the Company was sub-divided into two ordinary shares of 5p each and the authorised share capital was increased to £5,000,000 by the creation of 60,000,000 additional ordinary shares of 5p each.
- (iii) The authorised share capital of the Company was increased to £12,500,000 by an ordinary resolution passed at an Extraordinary General Meeting held on 12th December 1991, approving the creation of an additional 150,000,000 ordinary shares of 5p each.
- (iv) Pursuant to ordinary resolutions passed on 3rd July 1995 (which became effective on 26th July 1995):

- (a) the authorised share capital of the Company was increased to £19,404,300 by the creation of an additional 138,086,000 ordinary shares of 5p each;
- (b) 136,487,313 issued ordinary shares of 5p each in the capital of the Company were converted into 136,487,313 deferred shares of 5p each;
- (c) the 136,487,313 issued deferred shares of 5p each in the capital of the Company were purchased by the Company and the Company's issued share capital was diminished accordingly; and
- (d) the authorised share capital of the Company was then reduced to £12,579,934.35 divided into 251,598,687 ordinary shares of 5p each by the cancellation of all of the unissued 136,487,313 deferred shares of 5p each.
- (v) Pursuant to ordinary resolutions passed on 21 December 2000 the authorised share capital of the Company was increased to £162,579,934.35 divided into 3,251,598,687 ordinary shares of 5p each, by the creation of an additional 3,000,000,000 ordinary shares of 5p each.
- (vi) Pursuant to a special resolution passed on 18 September 2006, 1,625,798,344 ordinary shares of 5p were converted into and re designated as participating preference shares of 5p each, with both the ordinary and participating preference shares having the rights set out in the articles adopted on that date..

8. The rights attaching to the Ordinary Shares and Participating Preference Shares are as set out in this Article.

(A) Voting Rights

- (i) The Ordinary Shares and the Participating Preference Shares shall entitle the holders to attend and vote at the meetings of the Company.
- (ii) At such meetings, on a resolution being considered on a show of hands each member present in person shall have one vote, and on a poll each member shall have 9 votes for each Ordinary Share held by it and one vote for each Participating Preference Share held or if a Participating Preference Share is held by a person other than (a) Blackrock Finco (UK) Limited ("Blackrock"), or (b) any company which is not itself both (i) incorporated and resident for tax purposes outside the European Economic Area ("EEA") and (ii) all of whose holding companies are incorporated and resident for tax purposes outside the EEA (residence for tax purposes being determined in accordance with the laws of England) or (c) any company which acquires such shares on or before 31 March 2007 9 votes for each Participating Preference Shares held by it.

(B) Dividend Rights

- (i) Subject to the Company having profits available for distribution in accordance with the Act, on 30 June and 31 December each year (each a "dividend payment date"), but conditional upon the directors having resolved to pay such a dividend (without the need for declaration of a dividend by the Company in general meeting), the Company will pay to the holders of the Participating Preference Shares a fixed preferential dividend of 5.5p for each Participating Preference Share held on that date provided that a Regulatory Deficit would not thereby occur. In the event that on a dividend payment date the Company has insufficient distributable profits to pay any fixed dividend or to the extent that to pay such dividend would cause a Regulatory Deficit to occur the Company shall, conditional upon the directors having resolved to pay such a dividend, pay by way of dividend the maximum amount it may pay from such reserves and without causing a Regulatory Deficit to occur to the holders of the Participating Preference Shares pro rata to the number of such shares they may hold on that date. Any amount of fixed preferential dividend not paid for any reason whatsoever shall accumulate and be paid as part of the fixed dividend on the next payment date but for the avoidance of doubt accrued but unpaid dividends shall not be debts due by the Company until the next dividend payment date when (a) sufficient distributable reserves are available, (b) the directors have resolved to pay such a dividend and (c) a Regulatory Deficit will not occur by reason of the payment of such a dividend then the dividend shall become payable and thereafter, until paid, represent debts due to the shareholder concerned. In this Article 8 a "Regulatory Deficit" would occur to the extent that the payment of a dividend would cause the capital and reserves of the Company to fall below 110% of those amounts it is required to hold to satisfy its regulatory capital requirements on a consolidated basis arising as a result of the regulatory status of its subsidiaries as set out in the capital adequacy rules of the Financial Services Authority or any successor body regulating the affairs of the Company or any such subsidiary.
- (ii) If at any stage the fixed dividend referred to in Article 8(B)(i) is in arrears and either (a) the Company has distributable reserves sufficient to pay the fixed dividend

and there is no Regulatory Deficit or (b) the Company could ensure, by exercising its rights in relation to its direct or indirect subsidiaries to cause such subsidiaries to pay dividends to their holding companies including the Company, that there would be sufficient reserves to pay the fixed dividend or cure any Regulatory Deficit then the holders of more than 50% of the Participating Preference Shares may notwithstanding Articles 24 and 46 from time to time appoint one person (or such larger number of persons as they shall determine being less than 25% of all of the directors of the Company) to be directors of the Company and to remove from office any person so appointed. Such appointment or removal shall be carried out in accordance with Article 46, save that references therein to the Parent shall be replaced by references to the holders of more than 50% of the Participating Preference Shares.

- (iii) If at any stage the fixed dividend referred to in Article 8(B)(i) above is in arrears for any reason then an additional dividend shall accrue and subject as set out below be payable on each Participating Preference Share in the amount equal to the interest which would have accrued on an amount equal to each unpaid fixed dividend from the date referred to in Article 8(B)(i) on which that dividend was due to have been paid until the next dividend payment date at the rate of interest which is two per cent above LIBOR (as defined below) from time to time, and further additional dividends will accrue and subject as set out below be payable on each Participating Preference Share if any additional dividends referred to in this paragraph remain unpaid following any dividend payment date in the amount equal to the interest which would have accrued on an amount equal to the amount of the additional dividend or dividends on such Participating Preference Shares had such dividend or dividends been paid on that dividend payment date from such date until the next dividend payment date at the rate of interest which is two per cent above LIBOR from time to time. No additional dividend which has accrued hereunder will be paid unless (i) the directors resolve to pay it, (ii) the Company has distributable reserves sufficient to pay it and (iii) no Regulatory Default would occur if it were paid. In this Article 8, "LIBOR" in any period commencing on dividend payment date means the British Bankers Association Interest Settlement Rate for sterling and for 6 month periods displayed on the Telerate Screen at 11 am on that

date (or if such day is not a business day on the next following business day) and if the Telerate Screen or the rate is not available as determined by the board acting reasonably and LIBOR for the purposes of each calculation set out above shall be reset on each dividend payment date (or the next following business day if the relevant dividend payment date is not a business day).

- (iv) Subject to (a) the Board recommending the payment of dividends (b) the Company having profits available for distribution within the meaning of the Companies Act 1985, any available profits which the Company may determine to distribute in respect of any financial year after the payment of all of the fixed dividends referred to in Article 8(B)(i) and the additional dividends referred to in Article 8(B)(iii) shall be distributed as to 10 per cent to the holders of the Ordinary Shares and as to 90 per cent to the holders of the Participating Preference Shares, in each case pro rata according to the number of such shares held by the holders.

(C) Return of Capital Rights, Variation of Class Rights

- (i) On a return of capital on liquidation or otherwise, the surplus assets of the Company remaining after payment of its liabilities shall be distributed in the following order of priority (a) to the holders of the Participating Preference Shares until any arrears of the fixed dividends and the additional dividends referred to in Article 8(B) have been discharged in full; (b) thereafter to the holders of the Ordinary Shares and the Participating Preference Shares pro rata to the number of shares held until they have received 5p for each share held; and (c) thereafter as to 10 per cent amongst the holders of the Ordinary Shares and as to 90 per cent amongst the holders of the Participating Preference Shares, in all cases pro rata according to the number of the relevant class of shares held by the holders.
- (ii) Any resolution to authorize the repurchase or redemption of the Participating Preference Shares shall constitute a variation of the class rights of the Ordinary Shares.

**ISSUE OF SHARES**

- 9. (A) Section 89(1) of the Act (which regulates the power to allot equity securities, as defined in Section 94 of the Act) is excluded.



- (B) No issue of Ordinary Shares or Participating Preference Shares may be made unless an equal number of shares of each such class is issued.

## **GENERAL MEETINGS**

- 10. The board may convene an extraordinary general meeting whenever it thinks fit. On receipt of a members' requisition the directors are deemed not to have duly convened a meeting if they convene a meeting for a date more than 28 days after the date of the notice convening the meeting.

## **NOTICE OF GENERAL MEETINGS**

- 11. Notice of any general meeting need not be given to the directors in their capacity as such. Regulation 38 of Table A shall be modified accordingly.

## **PROCEEDINGS AT GENERAL MEETINGS**

- 12. All or any of the members of the company may validly participate in a general meeting or a meeting of any class of members by means of a conference telephone or any communication equipment which allows all persons participating in the meeting to hear and be heard by each other. A person so participating shall be deemed to be present in person at the meeting and shall accordingly be counted in a quorum and be entitled to vote. Such a meeting shall be deemed to take place where the Chairman of the meeting participates.
- 13.
  - (A) No business shall be transacted at any meeting unless a quorum is present. If, and so long as, the company has only one member, one person entitled to attend at that meeting, being a sole member, present in person or by proxy or (in the case of a corporation) a duly authorised representative shall be a quorum, otherwise the quorum shall be two such persons entitled to attend at that meeting.
  - (B) Where the company has only one member, that sole member (or the proxy or authorised representative of the sole member representing that member at the relevant general meeting) shall be the chairman of any general meeting of the company and regulation 42 of Table A shall be modified accordingly.
  - (C) In regulation 59 of Table A, the second sentence shall be omitted.
  - (D) The provisions of these Articles shall (in the absence of any express provision to the contrary) apply with such modification as may be necessary in relation to a company which has only one member.

## SHAREHOLDERS' RESOLUTIONS

14. A resolution in writing signed or approved by letter, telex, facsimile transmission or cable by or on behalf of each member for the time being entitled to receive notice of and to attend and vote at general meetings (or being a corporation by their representative) shall be as valid and effective as if the same had been passed at a general meeting of the company duly convened and held. Any such resolution may consist of several documents in the like form each signed by all members or their attorneys or, where the company shall have only one member, that member or their attorney (or, in the case of a member which is a body corporate, by a director thereof or by a duly appointed representative). This article is in addition to, and not limited by, the provisions in sections 381A, 381B and 381C of the Act. Regulation 53 of Table A shall not apply to the Company.
15. In addition to any other manner in which the member or members of the company are authorised under the Act to reach and record their decisions in relation to the company, a member who is for the time being the sole member of the company shall be entitled to take any decision which may be taken by the company in general meeting and such decision shall have effect as if agreed by the company in general meeting, subject as hereinafter follows:
  - (A) A decision taken by virtue of this clause shall be notified to the company within seven days of the date on which it was taken, failing which such decision shall be invalid and of no effect.
  - (B) Any resolution of a kind described below shall not be capable of being passed by virtue of the procedure described in this clause:
    - (i) Any resolution, which if passed at a general meeting, would need to be passed as a Special Resolution or Extraordinary Resolution.
    - (ii) Any resolution to change the terms of appointment of the officers or auditors.
    - (iii) Any resolutions requiring special notice.

## VOTES OF MEMBERS

16. A proxy appointed by a member of the company under section 372 of the Act may vote on a show of hands as well as on a poll, but no person present shall be entitled to more than one vote on a show of hands except as provided in regulation 50 of Table A. Regulation 54 of Table A shall be amended accordingly. An instrument appointing a proxy shall be in writing, executed by or on behalf of the appointor and in any common form or in such other form as the directors may approve and shall be

deemed to confer authority to vote on any amendment of a resolution put to the meeting for which it is given as the proxy thinks fit. The instrument of proxy shall, unless the contrary is stated therein, be valid as well for any adjournment of the meeting as for the meeting to which it relates. Regulations 60 and 61 of Table A shall not apply.

**ASSOCIATE DIRECTORS, FIRST VICE PRESIDENTS, SENIOR VICE PRESIDENTS, VICE PRESIDENTS AND ASSISTANT VICE PRESIDENTS AND OTHER TITLES**

17. The Directors of the Company may from time to time appoint any persons who shall be engaged in the service or employment of the Company or a subsidiary to be Associate Directors, First Vice Presidents, Senior Vice Presidents, Vice Presidents or Assistant Vice Presidents. Any such Associate Director, First Vice President, Senior Vice President, Vice President or Assistant Vice President shall be subject to the following provisions, namely:

- (i) The appointment, continuance in office, removal and duties of the Associate Director, First Vice President, Senior Vice President, Vice President or Assistant Vice President shall be determined by the Directors of the Company with full power to make such arrangements as the Directors of the Company may think fit.
- (ii) The expression "Associate Director", "First Vice President", "Senior Vice President", "Vice President" or "Assistant Vice President" shall mean a person appointed to hold that office pursuant to this Article and shall not imply that the holder thereof is a Director of the Company for any purpose of these presents. An Associate Director, First Vice President, Senior Vice President, Vice President or Assistant Vice President shall not (unless he shall be a Director of the Company) describe himself as a Director of the Company and shall not be entitled to participate in the exercise of any of the collective powers or rights of a Director of the Company individually, and if, at the invitation or by the order of the Directors of the Company, any Associate Director, First Vice President, Senior Vice President, Vice President or Assistant Vice President shall attend and take part in the proceedings at any meeting of the Board he shall be deemed to do so in an advisory capacity only.

**TITLES INCLUDING THE WORD "DIRECTOR" WITH FURTHER DESCRIPTION**

18. The Directors may from time to time appoint any person to an office or employment having a designation or title including the word "Director" or attach to any existing office or employment with the Company such a designation or title provided that such designation shall contain a further

word or words describing the office or employment. The inclusion of the word "Director" in the designation or title of any office or employment with the Company (other than the office of Managing or Joint Managing or Deputy or Senior or Assistant Managing Director) shall not imply that the holder thereof is a Director of the Company nor shall such holder thereby be empowered in any respect to act as a Director of the Company or be deemed to be a Director for any of the purposes of these presents.

- (i) The appointment, continuance in office, removal and duties of such "Directors" shall be determined by the Directors of the Company with full power to make such arrangements as the Directors of the Company may think fit.
- (ii) The expression "Managing Director", "Executive Director", or "Director", containing a further word or words describing the office or employment shall mean a person appointed to hold that office pursuant to this Article and shall not imply that the holder thereof is a Director of the Company, thereby empowered in any respect to act as Director of the Company, describe himself as a Director of the Company, or be deemed to be a Director of the Company entitled to participate in the exercise of any of the collective powers or rights of a Director of the Company individually, and if, at the invitation or by the order of the Directors of the Company any such holder thereof shall attend and take part in the proceedings at any meeting of the Board, he shall be deemed to do so in an advisory capacity only and not empowered to act in any respect as a Director of the Company or deemed to be a Director for any other purpose of these presents.

#### **ALTERNATE DIRECTORS**

- 19. Each director (other than an alternate director) may appoint any other director, or any other person who is willing to act, to be his alternate director and may at his discretion remove such alternate director. Regulation 65 of Table A shall not apply.
- 20. An alternate director shall be entitled to receive notice of all meetings of directors, to attend and to vote at any such meeting at which the director appointing him is not personally present and at that meeting to exercise and discharge all the functions, powers and duties of his appointor as a director and for the purposes of the proceedings at that meeting the provisions of these articles shall apply as if he was a director. Regulation 66 of Table A shall not apply.
- 21. Every person acting as an alternate director shall have one vote for each director for whom he acts as alternate, in addition to his own vote if he is also a director, but he shall count as only one of the purpose of

determining whether a quorum is present. The last sentence of each of regulations 88 and 89 of Table A shall not apply.

22. An alternate director shall cease to be an alternate director if his appointor ceases for any reason to be a director. Regulation 67 of Table A shall not apply.
23. An alternate director shall alone be responsible to the company for his acts and defaults and shall not be deemed to be the agent of the director appointing him. Regulation 69 of Table A shall not apply.

## **APPOINTMENT AND REMOVAL OF DIRECTORS**

24. The holders for the time being of a majority of the Ordinary Shares of the company for the time being, may from time to time appoint any person or persons as a director or directors of the company and may remove any or all of the directors for the time being. Any such appointment or removal shall be made in writing signed by the holder or holders for the time being of the Ordinary Shares of the company for the time being in issue and, in the case of a body corporate holding any such shares, the signature of any one of its directors or duly appointed representative shall suffice. Any such appointment or removal shall take effect on and from the date on which it is lodged or deposited at the Registered Office of the company or produced at a meeting of the directors.
25. Without prejudice to the powers conferred by the last preceding article the directors shall have the power at any time and from time to time to appoint any person to be a director, either to fill a casual vacancy or as an addition to the existing directors.
26. No director shall be required to retire or vacate his office, and no person shall be ineligible for appointment as a director, by reason of his having attained any particular age.
27. The directors shall not be subject to retirement by rotation and regulations 73 to 80 (inclusive) and the last sentence of regulation 84 of Table A shall not apply.
28. In addition to any power of removal conferred by the Companies Acts, the company may by ordinary resolution (of which special notice has been given) remove any director before the expiration of his period of office and may (subject to these articles) by ordinary resolution appoint another person who is willing to act to be a director in his place.
29. The office of a director shall be vacated if:
  - (A) he resigns his office by notice in writing delivered to the office or tendered at a meeting of the board, or

- (B) he becomes of unsound mind or a patient for any purpose of any statute relating to mental health and the board resolves that his office is vacated, or
- (C) he is absent without the permission of the board from meetings of the board (whether or not an alternate director appointed by him attends) for twelve consecutive months and the board resolves that his office is vacated, or
- (D) he becomes bankrupt or compounds with his creditors generally, or
- (E) he is prohibited by law from being a director, or
- (F) by notice in writing delivered to the office or tendered at a meeting of the board, his resignation is requested by all of the other directors and all of the other directors are not less than three in number; or
- (G) he ceases to be a director by virtue of the Companies Acts or is removed from office pursuant to these articles.

#### **POWERS AND DUTIES OF DIRECTORS**

30. The board may, by power of attorney or otherwise, appoint any person to be the agent of the company upon such terms (including terms as to remuneration) as it may decide and may delegate to any person so appointed any of the powers, authorities and discretions vested in or exercisable by the board, including power to sub-delegate. The board may remove any person appointed under this article and may revoke or vary the delegation but no person dealing in good faith and without notice of the revocation or variation shall be affected by it.

#### **PROCEEDINGS OF DIRECTORS**

31. A director who to his knowledge is in any way, whether directly or indirectly, interested in a contract or proposed contract (within the meaning of section 317 of the Act) with the company shall declare the nature and extent of his interest at a meeting of the directors in accordance with that section. Subject where applicable to such disclosure, a director shall be entitled to vote in respect of any such contract or proposed contract in which he is interested and if he shall do so his vote shall be counted and he shall be taken into account in ascertaining whether a quorum is present. The third sentence of regulation 88, and regulations 94 to 96 (inclusive) of Table A shall not apply.

A resolution in writing signed by all the Directors shall be as valid and effectual as if it had been passed at a meeting of the Directors duly

convened and held. The word "signed" shall be deemed to include approved by letter, facsimile, telegram or telex.

32. All or any of the members of the board or any committee of the board may validly participate in a meeting of the board or a committee of the board by means of a conference telephone or any communication equipment which allows all persons participating in the meeting to hear and be heard by each other. A person so participating shall be deemed to be present in person at the meeting and shall accordingly be counted in a quorum and be entitled to vote. Such a meeting shall be deemed to take place where the Chairman of the meeting participates.

#### **EXECUTIVE DIRECTORS**

33. The board may from time to time appoint one or more of its body to be a Chairman, Vice-Chairman or Deputy Chairman or to hold any other employment or executive office with the company for such period (subject to the Companies Acts) and upon such terms as the board may determine and may, from time to time, revoke or terminate any such appointments. Any such revocation or termination as aforesaid shall be without prejudice to any claim for damages that such director may have against the company or the company may have against such director for any breach of any contract of service between him and the company which may be involved in such revocation or termination.

#### **DELEGATION OF DIRECTORS' POWERS**

34. The board may delegate any of its powers, authorities and discretions to committees, consisting of one or more directors of the company with such other persons as it thinks fit, provided that the majority of the members of any such committee shall be directors of the company and that no meeting of any such committee shall be quorate for the purposes of exercising any of the powers, authorities or discretions so delegated unless a majority of those present are directors of the company. Any committee so formed shall, in the exercise of the powers, authorities and discretions so delegated, conform to any regulations which may be imposed on it by the board.

#### **DIRECTORS' GRATUITIES AND PENSIONS**

35. The directors may exercise all the powers of the company to provide benefits, either by the payment of gratuities or pensions or by insurance or in any other manner whether similar to the foregoing or not, for any director or former director or the relations, connections or dependants of any director or former director who holds or has held any executive office or employment with the company or with any body corporate which is or has been a subsidiary of the company or with (or has been a partner or employee of a firm being) a predecessor in the business or any part of the

business of the company or of any such body corporate and may contribute to any fund and pay premiums for the purchase or provision of any such benefit. No director or former director shall be accountable to the company or the members for any benefit provided pursuant to this article and the receipt of any such benefit shall not disqualify any person from being or becoming a director of the company. Regulation 87 of Table A shall not apply.

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

#### **SEAL**

37. (A) The company may exercise the powers conferred by the Statutes with regard to having official seals and those powers shall be vested in the directors.
- (B) The directors shall provide for the safe custody of every seal which the company may have.
- (C) A seal shall be used only by the authority of the directors or a duly authorised committee but that authority may consist of an instruction or approval given by letter, facsimile, telegram, telex or telephone by a majority of the directors or of the members of a duly authorised committee.
- (D) The directors may determine who shall sign any instrument to which a seal is applied, either generally or in relation to a particular instrument or type of instrument, \*and may also determine, either generally or in any particular case, that such signatures shall be dispensed with or affixed by some mechanical means.
- (E) Unless otherwise decided by the directors:
- (i) Certificates for shares, debentures or other securities of the company to which a seal is applied need not be signed; and
- (ii) Every other instrument to which a seal is applied shall be signed by at least one director and the secretary or by at least two directors.
- (F) Regulation 6 of Table A shall be amended accordingly. Regulation 101 of Table A shall not apply.



## **NOTICES**

38. Any notice or other document may be served on or delivered to any member of the company either personally or by sending it by post in a prepaid envelope or wrapper addressed to the member at his registered address, or by leaving it at that address addressed to the member, or by any other means authorised in writing by the member concerned. In the case of joint holders of a share, service or delivery of any notice or other document on or to one of the joint holders shall for all purposes be deemed a sufficient service on or delivery to all the joint holders. Regulation 112 of Table A shall be modified accordingly.
39. Any notice or other document, if sent by post, shall be deemed to have been served or delivered on the day following that on which it was put in the post and, in proving such service or delivery, it shall be sufficient to prove that the notice or document was properly addressed, stamped and put in the post. Any notice or other document left at a registered address otherwise than by post shall be deemed to have been served or delivered on the day it was so left. Regulation 115 of Table A shall not apply.
40. Any notice or other document may be served on or delivered to any person or persons entitled to a share in consequence of the death or bankruptcy of a member by the company in any manner which would be permitted by the articles if the person or persons concerned were a member or were members and may be either addressed to him or them by name or by the title of representatives of the deceased or trustee of the bankrupt or by the like description at the address (if any) within the United Kingdom supplied by him or them for that purpose. Until such address has been supplied, a notice or other document may be served on or delivered to the person or persons so entitled in any manner in which it might have been served or given if the death or bankruptcy had not occurred. Regulation 116 of Table A shall not apply.

## **MINUTES**

41. In addition to the requirements of Regulation 100 of Table A the directors shall cause a written record to be made in the minute book of all decisions taken by a sole member under the provisions of Article 15.

## **BORROWING POWERS**

42. The directors may exercise all the powers of the company to borrow money and to mortgage or charge its undertaking, property and uncalled capital, or any part thereof, and, subject to Section 80 of the Act, to issue debentures, debenture stock and other securities whether outright or as security for any debt, liability or obligation of the company or of any third party.

## **INDEMNITY**

43. Subject to the provisions of the Act, the company may indemnify any director or other officer of the company against any liability. Subject to those provisions, but without prejudice to any indemnity (including from the company) to which the person concerned may otherwise be entitled, every director or officer of the company shall be indemnified out of the assets of the company against any liability incurred by him as a director or other officer of the company in defending any proceedings (whether civil or criminal) in which judgment is given in his favour or in which he is acquitted or in which the charge is found not proven or in connection with any application under Section 144 or Section 727 of the Act in which relief is granted to him by the Court. For the purposes of this Article no person appointed or employed by the company as an auditor is an officer of the company.
44. The directors may purchase and maintain insurance for the benefit of any director or any other officer of the company against any liability which may attach to him or loss or expenditure which he may incur in relation to anything done or omitted to be done or alleged to have been done or omitted to be done in the actual or purported execution and discharge of his duties or the exercise or purported exercise of his powers or otherwise in relation to or in connection with his duties, powers or office, but :
- (A) this indemnity shall not apply to any liability to the extent that it is recovered from any other person; and
  - (B) the indemnity is subject to such officer or auditor taking all reasonable steps to effect such recovery, so that the indemnity shall not apply to the extent that an alternative right of recovery is capable of being enforced.
45. Regulation 118 of Table A shall not apply.

## **OVER-RIDING PROVISIONS**

46. In the event that any person alone or jointly with any other person, (hereinafter called "the Parent") shall be the holder of issued shares of the company as confers the right for the time being to attend and vote at general meetings of the company and which would, on a poll, have not less than 90 per cent. of the votes that may be cast, the following provisions (but without prejudice to the provisions of Sections 303 and 304 of the Act) shall apply and to the extent of any inconsistency shall have over-riding effect as against all other provisions of these Articles:
- (A) the Parent may at any time and from time to time appoint any person to be a director or remove from office any director

howsoever appointed other than any person appointed pursuant to Article 8;

- (B) any or all powers of the directors shall be restricted in such respects and to such extent as the Parent may by notice to the company from time to time prescribe and any such restriction may be removed or varied in such regard and to such extent as the Parent may by notice to the company from time to time prescribe.

Any such appointment, removal, consent or notice shall be in writing served on the company and signed by the Parent or in the case of a company on its behalf by any one of its directors or by its secretary or by some other person duly authorised for the purpose. No person dealing with the company shall be concerned to see or enquire as to whether the powers of the directors have been in any way restricted hereunder or as to whether any requisite consent of the Parent has been obtained and no obligation incurred or security given or transaction effected by the company to or with any third party shall be invalid or ineffectual unless the third party had at the time express notice that the incurring of such obligation or the giving of such security or the effecting of such transaction was in excess of the powers of the directors.

**THE COMPANIES ACT 1948**

**And**

**THE COMPANIES ACTS 1985-9**

**COMPANY LIMITED BY SHARES**

**NEW**

**ARTICLES OF ASSOCIATION**

**of**

**MERRILL LYNCH INVESTMENT MANAGERS GROUP LIMITED \***  
**(Adopted by Special Resolution**  
**passed on 18 September 2006)**

**ADOPTION OF TABLE A**

1. In these articles "Table A" means Table A scheduled to the Companies (Tables A to F) Regulations 1985 as amended by the Companies (Tables A to F) (Amendment) Regulations 1985 and by any other subordinate legislation coming into operation thereafter but not, where applicable, prior to the date of incorporation of the Company.
2. The regulations contained in Table A shall, except where they are excluded or to the extent that they are modified by these articles, apply to the Company and, together with these articles, shall constitute the articles of the Company.
3. Save as required by law no regulations scheduled to any statute concerning companies shall apply to the Company.

\* The Company was incorporated on 28th March 1969 with the name "Warburg Investment Management Ltd", which was changed on 14th October 1986 to "Mercury Warburg Investment Management Ltd". The name was subsequently changed on 1st October 1986 to "Mercury Asset Management Holdings Ltd" and, on 3rd March 1987 to "Mercury Asset Management plc", on re-registration as a public company. The name was changed on 3rd March 1987 to "Mercury Asset Management Group plc". The Company was again re-registered as a private limited company on 9th March 1998 under the name "Mercury Asset Management Group Ltd". The Company's name was again changed on 29 September 2000 to "Merrill Lynch Investment Managers Limited."

## INTERPRETATION

- 4 (A) In these articles, unless the contrary intention appears:
- (i) the "Statutes" means the Act and every other statute, statutory instrument, regulation or order for the time being in force concerning companies registered under the Act; and
  - (ii) words importing the singular number include the plural number and vice versa, words importing one gender include all genders and words importing persons include bodies corporate and unincorporated associations.
- (B) Headings to these articles are inserted for convenience only and shall not affect construction.
5. References in Table A and in these articles to writing include references to any method of representing or reproducing words in a legible and non-transitory form.
6. Save as provided in the last preceding article, words and expressions which bear particular meanings in Table A shall bear the same respective meanings in these articles.

## SHARE CAPITAL

7. The authorised share capital of the Company at the date of adoption of these Articles is £162,579,934.35 divided into 1,625,799,343 Ordinary Shares of 5p each and 1,625,799,344 Participating Preference Shares of 5p each.\*

- \* (i) The authorised share capital of the Company at the date of incorporation (28th March 1969) was £500,000, divided into 500,000 ordinary shares of £1 each.
- (i) On 1st October 1986, the authorised share capital was increased to £2,000,000 by the creation of 1,500,000 ordinary shares of £1 each and each such ordinary share was then sub-divided into ten ordinary shares of 10p each.
- (ii) Pursuant to a further special resolution passed on 2nd March 1987, each of the ordinary shares of 10p each in the Company was sub-divided into two ordinary shares of 5p each and the authorised share capital was increased to £5,000,000 by the creation of 60,000,000 additional ordinary shares of 5p each.
- (iii) The authorised share capital of the Company was increased to £12,500,000 by an ordinary resolution passed at an Extraordinary General Meeting held on 12th December 1991, approving the creation of an additional 150,000,000 ordinary shares of 5p each.
- (iv) Pursuant to ordinary resolutions passed on 3rd July 1995 (which became effective on 26th July 1995):

- (a) the authorised share capital of the Company was increased to £19,404,300 by the creation of an additional 138,086,000 ordinary shares of 5p each;
- (b) 136,487,313 issued ordinary shares of 5p each in the capital of the Company were converted into 136,487,313 deferred shares of 5p each;
- (c) the 136,487,313 issued deferred shares of 5p each in the capital of the Company were purchased by the Company and the Company's issued share capital was diminished accordingly; and
- (d) the authorised share capital of the Company was then reduced to £12,579,934.35 divided into 251,598,687 ordinary shares of 5p each by the cancellation of all of the unissued 136,487,313 deferred shares of 5p each.
- (v) Pursuant to ordinary resolutions passed on 21 December 2000 the authorised share capital of the Company was increased to £162,579,934.35 divided into 3,251,598,687 ordinary shares of 5p each, by the creation of an additional 3,000,000,000 ordinary shares of 5p each.
- (vi) Pursuant to a special resolution passed on 18 September 2006, 1,625,798,344 ordinary shares of 5p were converted into and re designated as participating preference shares of 5p each, with both the ordinary and participating preference shares having the rights set out in the articles adopted on that date..

8. The rights attaching to the Ordinary Shares and Participating Preference Shares are as set out in this Article.

(A) Voting Rights

- (i) The Ordinary Shares and the Participating Preference Shares shall entitle the holders to attend and vote at the meetings of the Company.
- (ii) At such meetings, on a resolution being considered on a show of hands each member present in person shall have one vote, and on a poll each member shall have 9 votes for each Ordinary Share held by it and one vote for each Participating Preference Share held or if a Participating Preference Share is held by a person other than (a) Blackrock Finco (UK) Limited ("Blackrock"), or (b) any company which is not itself both (i) incorporated and resident for tax purposes outside the European Economic Area ("EEA") and (ii) all of whose holding companies are incorporated and resident for tax purposes outside the EEA (residence for tax purposes being determined in accordance with the laws of England) or (c) any company which acquires such shares on or before 31 March 2007 9 votes for each Participating Preference Shares held by it.

(B) Dividend Rights

- (i) Subject to the Company having profits available for distribution in accordance with the Act, on 30 June and 31 December each year (each a "dividend payment date"), but conditional upon the directors having resolved to pay such a dividend (without the need for declaration of a dividend by the Company in general meeting), the Company will pay to the holders of the Participating Preference Shares a fixed preferential dividend of 5.5p for each Participating Preference Share held on that date provided that a Regulatory Deficit would not thereby occur. In the event that on a dividend payment date the Company has insufficient distributable profits to pay any fixed dividend or to the extent that to pay such dividend would cause a Regulatory Deficit to occur the Company shall, conditional upon the directors having resolved to pay such a dividend, pay by way of dividend the maximum amount it may pay from such reserves and without causing a Regulatory Deficit to occur to the holders of the Participating Preference Shares pro rata to the number of such shares they may hold on that date. Any amount of fixed preferential dividend not paid for any reason whatsoever shall accumulate and be paid as part of the fixed dividend on the next payment date but for the avoidance of doubt accrued but unpaid dividends shall not be debts due by the Company until the next dividend payment date when (a) sufficient distributable reserves are available, (b) the directors have resolved to pay such a dividend and (c) a Regulatory Deficit will not occur by reason of the payment of such a dividend then the dividend shall become payable and thereafter, until paid, represent debts due to the shareholder concerned. In this Article 8 a "Regulatory Deficit" would occur to the extent that the payment of a dividend would cause the capital and reserves of the Company to fall below 110% of those amounts it is required to hold to satisfy its regulatory capital requirements on a consolidated basis arising as a result of the regulatory status of its subsidiaries as set out in the capital adequacy rules of the Financial Services Authority or any successor body regulating the affairs of the Company or any such subsidiary.
- (ii) If at any stage the fixed dividend referred to in Article 8(B)(i) is in arrears and either (a) the Company has distributable reserves sufficient to pay the fixed dividend

and there is no Regulatory Deficit or (b) the Company could ensure, by exercising its rights in relation to its direct or indirect subsidiaries to cause such subsidiaries to pay dividends to their holding companies including the Company, that there would be sufficient reserves to pay the fixed dividend or cure any Regulatory Deficit then the holders of more than 50% of the Participating Preference Shares may notwithstanding Articles 24 and 46 from time to time appoint one person (or such larger number of persons as they shall determine being less than 25% of all of the directors of the Company) to be directors of the Company and to remove from office any person so appointed. Such appointment or removal shall be carried out in accordance with Article 46, save that references therein to the Parent shall be replaced by references to the holders of more than 50% of the Participating Preference Shares.

- (iii) If at any stage the fixed dividend referred to in Article 8(B)(i) above is in arrears for any reason then an additional dividend shall accrue and subject as set out below be payable on each Participating Preference Share in the amount equal to the interest which would have accrued on an amount equal to each unpaid fixed dividend from the date referred to in Article 8(B)(i) on which that dividend was due to have been paid until the next dividend payment date at the rate of interest which is two per cent above LIBOR (as defined below) from time to time, and further additional dividends will accrue and subject as set out below be payable on each Participating Preference Share if any additional dividends referred to in this paragraph remain unpaid following any dividend payment date in the amount equal to the interest which would have accrued on an amount equal to the amount of the additional dividend or dividends on such Participating Preference Shares had such dividend or dividends been paid on that dividend payment date from such date until the next dividend payment date at the rate of interest which is two per cent above LIBOR from time to time. No additional dividend which has accrued hereunder will be paid unless (i) the directors resolve to pay it, (ii) the Company has distributable reserves sufficient to pay it and (iii) no Regulatory Default would occur if it were paid. In this Article 8, "LIBOR" in any period commencing on dividend payment date means the British Bankers Association Interest Settlement Rate for sterling and for 6 month periods displayed on the Telerate Screen at 11 am on that



date (or if such day is not a business day on the next following business day) and if the Telerate Screen or the rate is not available as determined by the board acting reasonably and LIBOR for the purposes of each calculation set out above shall be reset on each dividend payment date (or the next following business day if the relevant dividend payment date is not a business day).

- (iv) Subject to (a) the Board recommending the payment of dividends (b) the Company having profits available for distribution within the meaning of the Companies Act 1985, any available profits which the Company may determine to distribute in respect of any financial year after the payment of all of the fixed dividends referred to in Article 8(B)(i) and the additional dividends referred to in Article 8(B)(iii) shall be distributed as to 10 per cent to the holders of the Ordinary Shares and as to 90 per cent to the holders of the Participating Preference Shares, in each case pro rata according to the number of such shares held by the holders.

(C) Return of Capital Rights, Variation of Class Rights

- (i) On a return of capital on liquidation or otherwise, the surplus assets of the Company remaining after payment of its liabilities shall be distributed in the following order of priority (a) to the holders of the Participating Preference Shares until any arrears of the fixed dividends and the additional dividends referred to in Article 8(B) have been discharged in full; (b) thereafter to the holders of the Ordinary Shares and the Participating Preference Shares pro rata to the number of shares held until they have received 5p for each share held; and (c) thereafter as to 10 per cent amongst the holders of the Ordinary Shares and as to 90 per cent amongst the holders of the Participating Preference Shares, in all cases pro rata according to the number of the relevant class of shares held by the holders.
- (ii) Any resolution to authorize the repurchase or redemption of the Participating Preference Shares shall constitute a variation of the class rights of the Ordinary Shares.

**ISSUE OF SHARES**

- 9. (A) Section 89(1) of the Act (which regulates the power to allot equity securities, as defined in Section 94 of the Act) is excluded.

- (B) No issue of Ordinary Shares or Participating Preference Shares may be made unless an equal number of shares of each such class is issued.

## **GENERAL MEETINGS**

- 10. The board may convene an extraordinary general meeting whenever it thinks fit. On receipt of a members' requisition the directors are deemed not to have duly convened a meeting if they convene a meeting for a date more than 28 days after the date of the notice convening the meeting.

## **NOTICE OF GENERAL MEETINGS**

- 11. Notice of any general meeting need not be given to the directors in their capacity as such. Regulation 38 of Table A shall be modified accordingly.

## **PROCEEDINGS AT GENERAL MEETINGS**

- 12. All or any of the members of the company may validly participate in a general meeting or a meeting of any class of members by means of a conference telephone or any communication equipment which allows all persons participating in the meeting to hear and be heard by each other. A person so participating shall be deemed to be present in person at the meeting and shall accordingly be counted in a quorum and be entitled to vote. Such a meeting shall be deemed to take place where the Chairman of the meeting participates.
- 13.
  - (A) No business shall be transacted at any meeting unless a quorum is present. If, and so long as, the company has only one member, one person entitled to attend at that meeting, being a sole member, present in person or by proxy or (in the case of a corporation) a duly authorised representative shall be a quorum, otherwise the quorum shall be two such persons entitled to attend at that meeting.
  - (B) Where the company has only one member, that sole member (or the proxy or authorised representative of the sole member representing that member at the relevant general meeting) shall be the chairman of any general meeting of the company and regulation 42 of Table A shall be modified accordingly.
  - (C) In regulation 59 of Table A, the second sentence shall be omitted.
  - (D) The provisions of these Articles shall (in the absence of any express provision to the contrary) apply with such modification as may be necessary in relation to a company which has only one member.

## **SHAREHOLDERS' RESOLUTIONS**

14. A resolution in writing signed or approved by letter, telex, facsimile transmission or cable by or on behalf of each member for the time being entitled to receive notice of and to attend and vote at general meetings (or being a corporation by their representative) shall be as valid and effective as if the same had been passed at a general meeting of the company duly convened and held. Any such resolution may consist of several documents in the like form each signed by all members or their attorneys or, where the company shall have only one member, that member or their attorney (or, in the case of a member which is a body corporate, by a director thereof or by a duly appointed representative). This article is in addition to, and not limited by, the provisions in sections 381A, 381B and 381C of the Act. Regulation 53 of Table A shall not apply to the Company.
15. In addition to any other manner in which the member or members of the company are authorised under the Act to reach and record their decisions in relation to the company, a member who is for the time being the sole member of the company shall be entitled to take any decision which may be taken by the company in general meeting and such decision shall have effect as if agreed by the company in general meeting, subject as hereinafter follows:
  - (A) A decision taken by virtue of this clause shall be notified to the company within seven days of the date on which it was taken, failing which such decision shall be invalid and of no effect.
  - (B) Any resolution of a kind described below shall not be capable of being passed by virtue of the procedure described in this clause:
    - (i) Any resolution, which if passed at a general meeting, would need to be passed as a Special Resolution or Extraordinary Resolution.
    - (ii) Any resolution to change the terms of appointment of the officers or auditors.
    - (iii) Any resolutions requiring special notice.

## **VOTES OF MEMBERS**

16. A proxy appointed by a member of the company under section 372 of the Act may vote on a show of hands as well as on a poll, but no person present shall be entitled to more than one vote on a show of hands except as provided in regulation 50 of Table A. Regulation 54 of Table A shall be amended accordingly. An instrument appointing a proxy shall be in writing, executed by or on behalf of the appointor and in any common form or in such other form as the directors may approve and shall be

deemed to confer authority to vote on any amendment of a resolution put to the meeting for which it is given as the proxy thinks fit. The instrument of proxy shall, unless the contrary is stated therein, be valid as well for any adjournment of the meeting as for the meeting to which it relates. Regulations 60 and 61 of Table A shall not apply.

**ASSOCIATE DIRECTORS, FIRST VICE PRESIDENTS, SENIOR VICE PRESIDENTS, VICE PRESIDENTS AND ASSISTANT VICE PRESIDENTS AND OTHER TITLES**

17. The Directors of the Company may from time to time appoint any persons who shall be engaged in the service or employment of the Company or a subsidiary to be Associate Directors, First Vice Presidents, Senior Vice Presidents, Vice Presidents or Assistant Vice Presidents. Any such Associate Director, First Vice President, Senior Vice President, Vice President or Assistant Vice President shall be subject to the following provisions, namely:

- (i) The appointment, continuance in office, removal and duties of the Associate Director, First Vice President, Senior Vice President, Vice President or Assistant Vice President shall be determined by the Directors of the Company with full power to make such arrangements as the Directors of the Company may think fit.
- (ii) The expression "Associate Director", "First Vice President", "Senior Vice President", "Vice President" or "Assistant Vice President" shall mean a person appointed to hold that office pursuant to this Article and shall not imply that the holder thereof is a Director of the Company for any purpose of these presents. An Associate Director, First Vice President, Senior Vice President, Vice President or Assistant Vice President shall not (unless he shall be a Director of the Company) describe himself as a Director of the Company and shall not be entitled to participate in the exercise of any of the collective powers or rights of a Director of the Company individually, and if, at the invitation or by the order of the Directors of the Company, any Associate Director, First Vice President, Senior Vice President, Vice President or Assistant Vice President shall attend and take part in the proceedings at any meeting of the Board he shall be deemed to do so in an advisory capacity only.

**TITLES INCLUDING THE WORD "DIRECTOR" WITH FURTHER DESCRIPTION**

18. The Directors may from time to time appoint any person to an office or employment having a designation or title including the word "Director" or attach to any existing office or employment with the Company such a designation or title provided that such designation shall contain a further

word or words describing the office or employment. The inclusion of the word "Director" in the designation or title of any office or employment with the Company (other than the office of Managing or Joint Managing or Deputy or Senior or Assistant Managing Director) shall not imply that the holder thereof is a Director of the Company nor shall such holder thereby be empowered in any respect to act as a Director of the Company or be deemed to be a Director for any of the purposes of these presents.

- (i) The appointment, continuance in office, removal and duties of such "Directors" shall be determined by the Directors of the Company with full power to make such arrangements as the Directors of the Company may think fit.
- (ii) The expression "Managing Director", "Executive Director", or "Director", containing a further word or words describing the office or employment shall mean a person appointed to hold that office pursuant to this Article and shall not imply that the holder thereof is a Director of the Company, thereby empowered in any respect to act as Director of the Company, describe himself as a Director of the Company, or be deemed to be a Director of the Company entitled to participate in the exercise of any of the collective powers or rights of a Director of the Company individually, and if, at the invitation or by the order of the Directors of the Company any such holder thereof shall attend and take part in the proceedings at any meeting of the Board, he shall be deemed to do so in an advisory capacity only and not empowered to act in any respect as a Director of the Company or deemed to be a Director for any other purpose of these presents.

#### **ALTERNATE DIRECTORS**

- 19. Each director (other than an alternate director) may appoint any other director, or any other person who is willing to act, to be his alternate director and may at his discretion remove such alternate director. Regulation 65 of Table A shall not apply.
- 20. An alternate director shall be entitled to receive notice of all meetings of directors, to attend and to vote at any such meeting at which the director appointing him is not personally present and at that meeting to exercise and discharge all the functions, powers and duties of his appointor as a director and for the purposes of the proceedings at that meeting the provisions of these articles shall apply as if he was a director. Regulation 66 of Table A shall not apply.
- 21. Every person acting as an alternate director shall have one vote for each director for whom he acts as alternate, in addition to his own vote if he is also a director, but he shall count as only one of the purpose of

determining whether a quorum is present. The last sentence of each of regulations 88 and 89 of Table A shall not apply.

22. An alternate director shall cease to be an alternate director if his appointor ceases for any reason to be a director. Regulation 67 of Table A shall not apply.
23. An alternate director shall alone be responsible to the company for his acts and defaults and shall not be deemed to be the agent of the director appointing him. Regulation 69 of Table A shall not apply.

#### **APPOINTMENT AND REMOVAL OF DIRECTORS**

24. The holders for the time being of a majority of the Ordinary Shares of the company for the time being, may from time to time appoint any person or persons as a director or directors of the company and may remove any or all of the directors for the time being. Any such appointment or removal shall be made in writing signed by the holder or holders for the time being of the Ordinary Shares of the company for the time being in issue and, in the case of a body corporate holding any such shares, the signature of any one of its directors or duly appointed representative shall suffice. Any such appointment or removal shall take effect on and from the date on which it is lodged or deposited at the Registered Office of the company or produced at a meeting of the directors.
25. Without prejudice to the powers conferred by the last preceding article the directors shall have the power at any time and from time to time to appoint any person to be a director, either to fill a casual vacancy or as an addition to the existing directors.
26. No director shall be required to retire or vacate his office, and no person shall be ineligible for appointment as a director, by reason of his having attained any particular age.
27. The directors shall not be subject to retirement by rotation and regulations 73 to 80 (inclusive) and the last sentence of regulation 84 of Table A shall not apply.
28. In addition to any power of removal conferred by the Companies Acts, the company may by ordinary resolution (of which special notice has been given) remove any director before the expiration of his period of office and may (subject to these articles) by ordinary resolution appoint another person who is willing to act to be a director in his place.
29. The office of a director shall be vacated if:
  - (A) he resigns his office by notice in writing delivered to the office or tendered at a meeting of the board, or

- (B) he becomes of unsound mind or a patient for any purpose of any statute relating to mental health and the board resolves that his office is vacated, or
- (C) he is absent without the permission of the board from meetings of the board (whether or not an alternate director appointed by him attends) for twelve consecutive months and the board resolves that his office is vacated, or
- (D) he becomes bankrupt or compounds with his creditors generally, or
- (E) he is prohibited by law from being a director, or
- (F) by notice in writing delivered to the office or tendered at a meeting of the board, his resignation is requested by all of the other directors and all of the other directors are not less than three in number; or
- (G) he ceases to be a director by virtue of the Companies Acts or is removed from office pursuant to these articles.

#### **POWERS AND DUTIES OF DIRECTORS**

30. The board may, by power of attorney or otherwise, appoint any person to be the agent of the company upon such terms (including terms as to remuneration) as it may decide and may delegate to any person so appointed any of the powers, authorities and discretions vested in or exercisable by the board, including power to sub-delegate. The board may remove any person appointed under this article and may revoke or vary the delegation but no person dealing in good faith and without notice of the revocation or variation shall be affected by it.

#### **PROCEEDINGS OF DIRECTORS**

31. A director who to his knowledge is in any way, whether directly or indirectly, interested in a contract or proposed contract (within the meaning of section 317 of the Act) with the company shall declare the nature and extent of his interest at a meeting of the directors in accordance with that section. Subject where applicable to such disclosure, a director shall be entitled to vote in respect of any such contract or proposed contract in which he is interested and if he shall do so his vote shall be counted and he shall be taken into account in ascertaining whether a quorum is present. The third sentence of regulation 88, and regulations 94 to 96 (inclusive) of Table A shall not apply.

A resolution in writing signed by all the Directors shall be as valid and effectual as if it had been passed at a meeting of the Directors duly

convened and held. The word "signed" shall be deemed to include approved by letter, facsimile, telegram or telex.

32. All or any of the members of the board or any committee of the board may validly participate in a meeting of the board or a committee of the board by means of a conference telephone or any communication equipment which allows all persons participating in the meeting to hear and be heard by each other. A person so participating shall be deemed to be present in person at the meeting and shall accordingly be counted in a quorum and be entitled to vote. Such a meeting shall be deemed to take place where the Chairman of the meeting participates.

### **EXECUTIVE DIRECTORS**

33. The board may from time to time appoint one or more of its body to be a Chairman, Vice-Chairman or Deputy Chairman or to hold any other employment or executive office with the company for such period (subject to the Companies Acts) and upon such terms as the board may determine and may, from time to time, revoke or terminate any such appointments. Any such revocation or termination as aforesaid shall be without prejudice to any claim for damages that such director may have against the company or the company may have against such director for any breach of any contract of service between him and the company which may be involved in such revocation or termination.

### **DELEGATION OF DIRECTORS' POWERS**

34. The board may delegate any of its powers, authorities and discretions to committees, consisting of one or more directors of the company with such other persons as it thinks fit, provided that the majority of the members of any such committee shall be directors of the company and that no meeting of any such committee shall be quorate for the purposes of exercising any of the powers, authorities or discretions so delegated unless a majority of those present are directors of the company. Any committee so formed shall, in the exercise of the powers, authorities and discretions so delegated, conform to any regulations which may be imposed on it by the board.

### **DIRECTORS' GRATUITIES AND PENSIONS**

35. The directors may exercise all the powers of the company to provide benefits, either by the payment of gratuities or pensions or by insurance or in any other manner whether similar to the foregoing or not, for any director or former director or the relations, connections or dependants of any director or former director who holds or has held any executive office or employment with the company or with any body corporate which is or has been a subsidiary of the company or with (or has been a partner or employee of a firm being) a predecessor in the business or any part of the



business of the company or of any such body corporate and may contribute to any fund and pay premiums for the purchase or provision of any such benefit. No director or former director shall be accountable to the company or the members for any benefit provided pursuant to this article and the receipt of any such benefit shall not disqualify any person from being or becoming a director of the company. Regulation 87 of Table A shall not apply.

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

#### SEAL

37. (A) The company may exercise the powers conferred by the Statutes with regard to having official seals and those powers shall be vested in the directors.
- (B) The directors shall provide for the safe custody of every seal which the company may have.
- (C) A seal shall be used only by the authority of the directors or a duly authorised committee but that authority may consist of an instruction or approval given by letter, facsimile, telegram, telex or telephone by a majority of the directors or of the members of a duly authorised committee.
- (D) The directors may determine who shall sign any instrument to which a seal is applied, either generally or in relation to a particular instrument or type of instrument, \*and may also determine, either generally or in any particular case, that such signatures shall be dispensed with or affixed by some mechanical means.
- (E) Unless otherwise decided by the directors:
- (i) Certificates for shares, debentures or other securities of the company to which a seal is applied need not be signed; and
- (ii) Every other instrument to which a seal is applied shall be signed by at least one director and the secretary or by at least two directors.
- (F) Regulation 6 of Table A shall be amended accordingly. Regulation 101 of Table A shall not apply.

## **NOTICES**

38. Any notice or other document may be served on or delivered to any member of the company either personally or by sending it by post in a prepaid envelope or wrapper addressed to the member at his registered address, or by leaving it at that address addressed to the member, or by any other means authorised in writing by the member concerned. In the case of joint holders of a share, service or delivery of any notice or other document on or to one of the joint holders shall for all purposes be deemed a sufficient service on or delivery to all the joint holders. Regulation 112 of Table A shall be modified accordingly.
39. Any notice or other document, if sent by post, shall be deemed to have been served or delivered on the day following that on which it was put in the post and, in proving such service or delivery, it shall be sufficient to prove that the notice or document was properly addressed, stamped and put in the post. Any notice or other document left at a registered address otherwise than by post shall be deemed to have been served or delivered on the day it was so left. Regulation 115 of Table A shall not apply.
40. Any notice or other document may be served on or delivered to any person or persons entitled to a share in consequence of the death or bankruptcy of a member by the company in any manner which would be permitted by the articles if the person or persons concerned were a member or were members and may be either addressed to him or them by name or by the title of representatives of the deceased or trustee of the bankrupt or by the like description at the address (if any) within the United Kingdom supplied by him or them for that purpose. Until such address has been supplied, a notice or other document may be served on or delivered to the person or persons so entitled in any manner in which it might have been served or given if the death or bankruptcy had not occurred. Regulation 116 of Table A shall not apply.

## **MINUTES**

41. In addition to the requirements of Regulation 100 of Table A the directors shall cause a written record to be made in the minute book of all decisions taken by a sole member under the provisions of Article 15.

## **BORROWING POWERS**

42. The directors may exercise all the powers of the company to borrow money and to mortgage or charge its undertaking, property and uncalled capital, or any part thereof, and, subject to Section 80 of the Act, to issue debentures, debenture stock and other securities whether outright or as security for any debt, liability or obligation of the company or of any third party.

## **INDEMNITY**

43. Subject to the provisions of the Act, the company may indemnify any director or other officer of the company against any liability. Subject to those provisions, but without prejudice to any indemnity (including from the company) to which the person concerned may otherwise be entitled, every director or officer of the company shall be indemnified out of the assets of the company against any liability incurred by him as a director or other officer of the company in defending any proceedings (whether civil or criminal) in which judgment is given in his favour or in which he is acquitted or in which the charge is found not proven or in connection with any application under Section 144 or Section 727 of the Act in which relief is granted to him by the Court. For the purposes of this Article no person appointed or employed by the company as an auditor is an officer of the company.
44. The directors may purchase and maintain insurance for the benefit of any director or any other officer of the company against any liability which may attach to him or loss or expenditure which he may incur in relation to anything done or omitted to be done or alleged to have been done or omitted to be done in the actual or purported execution and discharge of this duties or the exercise or purported exercise of his powers or otherwise in relation to or in connection with his duties, powers or office, but :
- (A) this indemnity shall not apply to any liability to the extent that it is recovered from any other person; and
  - (B) the indemnity is subject to such officer or auditor taking all reasonable steps to effect such recovery, so that the indemnity shall not apply to the extent that an alternative right of recovery is capable of being enforced.
45. Regulation 118 of Table A shall not apply.

## **OVER-RIDING PROVISIONS**

46. In the event that any person alone or jointly with any other person, (hereinafter called "the Parent") shall be the holder of issued shares of the company as confers the right for the time being to attend and vote at general meetings of the company and which would, on a poll, have not less than 90 per cent. of the votes that may be cast, the following provisions (but without prejudice to the provisions of Sections 303 and 304 of the Act) shall apply and to the extent of any inconsistency shall have over-riding effect as against all other provisions of these Articles:
- (A) the Parent may at any time and from time to time appoint any person to be a director or remove from office any director

howsoever appointed other than any person appointed pursuant to Article 8;

- (B) any or all powers of the directors shall be restricted in such respects and to such extent as the Parent may by notice to the company from time to time prescribe and any such restriction may be removed or varied in such regard and to such extent as the Parent may by notice to the company from time to time prescribe.

Any such appointment, removal, consent or notice shall be in writing served on the company and signed by the Parent or in the case of a company on its behalf by any one of its directors or by its secretary or by some other person duly authorised for the purpose. No person dealing with the company shall be concerned to see or enquire as to whether the powers of the directors have been in any way restricted hereunder or as to whether any requisite consent of the Parent has been obtained and no obligation incurred or security given or transaction effected by the company to or with any third party shall be invalid or ineffectual unless the third party had at the time express notice that the incurring of such obligation or the giving of such security or the effecting of such transaction was in excess of the powers of the directors.