

RESOLUTIONS OF NEW STAR INVESTMENT TRUST
(the "Company")

WE HEREBY CERTIFY THIS TO
BE A TRUE AND COMPLETE
COPY OF THE ORIGINAL
OLSWANG

Passed on 22 August 2002

Olswang

At an Extraordinary General Meeting of the Company duly convened and held at 1 Knightsbridge Green, London SW1X 7NE on the above date the following resolutions were duly passed, in the case of the first resolution, as a special resolution and, in the case of the second resolution, as an ordinary resolution:

SPECIAL RESOLUTION

1. **THAT**, subject to the passing of resolution 2 as set out in the notice convening the meeting at which this resolution was proposed:
 - (a) each of the 50,000 Redeemable Shares of £1.00 each in the authorised share capital of the Company be sub-divided and re-designated as 100 Ordinary Shares of 1 pence each and that the authorised share capital of the Company be and is hereby increased from £3,050,000 to £153,050,000 divided into 305,000,000 Ordinary Shares of 1 pence each and 15,000,000,000 Ordinary (Neptune Fund Units) Shares of 1 pence each, through the creation of 15,000,000,000 Ordinary (Neptune Fund Units) Shares of 1 pence each, the Ordinary Shares and the Ordinary (Neptune Fund Units) Shares to have the rights specified in the Articles of Association (as amended by this resolution);
 - (b) the directors of the Company be and are hereby generally and unconditionally authorised in accordance with section 80 of the Companies Act 1985 (the "Act"), without prejudice to and in addition to all existing authorities given to them, to exercise all the powers of the Company to allot relevant securities (as defined in that section) up to an aggregate nominal amount of £150,000,000 for a period expiring (unless previously renewed, varied or revoked by the Company in general meeting) on the date which is five years after the date of the passing of this resolution;
 - (c) subject to clearances in respect of the Proposals under section 707 of the Income and Corporation Taxes Act 1988, as amended and under section 138 of the Taxation of Chargeable Gains Act 1992, as amended being received (and with effect from the date on which the same are received if later than the date on which this resolution is passed) in form and substance reasonably satisfactory to the Directors, each of the Elected Shares be and is hereby divided into two shares of 0.5 pence each, and every two such shares of 0.5 pence each shall thereupon be consolidated into one Neptune Pool Share;
 - (d) the Articles of Association of the Company be and are hereby amended by:
 - (i) the deletion of Article 5.1 and the substitution thereof with the following new article 5.1:



"5.1 The share capital of the Company at the date of adoption of this Article is £153,050,000 divided into 305,000,000 Ordinary Shares of 1 pence each ("**Ordinary Shares**") and 15,000,000,000 Ordinary (Neptune Fund Units) Shares of 1 pence each ("**Neptune Pool Shares**").";

- (ii) the deletion of Articles 5.2 and 5.3 and the substitution thereof with the following new articles 5.2, 5.3, 5.4, 5.5 and 5.6:

"5.2 Rights attaching to the Ordinary Shares

5.2.1 Income

Subject to the rights of the Neptune Pool Shares (as described in Article 5.3) and the rights of the Deferred Shares (as described in Article 5.4), the Ordinary Shares carry the right to receive all the revenue profits of the Company (including accumulated revenue reserves) available for distribution and resolved to be distributed by way of interim or final dividend at such times as the directors of the Company may determine. The Ordinary Shares carry no right to participate as regards income in the income or revenues derived from the Neptune Pool.

5.2.2 Capital

On a winding-up or other return of capital of the Company, the surplus assets of the Company available for distribution after payment of all debts and satisfaction of all liabilities of the Company (including the costs of winding-up, if appropriate) and payment to the holders of the Neptune Pool Shares (as described in Article 5.3) and to holders of the Deferred Shares (as described in Article 5.4) will be paid to the holders of the Ordinary Shares (and distributed among such holders rateably according to the amounts paid or credited as paid up on the Ordinary Shares held by them respectively). The Ordinary Shares carry no right to participate as regards capital in the Neptune Pool.

5.2.3 Voting

The holders of Ordinary Shares shall have the right to receive notice of, to attend and vote at any general meeting of the Company. Every holder of an Ordinary Share present in person or (being a corporation) by a corporate representative at a meeting shall on a show of hands have one vote and on a poll, every such holder present in person or by proxy or (being a corporation)

by a representative shall have one vote in respect of each Ordinary Share held.

5.3 Rights attaching to the Neptune Pool Shares

5.3.1 Income

The Neptune Pool Shares carry the right to receive all the revenue profits arising from the Neptune Pool.

Notwithstanding this Article 5.3.1, the Neptune Pool Shares shall carry no right to participate as regards the income or revenues of the Company other than income or revenues derived from the Neptune Pool.

5.3.2 Capital

On a winding-up or other return of capital the Neptune Pool Shares shall rank first for repayment out of the assets of the Company of an amount in the aggregate for all the Neptune Pool Shares then in issue equal to the value of the whole of the net assets (including cash) comprised in the Neptune Pool after meeting all liabilities allocated to the Neptune Pool (distributed among the holders of such shares rateably according to the amounts paid or credited as paid up on the Neptune Pool Shares held by them respectively) and, on a reduction of capital by the cancellation of the Neptune Pool Shares pursuant to paragraph (f) of the resolution amending these Articles by the inclusion of this Article, the rights of the holders of the Neptune Shares shall be satisfied by the transfer to The Royal Bank of Scotland plc as trustee of The Neptune Fund (or its nominee) of the whole of the assets (including cash) comprised in the Neptune Pool.

Notwithstanding this Article 5.3.2, the Neptune Pool Shares shall carry no right to participate either as regards capital in the assets of the Company other than those (including cash) comprised in the Neptune Pool or the income or revenues therefrom.

5.3.3 Voting

The holders of the Neptune Pool Shares shall have the right to receive notice of, to attend and vote at any general meeting of the Company.

The aggregate number of votes which may be cast in respect of all the Neptune Pool Shares in issue (the

"Aggregate Number") shall be equal to the number of Neptune Pool Shares created in accordance with the provisions of paragraph (c) of the resolution by which, inter alia, the Articles were amended by the addition of this Article.

Every holder of a Neptune Pool Share present in person or (being a corporation) by a corporate representative at a meeting shall on a show of hands have one vote and on a poll, every such holder present in person or by proxy or (being a corporation) by a representative shall have in respect of each Neptune Pool Share held by him such proportion of one vote as is equal to the Aggregate Number divided by the total number of Neptune Pool Shares in issue at the commencement of the relevant meeting.

5.3.4 Variation of rights

So long as any Neptune Pool Shares remain in issue no resolution shall be passed at a general meeting of the Company whereby (i) the rights attaching to the Neptune Pool Shares shall be varied or abrogated or (ii) any redemption or repurchase of shares shall be approved, except in any such case with the sanction of an Extraordinary Resolution passed at a separate meeting of the holders of the Neptune Pool Shares passed in accordance with the provisions of these Articles.

5.4 Rights attaching to the Deferred Shares

5.4.1 Nominal Value

The Deferred Shares shall have a nominal value of 0.0001p.

5.4.2 Income

There shall be paid to the holders of the Deferred Shares on the Company's register of members on 30 June in each year a dividend of 0.0001p per Deferred Share. The holders of the Deferred Shares shall not be entitled to receive any further dividends or otherwise to participate in the profits of the Company.

5.4.3 Capital

On a return of assets on liquidation, after payment of all debts and satisfaction of all liabilities of the Company,

after payment to holders of Ordinary Shares of the amounts paid up on them and of the sum of £100,000 on each Ordinary Share, there shall be paid to the holders of the Deferred Shares from the surplus assets of the Company an amount on each Deferred Share equal to the amount paid up or credited as paid up on it. The holders of the Deferred Shares shall not be entitled to any other or further right to participate in the assets of the Company.

5.4.4 Voting and attendance at general meetings

The holders of the Deferred Shares shall have no rights to receive notice of or attend and vote at any general meeting of the Company.

5.4.5 Transfer and repurchase

The Deferred Shares shall not be transferable (other than as specified below) nor shall the holders of them be entitled to mortgage, pledge, charge or otherwise encumber them or create or dispose of or agree to create or dispose of any interest (within the meaning of section 208 of the Companies Act 1985) whatsoever in any Deferred Share. The conversion of all or any part of a share into Deferred Shares shall be deemed to confer on the Company an irrevocable authority at any time thereafter:

- (i) to appoint any person on behalf of any holder of Deferred Shares to enter into an agreement to transfer and to execute a transfer of the Deferred Shares to such person as the Board may determine without any payment being made in respect of that transfer;
- (ii) to cancel and/or purchase all or any of the Deferred Shares (in accordance with the provisions of the Companies Act 1985) without obtaining the sanction of the holder(s) of them for an aggregate price not exceeding £1.00; and
- (iii) pending any such transfer or cancellation or purchase to retain the certificate for those shares.

In order to give effect to any purchase in accordance with the provisions of this Article 5.4.5 the Company shall give the registered holder(s) of the Deferred Shares not less than 7 days' previous notice in writing (a "**Purchase Notice**") of its intention to purchase those

shares (which Purchase Notice may be conditional upon the Company securing the necessary consents for the purchase as required by the Companies Acts) and which Purchase Notice shall fix the time and place for the purchase and, at the time and place so fixed (but subject to satisfaction of any conditions which were set out in the Purchase Notice) the registered holder(s) shall be bound to surrender to the Company the certificates (if any) which it holds in respect of the Deferred Shares and a transfer in respect of those Deferred Shares. If on the day fixed for the purchase of the Deferred Shares, the registered holder(s) of them fails to deliver to the Company all or some of the transfers due to be delivered to it in accordance with the provisions of this Article, the Board shall authorise someone to execute and deliver those transfers on the registered holder(s)' behalf (and any such transfer(s) shall be as effective as if they had been executed by the relevant holder) and the Company shall promptly distribute the purchase monies as appropriate.

5.5 Pools

The Directors shall establish a separate fund or pool (the "**Neptune Pool**") for the Neptune Pool Shares and a separate fund or pool (the "**Continuing Pool**", each of the Neptune Pool and the Continuing Pool being hereafter in this Article referred to as a "**Pool**") for the Ordinary Shares (and any Redeemable Shares shall for this purpose be treated as a liability of the Continuing Pool), and shall maintain all the assets, income, earnings, liabilities, expenses and costs of each Pool segregated and separate from all other assets, income, earnings, liabilities, expenses and costs of the Company, and the following provisions shall apply thereto:

- 5.5.1 on the creation of the Neptune Pool, assets (including gilts and cash) shall be allocated to the Neptune Pool in the manner specified in the circular to shareholders of the Company incorporating a notice of a meeting dated 12 July 2002 (the "**Circular**") and thereafter, subject to the specific provisions of this Article, income and expenditures specifically attributable to any Pool shall be applied to that Pool;
- 5.5.2 for each Pool the Company shall keep separate books in which all transactions relating to that Pool shall be recorded and, in particular, the investments and liabilities and income and expenditure attributable to

that Pool shall be applied or charged to such Pool subject to the provisions of this Article;

- 5.5.3 any asset derived from any other asset or assets (whether cash or otherwise) comprised in any Pool shall be applied in the books of the Company to the same Pool as the asset or assets from which it was derived and any increase or diminution in the value of an asset comprised in a Pool shall be applied to that Pool;
- 5.5.4 any borrowings incurred after the date of creation of the Neptune Pool shall be treated as a liability of, and the assets or cash received on the creation of such borrowings an asset of, the Continuing Pool;
- 5.5.5 any costs or expenses (other than any periodic management fee) specifically incurred in the management of any Pool, and any dealing costs or duties arising specifically on a dealing with any of the assets in a Pool, shall be applied to that Pool;
- 5.5.5 the Neptune Pool shall be charged with the Elected Proportion (as defined in the Circular) of the periodic company secretarial charges payable by the Company to Sinclair Henderson Limited or any company in the same group as Sinclair Henderson Limited or otherwise in respect of the services of Sinclair Henderson Limited, time-apportioned if necessary so as to be in respect of the period between the date of creation of the Neptune Pool and the date on which the cancellation of the Neptune Pool Shares becomes effective;
- 5.5.6 all other charges and expenses payable to New Star Asset Management Limited or any company in the same group as New Star Asset Management Limited or to Sinclair Henderson Limited or any company in the same group as Sinclair Henderson Limited and all costs, expenses and liabilities of the Company to any directors of the Company or any company connected with any director of the Company shall be applied to the Continuing Pool; and
- 5.5.7 any further liabilities of the Company which arise after the creation of the Pools and which are not provided for in paragraphs 5.5.4 to 5.5.6 above shall be allocated between the two pools *pro rata* to their respective net asset values as at the date of creation of the Pools (save that, in the event of Article 5.6 applying, such liabilities shall be reallocated between the two Pools *pro rata* to

their respective net asset values as at the Reconversion Date (as defined in Article 5.6)).

5.6 Failure of the Proposals

If the Proposals (as defined in the Circular and as modified as described in the circular to shareholders of the Company dated 25 July 2002) have not been successfully implemented by close of business on 14 October 2002 (the "**Reconversion Date**"), the following shall occur in respect of any Neptune Pool Shares in issue on that date:

5.6.1 The Directors shall seek to establish the Formula Asset Value of the Continuing Pool and the Neptune Pool as at close of business on the Reconversion Date. The Formula Asset Value of each Pool shall be determined in accordance with the formula set out in paragraph 4 of Part III of the Circular and, for these purposes, the "Calculation Date" shall be the Reconversion Date. Promptly following the Directors' determination of the Formula Asset Value of the Continuing Pool and the Neptune Pool, the Auditors (or such other independent valuer as may be agreed between the Company and Jupiter) will report to the Company and Jupiter (i) on the values of the assets and liabilities included in the calculation of the Formula Asset Value of the Continuing Pool and the Neptune Pool as at close of business on the Reconversion Date; and (ii) on the calculation of the Formula Asset Value of the Continuing Pool and of the Neptune Pool at close of business on the Reconversion Date; (iii) to the extent (if at all) that the Auditors report that in their opinion the Formula Asset Value of the Continuing Pool and/or the Formula Asset Value of the Neptune Pool has not been determined in accordance with the formula set out in Part III of the Circular, such adjustments as the Auditors recommend shall be made to the calculations of the Formula Asset Values of the Continuing Pool and of the Neptune Pool (as appropriate).

5.6.2 The Formula Asset Value of an Ordinary Share as at close of business on the Reconversion Date shall be the Formula Asset Value of the Continuing Pool (as determined in accordance with Article 5.6.1 above) divided by the number of Ordinary Shares in issue at close of business on the Reconversion Date and the Formula Asset Value of a Neptune Pool Share as at close of business on the Reconversion Date shall be determined by dividing the Formula Asset Value of the

Neptune Pool (as determined in accordance with Article 5.6.1 above) by the number of Neptune Pool Shares in issue at close of business on the Reconversion Date.

5.6.3 If the Formula Asset Value of an Ordinary Share as at close of business on the Reconversion Date is equal to the Formula Asset Value of a Neptune Pool Share at that time, each Neptune Pool Share shall be re-designated as an Ordinary Share.

5.6.4 If the Formula Asset Value of an Ordinary Share as at close of business on the Reconversion Date is greater than the Formula Asset Value of a Neptune Pool Share at that time, each of the Neptune Pool Shares shall be converted into Ordinary Shares and Deferred Shares by consolidating each holding of Neptune Pool Shares appearing in the register of members of the Company at the close of business on the Reconversion Date and then sub-dividing and reclassifying that holding so that, following any such consolidation, sub-division and reclassification each holder of Neptune Pool Shares shall hold y Ordinary Shares and z Deferred Shares in respect of his previous holding of Ordinary Shares where:

$$y = \frac{A \times B}{C}$$

$$z = \frac{D}{0.0001}$$

and:

A = the Formula Asset Value of a Neptune Pool Share at close of business on the Reconversion Date, expressed in pence

B = the number of Neptune Pool Shares comprised within the holder of the Neptune Pool Shares' holding of Neptune Pool Shares at close of business on the Reconversion Date

C = the Formula Asset Value of an Ordinary Share at close of business on the Reconversion Date, expressed in pence

D = B - y

provided that if, upon conversion of any holding of Neptune Pool Shares a fraction of an Ordinary Share would (but for the provisions of this paragraph) be

created, then y shall be rounded down to the nearest whole number and the fraction of an Ordinary Share arising will be aggregated with all other fractions of Ordinary Shares arising upon the conversion of any other holding of Neptune Pool Shares and sold in the market for the benefit of the Company.

- 5.6.5 If the Formula Asset Value of an Ordinary Share as at close of business on the Reconversion Date is less than the Formula Asset Value of a Neptune Pool Share at that time, each Neptune Pool Share shall be redesignated as one Ordinary Share and, in addition, each holder of Neptune Pool Shares shall be allotted (by capitalising part of the share premium account of the Company and/or any reserve account of the Company created on any reduction of capital or share premium account of the Company becoming effective) such number of additional Ordinary Shares as is equal to y where:

$$y = \frac{A \times B}{C} - B$$

and:

A = the Formula Asset Value of a Neptune Pool Share at close of business on the Reconversion Date, expressed in pence

B = the number of Neptune Pool Shares comprised within the holder of the Neptune Pool Shares' holding of Neptune Pool Shares at close of business on the Reconversion Date

C = the Formula Asset Value of an Ordinary Share at close of business on the Reconversion Date, expressed in pence

provided that if, a fraction of an Ordinary Share would (but for the provisions of this paragraph) be required to be allotted, then y shall be rounded down to the nearest whole number.

- 5.6.6 The Company shall use all reasonable endeavours to ensure that the Ordinary Shares arising as a result of this Article 5.6 shall be admitted to listing on the Official List of the UK Listing Authority and to trading on the London Stock Exchange's market for listed securities.";

- (iv) the insertion of a new Article 114A after Article 114 as follows:

"114A. Capitalisation of reserves for purposes of Proposals

Without prejudice to the generality of Article 114 but in addition to the powers of the Board under Article 114, the Board may (and shall) for the purposes of the Proposals from time to time:

- 114A.1 resolve to capitalise all or any part of the amount for the time being standing to the credit of the Company's share premium account and/or all or any part of the amount for the time being standing to the credit of any reserve account of the Company created on any reduction of capital or share premium account of the Company becoming effective, and for this purpose the Board may determine which account shall be so capitalised and/or the proportions in which the said accounts shall be capitalised;
- 114A.2 appropriate the sum or sums resolved to be capitalised to the holders of the Neptune Pool Shares in proportion to the nominal amount of the shares (whether or not fully paid) held by them and apply that sum on their behalf in or towards paying up in full unissued Neptune Pool Shares of a nominal amount equal to that sum;
- 114A.3 allot the shares, credited as fully paid, to the holders of the Neptune Pool Shares (or as they may direct) in those proportions; and
- 114A.4 generally do all acts and things in connection therewith to give effect to the Proposals.


In this Article 114A, "Proposals" means the Proposals as defined in the circular to shareholders of the Company dated 12 July 2002 and as modified as described in the circular to shareholders of the Company dated 25 July 2002.";

- (e) the Directors be and are hereby authorised and directed to cause the Company to enter into and perform the terms of the Transfer Agreement;

- (f) the share capital of the Company be and is hereby reduced by cancelling and extinguishing all the Neptune Pool Shares of 1 pence each in the Company in issue as at the date of the order made on the hearing of the petition for confirmation of the reduction in consideration for the transfer to the Neptune Fund Trustee of the assets comprised in the Neptune Pool and the issue by the Neptune Fund Trustee of Neptune Fund Units to the former holders of the Neptune Pool Shares in the manner required by the Transfer Agreement; and
- (g) terms used in this resolution and not otherwise defined bear the same meanings as in the Circular to shareholders of the Company incorporating a notice of meeting dated 12 July 2002.

ORDINARY RESOLUTION

- 2. **THAT** the waiver, on the terms described in the section headed "Resolution 2 to be proposed at the Extraordinary General Meeting" in Part I of the Circular (the "**Circular**") to shareholders of the Company dated 12 July 2002, by the Panel on Takeovers and Mergers of any requirement under Rule 9 of the City Code on Takeovers and Mergers for John Duffield to make a general offer to shareholders of the Company as a result of any increase in his shareholding occurring as a result of any reduction in the Company's share capital occurring as a result of implementation of the Proposals described in the Circular (as modified as described in the circular to shareholders of the Company dated 25 July 2002) be and it is hereby approved.



Chairman